

The Rightmove House Price Index

The largest monthly sample of residential property prices

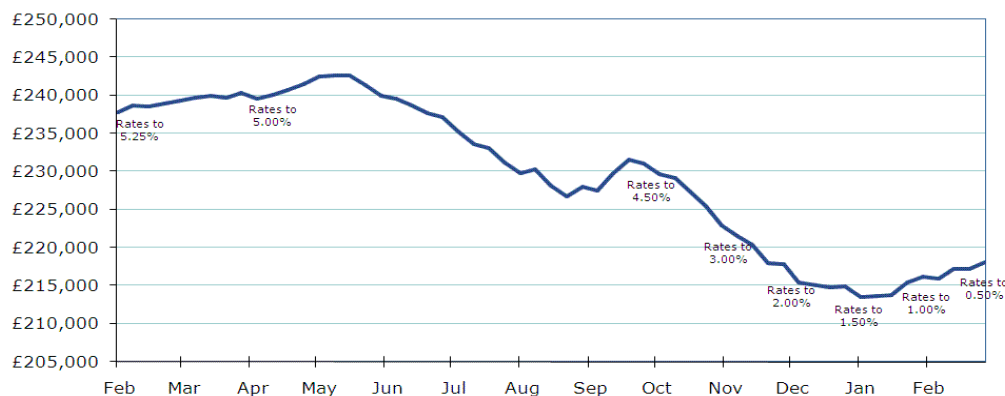
Under embargo for 0001 hours: Monday 16th March 2009

Encouraging spring impetus as buyers look for bargains

	March	February
Average Property Asking Price	£218,081	£216,163
% Change in Month	0.9%	1.2%
% Change in Past Year	-9.0%	-9.1%
Monthly Index (Jan 2002=100)	177.4	175.9

- Encouraging spring impetus, though tempered by those willing to market raising average asking prices by £1,918 and continuing restrictions on lending as banks are only now facing up to declaration of toxic debt
- Agents report renewed buyer interest and a price floor at circa 25% below peak prices
- High proportion of spring sellers deterred by stark choices required to 'do a deal' with dramatic 57% fall in new listings - 79,000 this month compared to 182,000 last year
- Enquiries 120% up on last year, and active minority willing or able to trade push average time on the market down from 91 to 82 days
- Investor interest picks up as yields on property rental look more attractive compared to record low interest rates.

Rightmove Monthly Asking Price Trend



Rightmove measured 78,901 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 8th February 2009 to 7th March 2009 and advertised on Rightmove.co.uk.

Rightmove.co.uk is the UK's largest property web site, advertising around 90% of all homes for sale via estate agents across the UK. The site attracts over 30 million visits from home movers each month who view in excess of 400 million pages. Each month Rightmove uses asking price data of up to 200,000 properties coming onto the market to produce this House Price Index - the largest, most accurate and up-to-date monthly index.

Released 16th March 2009

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For media enquiries and interviews please contact:

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Overview

Unsurprisingly, the majority of prospective spring sellers are being deterred by the conditions attached to doing a deal in the current market. There is evidence of buyer appetite at around 25% below peak prices and this level of discount is likely to be a major factor preventing many aspiring sellers from coming to market. Numbers are down a dramatic 57%, with only 78,901 new sellers this month compared to 181,840 in the same month last year. In addition, those sellers who have marketed in the last 4 weeks are showing resistance to the new reality by starting at prices £1,918 (0.9%) higher than the previous month. This small increase in asking prices may also reflect estate agents having to compete for the limited numbers of good quality homes coming to the market. To win new instructions, agents are agreeing to vendors' demands and marketing properties at what seem like unrealistically high prices for a short period of time. They then have to persuade vendors to reduce the price to the point at which buyer interest is going to be found. This not only wastes the valuable early period of marketing, but is also likely to lead to a lower eventual price, as buyers scent a price reduction and offer even less.

Disappointingly too, the minority of buyers and sellers who are adjusting to the new market reality are finding that mortgage funding from the banking sector remains scarce, decreasing the odds of a speedier market recovery.

Miles Shippside, commercial director at Rightmove comments: "Some sellers are still pricing wishfully high, though it is encouraging that elements of the market have adapted relatively quickly to find a new price floor at a discount of around 25% from peak. We are seeing a big jump in enquires, looking for those best buys. However, it is disappointingly predictable that the banking sector is still in the early stages of coming clean about its levels of toxic debt, limiting funding for one of the few bright spots of consumer demand in the economy. Until banks get their own houses in order, the active minority of sellers and agents who have drastically adjusted pricing will remain frustrated by the limited functioning of the financial services sector."

This is the lowest number of new sellers Rightmove has measured in a March market since 2003. Concerns over extending their exposure to credit in the face of growing unemployment, as well as its limited availability, are likely inhibitors to this year's traditional spring trading-up season. An additional burden for sellers will occur from April 6th, when they will have to wait several days for a completed HIP to arrive in the agent's office, rather than be able to market immediately. Sellers must also overcome a psychological barrier when accepting a paper loss from what a property's value might have been, though for some more recent buyers the paper loss becomes very tangible when negative equity prevents them trading at this new price floor. Those who are serious about selling should be encouraged by a fall in average time on the market, down from 91 days to 82 days. Average unsold stock per estate agency branch has also fallen slightly from 72 to 71, in spite of surviving agents sharing the inventory of the thousands of branches that have closed. The combination of limited supply of new sellers and the falling stock on agents' registers results in those remaining on the market having the opportunity of selling quicker if they are well priced, well presented and well promoted.

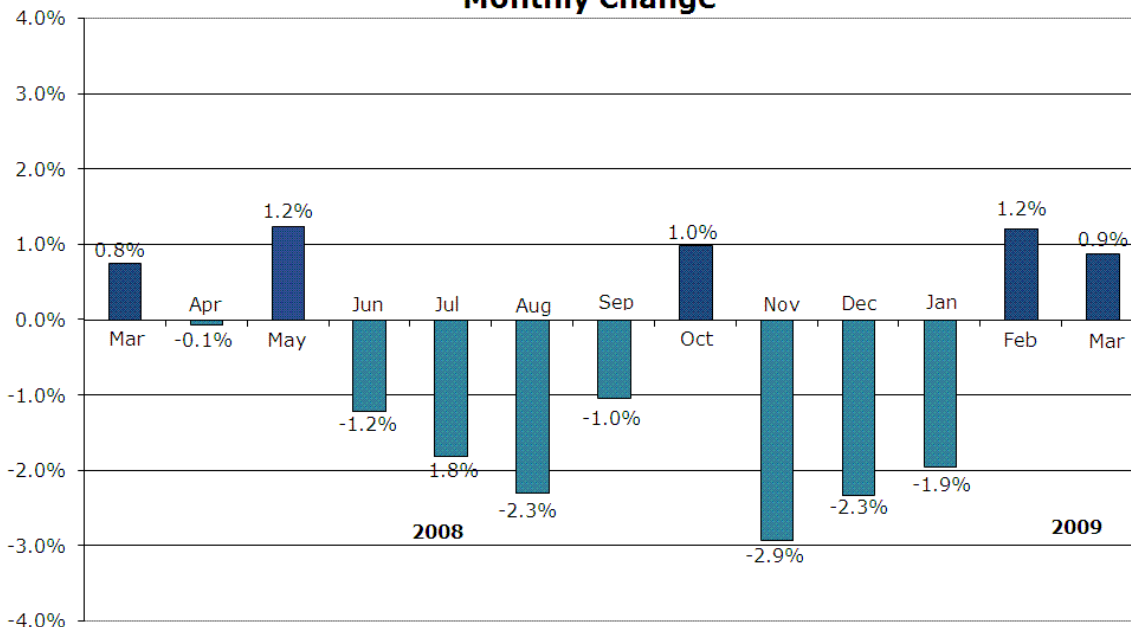
Shippside comments: "Rightmove advised sellers in March last year to 'get smart' and price sensibly rather than chase prices down in a deteriorating market. Those that acted smartly may well have sold at half the discount that those who over-priced are now facing. Pricing to sell and presenting well are still just as important one year on, with Rightmove showing a return of buyer activity when you get it right. Odds of selling would be much further improved however if current mortgage approval volumes were allowed to rise above 40,000 a month, around one third of traditional levels. Without this stimulus we are destined to 'bump along the bottom' in both transaction volumes and the prices at which deals are struck. One characteristic of this will be a period of fluctuation between price rises and price falls as lower activity increases the level of volatility."

The low number of new listings also indicates that the increased focus on ensuring that mortgage lenders 'Treat Customers Fairly' when they fall into arrears, and the newly introduced 'Pre-Action Protocol' are starting to have an effect and are limiting new repossession numbers. Periods of grace are being extended by lenders and all alternatives to repossession are being sought. This may prove to be a temporary respite, as in some cases there may eventually be no alternative to repossession.

A stimulus to lending could help boost the market and sentiment prior to potential forced sellers entering the market, preventing speculation of further downward pressure on prices. With building societies fighting a losing battle for savers' funds due to falling base rates, it falls upon banks and the Government to engineer improved mortgage availability to satisfy demand for responsible lending. Pent-up interest in property is again evidenced by enquiries on Rightmove being up by 120% compared to the same period last year. Agents also report fewer sales falling through, with increased competition for the best buys as well as buyers now feeling more confident they are buying close to the bottom of the market. Interest from investors has also picked up markedly. In spite of rents being under pressure from increased supply, yields are looking increasingly attractive compared to the returns available on other asset classes.

Shipside adds: "Against the backdrop of the worst housing market for 50 years, buyers and sellers can be successfully brought together. Some buyers, sellers and those in the property industry have adapted relatively quickly. Estate agents have shed thousands of staff, cut out non-essential expenditure and expanded into lettings. Cut-throat competition to put more deals together will force more innovative approaches within the industry, and it is a shame this is not being matched by the mortgage providers."

Monthly Change



Time on Market Indicator



Released 16th March 2009

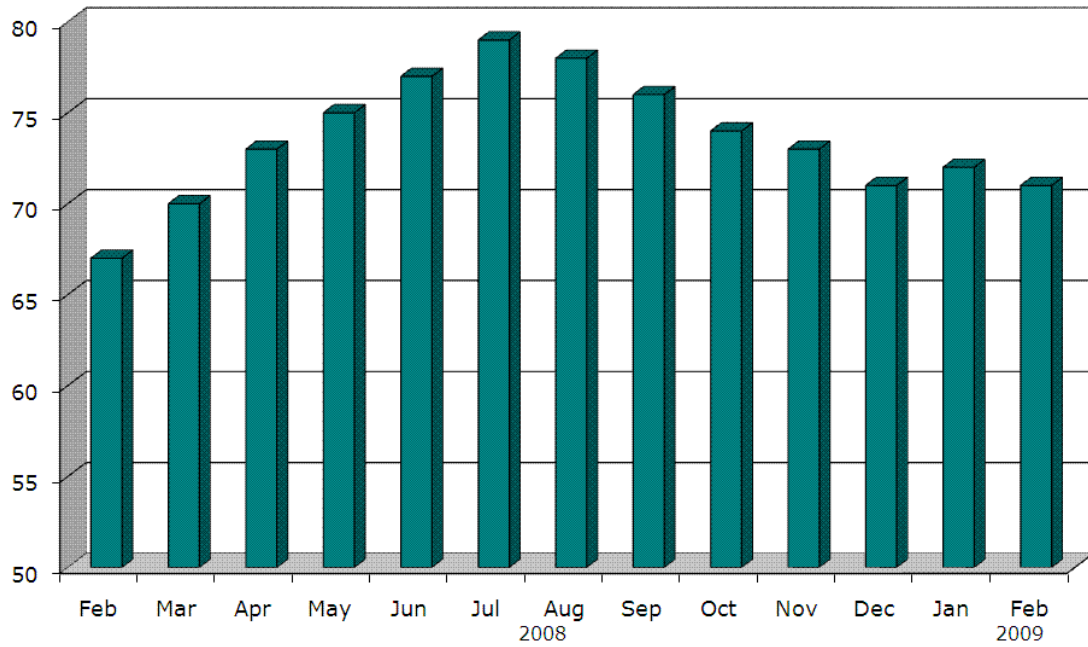
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Average properties for sale per Estate Agent



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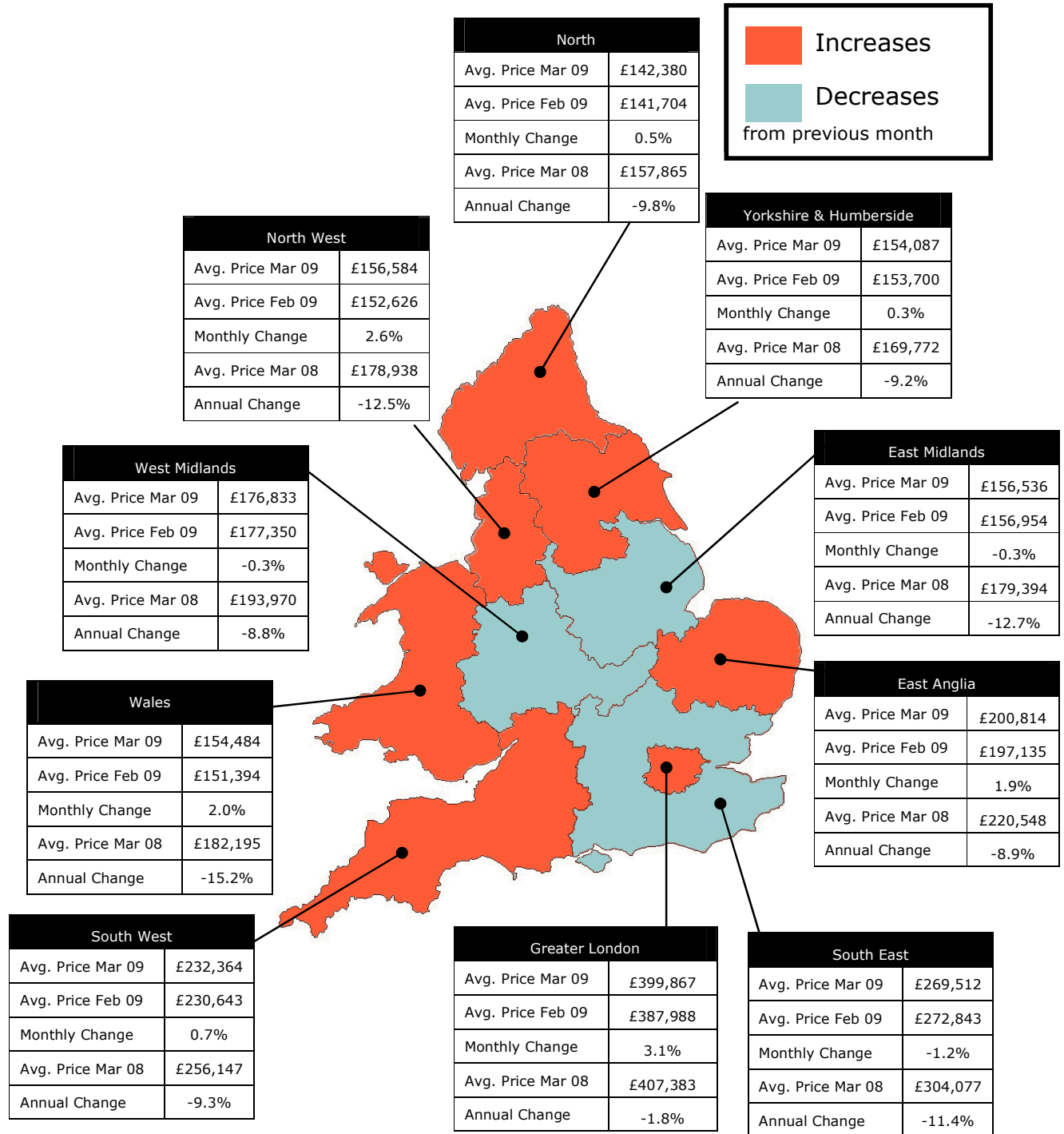
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Regions of England & Wales



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National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
March 2008	195.0	+0.8%	£239,655
April 2008	194.9	-0.1%	£239,521
May 2008	197.3	+1.2%	£242,500
June 2008	194.9	-1.2%	£239,564
July 2008	191.4	-1.8%	£235,219
August 2008	187.0	-2.3%	£229,816
September 2008	185.0	-1.0%	£227,438
October 2008	186.9	+1.0%	£229,691
November 2008	181.4	-2.9%	£222,979
December 2008	177.2	-2.3%	£217,808
January 2009	173.8	-1.9%	£213,570
February 2009	175.9	+1.2%	£216,163
March 2009	177.4	+0.9%	£218,081
Annual Change	-17.6	-9.0%	£21,574

(National asking price includes other property types that are not classified below)

National Asking Price Trend by Property Type

Month	Detached	Semi-Detached	Terraced	Flats/Apartments
March 2008	£340,632	£207,141	£186,797	£199,912
April 2008	£344,140	£206,452	£184,624	£198,873
May 2008	£344,706	£206,327	£183,833	£199,076
June 2008	£343,167	£204,036	£182,611	£196,699
July 2008	£338,319	£200,736	£180,449	£192,006
August 2008	£330,312	£198,079	£174,364	£189,965
September 2008	£327,568	£195,188	£174,270	£184,542
October 2008	£334,518	£193,143	£173,858	£187,051
November 2008	£323,690	£188,219	£170,740	£183,501
December 2008	£317,998	£185,471	£164,512	£175,915
January 2009	£314,282	£181,093	£161,667	£173,613
February 2009	£307,787	£183,208	£166,302	£179,063
March 2009	£312,893	£184,300	£168,828	£184,821
Annual Change	-8.1%	-11.0%	-9.6%	-7.5%

Press enquiries regarding the methodology employed and access to further analysis of the data held by rightmove.co.uk should be directed to the Press Office on press@rightmove.co.uk or call 0845 456 8439

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London's Best Performers March 2009

London's Top 5	Avg. Price Mar 09	Avg. Price Feb 09	Monthly Change
Brent	£533,826	£469,943	13.6%
Wandsworth	£549,469	£498,377	10.3%
Camden	£779,374	£717,391	8.6%
City of Westminster	£1,182,176	£1,089,682	8.5%
Lambeth	£402,521	£375,841	7.1%

London's Worst Performers March 2009

London's Bottom 5	Avg. Price Mar 09	Avg. Price Feb 09	Monthly Change
Redbridge	£265,767	£271,747	-2.2%
Hounslow	£428,820	£436,496	-1.8%
Kingston-upon-Thames	£488,248	£494,936	-1.4%
Sutton	£304,238	£308,099	-1.3%
Kensington and Chelsea	£1,995,389	£1,978,468	0.9%

London Time on Market

Time on Market Indicator



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London Boroughs

Borough	Avg. Price Mar 09	Avg. Price Feb 09	Monthly Change	Avg. Price Mar 09	Annual Change
Kensington and Chelsea	£1,995,389	£1,978,468	0.9%	£1,491,547	33.8%
City of Westminster	£1,182,176	£1,089,682	8.5%	£989,747	19.4%
Camden	£779,374	£717,391	8.6%	£720,844	8.1%
Hammersmith and Fulham	£725,326	£694,059	4.5%	£706,542	2.7%
Islington	£580,684	£561,381	3.4%	£542,042	7.1%
Richmond-upon-Thames	£554,458	£547,911	1.2%	£549,853	0.8%
Wandsworth	£549,469	£498,377	10.3%	£535,488	2.6%
Brent	£533,826	£469,943	13.6%	£525,346	1.6%
Barnet	£500,691	£475,157	5.4%	£463,124	8.1%
Kingston-upon-Thames	£488,248	£494,936	-1.4%	£504,340	-3.2%
Haringey	£448,664	£442,642	1.4%	£420,491	6.7%
Hackney	£429,428	£421,037	2.0%	£462,857	-7.2%
Hounslow	£428,820	£436,496	-1.8%	£471,025	-9.0%
Lambeth	£402,521	£375,841	7.1%	£409,809	-1.8%
Merton	£396,883	£390,632	1.6%	£402,841	-1.5%
Tower Hamlets	£387,817	£376,103	3.1%	£401,714	-3.5%
Ealing	£376,064	£370,977	1.4%	£423,441	-11.2%
Southwark	£364,559	£352,307	3.5%	£377,724	-3.5%
Hillingdon	£344,825	£339,555	1.6%	£348,595	-1.1%
Lewisham	£325,893	£317,193	2.7%	£331,473	-1.7%
Bromley	£323,264	£315,668	2.4%	£331,030	-2.3%
Harrow	£314,582	£307,627	2.3%	£331,657	-5.1%
Enfield	£311,998	£302,246	3.2%	£320,972	-2.8%
Sutton	£304,238	£308,099	-1.3%	£347,672	-12.5%
Redbridge	£265,767	£271,747	-2.2%	£293,685	-9.5%
Croydon	£265,090	£254,538	4.1%	£290,764	-8.8%
Waltham Forest	£264,932	£261,093	1.5%	£304,654	-13.0%
Havering	£257,046	£246,932	4.1%	£263,272	-2.4%
Greenwich	£240,047	£237,511	1.1%	£259,979	-7.7%
Newham	£217,374	£214,095	1.5%	£258,739	-16.0%
Barking and Dagenham	£212,329	£206,279	2.9%	£232,333	-8.6%
Bexley	£209,015	£205,613	1.7%	£226,435	-7.7%

(City of London excluded due to small number of residential properties.)

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Index Comparison

	March 09		February 09		January 09	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£218,081	+0.9%	£216,163	+1.2%	£213,570	-1.9%
Halifax	N/A*	N/A*	£160,237	-2.3%	£163,966	+1.9%
Nationwide	N/A*	N/A*	£147,746	-1.8%	£150,501	-1.3%

* Published at the beginning of next month for Halifax and at the end of this month for Nationwide

Rightmove: compiled from asking prices of properties as they come on the market via Rightmove's member estate agents over the previous month, covering over 90% the market. Not seasonally adjusted. (Seasonally adjusted figure used for the Halifax from Nov 2003, as no unadjusted figure has been published.)

Halifax: based on mortgage approvals of loans agreed by Halifax Bank of Scotland over the previous month, seasonally adjusted.

Nationwide: based on mortgage approvals of loans agreed by Nationwide Building Society over the previous month, seasonally adjusted.

Rightmove measures asking prices and does not seasonally adjust its figures, while Nationwide and Halifax both report data based on mortgage offers, seasonally adjusted. The index offered by the CLG (Department of Communities and Local Government) measure prices at completion stage, not seasonally adjusted.

Editors' notes

Advertising property for over 90% of all UK estate agents, Rightmove is in a unique position to identify any immediate changes in the market. Using a larger sample than any other house price reports, Rightmove's **House Price Index** is compiled from the asking prices of properties coming onto the market via Rightmove.co.uk's 11,500 estate agency branches. Rather than being a survey of opinions as with some other indices, it is produced from factual data of actual prices of properties currently on the market. The sample includes up to 200,000 homes each month – representing circa 90% of the market, the largest and most up-to-date monthly sample of any house price indicator in the UK. 95% of properties are sold via an agent, while only 75% are purchased with a mortgage. The index differs from other house price indicators in that it reflects asking prices when properties first come onto the market, rather than those recorded by lenders during the mortgage application process or final sales prices reported to the Land Registry. In essence, Rightmove's index measures prices at the very beginning of the home buying and selling process while other indices measure prices at points later in the process. Having a large sample size and being very up-to-date, the Rightmove Index has established itself as a reliable indicator of current and future trends of the housing market.

This month 8,177 properties have been excluded due to being anomalies.

About Rightmove.co.uk:

Rightmove.co.uk is the UK's leading property website, displaying details of homes for sale or rent to the largest online audience. It has around 90% of all properties for sale and at any time displays a stock of over one million properties to buy or rent, worth around £270 billion. All eight corporate estate agents (those with 100 or more branches) list their properties on the site. The Rightmove.co.uk site receives over 30 million visits every month and is consistently ranked number one property website in the UK (source: Hitwise).

For further information on methodology please contact the Press Office on press@rightmove.co.uk or call 0845 456 8439

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