

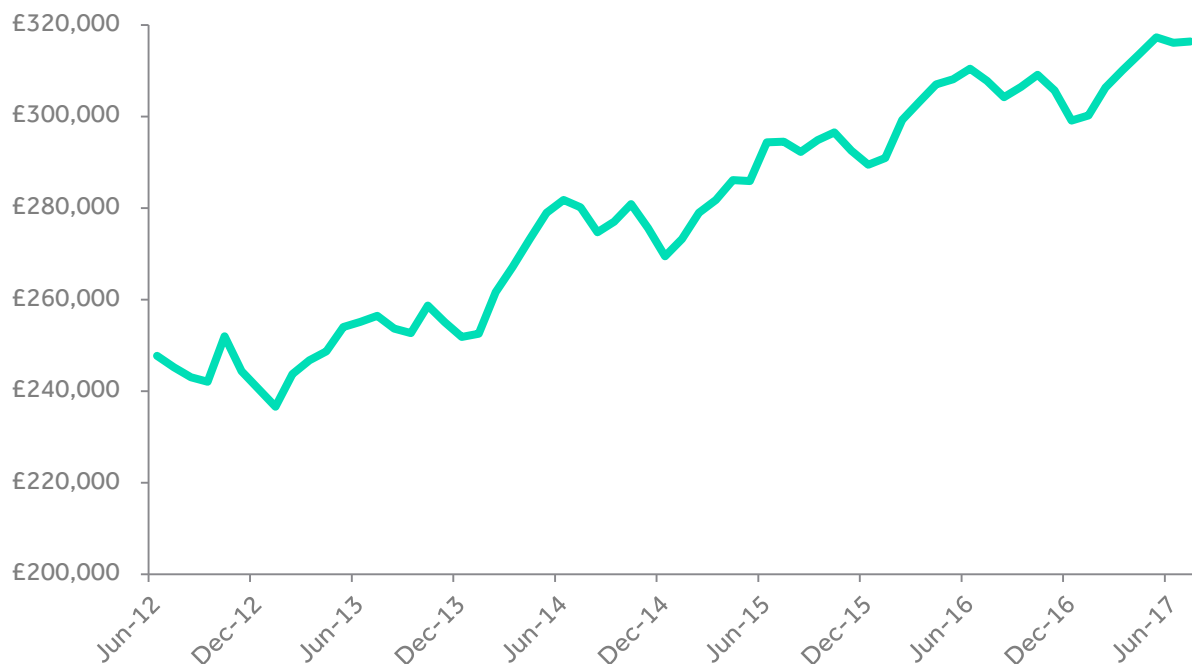


## Plethora of sold boards restricts choice as buyer demand remains strong

- Newly-marketed property prices at virtual standstill, up by 0.1% (+£312) as we enter quieter holiday season
- Fundamentals remain good mid-year with robust demand, low interest rates and low unemployment:
  - Sales agreed numbers remain strong year-to-date in 2017, almost identical to 2016
  - Prospective buyers in many parts of the country are seeing the highest proportion of properties marked as sold than at any time in the last seven years
  - Even with 7.6% more sellers coming to market this month compared to this time last year, buyer choice is restricted as supply fails to keep pace with strong sales and buyer demand
- Stretched buyer affordability acting as a price brake with national average at a modest +2.8%, with buyers very price sensitive and some properties hitting their price ceiling

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
July 2017	£316,421	+0.1%	+2.8%	260.5
June 2017	£316,109	-0.4%	+1.8%	260.2
National average asking prices by market sector (excluding Inner London)				
Sector	July 2017	June 2017	Monthly change	Annual change
First-time buyers	£196,450	£199,943	-1.7%	+3.8%
Second-steppers	£267,637	£268,685	-0.4%	+3.5%
Top of the ladder	£567,113	£566,515	+0.1%	+2.2%

## Monthly asking price trend





## Overview

The onset of the summer holiday season generally has a dampening effect on both prices and activity, and this month sees the price of newly-marketed property at a virtual standstill, up by just 0.1% (+£312). To put it into context, this is a stronger price performance than the previous month's fall of 0.4%, and is also well ahead of the same month a year ago which suffered a fall of 0.9% after the Brexit referendum.

As we reach the half-way point of 2017 the fundamentals of the housing market appear to remain robust a year after the shock referendum result. Interest rates and unemployment remain low, and demand for housing remains high, exacerbated by the shortage of available unsold property for sale. This means prospective buyers in many parts of the country are seeing a lot of sold boards on properties they would like to buy themselves. Indeed, the strength of buyer demand and lack of new build and existing property coming to market have resulted in over 45% of agents' property stock being sold subject to contract. This is the highest proportion ever recorded by Rightmove since we started tracking it seven years ago.

Miles Shipside, Rightmove director and housing market analyst comments: *"Prices are in the summer doldrums. Sellers coming to market at this time of year have to price more keenly as the traditionally bubblier spring selling season is over and prospective buyers are distracted by their own summer holiday plans. A year on from the shock referendum result and subsequent dent in activity levels, the fundamentals remain strong. Low unemployment, low interest rates, strong demand and historic undersupply of homes are mitigating any wobbles in confidence and as a result nearly half the properties on the market, over 45%, have sold signs slapped across them."*

Compared to the period around the referendum a year ago, more sellers have come to market and more buyers are buying. The number of sales agreed is up by 4.6% in June 2017 compared to June 2016, and the number of sellers coming to market is also up on the same period a year ago, with a 7.6% increase in fresh choice. The recovery in buyer activity has also meant that sales agreed year-to-date in 2017 are now virtually on a par with the same period in 2016 which was boosted by the rush to beat the April 2016 stamp duty deadline, running at just 0.4% down.

Shipside observes: *"The half way point of 2017 is a useful time to make a comparison with the previous year and the number of sales being agreed by agents is uncannily within fractions of a percent of the number at the same half-way point of last year. This year and last year have had their own shocks and distortions, but these statistics show that the distractions have been short-lived and have now evened themselves out. While the number of existing owners coming to market this month is up in eight out of ten regions compared to a year ago, giving more fresh choice, it has to be kept in mind that the comparison is against a subdued new listing period in 2016 around the time of the referendum."*

However, in spite of high demand and lack of suitable supply, stretched buyer affordability continues to act as a price brake. Though all regions have seen year-on-year price rises, the national average stands at a relatively subdued +2.8%.

Shipside cautions: *"Despite the number of sold boards outside people's properties nearly equalling the number of properties that are still up for sale, especially as you go further north, sellers should note the market remains very price sensitive as some properties are hitting their price ceiling. Buyers, many of whom are sellers too, will struggle to afford to pay much more. Wage growth is muted, there are signs that consumer credit is tightening, and at some point there will be the first rise in mortgage interest rates for a decade or more which will come as a shock to buyers who have either forgotten or have never experienced interest rates going up as well as down. We can see now that price rises are muted despite high housing demand, indicating we have left the stage of the cycle where price rises*



*exceed the rate of inflation. High demand will continue to underpin prices, but we are seeing stretched affordability limiting the pace of rises, especially in the south of the country."*

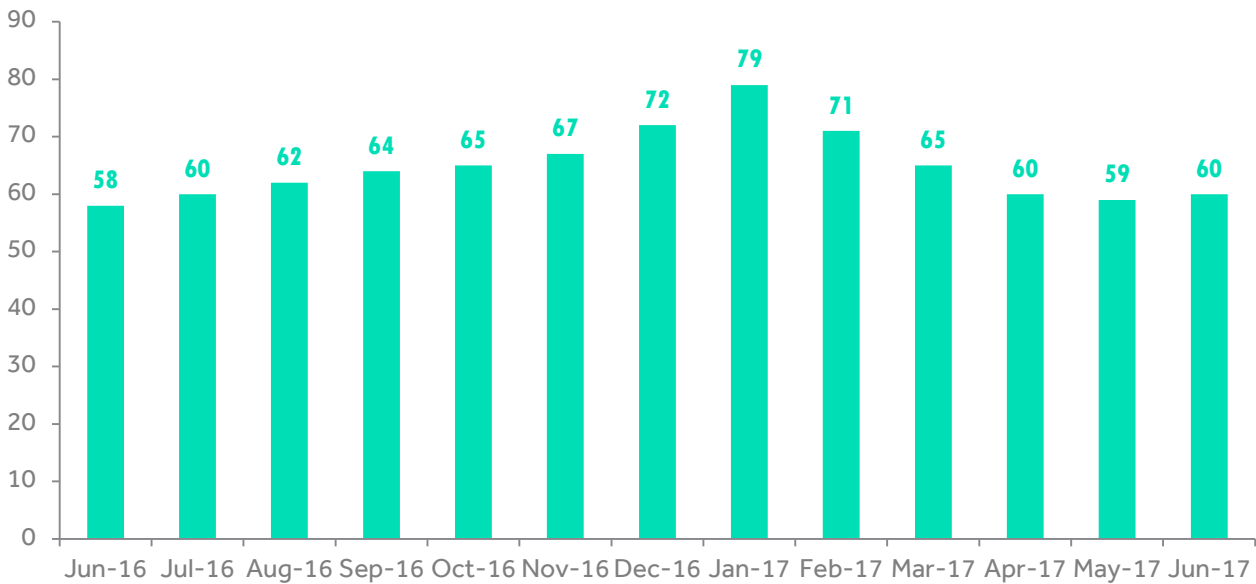
## Agents' Views

Nick Leeming, Jackson-Stops & Staff Chairman, commented: *"Prospective buyers are savvy and know that property market conditions are in their favour. The only way is up for interest rates, and with great mortgage deals available, now is the time to buy. However, the issue that still needs tackling is the lack of housing supply. It is positive to see Rightmove's data showing stock levels up on last year but much more work needs to be done to get Britain building more high quality, new homes across the country, suitable for a range of demographics and lifestyles. With housing minister Alok Sharma now in the driving seat, it will be interesting to see whether the long awaited Housing White Paper rears its head from its hiatus. I am hopeful a change in housing minister will get the ball rolling again on renewed levels of home building."*

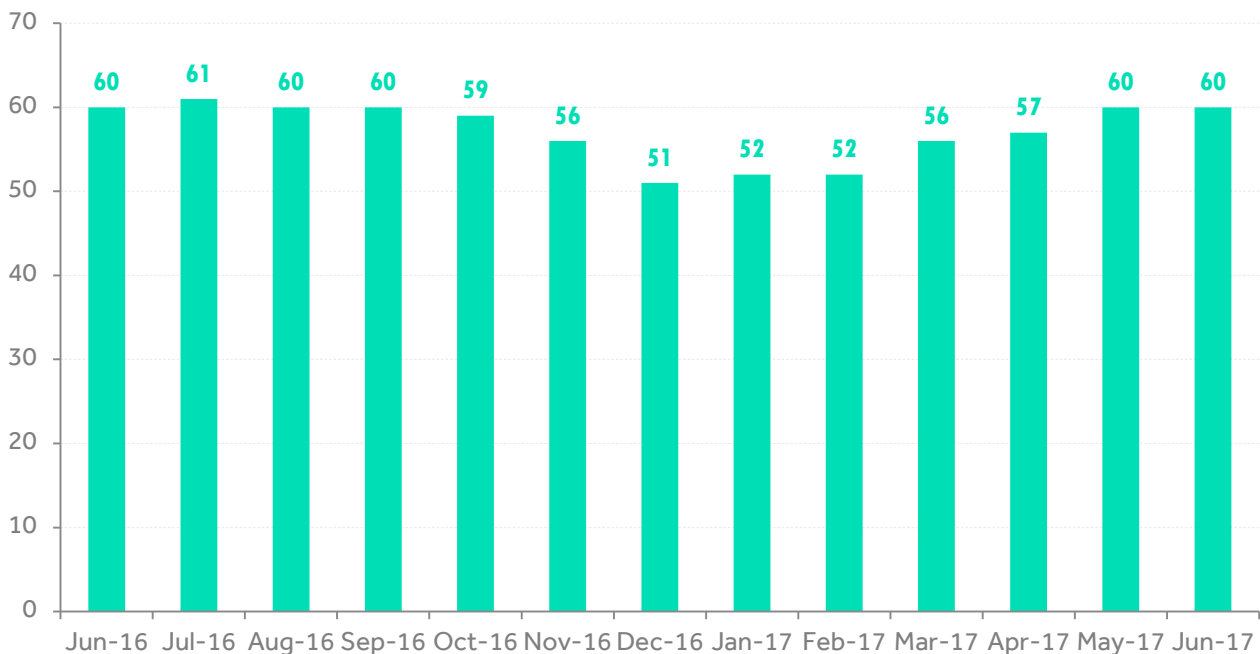
Mark Manning, Director of Manning Stainton in Leeds, Harrogate, Wetherby and Wakefield said: *"The market at present is certainly not a one filled with great furore yet demand still persists particularly for good quality family housing at accessible price points. This year so far we have seen a more modest growth in our average sale price across our region with activity on new listings and sales remaining broadly in line with 2016. That being said evidence from our network suggests that certain pockets of the market are becoming a little more testing which may indicate some price resistance creeping in as we enter the summer months. Without doubt the biggest challenge remains in bringing each sale from under offer through to completion with far greater resource being focused on this part of the process than ever before."*



## Average 'time to sell' (no. of days) - National

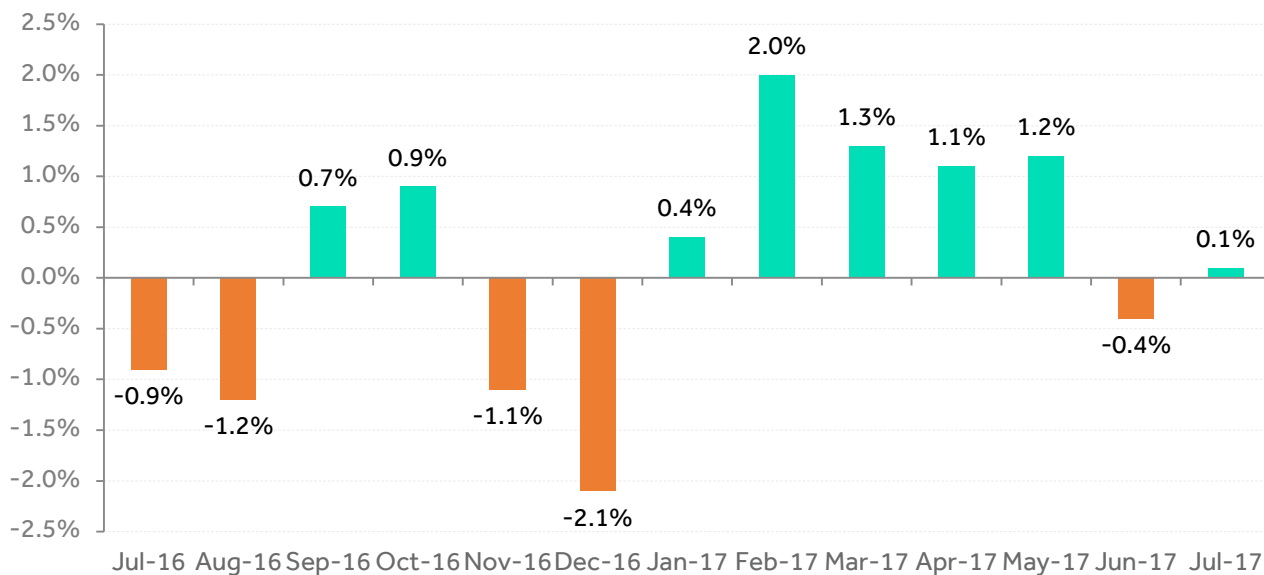


## Average stock per agent (including Under Offer/Sold STC)





## % monthly change in average asking prices

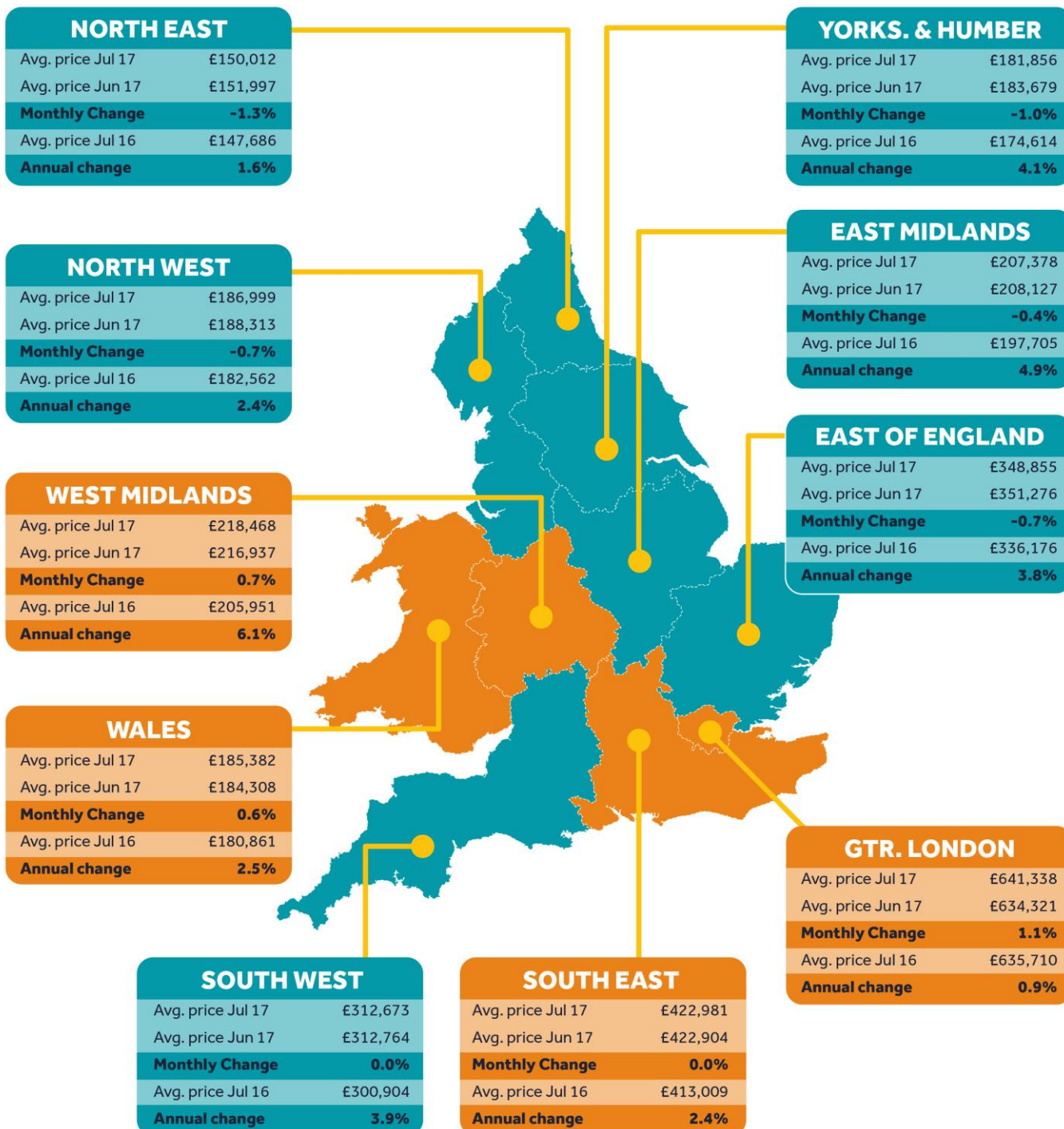






## Regional trends

■ Increase from previous month    
 ■ Decrease from previous month    
 ■ No change





## Inner London drives 1.1% monthly rise, but £700k+ boroughs record annual falls

- The price of property coming to market is up by 1.1% (+£7,017) this month
- Rise driven by 2.6% uplift in Inner London, more than offsetting 0.4% fall in Outer London
- Year-on-year rate sees gap closing between Inner and Outer London to just 0.6%, the closest since August 2015
- Annual rate remains muted at +0.9%, with more expensive £700k+ boroughs being the main drag on London's year-on-year price performance

London average asking prices				
Area	Jul 2017	Jun 2017	Monthly change	Annual change
Greater London	£641,338	£634,321	+1.1%	+0.9%
Inner	£818,815	£798,143	+2.6%	+0.6%
Outer	£522,587	£524,747	-0.4%	+1.2%
Average asking prices by market sector				
Sector	Jul 2017	Jun 2017	Monthly change	Annual change
First-time buyers	£481,967	£479,551	+0.5%	+1.5%
Second-steppers	£680,355	£679,848	+0.1%	+1.7%
Top of the ladder	£1,553,575	£1,475,718	+5.3%	-1.7%

## Overview

Newly-marketed property in London has seen an average price rise of 1.1% (+£7,017) this month, with a recovery in Inner London (+2.6%). Outer London has dropped marginally with a price fall of 0.4%, though still out-performed Inner London over the last twelve months.

Miles Shipside, Rightmove director and housing market analyst comments: *"There's a mixed bag of risers and fallers in Inner London, and the onset of the quieter holiday season with less property coming to market can lead to some monthly aberrations. The annual rate shows that Outer London is still performing better than Inner, though the gap is closing with a difference of just 0.6%. This is the closest the two have been since August 2015, a possible indicator that the slowdown that has been affecting Inner London is spreading to parts of Outer London as well."*

The year-on-year change in prices of newly-marketed property remains muted, on average up by just 0.9%. It is the more expensive £700,000 plus boroughs that are the main drag on London's year-on-year price performance. Of the seven boroughs with an average price above that level, only one, Camden, has seen a rise over the last twelve months. All the other top-end boroughs (Westminster, Kensington & Chelsea, Islington, Wandsworth, Hammersmith & Fulham and Richmond) have recorded falls.

Shipside notes: *"Moves in the most expensive boroughs tend to be more discretionary, while lower down the ladder the need for solving one's housing needs is often a lot more pressing. With a growing population, property in the cheaper boroughs is always going to be in demand if it can fit into the affordability bracket of enough working Londoners. This is helping to drive demand and prices in the cheaper London boroughs, and conversely lower levels of activity are driving price falls in the more expensive ones. The most popular property types in London on Rightmove remain the two bedroom flats and three bedroom houses as those starting a family tend to want a house rather than a bigger flat."*



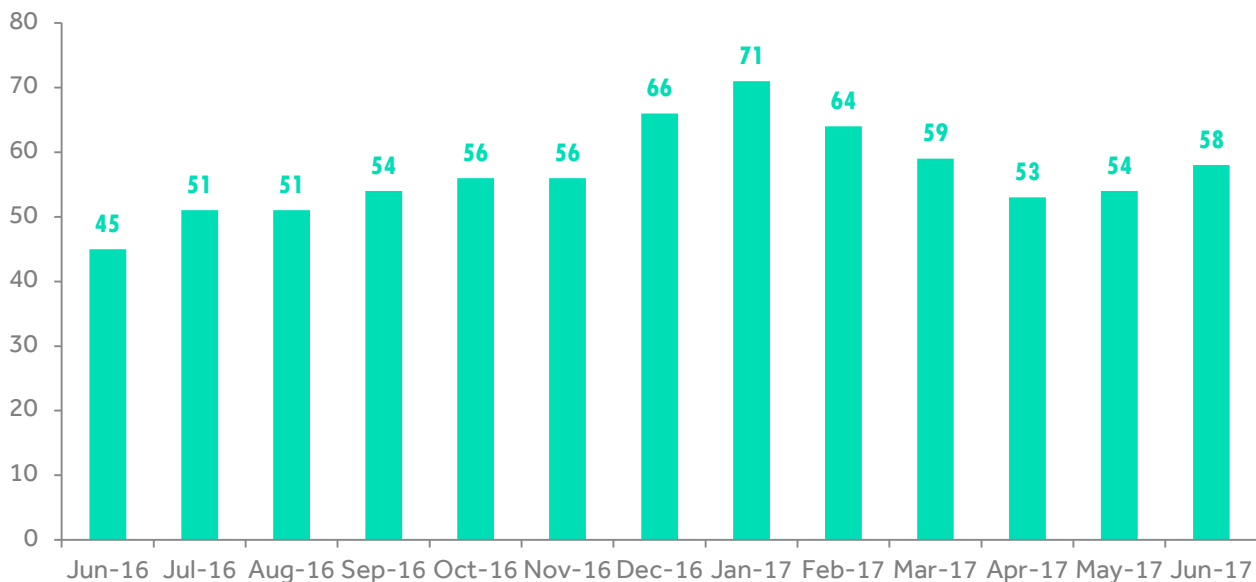
## London's best annual performers: July 2017

Borough	Avg. price Jul 2017	Avg. price Jun 2017	Monthly change	Avg. price Jul 2016	Annual change
Newham	£425,319	£425,255	0.0%	£392,005	8.5%
Lambeth	£661,311	£669,793	-1.3%	£614,581	7.6%
Bexley	£375,281	£376,284	-0.3%	£356,804	5.2%
Hackney	£676,355	£676,529	0.0%	£644,181	5.0%
Southwark	£653,433	£618,286	5.7%	£622,580	5.0%

## London's worst annual performers: July 2017

Borough	Avg. price Jul 2017	Avg. price Jun 2017	Monthly change	Avg. price Jul 2016	Annual change
Merton	£641,508	£681,402	-5.9%	£678,545	-5.5%
Islington	£758,841	£750,784	1.1%	£801,165	-5.3%
Hammersmith And Fulham	£970,812	£995,559	-2.5%	£1,017,820	-4.6%
Kensington And Chelsea	£2,215,601	£2,407,461	-8.0%	£2,295,878	-3.5%
Richmond Upon Thames	£867,160	£863,890	0.4%	£895,183	-3.1%

## Average 'time to sell' (no. of days) - London







## London boroughs

Borough	Avg. price Jul 2017	Avg. price Jun 2017	Monthly change	Avg. price Jul 2016	Annual change
Kensington And Chelsea	£2,215,601	£2,407,461	-8.0%	£2,295,878	-3.5%
City Of Westminster	£1,863,632	£1,763,214	5.7%	£1,906,098	-2.2%
Camden	£1,131,642	£1,177,996	-3.9%	£1,082,224	4.6%
Hammersmith And Fulham	£970,812	£995,559	-2.5%	£1,017,820	-4.6%
Richmond Upon Thames	£867,160	£863,890	0.4%	£895,183	-3.1%
Wandsworth	£800,072	£807,099	-0.9%	£802,576	-0.3%
Islington	£758,841	£750,784	1.1%	£801,165	-5.3%
Barnet	£679,513	£733,302	-7.3%	£685,679	-0.9%
Hackney	£676,355	£676,529	0.0%	£644,181	5.0%
Lambeth	£661,311	£669,793	-1.3%	£614,581	7.6%
Brent	£659,703	£624,125	5.7%	£644,087	2.4%
Southwark	£653,433	£618,286	5.7%	£622,580	5.0%
Kingston upon Thames	£643,022	£605,041	6.3%	£629,184	2.2%
Merton	£641,508	£681,402	-5.9%	£678,545	-5.5%
Ealing	£632,585	£640,003	-1.2%	£628,236	0.7%
Haringey	£629,071	£611,295	2.9%	£613,476	2.5%
Tower Hamlets	£596,268	£584,160	2.1%	£597,114	-0.1%
Harrow	£577,077	£579,348	-0.4%	£557,357	3.5%
Bromley	£558,257	£546,980	2.1%	£540,648	3.3%
Hounslow	£534,392	£550,709	-3.0%	£521,988	2.4%
Enfield	£486,176	£486,789	-0.1%	£471,210	3.2%
Waltham Forest	£485,118	£486,120	-0.2%	£465,682	4.2%
Hillingdon	£483,510	£496,274	-2.6%	£473,764	2.1%
Lewisham	£481,077	£489,225	-1.7%	£459,859	4.6%
Redbridge	£474,386	£476,957	-0.5%	£456,376	3.9%
Greenwich	£461,000	£483,007	-4.6%	£443,611	3.9%
Sutton	£454,023	£450,710	0.7%	£438,134	3.6%
Newham	£425,319	£425,255	0.0%	£392,005	8.5%
Croydon	£421,112	£432,680	-2.7%	£423,105	-0.5%
Havering	£391,560	£404,169	-3.1%	£394,640	-0.8%
Bexley	£375,281	£376,284	-0.3%	£356,804	5.2%
Barking And Dagenham	£311,208	£307,988	1.0%	£305,117	2.0%



## Editors' notes

### About the Index:

The Rightmove House Price Index methodology has been refined as of January 2015. The Index now uses new mapping technology to define regions at a postcode rather than postcode district or area level, and the mix adjustment has been updated to reflect the current proportion of stock by property type in each area, to provide even more accurate data. All regional breakdowns are now reported in line with ONS regions. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index can now include further breakdowns in the housing market to offer trends at three different sectors of the market: first-time buyer, second-stepper and top of the ladder. Inner London prices have been excluded from this categorisation as the normal housing ladder is not really applicable.

Advertising property for over 90% of all UK estate agents, Rightmove is in a unique position to identify any immediate changes in the market. Rightmove's House Price Index is compiled from the asking prices of properties coming onto the market via over 13,000 estate agency branches listing on Rightmove.co.uk. Rather than being a survey of opinions as with some other indices, it is produced from factual data of actual asking 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, whilst 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 in the housing market.

### Market sectors explained:

**First-time buyer:** This figure represents the typical property a first-time buyer would purchase, covering all two bed properties and smaller that come to market (houses and flats).

**Second-stepper:** This figure represents the typical property of a person moving from their first home, covering all three and four bed properties that come to market (houses and flats) excluding four bed detached houses.

**Top of the ladder:** This figure represents asking prices at the top end of the market, covering all five bed properties and above (houses and flats), as well as four bed detached houses.

### 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 is consistently ranked the number one property website in the UK (source: Experian Hitwise). 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. The Rightmove.co.uk site attracts over 110 million visits from home movers each month who view in excess of 1.5 billion pages (Rightmove data, 2015).