

House Price Index

The largest monthly sample of residential property prices

Market still frenetic but early signs of slowing due to record prices and lack of choice

- Price of property coming to market rises by a relatively modest 0.8% (+£2,509) this month, though still the largest rise at this time of year since 2015, and prices are now at a record in all countries and regions of Britain
- High prices combined with an all-time low in the number of available properties on agents' books are starting to slow the market's frenetic pace, with sales agreed in May 17% ahead of same period in 2019, slackening from April's +45%
- Top-of-the-ladder buyers are more insulated from mass-market's increasingly stretched affordability:
 - Average prices up by £67,394 since March 2020 for properties in this sector (+12.3% compared to +7.5% for all properties)
 - The number of sales agreed on properties over £500,000 in May was 49% above the same period in 2019, despite buyers knowing they will miss the maximum stamp duty saving that comes to an end in June
- Cash-rich relocators from more expensive areas also fuelling prices in fastest-growing regions:
 - Welsh prices up by 14.6% since March 2020, and also the highest jump in buyer demand, up by 44%
 - South West prices up by 11.4% with properties selling more quickly than ever recorded, resulting in fewest properties available for sale per estate agent of any region in England – just ten per agent branch

National average asking price

Month	Avg. asking price	Monthly change	Change vs March 2020	Index
June 2021	£336,073	+0.8%	+7.5%	259.8
May 2021	£333,564	+1.8%	+6.7%	257.9

National average asking price by market sector (excluding inner London)

Sector	June 2021	May 2021	Monthly change	Change vs March 2020
First time buyers	£205,540	£205,925	-0.2%	+5.2%
Second-steppers	£305,263	£303,000	+0.7%	+8.7%
Top of the ladder	£616,475	£608,443	+1.3%	+12.3%

Rightmove measured 125,582 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 9th May to 12th June 2021 and advertised on Rightmove.co.uk.

The price of property coming to the market rises by 0.8% (+£2,509) this month, pushing the national average to a new record high (£336,073) for the third consecutive month. This is a much smaller rise than last month's 1.8% or April's 2.1%, which alongside analysis of the activity of millions of home-movers on Rightmove, indicates an early sign of a slowing in the pace of the current hectic market. However it is still the largest rise at this time of year since 2015, buoyed by the strength of both the top end of the market and hotspot lifestyle change locations. This has resulted in new record highs for prices in all countries and regions of Britain, further stretching affordability for mass-market buyers whose ability to move is also affected by an unprecedented lack of choice of property to buy.

Tim Bannister, Rightmove's Director of Property Data comments: *"Buyer demand remains very strong, though with an all-time low in the number of properties available for sale on estate agents' books and new stock at higher than ever average prices, there are early signs of a slowing in the frenetic pace. Since the market re-opened last May in England we have seen huge jumps in the numbers of sales being agreed, but these are now rising at a slower pace. Record low interest rates and stamp duty tax reliefs have helped many to afford higher prices, satisfying their pent-up desires for a new home fit for a new era. Some of that demand has now been met, and the phasing out of stamp duty reliefs has also taken away some of the urgency to move, though our high traffic and search data indicate that there is still strong buyer demand. However, higher prices combined with a lack of fresh choice coming to market are reducing some buyers' ability or desire to move, and while we expect the market to remain robust, there are early signs of a slackening in the incredible pace of activity that we've seen over the last year. This super-charged activity cannot go on forever, but we expect the market to remain vigorous for at least the remainder of the year."*

Buyer demand continues to outstrip supply, and the market's size is constrained until supply picks up again. The number of sales agreed by estate agents in May was 17% ahead of the comparable period of 2019, a slackening of the pace recorded in April when sales agreed were 45% higher than in April 2019 (2019 is the best comparison year since the market was effectively suspended until mid-May 2020). The average number of properties available for sale per estate agency branch is at an all-time low of just 17, falling even further from the record low of 19 in the previous month. This chronic shortage of choice of property to buy means that the number of sales agreed is bound to diminish unless that supply is replaced. While the number of sellers coming to market picked up in March and April, this uptick in new supply has failed to continue in recent weeks, with the number of properties coming to market now down by 17% on the comparable period in 2019.

Demand is particularly high in the top-of-the-ladder sector (typically made up of detached properties with four bedrooms or more) whose buyer wealth profile remains more insulated from the mass-market's stretched affordability. The number of sales agreed for properties priced over £500,000, the majority of which will be in the top-of-the-ladder sector, was up by 49% in May compared to May 2019. This is despite buyers knowing they were certain to miss out on the maximum stamp duty saving that comes to an end in June. The housing market as a whole has seen an average price rise of 7.5% since March 2020 (+£23,448), but the top-of-the-ladder sector has seen a £67,394 price rise (+12.3%). Another cash-rich segment of the market is those who are relocating from more expensive areas, and their activity is also fuelling prices in the fastest-rising regions. Prices of newly marketed properties in Wales are up by 14.6% since March 2020, the biggest rise in Britain. The second-largest price rise is in the South West, up by 11.4%.

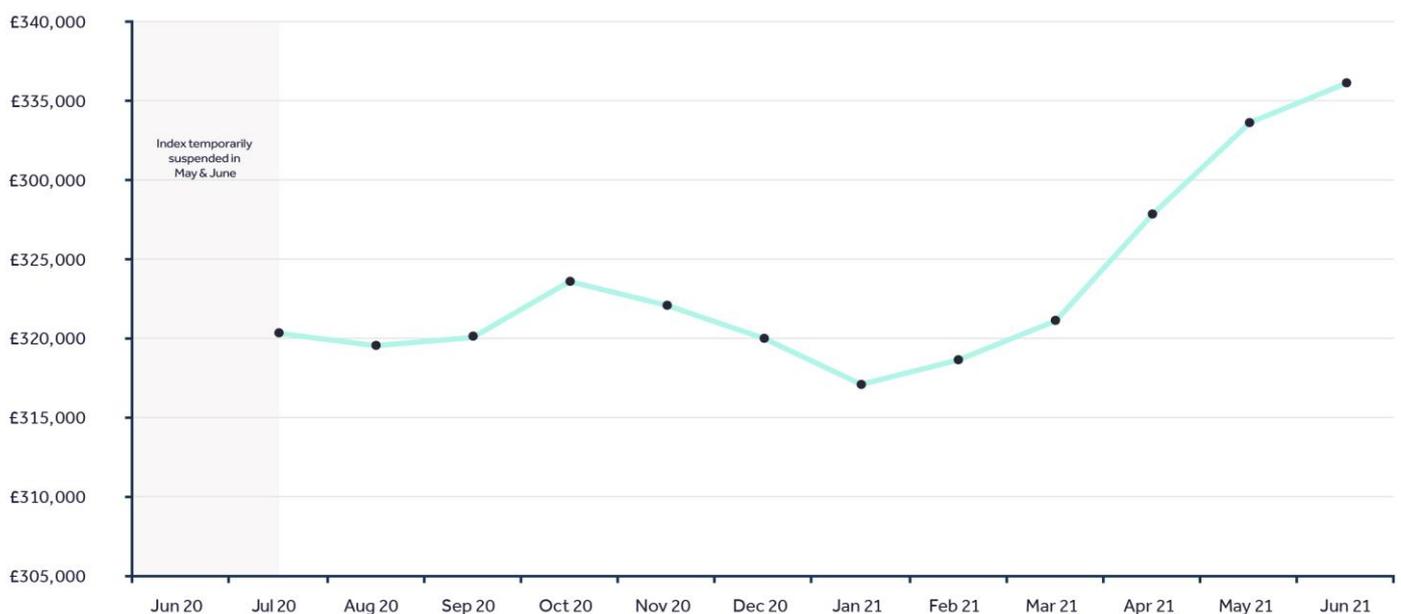
Bannister says: *"The desire for a change of lifestyle often comes with the need for a change of location. That might be satisfied by buying a second home, or with more flexible working patterns a relocation of one's main residence. Average prices in Wales are well below the national average, offering good value as well as beautiful rural and coastal surroundings. Buyer demand is up by 44% compared to a year ago, the highest increase of any part of Britain. The South West has been long-established as a second home hot-spot, but has seen renewed impetus from main residence relocators being unshackled from the traditional locations for their daily commute. This unprecedented demand has resulted in the lowest ever number of available properties per estate agency branch for any region in the country, down to just ten compared to the national average of 17. Some agents say that they're pretty much sold out. It also has the fastest rate of sale in England for the first time ever, as demand from outsiders and local movers combine to make it the hottest selling region, with 28% of properties selling within a week of marketing on Rightmove. Those relocating to these more remote and lifestyle-rich locations from more expensive parts of the country have potentially bigger budgets than local purchasers, causing deteriorating local affordability."*

Agents' Views

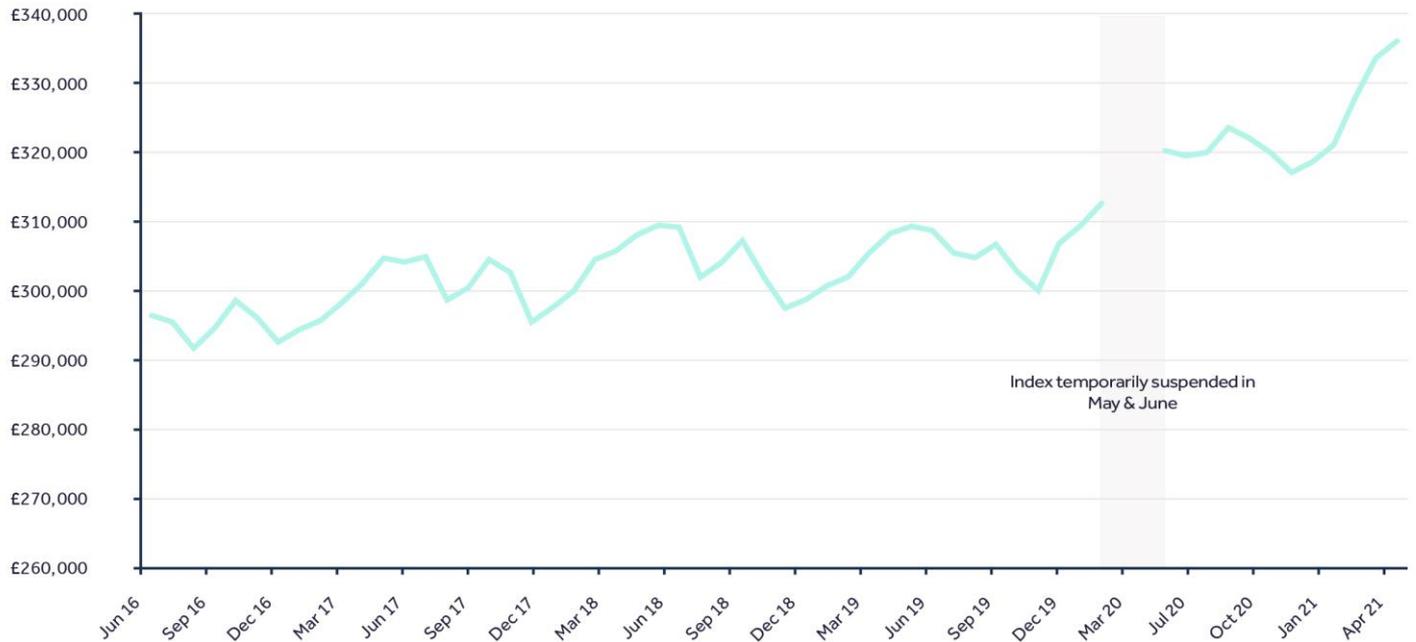
Matt Barry, Director at Astleys in Swansea, said: *“Over the past 12 months we’ve seen a dramatic change in demand in the local market. This has far surpassed anything I’ve seen previously and we’re now regularly receiving offers from multiple buyers per property. This often results in us requesting best and final offers and homes selling for far in excess of the original asking price. The competition for each property has been further increased by a slowdown in the number of properties coming to market. We’ve also noticed a large uplift in the amount of people relocating from England, with many people now enjoying the benefit of working from home, wishing for larger gardens or to be nearer beauty spots and the coast.”*

Nick Leeming, Chairman of Jackson-Stops, said: *“Despite the fact that the first stamp duty deadline is just weeks away, our branches are as busy now as at any point I can remember. Lifestyle re-evaluations have taken firm root which will lead to sustained demand, especially for rural and suburban locations. We’re still seeing people head to countryside hotspots in their droves, pushing up prices in these areas to new highs. There were 18 buyers chasing every listing across our branches in the South West last month as towns and villages which were once out of reach to five-day-a-week commuters, now present realistic options for hybrid or remote workers. Additionally, London’s prime commuter belt towns continue to perform extremely well price wise, including Sevenoaks, Reigate, Dorking and Cranbrook, as many buyers continue to seek opportunities for more spacious accommodation and a larger slice of outdoor space. But, while buyers remain active, the availability of stock on the market has continued to contract. With demand strong and pricing high, now is the time for vendors to capitalise on these favourable market conditions, especially during these peak summer months when properties look their best and while many buyers will be looking to secure a move in time for the new school term in September.”*

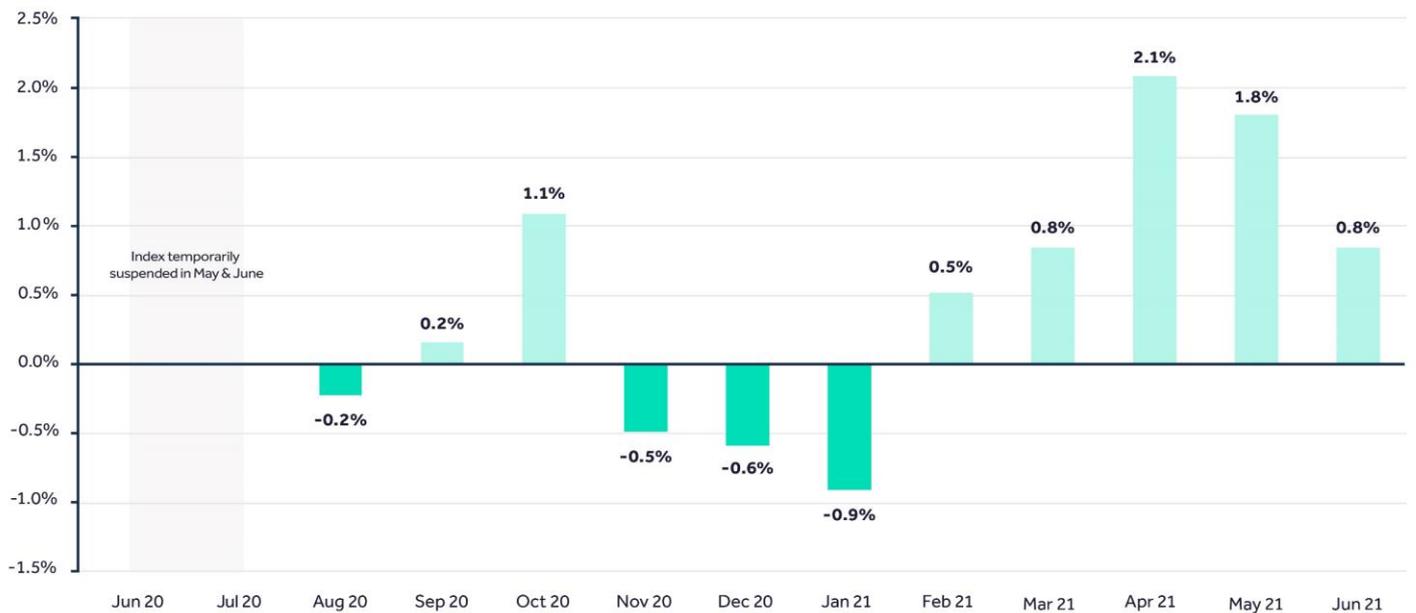
Average asking price trend



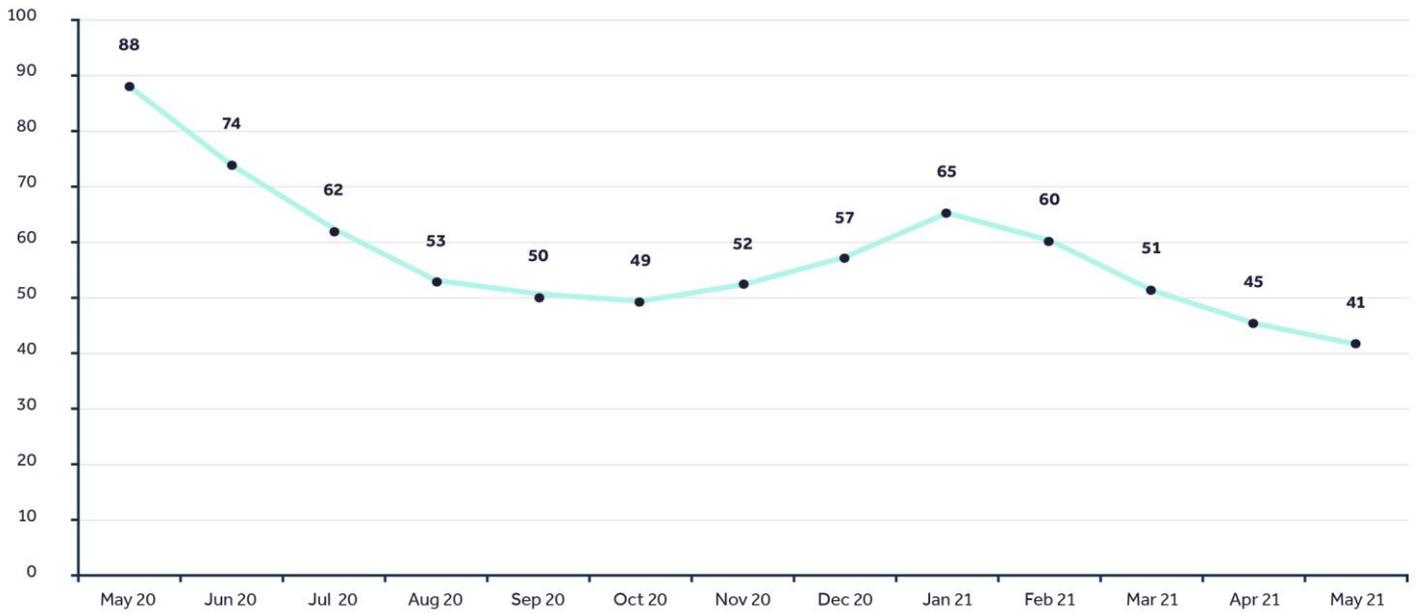
Five year asking price trend



% monthly change in average asking prices



Average time to secure a buyer (no. days) National

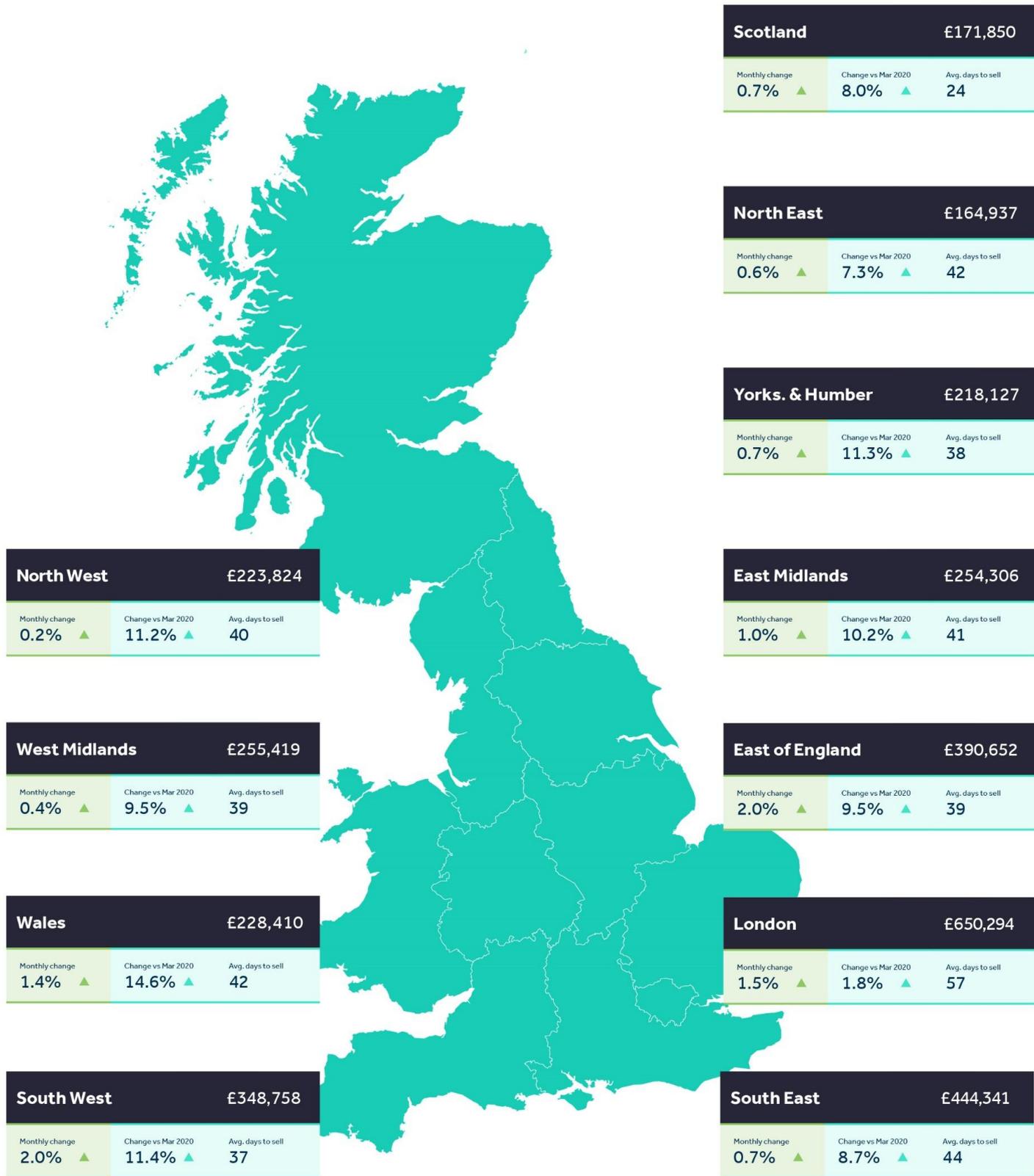


Average stock per agent (including Under Offer/Sold STC)

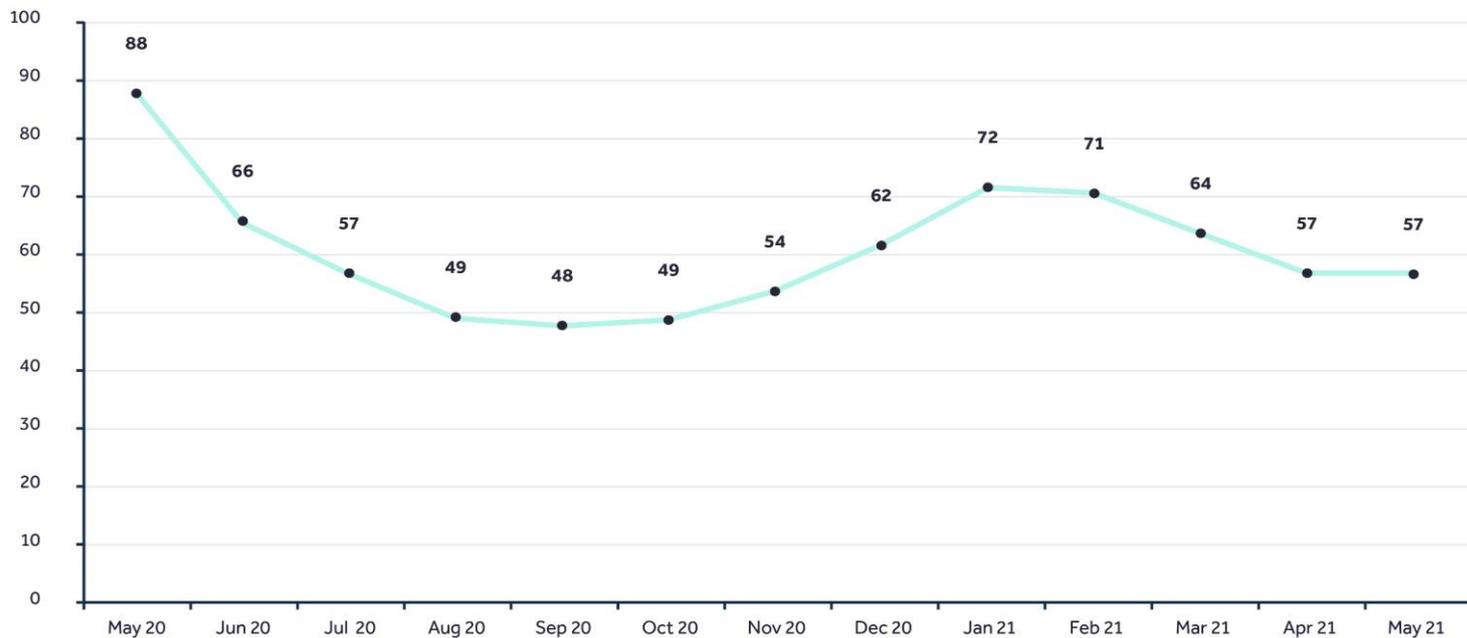


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● Increase from previous month ● Decrease from previous month



Average time to secure a buyer (no. days) London



About the Index

The Rightmove House Price Index methodology was updated in January 2018. The report now includes data for Scotland and a number of measures have been refined. The stock per agent figure now calculates the average based on the number of properties an agent has on Rightmove each day across the month, rather than the average of the total number of properties each agent advertised in the month. London asking prices are now broken down into travel zones. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index includes asking price 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 95% of the market, the largest and most up-to-date monthly sample of any house price indicator in the UK. 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 circa 95% of all properties for sale and at any time displays a stock of over one million properties to buy or rent. The Rightmove.co.uk site attracts nearly 141 million visits from home movers each month with time on site averaging 1.1 billion minutes per month (Rightmove data, July 2019).