

House Price Index

The largest monthly sample of residential property prices and housing market activity

+0.2%

Monthly asking price change, lower than the monthly norm

+1.7%

Annual price growth

+8%

Increase in buyer demand versus same period in 2019

First-time buyers face record prices as sales recover

- The average price of property coming to market rises by just 0.2% (+£890) this month, lower than the average of 1.2% at this time of year, as new sellers heed their agents' advice to price cautiously and tempt Spring buyers
- Despite the economic headwinds, first-time-buyer type properties hit a new record price of £224,963 this month:
 - Faced with record rents, buying is still compelling for those first-time buyers who are able to clear the mortgage and deposit hurdles
 - The average first-time-buyer mortgage rate for a 5-year fixed, 15% deposit mortgage has now fallen to 4.46%, with the lowest rate for this mortgage type currently at 4.19%
- Sales agreed numbers recover to be in line with the more normal pre-pandemic market of March 2019, and have also exceeded last September's level, after which they plunged by 21% following the mini-Budget aftershocks:
 - The first-time-buyer sector (two bedrooms and fewer) leads this recovery, with agreed sales now 4% higher than in March 2019, while the second-stepper sector remains 4% behind, and the top-of-the-ladder sector 3% behind
 - However, sales agreed are still 18% behind last year's exceptional market as we transition to a more normal level of sales activity

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
April 2023	£366,247	+0.2%	+1.7%	283.1
March 2023	£365,357	+0.8%	+3.0%	282.5

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

Sector	April 2023	March 2023	Monthly change	Annual change
First time buyers	£224,963	£224,453	+0.2%	+2.0%
Second-steppers	£339,359	£337,119	+0.7%	+1.9%
Top of the ladder	£666,566	£658,702	+1.2%	+1.7%

Rightmove measured 123,582 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 12th March 2023 to 15th April 2023 and advertised on Rightmove.co.uk.

Overview

New seller asking prices rise by just 0.2% (+£890) this month to £366,247, which is notably lower than the average increase of 1.2% for this time of year. This unseasonal pricing restraint is a sign that many new sellers are taking note of the economic headwinds and the transitioning of the housing market to a slower pace and more normal activity levels, last seen in the pre-pandemic market of 2019. Whilst it's been a rollercoaster journey so far, and there will no doubt be more twists and turns to come, the number of sales agreed is now on a par with the same period in 2019. Agreed sales volumes are now just 1% behind March 2019 with the strength of the improvement since the start of the year defying the expectations of many.



Agents are reporting that many sellers have transitioned out of the frenzied multi-bid market mindset of recent years and understand the new need to tempt Spring buyers with a competitive price. The current unexpectedly stable conditions may tempt more sellers to enter the market who had been considering a move in the last few years but had been put off by its frenetic pace. Buyers may have struggled to find a home that suited their needs in the stock-constrained market of recent years and will now find more choice available. However, those who have now decided to make a move should not wait around too long to make an enquiry if they see the right home for sale, as not only is the number of sales agreed now back to pre-pandemic levels, but homes are also on average selling twelve days more quickly than at this time in 2019.

Tim Bannister Rightmove's Director of Property Science



One of the dips in this market rollercoaster was the fallout from the mini-Budget towards the end of September, with sales agreed initially plunging by 21% the following month as mortgage interest rates rapidly accelerated. Further highlighting the recovery, monthly sales agreed volumes are now higher than in September for the first time since the mini-Budget took place. However, sales agreed are still 18% behind last year's exceptional market as we transition to a more normal level of sales activity.

Leading the recovery to pre-pandemic sales levels is the first-time-buyer sector (two-bedroom and fewer properties) with sales volumes in this sector now 4% higher than in March 2019. By contrast the sectors with larger homes, the second-stepper and top-of-the-ladder sectors, are still 4% and 3% behind 2019 respectively.

First-time-buyer type properties have reached a new record price of £224,963 this month, which may appear surprising given the economic headwinds that have made taking out a mortgage more expensive and saving up for a deposit even more challenging. However, solid buyer demand in this sector which is now 11% higher than in the same period in 2019, illustrates the continued strong desire from would-be first-time buyers to own their own home. This is even more understandable given the fiercely competitive rental market, with soaring rents reaching new records and making buying compelling for those who can raise the deposit and obtain a mortgage.

Some good news for first-time buyers is that average mortgage rates have been falling over the last few weeks, with lender competition to secure business now strongest in the traditional first-time buyer loan-to-value ranges of 85% and 90%. Whether this trajectory will be affected by the latest inflation figures remains to be seen. With more competitive rates on offer for first-time buyers, more may be encouraged to take the leap now. The average mortgage rate for a 5-year fixed, 15% deposit mortgage is currently 4.46%, with the lowest rate for this mortgage type standing at 4.19%. This has edged down from an average of 4.65% a month ago, but it is still much higher than the average rate of 2.64% at this time last year.



The first-time-buyer sector typically accounts for over a third of all sales which are often the start of chains, so these positive sales agreed figures are good for the health of the whole market. The current multi-speed market is highlighted by sales of larger homes continuing to lag behind, with some sellers in the upper sectors likely needing to show a greater degree of pricing restraint to attract buyers in this much more price-sensitive market. More competition amongst lenders in the smaller deposit, higher loan-to-value ranges is positive news for those would-be first-time buyers who have saved up their deposit and can still afford to move. However, it remains a challenging environment to get onto the ladder, with new record average asking prices and higher borrowing costs to budget for than a year ago.

Tim Bannister Rightmove's Director of Property Science



Agent's views



The beginning of the spring market has been a real turning point, after a difficult start to the year and following the turbulence of the last three months of 2022. Listing figures are comparable with last year, while viewing figures are down only slightly, which given the exceptional market of last year is quite remarkable. Our big focus currently, is helping our clients to understand the market conditions, which are changing so quickly. Available stock has now 'normalised' providing an increased choice of properties for buyers and our new and existing clients are having to respond by listing their homes at more competitive prices to stand out from the crowd. The great news is that both buyers and sellers appear to have adapted and accepted the current economic and property market conditions. There are now more attractive fixed rate mortgages available providing buyers with more confidence, and there has been a noticeable increase in sales activity.

Karl Tatler, Managing Director at Karl Tatler Estate Agents

We're seeing locally that the number of new instructions and sales agreed is the highest it has been for several months, and while this is not the very high level they were during the pandemic years, they are high compared to before the pandemic. This upturn also suggests the economy is far stronger than expected and this is reflected in the buyer's confidence in the market. We're hoping these increased numbers will now become the new norm, which appears to be the case given the consistency of them this year.



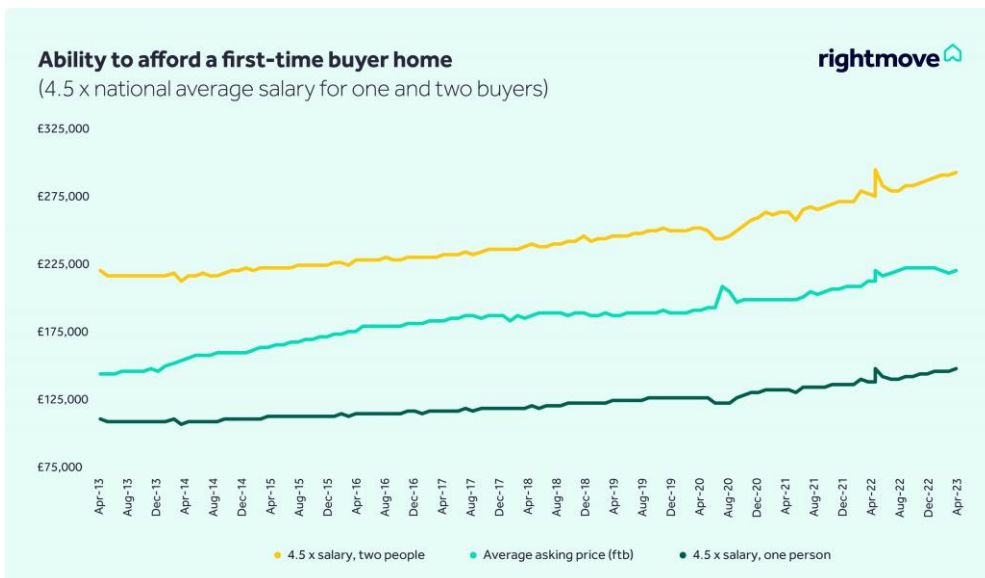
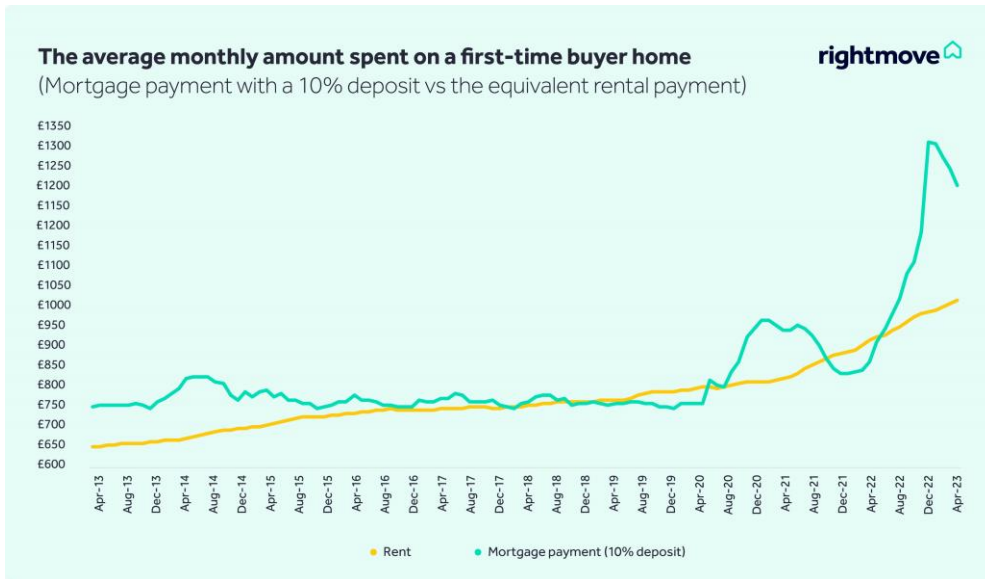
Ben Rose, Director at Ben Rose Estate Agents



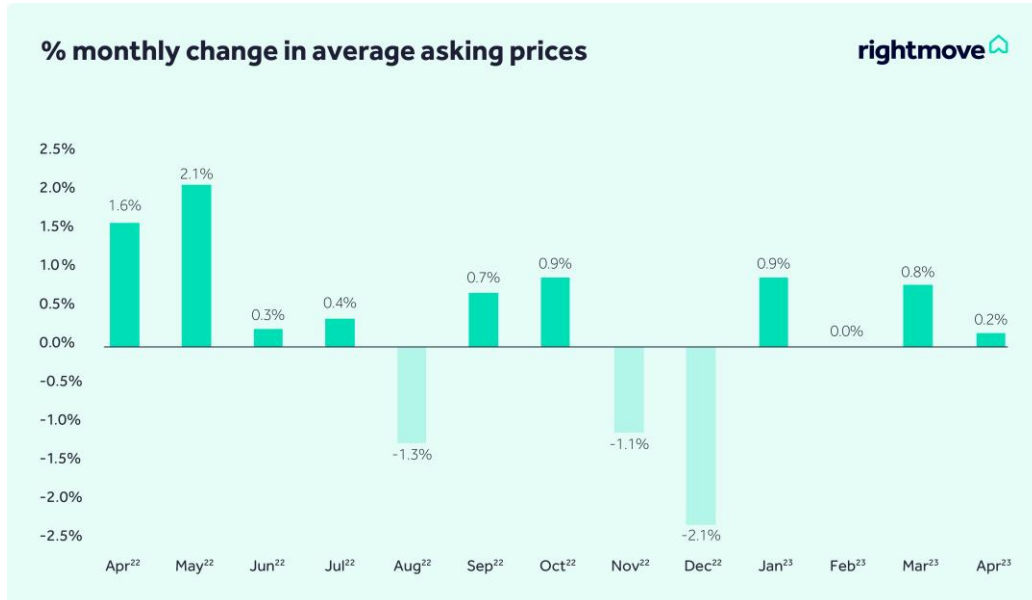
Affordability trends

The first-time buyer monthly mortgage payment is based on Bank of England data of the averages for 90% LTV two-year fixed mortgages from lenders, and the average asking price of a typical first-time buyer home (two bedrooms or fewer) using the Rightmove House Price Index. The equivalent monthly rent is calculated using the same property types (two bedrooms or fewer).

The affordability to buy a first home is based on the Average Weekly Earnings (AWE) dataset from ONS multiplied by 4.5 to get the typical maximum that a person can borrow from a lender. The average asking price of a typical first-time buyer home is taken from the Rightmove House Price Index.



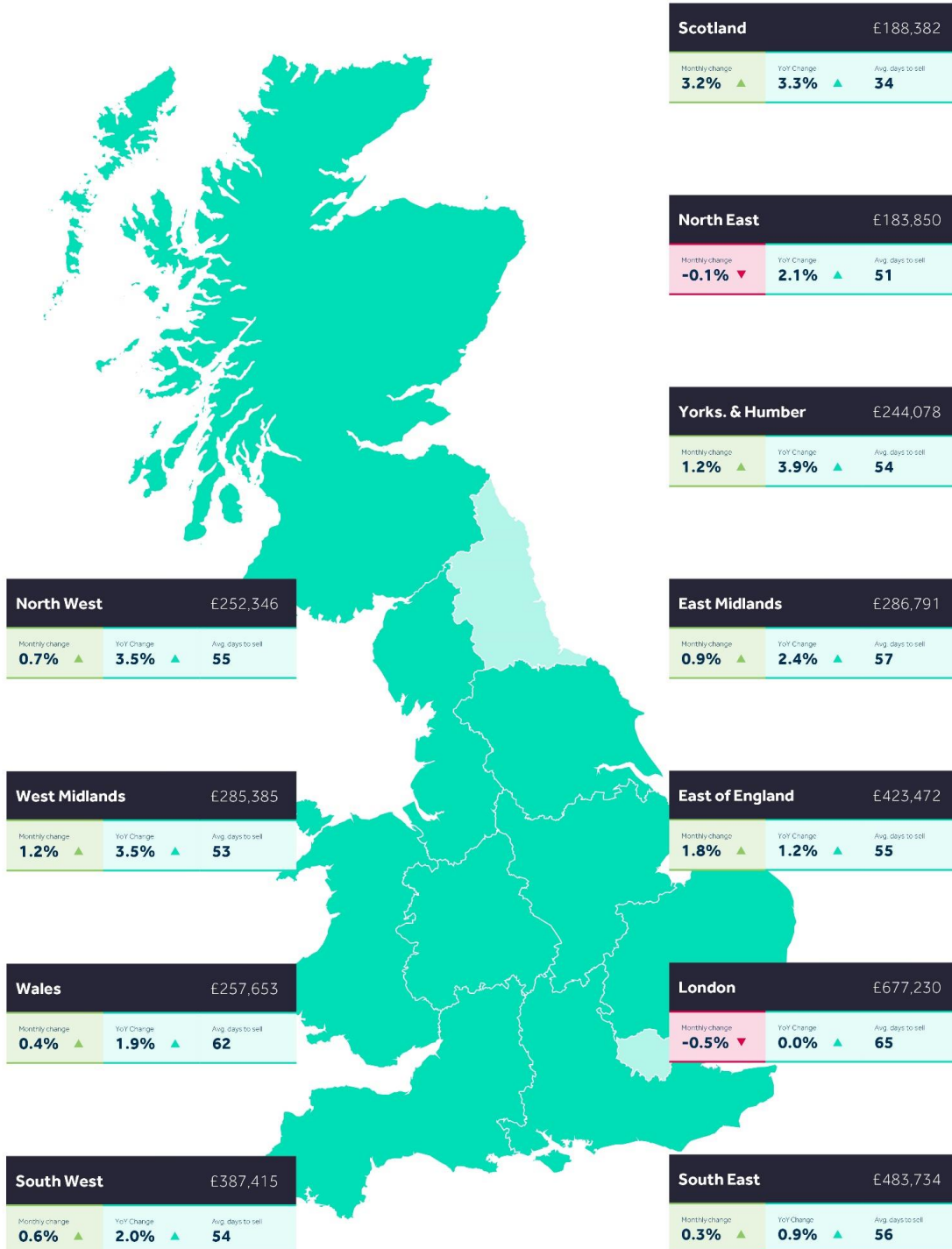
Price & activity trends





Regional trends

● Increase from previous month ● Decrease from previous month



London boroughs

Borough data is based on a three-month rolling average and can be used as an indicator of overall price trends in each borough over time. It is not directly comparable with the overall London monthly figures.

Borough	Avg. price April 23	Monthly change	Annual change
Camden	£1,073,092	-4.3%	7.2%
Islington	£809,557	0.8%	4.9%
Bexley	£487,472	1.2%	4.6%
Hackney	£707,942	3.4%	4.1%
Barnet	£727,816	2.2%	4.0%
Southwark	£673,992	0.7%	3.4%
Wandsworth	£856,063	0.4%	3.0%
Ealing	£610,904	1.1%	3.0%
Tower Hamlets	£596,881	0.5%	2.7%
Brent	£630,219	2.3%	2.6%
Lambeth	£677,388	0.3%	2.5%
Newham	£466,074	-0.1%	2.3%
Lewisham	£520,316	0.6%	2.1%
Greenwich	£493,470	2.4%	1.9%
Redbridge	£519,767	0.7%	1.9%
Sutton	£549,615	0.2%	1.7%
Havering	£482,047	0.8%	1.5%
Hounslow	£591,588	-0.3%	1.4%
Haringey	£672,262	-0.5%	1.3%
Waltham Forest	£553,374	-0.1%	0.9%
Bromley	£620,831	0.3%	0.9%
Richmond upon Thames	£930,542	3.5%	0.9%
Enfield	£506,337	0.4%	0.6%
Harrow	£625,030	0.0%	0.5%
Kingston upon Thames	£695,463	0.7%	0.5%
Barking and Dagenham	£367,499	-0.8%	0.4%
Westminster	£1,445,904	-0.8%	0.3%
Merton	£716,710	0.2%	0.0%
Croydon	£486,377	-0.3%	-0.4%
Hillingdon	£547,434	-1.2%	-0.5%
Hammersmith and Fulham	£951,295	-0.6%	-1.4%
Kensington and Chelsea	£1,649,109	-1.4%	-5.0%

About the Index

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. The Rightmove House Price Index methodology was last updated and restated in January 2018.

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 providing real-time data, the Rightmove Index has established itself as a reliable indicator of current and future trends in the housing market.

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.

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 attracted 2.5 billion visits in 2021 with time on site totalling 18.3 billion (Rightmove data, 2021).

Average mortgage rates to be credited to Rightmove. The data is provided by specialist mortgage technology provider Podium Solutions. The data covers 95% of mortgage lending, to exclude specialist lenders. If you would like further data on different LTVs or fixed terms, please contact us.