

The Rightmove House Price Index

The largest monthly sample of residential property prices

Under embargo for 00:01 hours: Monday 17th December 2012

4% monthly drop signal of 'less frothy' London market in 2013

| Greater London | |
|-------------------|----------|
| Avg. Price Dec 12 | £464,398 |
| Avg. Price Nov 12 | £483,709 |
| Monthly Change | -4.0% |
| Avg. Price Dec 11 | £434,871 |
| Annual Change | 6.8% |

- New sellers in London take heed of winter slowdown and chop their asking prices by an average of £19,311 (-4%)
- Largest drop recorded in any December since 2007 suggests a 'less frothy' market in 2013
 - Rightmove forecasts that London's pace of rise in new seller asking prices will slow to 3% in 2013, down from 6.8% in 2012
 - New listings in December up by 10% year-on-year, leading to more competitive pricing in 2013 if it continues

This month's new sellers have chopped an average of 4% (£19,311) off asking prices, the largest December fall Rightmove has recorded in London since 2007. This substantial fall is largely attributable to the seasonal slowdown, though it is also a portent to the less frothy London market predicted by Rightmove in 2013.

Miles Shipside, Director and housing market analyst at Rightmove comments: "December is the most likely month for sellers coming to market to get very real about the price they ask and they've chopped a bit harder this year compared to previous years. Many who put their property up for sale this close to Christmas have a very good reason to sell, so Christmas will have come early for those buyers who have bagged a bargain. It does set the tone for Rightmove's forecast of a less bubbly London market in 2013."

The strength of the London market in 2012 has stood out like a beacon compared to most of the UK. Last month Rightmove reported that some of the 'froth' had started to come off the London market. Rightmove forecasts that London's growth in new seller asking prices will fall to around 3% in 2013, as parts of the capital come off the boil. With 2012 prices increasing by +6.8% (+£29,527), this constitutes a substantial slow down.

Shipside comments: "The London bubble will continue to inflate albeit more slowly than in recent years, though there will still be some puff left in the prime central market and London's unique local hotspots. The balance of pricing power between London and other regions will see a significant shift, with the boost of the 'London effect' having less of a distortion on national house price averages in 2013. Conditions will remain patchy within boroughs, with new sellers' pricing power being reflected by local micro-market conditions of supply and demand."

One of the factors buoying prices in London has been the shortage of property coming to market. New listings in 2012 are down 1.4% on 2011 levels. However, there are signs this month of supply shortages easing as the number of sellers coming to market increases. Rightmove measured 11,856 properties coming

to market this month, compared to 10,809 in December 2011, an increase of 10%. If this continues it could lead to more competitive pricing in 2013 as buyers have more choice.

Shipside adds: "Having seen some tasty rises in the value of their properties this year and a potentially less mouth-watering time ahead in 2013, some sellers may be looking to cash in. There is also a positive combination of lenders with greater funds to lend and buyers with a five-year itch to move. Many movers have had to put their housing aspirations on hold since the onset of the credit-crunch, but increased competition among lenders buoyed by the Funding for Lending Scheme may give an impetus for more people moving next year. Buyers from London will find value within commuting distance in the South East in particular, where prices have been static this year".

London's Best Performers December 2012

| London's Top 5 | Avg. Price Dec 12 | Avg. Price Nov 12 | Monthly Change |
|------------------------|-------------------|-------------------|----------------|
| Haringey | £542,244 | £537,784 | 0.8% |
| Richmond-upon-Thames | £689,330 | £688,087 | 0.2% |
| Hammersmith and Fulham | £885,954 | £887,395 | -0.2% |
| Kingston-upon-Thames | £642,928 | £650,004 | -1.1% |
| Bromley | £345,618 | £351,080 | -1.6% |

London's Worst Performers December 2012

| London's Bottom 5 | Avg. Price Dec 12 | Avg. Price Nov 12 | Monthly Change |
|-------------------|-------------------|-------------------|----------------|
| Tower Hamlets | £424,948 | £454,413 | -6.5% |
| Hounslow | £530,490 | £556,966 | -4.8% |
| Enfield | £335,463 | £350,581 | -4.3% |
| Ealing | £462,177 | £482,618 | -4.2% |
| Greenwich | £286,559 | £298,233 | -3.9% |

London Time on Market

Time on Market Indicator (London)



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London Boroughs

| Borough | Avg. Price Dec 12 | Avg. Price Nov 12 | Monthly Change | Avg. Price Dec 11 | Annual Change |
|------------------------|----------------------|----------------------|-------------------|----------------------|------------------|
| Kensington and Chelsea | £2,153,658 | £2,240,199 | -3.9% | £1,986,508 | 8.4% |
| City of Westminster | £1,405,179 | £1,453,711 | -3.3% | £1,350,115 | 4.1% |
| Camden | £963,421 | £998,533 | -3.5% | £826,043 | 16.6% |
| Hammersmith and Fulham | £885,954 | £887,395 | -0.2% | £839,094 | 5.6% |
| Brent | £703,876 | £714,690 | -1.5% | £615,352 | 14.4% |
| Richmond-upon-Thames | £689,330 | £688,087 | 0.2% | £601,238 | 14.7% |
| Wandsworth | £674,911 | £686,212 | -1.6% | £613,234 | 10.1% |
| Islington | £645,764 | £663,003 | -2.6% | £592,424 | 9.0% |
| Kingston-upon-Thames | £642,928 | £650,004 | -1.1% | £594,682 | 8.1% |
| Barnet | £554,341 | £567,350 | -2.3% | £527,393 | 5.1% |
| Haringey | £542,244 | £537,784 | 0.8% | £485,687 | 11.6% |
| Hackney | £531,781 | £547,627 | -2.9% | £492,819 | 7.9% |
| Hounslow | £530,490 | £556,966 | -4.8% | £526,871 | 0.7% |
| Ealing | £462,177 | £482,618 | -4.2% | £435,104 | 6.2% |
| Lambeth | £457,058 | £474,633 | -3.7% | £435,256 | 5.0% |
| Merton | £451,964 | £464,017 | -2.6% | £444,246 | 1.7% |
| Tower Hamlets | £424,948 | £454,413 | -6.5% | £420,922 | 1.0% |
| Southwark | £421,900 | £438,312 | -3.7% | £410,711 | 2.7% |
| Hillingdon | £360,903 | £370,357 | -2.6% | £346,667 | 4.1% |
| Lewisham | £353,896 | £363,859 | -2.7% | £345,396 | 2.5% |
| Bromley | £345,618 | £351,080 | -1.6% | £326,976 | 5.7% |
| Harrow | £337,135 | £345,887 | -2.5% | £325,753 | 3.5% |
| Enfield | £335,463 | £350,581 | -4.3% | £329,580 | 1.8% |
| Sutton | £334,740 | £346,010 | -3.3% | £332,979 | 0.5% |
| Redbridge | £286,655 | £293,671 | -2.4% | £292,510 | -2.0% |
| Greenwich | £286,559 | £298,233 | -3.9% | £278,503 | 2.9% |
| Waltham Forest | £286,324 | £297,185 | -3.7% | £296,535 | -3.4% |
| Croydon | £279,392 | £288,105 | -3.0% | £273,628 | 2.1% |
| Havering | £249,360 | £257,237 | -3.1% | £257,809 | -3.3% |
| Newham | £227,791 | £236,209 | -3.6% | £242,528 | -6.1% |
| Bexley | £216,095 | £221,278 | -2.3% | £212,022 | 1.9% |
| Barking and Dagenham | £208,241 | £214,054 | -2.7% | £219,840 | -5.3% |

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