

Rightmove forecasts 2 per cent rise in house prices

By Ivan Radford - January 12, 2017

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Rightmove is forecasting a 2 per cent rise in house prices this year, following a strong end to 2016.

The price of property coming to market in November saw its usual seasonal fall of 2 per cent, but the property portal highlighted the surprising strength in buying activity in its latest report, with transactions agreed up 5.2 per cent year-on-year in the penultimate month of 2016.

Miles Shippside, Rightmove director and housing market analyst comments: "For the housing market the uncertain outlook has meant a head and heart tug of war between 'stay put' and 'carry on moving'. After a pause the mass-market seems to have opted firmly for the latter in most parts of the country."

Shippside welcomes the rise in deals as providing "a far greater level of reassurance about the outlook for 2017".

Indeed, despite increasingly stretched affordability continuing to weigh on house prices, the portal predicts prices will grow 2 per cent across the UK, with a fall of 5 per cent in Inner London and an increase of 3 per cent in Outer London.

Shippside predicts: The price of property coming to market in 2016 is currently up by 3.4% compared to a year ago, so while a forecast rise of 2% in 2017 is a lessening of the pace, it would still be the seventh consecutive year of rising property prices."

"There was a bout of jitters with the unexpected referendum result, albeit now seemingly short-lived, but more may arrive after Article 50 is invoked," he adds. "For the time being any nervousness is being over-ridden by high demand for the short supply of suitable homes for sale in the lower and middle market in many parts of the country."