



Asking Price Index

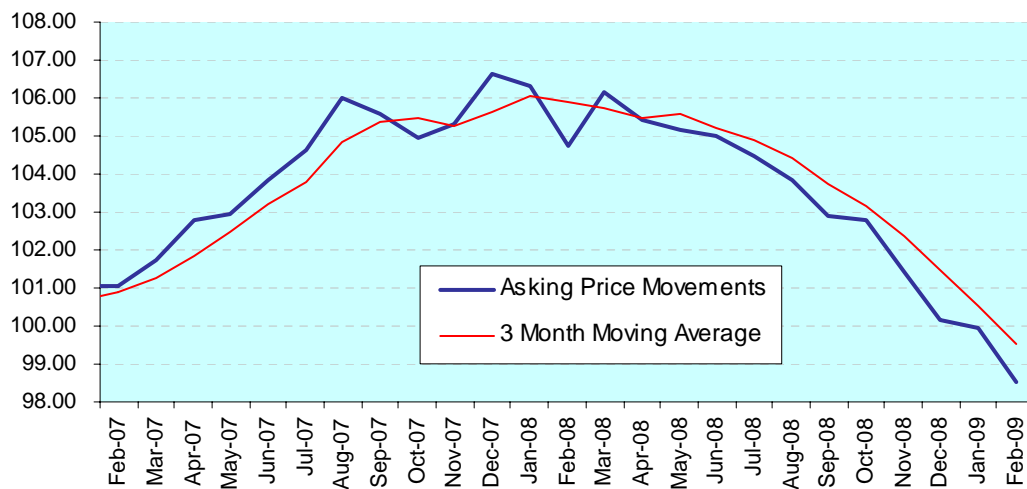
The UK's Independent Forward Market Indicator

Home Asking Price Index. Release date: 12th February 2009

Prices Falling Faster in the South

"There is an argument for letting the banks go bust. It may cause turmoil but it will be a cheaper way to deal with this in the end" [Prof. J. E. Stiglitz](#), Economist and Nobel Laureate.

Asking Price Movements for England and Wales



[Laspeyres](#) Index based on Weighted Arithmetic Mean of Weighted Arithmetic Mean of Regional House Prices. [May04 = 100]

Summary

Asking Prices for homes on the market in England and Wales dropped 1.4% in the last month.

Monthly price falls observed in 7 of 9 English regions, Wales and Scotland.

Market house prices in Greater London dropped 2.5% over the last month.

Asking Prices across England and Wales have fallen 5.9% since February 08.

The average Asking Price reduction in December was £20,250.

Asking prices are falling by around £2,400 per month on average.

Released 12th February 2009

Page 1 of 9

Copyright © 2009, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



Asking Price Index

The UK's Independent Forward Market Indicator

Overview

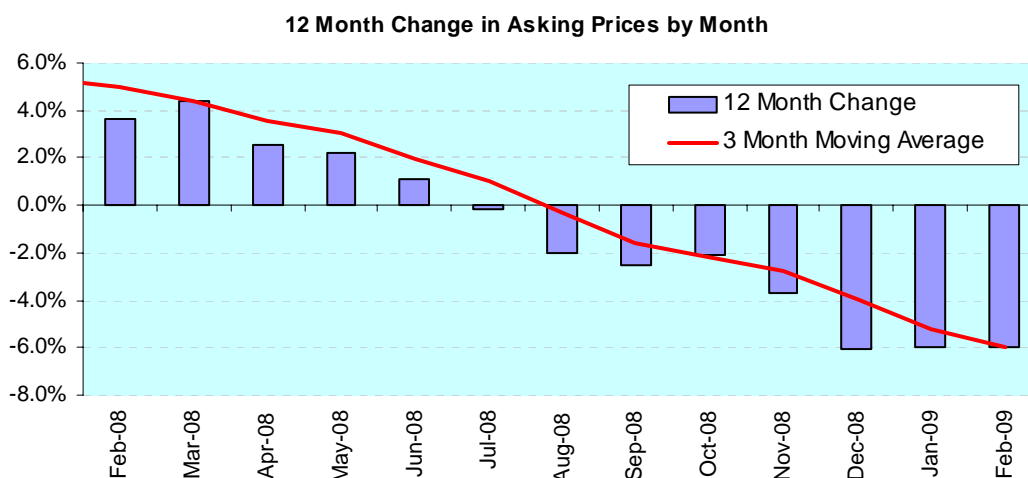
Asking prices for UK residential property are falling more rapidly as sellers' expectations become more realistic. Lower prices are eliciting much more interest as evidenced by a surge in potential buyer enquiries in January.

Asking prices of 137,000 homes on the market were cut in January, a much greater number than the 74,000 reductions recorded in December. The value of the average price cut decreased slightly from December (£20,250) to January (£19,564).

Time-on-market indicators continue to rise and in the worst affected locations the average marketing period for homes for sale is around a year. However, the stock of property for sale on the market is falling as fewer potential vendors choose to sell in the current climate.

Asking prices fell in all English regions, Scotland and Wales over the last six months, although there is a marked North-South divide. During this period, asking prices have fallen much further in the southern English regions, exemplified by the South East, Greater London and East Anglia. Further north, market house prices have declined more slowly (North East -0.6%, Scotland -1.2%) since August 08.

Twelve-Month Trend in Asking Prices



The Feb 09 year-on-year (YoY) fall in Asking Prices for England and Wales of 5.9% shows little change from Dec 08 and Jan 09, although the downward trend is clear and looks set to continue.

Released 12th February 2009

Page 2 of 9

Copyright © 2009, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



Asking Price Index

The UK's Independent Forward Market Indicator

Over the last 12 months, Asking Prices for homes in England and Wales have fallen 5.9%, *ca.* 9.0% below the [CPI](#), *ca.* 6.8% below the [RPI](#) and *ca.* 9.1% below the [AEI](#) (excluding bonuses). The mix-adjusted average price of homes in England and Wales, advertised on the open market, now stands at £240,371.

The HAPI for England and Wales has fallen to 98.5 [May04 = 100].

Regional Housing Markets

Regional Asking Prices for February 2009, showing 6-month % change.

	Current average price	6-month change
North East	£163,642	-0.6%
Scotland	£172,290	-1.2%
Yorkshire and Humber	£175,249	-2.2%
North West	£179,954	-3.4%
Wales	£187,125	-3.5%
West Midlands	£193,794	-4.4%
South West	£251,632	-5.0%
East Midlands	£173,500	-5.9%
South East	£268,180	-6.1%
Greater London	£328,280	-6.5%
East Anglia	£244,865	-6.7%
England & Wales	£240,371	-5.1%

[Laspeyres](#) Indices based on Weighted Arithmetic Mean of Regional House Prices.

Released 12th February 2009

Page 3 of 9

Copyright © 2009, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



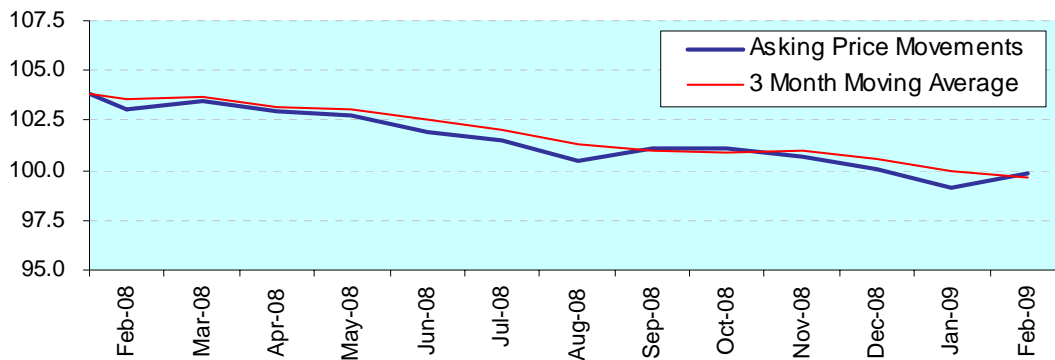
Asking Price Index

The UK's Independent Forward Market Indicator

North East

The North East showed the greatest resistance to asking price falls over the last 6 months. However, a steady declining trend is apparent in the North East as might be expected for a region where house prices rose less quickly during the boom years.

Asking Price Movements for the North East

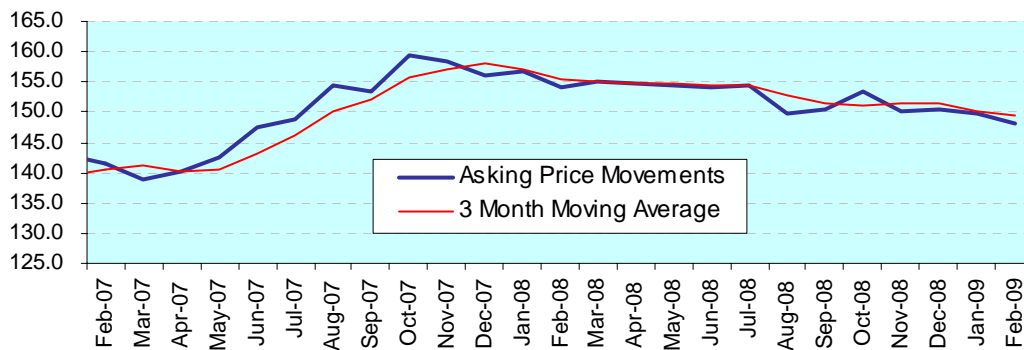


Laspeyres Indices based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

Scotland

Similarly, the mix-adjusted Asking Price chart for homes in Scotland also indicates that market values have been in steady decline since their peak in October 07. The average asking price has fallen by around £13,000 since October 07.

Asking Price Movements for Scotland



Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

Released 12th February 2009

Page 4 of 9

Copyright © 2009, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



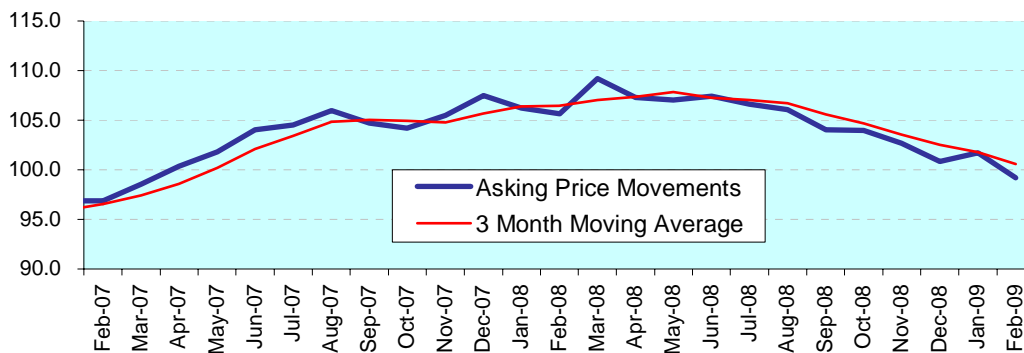
Asking Price Index

The UK's Independent Forward Market Indicator

Greater London

Greater London is the second fastest falling region since Aug 08, indicating that after a prolonged period of resistance to price cuts sellers are becoming more realistic. The mix-adjusted average Asking Price for homes in London has fallen by around £33,000 since the peak in Mar 08.

Asking Price Movements for Greater London

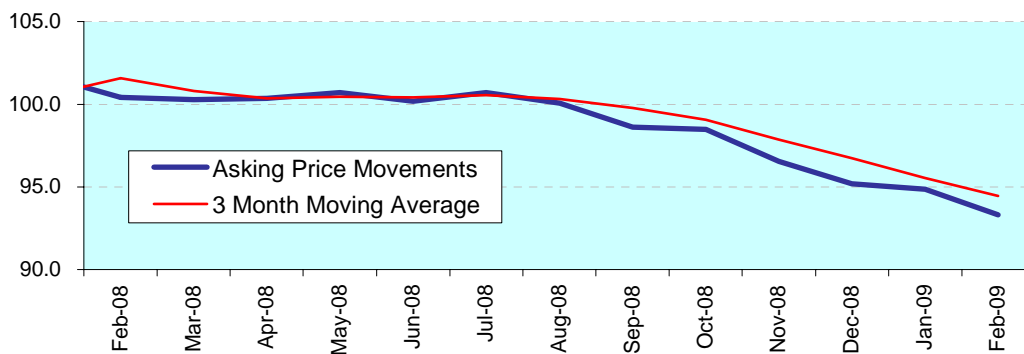


Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

East Anglia

The Asking Prices for homes in East Anglia are falling fast. East Anglia is the heaviest regional faller since August 08 and the chart shows a steady deterioration of market sentiment over this period.

Asking Price Movements for East Anglia



Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

Released 12th February 2009

Page 5 of 9

Copyright © 2009, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

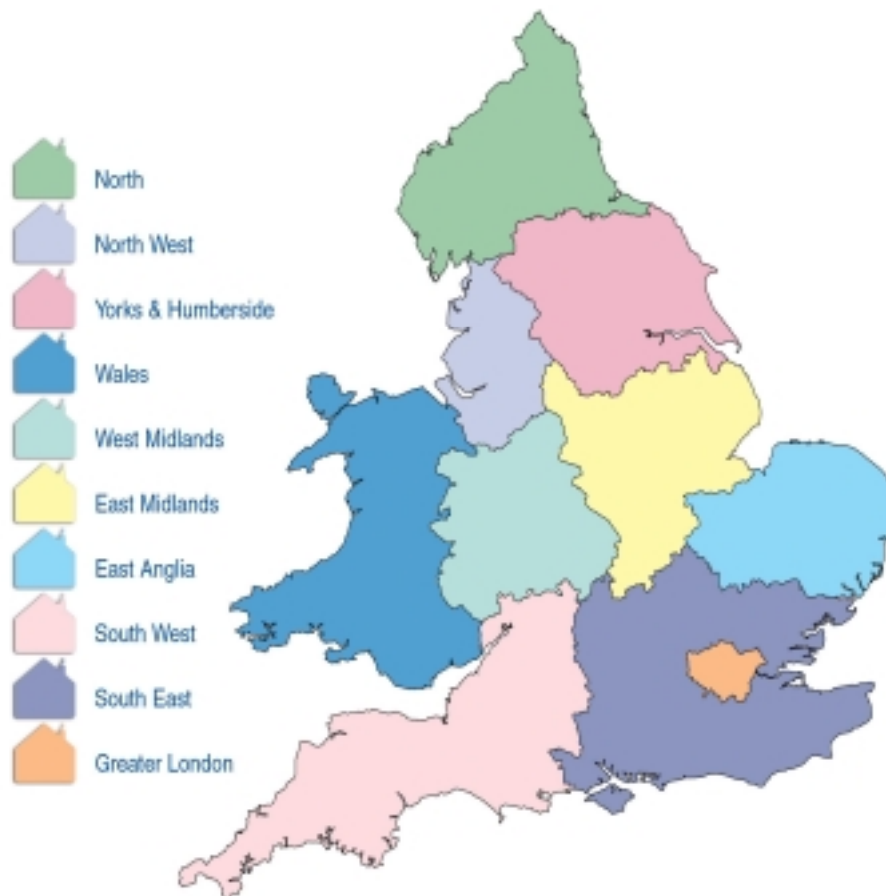
Press Office: 0845 373 3580



Asking Price Index

The UK's Independent Forward Market Indicator

Regions (as per DCLG)



Source: HM Land Registry

Released 12th February 2009

Page 6 of 9

Copyright © 2009, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580

The Home.co.uk Asking Price Index is calculated by Calnea Analytics Ltd



Asking Price Index

The UK's Independent Forward Market Indicator

Comment

Bank of England Reduces Base Rate Yet Again to 1.0%

As expected, the BoE cut interest rates by a further 0.5% this month. This follows cuts of 1.0% in December & 0.5% in January and takes the BoE base rate to a new record low in the 300-year history of the Bank of England. However, banks and building societies will be no more willing to lend to homebuyers whilst house prices continue to fall. Those saving for a home meanwhile will find the interest on their savings dwindle to nothing.

Buyer Enquiries Increase

The number of buyer enquiries showed a sharp increase in January indicating that lower prices are attracting interest from the UK and overseas due to the weakness of the pound sterling. Whether this interest can be converted into home sales remains to be seen, as buyers need extraordinarily large deposits to access the current property market.

Job Security and the Wider Economy

The credit drought is having a terrible effect on businesses throughout the UK economy. Unemployment levels are rising quickly and this bodes ill for any potential stabilisation of house prices. Forced sales will increase as the job losses mount. Many in employment will be waiting to see if the next wave of 'downsizing' will affect them before looking at the housing market.

Sales volumes are likely to improve slightly over the next 12 months but house prices will continue to fall.

Released 12th February 2009

Page 7 of 9

Copyright © 2009, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



Asking Price Index

The UK's Independent Forward Market Indicator

The Home.co.uk Asking Price Index

The Home.co.uk Asking Price Index is produced in association with [Calnea Analytics](#): the statistical consultancy responsible for the production of the official [Land Registry House Price Index](#).

The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) [Survey of English Housing Stock](#) (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the [Office of National Statistics](#).

The HAPI is the UK's only independent forward market indicator. The published figures reflect current and historic confidence of buyers and sellers of UK property on the open market. The HAPI is calculated every month using 600,000+ UK property house prices found in the Home.co.uk Property Search Index. This figure represents the majority of the property for sale on the open market in the UK at any given time.



The HAPI is based on *asking price* data which means the index can provide insights into price movements around 5 months ahead of mortgage completion and actual sales data - thus making it the most forward looking of all house price indices. Properties above £1m and below £20k are excluded from the calculations.

Released 12th February 2009

Page 8 of 9

Copyright © 2009, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



February 09

Asking Price Index

The UK's Independent Forward Market Indicator

Contact Details

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

To learn more about Home.co.uk please visit:
<http://www.home.co.uk/company/about.htm>

For details on the methodology used in the calculation of the HAPI please visit:
<http://www.calnea.com/asking-price-index/>

Future release dates:

Thursday 12th March 09

Monday 13th April 09

Tuesday 12th May 09



Released 12th February 2009

Page 9 of 9

Copyright © 2009, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580

The Home.co.uk Asking Price Index is calculated by Calnea Analytics Ltd