



Asking Price Index

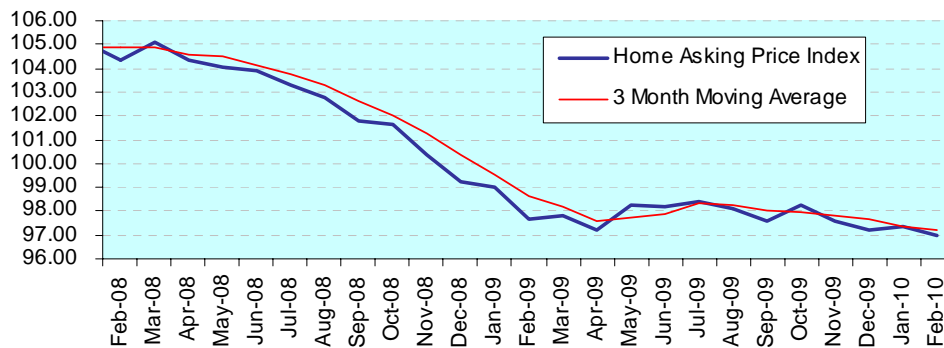
The UK's Independent Forward Market Indicator

Home Asking Price Index. Release date: 12th February 2010

Asking Prices Slide to New Low

"...[UK] house prices are still overvalued. The average house today costs 4.1 times average income, down from five times at the peak, but still 49% above the 40-year average." Hester Plumridge, Wall Street Journal.

Home Prices Trend for England and Wales



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

Summary

The mix-adjusted average Asking Price for homes on the market in England and Wales fell by 0.3% this month.

Monthly falls were observed in 6 out of 9 English regions and in Wales.

Scotland saw an increase in the mix-adjusted average Asking Price for homes this month of 0.3% but a fall over the past six months of 2.7%.

The typical (median) marketing time has further increased from 134 to 141 days over the last month.

Asking prices in England and Wales are now lower than at any time since the credit crunch and properties are taking longer to sell on average.

Released 12th February 2010

Page 1 of 10

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

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Overview

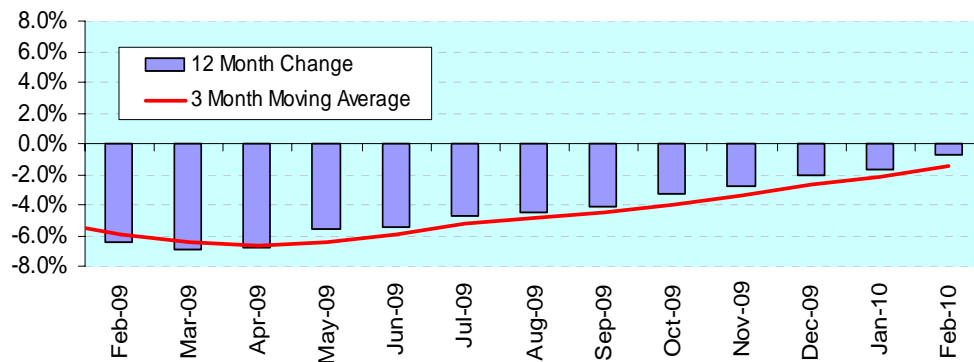
The UK property market remains depressed with the 6-month figures showing that only Greater London saw an increase in the mix-adjusted asking price over that period. Although the national year-on-year rate of price decline has fallen, the length of time taken to sell property is again increasing, as would be expected in such a poor economic climate. An increase in the monthly number of house price reductions, with 40,104 prices being cut during January, serves as further evidence that home sellers are under increasing pressure.

Many regions of the UK, particularly in the North, are still showing a downward trend in prices, albeit that the rate of decline has slowed from that seen directly following the credit crunch.

Overall the figures clearly show a property market still impacted by the recession and struggling to recover, particularly away from London and the South East.

Twelve-Month Trend in Asking Prices

12 Month Change in Asking Prices by Month



The year-on-year (YoY) change in Asking Prices for England and Wales now stands at -0.7%, demonstrating the continued slowdown in price reductions. When corrected for the effect of inflation (RPI ex housing) the YoY fall for December 2009 would have been 6.5%.



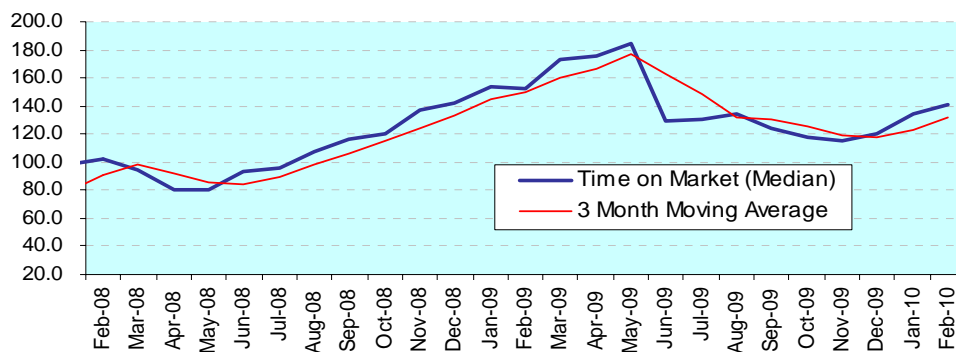
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Time-on-Market Analysis

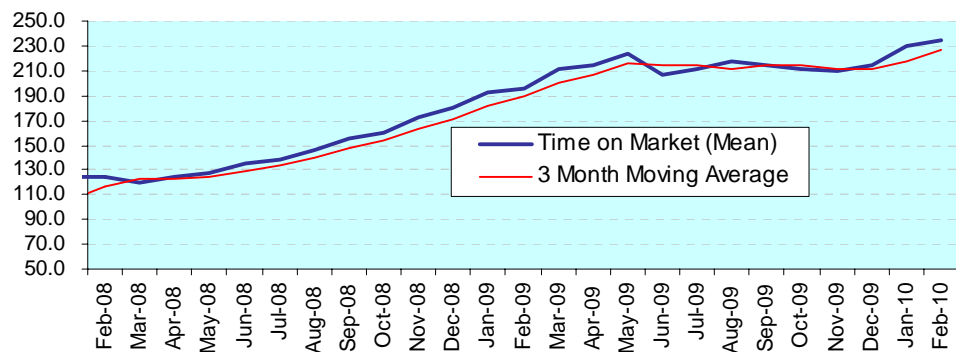
Typical Time-on-Market (median) for unsold properties is increasing and now stands at 141 days.

Typical Time on Market for England & Wales



Average Time-on-Market (mean) for unsold UK property has increased further to 234 days.

Average Time on Market for England & Wales





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Asking Prices, Inflation and Average Earnings

Over the last 12 months, Asking Prices for homes in England and Wales have fallen 0.7%, *ca.* 3.6% below the [CPI](#), *ca.* 5.2% below the [RPI](#) (ex. housing) and *ca.* 1.8% below the [AEI](#) (excluding bonuses). The mix-adjusted average price of homes in England and Wales, advertised on the open market, now stands at £227,099.

The HAPI for England and Wales now stands at 97.0 [May04 = 100].

Regional Housing Markets

Regional Asking Prices for February 2010, showing gains and losses over the past 6 months.

	Current average price	6 month change
Greater London	£339,090	0.4%
South East	£282,075	-0.3%
East Midlands	£171,441	-0.9%
East Anglia	£236,152	-1.3%
South West	£250,741	-1.6%
West Midlands	£190,403	-1.9%
North West	£175,628	-2.1%
Scotland	£158,625	-2.7%
Yorkshire and Humber	£170,414	-2.6%
Wales	£177,927	-2.9%
North East	£152,791	-3.3%
England & Wales	£227,099	-1.2%

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Page 4 of 10

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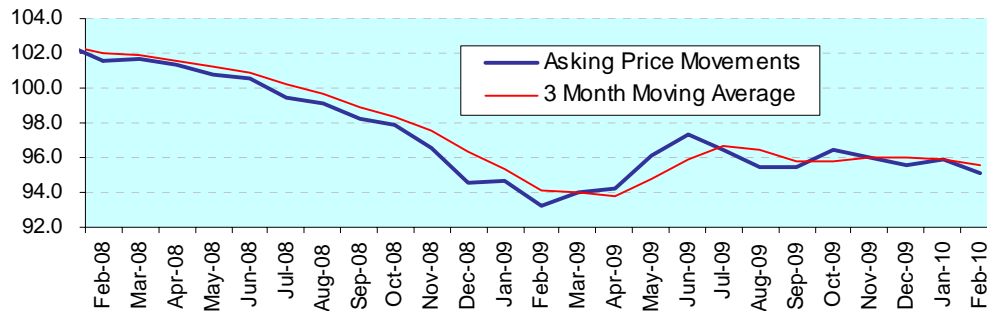
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South East

Over the past 6 months the property market in the South East has seen a small reduction of 0.3% in the mix-adjusted asking price.

Asking Price Movements for the South East

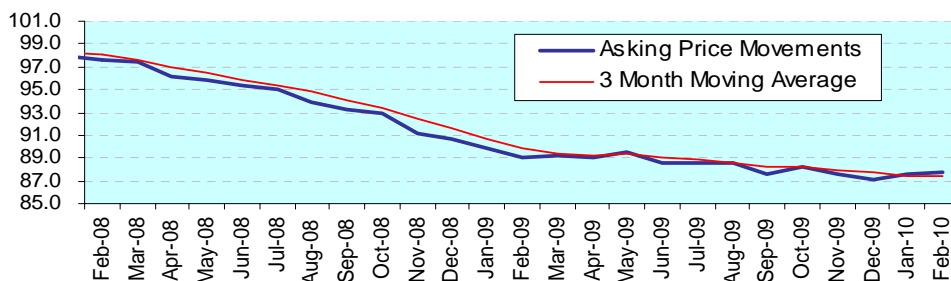


Laspeyres Indices based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

East Midlands

Although the trend continues downwards, the mix-adjusted Asking Price for property in the East Midlands has stabilised over recent months with overall asking prices falling by 0.9% over the past 6 months.

Asking Price Movements for the East Midlands



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



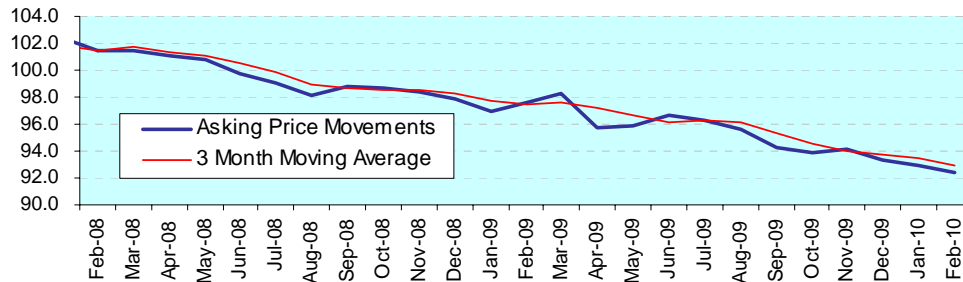
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North East

The mix-adjusted average Asking Price for properties for sale in the North East has fallen by 3.3% since August 2009. The 3-month moving average shows a continuous decline in prices over the past 2 years in this hard-hit region.

Asking Price Movements for the North East

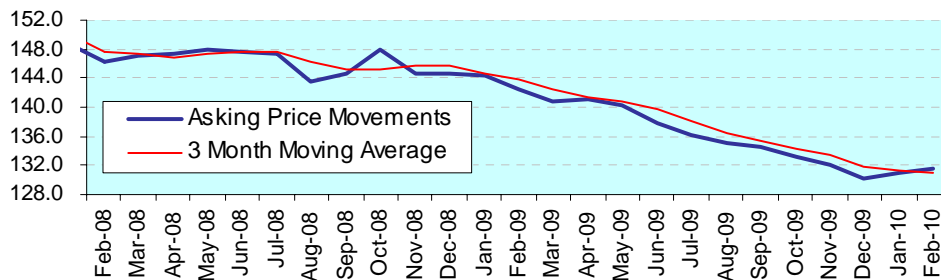


Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

Scotland

Asking Prices for homes in the Scotland have fallen by 2.7% over the past 6 months. Although still the second largest faller over any of the regions over the past 6 months, the latest trend perhaps suggests a price bounce in 2010.

Asking Price Movements for Scotland



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

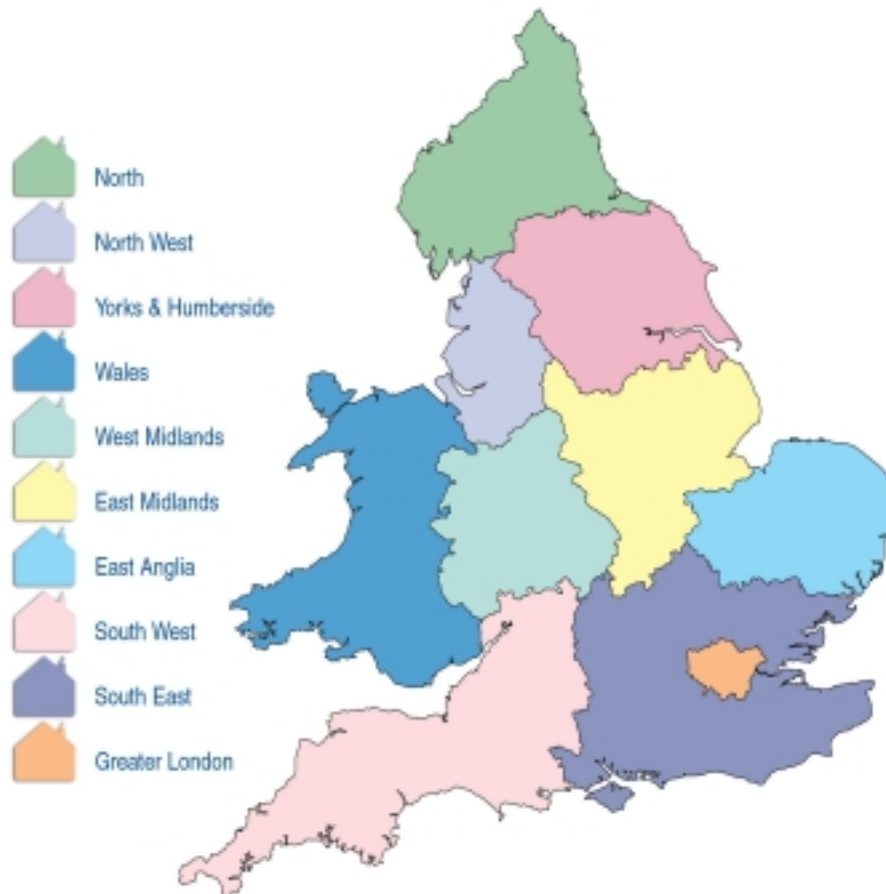


February 2010

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Regions (as per DCLG)



Source: HM Land Registry

Released 12th February 2010

Page 7 of 10

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The Home.co.uk Asking Price Index was originally devised in association with Calnea Analytics Ltd



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Comment

Despite massive government stimulus and a partial nationalisation of major mortgage lenders, the UK property market is in very poor shape. Prices continue to slide in all regions except Greater London. Asking prices in England and Wales are now lower than at any time since the credit crunch and properties are taking longer to sell on average.

Prices Set to Plunge Again?

Last summer's 'recovery' in the UK housing market has clearly faltered and the grim reality of 2010 is that a number of economic pressures may force a further significant drop in house prices.

1. Many lenders are now raising their Standard Variable Rates in a bid to appeal to savers and the knock-on effect for borrowers will be a painful rise in mortgage interest payments. This could be the final straw for struggling homeowners.
2. Homes are spending longer on the market and are likely to have their prices cut to facilitate a sale.
3. Falling full-time employment means fewer buyers and more sellers.
4. Falling economic confidence amidst concerns about Britain's capacity to finance itself in the international capital markets, indicated by increased yields on benchmark UK gilts.



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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](#).

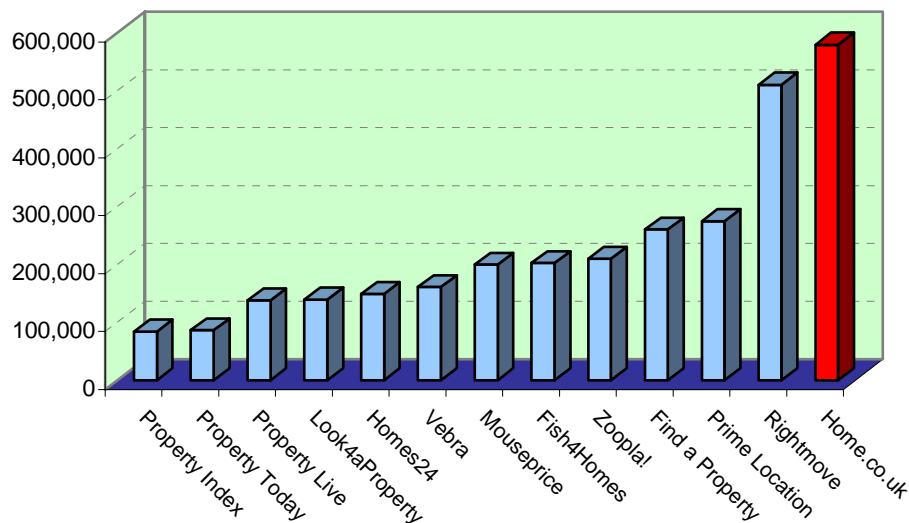
The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) [Survey of English Housing Stock](#) (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the [Office of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

Searchable UK Properties for Sale by Website.

Source: Home.co.uk February 2010



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Page 9 of 10

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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.home.co.uk/asking_price_index/Mix-Adj_Methodology.pdf

Future release dates:

Friday 12th March

Monday 12th April

Wednesday 12th May

