



Asking Price Index

Released 12/02/15 February 2015

Londoners Price Too High as Properties Pile Up

Headlines

- London prices shoot up 1.8% despite rising supply.
- Asking prices rise in six English regions and leap 1.9% in Scotland.
- Prices rise by 0.8% overall in England and Wales during the last month.
- The average annual appreciation for England and Wales moves down to 7.1%.
- Supply of property for sale up by 19% (Jan. 2015 vs. Jan. 2014) across the UK.
- Typical time on market is now 18 days less than it was in February last year.
- Prices continue to slide in Prime Central London.

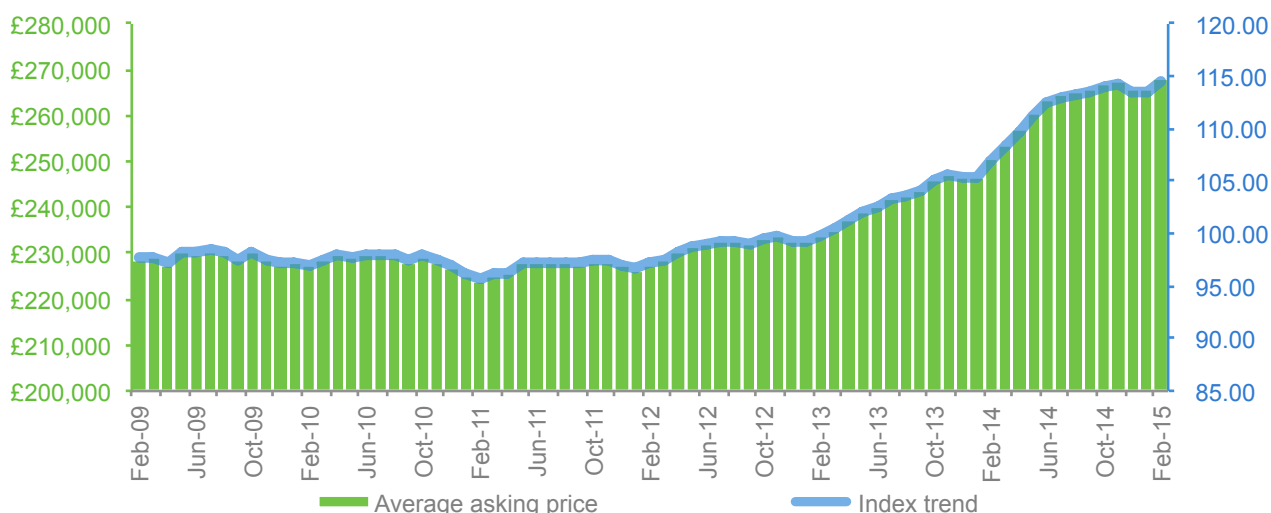
Summary

Encouraged by last year's positive property market performance, sellers' asking prices are already rising quickly in London and the South East of England. However, supply in the capital seems to be overwhelming demand as the typical time on market in London is now 20 days longer than it was in February 2014, and the supply of fresh stock for sale is up by 51% year-on-year. Price rises are also quick out of the blocks in East Anglia and the West Midlands. Optimism also abounds post-referendum in Scotland, where prices have jumped 1.9% in just one month.

Not all regions, however, share the same upbeat sentiment. Prices are essentially static in the East Midlands, Wales and the North West, whilst in the long-suffering North East, they dropped by 0.9% over the last month. Elsewhere, small price rises were observed in the West Midlands, Yorkshire and the South West (0.7%, 0.2% and 0.2% respectively).

Overall, the current mix-adjusted average asking price for England and Wales shows that properties on the market are valued 7.1% higher than they were in Feb. 2014. The typical time on market for England and Wales is now 125 days, which is 18 days less than this time last year.

Home Asking Price Trend for England & Wales



Source: Home.co.uk, February 2015



Regional Market Round-up

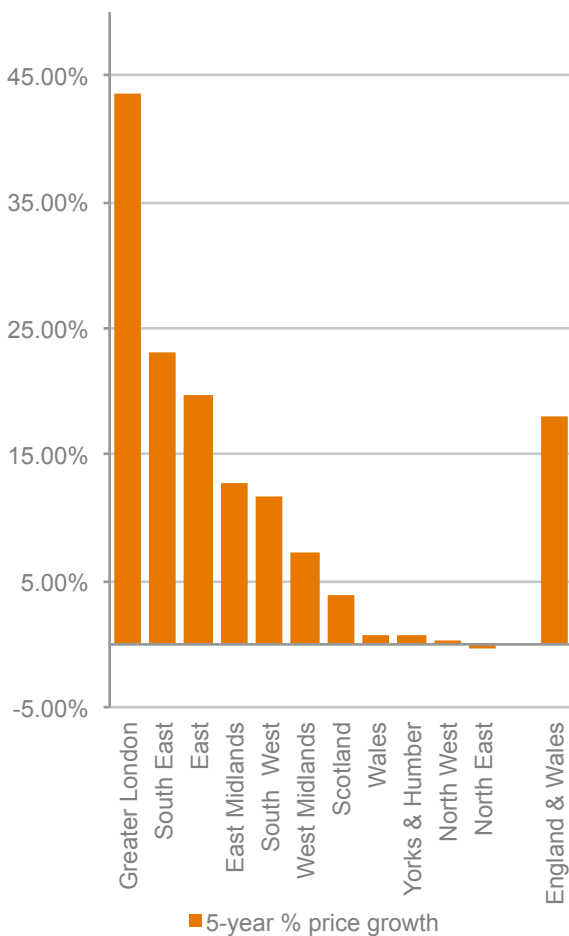
Market analysis at a regional level reveals considerable and growing inequalities in the UK housing market. The North-South divide has widened further over the last 12 months as a result of rapid growth in Greater London and the Home Counties while prices in the North stagnate. Moreover, the North East, North West, Yorkshire and Wales have yet to show any real signs of price recovery.

Average prices in the North West, North East, Wales and Yorkshire all remain essentially unchanged from their Feb. 2010 values, a remarkably poor performance compared to the 18% rise overall for England and Wales over the same time frame. Despite price stagnation, time on market figures for these regions have shown considerable improvement over the last five years (except for Wales), and this demand indicator bodes well for potential price rises over the course of 2015. However, even after great

improvement, the North East remains the nation's slowest regional market with a typical marketing time of 178 days, double that of London and the South East. The current typical time on market in Scotland is surprisingly higher than it was 5 years ago, although the current trend line indicates improving market condition over the last 18 months.

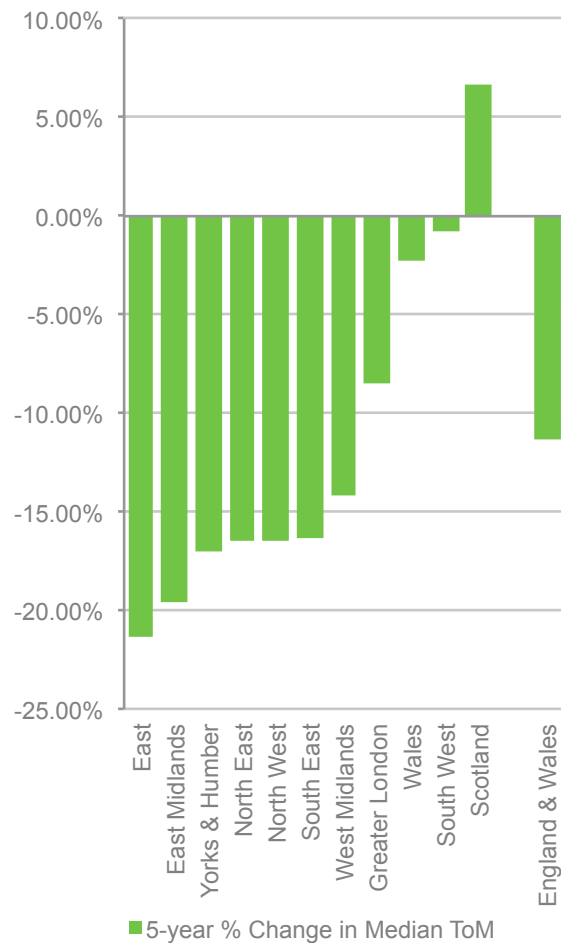
Supply of property for sale nationwide shows a significant uptick: 19% more properties were placed on the market this January than in January 2014. Greater London leads the way with a massive 51% increase, ahead of the South East (+28%), Scotland (+19%) and East Anglia (+18%). High prices are encouraging potential vendors to commit, although there are clear signs that supply is beginning to outpace demand in London, as indicated by a rising median time on market (20 days longer than in Feb. 2014). Londoners may be attempting to cash in, but further supply will only serve to ensure a deeper correction in prices in the capital.

Asking Price Growth by Region Since Feb 2010



Source: Home.co.uk, February 2015

Change in Typical Time on Market Since Feb 2010



Source: Home.co.uk, February 2015

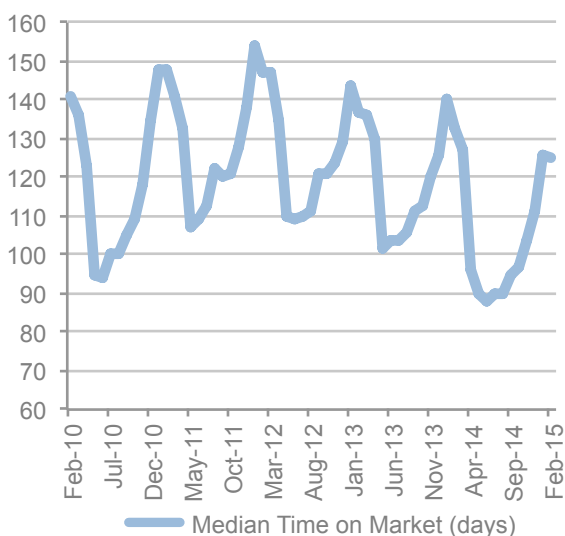


Time on Market Trend Still Improving Overall

The typical time on market for unsold property varies considerably with the season (summer months have the shortest marketing times), although the underlying trend is also evident if we align the peaks and the troughs. The current trend has been one of improved market conditions (ever shorter marketing times) since Jan. 2012. This was when the property market in Greater London really took off and the South East followed suit.

The trend for England and Wales (below) shows how the typical marketing time dropped to a recent low in June 2014. Since supply now appears to be on the rise, it has become more doubtful that this downward trend in marketing times will continue; more likely, we will see a plateau or reversal over the course of 2015.

Typical Time on Market (England and Wales)



Source: Home.co.uk, February 2015



Positive sentiment is still driving the property market forward across most of the country.



This year, however, rising supply will make its presence felt in London and the South East, thereby placing downward pressure on prices. These regions are much further on in the economic cycle than the northern regions, where price recovery remains as yet elusive. It is conceivable that we will witness a reversal of fortunes in the latter half of 2015 or beginning of 2016, wherein prices fall in Greater London at the same time as they finally rise in the North, as investors target better value regional markets.

The best prospects for growth this year probably lie in 'Middle England' (regions such as East Anglia, East Midlands, the South West, West Midlands and perhaps Yorkshire). It may be argued that these regions are still in the throes of the recovery phase, as supply remains low and prices have not yet risen too far.

The worst growth prospects are most likely to be in Prime Central London, where an abundance of unsold stock is whittling away at property values. For the time being, the investment outlook for Greater London appears mixed but is becoming increasingly negative as supply rises.

Doug Shephard
Director at Home.co.uk



UK Asking Prices

Scotland	Feb-15
Average Asking Price	£164,853
Monthly % change	1.9%
Annual % change	4.4%

North East	Feb-15
Average Asking Price	£152,200
Monthly % change	-0.9%
Annual % change	0.1%

Yorks & The Humber	Feb-15
Average Asking Price	£171,610
Monthly % change	0.2%
Annual % change	2.1%

North West	Feb-15
Average Asking Price	£176,034
Monthly % change	-0.2%
Annual % change	1.5%

West Midlands	Feb-15
Average Asking Price	£204,108
Monthly % change	0.7%
Annual % change	4.2%

East Midlands	Feb-15
Average Asking Price	£193,108
Monthly % change	-0.1%
Annual % change	4.9%

East	Feb-15
Average Asking Price	£282,522
Monthly % change	0.9%
Annual % change	7.7%

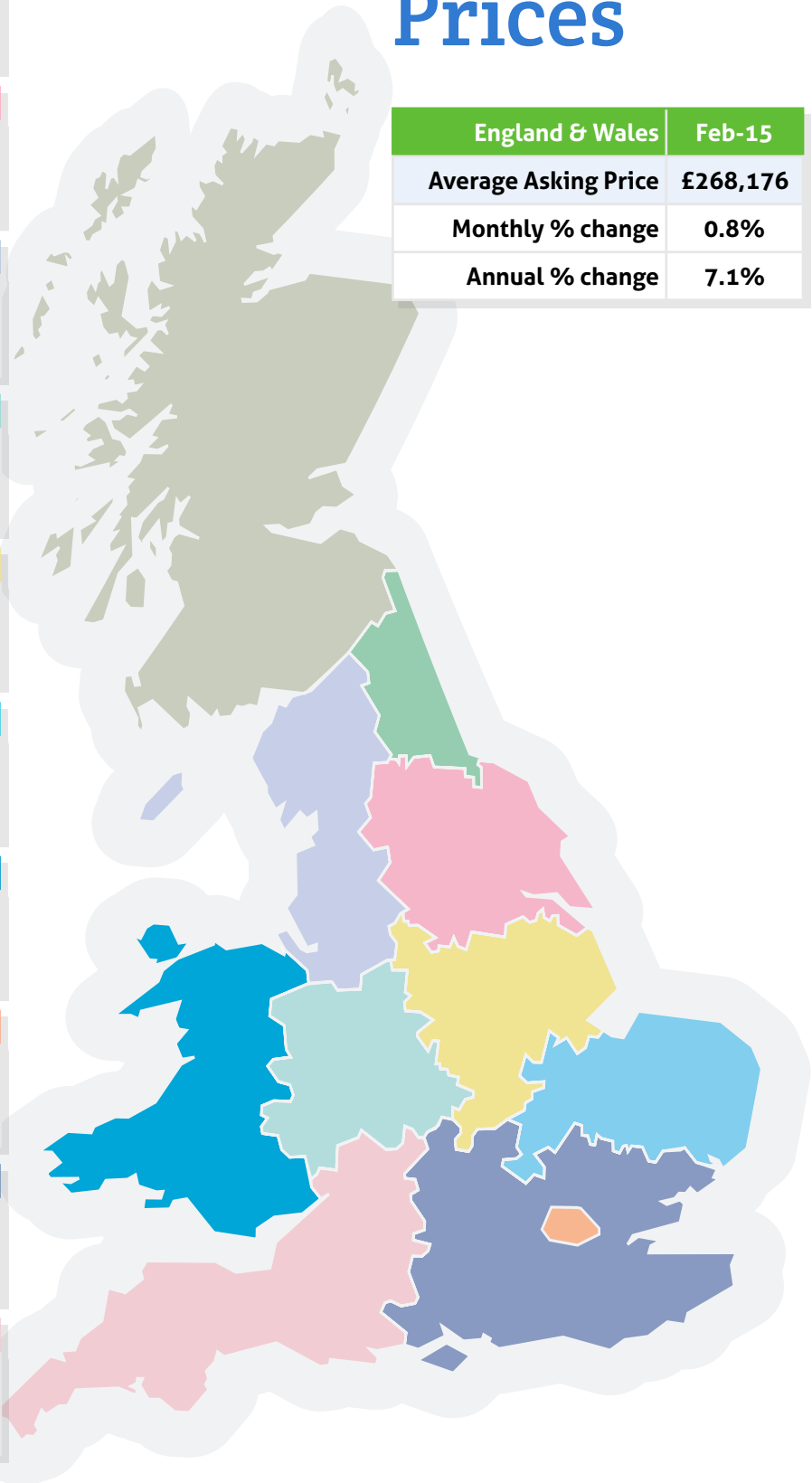
Wales	Feb-15
Average Asking Price	£179,337
Monthly % change	-0.1%
Annual % change	1.0%

Greater London	Feb-15
Average Asking Price	£486,889
Monthly % change	1.8%
Annual % change	14.6%

South East	Feb-15
Average Asking Price	£347,492
Monthly % change	1.4%
Annual % change	7.7%

South West	Feb-15
Average Asking Price	£280,293
Monthly % change	0.2%
Annual % change	4.5%

England & Wales	Feb-15
Average Asking Price	£268,176
Monthly % change	0.8%
Annual % change	7.1%



Source: Home.co.uk, February 2015

UK Time on Market

Scotland	Feb-15
Average Time on Market	271
Typical Time on Market	159
Annual % supply change	19%

North East	Feb-15
Average Time on Market	323
Typical Time on Market	178
Annual % supply change	11%

Yorks & The Humber	Feb-15
Average Time on Market	252
Typical Time on Market	152
Annual % supply change	5%

North West	Feb-15
Average Time on Market	250
Typical Time on Market	153
Annual % supply change	5%

West Midlands	Feb-15
Average Time on Market	202
Typical Time on Market	128
Annual % supply change	14%

East Midlands	Feb-15
Average Time on Market	192
Typical Time on Market	123
Annual % supply change	11%

East	Feb-15
Average Time on Market	144
Typical Time on Market	96
Annual % supply change	18%

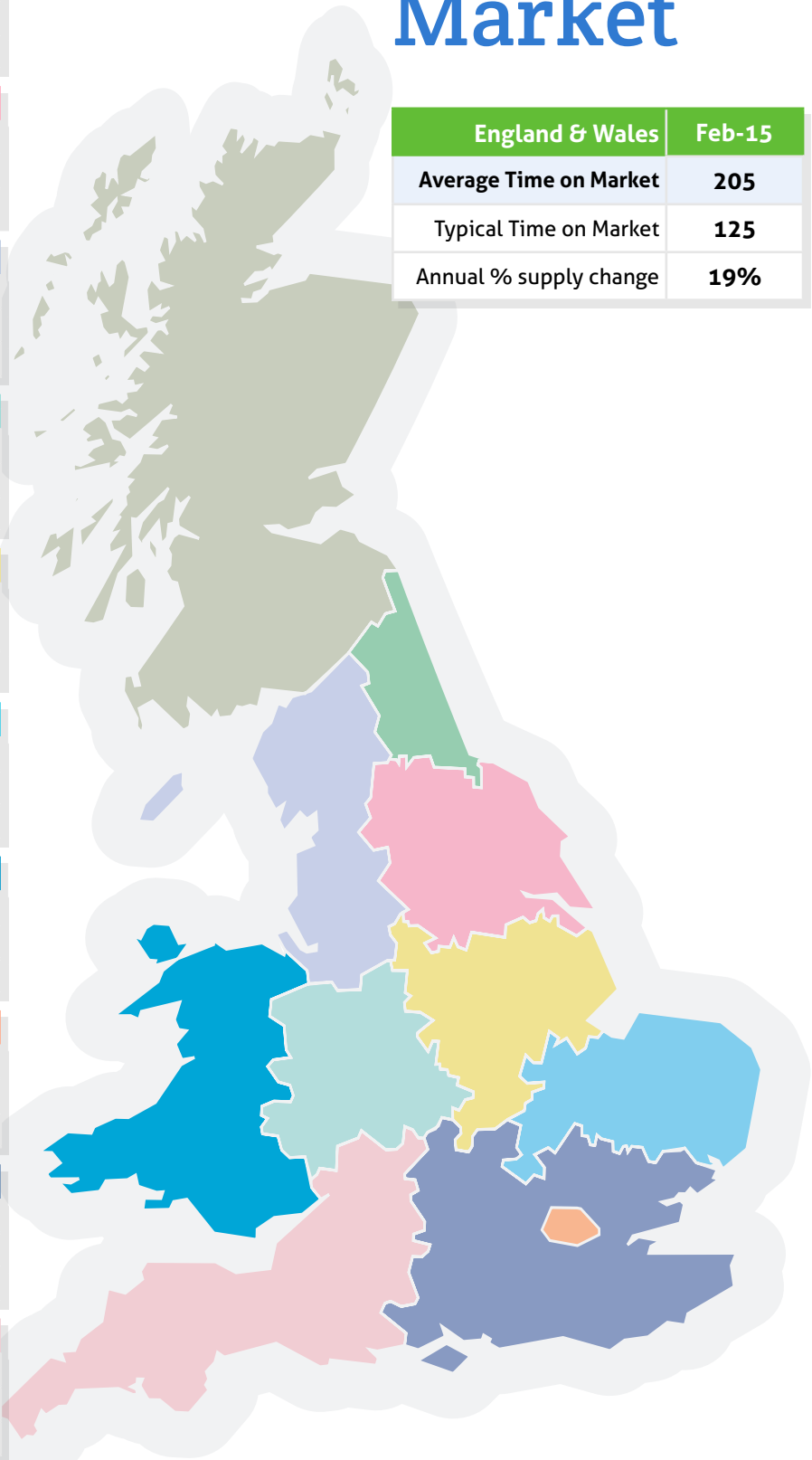
Wales	Feb-15
Average Time on Market	285
Typical Time on Market	173
Annual % supply change	15%

Greater London	Feb-15
Average Time on Market	121
Typical Time on Market	87
Annual % supply change	51%

South East	Feb-15
Average Time on Market	127
Typical Time on Market	87
Annual % supply change	28%

South West	Feb-15
Average Time on Market	175
Typical Time on Market	120
Annual % supply change	15%

England & Wales	Feb-15
Average Time on Market	205
Typical Time on Market	125
Annual % supply change	19%



Source: Home.co.uk, February 2015. Note: Average = Mean (days), Typical = Median (days)

About the Home.co.uk Asking Price Index

- The Home.co.uk Asking Price Index was originally devised 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 500,000 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.

Contact details and further information

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- To learn more about Home.co.uk please visit:
<http://www.home.co.uk/company/about.htm>
- For further 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
- To learn more about Home.co.uk data services please visit:
<http://www.home.co.uk/company/data/>

Future release dates:

- Thursday 12th March
- Tuesday 14th April
- Wednesday 13th May