



Asking Price Index

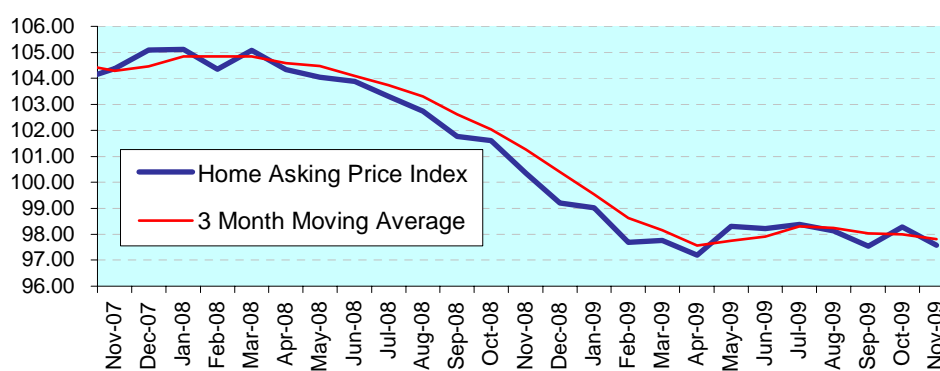
The UK's Independent Forward Market Indicator

[Home Asking Price Index](#): 12th November 2009

Winter Blues Stall Market Recovery

"I think that the government's been very clear that over the next four years there's going to be a program to reduce the public debt level," Mervyn Davies, UK Trade Minister.

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 falls back by 0.7% this month.

Market house prices fell this month in all English regions except the North East. Welsh and Scottish market house prices also fell.

Asking Prices in England and Wales are 2.8% lower than in Nov 2008.

Meanwhile, the typical (median) marketing time has fallen further from 118 to 115 days over the last month, the shortest since August 2008.

Average UK Asking Price has fallen 5.4% over the last 5 years.



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Overview

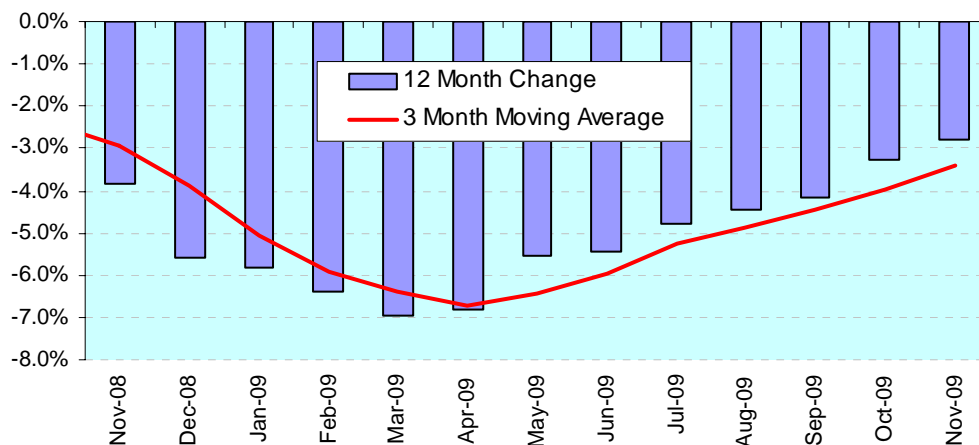
Sentiment among home sellers remains subdued. A slow-moving UK property market means that prices are stagnating whilst the mild recovery noted in the earlier part of the year is looking ever more vulnerable as mounting unemployment takes its toll.

Market weakness is currently seen in more conservative initial pricing of properties for sale, together with an increase in on-market reductions for a second consecutive month. Asking prices of 55,534 homes on the UK market were cut in the month of October, an increase on the number of reductions recorded for September (48,725). However, the value of the average price reduction in October was the smallest yet recorded this year at £17,358.

Overall the above figures clearly indicate the continued difficulty in selling property in the current economic climate in most parts of the UK.

Twelve-Month Trend in Asking Prices

12 Month Change in Asking Prices by Month



The year-on-year (YoY) fall in Asking Prices for England and Wales has now slowed to -2.8% with the trend line indicating a weak recovery.



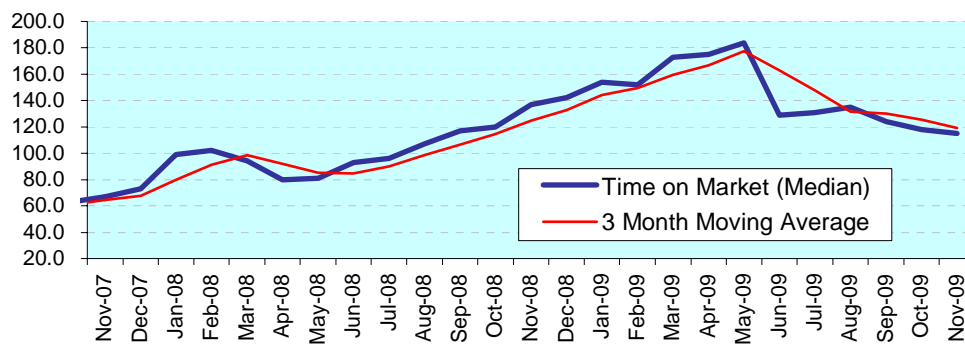
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Time-on-Market Analysis

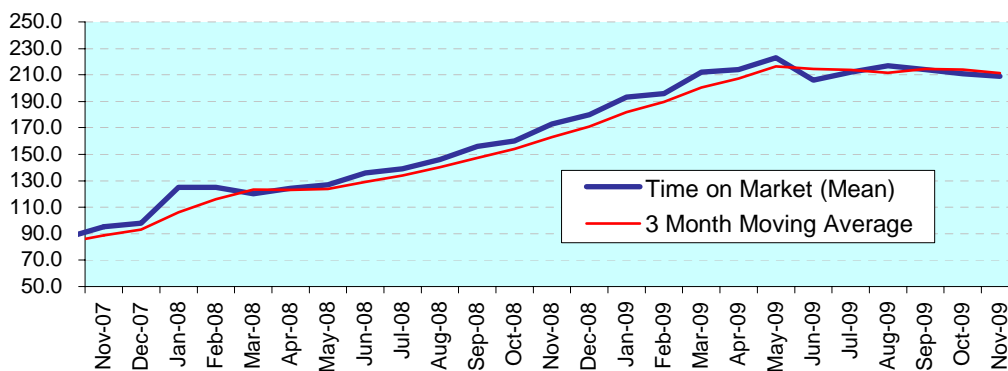
Typical Time-on-Market for unsold properties has continues to fall, albeit slowly, and now stand at 115 days.

Typical Time on Market for England & Wales



Average Time on Market (ToM) for unsold UK property has reduced slightly to 209 days. However, this figure represents an almost 3-fold increase when compared to pre-credit crunch marketing times.

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 2.8%, *ca.* 3.9% below the [CPI](#), *ca.* 4.6% below the [RPI](#) (ex. housing) and *ca.* 4.6% below the [AEI](#) (ex. bonuses). The mix-adjusted average price of homes in England and Wales, advertised on the open market, now stands at £228,442¹. The HAPI for England and Wales now stands at 97.5¹ [May04 = 100].

Regional Housing Markets

Regional Asking Prices for November 2009, showing gains and losses since May 2009.

	Current average price	6month change
Greater London	£342,801	+1.0%
West Midlands	£190,286	+0.8%
South East	£284,775	-0.1%
South West	£250,773	-1.2%
East Anglia	£237,664	-1.7%
Yorkshire and Humber	£171,829	-1.8%
North East	£155,516	-1.8%
East Midlands	£171,177	-2.1%
North West	£175,361	-2.2%
Wales	£179,021	-2.3%
Scotland	£159,314	-5.9%
England & Wales	£228,442	-2.8%

¹ Please note that the entire HAPI has been recalculated this month from May04 using a more accurate algorithm, to better judge regional differences and remove price biasing.



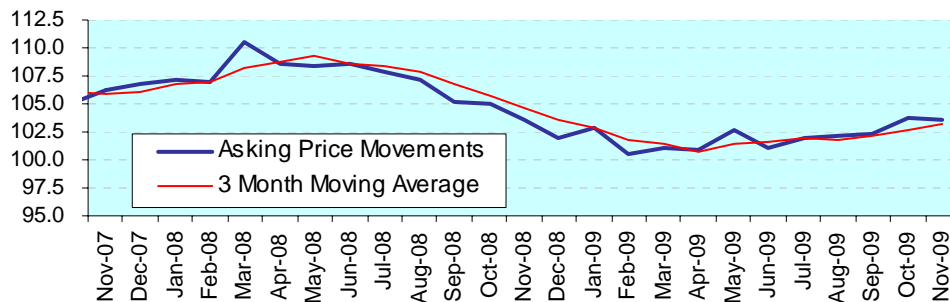
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Greater London

Greater London Asking Prices have led the market recovery this year, although asking prices in the capital remain well below their 2007/8 highs.

Asking Price Movements for Greater London

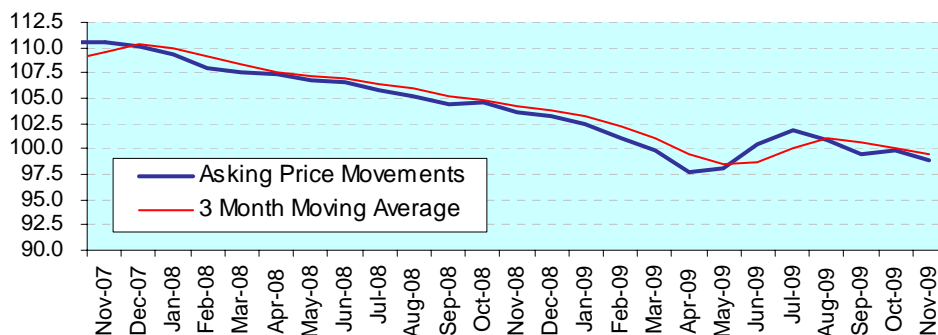


[Laspeyres](#) Indices based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

West Midlands

The mix-adjusted Asking Price chart for property for sale in the West Midlands indicates that there was a similar late spring price recovery in this region, but much of that ground has now been lost as selling conditions deteriorate further.

Asking Price Movements for the West Midlands



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



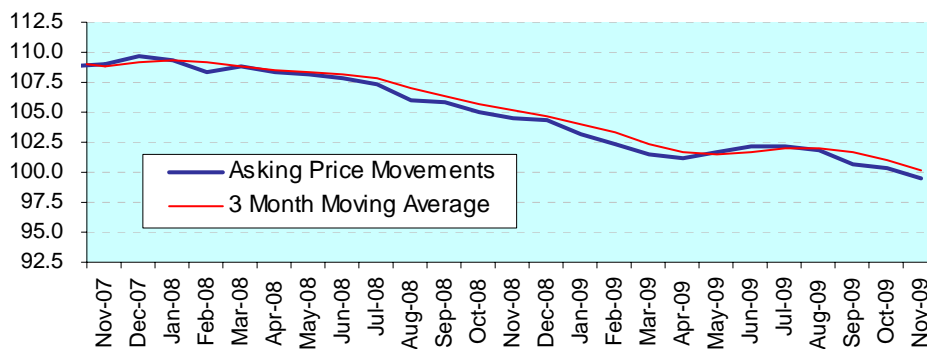
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North West

The mix-adjusted average Asking Price for properties for sale in the North West has resumed a downward trend in the latter part of this year, following a spring bounce in asking prices.

Asking Price Movements for the North West

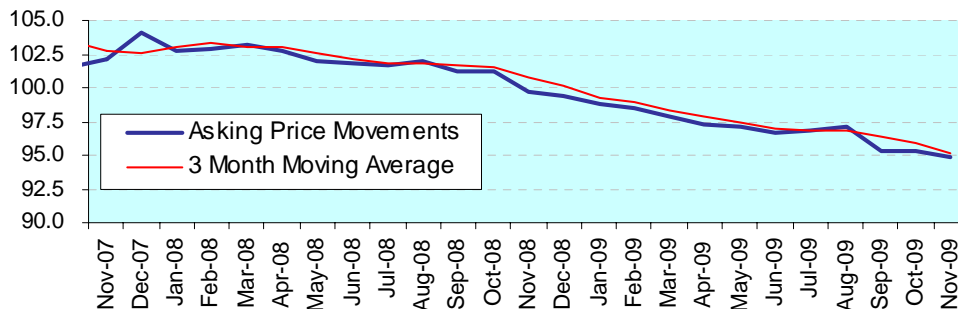


Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

Wales

Asking Prices for homes in Wales have fallen steadily since the credit crunch and thus far show no signs of stabilisation. No real recovery was evident in the Welsh housing market this year and the trend is clearly towards lower house prices in 2010.

Asking Price Movements for Wales



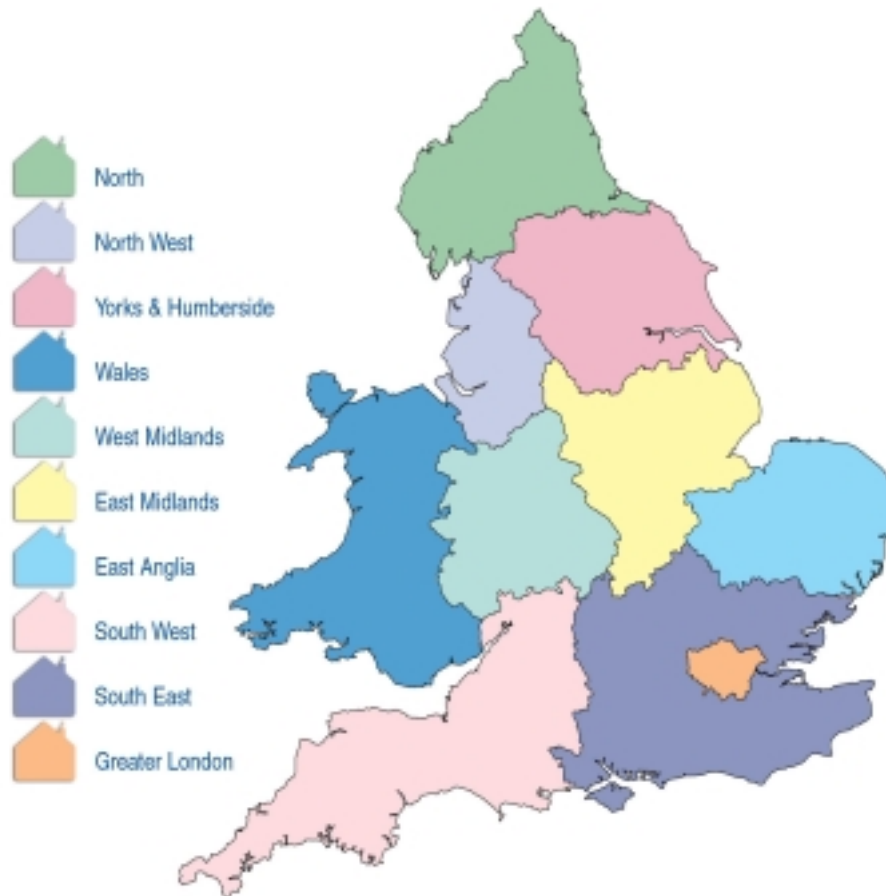
Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]



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Regions (as per DCLG)



Source: HM Land Registry



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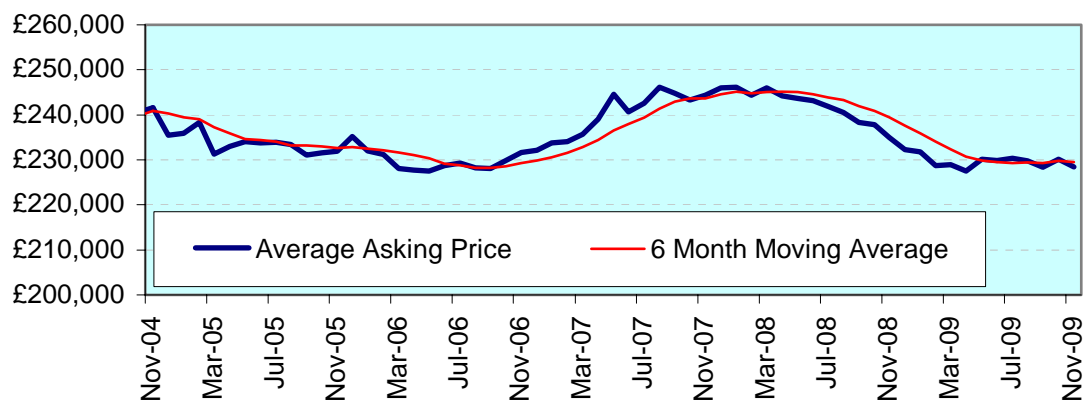
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Comment

5-Year Asking Price Trend Highlights a Weak Recovery

Average asking prices may have rallied in the most economically prosperous UK regions this year, thereby supporting the national average figures, but the long-term picture is far from rosy. The average Asking Price has simply 'flat-lined' for several months and may well resume a downward trend that began as long ago as 2004.

5-Year Average Asking Price Trend



The average asking price for UK property has fallen 5.4% over the last five years, suggesting that the slump in property values started long before the credit crunch. The strong easy-credit fuelled rally observed in 2007 was clearly cut short by the banking crisis. Currently, the average property price is once again testing the lows of 2006.

The mix-adjusted average UK property price was £241,569 in November 2004 in a hugely over-heated market. Now sellers are typically asking for a £228,442 for the same property in a comparatively icy market, 5.4% less than 5 years ago. When adjusted for inflation (RPI ex-housing) the loss in real-terms is in the region of 17%.

Released 12th November 2009

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The Home.co.uk Asking Price Index

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

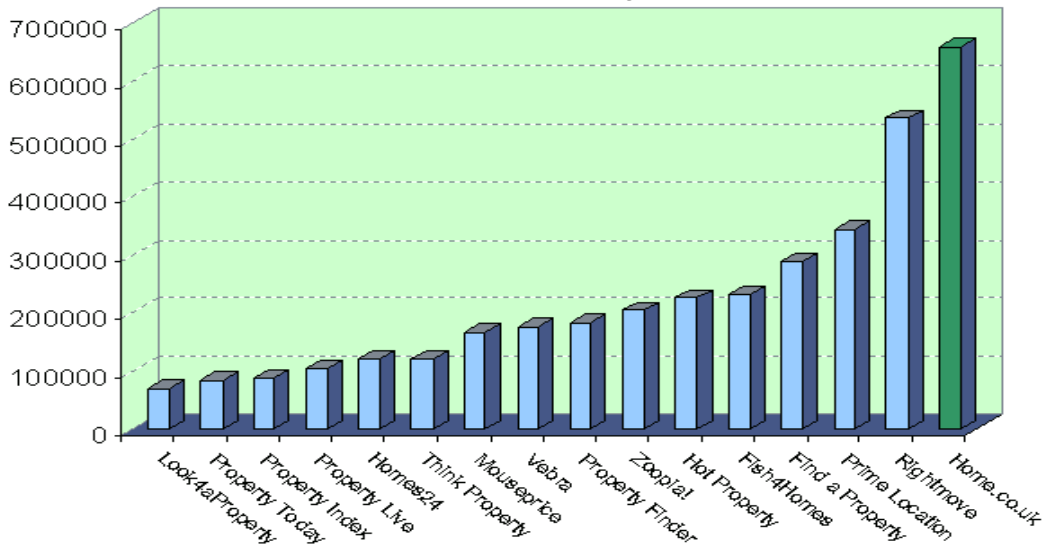
The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) [Survey of English Housing Stock](#) (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the [Office of 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 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 July 09





November 09

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

Future release dates:

Monday 14th December 2009

Tuesday 12th January 2010

Friday 12th February 2010



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