



September 2012

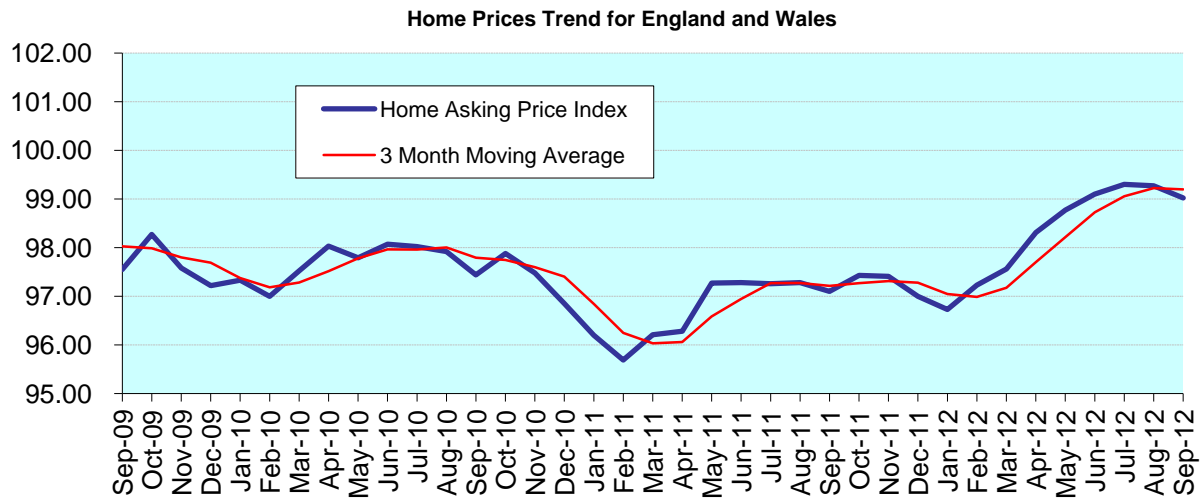
# Asking Price Index

The UK's Independent Forward Market Indicator

Home Asking Price Index. Release date: 12<sup>th</sup> September 2012

## Prices Fall as Reality Bites Back.

"I am looking for job opportunities in the future," Robert Edward "Bob" Diamond Jr. Former CEO of Barclays Bank.



[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 retreat from euphoric summer highs, as the stark reality of the UK's economic woes and rising mortgage costs brings sobriety to the market.

Asking prices fell in 8 of the 9 English regions and Wales over the last month.

Supply to market of properties for sale down 7.6% year-on-year.

Time on Market (average) climbs to 215 days.

Annual change in asking prices: +2.0%      6-month change: +1.5%

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

Press Office: 0845 373 3580

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



# Asking Price Index

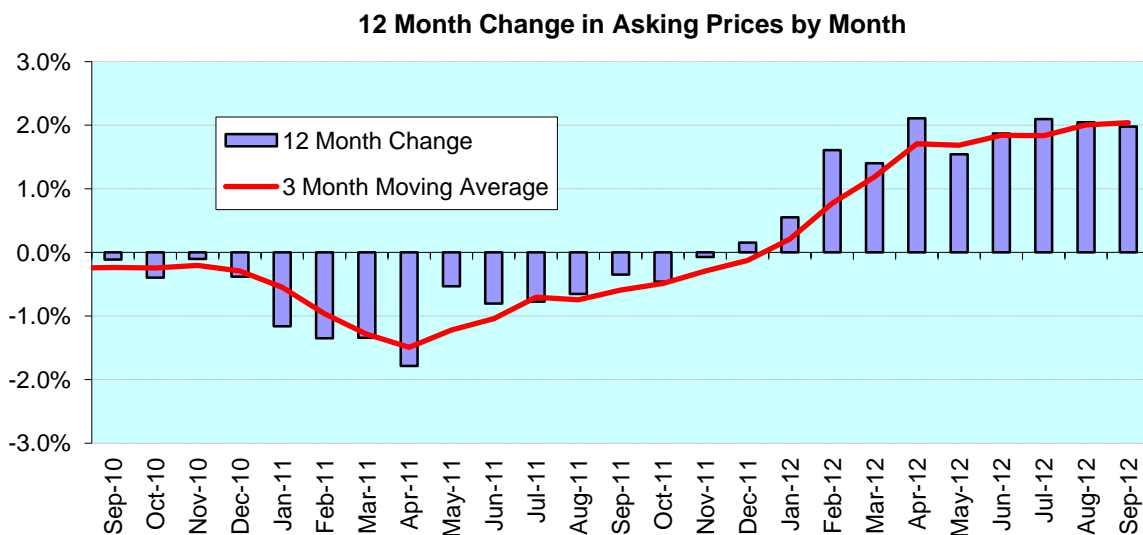
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## Overview

The UK property market steps down a gear after the summer highs. Price falls across most regions and London reflect the continued poor economic outlook and the increasing costs of mortgages. However, price falls may be slight over the coming months as supply of property for sale is down 7% across the UK. Hardest hit by the supply shortage is the North West which is down 15% year-on-year.

Greater London, the South West and the South East continue to enjoy the lowest marketing times in the UK, whilst more northern regional property markets suffer the longest. Moreover, looking at further market segmentation by home type, detached properties continue to show the greatest price resilience and the average price for this dwelling type is now on a par with the previous highs set in 2007. Terraced and flat dwellings, on the other hand continue to show year-on-year falls on average across the UK.

## Year-on-Year Trend in Asking Prices



Year on year, asking prices are increasing by 2.0%.



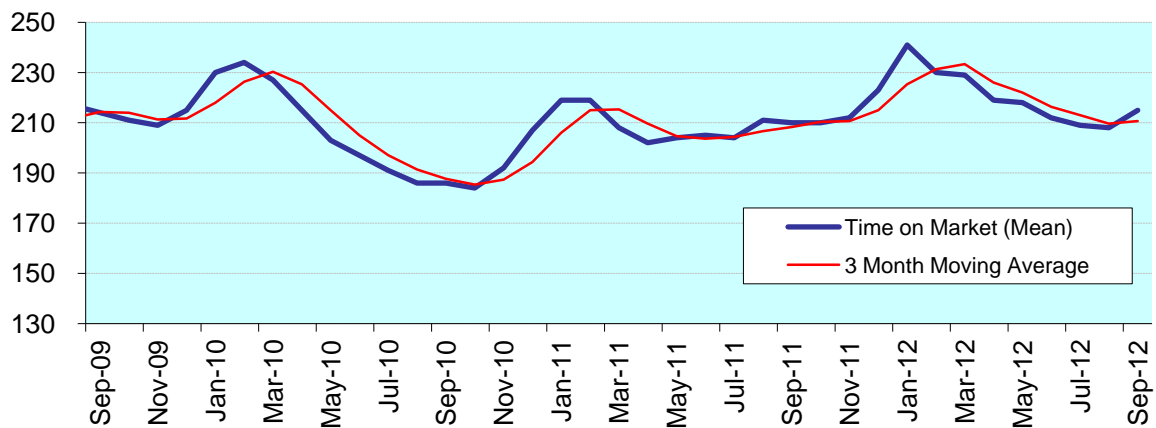
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## Time-on-Market Analysis

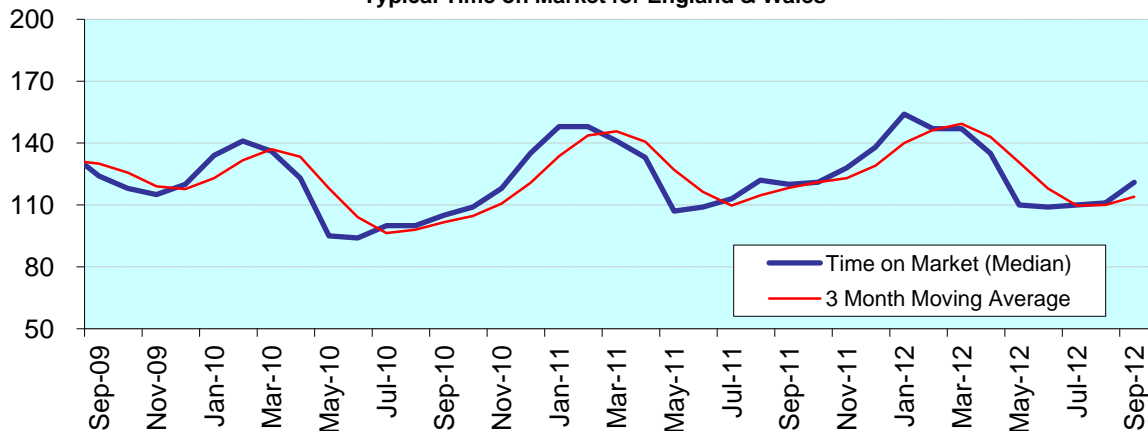
Properties are spending longer on the market. The mean (average) time on market for unsold property has broken the downward trend established since January 2012 and has ticked up to 215 days. Market momentum may well be slowing earlier than expected this year (Average ToM for September 2011 was 210 days).

Average Time on Market for England & Wales



Meanwhile, the current median (typical) time on market has risen sharply, since August, to 121 days, which is 1 day longer than for September 2011.

Typical Time on Market for England & Wales



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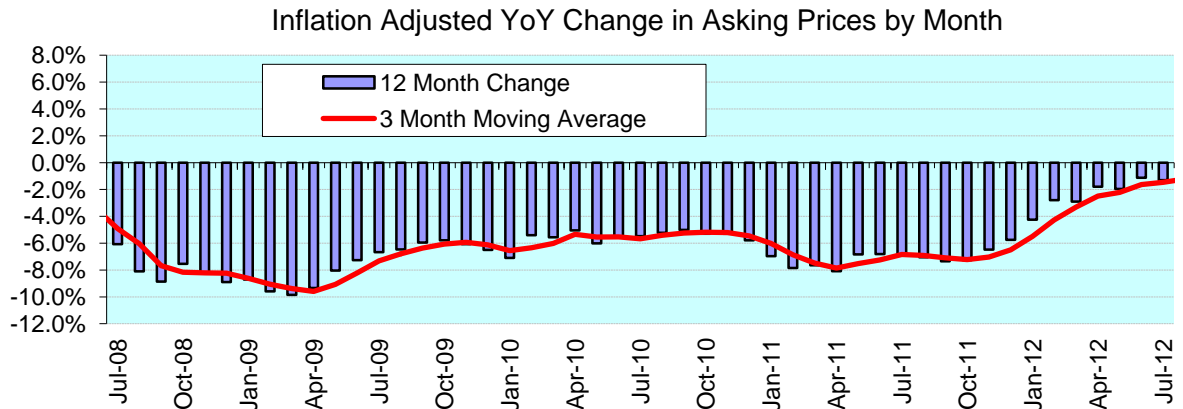
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## Home Asking Prices vs. Inflation



Comparing ONS figures ([RPI](#) ex. housing) and the YoY change in asking prices shows that, whilst in real terms UK property has been an unsafe store of capital value since March 2008, the gap with inflation has been narrowing (1.3% in July). The HAPI for England and Wales remains at 99.0 [May04 = 100].

## Regional Housing Markets

Regional asking prices for September 2012, showing gains and losses since June 2012 and current typical time on market.

	Current average price	Q3 change	Median ToM (days)
South West	£254,664	+0.7%	107
Greater London	£354,975	+0.5%	90
East Midlands	£174,640	+0.3%	125
Wales	£173,697	+0.3%	157
Scotland	£160,218	0.0%	133
North East	£152,359	-0.2%	182
South East	£294,270	-0.4%	92
Yorkshire and Humber	£167,558	-0.4%	154
East Anglia	£248,244	-0.5%	103
North West	£172,885	-0.6%	147
West Midlands	£187,757	-0.8%	128
<b>England &amp; Wales</b>	<b>£231,832</b>	<b>+2.1%</b>	<b>121</b>

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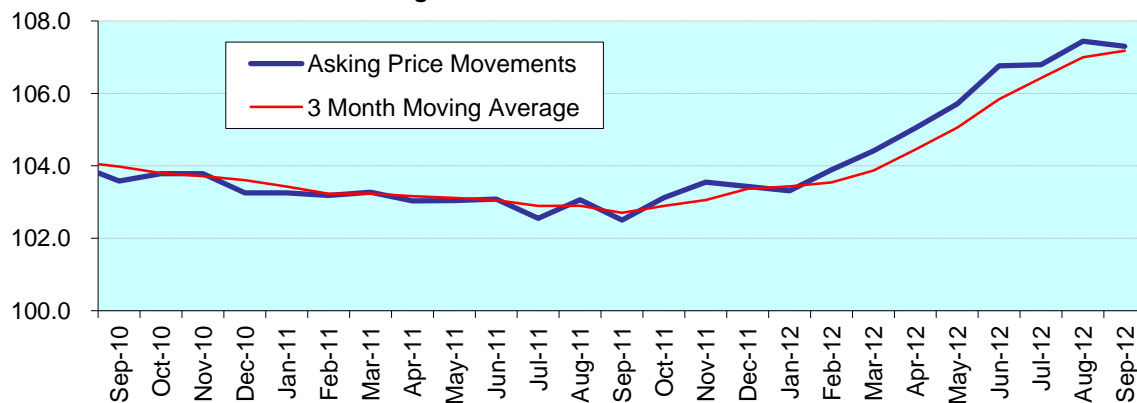
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## Greater London

Market house prices in Greater London have registered an outstanding performance this year indicating a rising trend overall since January. Only this month are home asking prices in Greater London showing signs of cooling. The number of market entrants in August was 7% down on August 2011 and this will help support prices over the coming months.

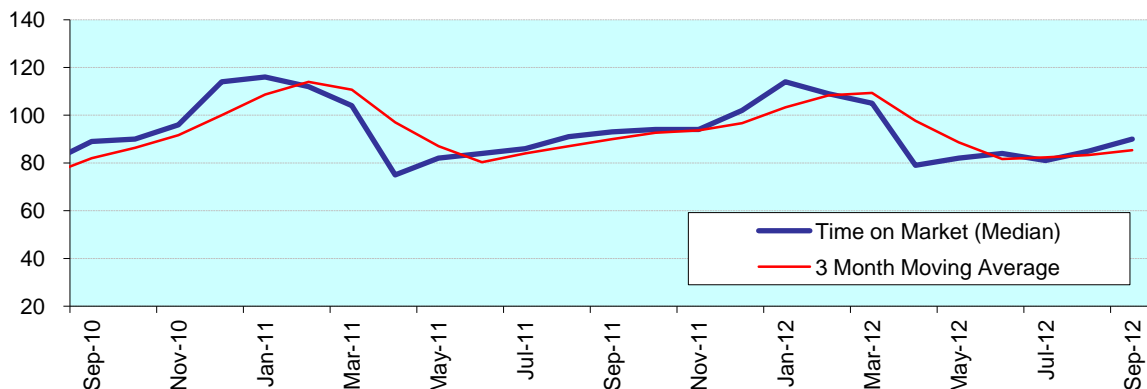
Asking Price Movements for Greater London



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

The typical time on market trend for unsold property in Greater London shows little or no deviation from the seasonal trend. Median time on market now stands at 90 days, which is 3 days less than in September 2011.

Typical Time on Market for Greater London



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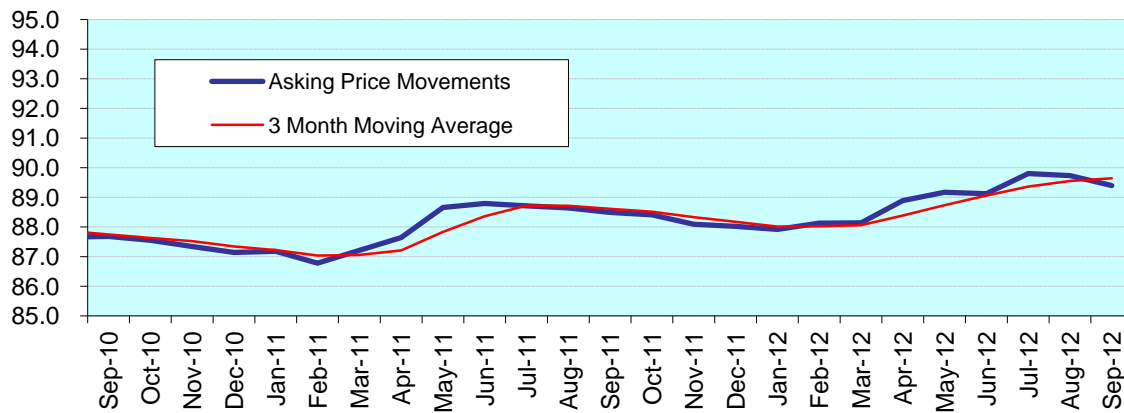
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## East Midlands

The mix-adjusted average asking price trend for property in the East Midlands has registered a consistent recovery over the last two years, although prices are considerably lower than before the banking crisis. Market home prices in this region are strongly supported by a lack of supply: 10% down year-on-year.

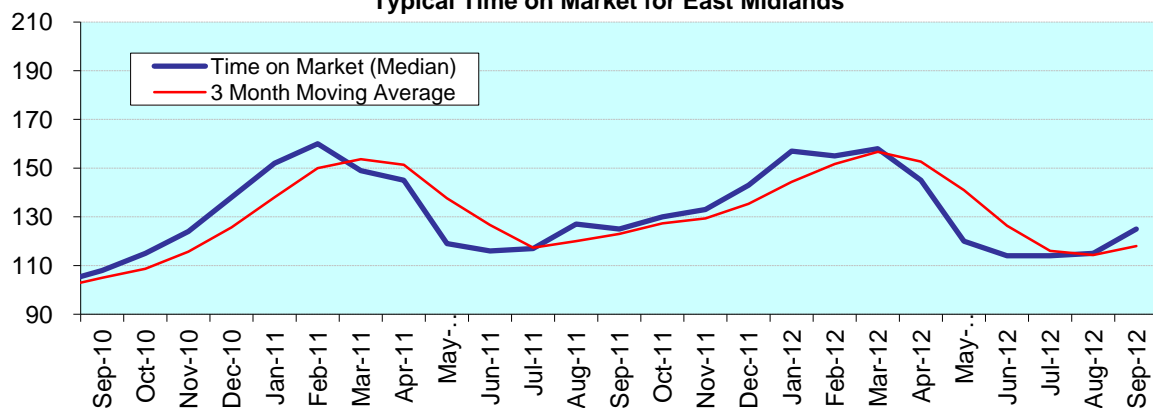
Asking Price Movements for the East Midlands



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

The time-on-market chart for unsold property in the East Midlands housing market also shows a typical seasonal trend. Marketing times this month show no change on last year's September figure: 125 days.

Typical Time on Market for East Midlands



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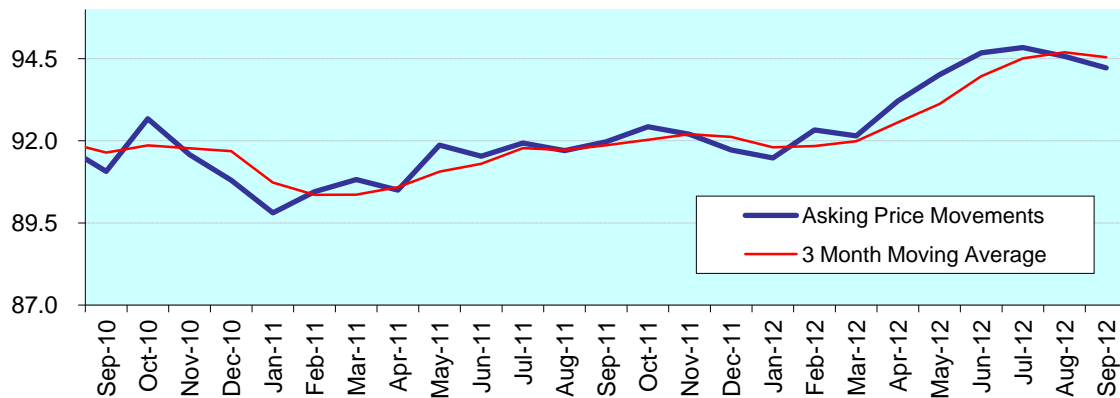
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## East Anglia

Asking prices for properties for sale in East Anglia have shown a strong rally in the earlier part of the year, although over the last two months this market is showing distinct signs of cooling. Despite the positive market performance this year sales supply was down 7% in August 2012, as compared to August 2011, and this will serve to limit further price falls.

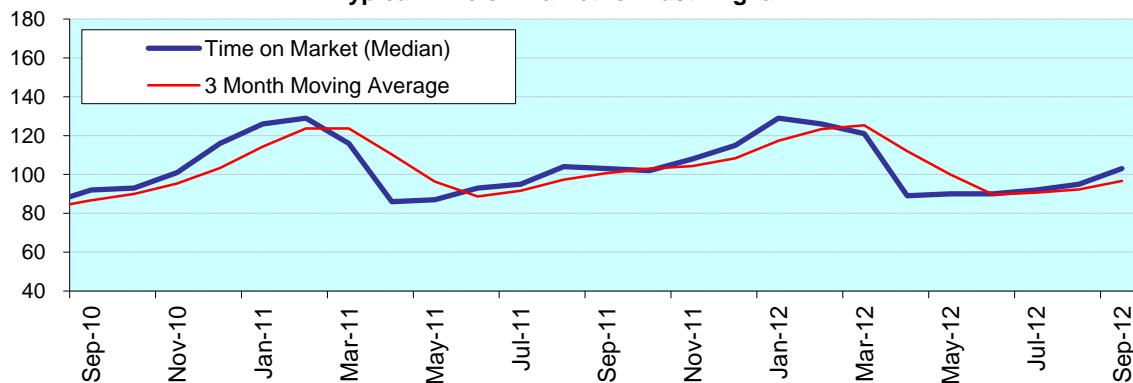
Asking Price Movements for East Anglia



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

Typical time on market trend for East Anglia also shows a typical seasonal pattern and no change in marketing times year-on-year. The median figure is currently 103 days, which is 18 days shorter than the median time on market for the UK.

Typical Time on Market for East Anglia





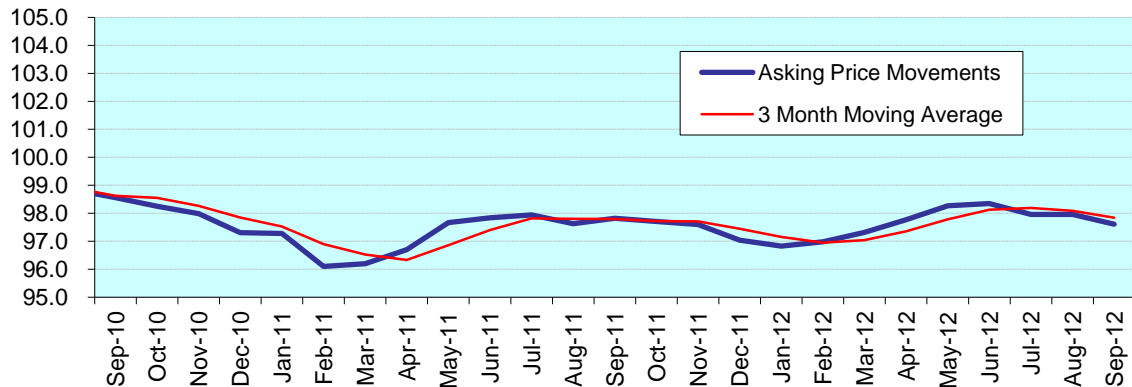
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## West Midlands

Asking prices for homes in the West Midlands have been sliding over recent months and are down just 0.2% year-on-year. Supply of homes for sale in this region was down 13% in the month of August, as compared to August 2011.

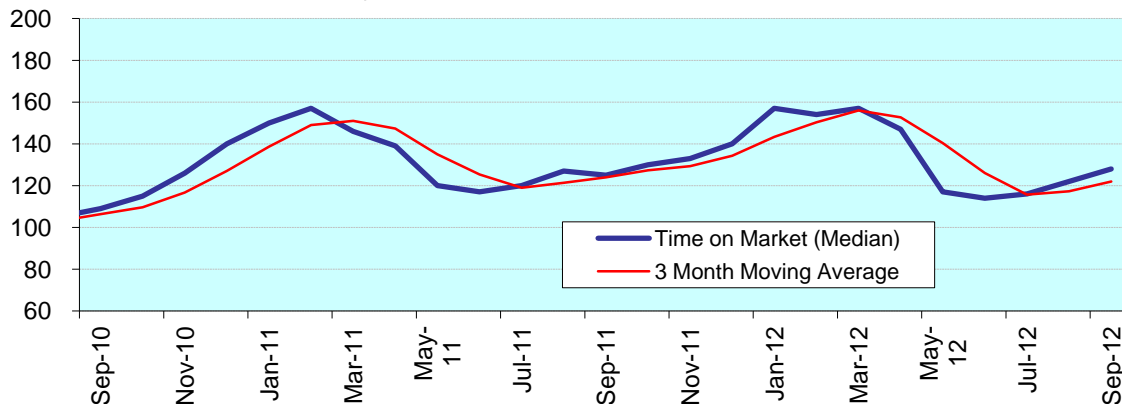
Asking Price Movements for the West Midlands



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

Typical (median) time on market for unsold property in the West Midlands is currently 128 days, 3 days longer than in September last year. The typical time on market for the West Midlands is just 7 days longer than the UK median.

Typical Time on Market for West Midlands



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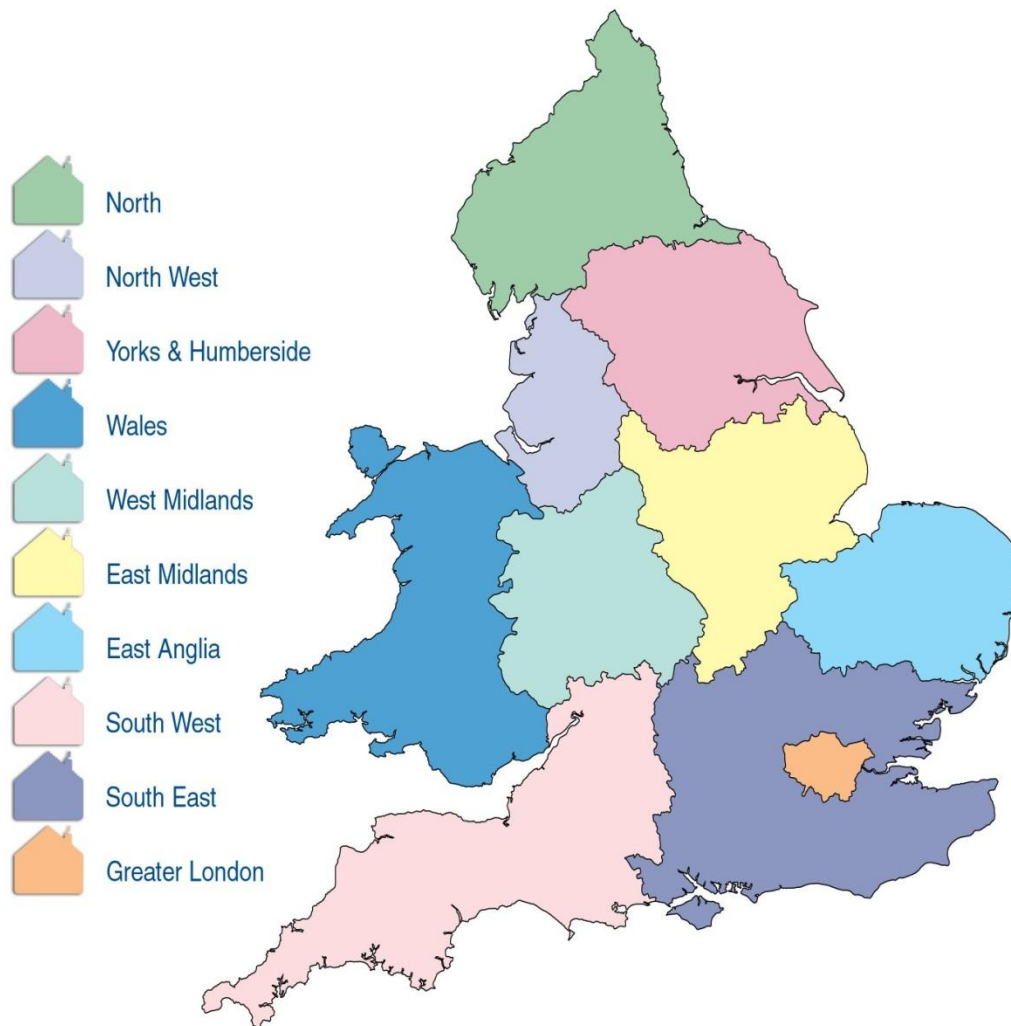


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**Regions** (as per DCLG)



Source: HM Land Registry

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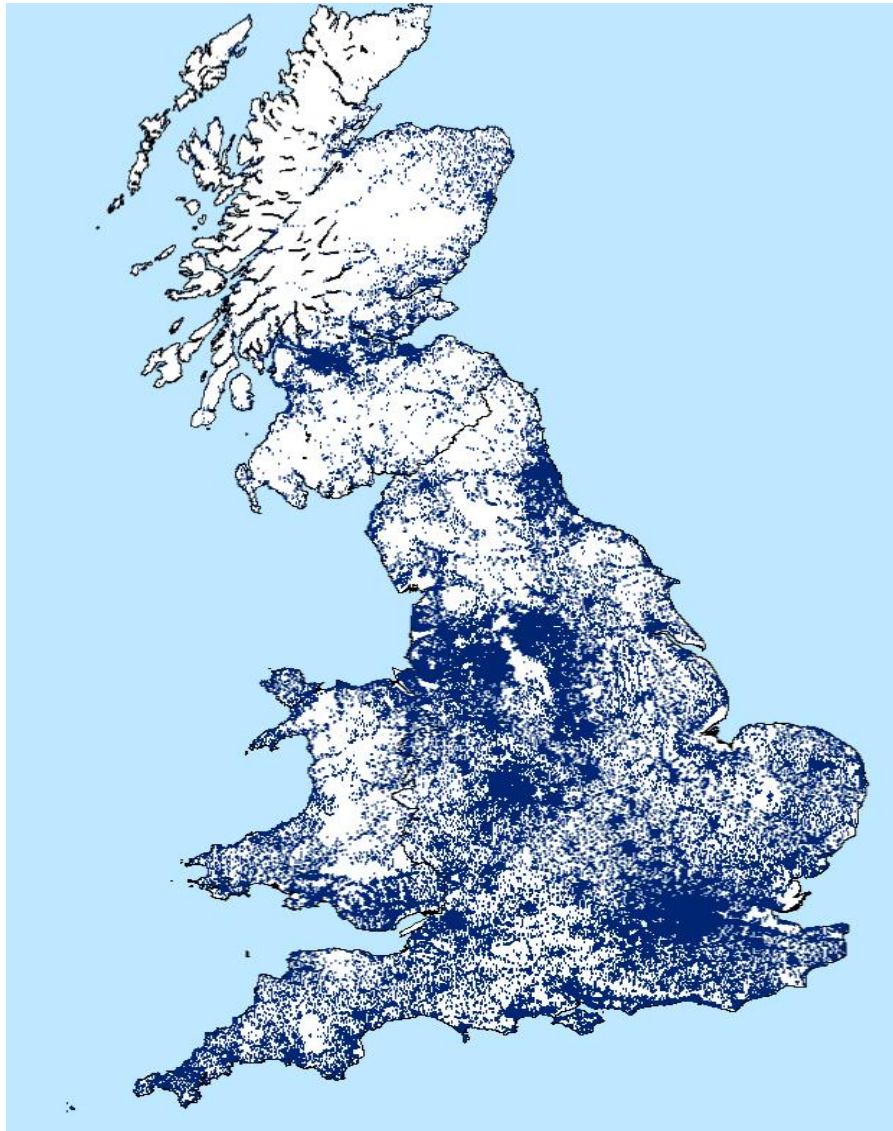
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## Data Snapshot

This image represents a snapshot of the [Home.co.uk](http://Home.co.uk) database of UK property for sale. Each blue dot represents a property.



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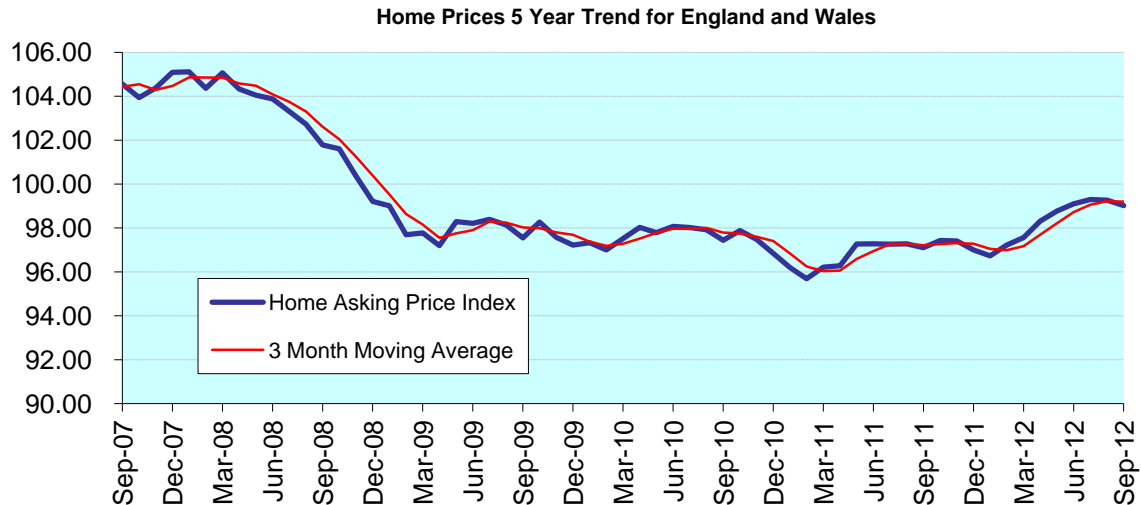


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## Comment

### UK House Prices since the Credit Crunch



**UK home prices are still well below the heights set at the end of the housing boom in 2007.** Moreover, this unimpressive performance of the national mix-adjusted average figure is despite the fact that it has been solidly supported by a strong London property market and the southern regions.

Shocking newspaper headlines about collapsing banks have largely been replaced by more mundane articles about government stimulus spending and reports of low economic growth.

For the last four years the UK economy (and the property market) has been on life support. Ultra-low interest rates from the Bank of England and QE measures stopped the decline but most unfortunately the 'real economy' is not stepping up to the mark.

The up-trend in asking prices may give some cause for optimism. However, it must be borne in mind that due to the effects of inflation house prices have fallen *ca.* 25% since the banking crisis. Moreover, they continue to fall relative to the Retail Price Index.

From this point of view the current boom in buy-to-let is perhaps surprising as net yields (adjusted for interest payments, changes in value of the underlying asset, voids, maintenance, insurance and letting costs) are unlikely to be ahead of inflation. RPI (excluding housing) is currently 3.4%.

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## About the Home.co.uk Asking Price Index

The [Home.co.uk](http://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](#).

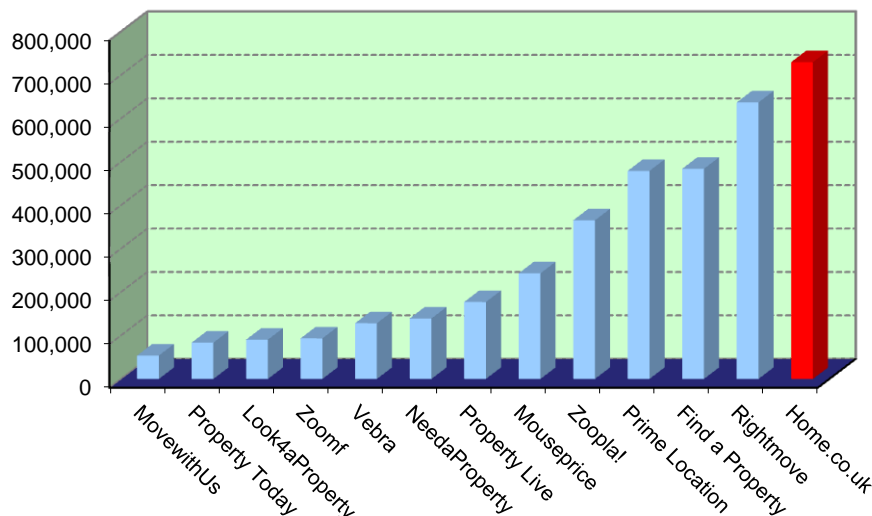
The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) [Survey of English Housing Stock](#) (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the [Office of 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 800,000 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 2012



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## Contact Details

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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](http://www.home.co.uk/asking_price_index/Mix-Adj_Methodology.pdf)

To learn more about Home.co.uk data services please visit:  
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## Future release dates:

Friday 12<sup>th</sup> October

Monday 12<sup>th</sup> November

Wednesday 12<sup>th</sup> December



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