



August 2012

Asking Price Index

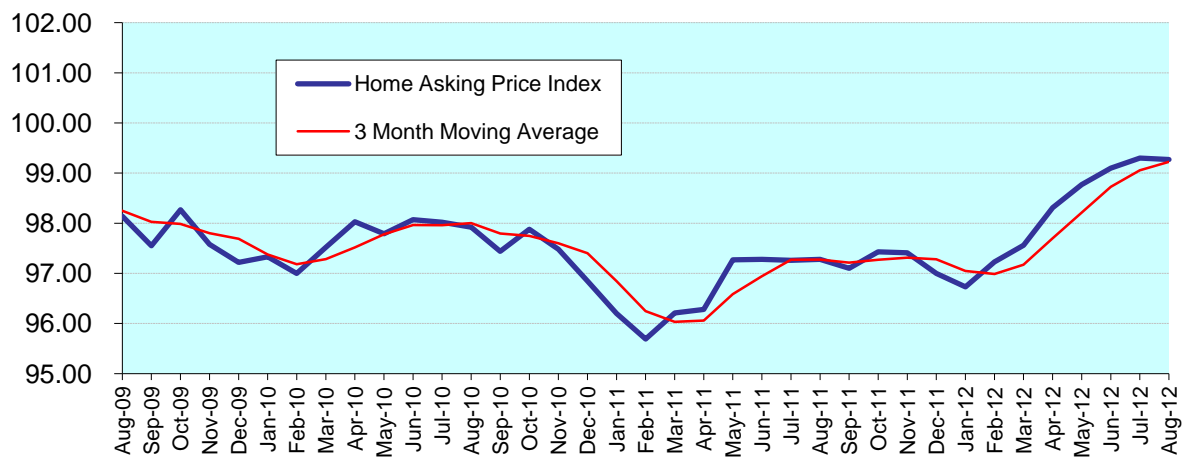
The UK's Independent Forward Market Indicator

Home Asking Price Index. Release date: 13th August 2012

London Property Takes Olympic Gold.

"By spreading happiness and good cheer the Games have made us all feel better. And, who knows, the impact on confidence may give the economy a boost. But ultimately the games cannot alter the underlying economic situation we face," Mervyn King, Governor of the Bank of England.

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

Asking prices for homes on the market in England and Wales have finally stalled after a solid rising trend (no change since last month).

The average asking price in Greater London has increased 4.3% over the last year, making it the UK's best performing region.

Asking prices fell in 5 English regions, Scotland and Wales over the last month. However, prices rose further in both Greater London and the South West, while no change was observed for the West Midlands and the North West.

Supply to market of properties for sale up 2% year-on-year.

Annual change in asking prices: +2.0%

6-month change: +2.1%

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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**



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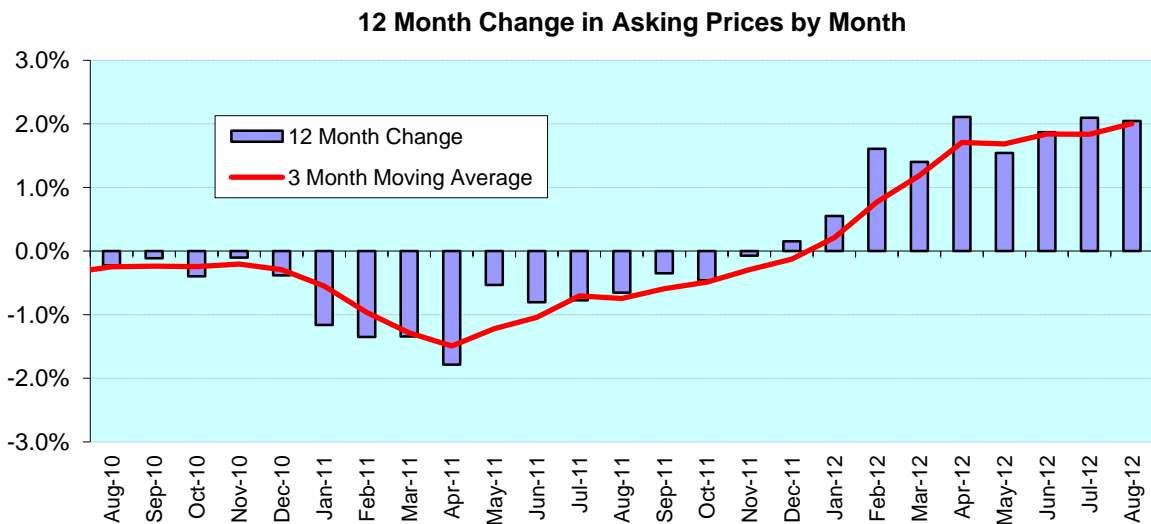
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Overview

UK property market remains bi-polar. The strong performance of the London market is currently balanced by the poor performance of several regions (mainly in the North). Greater London, the South East and East Anglia are currently registering year-on-year gains over and above the official rate of inflation (RPI ex. housing). By contrast average investment in all other English regions, Wales and Scotland is rewarded by negative real capital gains.

The southern regions, led by London (with asking prices at a four year high), also continue to perform well in terms of marketing times. Government stimulus, Olympic spending and foreign investment have all contributed to buoy these faster moving property markets. By contrast it typically requires 56 days longer to market a home in the North East than for the UK overall.

Year-on-Year Trend in Asking Prices



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



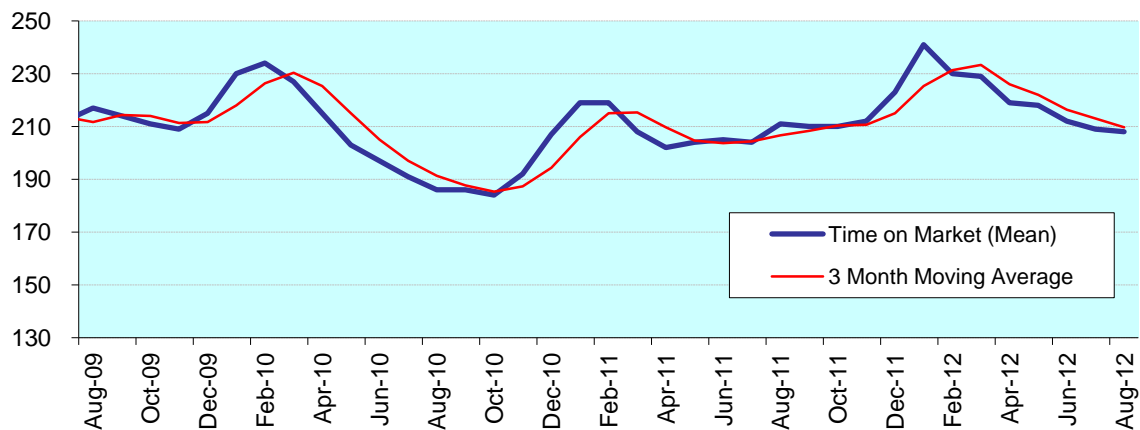
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Time-on-Market Analysis

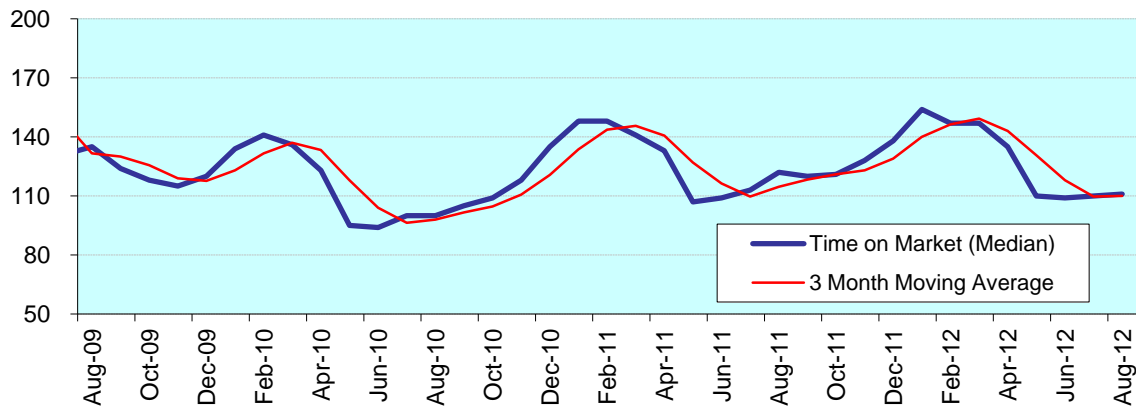
The mean (average) time on market for unsold property continues a downward trend (since January 2012). This year has shown a sustained improvement in marketing times, unlike the trend observed in 2011, and echoes the trend towards increased market momentum observed in 2010, albeit less pronounced. The mean UK marketing time is now 208 days, 3 days shorter than in August last year.

Average Time on Market for England & Wales



Meanwhile, the current median (typical) time on market has risen slightly to 111 days, which is 11 days shorter than that registered in August 2011.

Typical Time on Market for England & Wales



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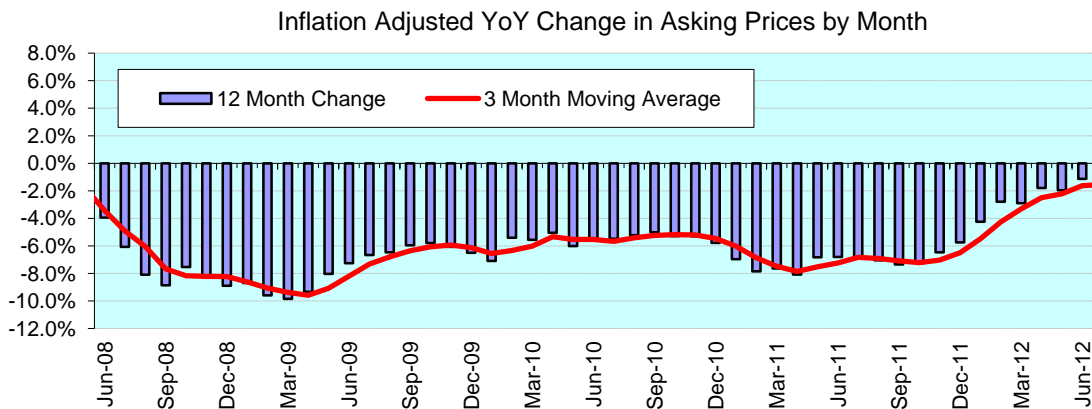
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Home Asking Prices vs. Inflation



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 continues to narrow (1.1% in June). The HAPI for England and Wales remains at 99.3 [May04 = 100].

Regional Housing Markets

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

	Current average price	6-month change	Median ToM (days)
Greater London	£355,430	+3.4%	85
South West	£256,124	+2.8%	100
East Anglia	£249,163	+2.4%	95
South East	£294,494	+2.1%	88
East Midlands	£175,271	+1.8%	115
Wales	£173,721	+1.2%	151
North East	£152,100	+1.2%	167
West Midlands	£188,430	+1.0%	122
Yorkshire and Humber	£168,112	+1.0%	143
Scotland	£160,142	+1.0%	126
North West	£173,461	+0.7%	140
England & Wales	£232,398	+2.1%	111

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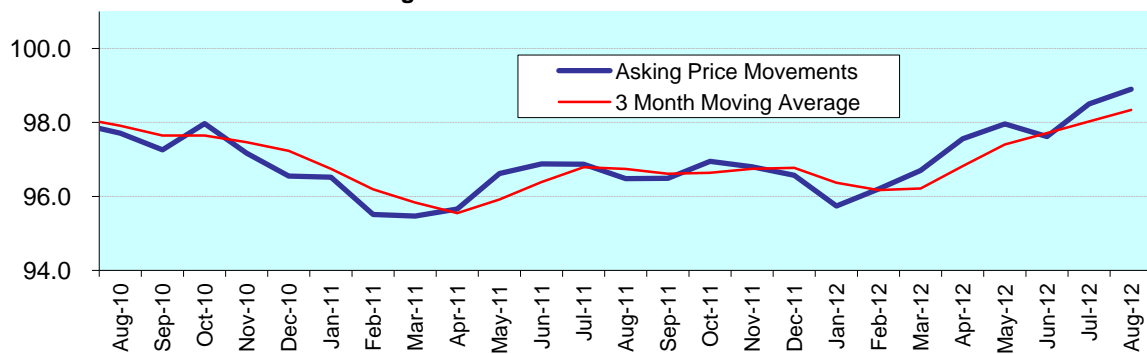
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South West

Market house prices in the South West have registered a solid performance this year indicating a rising trend overall since January. Home asking prices in the South West are now the highest they have been since November 2008. The number of market entrants in July was 5% higher than for July 2011 and this is likely to be a result of renewed confidence in this regional market.

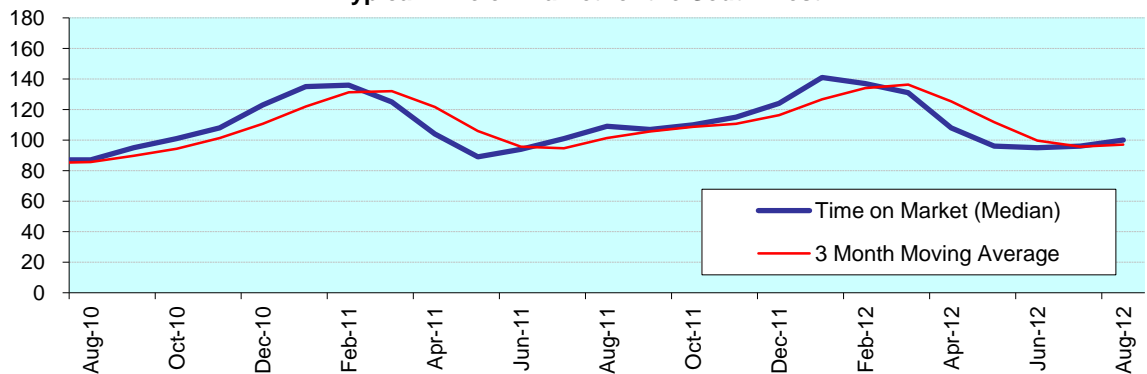
Asking Price Movements for the South West



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

The typical time on market trend for unsold property in the South West shows little deviation from the seasonal trend and an improvement in marketing times. Median time on market now stands at 100 days, which is 9 days less than in August 2011.

Typical Time on Market for the South West



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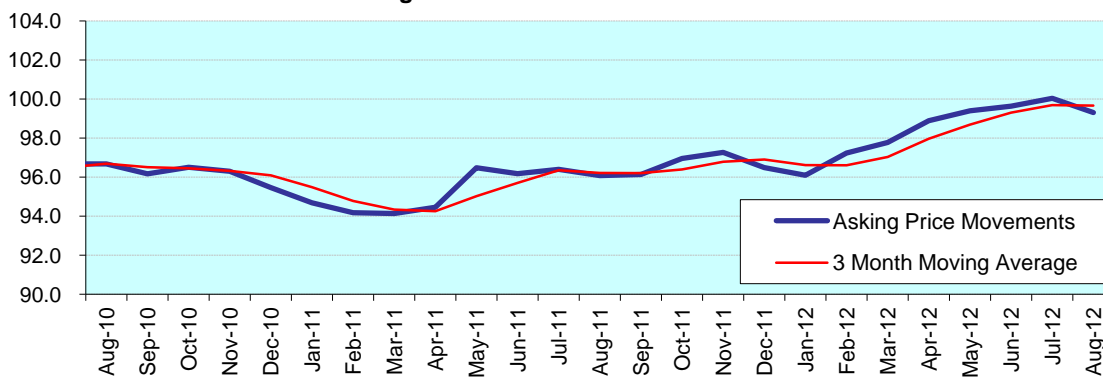
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South East

The mix-adjusted average asking price trend for property in the South East has registered a convincing rally this year, although we may now see the beginning of the expected seasonal decline. Price increases were more significant than last year and have sustained an overall rising trend since March 2011. Market buoyancy in this region has elicited a small increase in supply of 3% year-on-year.

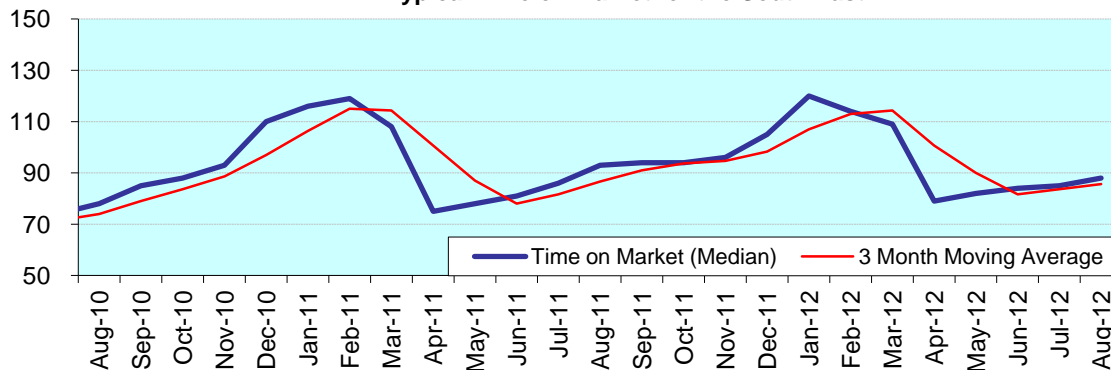
Asking Price Movements for the South East



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

The time-on-market chart for unsold property in the South East housing market shows a typical seasonal trend. Marketing times this month show an improvement on last year's figures: the median figure is 5 days lower than last year and the average time on market is 3 days shorter at 149 days.

Typical Time on Market for the South East



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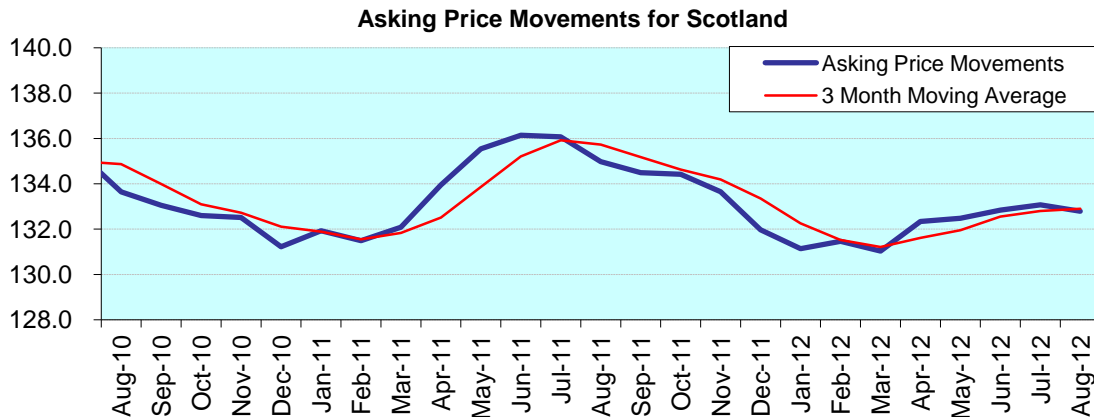


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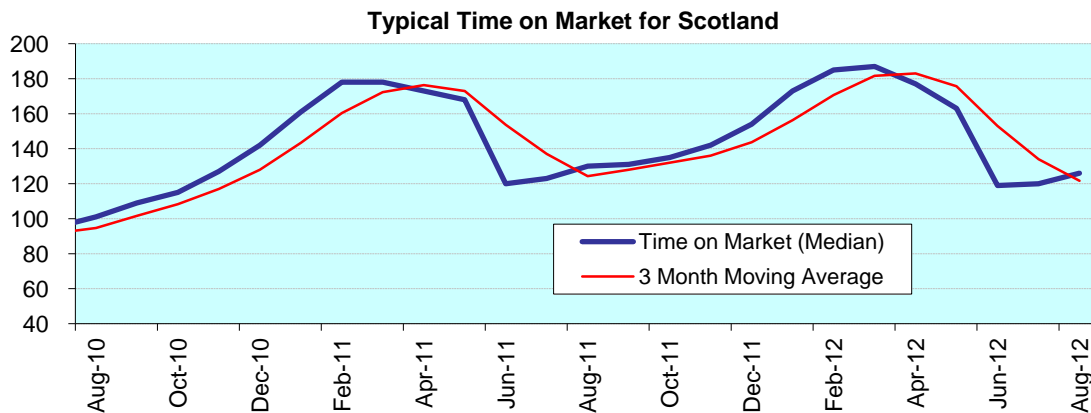
Scotland

Asking prices for properties for sale in Scotland have shown a seasonal rise yet market values are 1.6% lower this month than in August last year. Poorer house price performance this year has reduced sales supply: down 3% in July 2012 as compared to July 2011.



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

Typical time on market trend for Scotland also shows a typical seasonal pattern and a small improvement in marketing times. The median figure is currently 126 days, which is 4 days shorter than in August 2011 and only 15 days longer than the median time on market for the UK.



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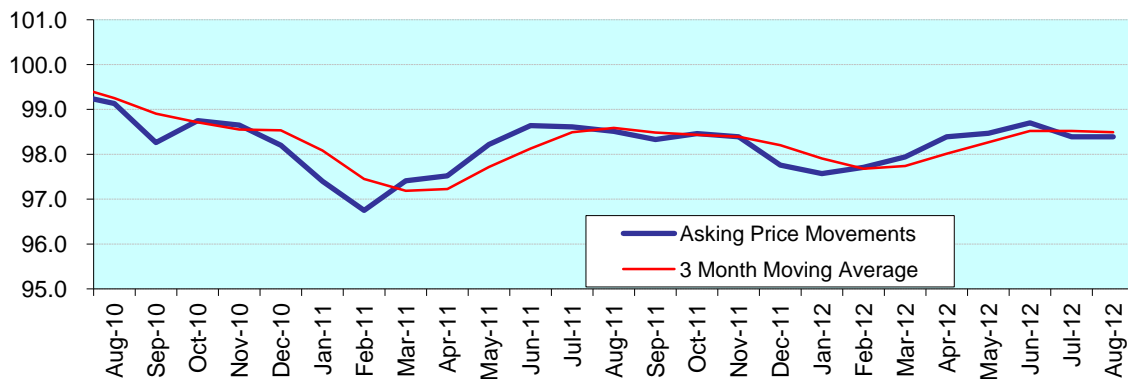
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North West

Asking prices for homes in the North West have enjoyed a small seasonal rally but prices are slightly down year-on-year. Home prices are now 0.1% lower than in August last year and this poorly performing market does not look set to improve this year.

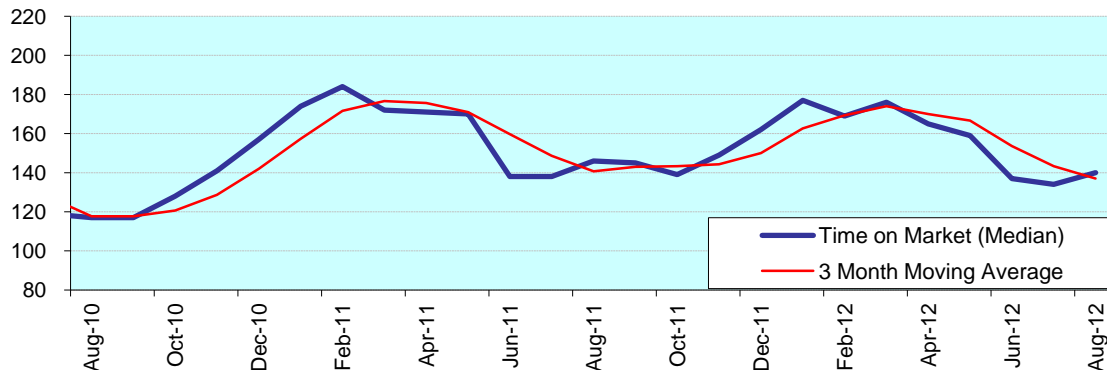
Asking Price Movements for the North West



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

Typical (median) time on market for unsold property in the North West is currently 140 days, 5 days less than in August last year. The typical time on market for the North West is considerably longer than the UK median and this serves to indicate how lacklustre the housing market is in the North West.

Typical Time on Market for the North West



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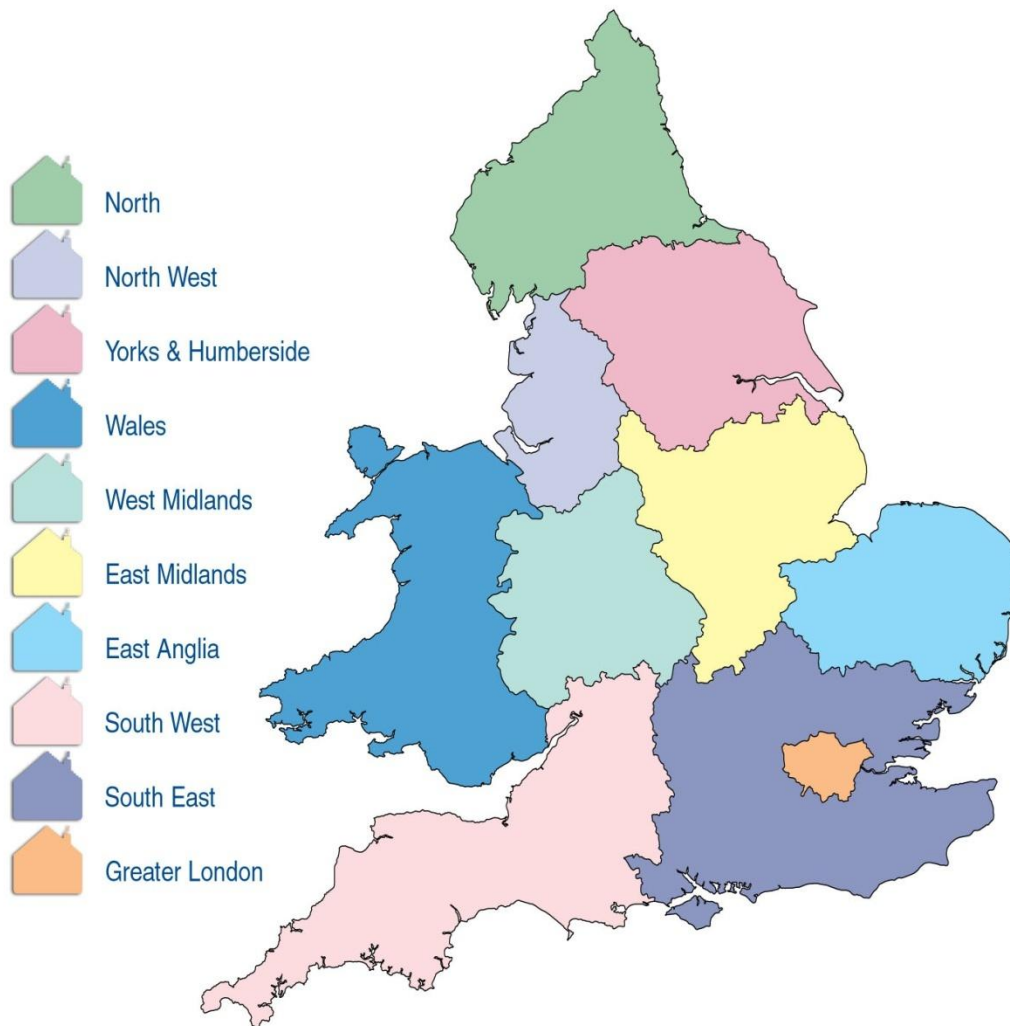


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Regions (as per DCLG)



Source: HM Land Registry

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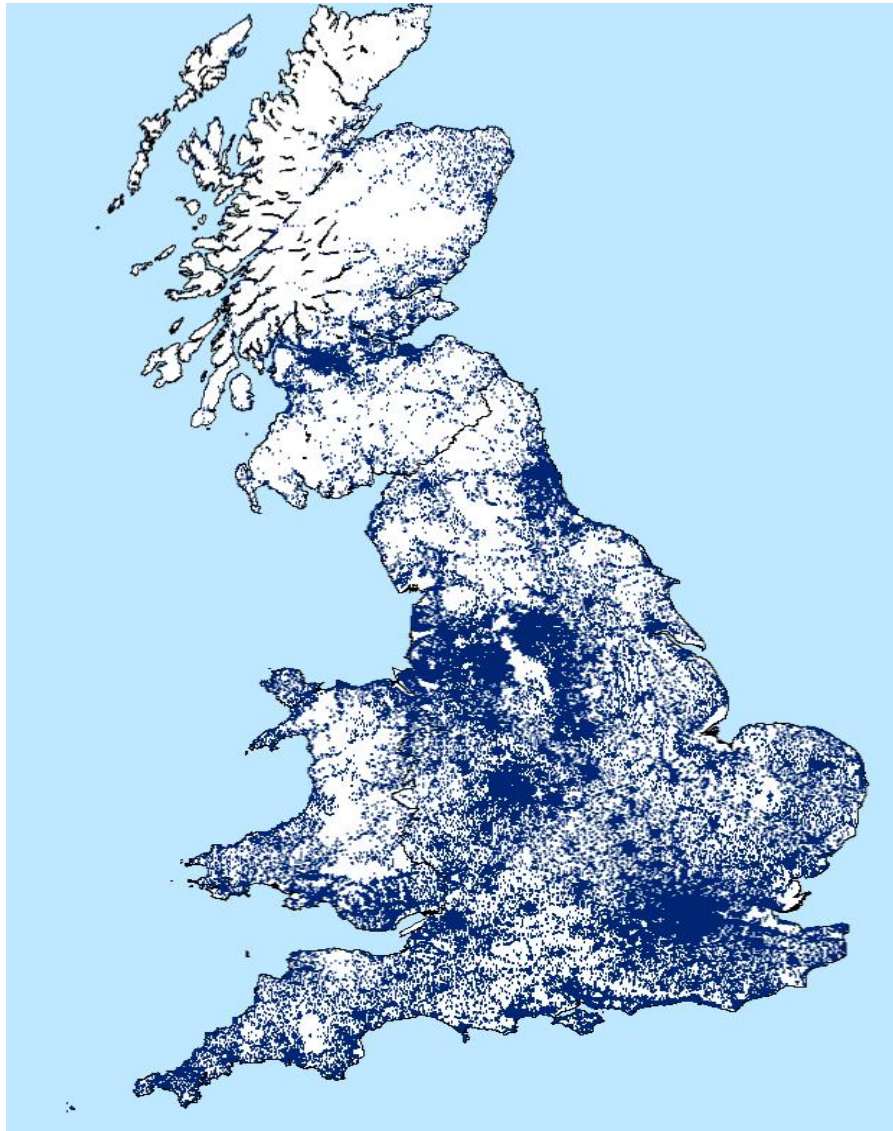
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Data Snapshot

This image represents a snapshot of the Home.co.uk database of UK property for sale. Each blue dot represents a property.



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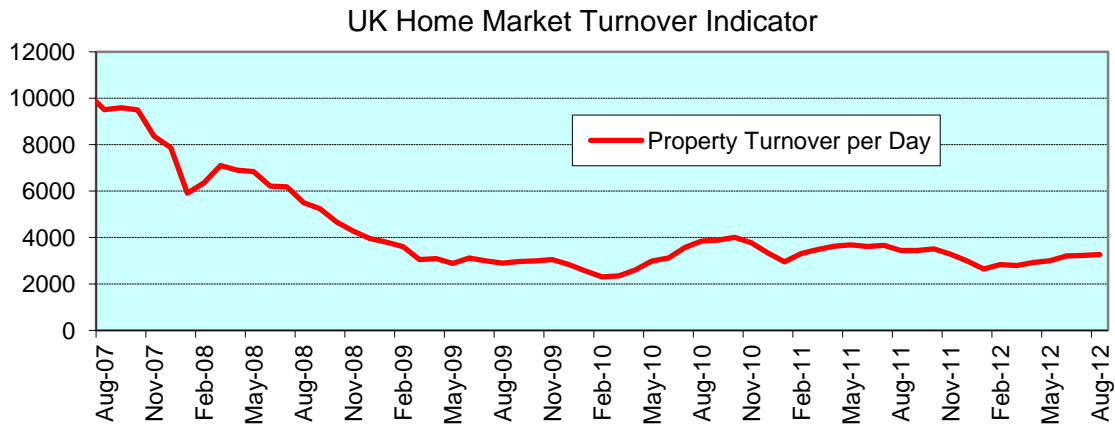


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Comment

Prices up but where is the Volume?



Home prices may be rising in London and the South East but we must remember that the UK property market as a whole is a mere shadow of its former self. 65% less property for sale is moving through estate agents portfolios every day, than at the height of the boom in 2007. Look outside London and the southern regions and even less property is coming onto the market.

Moreover, there is about 11% less property for sale in England and Wales and the average marketing time is a staggering 160% longer! Hence one may safely conclude that the property market is far from fully recovered. Indeed, the patient should still be in intensive care.

Aside from artificially low interest rates, a growing lettings sector and increased buy-to-let activity has been life-support for the sickly UK property market since the credit crunch. Buy-to-let lending has grown from 5.5 per cent of the mortgage market in 2005 to 12.6 per cent today. However, most worryingly, CML figures reveal that repossessions in the sector have now risen to an all-time high (0.24% of all BTL mortgages). Moreover, tenant demand is growing much more slowly according to the latest RICS report (at a standstill for flats). Landlord activity has played a vital role keeping the property market moving post credit crunch, albeit more slowly, in that purchases in this sector serve to substitute for priced-out first-time buyers. Further weakness in the BTL sector would certainly slow the market even further and push home prices down.

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About 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](#).

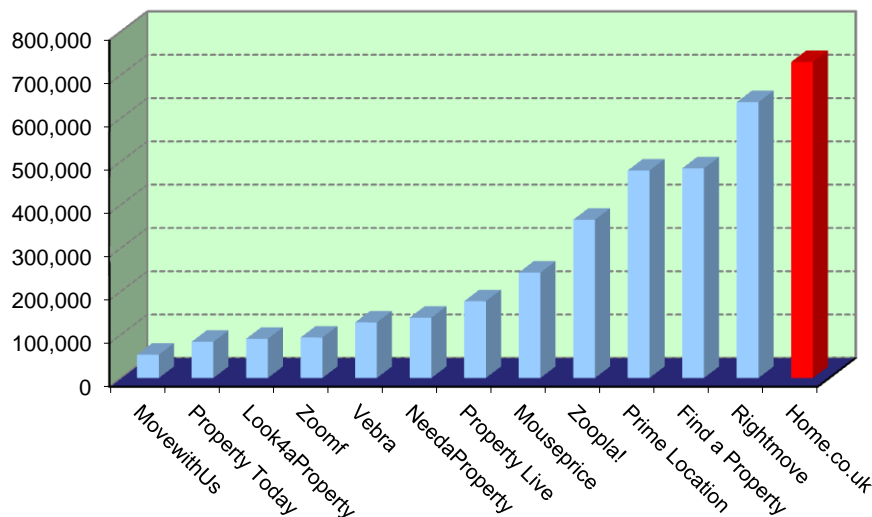
The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) [Survey of English Housing Stock](#) (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the [Office of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

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

Future release dates:

Wednesday 12th September

Friday 12th October

Monday 12th November



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