



January 2012

Asking Price Index

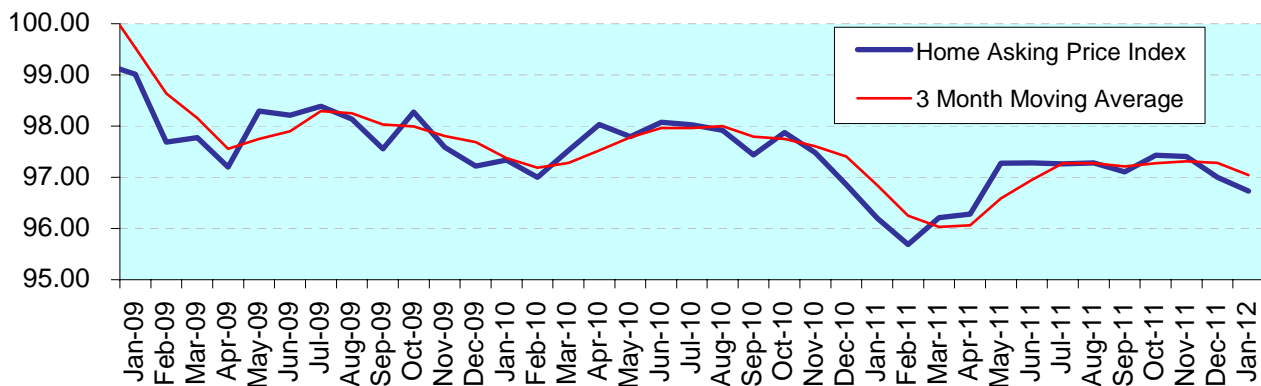
The UK's Independent Forward Market Indicator

Home Asking Price Index. Release date: 12th January 2012

Time On Market Rises to Record High.

"Every two minutes someone in Britain faces the nightmare of losing their home." Campbell Robb, Chief Executive of Shelter.

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 fallen 0.3% since December, in line with seasonal expectations.

Average time on market has risen further to 241 days: the longest since records began in 2004.

East Anglia home prices increased 2.3% over the last year.

Welsh home prices fell 2.1% over the last year.

Predictions for a slow market in 2012 accompanied by slowly falling prices.

Annual change in asking prices: +0.6%

6-month change: -0.5%

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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



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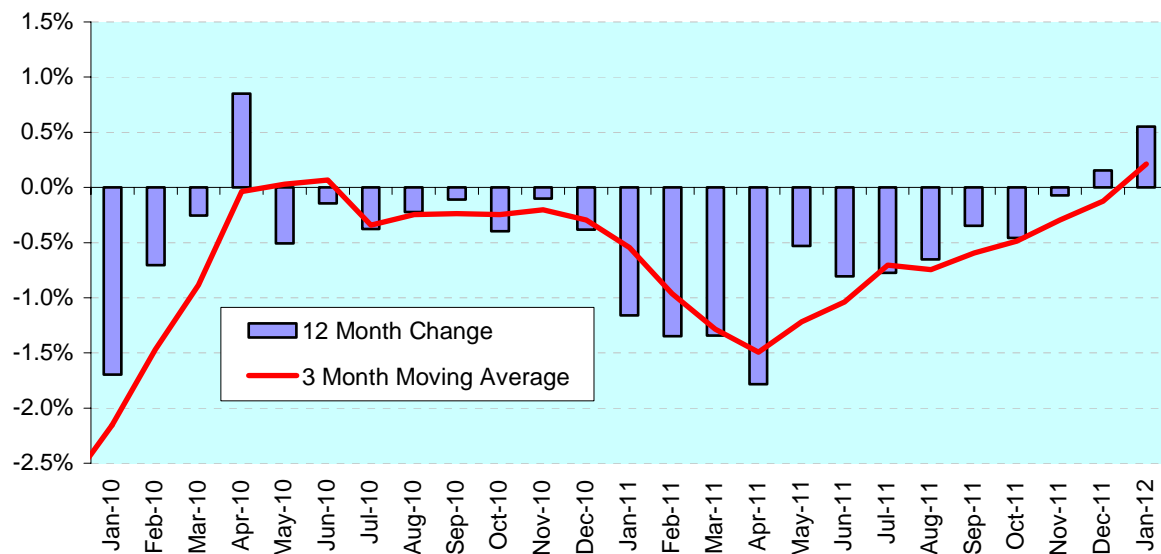
Overview

As we move into the New Year, it is becoming clear that the seasonal slowdown is more severe than this time last year. Whilst home asking prices are some 0.6% higher overall than last January, time on market is considerably higher. In fact the average time on market for unsold property across the UK is now at an all-time high of 241 days and suggests that home prices are simply too high.

Time on Market figures vary widely across the regions. New record highs for the *average* Time on Market have been registered this month in Yorkshire & Humber, the North East, Scotland, Wales and the West Midlands. Marketing times in the UK's southern regions are also rising but not to the same extent. Currently, the typical home spends 5 months on the market. Before the credit crisis this figure was 2 months.

Year-on-Year Trend in Asking Prices

12 Month Change in Asking Prices by Month



Year on year, asking prices continue to move further into positive territory. However, this overall annual gain is almost entirely due to the strongly performing regions: Greater London, the South East and East Anglia.



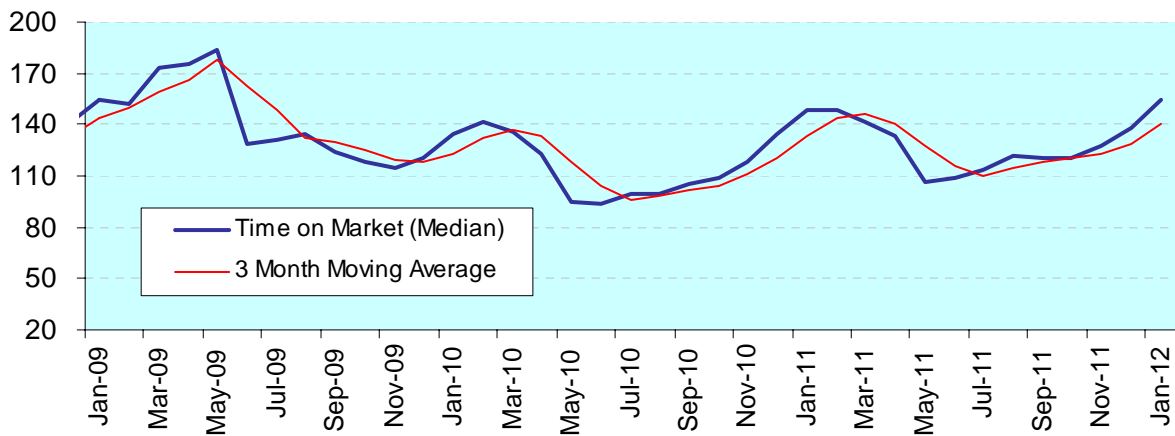
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Time-on-Market Analysis

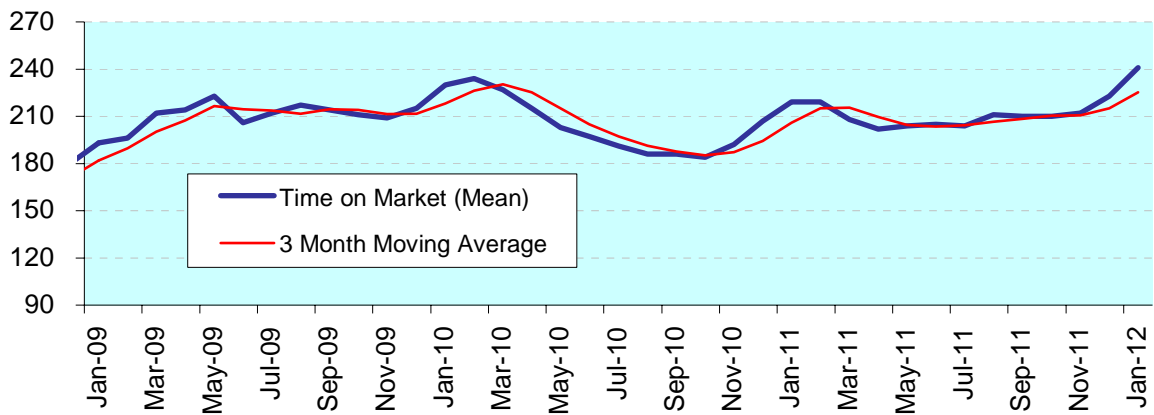
The typical (median) time on market for unsold property has surged 16 days higher to 154 days since last month, and is now 6 days longer than in January 2011. As forecast, this key indicator has exceeded last winter's maximum of 148.

Typical Time on Market for England & Wales



The current average time on market for unsold property has also increased dramatically. 241 days is a new high (as measured by this index) and is 7 days longer than the previous all-time high of 234 days registered in February 2010.

Average Time on Market for England & Wales



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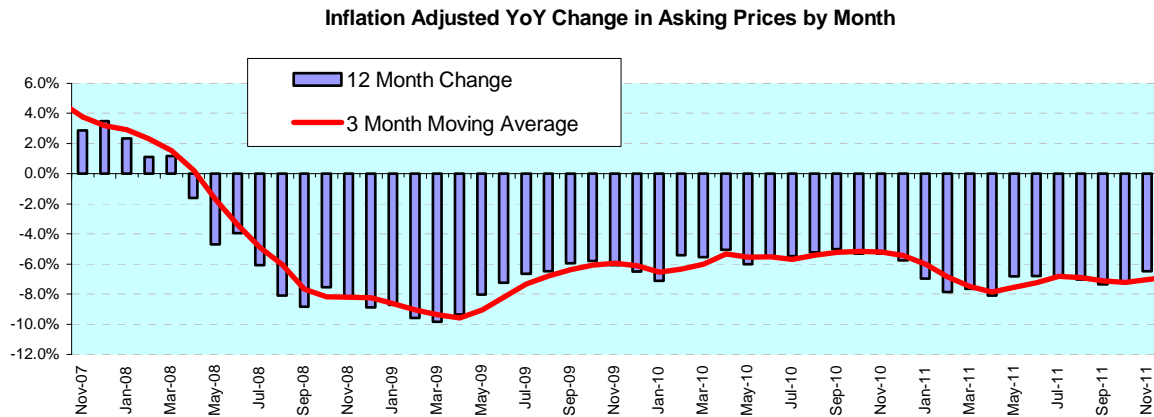
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Home Asking Prices vs. Inflation



Comparing ONS figures ([RPI](#) ex. housing) and the YoY change in asking prices shows that, in real terms, home market values have been under performing since March 2008. The HAPI for England and Wales now stands at 96.7 [May04 = 100].

Regional Housing Markets

Regional asking prices for January 2012, showing gains and losses since January 2011 and current typical time on market.

	Current average price	12-month change	Median ToM (days)
East Anglia	£241,038	+2.3%	129
South East	£284,979	+1.5%	120
East Midlands	£171,749	+0.9%	157
North West	£172,006	+0.2%	177
Greater London	£341,781	+0.1%	114
West Midlands	£186,256	-0.5%	157
Yorkshire and Humber	£166,578	-0.5%	185
Scotland	£158,154	-0.6%	173
South West	£247,945	-0.8%	141
North East	£150,088	-1.4%	206
Wales	£172,384	-2.1%	198
England & Wales	£226,458	+0.6%	154

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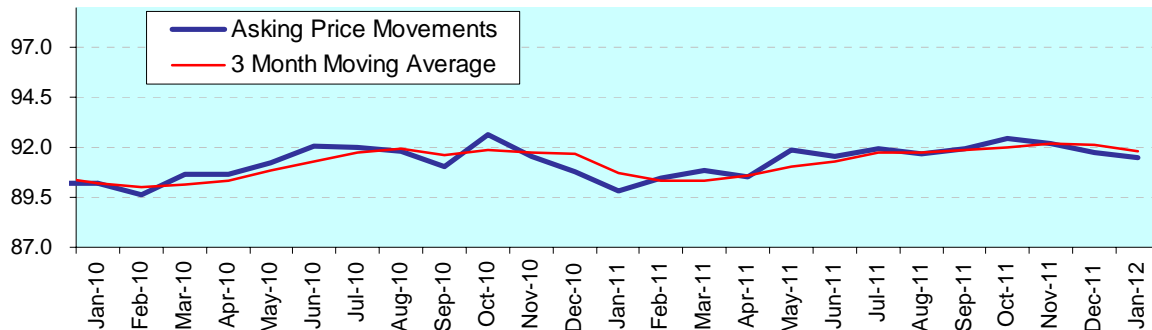
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East Anglia

Market house prices in East Anglia have been outperforming the national average figures throughout 2011. This region showed a steady price rally over the last year until the late autumn. East Anglian home prices are up 2.3% since January 2011.

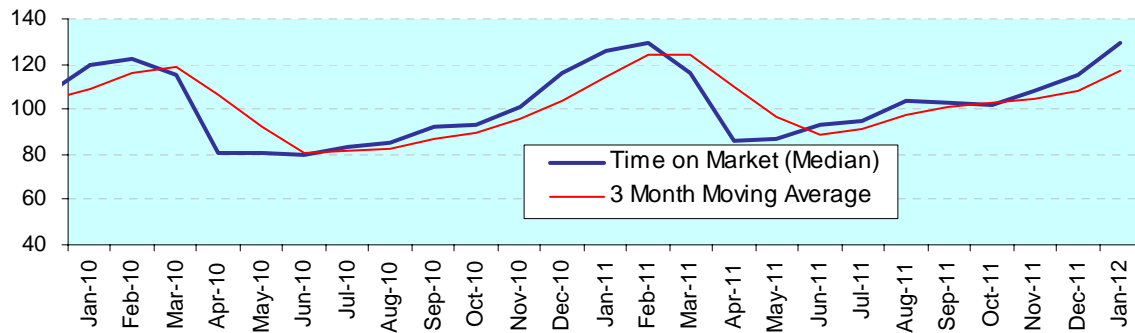
Asking Price Movements for East Anglia



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

Typical time on market for unsold property in East Anglia shows a seasonal increase as expected, similar to previous years. Median time on market now stands at 129 days, 3 days more than January 2011. Supply of properties to market in December 2011 was slightly down on December 2010.

Typical Time on Market for East Anglia





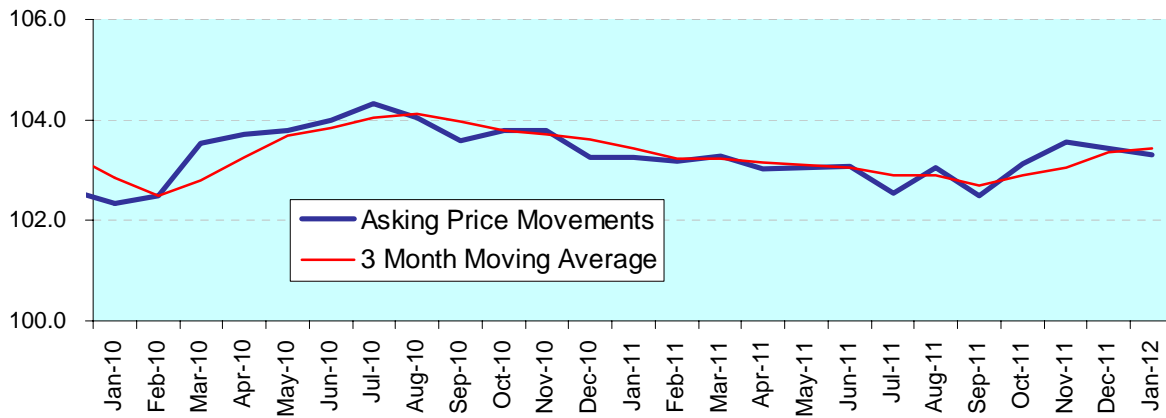
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Greater London

The mix-adjusted average Asking Price for property in Greater London showed an un-seasonal rally in October and November last year, following a long steady decline. Thanks to that rally, home prices (excluding £1million+ properties) in Greater London are marginally higher now than in January 2011 by 0.1%.

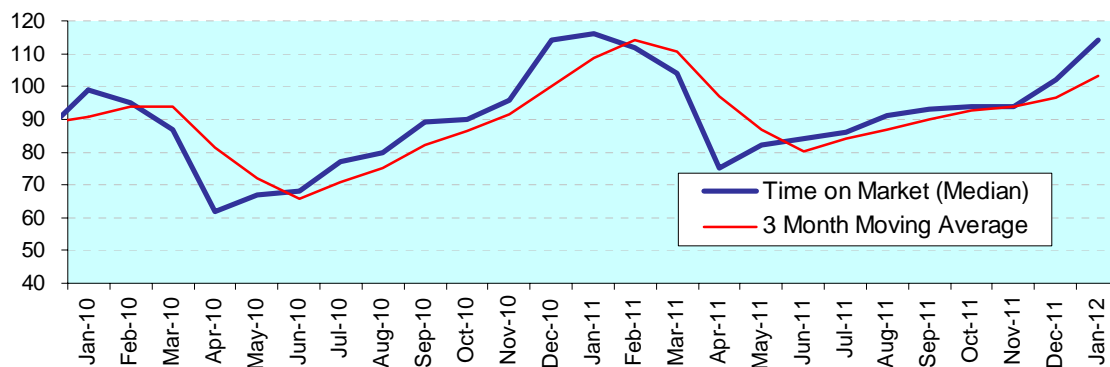
Asking Price Movements for Greater London



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

The time-on-market chart for unsold property in the Greater London housing market shows the expected seasonal trend and the current median (114 days) is just 2 days short of last year (116 days). The typical time on market for Greater London is the shortest in the UK and 40 days less than the figure for England and Wales.

Typical Time on Market for Greater London



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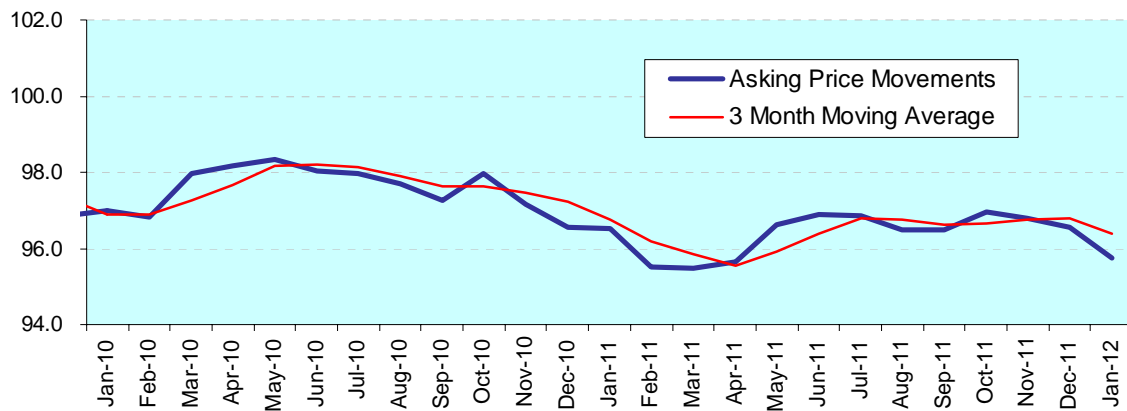
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South West

Asking prices for properties for sale in the South West have had a difficult year. Market prices in the South West never returned to seasonal summer highs of 2010 and are currently 0.8% lower than in January 2011. However, supply of properties to market was lower in December 2011 compared to December 2010 and this will serve to limit further price falls.

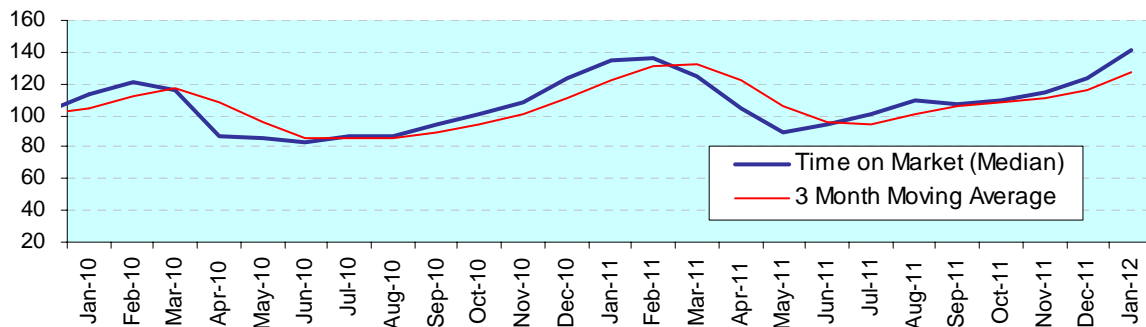
Asking Price Movements for the South West



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

The current typical time on market for unsold property in the South West is higher than January last year by 6 days. The median time on market is now 141 days.

Typical Time on Market for the South West





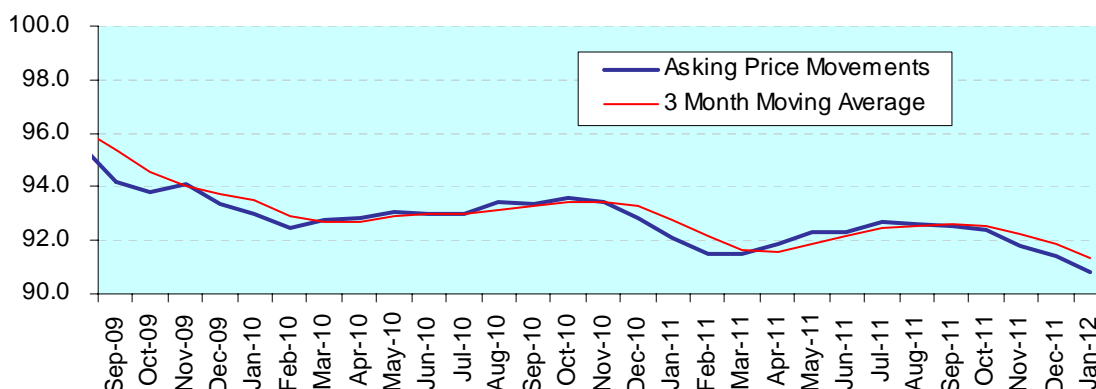
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North East

Asking prices for homes in the North East have fallen away from their summer high and continue a long downward trend. Home prices in the North East are now 1.4% lower than in January 2011.

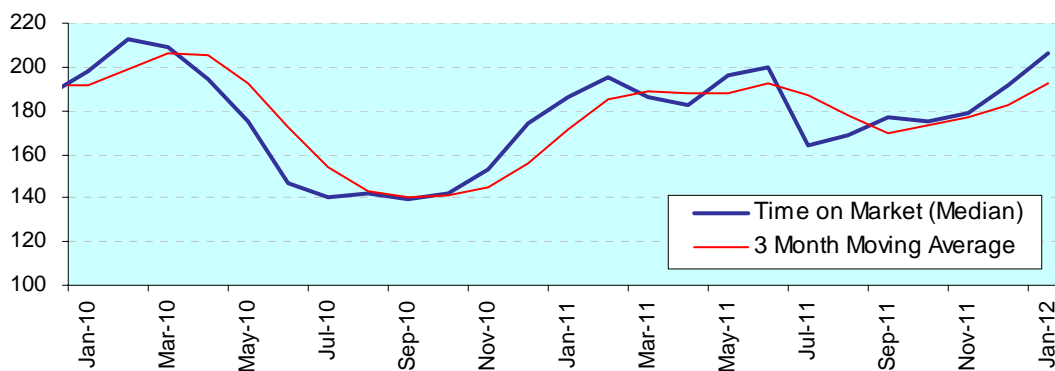
Asking Price Movements for the North East



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

Typical (median) time on market for unsold property in the North East is 20 days higher than in January last year. The average time on market is currently a new record for this region and the median time on market may well surpass the previous record of 213 days set in February 2010.

Typical Time on Market for the North East

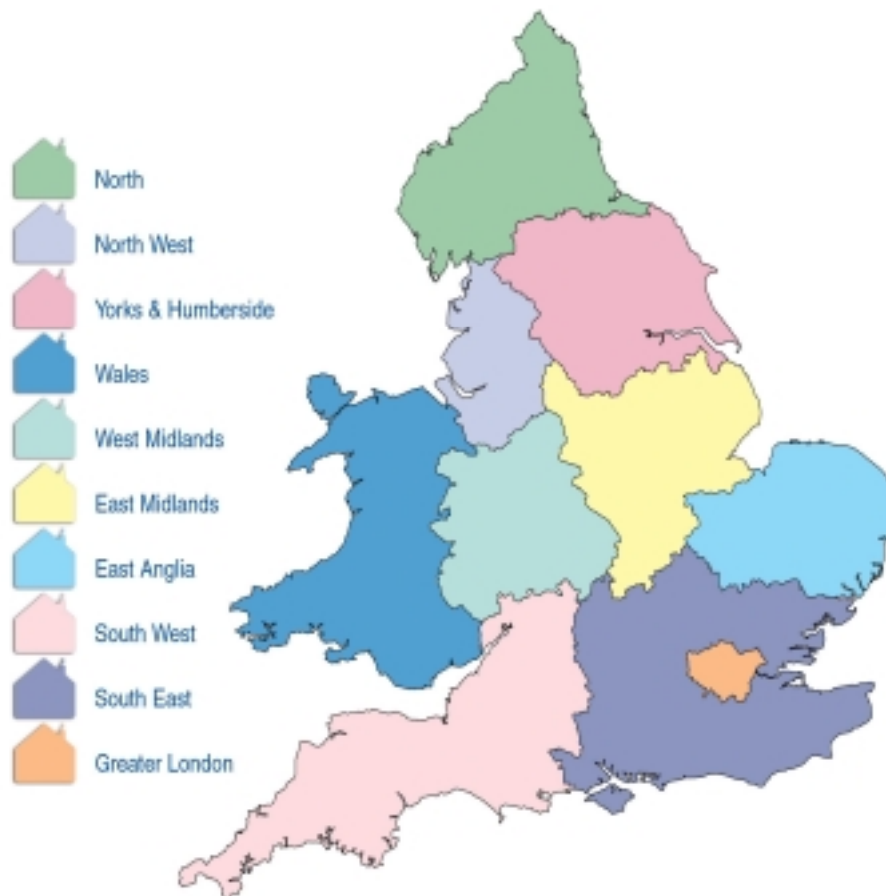




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Regions (as per DCLG)



Source: HM Land Registry



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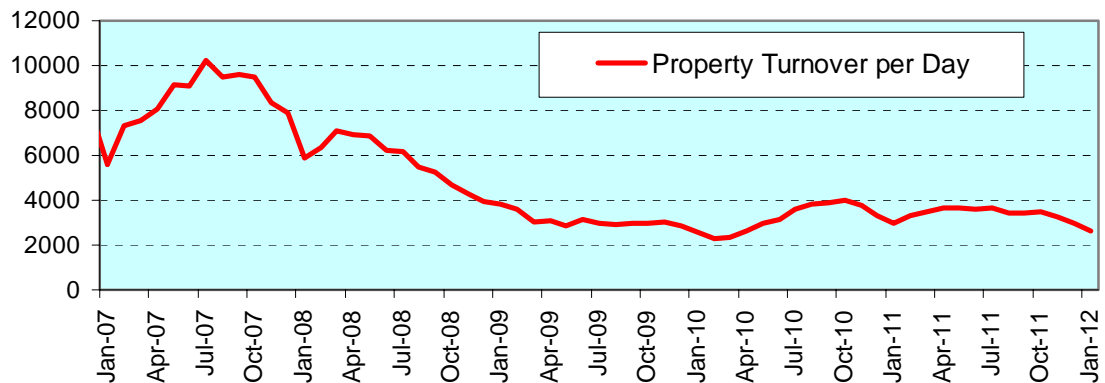
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Comment

UK Property in 2012

2012 will not be the best year for home prices or transaction levels. Overwhelming economic woes will continue to dominate the UK, USA and European property markets. Our overview forecast for the UK this year is that sales volumes will be lower than last year and perhaps the lowest since the credit crisis began.

UK Home Market Turnover Indicator



- Asking prices will continue to be eroded as time-on-market figures remain higher than 2011, albeit with the usual seasonal variation.
- Supply of properties will increase as lenders' forbearance wanes in the face of rising arrears. More properties will be repossessed and placed on the market.
- Demand will decline in line with a further tightening of mortgage lending.
- Self-financing buyers will demand significantly greater discounts.
- More vendors will cut their asking prices.
- The Northern property markets will continue to fare worse than their Southern counterparts.

The Rental Sector

Buy-to-let is thriving in the current climate and this looks set to continue. Mortgage lending to landlords is showing relatively healthy growth. However, the sector is not large enough to significantly support the whole UK housing market. Moreover, rising rental arrears look set to dampen the spirits of many landlords.

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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](#).

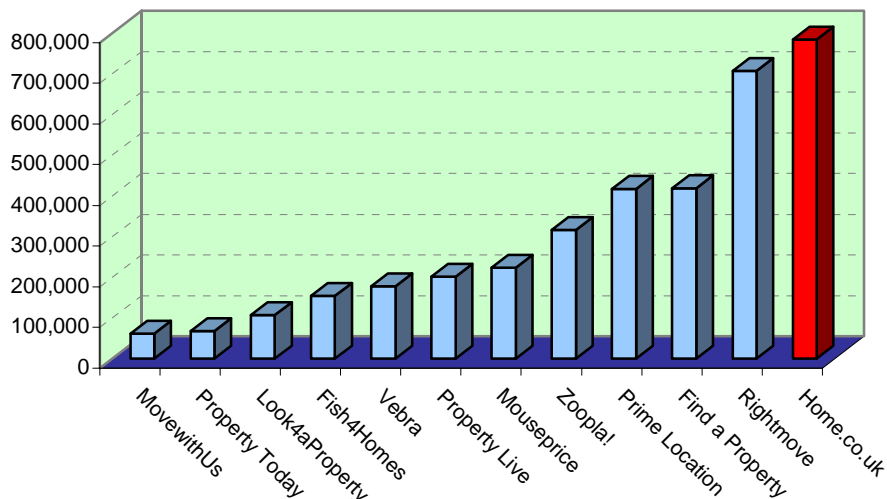
The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) [Survey of English Housing Stock](#) (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the [Office of 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 June 2011



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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:

Monday 13th February

Monday 12th March

Thursday 12th April



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