



July 2012

Asking Price Index

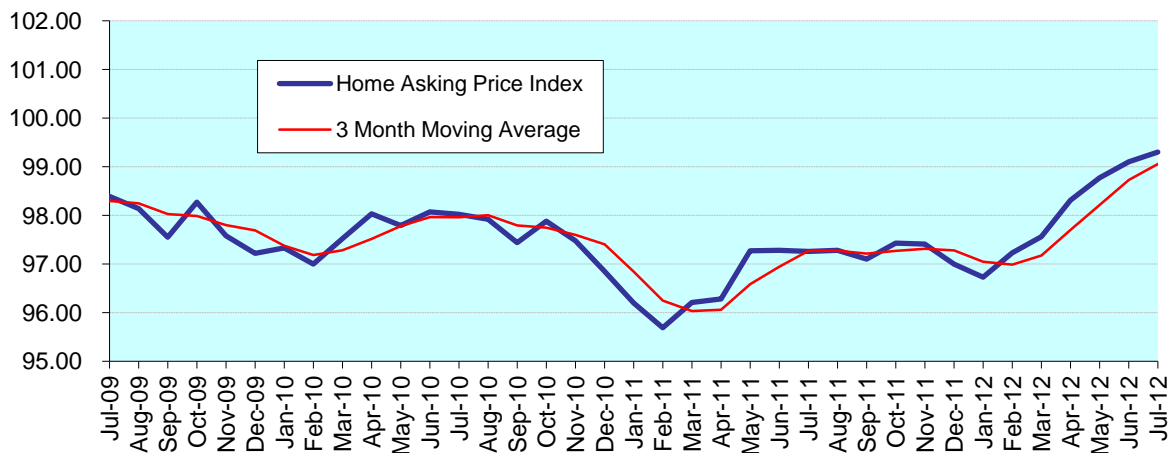
The UK's Independent Forward Market Indicator

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

London Leads Home Prices Up.

"The economy has basically been flat for two years and doesn't show a great deal of signs of impending recovery," 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

Supply of homes to market has fallen and was 7% lower last month than in June 2011.

Asking prices for homes on the market in England and Wales continue their steady rise, up a further 0.2% since last month.

Average UK asking price rises to highest value since Nov 2008, but some regions continue a downward trend.

Supply to market of properties for sale down 7% year-on-year.

Annual change in asking prices: +2.1%

6-month change: +2.7%

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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**



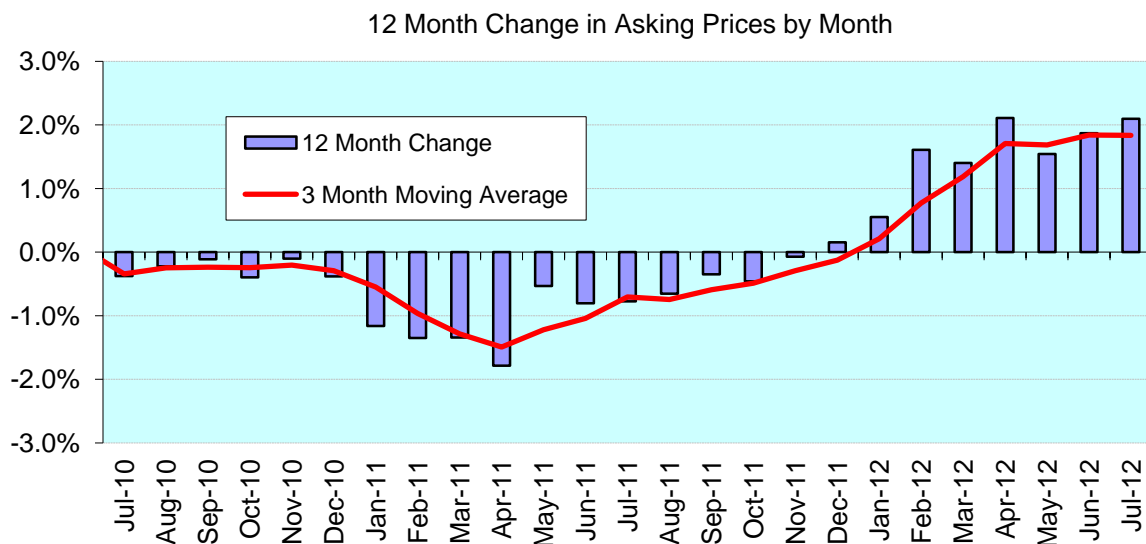
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Overview

The UK property market continues to be dominated by a North-South divide. The southern regions, led by London, are performing well enough to push up the national average figures. Despite the poor performance in the northern regions, the year-on-year change in the national mix-adjusted average figure has been positive for 8 months and this looks likely to continue. London property is benefiting from both 'safe-haven' status and being the focus of government economic stimulus, making it attractive to foreign and domestic buyers. Moreover, a robust buy-to-let sector is, to a large extent, taking the place of priced-out first-time buyers and this is keeping the market moving despite the difficult economic conditions.

Year-on-Year Trend in Asking Prices



Year on year, asking prices are increasing by 2.1%.



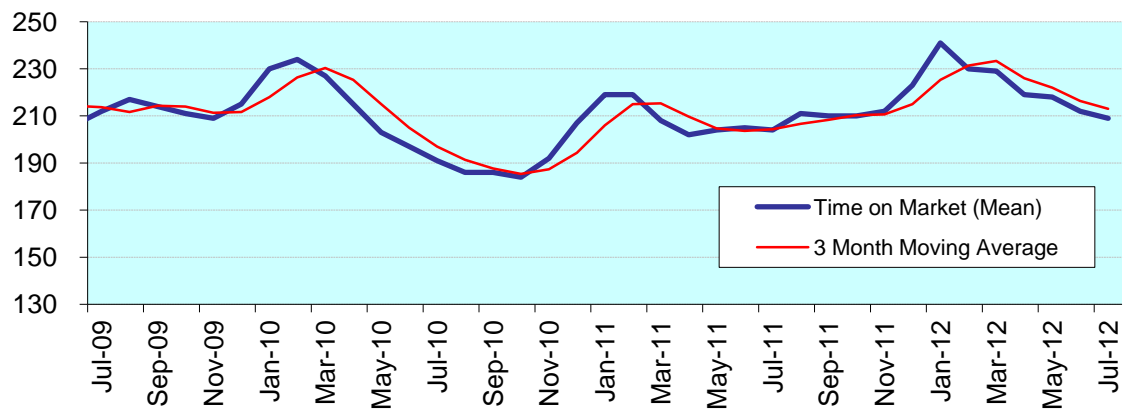
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Time-on-Market Analysis

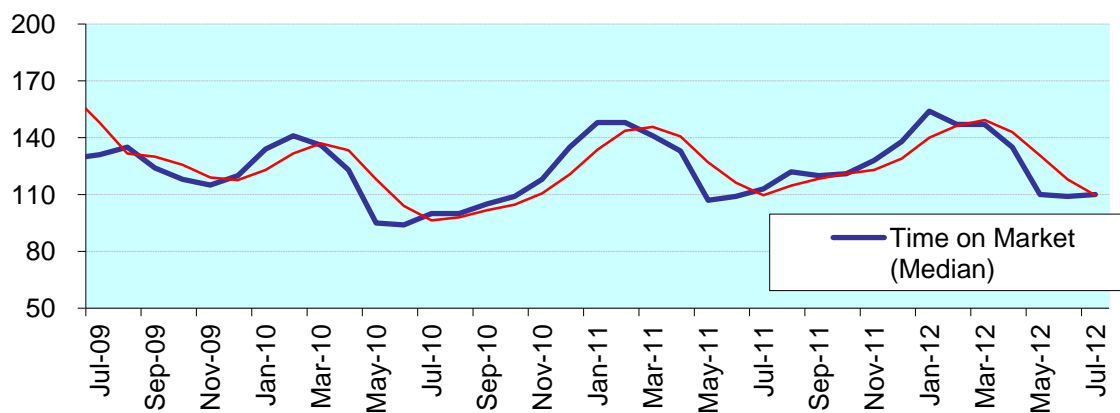
The mean (average) time on market for unsold property is indicating a downward trend since January 2012. This year the seasonal improvement in marketing times is more prolonged than that observed in 2011, and may yet echo the trend towards increased market momentum observed in 2010. The mean UK marketing time is now 209 days, 5 days longer than in July last year.

Average Time on Market for England & Wales



Meanwhile, the current median (typical) time on market, at 110 days, is 3 days shorter than that registered in July 2011.

Typical Time on Market for England & Wales



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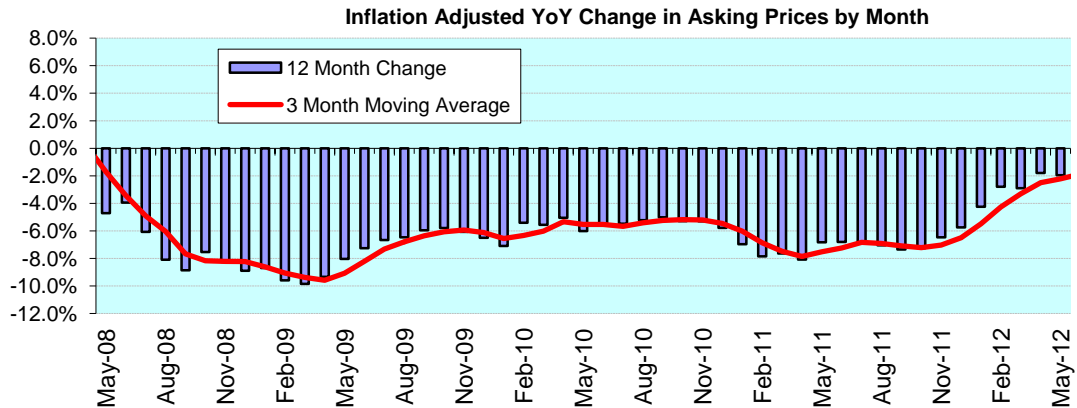
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Home Asking Prices vs. Inflation



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. The HAPI for England and Wales now stands at 99.3 [May04 = 100].

Regional Housing Markets

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

	Current average price	12-month change	Median ToM (days)
Greater London	£353,265	+4.1%	81
South East	£295,650	+3.8%	85
East Anglia	£249,891	+3.2%	92
South West	£255,096	+1.7%	96
East Midlands	£175,424	+1.2%	114
West Midlands	£188,423	0.0%	116
Yorkshire and Humber	£168,676	0.0%	143
North West	£173,460	-0.2%	134
North East	£152,332	-0.5%	156
Wales	£173,880	-0.6%	152
Scotland	£160,480	-2.2%	120
England & Wales	£232,485	+2.1%	110

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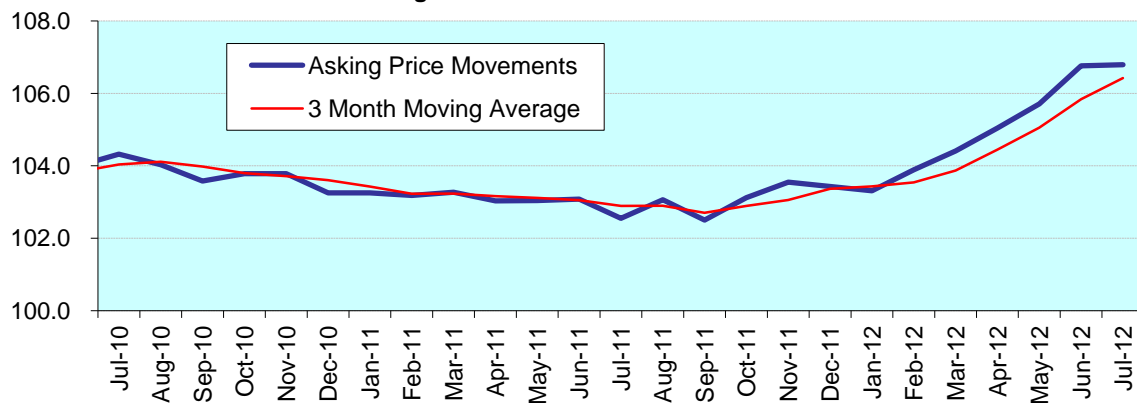
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Greater London

Market house prices in London continue to out-perform the rest of the UK. Home asking prices in the capital are now the highest they have been since August 2008. Prices in London continue to be supported by a shortage of supply and foreign investment. The number of market entrants in June was 13% lower than for June 2011.

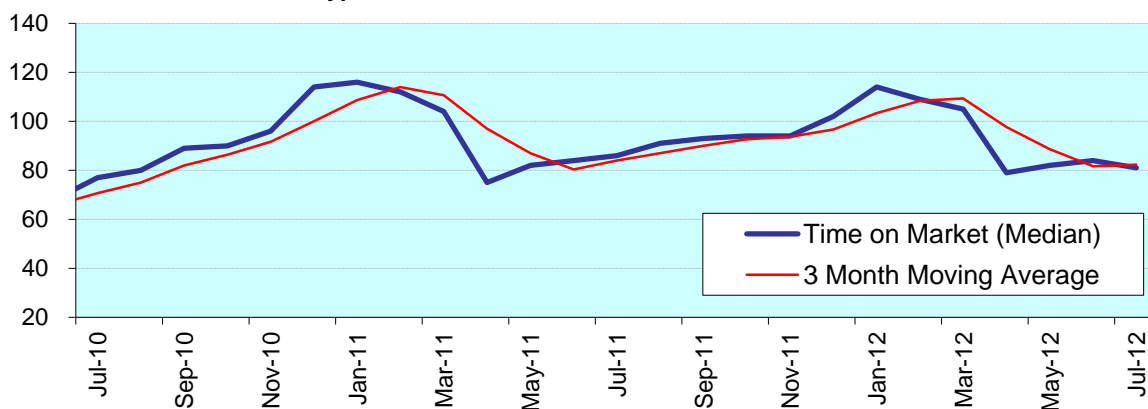
Asking Price Movements for Greater London



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 deviation from the seasonal trend. Median time on market now stands at 81 days, which is 5 days less than in July 2011.

Typical Time on Market for Greater London



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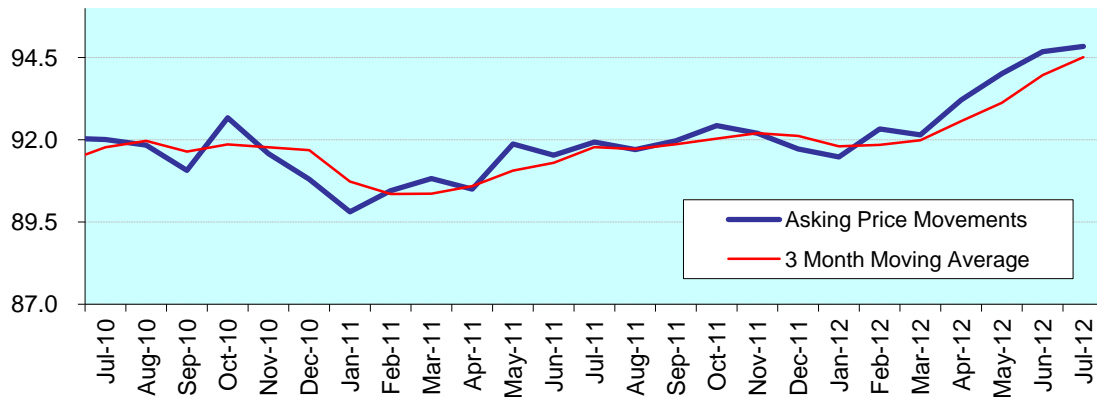
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East Anglia

The mix-adjusted average asking price trend for property in East Anglia is showing a convincing rally. Seasonal price increases are stronger than last year and they are being supported by a decrease in supply of 9% comparing June 2012 with the same month last year.

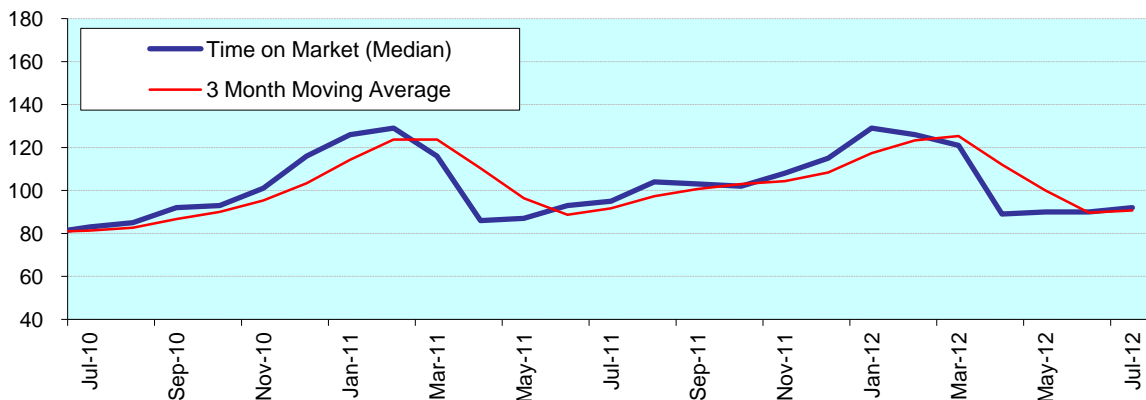
Asking Price Movements for East Anglia



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

The time-on-market chart for unsold property in the East Anglian housing market shows a typical seasonal trend. Marketing times this month are consistent with last year's figures: the median figure is only 3 days lower than last year and the average time on market is 1 day longer at 166 days.

Typical Time on Market for East Anglia



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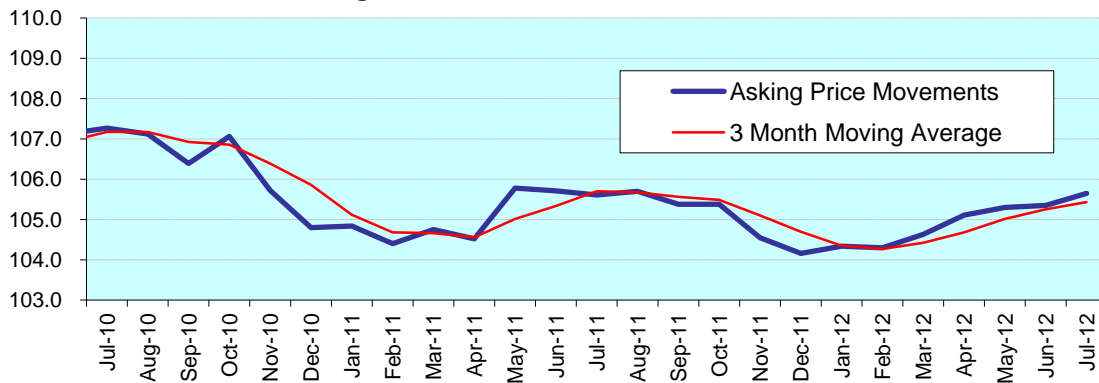
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Yorkshire and Humber

Asking prices for properties for sale in Yorkshire and Humber have shown a strong seasonal rise and are now equivalent to prices at this time last year. Home values are supported in part by a reduction in supply (9% lower in June 2012 than in June 2011).

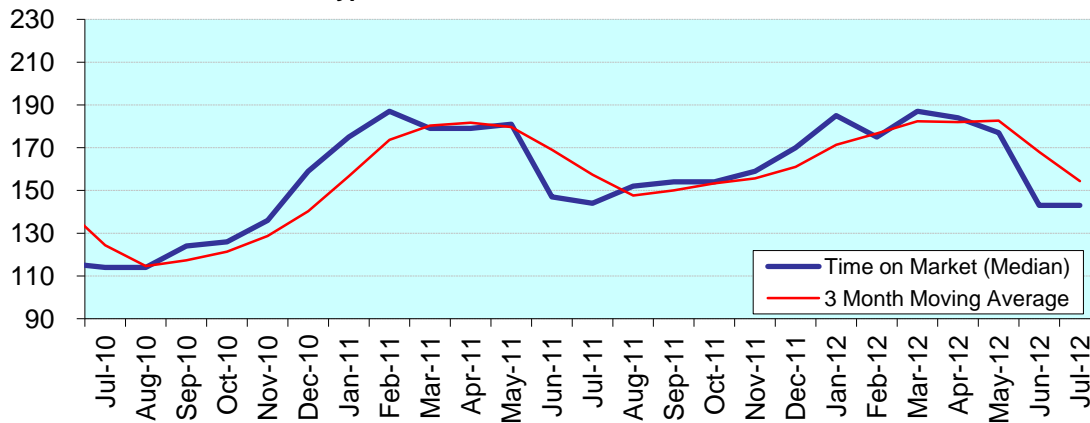
Asking Price Movements for Yorkshire & Humber



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

Typical time on market for Yorkshire and Humber also shows a typical seasonal pattern. The median figure is currently 143 days, which is 1 day longer than July 2011 and 33 days longer than the median time on market for the UK.

Typical Time on Market for Yorkshire and Humber



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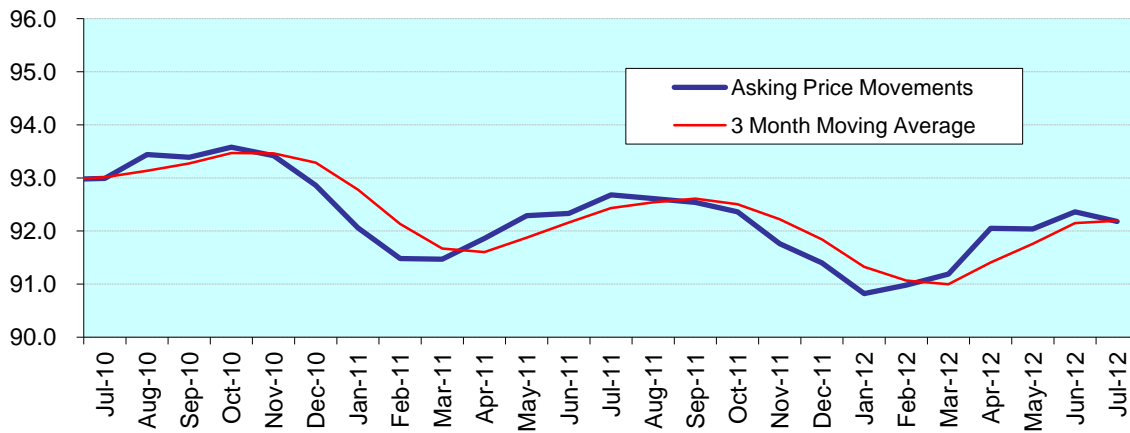
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North East

Asking prices for homes in the North East have enjoyed a seasonal rally but continue to suffer year-on-year losses. Home prices are now 0.5% lower than in July last year and this downward trend looks set to continue.

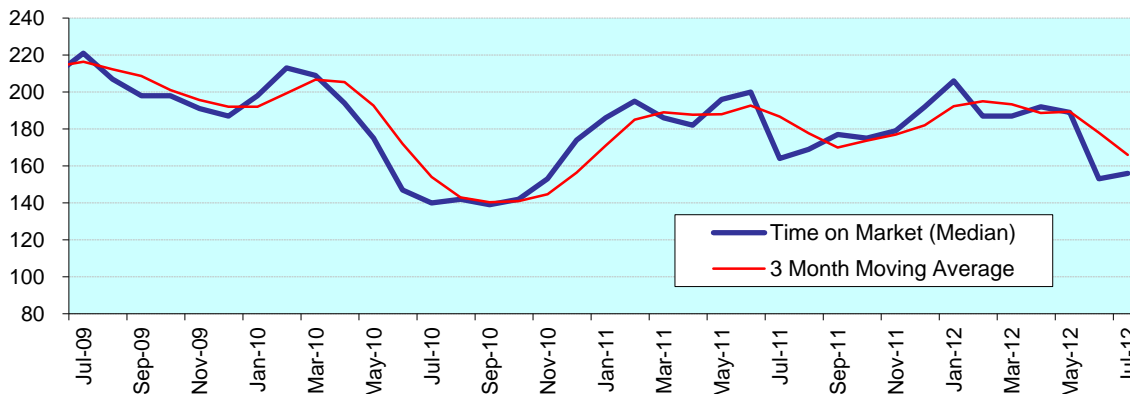
Asking Price Movements for the North East



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 currently 156 days, 8 days less than in July last year. The typical time on market for the North East is considerably longer than any other English region and this serves to show how troubled the housing market currently is in the North East.

Typical Time on Market for the North East



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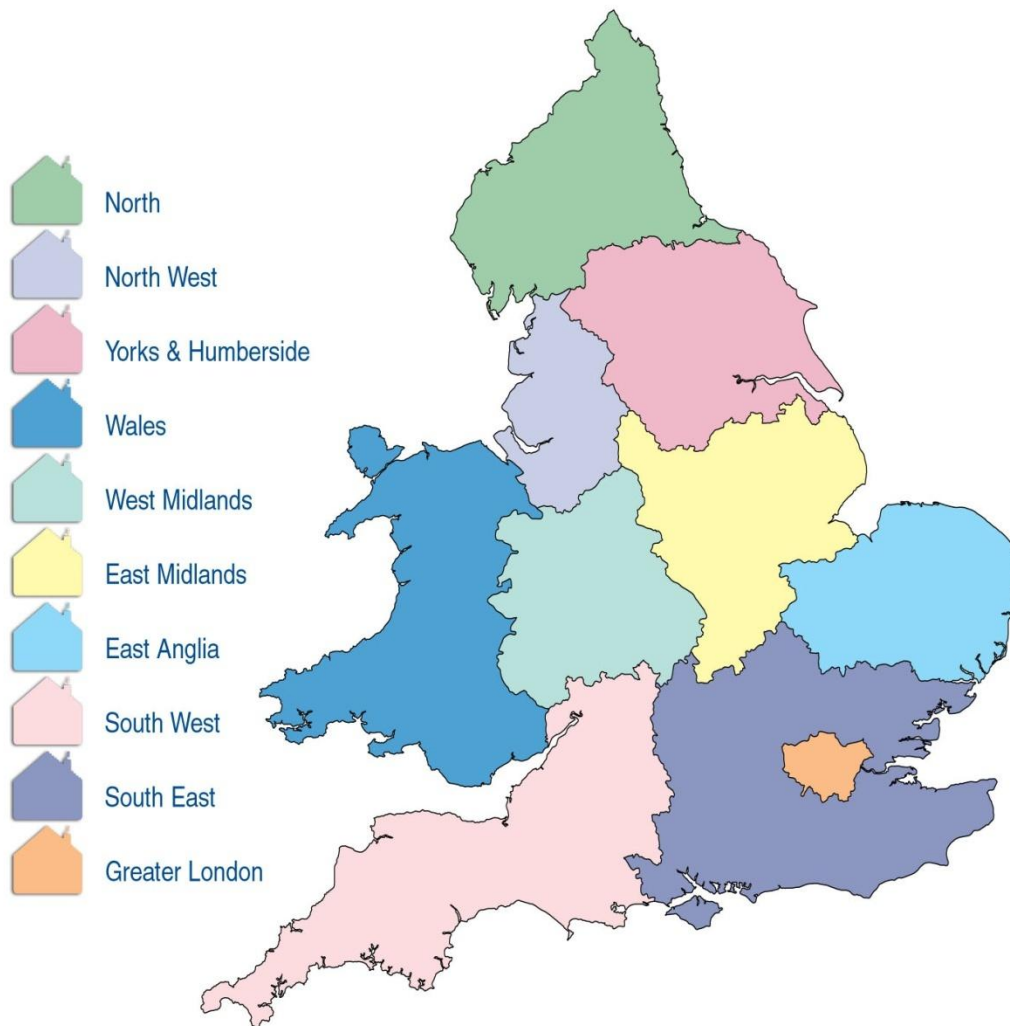


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Regions (as per DCLG)



Source: HM Land Registry

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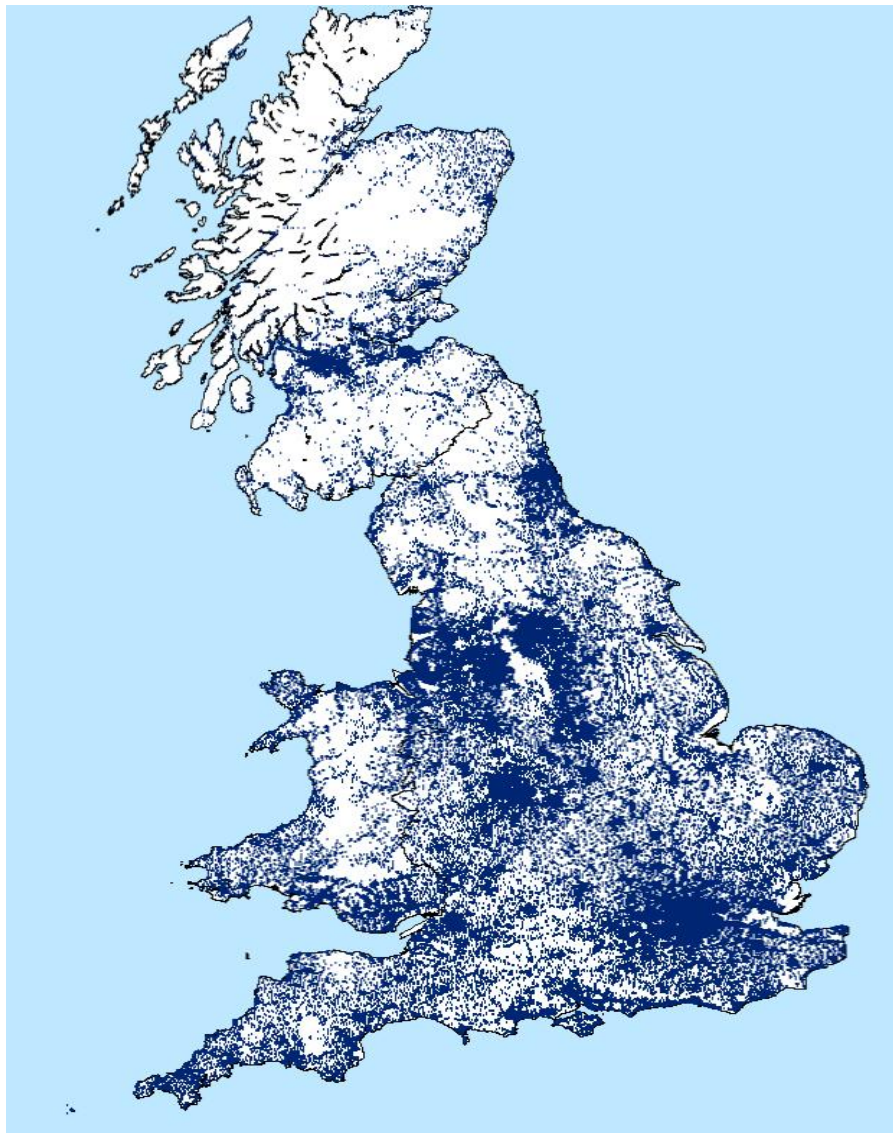
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Data Snapshot

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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Comment

US Home Market Went Bust First and Now on the Up.

"The housing market has turned—at last." Hails the Wall Street Journal.

Nearly seven years after the housing bubble burst across the pond, most indexes of US house prices are moving up. "We finally saw some rising home prices," Standard & Poor's David Blitzer said a few weeks ago as he reported the first monthly increase in the slow-moving S&P/Case-Shiller house-price data after seven months of declines.

Nearly 10% more US homes were sold in May than in the same month a year earlier. As in the UK, many homes were purchased by investors who plan to rent them and then sell them later. Perhaps surprisingly, the inventory of existing homes for sale has fallen close to the normal level of six months' worth despite all the re-possessed homes that lenders own and this reduced inventory of unsold homes is instrumental to the recovery. Moreover, the fraction of homes that are vacant is at its lowest level since 2006.

US builders began work on 26% more family homes in May 2012 than the depressed levels of May 2011. The stock of unsold newly built homes is back to 2005 levels. In each of the past four quarters, housing construction has added to economic growth. In the first quarter, it accounted for 0.4 percentage points of the meagre 1.9% growth rate.

"Even with the overall economy slowing," Wells Fargo Securities economists said, cautiously, in a note to clients, "the budding recovery in the housing market appears to be gradually gaining momentum."

Housing is still far from 'healthy' despite the Federal Reserve's efforts to resuscitate it by helping to push mortgage rates to extraordinary lows: 3.62% for a 30-year loan, according to Freddie Mac's latest survey. Single-family housing starts, though up, remain 60% below the 2002 pre-bubble pace. Americans' equity in homes is \$2 trillion, or 25% less than it was in 2002 and half what it was at the peak. More than one in every four mortgage borrowers still has a loan bigger than the value of the house, though rising home prices are reducing that fraction slowly.

The upturns in US and UK housing are milestones and particularly welcome amid a distressing dearth of US and UK jobs.

Question is: Can it out-last the government stimulus in the US and the UK?

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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](#).

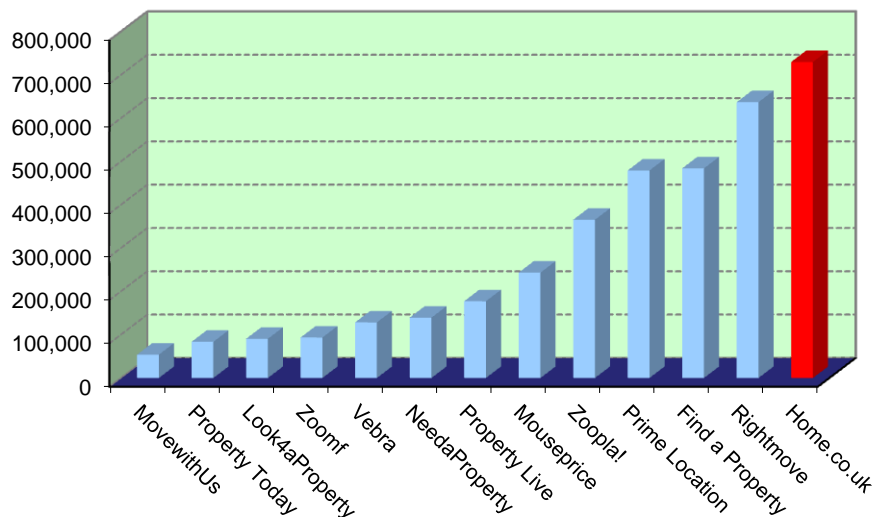
The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) [Survey of English Housing Stock](#) (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the [Office of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

Monday 13th August

Wednesday 12th September

Friday 12th October



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