



# Asking Price Index

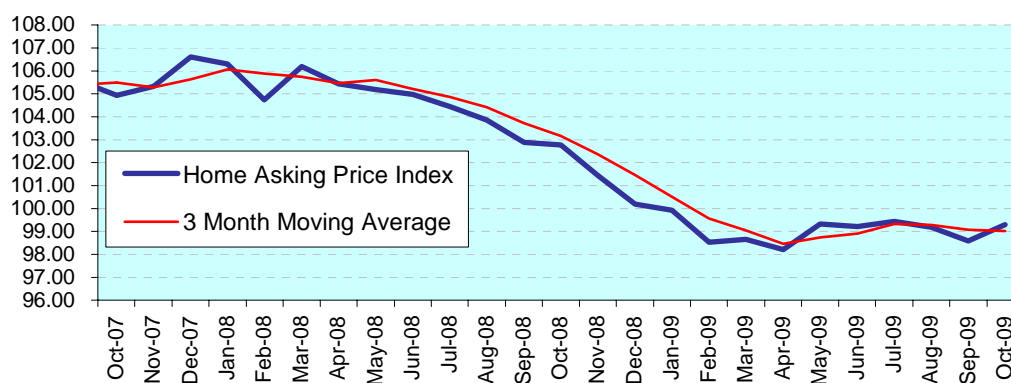
The UK's Independent Forward Market Indicator

Home Asking Price Index: 12<sup>th</sup> October 2009

## Prices Show Weak Recovery in South

"This is clearly very small growth after a very large fall and unemployment has risen so it's a difficult challenge ahead,"  
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

The mix-adjusted average Asking Price for homes on the market in England and Wales recovered by 0.7% this month.

Market house prices rose this month in all English regions except the North East and the North West. Welsh house prices stayed put but Scottish prices fell by 1.0%.

Asking Prices in England and Wales are 3.5% lower than in Oct 2008.

Meanwhile, the typical (median) marketing time has fallen from 124 to 118 days over the last month, the shortest since September 2008.



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## Overview

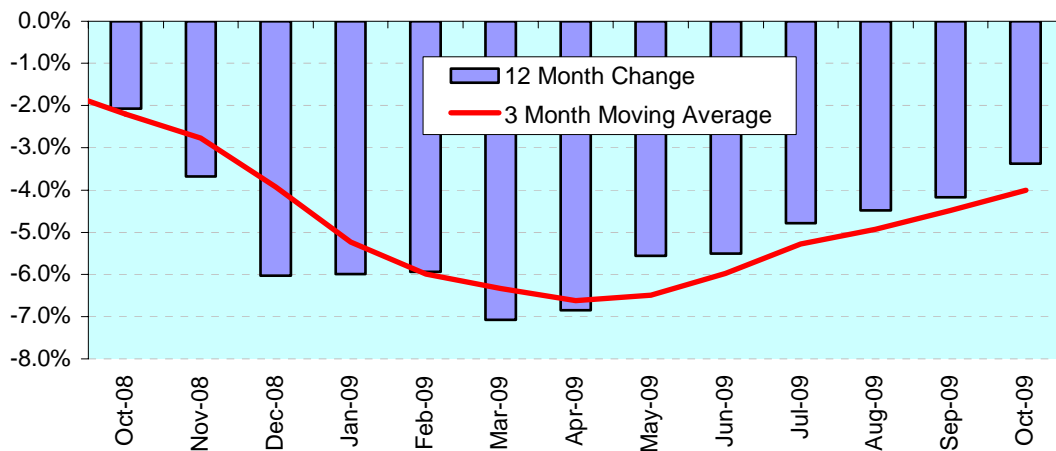
Confidence amongst home sellers remains weak in a very slow-moving UK property market. Whilst house prices on the market are consolidating in several regions, the typical marketing time (118 days) is more than twice the pre-credit crunch figure.

While there are some signs that mortgage credit is becoming more available, Banks and Building Societies continue to demand large deposits, therefore excluding around half of the potential UK homebuyers from the market place. Taking this into account, plus expectations of cuts in government expenditure and the growing jobless figures, any further recovery of UK house prices will be weak and fragile.

Asking prices of 48,725 homes on the market were cut in the month of September, an increase on the number of reductions recorded for August (43,445). The value of the average price reduction in September also rose from August's figure of £16,657 to £18,398. This clearly indicates the continued difficulty in selling property in the current economic climate.

## 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 reduced to -3.4% and the trend line indicates a slow recovery.



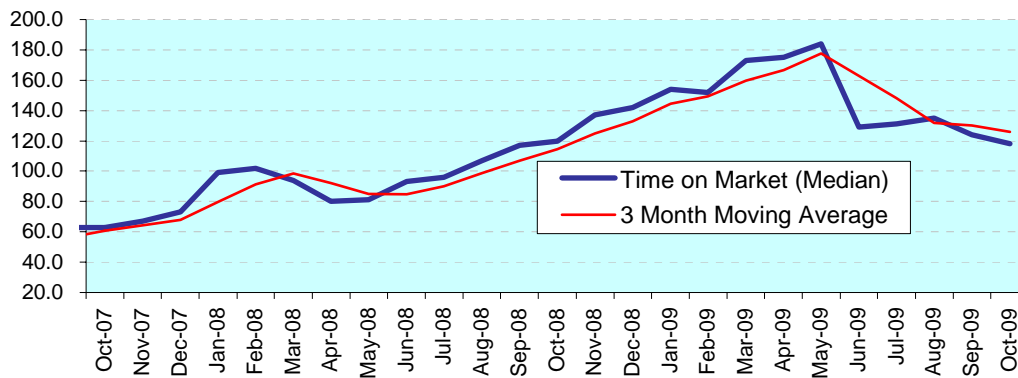
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## Time-on-Market Analysis

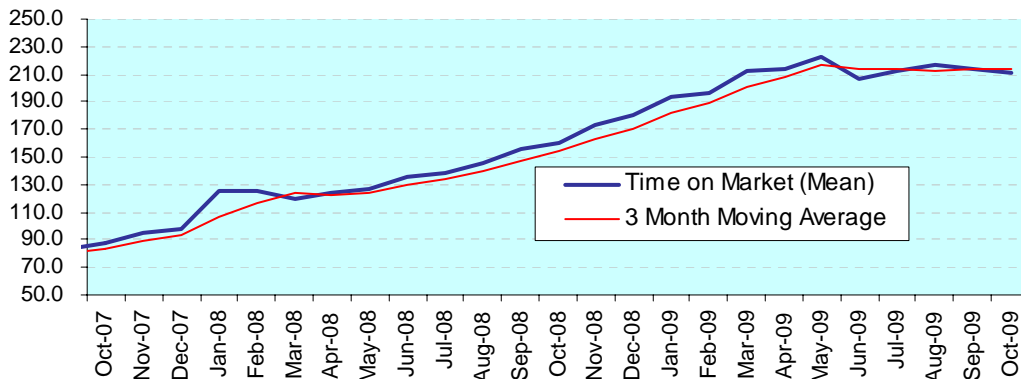
Typical Time on Market for unsold properties has dropped since September, from 124 to 118 days, indicating that the mild recovery in sales turnover observed earlier this year has been sustained thus far.

Typical Time on Market for England & Wales



Average Time on Market (ToM) for unsold UK property has also fallen slightly since August, in line with the median (typical) figure, from 214 to 211 days. Compared to pre-credit crunch marketing times these figures are gravely high.

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 3.5%, *ca.* 5.1% below the [CPI](#), *ca.* 5.5% below the [RPI](#) (ex. housing) and *ca.* 5.7% below the [AEI](#) (ex. bonuses). The mix-adjusted average price of homes in England and Wales, advertised on the open market, now stands at £242,253.

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

## Regional Housing Markets

Regional Asking Prices for October 2009, showing gains and losses since October 2008.

	Current average price	12-month change
Greater London	£338,545	-1.6%
South East	£277,360	-1.9%
South West	£257,041	-2.9%
Yorkshire and Humber	£171,793	-4.0%
North West	£176,785	-4.3%
West Midlands	£192,002	-4.6%
East Midlands	£172,747	-4.7%
North East	£157,696	-4.8%
East Anglia	£245,820	-4.9%
Wales	£180,834	-6.2%
Scotland	£160,139	-10.3%
<b>England &amp; Wales</b>	<b>£242,253</b>	<b>-3.5%</b>

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

Released 12<sup>th</sup> October 2009

Page 4 of 10

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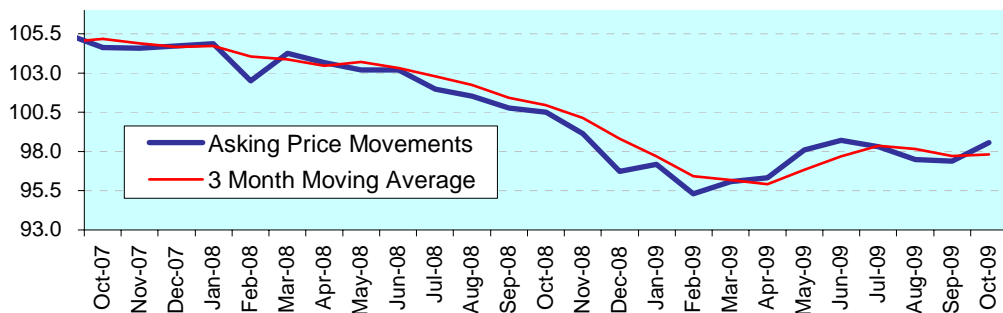
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## South East

Market house prices in the South East have been some of the best performers over the last year and have held onto the gains made in the Spring recovery this year. However, asking prices in the South East remain well below their 2007 highs.

Asking Price Movements for the South East

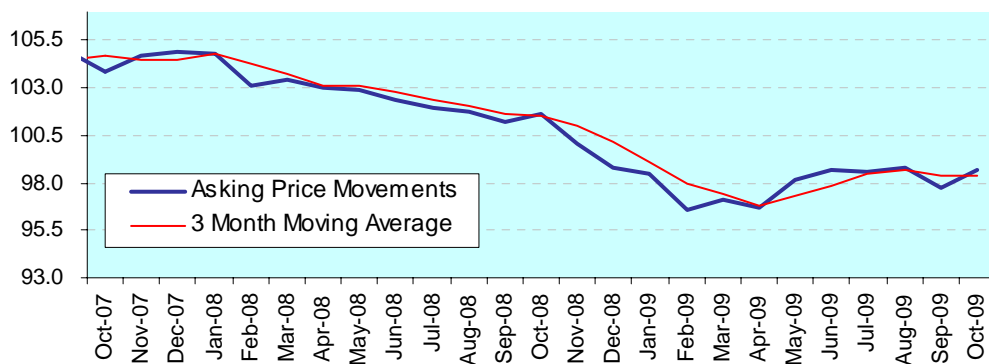


Laspeyres Indices based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

## South West

The mix-adjusted Asking Price chart for property in the South West indicates that there was a similar late-Spring price recovery in this region.

Asking Price Movements for the South West



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



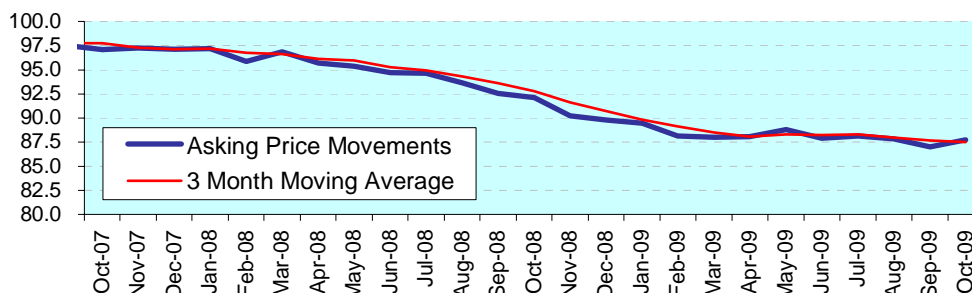
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## East Midlands

The mix-adjusted average Asking Price for properties for sale in the East Midlands has merely stabilised this year. The East Midlands did not experience a Spring bounce in asking prices.

Asking Price Movements for the East Midlands

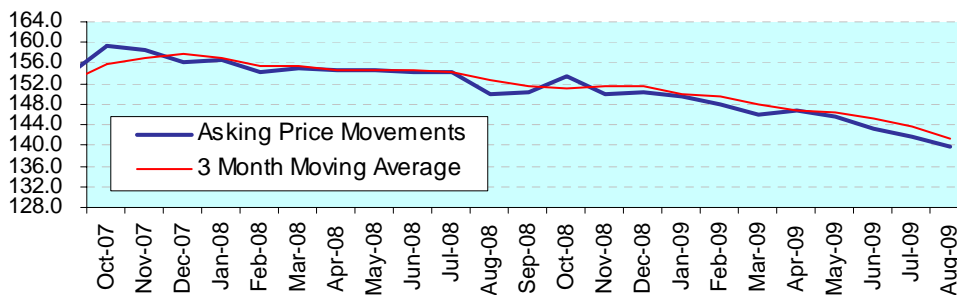


Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

## Scotland

Asking Prices for homes in Scotland have fallen by around 10% over the last 12 months and thus far show no signs of stabilisation. No Spring recovery was evident in the Scotland this year and the trend is clearly towards lower market house prices in 2010.

Asking Price Movements for Scotland



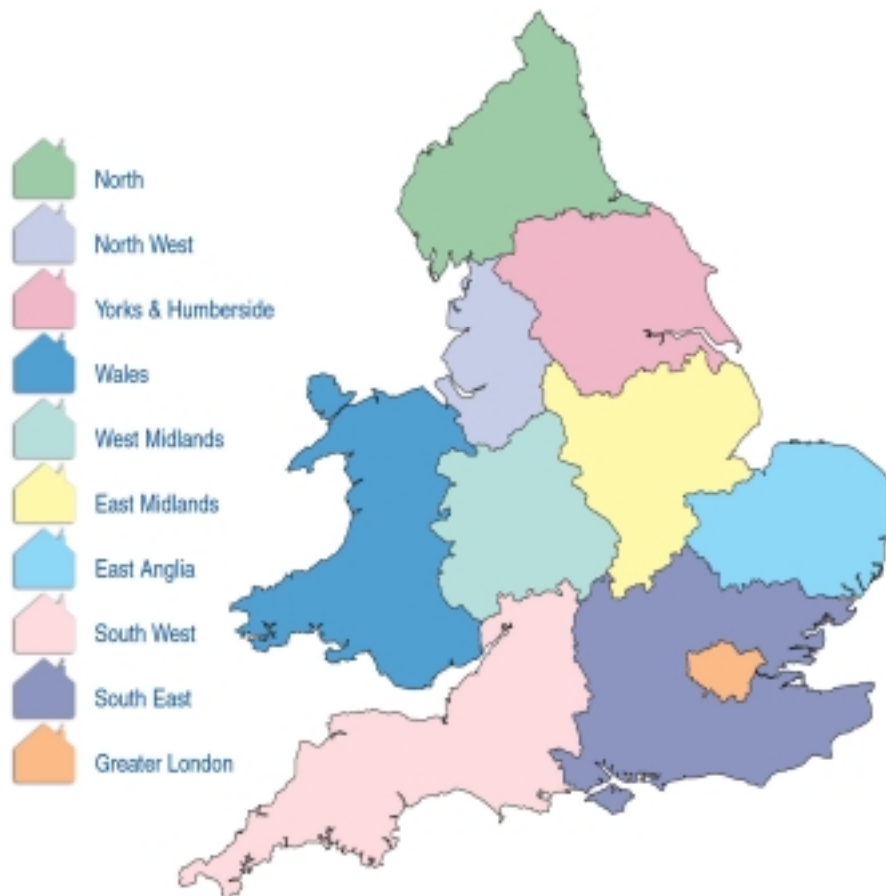
Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]



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**Regions** (as per DCLG)



Source: HM Land Registry



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## Comment

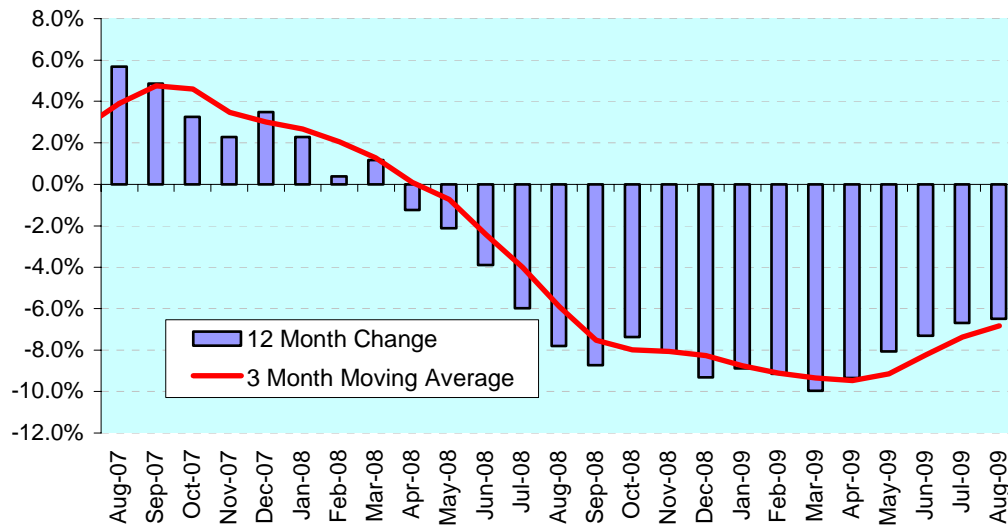
### Price Stabilisation in South but Unemployment Stifles Northern Regions

Asking prices rallied in the most economically prosperous UK regions this year, but continue to fall in regions with higher and growing unemployment. Moreover, with the rate of increase in unemployment showing no sign of slowing, it appears that house prices will be under severe pressure for the foreseeable future.

### Inflation Adjusted Asking Prices

When adjusted for the inflation in goods and services other than housing (RPIY), prices are falling further and faster than headline figures may suggest. For home equity to be a store of value and therefore maintain the same purchasing power in terms of goods and services outside of housing, prices must rise at or above the RPI measure, currently 2% and rising.

**Inflation Adjusted Change in Asking Prices by Month**







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## The Home.co.uk Asking Price Index

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

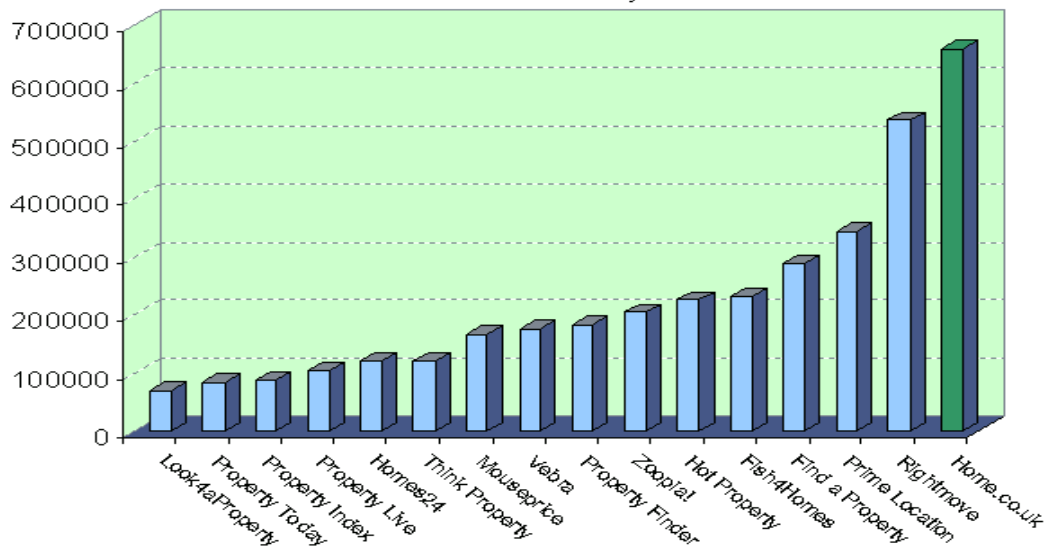
The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) [Survey of English Housing Stock](#) (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the [Office of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





October 09

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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/>

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)

## Future release dates:

Thursday 12<sup>th</sup> November 2009

Monday 14<sup>th</sup> December 2009

Tuesday 12<sup>th</sup> January 2010



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Page 10 of 10

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