



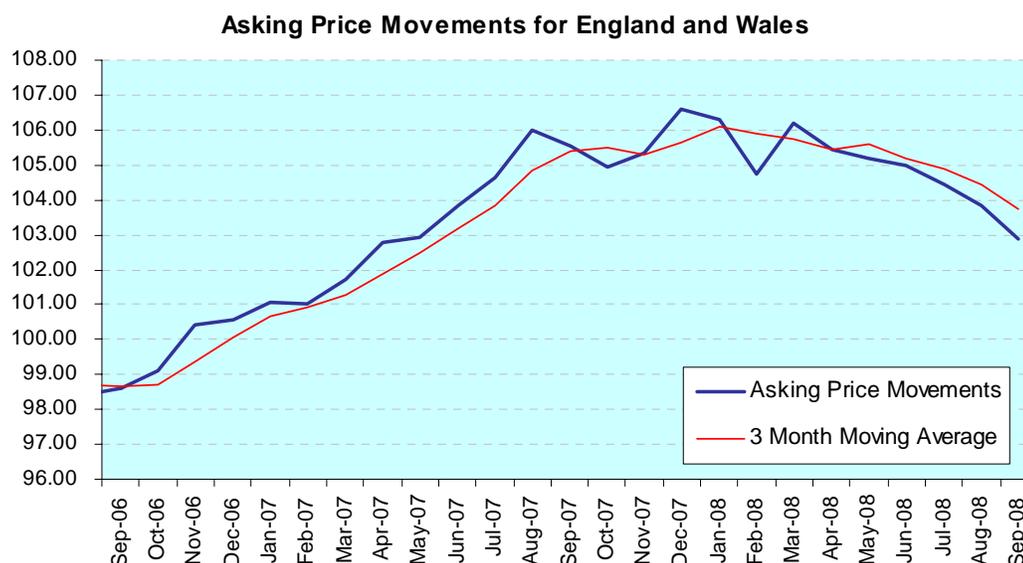
Asking Price Index

The UK's Independent Forward Market Indicator

Home Asking Price Index. Release date: 12th September 2008

House Price Falls Accelerate

" Our economy and our markets will not recover until the bulk of this housing correction is behind us."
[Henry Merritt "Hank" Paulson Jr.](#) (1946-) [US Treasury Secretary](#)



[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 fell by 0.9% this month.

Monthly falls were observed in 8 out of 9 English regions and in Wales.

Asking Prices in England and Wales have fallen 2.0% over Q3.

Greater London registered a fall of 2.0% since August thus reducing the average asking price by nearly £7,000.

Every English region, Scotland and Wales registered mix-adjusted average Asking Price falls over Q3.

Released 12th September 2008

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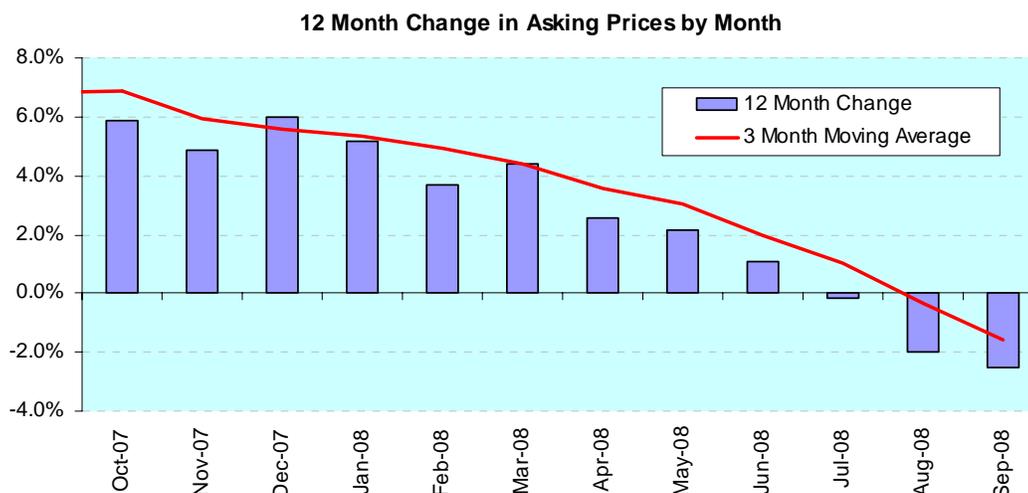
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Overview

Desperation amongst sellers across the UK is increasing. Asking Price falls are accelerating month-to-month as growing numbers of sellers are forced to offer discounts in order to attract buyer interest. However, the majority of sellers have yet to react decisively to the market slowdown although they may well cut their prices over the coming months.

Market sentiment across all regions of England, Wales and Scotland is clearly downbeat, as all regions have registered falls in their mix-adjusted average Asking Price of homes on the market over Q3. Greater London, a leading indicator for the UK housing market, has suffered the largest fall over Q3 of 3.2%, significantly more than any other region. Wales and the North East suffered only minor nominal falls of 0.4% and 0.9% respectively over the same period.

Twelve-Month Trend in Asking Prices



The year-on-year (YoY) change in Asking Prices for England and Wales now stands at -2.5%, a fall of another 0.5% from last month.

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September 08

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Over the last 12 months, Asking Prices for homes in England and Wales have fallen 2.5%, *ca.* 6.9% below the [CPI](#), *ca.* 7.5% below the [RPI](#) and *ca.* 6.2% below the [AEI](#) (excluding bonuses). The mix-adjusted average price of homes in England and Wales, advertised on the open market, now stands at £250,971.

The HAPI for England and Wales has fallen 2.1 index points to 102.8 since Sept07 [May04 = 100].

Regional Housing Markets

Regional Asking Prices for September 2008, showing losses for Q3 2008.

	Current average price	Q3 change
Wales	£192,235	-0.4%
North East	£165,627	-0.9%
South West	£263,534	-1.2%
Yorkshire and Humber	£179,193	-1.3%
East Anglia	£258,745	-1.6%
North West	£185,930	-1.9%
West Midlands	£200,871	-2.0%
East Midlands	£182,196	-2.2%
South East	£283,550	-2.3%
Scotland	£174,970	-2.5%
Greater London	£344,170	-3.2%
England & Wales	£250,971	-2.0%

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

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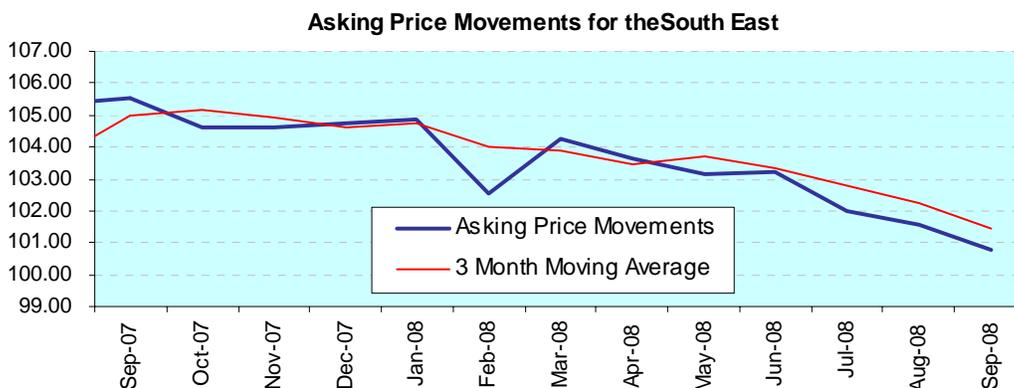


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South East

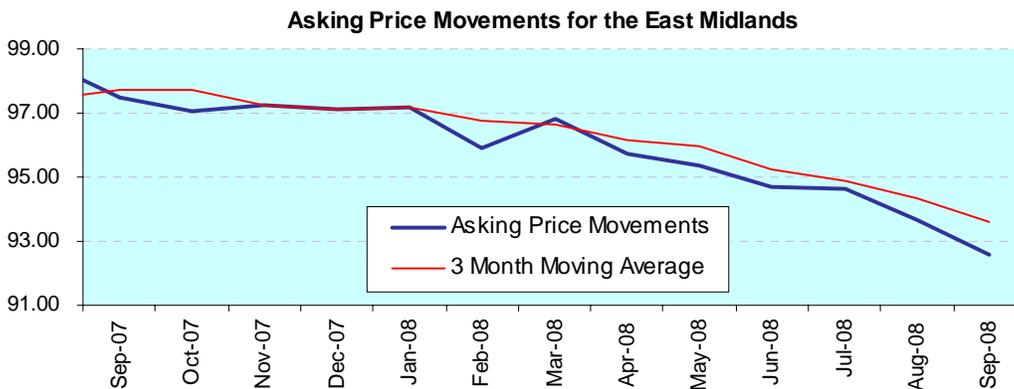
Market house prices in the South East are showing a 2.3% decrease since June 08.



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

East Midlands

The mix-adjusted Asking Price for property in the East Midlands has fallen by 2.2% over Q3. This region shows a steadily increasing decline in the 3 month moving average Asking Price over the past year.



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

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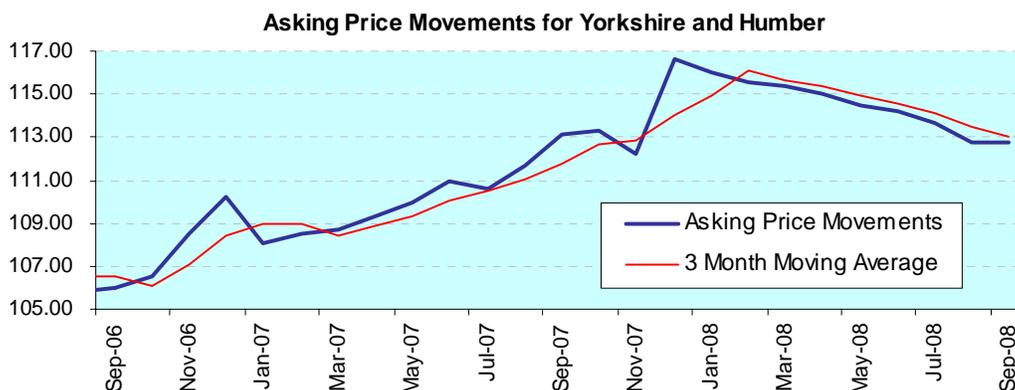


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Yorkshire and Humber

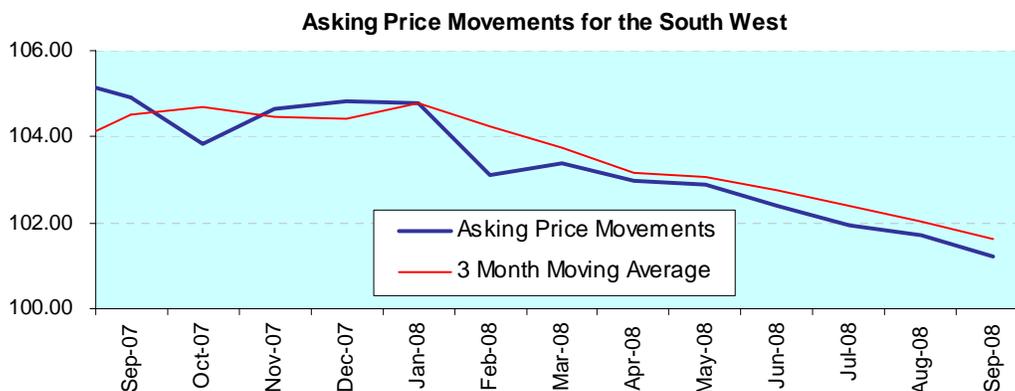
The mix-adjusted average Asking Price for properties for sale in Yorkshire and Humber has fallen by 1.3% over Q3. The Asking Prices of properties in this region continued to increase until Dec 07, a longer period than for other English regions.



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

South West

Asking Prices for homes in the South West have fallen by 1.2% since June 08. After holding relatively stable, Asking Prices have fallen steadily since March 08 in the South West.



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

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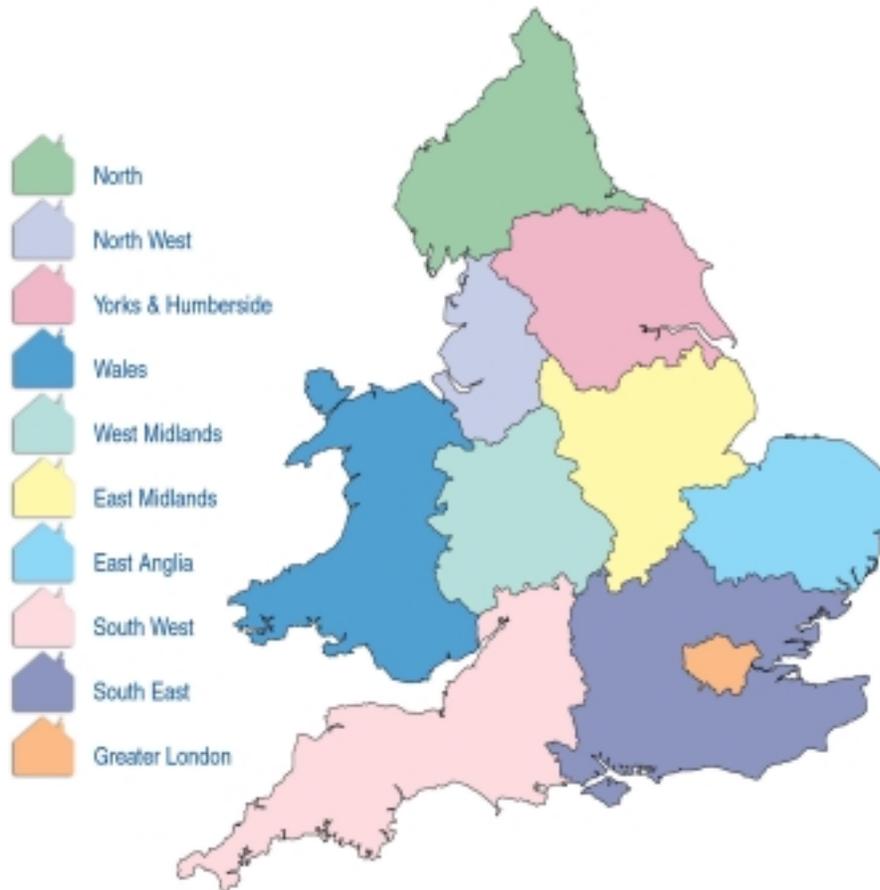
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Regions (as per DCLG)



Source: HM Land Registry

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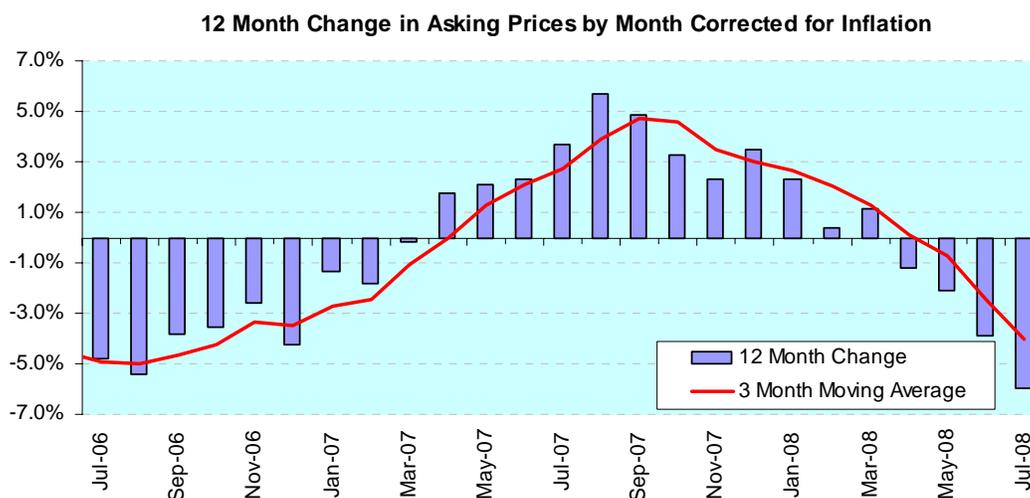


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Comment

The real fall in mix-adjusted average Asking Prices, adjusted for inflation, since the tipping point in August 07 shows a much steeper decline than the nominal figures suggest. Soaring inflation, eroding the value of Sterling, amplifies the real losses for homeowners. With the Bank of England predicting that inflation will continue to rise in the coming months the real fall in Asking Prices could surpass 10% by Dec 08.



Year-on-year change in mix-adjusted average asking prices for England and Wales corrected for inflation (RPI all items ex. housing).

Economy and house prices

The European Commission is the latest body to add its voice to the chorus predicting a recession in the UK for the second half of 2008. Increased pain now being experienced in the wider UK economy, a direct consequence of the credit crunch, serves only to compound the already severe problems in the UK housing market. The economic slowdown has now led to rising unemployment, which typically leads to increased numbers of forced home sales driving prices down further.

The Monetary Policy Committee of the Bank of England held the base rate at 5% again this month. As this Asking Price Index predicted last year, the BoE has no room to manoeuvre in the current crisis, caught between rising inflation and weak sterling on the one hand and a severely contracting economy on the other.

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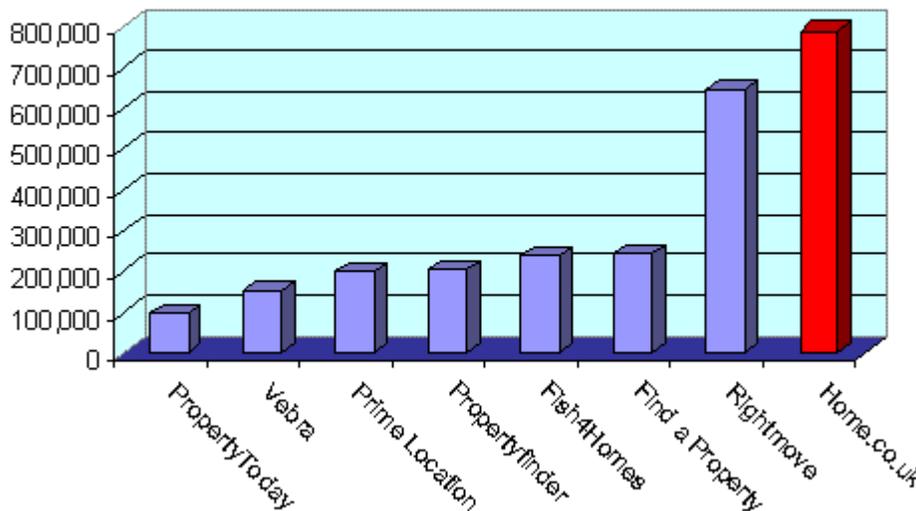
The Home.co.uk Asking Price Index is produced in association with [Calnea Analytics](#): the statistical consultancy responsible for the production of the official [Land Registry House Price Index](#).

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 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.

Searchable Properties for Sale by Website.

Source: Home.co.uk February 08



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.

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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.calnea.com/asking-price-index/>

Future release dates:

Monday 13th October 08

Wednesday 12th November 08

Friday 12th December 08



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