



Asking Price Index

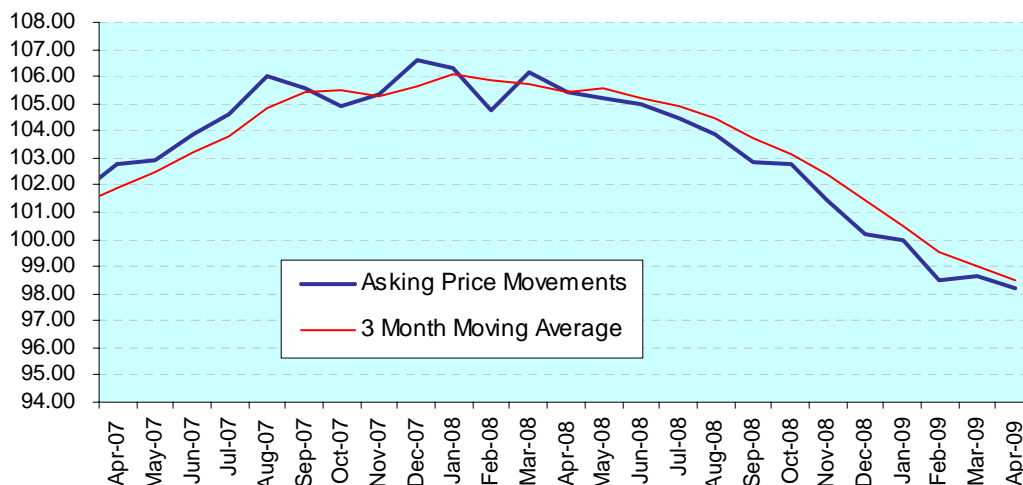
The UK's Independent Forward Market Indicator

Home Asking Price Index. Release date: 17th April 2009

Market Prices Falling More Slowly

"It's worse than we thought," [Alistair Darling](#), commenting on the recession.

Asking Price Movements 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 has fallen 0.4% since March.

Monthly average price falls observed in 5 of the 9 English regions & Wales.

Asking Prices across England and Wales have fallen 6.9% since April 08.

The average Asking Price reduction in March was £20,592.

Typical Time on Market rose slightly to 175 days for unsold homes for sale.

Greater London prices hold firm for second consecutive month.

Released 17th April 2009

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Overview

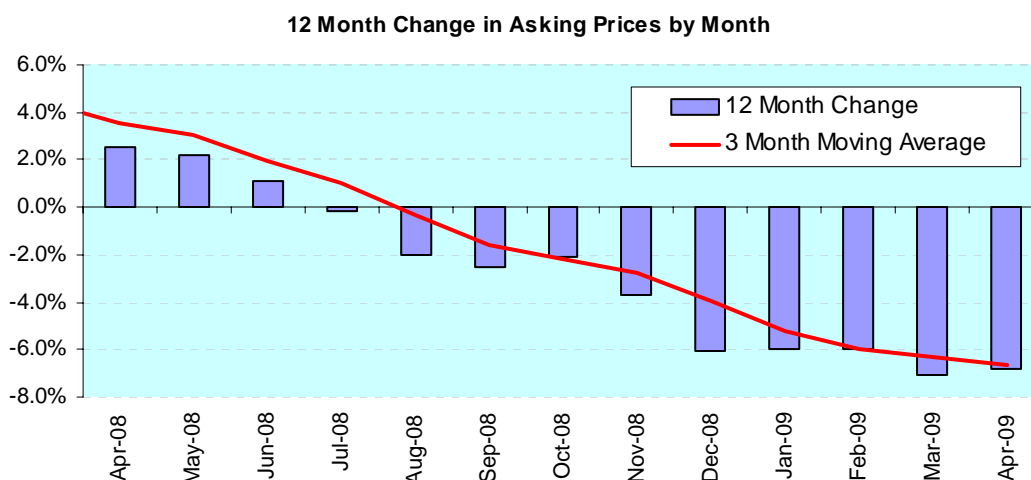
The UK housing market presents a mixed picture this month, consistent with sellers' expectations of a spring bounce amidst desperate market conditions. Asking prices have held firm in 4 of the 9 English regions and Scotland. Greater London and the South East show small rises in asking prices for a second consecutive month. However, price-cutting is still prevalent and Time-on-Market indicators are still rising overall.

Asking prices of 66,316 homes on the market were cut in March, more than the number of reductions recorded for February (63,777). The value of the average price cut in March rose slightly from February (£19,839) to £20,592.

The typical Time-on-Market indicator for unsold properties has risen just 2 days to 175 days since March. In April 2008 the typical Time-on-Market was just 80 days.

Over the last year asking prices fell in all English regions, Scotland and Wales. For England and Wales the mix adjusted average asking price fell 6.9% since April 2008, while the Scottish mix-adjusted average asking price fell 5.2%.

Twelve-Month Trend in Asking Prices



The April 09 year-on-year (YoY) fall in Asking Prices for England and Wales of 6.9% shows a decrease from Mar 09, suggesting that YoY falls in asking prices may have peaked.



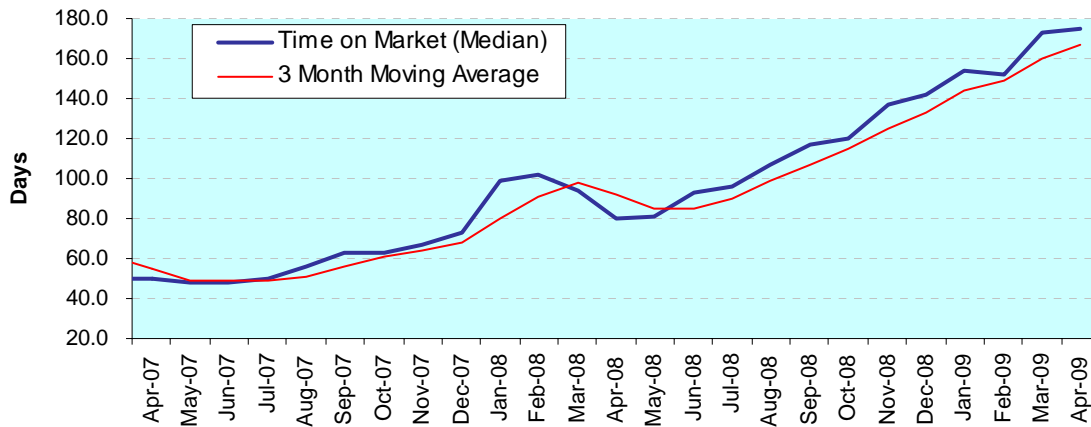
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Time-on-Market

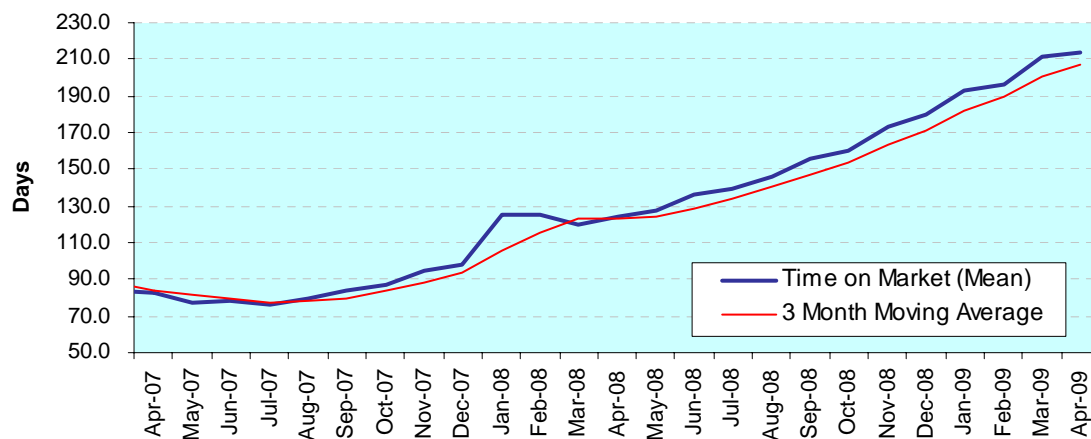
Typical Time-on-Market, for unsold properties, over the last 2 years for England and Wales clearly indicates the extent of the slump in the UK housing market.

Typical Time on Market for England & Wales



Average time on market chart confirms both the trend towards longer marketing times and the lack of any clearly observable spring bounce this year.

Average Time on Market for England & Wales



Note: The mean number of days is appreciably higher than the median due to a statistically significant number of properties that have been on the market for more than one year.

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Asking Prices and Inflation

Over the last 12 months Asking Prices for homes in England and Wales have fallen 6.9%, *ca.* 10.1% below the [CPI](#), *ca.* 6.9% below the [RPI](#) (ex. housing) and *ca.* 10.4% below the [AEI](#) (ex. bonuses). The mix-adjusted average price of homes in England and Wales, advertised on the open market, now stands at £239,607. The HAPI for England and Wales now stands at 98.2 [May04 = 100].

Regional Housing Markets

Regional Asking Prices for April 2009, showing % change since April 2008.

	Current average price	12-month change
Wales	£185,240	-4.7%
North East	£160,789	-4.7%
Scotland	£170,615	-5.2%
Yorkshire and Humber	£172,812	-5.5%
South West	£251,858	-6.1%
North West	£178,378	-6.4%
Greater London	£330,049	-7.0%
South East	£271,045	-7.1%
East Anglia	£243,607	-7.5%
East Midlands	£173,343	-8.0%
West Midlands	£187,900	-8.9%
England & Wales	£239,607	-6.9%

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

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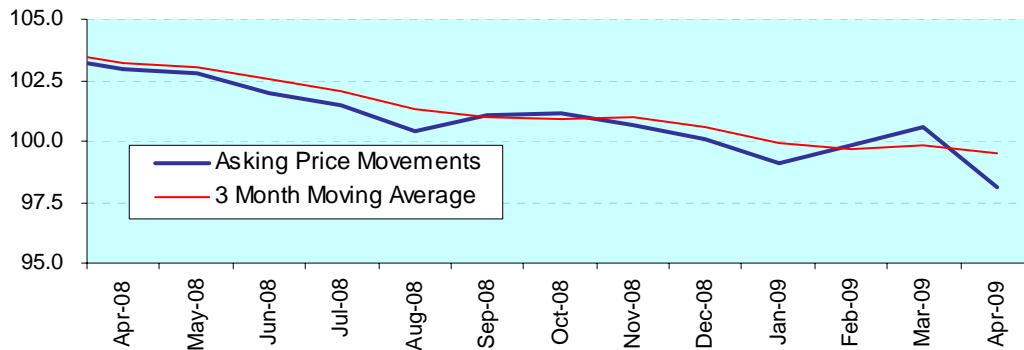
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North East

The North East has shown the greatest resistance to asking price falls over the last year of all the English regions. Market house prices in the North East have fallen 4.7% since April 08.

Asking Price Movements for the North East

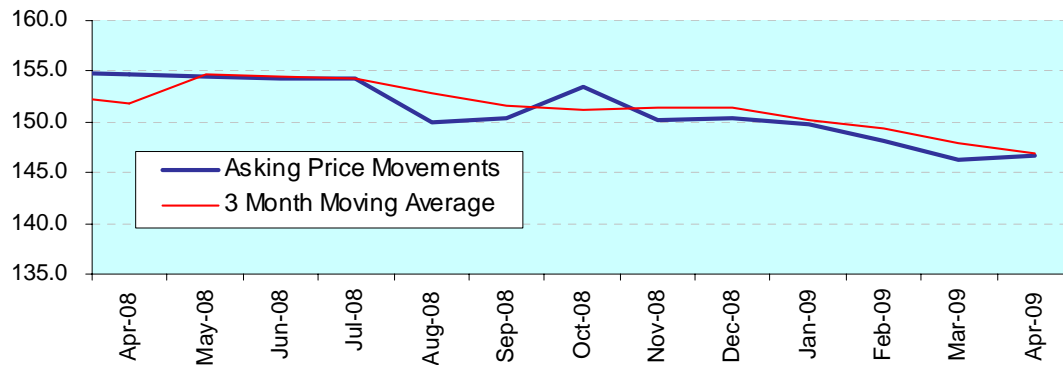


Laspeyres Indices based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

Scotland

Scottish asking prices have also shown relative strength over the last year, falling by only 5.2% since April 08.

Asking Price Movements for Scotland



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

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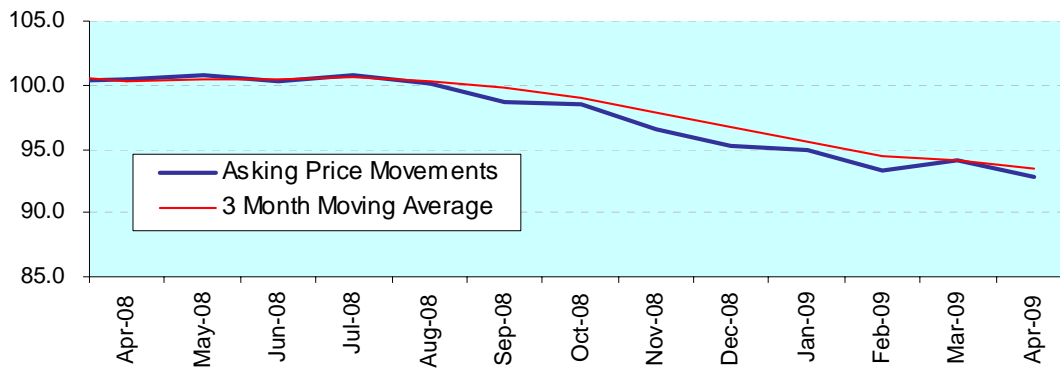
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East Anglia

The average asking price for homes in East Anglia decreased 7.5% since April 2008. Most of the reductions in asking prices occurred since August last year in this region.

Asking Price Movements for East Anglia

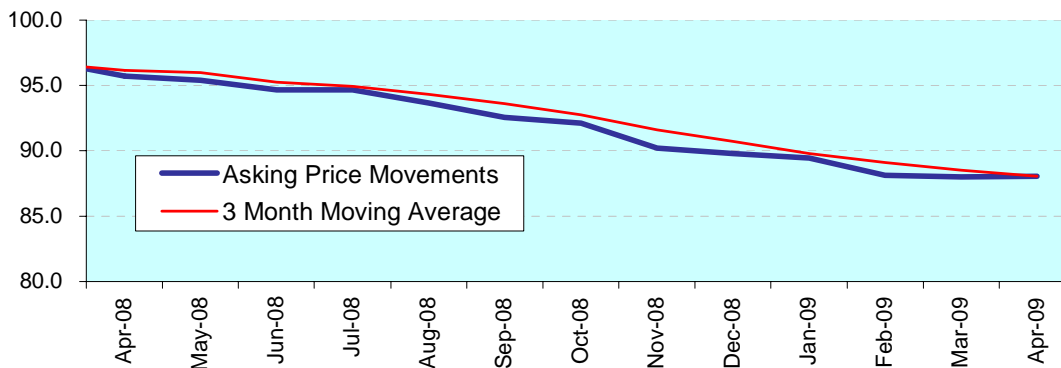


Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

East Midlands

Asking prices for homes in the East Midlands have fallen 8.0% over the last year. However, market prices have not fallen further in the East Midlands since February.

Asking Price Movements for the East Midlands



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

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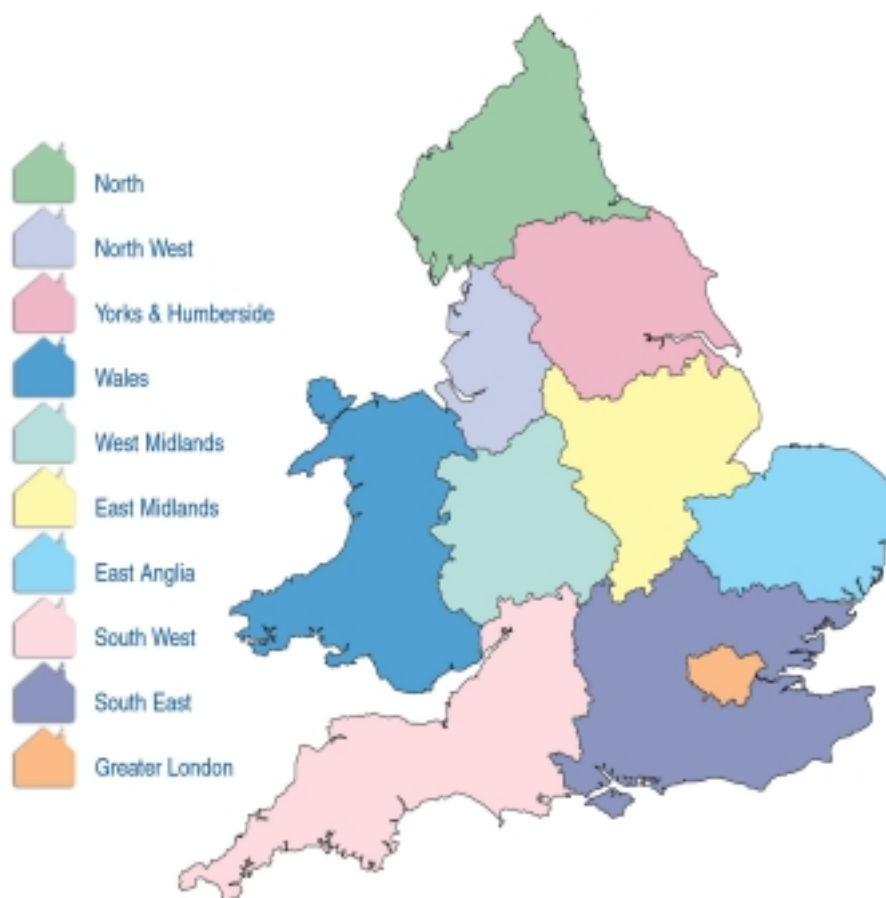


April 09

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Regions (as per DCLG)



Source: HM Land Registry

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April 09

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Comment

Bank of England Holds Base Rate at 0.5%

With admittedly little more room for cuts, the BoE held interest rates at 0.5% this month. This follows cuts of 1.0% in December, 0.5% in January, 0.5% in February and 0.5% in March and preserves the BoE base rate at a record low in the 300-year history of the Bank of England. However, this ultra-low base-rate has done little to improve mortgage-lending figures.

Low Savings Rates Make Property More Attractive

Dismal saving rates are making more and more potential investors think about property. Rental yields are now looking good when compared to the poor returns offered by banks and building societies. However, owing to the poor availability of mortgage credit for buy-to-let investors this opportunity is only really available to cash buyers

Stagnation Persists in the UK Housing Market

The number of buyer enquiries increased markedly over the first quarter of 2009, although this interest is not yet being converted into increased home sales as the time-on-market data shows. The typical Time on Market for unsold property for sale in England and Wales now stands at 175 days up from 173 days in March 09.

Weakness of Sterling Tempts Overseas Investors

Sterling's continued weakness against the US Dollar and the Euro is making the UK property look particularly good value. Hence, increased buyer interest from foreign investors is evident in the UK housing market but this is concentrated mainly in and around London.

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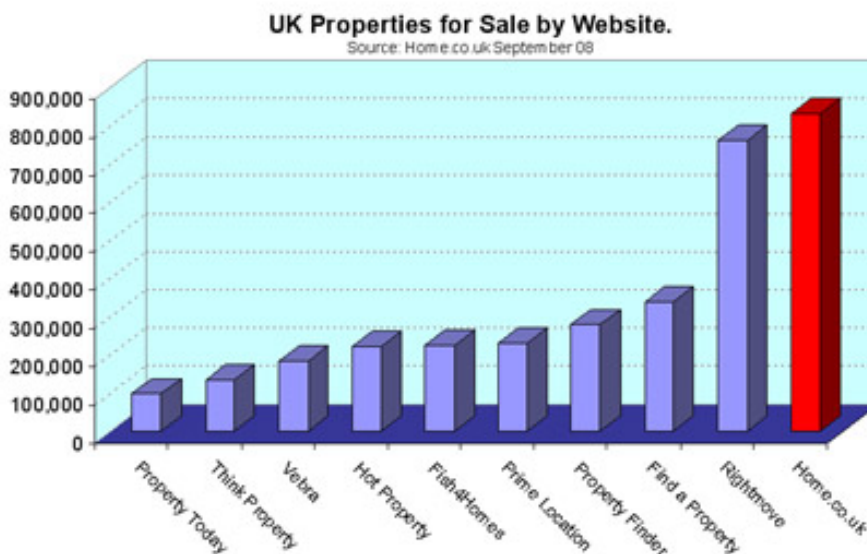
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The Home.co.uk Asking Price Index

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 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.

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April 09

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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:

Tuesday 12th May 09

Friday 12th June 09

Tuesday 14th July 09



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