



Asking Price Index

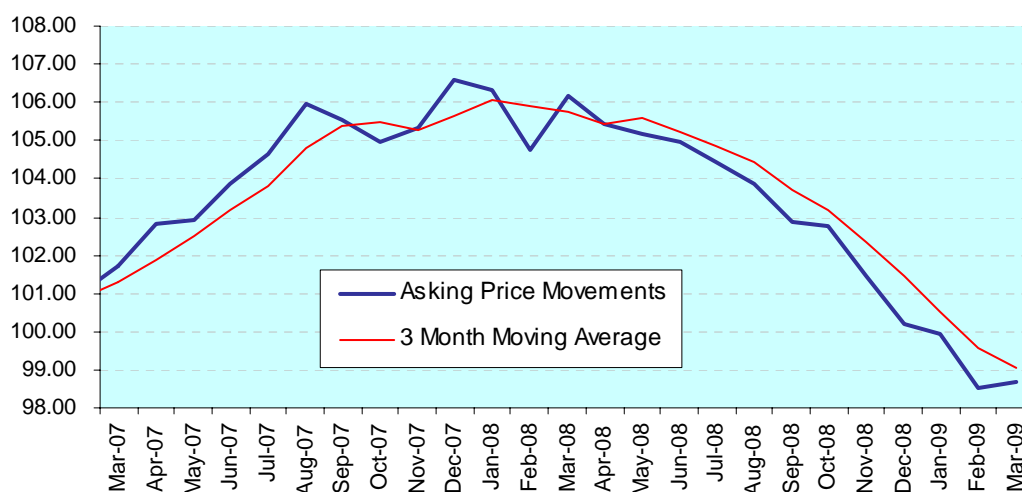
The UK's Independent Forward Market Indicator

Home Asking Price Index. Release date: 12th March 2009

Prices 'On Hold' Despite Glacial Market

"Directors therefore called for heightened vigilance to these risks by the authorities, especially regarding the possible existence of a housing price bubble with its potential deflationary consequences," Reported [IMF statement on UK housing market in March 2003](#).

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 remains essentially unchanged: slight rise of 0.1% since February.

Monthly average price falls observed in just 4 of 9 English regions, Wales and Scotland.

Asking Prices across England and Wales have fallen 7.1% since March 08.

The average Asking Price reduction in February was £19,840.

Typical Time on Market rises to 173 days for unsold homes for sale.

Released 12th March 2009

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Overview

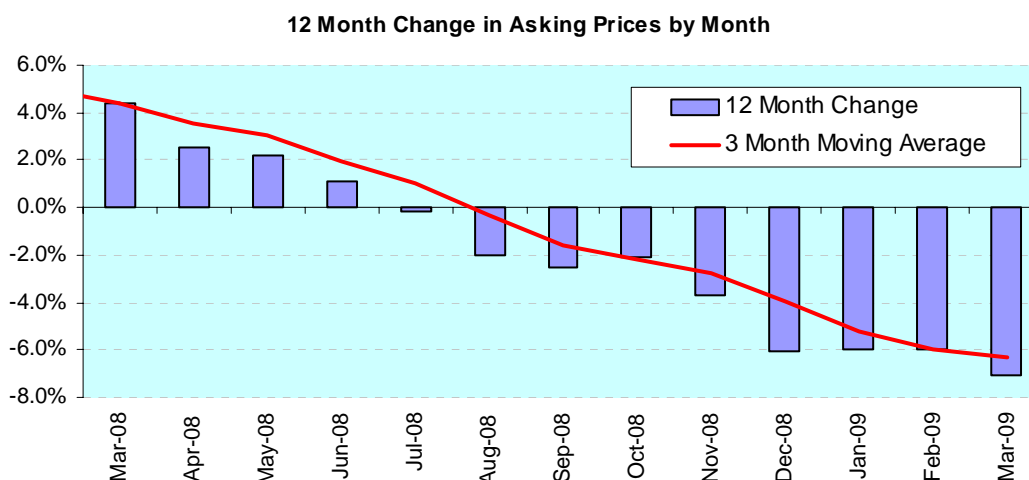
Perhaps hoping for a 'spring bounce' vendors have shown greater reluctance to cut their asking prices in the last month, despite soaring Time-on-Market indicators for unsold property. Clearly, this increased bullish sentiment amongst sellers does not reflect the current housing market reality.

Asking prices of 63,777 homes on the market were cut in February, less than the number of reductions recorded for January (79,138*). However, the value of the average price cut in February remained essentially unchanged from January (£19,564) at £19,839.

The typical Time-on-Market indicator for unsold properties has risen 21 days to 173 days since February (see [Comment](#) section). Meanwhile, the stock of property for sale on the market is stabilising after a period of decline as reduced instruction rates are balanced by reduced sales rates.

Asking prices fell in all English regions (except the North East), Scotland and Wales over the last three months (Q1 2009). For England and Wales the mix adjusted average asking price fell 1.5% in Q1 2009.

Twelve-Month Trend in Asking Prices



The March 09 year-on-year (YoY) fall in Asking Prices for England and Wales of 7.1% shows an increase from Dec 08, Jan09 and Feb 09, continuing the downward trend.

* Revised methodology.



March 09

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Over the last 12 months Asking Prices for homes in England and Wales have fallen 7.1%, *ca.* 10.1% below the [CPI](#), *ca.* 10.0% below the [RPI](#) (ex. housing) and *ca.* 10.7% below the [AEI](#) (ex. bonuses). The mix-adjusted average price of homes in England and Wales, advertised on the open market, now stands at £240,689.

The HAPI for England and Wales now stands at 98.7 [May04 = 100].

Regional Housing Markets

Regional Asking Prices for March 2009, showing % change for Q1 2009.

	Current average price	3-month change
North East	£164,876	0.6%
South East	£270,316	-0.7%
East Anglia	£247,101	-1.1%
Greater London	£329,784	-1.2%
Wales	£186,039	-1.4%
Yorkshire and Humber	£173,686	-1.5%
South West	£252,874	-1.7%
East Midlands	£173,275	-2.0%
North West	£178,237	-2.8%
Scotland	£170,082	-2.8%
West Midlands	£191,913	-3.3%
England & Wales	£240,689	-1.5%

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

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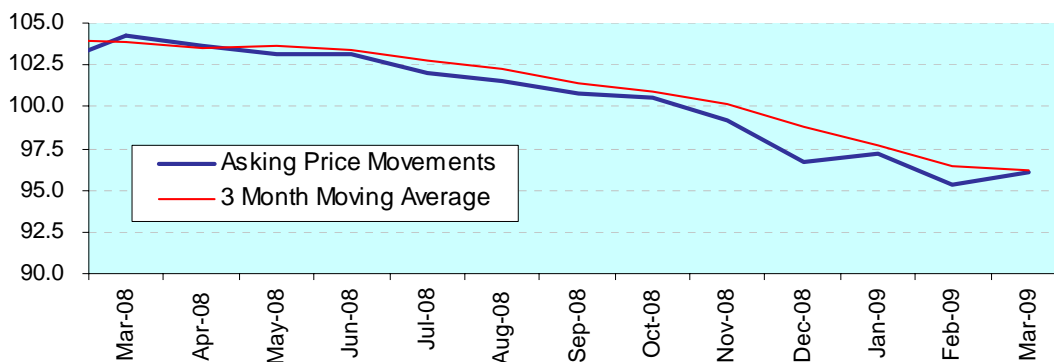
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South East

The South East has shown increased resistance to further asking price falls over the last quarter. However, hopes of a spring bounce look set to fade as the average Time on Market for unsold properties continues to increase.

Asking Price Movements for the South East

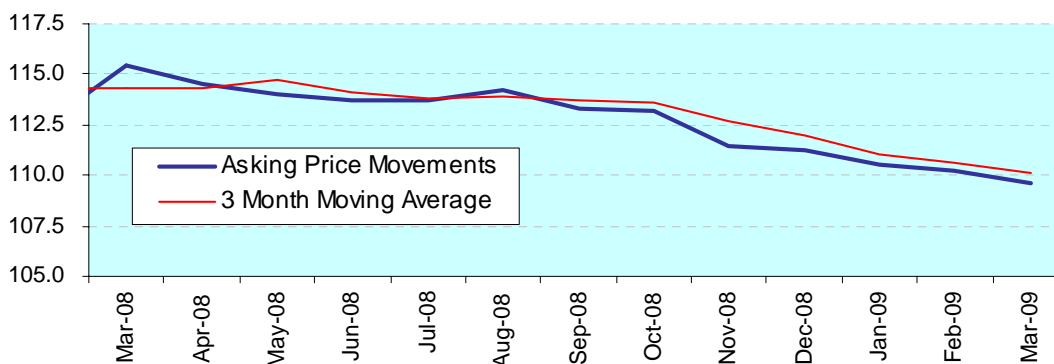


[Laspeyres](#) Indices based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

Wales

Asking prices continue to slide in Wales, driven by increasing desperation amongst sellers as the Time on Market for unsold properties rises further.

Asking Price Movements for Wales



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

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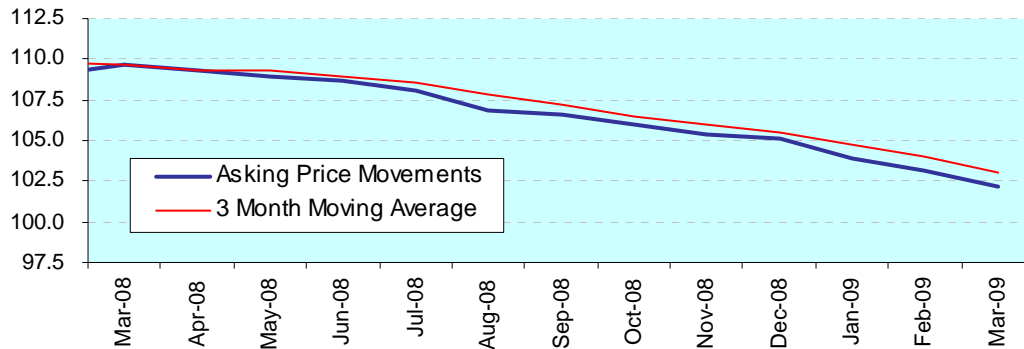
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North West

The average asking price for Homes in the North West decreased 2.8% in Q1 2009 and 6.9% since March 08.

Asking Price Movements for the North West

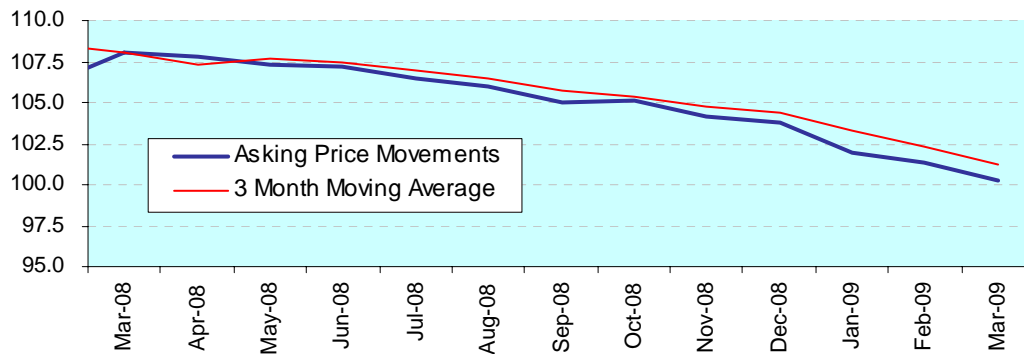


Laspeyres Index based on Weighted Arithmetic Mean of Regional House Prices [May04 = 100]

West Midlands

Asking prices for homes in the West Midlands fell fastest of all English regions over the last quarter (-3.3%).

Asking Price Movements for the West Midlands



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

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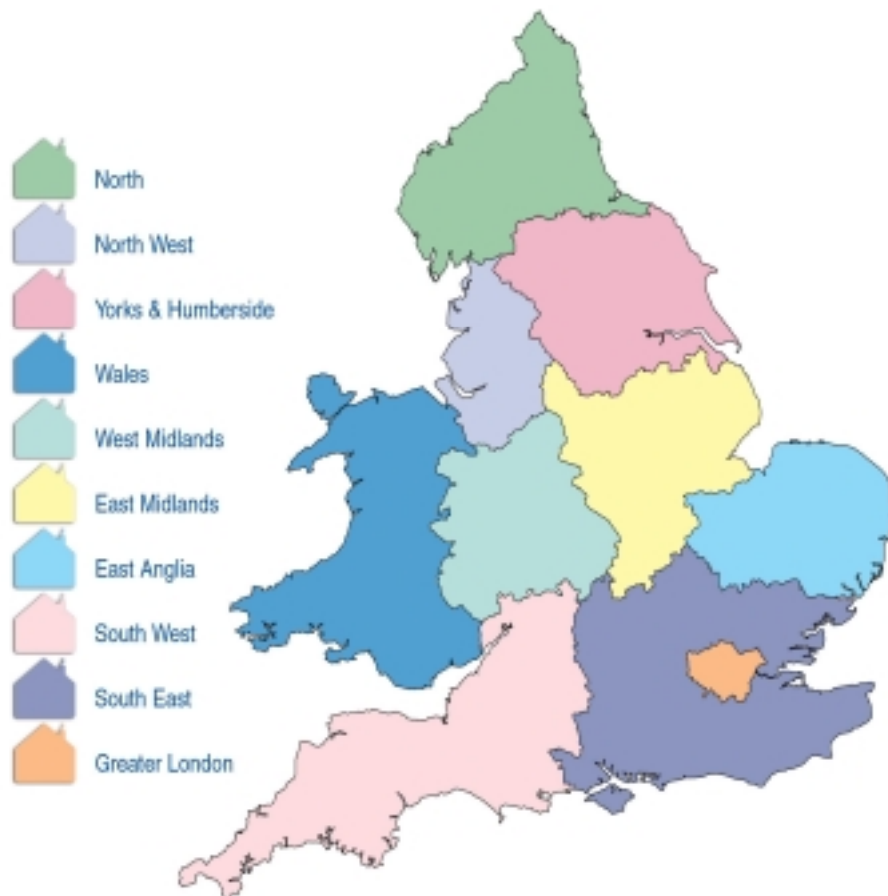


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Regions (as per DCLG)



Source: HM Land Registry

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Comment

Bank of England Reduces Base Rate Further to 0.5%

The BoE slashed interest rates by a further 0.5% this month. This follows cuts of 1.0% in December, 0.5% in January & 0.5% in February and plunges the BoE base rate to a new record low in the 300-year history of the Bank of England. However, banks and building societies will not be able to pass on this rate cut to mortgagees.

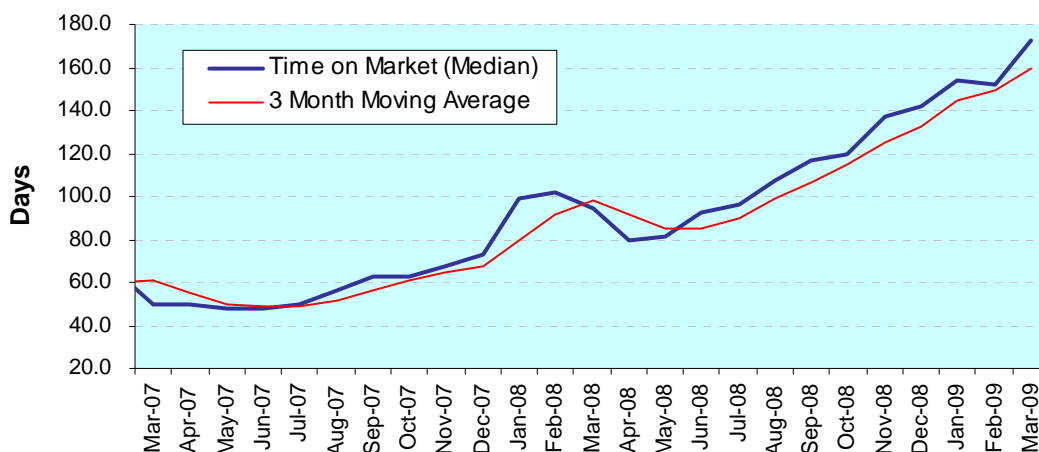
Quantitative Easing

In a further desperate act of economic stimulus quantitative easing has begun. Those prudently saving for a home, meanwhile, will not only find that the interest on their savings dwindles to nothing, but the government is intentionally devaluing those savings by starting to print money to shore up government borrowing.

Stagnation of the UK Housing Market

The number of buyer enquiries has increased markedly in January and February although this interest is not being converted into increased home sales as the graph below testifies. The typical Time on Market for unsold property for sale in England and Wales has risen from just 50 days in July 07 to 173 days in March 09.

Typical Time on Market for England & Wales



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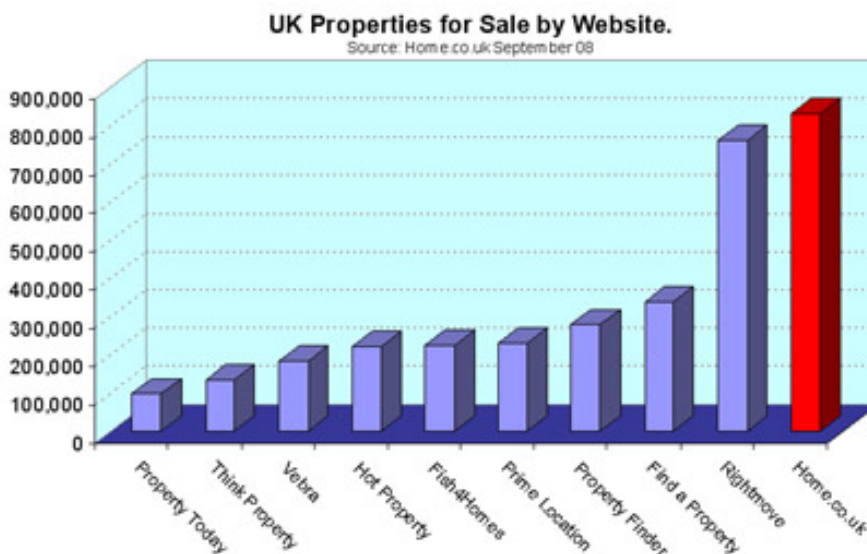
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The Home.co.uk Asking Price Index

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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March 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:

Monday 13th April 09

Tuesday 12th May 09

Friday 12th June 09



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