



November 2012

Asking Price Index

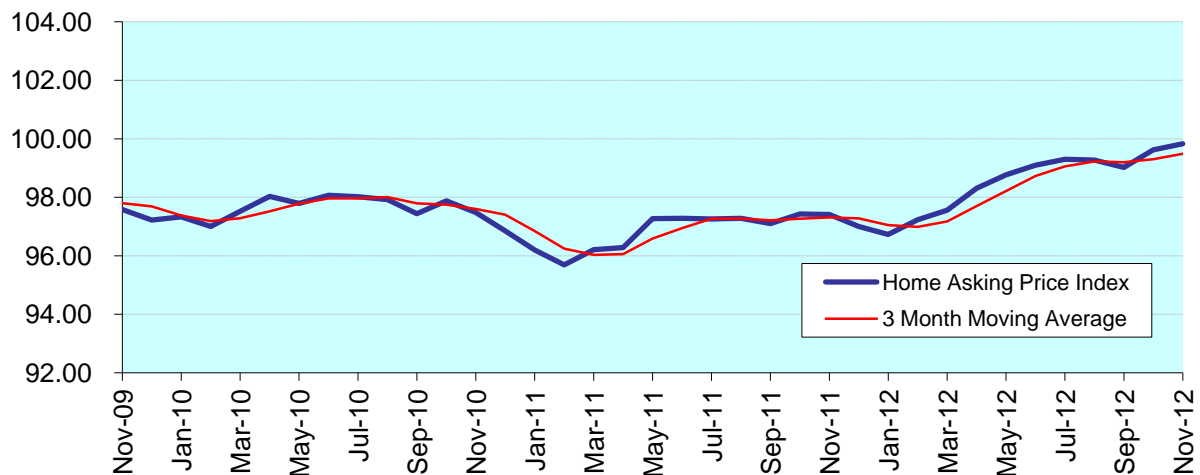
The UK's Independent Forward Market Indicator

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

Home Prices Buck Seasonal Trend.

"If the credit expansion is not stopped in time, the boom turns into the crack-up boom; the flight into real values begins and the whole monetary system founders." Ludwig von Mises, Economist and author of 'Human Action' 1949.

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

Asking prices up: 0.2% since October, taking the annual rise to 2.5%: the best year-on-year price performance figure since March 2008.

Demand up: Typical Time on Market 4 days lower than in November 2011.

Supply down again in October: 3.3% fewer properties enter the sales market year-on-year.

Asking prices rose in 6 of the 9 English regions and Wales over the last month.

Time on Market (average) remains unchanged since September at 215 days, 2 days longer than in October 2011.

Annual change in UK home prices: +2.5% 6-month change: +1.1%

Released 12th November 2012

Page 1 of 13

Copyright © 2012, HomeCo Internet Property Ltd

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**



Asking Price Index

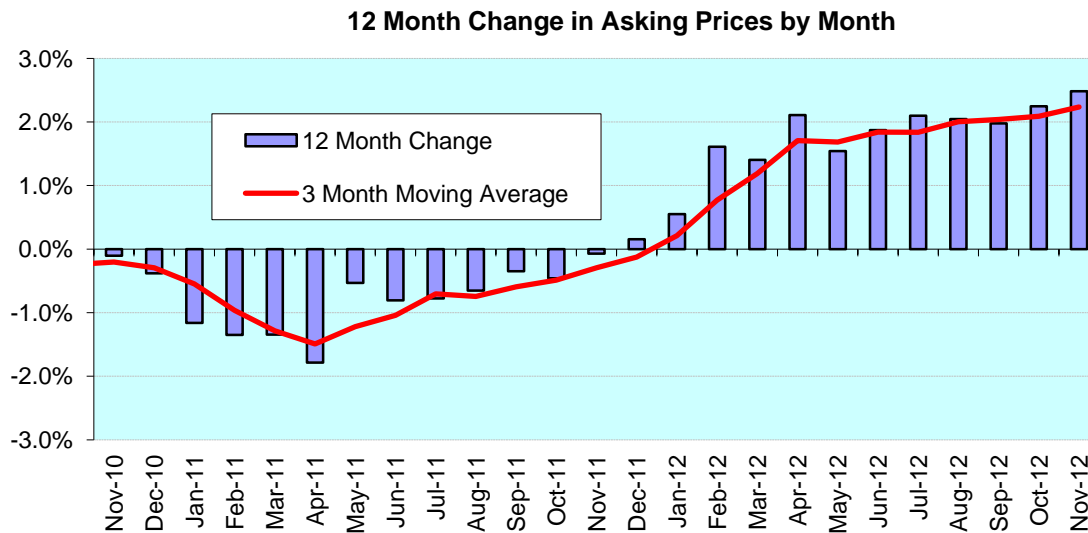
The UK's Independent Forward Market Indicator

Overview

The UK property market is enjoying a burst of optimism and price growth. Unseasonal price rises coupled with falling time on market indicators for many regions show that buyers are currently more active than they have been for some time. London, of course, leads the way with outstanding price gains and the lowest median time on market in the UK. Moreover, with East Anglia joining the top performing regions, Greater London and the South East where prices are rising ahead of inflation (vs. RPI ex. housing), it is tempting to suggest that UK property may have turned the corner...

These top 3 performing regions may soon be joined by the South West although several other regions, especially those in the North, have a lot of catching up to do. The North West is still registering year-on-year falls (-0.8%) and Scotland and Yorkshire and Humber are only just into positive territory. However, with the tail wind of a flourishing rental market¹, which is helping to keep sales supply low, home prices may be expected to continue their overall upward trend over the coming months.

Year-on-Year Trend in Asking Prices



Year on year, asking prices are increasing by 2.5%.

¹ See <http://www.mwuplc.co.uk/news-and-information/the-move-with-us-rental-index/> and the Comment Section.



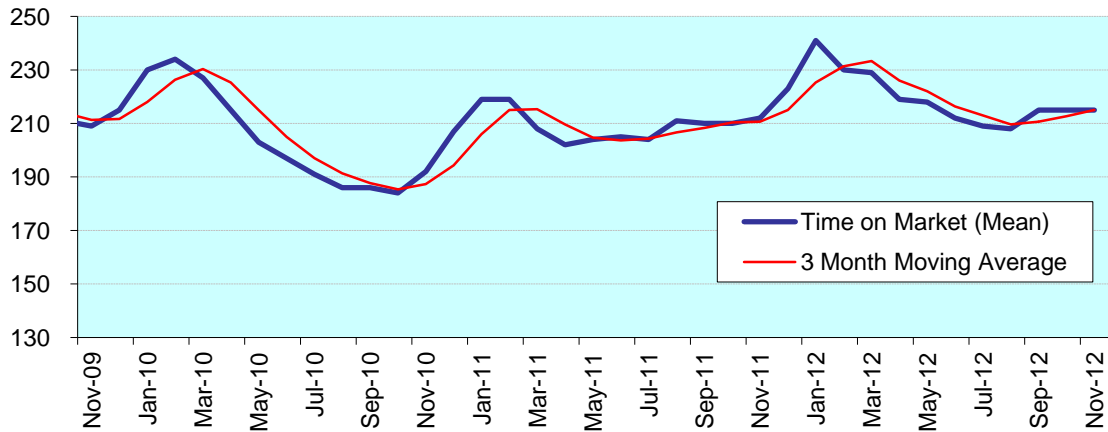
Asking Price Index

The UK's Independent Forward Market Indicator

Time-on-Market Analysis

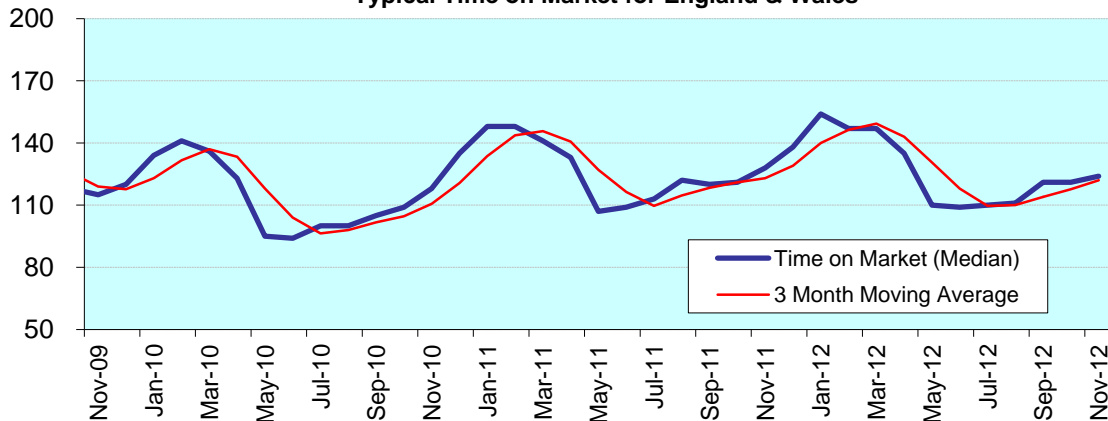
Properties are, on average, spending slightly longer on the market year-on-year. The mean time on market for unsold property remains unchanged for a third consecutive month at 215 days, 3 days longer than in November 2011.

Average Time on Market for England & Wales



Meanwhile, the current median (typical) time on market has increased 2 days to 124 days, which is a highly significant 4 days **less** than in November 2011. A seasonal rise through to Jan/Feb is expected.

Typical Time on Market for England & Wales



Released 12th November 2012

Page 3 of 13

Copyright © 2012, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

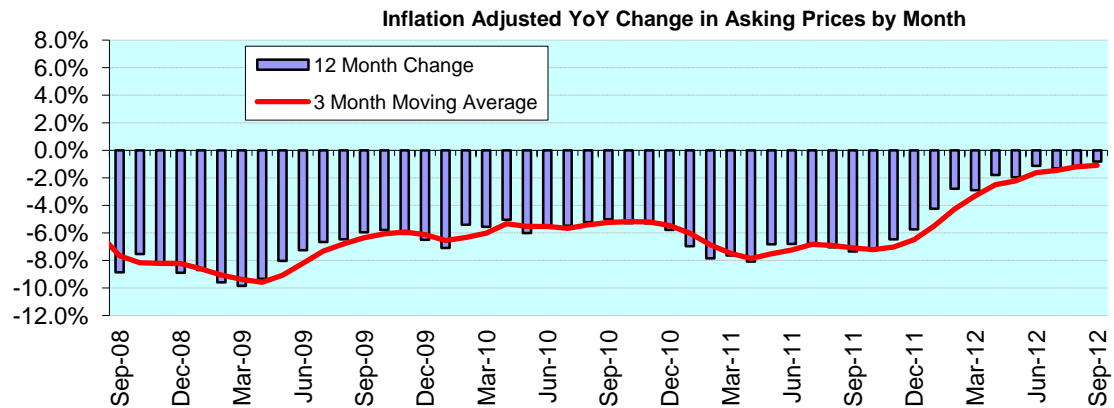
Press Office: 0845 373 3580



Asking Price Index

The UK's Independent Forward Market Indicator

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 has been narrowing (0.9% in September). The HAPI for England and Wales is now at 99.8 [May04 = 100].

Regional Housing Markets

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

	Current average price	6-month change	Median ToM (days)
Greater London	£359,062	+2.7%	88
South West	£257,363	+1.5%	109
East Anglia	£251,060	+1.4%	101
South East	£297,906	+1.1%	90
Scotland	£161,301	+1.0%	147
Wales	£174,873	+0.9%	171
North East	£153,337	+0.8%	182
East Midlands	£175,224	+0.6%	125
West Midlands	£189,411	+0.2%	131
Yorkshire and Humber	£167,547	-0.3%	155
North West	£172,156	-0.8%	150
England & Wales	£233,720	+2.2%	124

Released 12th November 2012

Page 4 of 13

Copyright © 2012, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



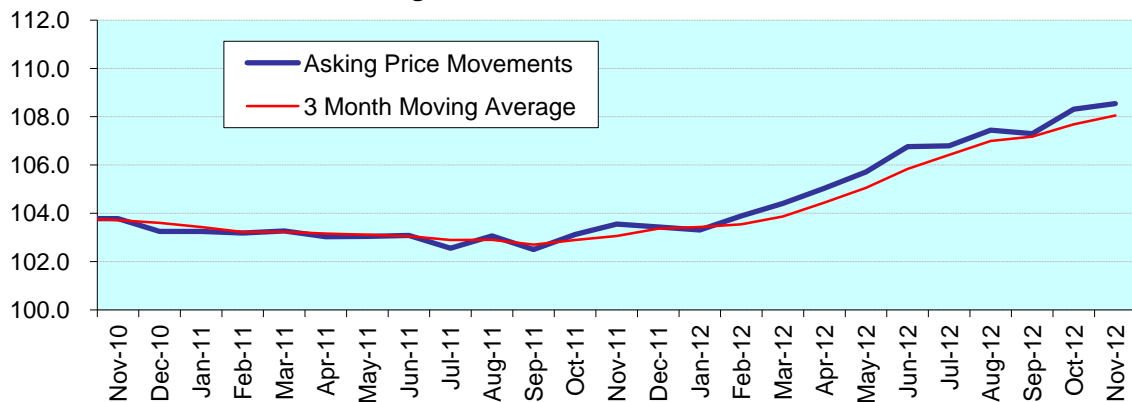
Asking Price Index

The UK's Independent Forward Market Indicator

Greater London

Market house prices in Greater London have recorded an extraordinary performance over the last 12 months. This month's rise takes home prices in the region to their highest value since April 2008. The supply of market entrants in October was 6% down on October 2011 lending further support to asking prices over the coming months.

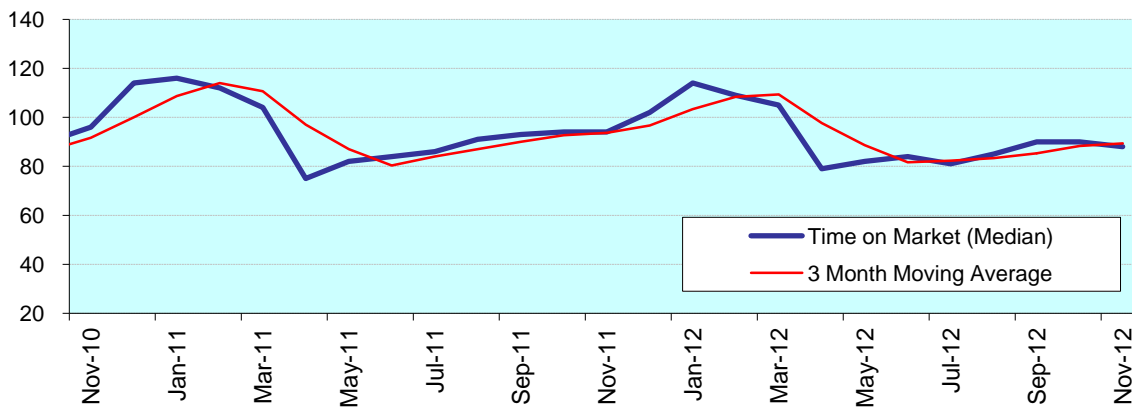
Asking Price Movements for Greater London



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

Owing to an increase in market activity, the typical time on market trend for unsold property in Greater London has deviated from the seasonal trend. Median time on market has fallen 2 days to 88 days, since last month, which is 6 days less than in November 2011.

Typical Time on Market for Greater London



Released 12th November 2012

Page 5 of 13

Copyright © 2012, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



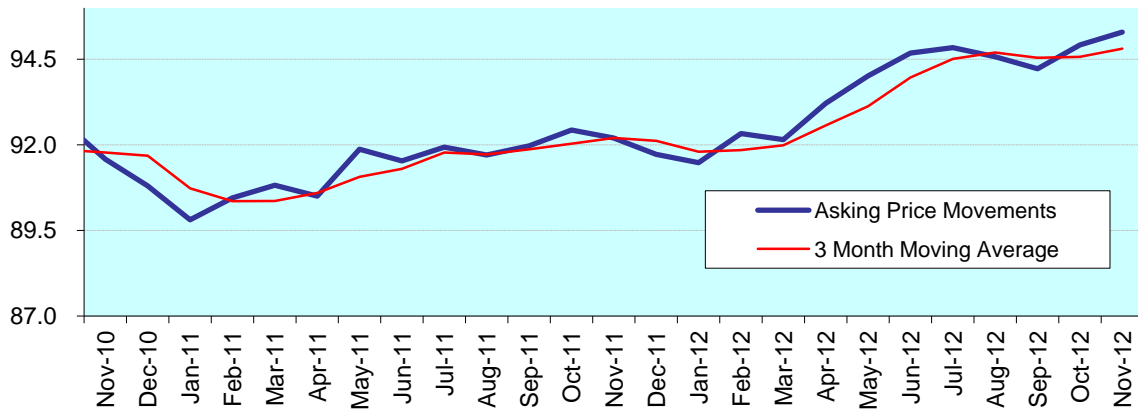
Asking Price Index

The UK's Independent Forward Market Indicator

East Anglia

The mix-adjusted average asking price trend for property in East Anglia has also registered a solid performance over the last year (+3.4%), although prices have only recovered about 50% of their losses following the banking crisis. Increased confidence in this regional market has not triggered a rise in supply: -2% year-on-year.

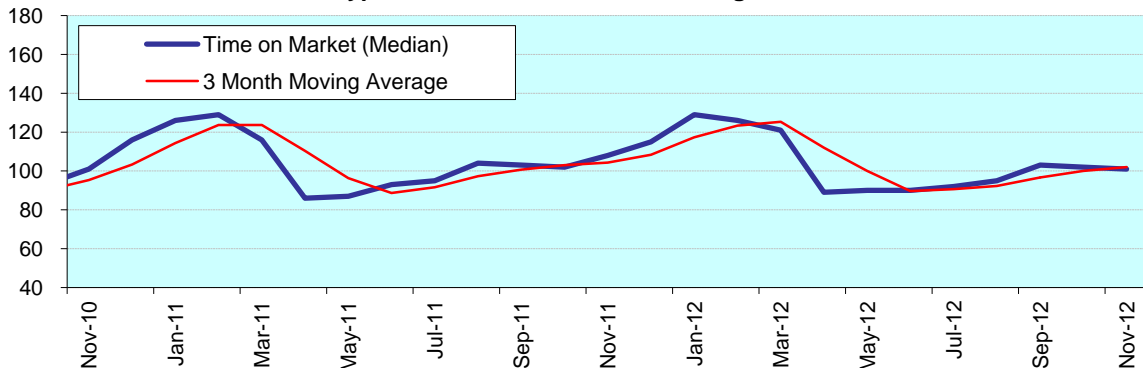
Asking Price Movements for East Anglia



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

The time-on-market chart for unsold property in East Anglia also shows an atypical seasonal trend. Marketing times are now better than last year: currently 101 days (median), 7 days less than in November 2011.

Typical Time on Market for East Anglia



Released 12th November 2012

Page 6 of 13

Copyright © 2012, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



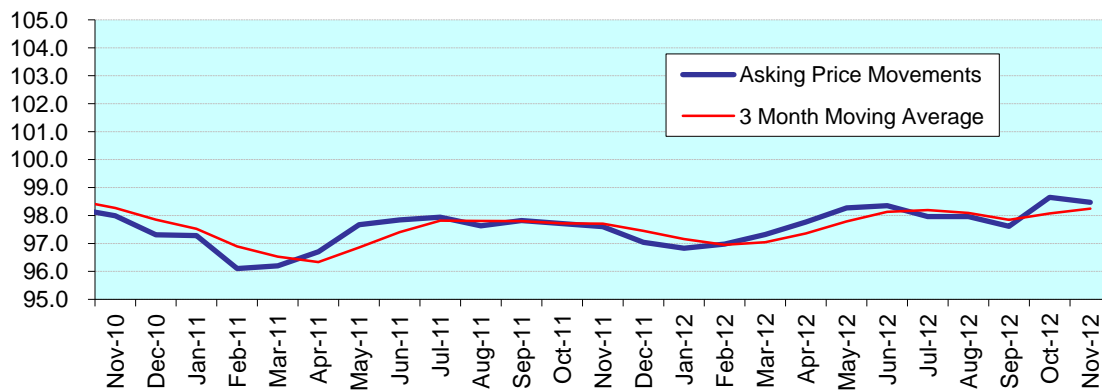
Asking Price Index

The UK's Independent Forward Market Indicator

West Midlands

Asking prices for properties for sale in the West Midlands rose steadily during the spring but then prices faltered during summer. October showed a burst of new confidence in pricing and following a small seasonal dip this month prices are now 0.9% higher than in October 2011. Sales property supply was down 5% in October, as compared to October 2011, and this will serve to support prices over the coming months.

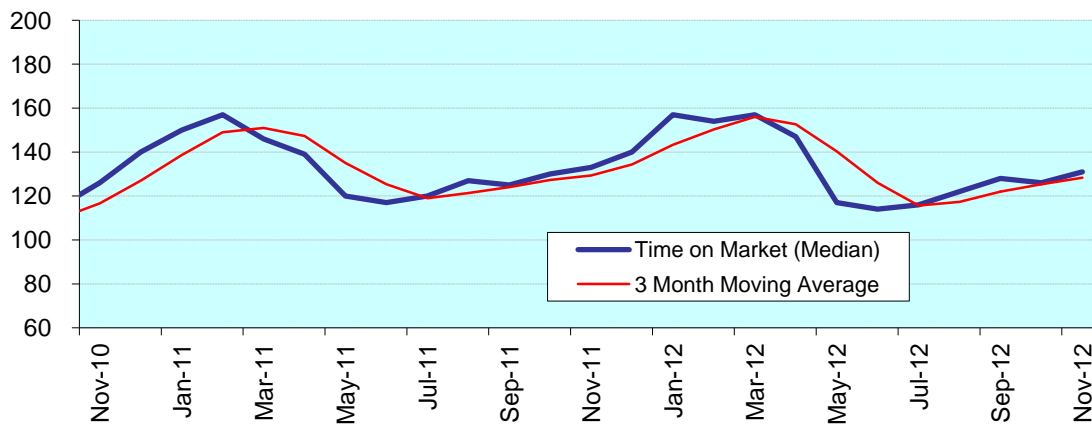
Asking Price Movements for the West Midlands



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

Typical time on market trend for the West Midlands shows a typical seasonal pattern but marketing times have decreased slightly year-on-year. The median figure is currently 131 days, which is 2 days shorter than the median time on market in November 2011.

Typical Time on Market for West Midlands



Released 12th November 2012

Page 7 of 13

Copyright © 2012, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



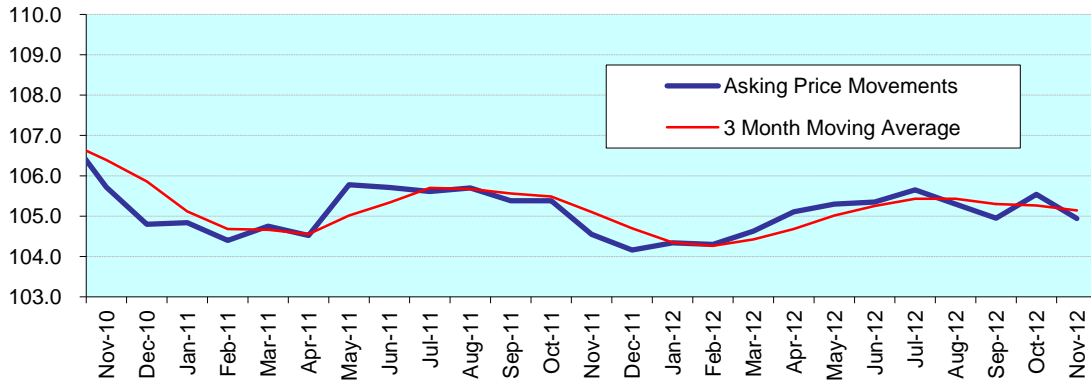
Asking Price Index

The UK's Independent Forward Market Indicator

Yorkshire and Humber

Asking prices for homes in Yorkshire and Humber have been sliding over recent months and are up only 0.4% year-on-year. Negative market sentiment may well be deterring potential sellers and consequently the supply of homes for sale in this region was down 6.5% in the month of October, as compared to October 2011.

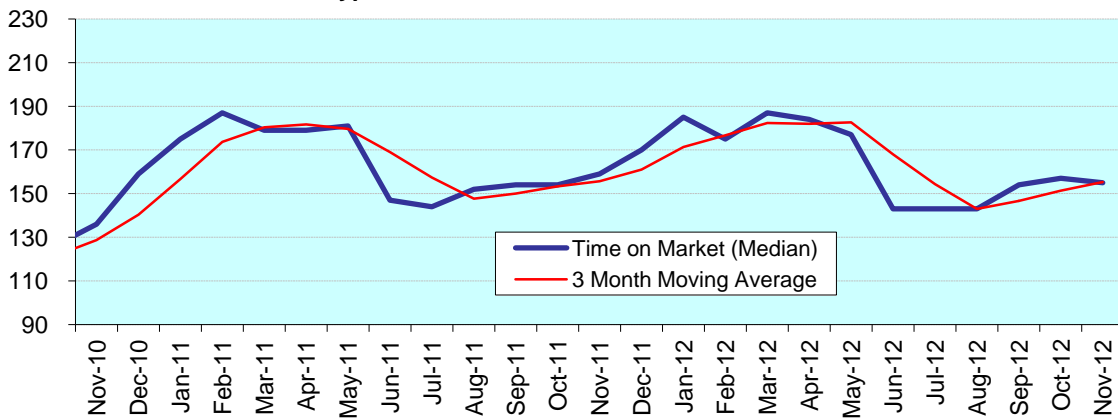
Asking Price Movements for Yorkshire & Humber



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

Marketing times in this region show an unseasonal dip this month, indicating increased activity. Typical (median) time on market for unsold property in Yorkshire and Humber is currently 155 days, 4 days shorter than in November last year. The typical time on market for Yorkshire and Humber is 31 days longer than the UK median.

Typical Time on Market for Yorkshire and Humber



Released 12th November 2012

Page 8 of 13

Copyright © 2012, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

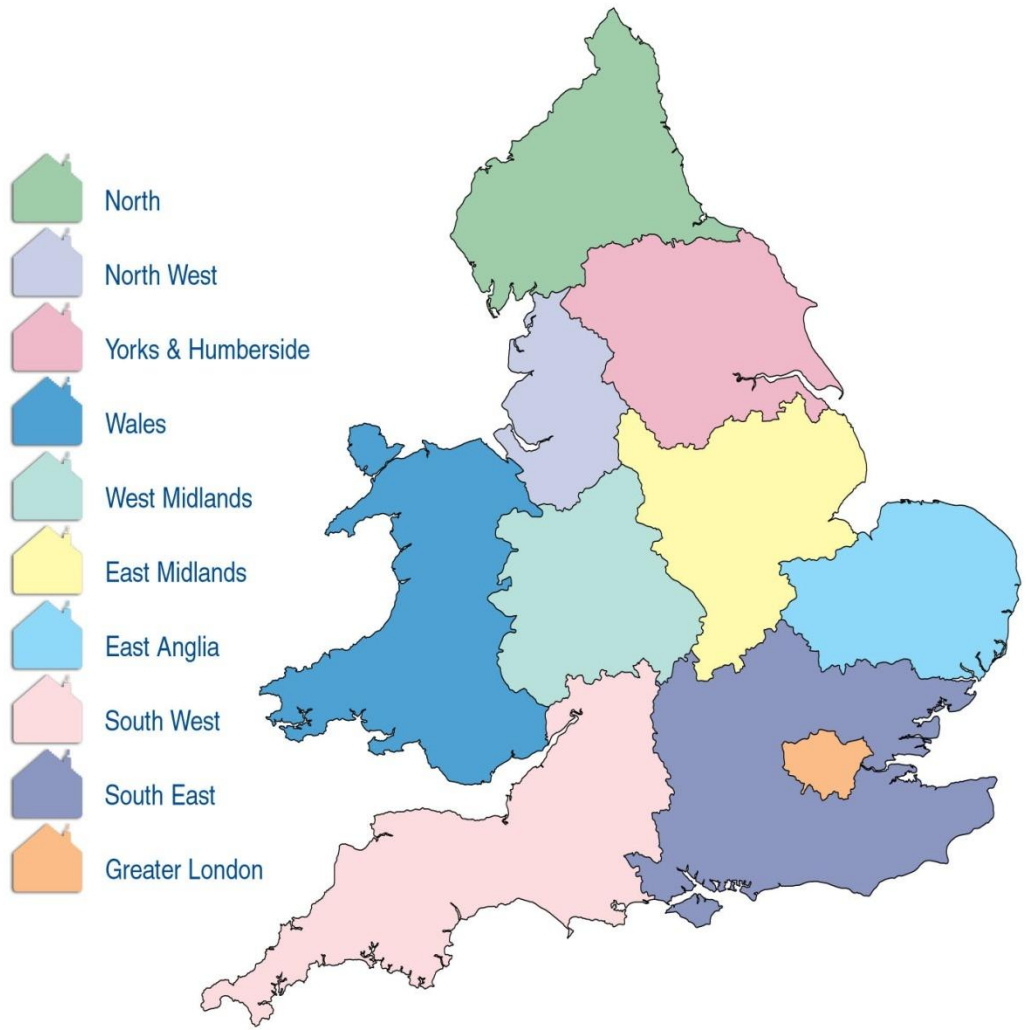
Press Office: 0845 373 3580



Asking Price Index

The UK's Independent Forward Market Indicator

Regions (as per DCLG)



Source: HM Land Registry



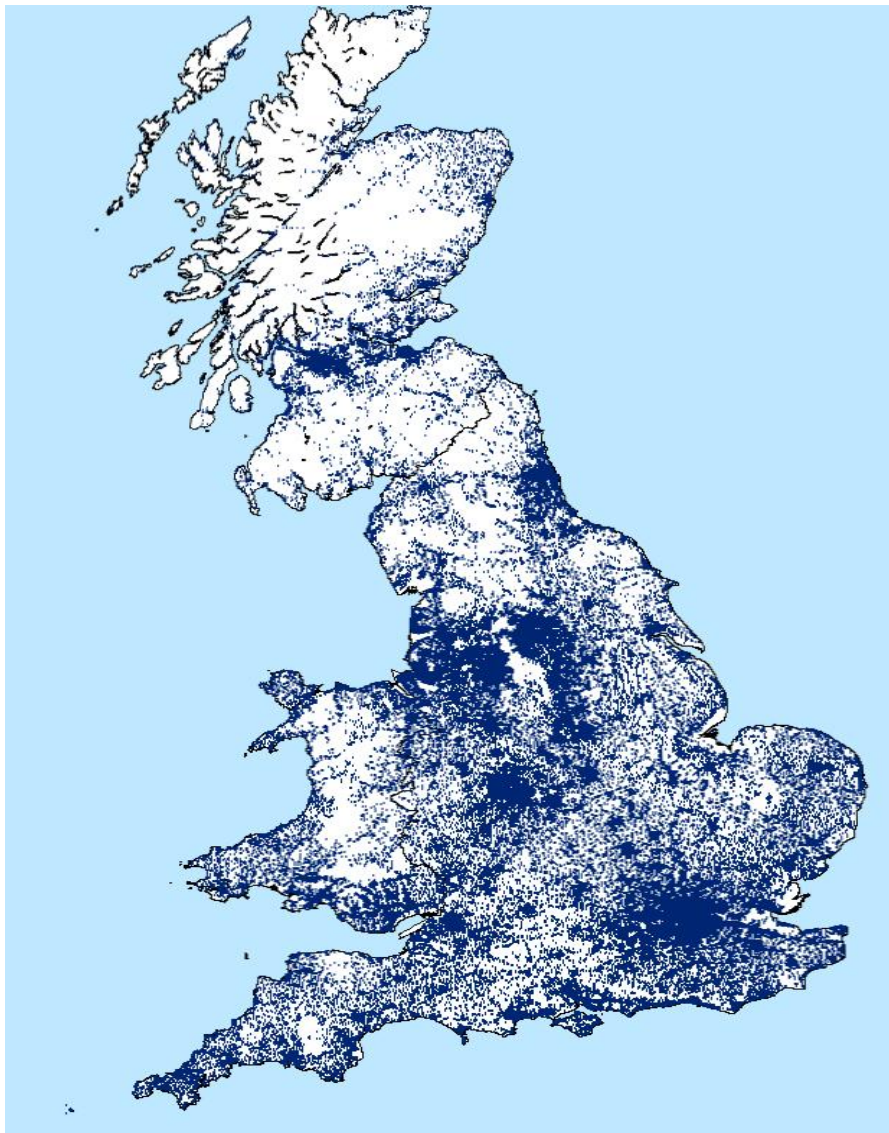
November 2012

Asking Price Index

The UK's Independent Forward Market Indicator

Data Snapshot

This image represents a snapshot of the Home.co.uk database of UK property for sale. Each blue dot represents a property.



Released 12th November 2012

Page 10 of 13

Copyright © 2012, HomeCo Internet Property Ltd

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**



Asking Price Index

The UK's Independent Forward Market Indicator

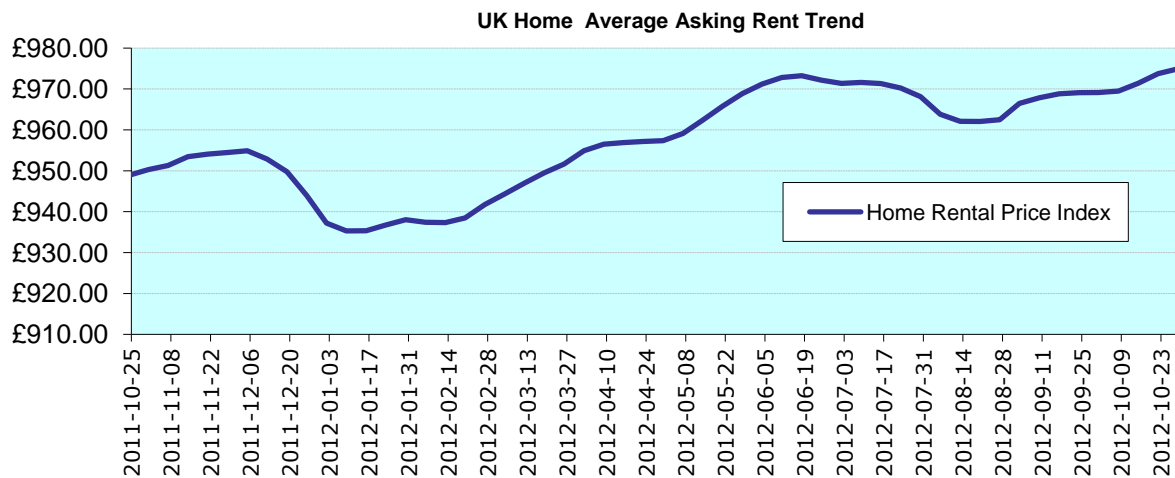
Comment

The Rental Market: The Invisible Helping Hand for UK Property Prices.

Following an overall improvement in market conditions over the last year the average UK asking price has increased from £227,000 to £232,000. A boost of £5000 in equity will certainly be very welcome for the average UK home owner, after 3 years of worry and misery as prices crumbled.

There are several factors that have helped stimulate the housing market and the most important is, of course, ultra low interest rates. The near ZIRP policy of the Bank of England, post-crisis, has had several notable and positive knock-on effects including: fewer repossessions, mortgages availability (for those with significant equity) and low savings rates. The latter has encouraged a quest for yield amongst investors and property (often a refuge in times of economic turmoil) has gained much attention. The buy-to-let sector is consequently recovering more quickly than others (c.f. first-time buyers). Landlords are attracted by yields above the rate of inflation and, what's more, rents are rising.

A significant behind the scenes contributor to the improved fortunes of the UK sales market has been the demand driven UK rental market. The rise in asking prices over the last year equates to 2.5%, while the corresponding rise in the average rent is a highly comparable 2.6% (the trends for rents and prices are also very similar).



Strong rental demand over the last 3 years has served to reduce the number of properties entering the sales market, as gross yields on capital invested in rental property can be as high as 7% in some locations. Reduction in the supply of property for sale, through owners opting to let, was crucial in avoiding greater price falls in UK property following the credit crunch.

Released 12th November 2012

Page 11 of 13

Copyright © 2012, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



Asking Price Index

The UK's Independent Forward Market Indicator

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](#).

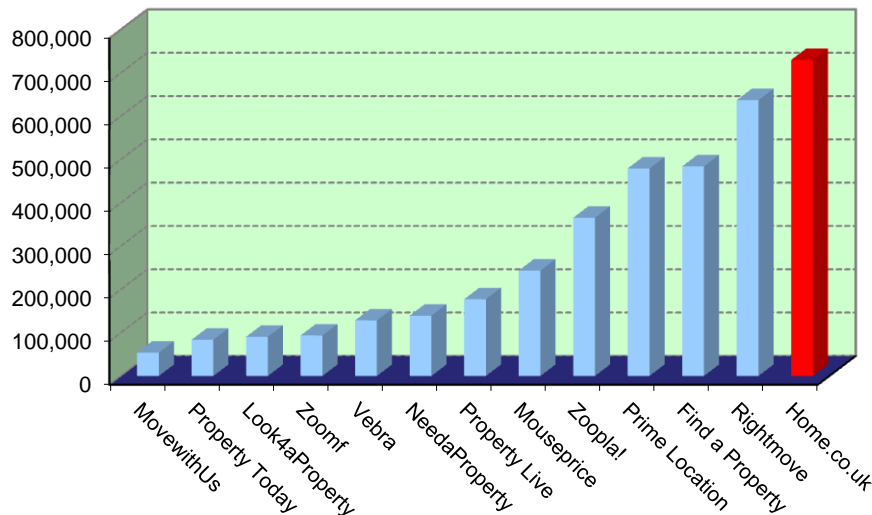
The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) [Survey of English Housing Stock](#) (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the [Office of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



Released 12th November 2012

Page 12 of 13

Copyright © 2012, HomeCo Internet Property Ltd

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

Press Office: 0845 373 3580



November 2012

Asking Price Index

The UK's Independent Forward Market Indicator

Contact Details

For media enquiries and interviews please contact: rachael.bonfield@home.co.uk

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:

Wednesday 12th December

Tuesday 15th January

Tuesday 12th February



Released 12th November 2012

Page 13 of 13

Copyright © 2012, HomeCo Internet Property Ltd

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**