

## HOUSING MARKET HOLDS STEADY IN JANUARY

AVERAGE ASKING PRICE JANUARY 2007	£217,955
AVERAGE ASKING PRICE DECEMBER 2006	£216,055

The latest housing market survey from the National Association of Estate Agents has shown a positive overall national picture in the residential housing market for the start of 2007.

Members have reported a steady market during January, with a good level of consumer confidence as the number of people registering to buy increased.

Housing stock remained at a steady level for the time of year, increasing from the low, but seasonal levels reported in December. However demand continues to outstrip supply in some parts of the UK.

Sales were at a reasonable level for the time of year and first time buyers continued to claw back their market share.

The quarter percent increase in interest rates in January, the third in a six month period, had an almost immediate impact on the market in some areas. 40% of members noted a downturn in activity after the Bank of England announcement.

Vast regional variations in market conditions continue to be a concern. The ever strong South East is over shadowing some other parts of the country, which fails to keep pace with the strong market conditions.

### **Sales on the up**

There was an upturn in sales during January as the time of year encouraged people to engage in the search for a new home. Agents reported an average of 13 sales each in January this was an increase from 8 per agent in December, a respectable level for

the pre Christmas market. Sales were up from the same period last year, when an average of 10 sales was noted.

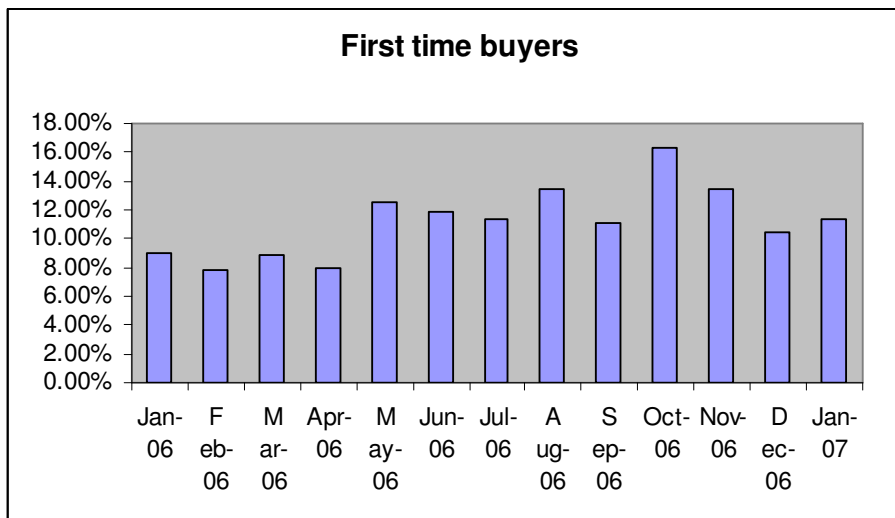


Figure 1 – Average number of sales per estate agent

### Confidence in the market

The number of people registering an interest to buy increased in January by 4.6% from December, with agents reporting an average of 367 buyers each in comparison to 351 reported in December. This is also 3.4% higher than the levels recorded in January 2006 when agents had an average of 355 buyers on their books. This is indicative of confidence in the market as people continue to look to invest in bricks and mortar.

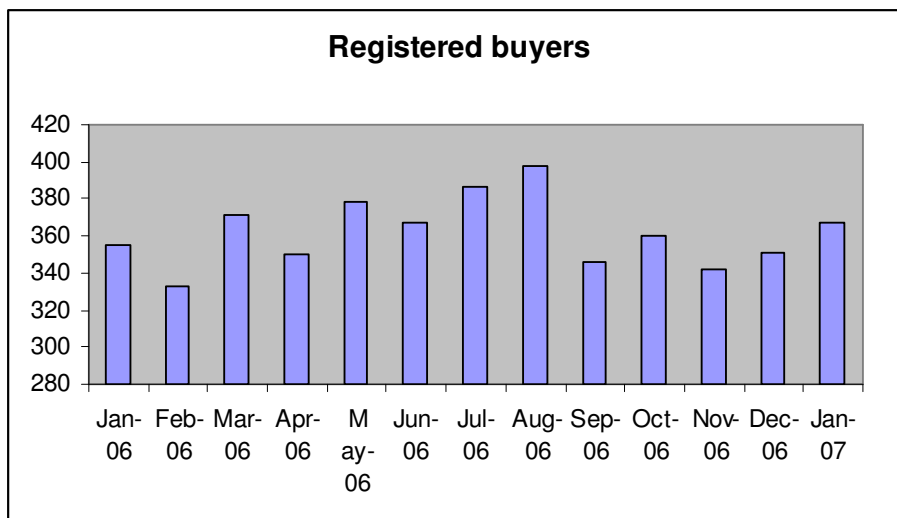


Figure 2 – Average number of buyers registered per estate agent

## Housing stock increases

The number of houses for sale increased in January by 29% from levels reported in December. NAEA members had an average of 66 properties for sale, up from 51. This is in line with figures noted twelve months ago when agents reported an average of 67 properties registered for sale.

## First time buyers

First time buyers managed to increase their share of the market in January, claiming 11.3% of sales in the market. This is encouragingly an improvement from the 9% share they held in January 2006, but still significantly short of the 25% that a buoyant market would hope for. January's rate rise will inevitably hit this sector's pocket the hardest and further rises could affect this upward trend.

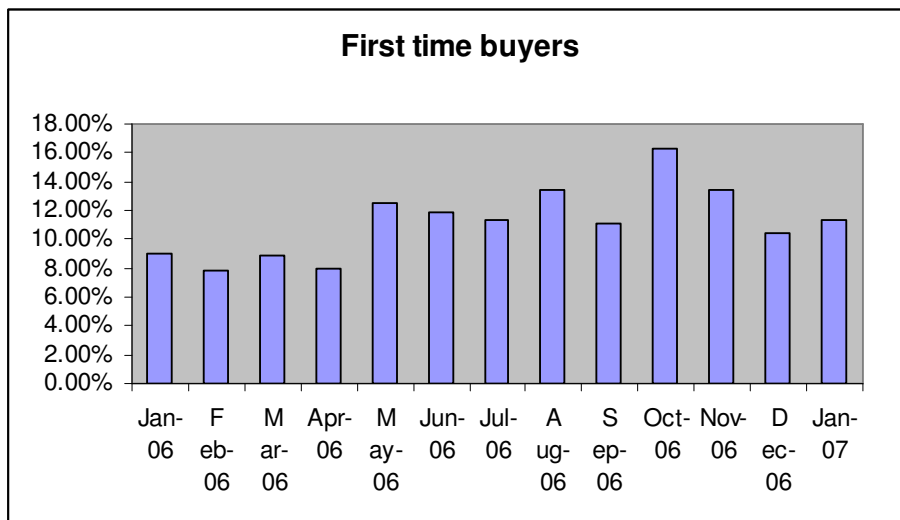


Figure 3 – First time buyers

## Regional market holds steady

NAEA President, Charles Smailes, comments: "I am pleased to see that 2007 has started relatively well for the housing market. The overall picture is one of stability despite rate rises and other underlying growing difficulties such as increasing inflation and unemployment factors."

“Scaremongers who have long been predicting a market crash have been proved wrong. I wait with interest to hear how the market performs in February in the wake of the rate rise in January, and am relieved that the Bank of England opted to proceed with caution this month, resisting the temptation to raise them further.

“Over the past few months I have been made aware of the vast regional differences that are currently characterising the market in the UK. The South East continues to storm ahead influenced by higher wages and city bonuses, whilst other areas are slowing slightly.

“It’s always pleasing to see an increase in first time buyers coming onto the market and I hope this upward trend continues, although they have a large amount of ground to make up.

“2007 will undoubtedly be an interesting year for the market as home information packs come into force. This unknown quantity will certainly have repercussions on the market place. A petition urging the Government to rethink this initiative currently has over 6200 signatures, as members of the public begin to realise that they will have to pay to market their properties. I hope, in light of this, that we are still able to report a steady market towards the end of 2007.

– Ends –

### **About the NAEA**

The National Association of Estate Agents (NAEA) is the UK’s leading professional body for estate agency personnel, representing the interests of approximately 10,000 members who practice across all aspects of property services both in the UK and overseas. These include residential and commercial sales and lettings, property management, business transfer, auctioneering and land.

The National Association of Estate Agents is dedicated to the goal of professionalism within high street estate agency. Its aim is to reassure the general public that by appointing an NAEA member to represent them they will receive in return the highest level of integrity and service in both sales and lettings. Each NAEA member is

bound by a vigorously enforced Code of Practice and adheres to professional Rules of Conduct. Failure to do so can result in heavy financial penalties and possible expulsion from the Association.

### **About the survey**

The NAEA housing market survey uses figures gathered from the Association's members on average asking prices. The figures are adjusted to ensure the average price accurately reflects the market.

### **Average asking prices per property**

Dec 06:	Flat – £146,109	Jan 07:	Flat – £138,976
	Terraced - £175,665		Terraced - £174, 936
	Semi detached – £217,128		Semi detached - £224,318
	Detached – £325,319		Detached – £333,591

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### **Regional Summaries from Branch Chairmen and Officials**

Name - NAEA Branch	Comment
Mike Poole - North East	"It has been a good start to 2007 with plenty of choice for buyers and fairly stable prices. There are signs of over supply of newly built apartments, particularly from investor resale.

	<p>“Town centre regenerations should encourage demand in the future. The opening of a new art gallery (MIMA) in Middlesbrough and the planned development of Middlehaven should put the region back on the property map.”</p>
Michael A’Bear - Surrey	<p>“There is still a lack of properties coming on to the market and lots of applicants registering. Supply and demand is pushing up prices, which is the last thing we want.</p> <p>“Lettings continue to be very good with sufficient properties and applicants.”</p>
Martin Long - Scotland	<p>“January and February are normally very quiet months north of the border. This has not been the case this year and there has been considerable activity in the market. The number of sales is up and there are a greater number than usual of properties coming to the market. The recent rise in interest rates seems to have done little to dampen the market.</p> <p>“Weather is a controlling factor on activity and the uncharacteristic warmth during January has brought out the purchasers. This situation could easily be reversed once we have some snow. Despite this early activity it is felt that any percentage increase in prices will be limited to single figures during the year.”</p>
Steve Goddard - West Sussex	<p>“January started off in a rush and looked promising but the rise in interest rates seems to have made sellers think twice, resulting in a major shortage of new instructions. There are lots of good buyers around, competing for the limited properties, which is bound to put upward pressure on prices.”</p>
Andy Goundry - Cornwall	<p>“It has been a steady start to the year, with evidence that the interest hike is having a slight impact, with new buyer registrations and new listings down slightly year on year.</p> <p>“Existing sales are also taking longer to progress as purchasers are wary and in some cases withdrawing when</p>

	<p>previously they might have continued.</p> <p>“An interesting year ahead we feel.”</p>
Richard Hair - Essex	<p>“The market in January took the usual few days to get going but once up and running we have seen a very good level of new instructions and a very healthy influx of new buyers. The unexpected rise in interest rates slowed activity for a few days but is now forgotten as we head for what is expected to be a brisk spring market.</p> <p>“Predictions for the year vary in this area from the cautious to the very bullish but we anticipate the further expected rate rise will keep the market steady rather than buoyant.</p> <p>“The buy-to-let market remains strong and seems to point to a solid future. All in all, a good start to what we hope will be a year of steady growth.”</p>
Tim Denning - East Sussex	<p>“Generally speaking there does appear to be a shortage in some price ranges which is fuelling price increases. Greater numbers of applicants are currently registering and those properties coming on to the market correctly priced are selling very quickly.</p> <p>“The letting market is increasing, although supply and demand is also an issue. As in the sales market, more applicants are continuing to register. The lack of available stock in both the sales and letting market is causing somewhat of a frustrating market place.”</p>
Richard Copus - Devon	<p>“Last month saw the market improve slightly, contrary to expectations. However, a noticeable number of houses are taking months rather than weeks to move and there is increasing evidence that prices have levelled off completely with falls in some sectors. This is nothing to worry about, as a stable market is good for everyone.”</p>
Simon Dunn - Yorkshire	<p>“There have been mixed reports from Estate Agents in the area as to how the market performed in the first month of</p>

	<p>2007.</p> <p>“Generally, there are a high number of valuations being carried out with a good level of new instructions being received. Views conflict as to whether sales are up or down on January last year, but in general everyone agrees that realistically priced properties are selling well, especially in the lower and middle price ranges.”</p>
Colin Girling – Suffolk	<p>“January was another very mixed month. Some agents reported a good start to the year whilst others experienced a slower start. By the end of the month there was an improvement in enquiries and sales. The market is suffering an acute shortage of new instructions across the board, however there are more valuations taking place which bodes well next month.”</p>
Barry Hayes - Essex	<p>“It was a slow start to January as people returned to work after the Christmas period. Mid way through the month there was a good rush of activity which brought about a reasonable month’s agreed sales.”</p>