HOME SALE NETWORK

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Home Sale Network

National Property Market Report

Quarter Four

2006

October - December

With approaching 750 independent estate agency offices nationwide, Home Sale Network provides an enormous broad based supply of information about the housing market, giving us a unique perspective on housing trends.

Most official statistics about the housing market lag behind current events and often measure mortgage activity rather than the underlying housing market. Our regular surveys of Network estate agents are uniquely independent showing what is happening on the ground now and offering the most up to date research data available.

The estate agents affiliated to Home Sale Network, as independents, have a vested interest to be as accurate as possible, across all property types and locations and are not coloured by the sales performance of any financial services institutional ownership.

Home Sale Network is a group of approaching 750 selected estate agents. All members are independent businesses as distinct from large, impersonal chains. Each selected estate agency is run by its owner and brings a detailed insight into the market which drives local house sales and purchases.

Home Sale Network is a division of Cartus, the premier provider of global relocation services. Each year, Cartus helps over 100,000 families move home as part of a company relocation.

Quarter Four 2006

Summary

2006 ended with mixed results: first-time buyers, the number of viewings, house prices and sale price as a percentage of asking price all changed positively. However, agents reported notable falls of both applicants and vendors, with the lack of vendors compounded by the ever increasing ratio of applicants to vendors. Selling times also showed no clear signs of improvement.

Interestingly, townhouses and flats/apartments saw their demand increase during Quarter Four, which given the increase in the number of first-time buyers, is an expected correlation.

East Anglia showed some signs of a successful final Quarter. Reporting a strong decrease in the number of viewings to achieve a sale and a decrease in exchange to completion and market to final offer times. Property price increases were also reported for every property type compared to both Quarter Three 2006 and Quarter Four 2005 and an increase in the sale price achieved as a percentage of asking price (subsequently resulting in the highest sale price achieved).

Given the seasonal impacts, Quarter Four shows consistent changes in the number of applicants and vendors. Agents in both Quarter Four 2005 and 2004, reported a fall in applicants and vendors at this time, providing reassurance that these decreases are symptomatic of the season and not a sign of any underlying problems in the market.

Richard Tucker

Managing Director,
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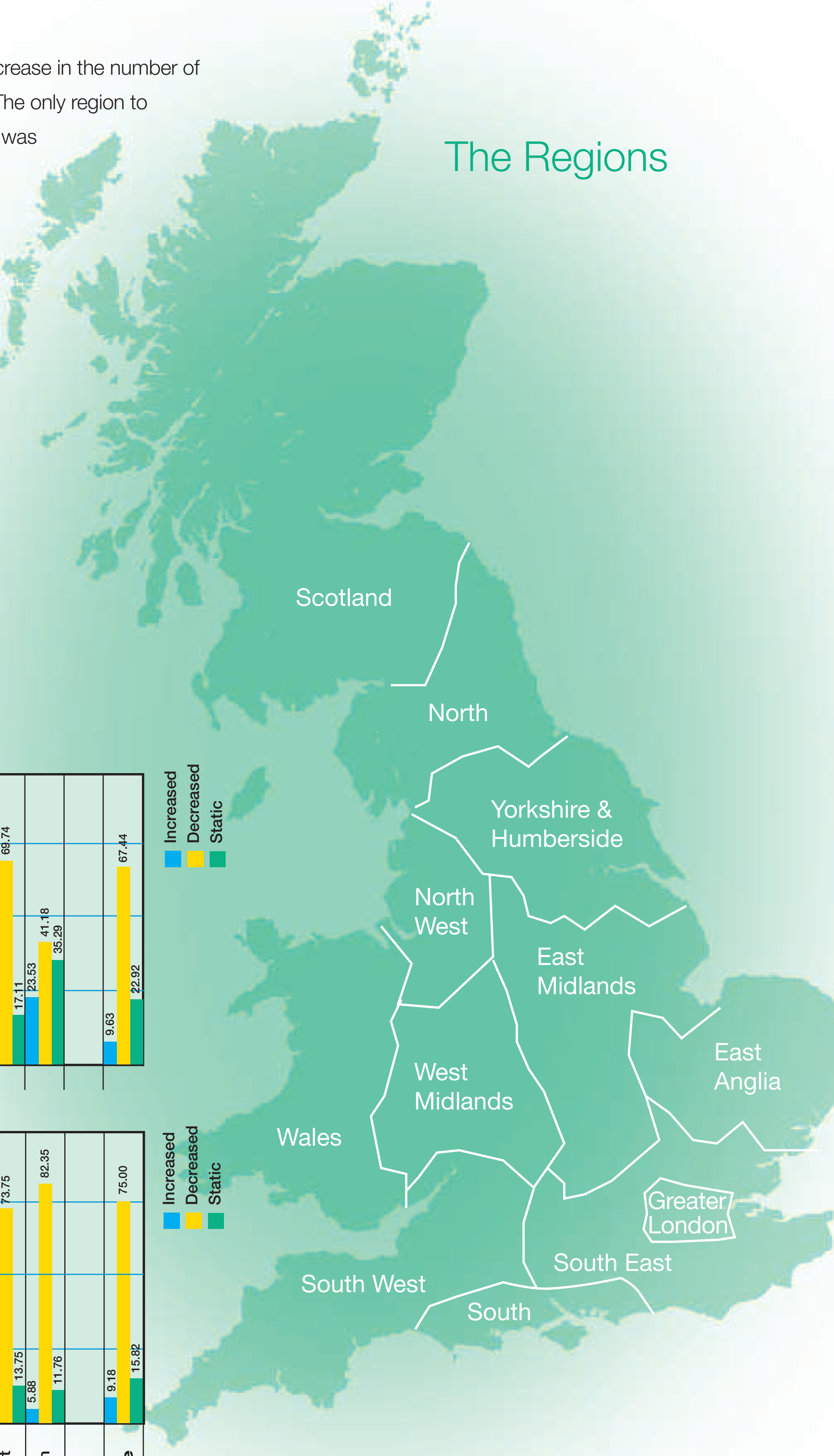
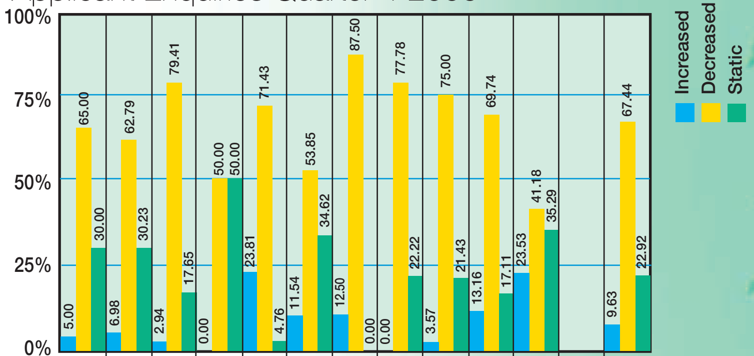
General Enquiries

Nationally and regionally agents reported a decrease in the number of applicants during the last 3 months of 2006. The only region to report an increase in the number of applicants was the West Midlands. This was an increase compared to both Quarter Three 2006 and also Quarter Four 2005.

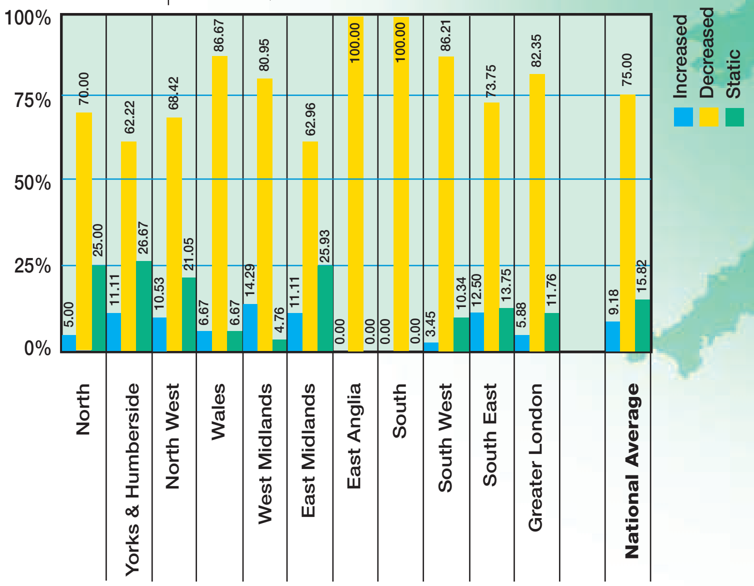
Similarly, agents reported a fall in the number of vendors during the Quarter, with every region reporting a fall compared to Quarter Three 2006. However, compared to Quarter Four 2005, current market conditions are slightly improved, with agents in 3 regions reporting an increase: the North West, the West Midlands and the South West.



Applicant Enquiries Quarter 4 2006



Vendor Enquiries Quarter 4 2006



Viewings Per Property

Nationally, the number of viewings per property has fallen by 1, to 12 viewings. This national decrease is supported regionally, with 6 regions reporting a decrease compared to Quarter Three 2006 and 7 compared to Quarter Four 2005. The most significant decrease was reported in East Anglia, with a drop of 3 viewings from 12 in Quarter Three 2006 to 9 in Quarter Four 2006. More significantly, this is a drop of 5 viewings compared to Quarter Four 2005.

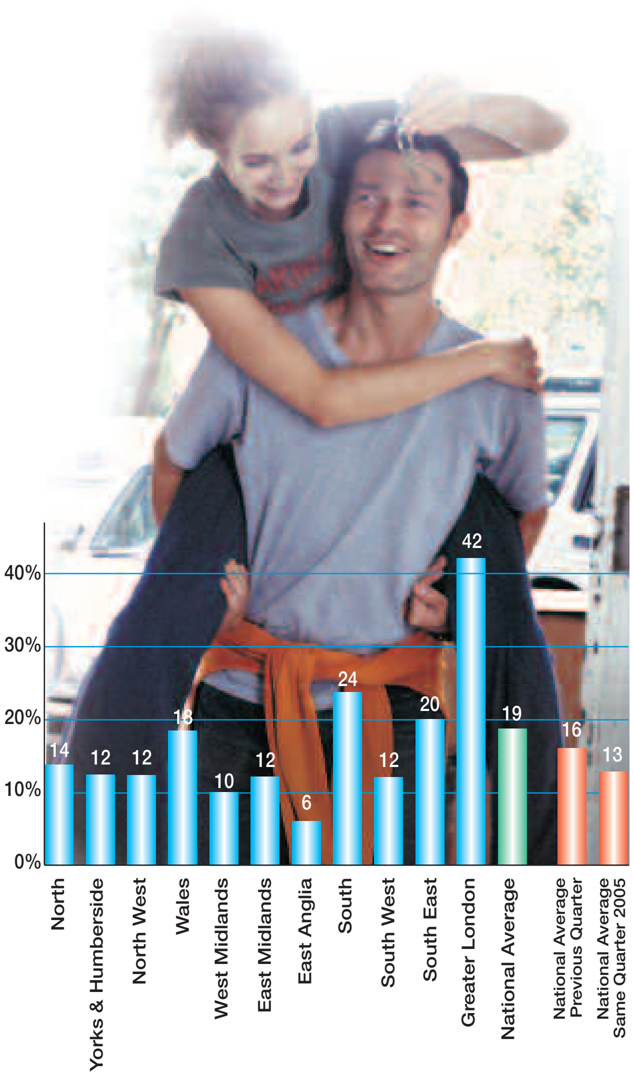
The highest number of viewings was reported in the South, where 14 were required to achieve a sale. The South has consistently reported the highest number of viewings, with 16 reported in Quarter Three 2006 and 18 reported in Quarter Four 2005.

Region	Latest Quarter	Previous Quarter	Same Quarter 2005
North	13	12	13
Yorkshire & Humberside	10	10	12
North West	11	11	11
Wales	10	8	9
West Midlands	12	11	11
East Midlands	9	10	12
East Anglia	9	12	14
South	14	16	18
South West	10	12	13
South East	13	14	15
Greater London	12	14	16
National Average	**12**	**13**	**13**

First-Time Buyers

Quarter Four, saw an encouraging increase in the number of first-time buyers, who now account for 19% of sales, an increase from 16% in Quarter Three 2006 and only 13% in Quarter Four 2005. Regionally however, the number of first-time buyers only increased in 4 regions compared to Quarter Three 2006 however this was an increase in 8 regions compared to Quarter Four 2005.

The Southern regions recorded the highest number of first-time buyers with some regions achieving over 20%: South, South East and Greater London.

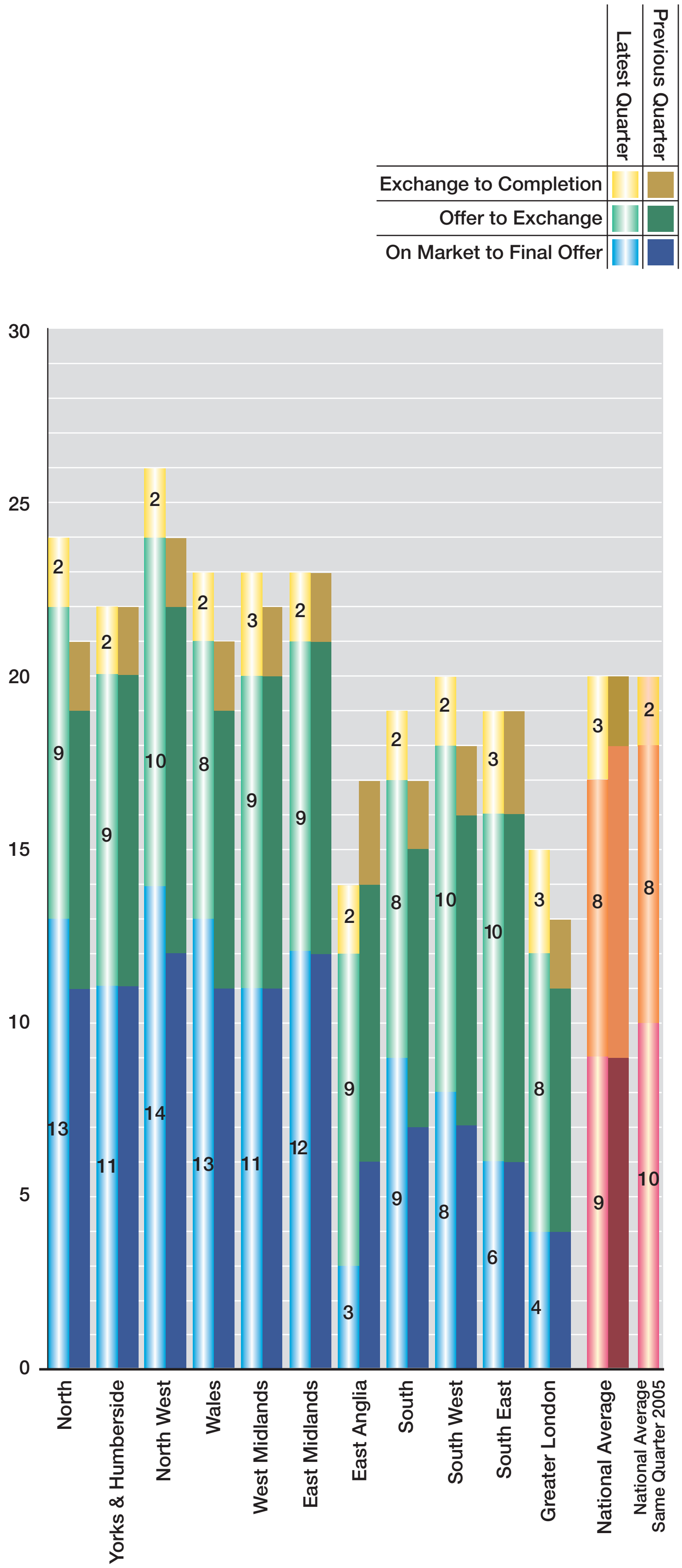


Selling Times

There was great variety within selling times in Quarter Four 2006. Nationally, compared to Quarter Three 2006, exchange to completion had increased by 1 week, offer to exchange had decreased by 1 week and market to final offer remained stable at 9 weeks.

For exchange to completion and offer to exchange, the regions reported mostly stable conditions, compared to both Quarter Three 2006 and Quarter Four 2005.

The regional changes for market to final offer, were, however particularly interesting. East Anglia reported a decrease of 3 weeks compared to Quarter Three 2006 and 6 weeks compared to Quarter Four 2005. East Anglia wasn't alone with this dramatic decrease, Greater London, the South East and South West all recorded a fall of over 3 weeks when compared to Quarter Four 2005. In total 7 regions reported a fall compared to Quarter Four 2005.



House Prices

Nationally, every property type reported an increase compared to both Quarter Three 2006 and also Quarter Four 2005. 1 bed properties reported the smallest national price increase, with an average rise of approximately £5,000.

For 2 bed properties the average increase (compared to Quarter Three 2006) was £6,650. The national increase in 2 bed properties was the highest property increase across all 4 property types when compared to Quarter Three 2006.

For 3 and 4 bed properties, regionally there were more decreases recorded than for 1 and 2 bed properties. For 3 bed properties the average increase (compared to Quarter Three 2006) was £9,700 and the average increase for 4 bed properties was £12,500 compared to Quarter Three 2006.

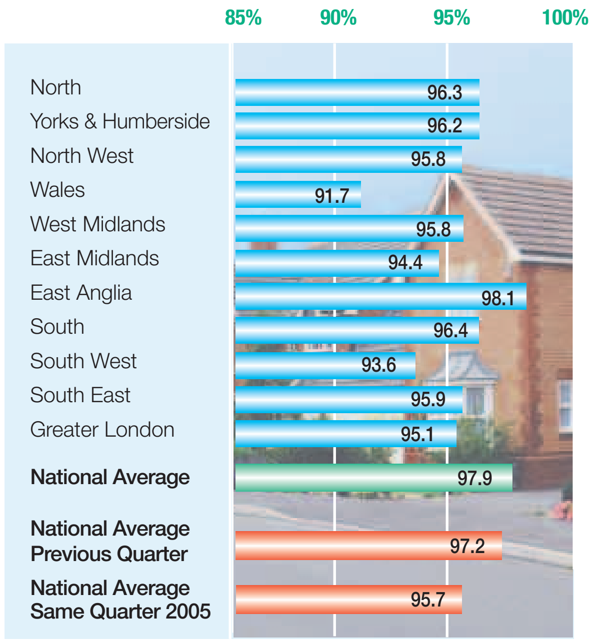
Region	1 Bed Flat/Maisonette			2 Bed Terrace			3 Bed Semi-Detached			4 Bed Detached		
	Latest Quarter (£000's)	Q3 2006 (£000's)	Q4 2005 (£000's)	Latest Quarter (£000's)	Q3 2006 (£000's)	Q4 2005 (£000's)	Latest Quarter (£000's)	Q3 2006 (£000's)	Q4 2005 (£000's)	Latest Quarter (£000's)	Q3 2006 (£000's)	Q4 2005 (£000's)
North	£88.4	£91.5	£86.5	£124.9	£133.3	£125.3	£174.3	£179.5	£176.9	£273.5	£277.9	£280.0
Yorks & Humberside	£89.9	£90.7	£90.5	£108.9	£111.9	£106.3	£160.2	£162.2	£155.5	£247.1	£253.2	£245.6
North West	£94.2	£92.8	£86.0	£122.5	£119.1	£110.6	£180.1	£177.5	£167.0	£293.9	£286.2	£261.2
Wales	£84.6	£84.4	£90.0	£134.8	£116.1	£118.5	£167.2	£157.2	£159.2	£244.8	£238.3	£255.0
West Midlands	£98.4	£96.6	£91.7	£124.0	£125.5	£117.8	£169.1	£168.4	£157.2	£267.4	£258.8	£247.6
East Midlands	£77.1	£73.1	£61.7	£93.1	£89.0	£84.0	£130.3	£128.9	£121.3	£206.1	£204.3	£180.1
East Anglia	£121.3	£111.4	£91.7	£168.6	£149.7	£121.3	£229.0	£204.2	£173.7	£334.7	£294.5	£236.8
South	£116.0	£113.7	£109.8	£159.0	£157.7	£153.4	£197.0	£188.0	£191.5	£296.0	£286.0	£281.9
South West	£106.4	£105.9	£93.7	£150.6	£147.2	£137.2	£195.5	£198.6	£184.8	£273.9	£274.8	£267.6
South East	£137.3	£134.9	£127.1	£194.5	£192.8	£180.0	£264.6	£255.0	£240.9	£392.5	£379.3	£362.4
Greater London	£169.5	£169.1	£150.0	£257.3	£255.6	£215.5	£317.7	£327.5	£275.1	£447.7	£485.2	£393.5
Nat. Average	**£107.8**	**£102.6**	**£95.2**	**£154.6**	**£139.8**	**£128.9**	**£202.3**	**£195.2**	**£180.2**	**£305.1**	**£297.1**	**£275.4**

Sale Price vs. Asking Price

A slight increase in sale price as a percentage of asking price was reported compared to Quarter Three 2006, with 4 regions supporting this. Those to report an increase were predominantly in the South – East Anglia, the South, South West and also the North. These regional increases, were also an increase compared to Quarter Four 2005.

Vendors in Wales achieved the lowest asking price as a percentage of their sale price at 91.7%, the lowest by almost 2% compared to other regions. Consistent with the region's strong performance in Quarter Four 2006, vendors in East Anglia achieved the highest sale price as a percentage of their asking price at 98.1%, an increase of 2.4% compared to Quarter Three 2006.

With the exception of Wales, the South West and the East Midlands, vendors in every region achieved over 95% of their asking price.



Greatest Demand

Flats/apartments have reported a healthy increase in demand. Yorkshire and the North West contributed to this increase, with demand reported where there was none in Quarter Three 2006. Demand is highest in Greater London, although this is slightly down on Quarter Three 2006.

Bungalows, terraced and semi-detached properties all reported national decreases in demand compared to Quarter Three 2006. Detached properties showed a 3.5% increase compared to Quarter Three 2006. Similarly, townhouses reported an increase albeit marginal.

The South West reported the highest demand for bungalows, whilst the South and Wales both reported drops from 10% to 0%. Wales recorded the highest demand for terraced properties, where this property type accounted for 40% of demand. 80% of demand in the North was for semi-detached properties making this the highest demand for this type of property anywhere in the country. Wales accounted for the highest demand for detached properties at approaching 50% of all demand, with the West Midlands accounting for the highest demand for townhouses.

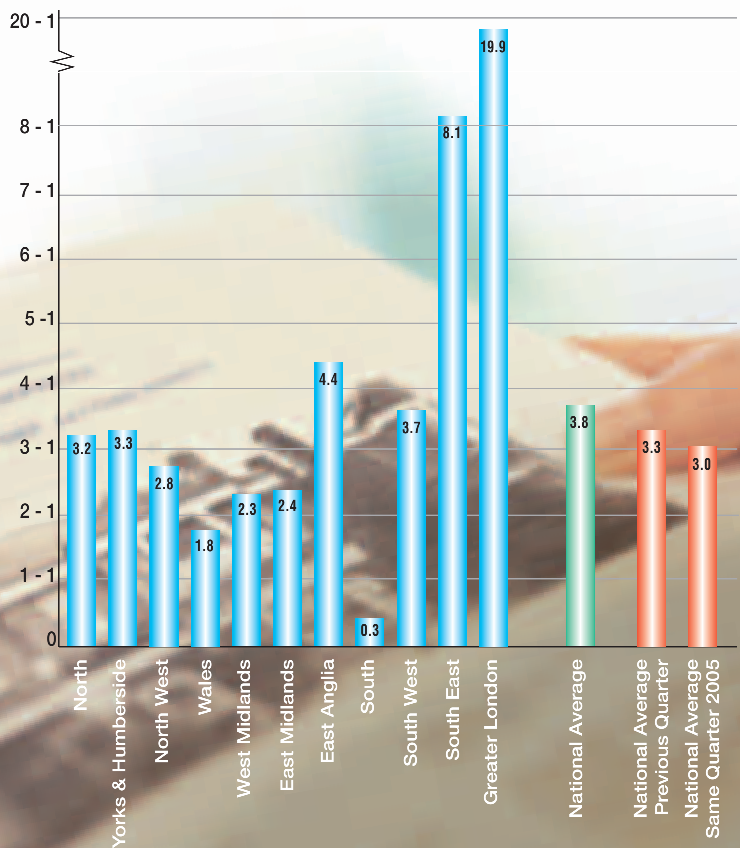
Region	Flat/Apartment		Bungalow		Terrace		Semi-detached		Detached		Townhouse	
	Latest Quarter	Q3 2006	Latest Quarter	Q3 2006	Latest Quarter	Q3 2006	Latest Quarter	Q3 2006	Latest Quarter	Q3 2006	Latest Quarter	Q3 2006
North	0.00%	0.00%	0.00%	5.00%	0.00%	10.00%	80.00%	50.00%	20.00%	35.00%	0.00%	0.00%
Yorks & Humberside	4.44%	0.00%	8.89%	7.55%	35.56%	33.96%	40.00%	47.17%	11.11%	11.32%	0.00%	0.00%
North West	2.63%	0.00%	7.89%	7.32%	13.16%	34.15%	42.11%	34.15%	28.95%	21.95%	5.26%	2.44%
Wales	0.00%	0.00%	0.00%	10.00%	40.00%	30.00%	13.33%	20.00%	46.67%	40.00%	0.00%	0.00%
West Midlands	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	42.86%	38.89%	42.86%	44.44%	14.29%	16.67%
East Midlands	0.00%	0.00%	7.41%	11.11%	29.63%	37.04%	33.33%	33.33%	29.63%	18.52%	0.00%	0.00%
East Anglia	0.00%	0.00%	0.00%	0.00%	11.11%	22.22%	55.56%	66.67%	33.33%	11.11%	0.00%	0.00%
South	0.00%	0.00%	0.00%	10.00%	10.00%	10.00%	50.00%	60.00%	40.00%	20.00%	0.00%	0.00%
South West	0.00%	0.00%	10.34%	3.70%	20.69%	25.93%	44.83%	48.15%	24.14%	22.22%	0.00%	0.00%
South East	10.0%	3.19%	0.00%	0.00%	25.00%	22.34%	53.75%	63.83%	11.25%	10.64%	0.00%	0.00%
Greater London	27.78%	33.33%	0.00%	0.00%	16.67%	16.67%	55.56%	50.00%	0.00%	0.00%	0.00%	0.00%
National Average	**5.99%**	**3.34%**	**3.79%**	**4.26%**	**20.82%**	**24.62%**	**46.69%**	**48.94%**	**21.14%**	**17.63%**	**1.58%**	**1.22%**

Ratio of Applicants to Instructions

Interestingly, given the reports of decreased applicants and vendors, the number of applicants to instructions has increased nationally compared to both Quarter Three 2006 and Quarter Four 2005.

9 regions reported increases compared to Quarter Three 2006, with 7 of these regions also reporting an increase compared to Quarter Four 2005. Greater London achieved the highest number of applicants to instructions and also reported the greatest increase, with an increase of 6.5 compared to Quarter Three 2006, and over 3 times as many applicants to instructions compared to Quarter Four 2005.

The largest fall of applicants to instructions was reported in the South, where the figure went from 1.7 in Quarter Three 2006 to 0.3 in Quarter Four 2006. The South often records one of the lowest applicant to vendor ratios, although this is the first time the figure has fallen below 1.0.



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