

NEW HOMES INDEX

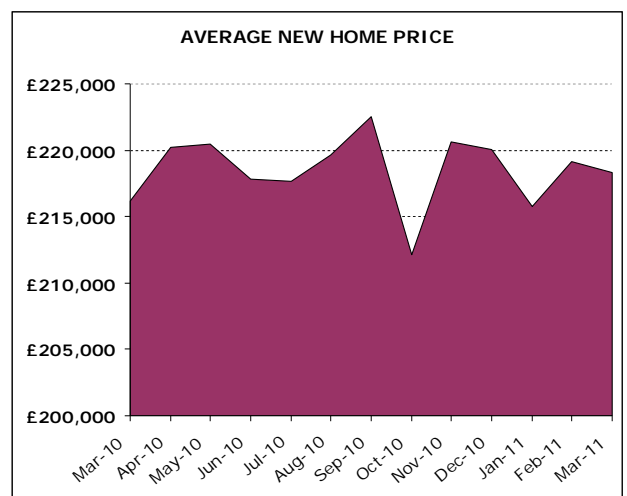
March 2011



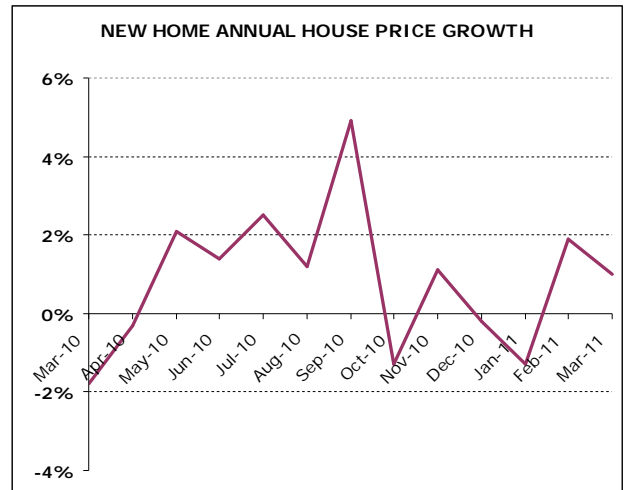
RISING STOCK LEVELS BRING MORE CHOICE TO NEW HOME BUYERS

	March 2011	February 2011
Average price	£218,344	£219,172
Monthly % change	-0.4%	+1.6%
Three monthly % change	-0.8%	-0.7%
Annual % change	+1.0%	+1.9%

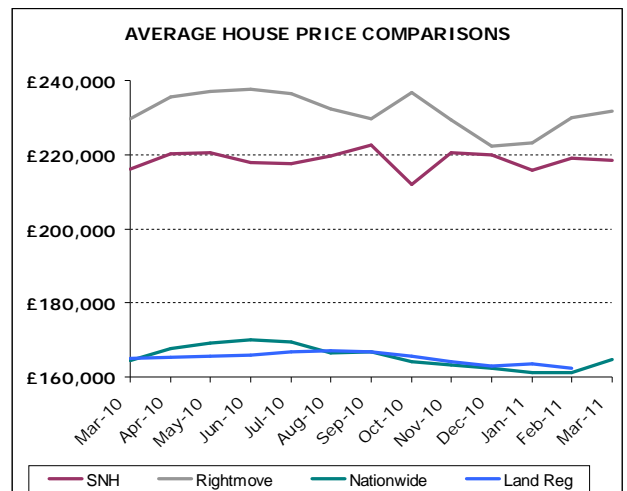
The average price of a new home slipped by -0.4% in March to £218,344. There are small price fluctuations each month, but over the medium term values have remained consistently within a narrow range between £215,000 and £220,000.



Annual growth in new home prices stood at +1.0% in March. Growth would undoubtedly be higher were it not for the continued intransigence of some mortgage providers. The performance of the sector over the last year demonstrates that the apparent unwillingness of some lenders to offer loans on new homes is not grounded in evidence.



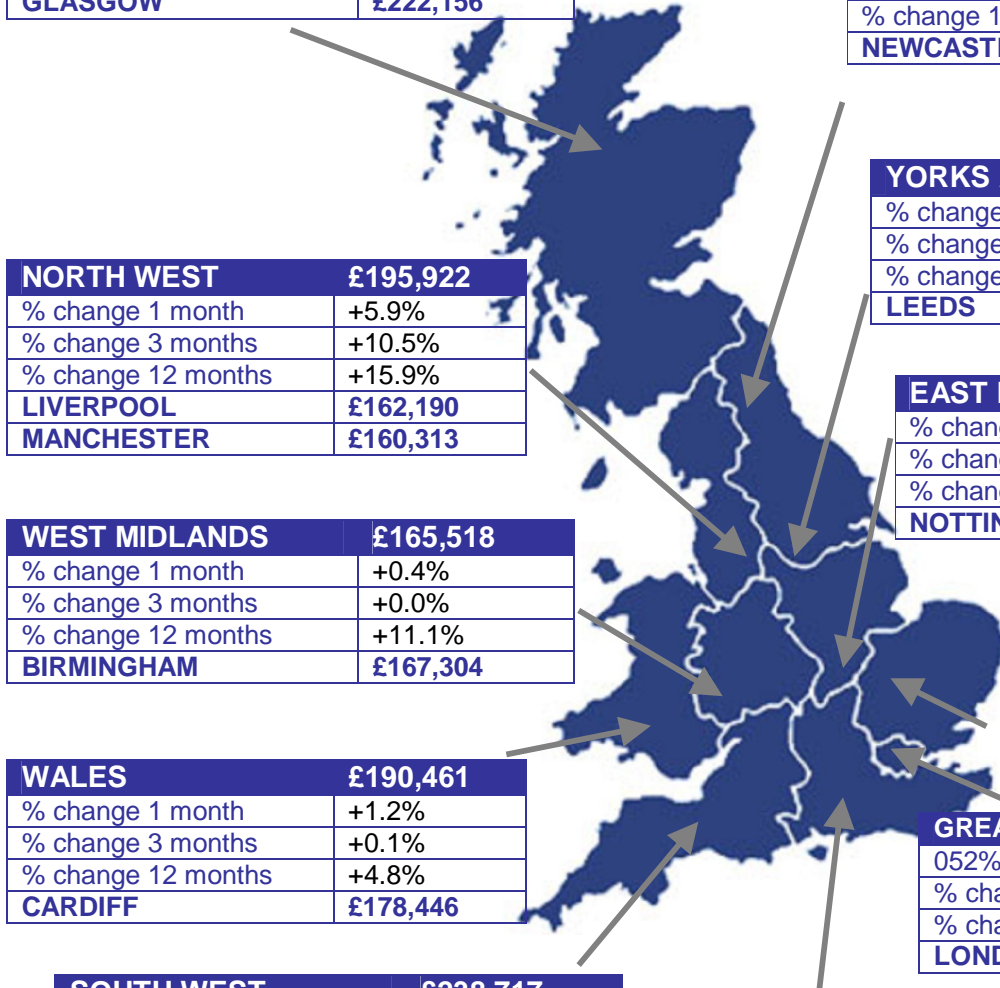
Both the Rightmove and Nationwide indices have risen in the last month. While homebuilders have remained cautious, increased activity levels among buyers, especially over the Easter holiday, could bring a small boost in asking prices next month.



REGIONAL BREAKDOWN

SCOTLAND	£219,588
% change 1 month	-1.8%
% change 3 months	-4.4%
% change 12 months	-9.6%
EDINBURGH	£220,429
GLASGOW	£222,156

NORTH	£177,693
% change 1 month	+0.4%
% change 3 months	+3.0%
% change 12 months	+2.1%
NEWCASTLE	£215,515



NORTH WEST	£195,922
% change 1 month	+5.9%
% change 3 months	+10.5%
% change 12 months	+15.9%
LIVERPOOL	£162,190
MANCHESTER	£160,313

YORKS AND HUMBER	£168,052
% change 1 month	-7.4%
% change 3 months	-6.6%
% change 12 months	-4.6%
LEEDS	£187,493

EAST MIDLANDS	£183,660
% change 1 month	+0.9%
% change 3 months	+1.2%
% change 12 months	+4.1%
NOTTINGHAM	£194,504

WEST MIDLANDS	£165,518
% change 1 month	+0.4%
% change 3 months	+0.0%
% change 12 months	+11.1%
BIRMINGHAM	£167,304

EAST ANGLIA	£215,699
% change 1 month	+1.9%
% change 3 months	-6.8%
% change 12 months	-3.9%
CAMBRIDGE	£288,556

WALES	£190,461
% change 1 month	+1.2%
% change 3 months	+0.1%
% change 12 months	+4.8%
CARDIFF	£178,446

GREATER LONDON	£314,108
% change 1 month	-2.7%
% change 3 months	-6.4%
% change 12 months	-24.4%
LONDON	£287,729

SOUTH WEST	£238,717
% change 1 month	+0.4%
% change 3 months	+4.3%
% change 12 months	+1.0%
BRISTOL	£217,604
EXETER	£213,119

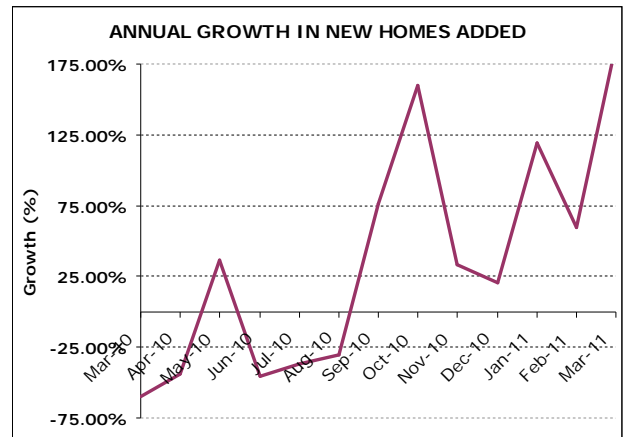
SOUTH EAST	£247,430
% change 1 month	-1.4%
% change 3 months	-3.4%
% change 12 months	-7.0%
BRIGHTON	£310,682

The regional breakdown shows the extent to which the UK property market operates at a micro level. While prices in the South East region have slipped recently, values in Brighton rose by 11.9% last month, which could be a result of increased interest from buyers for homes in the seaside town as the summer approaches. By contrast, prices in East Anglia rose by +1.9% in March, but the city of Cambridge fared less well as values slipped by -2.1% on average to £288,556.

NEW HOMES COMING ONTO SMARTNEWHOMES

Many developers see build volumes, rather than prices, as the best indicator of the health of the industry. In that context, the substantial increase in the number of new homes brought to market in recent months is very welcome.

However, the UK is suffering from an acute housing shortage, and the effect of the recent increase will be to limit the rate at which the shortage gets worse. Volumes still need to rise significantly higher before we reach the stage where the industry can start to make inroads to actually reduce the shortfall.



Commenting on the data, Steve Lees, Director of smartnewhomes said:

“The continued price stability in the new homes market over the winter is very encouraging for housebuilders and consumers alike, especially set in the context of the rising number of new homes coming up for sale. With activity levels likely to pick up further as the traditional spring selling season gets underway, there is reason to feel optimistic about the year ahead.

“Nevertheless, the mortgage market remains a cause for concern in the industry, particularly given that an interest rate rise seems inevitable at some point in the coming months. Developers have been conscious of this eventuality for some time, and so many have chosen to resist the temptation to be bullish on price. This may mean that the effects of a rate rise could be felt more keenly in the resale market than the new homes market.”

-ENDS-

Notes to Editors

More about the New Homes Index

The smartnewhomes New Homes Index is a monthly monitor of all new homes promoted on the site. The index is based on both properties and enquiries on the smartnewhomes website, and records the price of new homes for sale by region and type of property and is mix adjusted, as well as tracking consumer demand for properties on a monthly basis.

smartnewhomes is the UK's leading new homes website, representing 85% of all new homes for sale in England, Wales and Scotland. Along with its sister sites **email4property**, **Zoomf** and **homesoverseas**, it forms part of Trinity Mirror Digital Property.

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