

March 2011

NEW HOMES MARKET PROVES RESILIENT DESPITE UNCERTAINTY

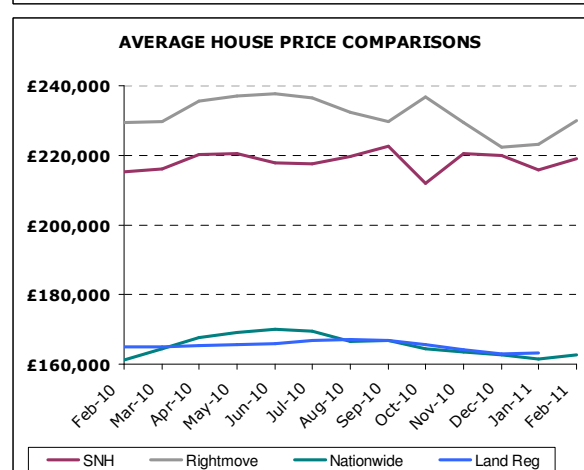
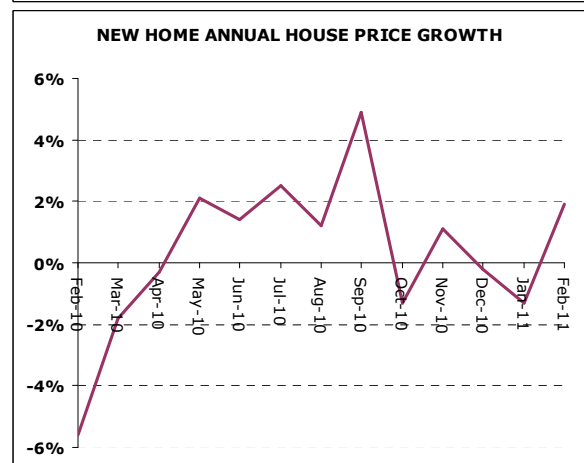
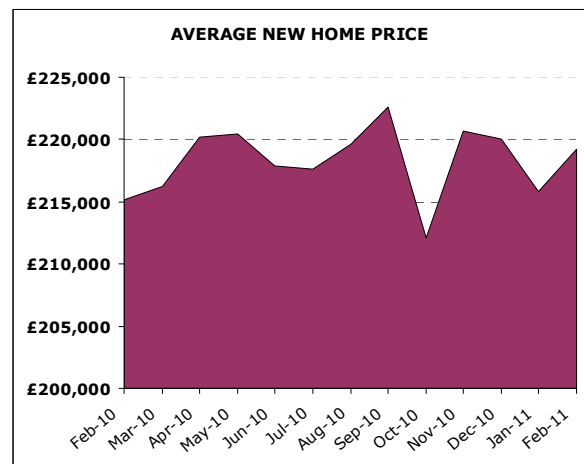
	February 2011	January 2011
Average price	£219,172	£215,786
Monthly % change	+1.6%	-1.9%
Three monthly % change	-0.7%	+1.7%
Annual % change	+1.9%	-1.3%

The average price of a new home stood at £219,172 in February, up +1.6% on the previous month.

Values continue to fluctuate on a month-by-month basis, but nervous homebuyers should be reassured by the medium-term average, which has stayed steady at approximately £217,500.

Annual growth also rose in February, up by +1.9%. While concerns about mortgage availability and job security remain, the latest figures suggest the new homes market may prove more resilient than some analysts have predicted.

Each of the major indices has recorded a slight price rise in the last month, which will offer some encouragement to the market. However, it remains to be seen whether the significant uplift in the Rightmove index will translate into corresponding gains in the Nationwide and Land Registry data, or if estate agents are simply overvaluing to win instructions while stock levels remain low.



REGIONAL BREAKDOWN

SCOTLAND	£223,590
% change 1 month	+0.0%
% change 3 months	-2.3%
% change 12 months	-8.3%
EDINBURGH	£224,950
GLASGOW	£214,937

NORTH	£177,059
% change 1 month	+2.2%
% change 3 months	+1.7%
% change 12 months	+7.0%
NEWCASTLE	£208,303

NORTH WEST	£184,998
change 1 month	+2.4%
% change 3 months	+1.9%
% change 12 months	+8.8%
LIVERPOOL	£159,916
MANCHESTER	£155,191

YORKS AND HUMBER	£181,454
% change 1 month	+3.3%
% change 3 months	+1.4%
% change 12 months	+9.3%
LEEDS	£203,867

WEST MIDLANDS	£164,929
% change 1 month	-0.7%
% change 3 months	+2.0%
% change 12 months	+10.6%
BIRMINGHAM	£170,064

EAST MIDLANDS	£182,004
% change 1 month	+1.0%
% change 3 months	+1.0%
% change 12 months	+4.2%
NOTTINGHAM	£184,772

WALES	£188,197
% change 1 month	-1.7%
% change 3 months	-0.1%
% change 12 months	+5.3%
CARDIFF	£172,631

EAST ANGLIA	£211,759
% change 1 month	+0.3%
% change 3 months	-7.2%
% change 12 months	-1.8%
CAMBRIDGE	£294,628

GREATER LONDON	£322,741
% change 1 month	+3.1%
% change 3 months	-4.5%
% change 12 months	-25.5%
LONDON	£274,929

SOUTH WEST	£237,818
% change 1 month	+2.3%
% change 3 months	+5.0%
% change 12 months	+5.0%
BRISTOL	£222,864
EXETER	£215,683

SOUTH EAST	£250,885
% change 1 month	+0.2%
% change 3 months	-3.7%
% change 12 months	-4.0%
BRIGHTON	£277,577

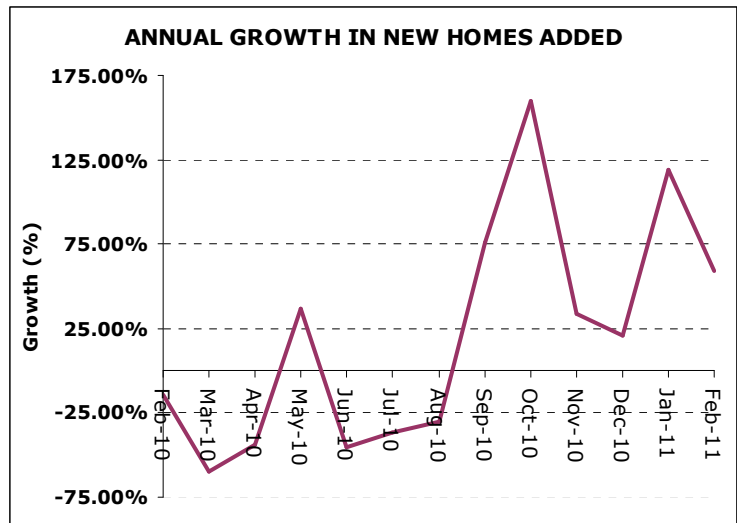
The regional picture supports the overall national view that the new homes market is proving resilient in a difficult economic climate, with many areas seeing positive price swings. It is noticeable however that the few red numbers that do appear are predominantly in the South East, which is traditionally the strongest performing area for the UK property market. With the ongoing restrictions in the mortgage market, first-time buyers in the region have found it especially difficult to obtain finance because of the higher house prices and so larger deposits needed.

NEW HOMES COMING ONTO SMARTNEWHOMES

While the number of new homes coming onto the market is on the rise, it must be remembered that the increase is calculated from a historically low base. Furthermore, the significant month-by-month volatility will fuel concerns that build rates could easily slip again to the record lows seen during the worst of the downturn.

The Institute for Public Policy Research (IPPR) estimates that if current trends

continue then the UK is likely to be facing a shortfall of 750,000 homes by 2025. The industry would be well-placed to deliver the homes required, if only hands were not tied by the regulatory and financial environment.



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

"The increase in the average price of a new home in February will come as a surprise to the hawks that have been warning of a weakening in consumer sentiment and justifies the guarded optimism of many in the industry. Public policy has caused the rate of development to lag behind consumer demand for many years now, so while the economic outlook remains uncertain, there remains a significant level of pent-up demand in the market, which should help to support sales.

"Having said that, the nature of the property market is such that consumer demand is always mediated by the mortgage industry, and developers remain wary that current highly restrictive lending practices may continue to hold back the market. The reaction of the mortgage market to a possible rise in interest rates, which is looking increasingly likely at some point in the coming months, will act as an important barometer for the medium-term outlook of 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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