

No slowdown in sight for the record-breaking prime London sales market, while the prime country market shows only moderate rises.

Headlines for November 2006:

- The market for **prime London property for sale** achieves the highest ever annual price rise, up 14.9% on last year, with average sales prices in excess of £1million.
- Relentless demand and a record shortage of **prime London property for sale** (down 19.5% annually) have created a red-hot market, with currently no sign of a slowdown in sight.
- In contrast, the market for **prime country property for sale** is showing only moderate price rises, up 1.6% annually, with a plentiful supply of available stock (up 22% on last year) suppressing any larger rises.
- The South East out-performs the overall market for **prime country property for sale**, rising by 4.6% annually, while the recent property boom in Scotland ends, with no positive price rises recorded in November.
- The **prime London rental market** goes from strength to strength, with average weekly rental values reaching record levels of £940 per week. The annual rise in rental values of 13.1% is the largest ever increase recorded on the Index.

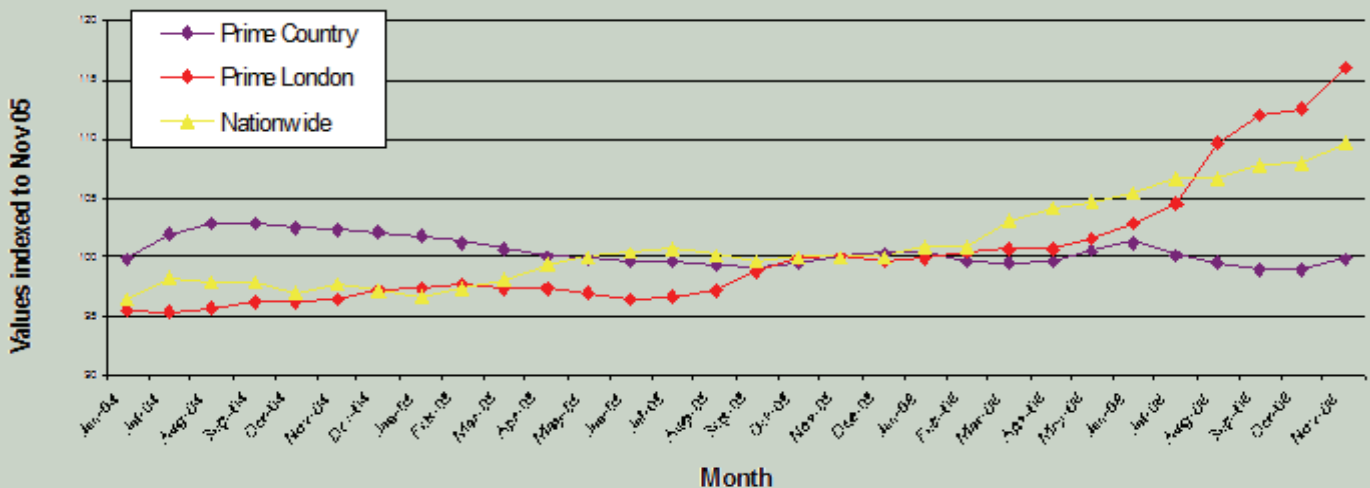
Primelocation's Chief Executive, Ian Springett, comments:

"While the debate rages on as to whether we can expect an imminent soft landing or crash in the London property market, the evidence from our prime property index shows no such signs of a slowdown on the horizon. In fact, quite the contrary. Demand remains intense from both City employees and from the continuing influx of overseas buyers looking to snap up the best properties London has to offer. With such a short supply of available property to buy, however, the impact on prices is evident, with record annual price growth achieved in November. With further record City bonuses being paid next year, it's unlikely we'll see market growth relenting in the short-term.

"On the other hand, the prime country sales market continues to be stable, with modest growth overall. The very top-end remains vigorous, however, as the wealthy increasingly search outside London for that trophy country residence. It's likely we'll continue to see the influence of the City bonuses and the growing number of overseas buyers in the prime country market moving forward, while the volume of available stock in London remains scarce.

"Those owning or investing in prime London rental property continue to see rental yields increasing, with a record annual rise in average weekly rental values. In particular, those in possession of prime houses to rent in the region remain in a strong position, as demand outstrips supply, resulting in substantial average weekly rental prices."

Indexed Average Sales Prices - Prime and mainstream property markets (Base - Nov 05)



Data taken from Nationwide's published non-seasonally adjusted figures

The graph shows the comparative performances of the Primelocation Prime Property sales price indices with that of the Nationwide, indexed to July 2005. Primelocation's research is based on properties currently listed on its website, with a total UK worth of £50bn, representing over 50% of the UK market by value. The graph can often indicate a two-tier market, with the mid market upwards, which is Primelocation's sector, behaving quite differently from the typical mass market, as represented by the Nationwide.

Prime London Sales

- Average prices of prime London property continue to surge, up 14.9% on last year.
- Stock of available property for sale hits a record low, dropping 19.5% on last year.
- North West London leads the charge, with sale prices up a massive 18.9% annually.

Average Sales Price* - Comparison (% Change)

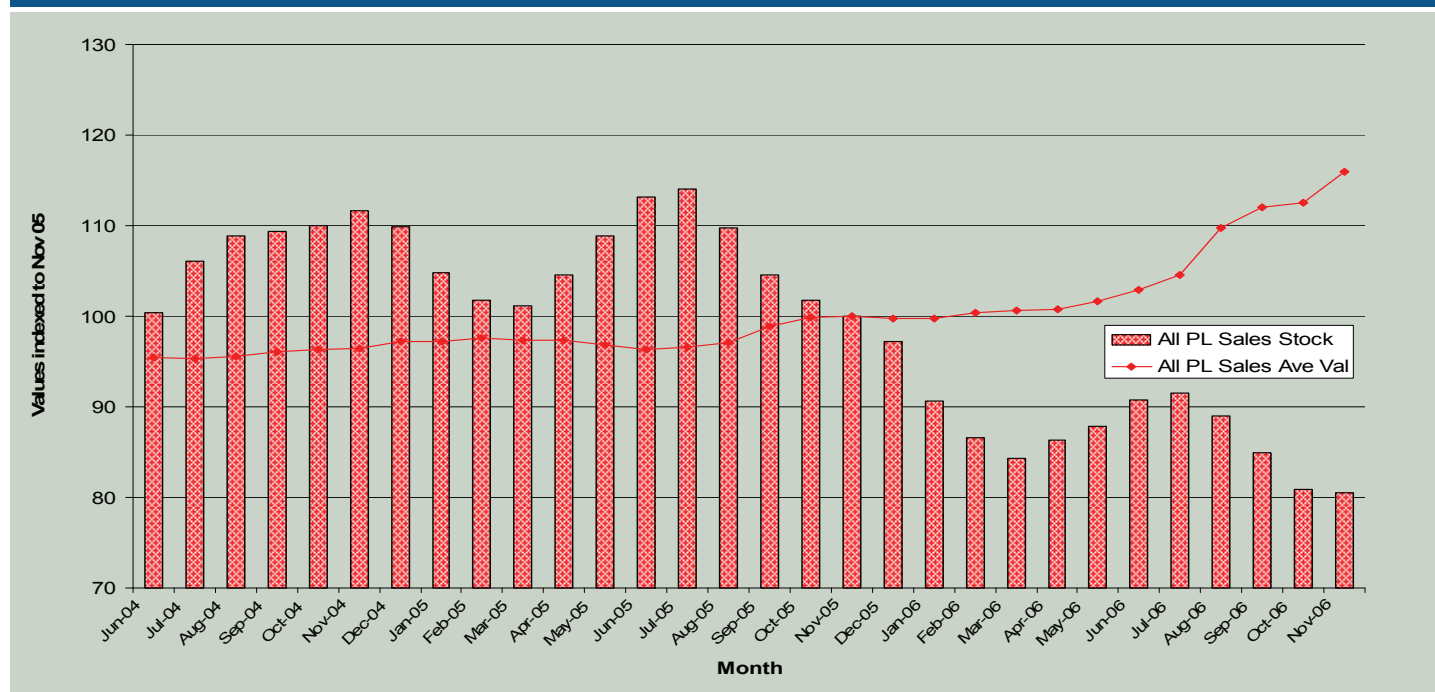
Region	Nov 06	% Annual Change	% Monthly Change
Central London	£1,377,188	14.2%	2.9%
South West London	£735,349	9.6%	1.1%
North West London	£1,013,732	18.9%	2.8%
Islington, City & Docklands	£538,658	13.9%	2.2%
West & South West	£964,307	13.1%	2.5%
Overall Prime London	£1,024,101	14.9%	3.0%

The explosion of wealth pouring into London is having a tremendous impact on the prime London property market. Demand for multi-million pound property in London is at an all-time high, with pressure coming from all sides. The City, which has underpinned much of the demand for prime London property in 2006, is set for another record round of bonuses, with some 4,000 individuals set to receive bonuses in excess of £1 million. At the very top-end of the market, international demand for the multi-million pound properties continues. While much of this demand is from well-publicised Russian buyers, money is also pouring in from China and India. Wealth closer to home is increasingly playing a part, too, with buyers from Germany, Italy and even Scandinavia competing for London's prime property.

While the demand is seemingly relentless, the record shortage of property to buy is having a major impact on prices. A record 14.9% rise in annual property prices was achieved in November. According to one agent, the most desirable properties are selling for hundreds of thousands of pounds over the asking price, with as many as 8 or 9 bidders competing for the same property. Another agent claims that around 30% of transactions are gazumped, while between 10% and 20% are going to sealed bids.

With the stock of quality property remaining so low (currently down 19.5% on last year), and the strength of demand so intense, we fully expect the market to continue to in the same vein as we move towards the end of 2006.

Indexed Average Sales Price / Stock Levels - Prime London (Base - Nov 05)



*Comparable historical values will change each month, due to weighting of property size - See Editor's Notes, Appendix II

Prime Country Sales

- Prices of prime country property for sale continue to rise, increasing modestly by 1.6% annually.
- A plentiful supply of available property for sale, up 22% annually, suppresses more vigorous price growth.
- Scotland's recent property price boom has ended, with no positive price growth recorded in November.

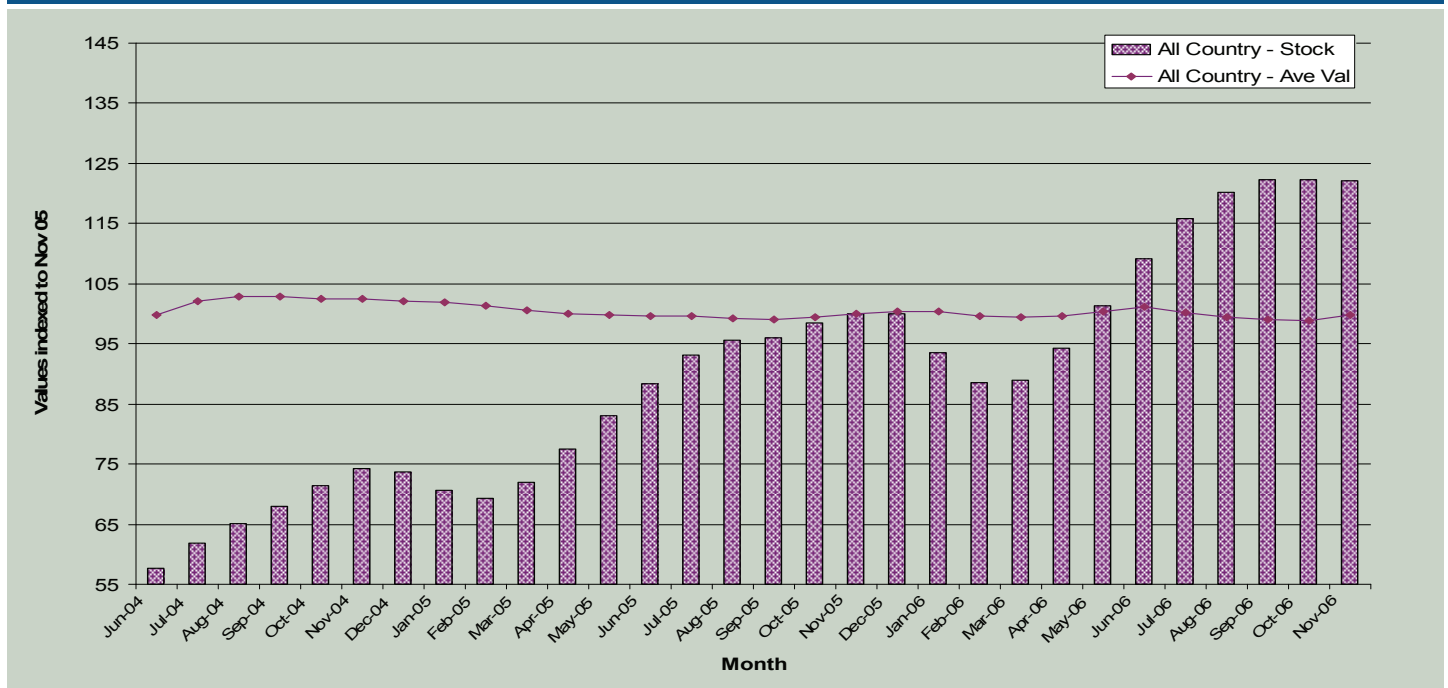
Average Sales Price* - Comparison (% Change)

Region	Nov 06	% Annual Change	% Monthly Change
South West	£435,105	0.5%	1.4%
South East	£611,516	4.6%	1.0%
East Anglia & East Midlands	£398,018	3.3%	-0.2%
West Midlands & Wales	£451,918	2.0%	0.8%
North	£508,677	0.8%	-0.6%
Scotland	£415,406	-0.1%	-2.0%
Overall Prime Country	£498,202	1.6%	0.9%

Dwarfed by the sheer rate of price growth witnessed in prime London recently, the country sales market's performance can be described as unspectacular. A healthy supply of available property for sale has restricted price rises to just 1.6% annually across the country. One or two regions are performing better than the average, with the South East, performing more strongly, with prices rising by 4.6% over the last year. While the mid-ranged property market has remained relatively stagnant, activity at the top-end remains intense. With the stock of prime London property so low, more and more buyers are looking outside of London for the best trophy mansions. In particular, the Russians are becoming an increasingly important source of demand in the country market. Knight Frank recently estimated that Russians have accounted for the purchase 77 country properties in 2006, with Esher in Surrey and Ascot in Berkshire key areas for property acquisition.

Indeed, as demand continues in London and property stock dwindles, the country market is likely to become an increasingly important hunting ground for both City employees and international buyers. This in turn will impact on the performance of the top-end of the country market. We expect the overall market to show modest growth as we approach the end of 2006, with the top-end remaining competitive for the very best country properties.

Indexed Average Sales Price / Stock Levels - Prime Country (Base - Nov 05)



*Comparable historical values will change each month, due to weighting of property size - See Editor's Notes, Appendix II

Prime London Lettings

- Prime London's rental market achieves highest ever average weekly rental values, reaching £940.
- The annual increase in rental values, 13.1%, is the highest ever recorded on the Index.
- The number of family houses to rent remains in short supply, declining by a further 9% on last year.

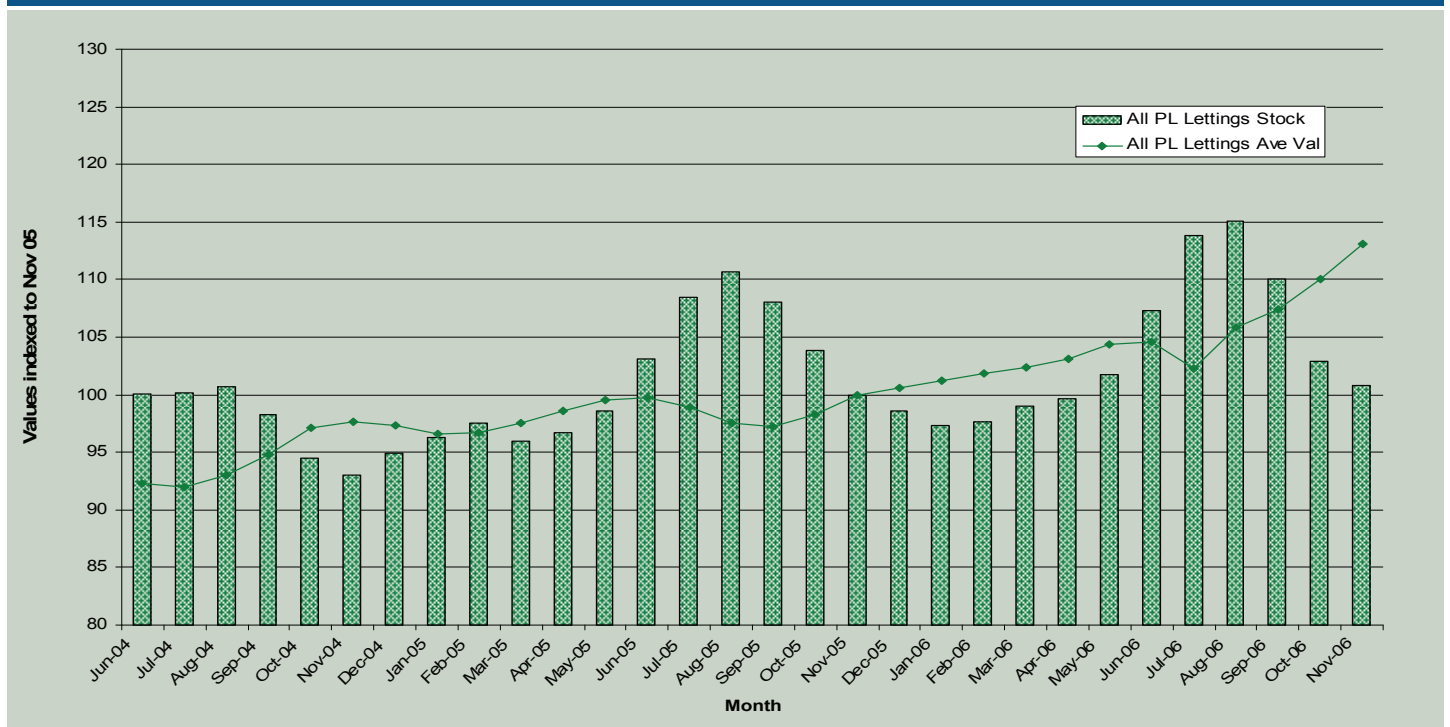
Average Weekly Rents* - Comparison (% Change)

Region	Nov 06	% Annual Change	% Monthly Change
Central London	£1,154	8.7%	3.2%
South West London	£540	7.6%	0.9%
North West London	£960	10.2%	2.1%
Islington, City & Docklands	£503	6.2%	3.3%
West & South West	£614	13.0%	0.7%
Overall Prime London	£940	13.1%	2.8%

The prime lettings market is also undergoing something of a boom time, with average weekly rental values rising by a record 13.1% annually. Despite a relatively consistent number of available properties compared to last year, prices have risen substantially. This can be explained in part by the knock-on effect of the prime London sales market, with landlords and agents seeking to keep property rental values in line with their perceived sales values. In addition, a shortage of rental property in key rental areas, particularly across South West London, has produced above-average increases in rental values. Extra demand for rental property has been fuelled by many prospective buyers renting until the most appropriate property to buy is found. The average weekly rental price in prime London has now reached £940 per week, the highest price ever recorded on the Index.

The corporate lettings market is a key driver in this market, with London increasingly the focus for business relocation and investment. Bidding wars are becoming a common feature. The number of available family houses available to rent becomes scarcer, down 9% on last year, with landlords of these properties likely to be earning average rental values of nearly £2,000 per week in Central London. Overall, we expect the market to continue to perform strongly for the remainder of 2006.

Indexed Average Weekly Rental Price / Stock Levels - Prime London (Base - Nov 05)



*Comparable historical values will change each month, due to weighting of property size - See Editor's Notes, Appendix II

Prime Country Sales, Prime London Sales and Prime London Lettings Area Summaries

Prime Country Sales Price Index - Area summary

Region	Areas Covered
South West	Avon, Cornwall, Devon, Dorset, Gloucestershire, Somerset, Wiltshire
South East	Bedfordshire, Berkshire, Buckinghamshire, Essex, Hampshire, Hertfordshire, Kent, Middlesex, Oxfordshire, Surrey, Sussex
East Anglia & East Midlands	Cambridgeshire, Derbyshire & Leicestershire, Lincolnshire, Norfolk, Northamptonshire, Nottinghamshire, Suffolk
West Midlands & Wales	Herefordshire & Worcestershire, Staffordshire & Shropshire, Warwickshire, West Midlands, all counties in Wales
North	Cheshire, Lancashire & The Lakes, Tyne/Tees, Yorkshire
Scotland	All counties in Scotland

Prime London Sales and Lettings Price Indices - Area summary

Region	Postcode Area	Postcodes
Central London	Belgravia, Westminster, Pimlico, Mayfair, Marylebone, Fitzrovia, Soho, Covent Garden, Chelsea, Kensington, West Kensington, South Kensington, Knightsbridge, Earls Court, Holland Park, Notting Hill, Bayswater	SW1, SW3, SW5, SW7, SW10, W1, W2, W8, W10, W11, W14, WC2
South West London	Fulham, Parsons Green, Battersea, Clapham, Wandsworth, Balham, Tooting	SW4, SW6, SW11, SW12, SW17, SW18
North West London	Hampstead, Belsize Park, St John's Wood, Regent's Park, Highgate, Maida Vale, Little Venice, Hampstead Garden Suburb, Golders Green, West Hampstead, Kentish Town, Camden	NW1, NW3, NW5, NW6, NW8, NW11, N6, W9
Islington, City & Docklands	Islington, Highbury, Bloomsbury, Finsbury, Clerkenwell, Wapping, Isle of Dogs, Borough, Shad Thames, Bermondsey, Rotherhithe	N1, N5, WC1, EC1, EC2, E1, E14, SE1, SE16
West and South West	Barnes, East Sheen, Putney, Wimbledon, Hammersmith, Chiswick, Richmond	SW13, SW14, SW15, SW19, SW20, W4, W6, W12, TW9, TW10

i. Background:

- Primelocation.com is the property portal of choice of the leading estate agency firms across the UK, including the major national agencies Savills, Knight Frank, Hamptons International, Chesterton, Strutt & Parker, Cluttons, Carter Jonas, Lane Fox, Humberts, Jackson-Stops & Staff as well as many other leading London and regional firms (full agent list available on request from Jago Dean). All of these firms list all of their properties on Primelocation.com.
- There are currently over 2,500 agent firms listing their properties on Primelocation.com, representing some 5,000 offices both in the UK and abroad and advertising approximately 260,000 properties in one online location.

ii. Prime Country and Price London Indices:

- Primelocation's Prime Country and Prime London Price Indices are unique housing market indicators, based on the properties listed on the www.primelocation.com website.
- The Indices monitor the stock-levels and asking-prices of properties in different regions over a minimum of a twelve month period.
- Using a core base of 1,500 agent firms which have appeared on the site over that time, fluctuations in property types, including the ratio of houses to flats and the size of the properties, are taken into account to ensure that the Indices are a true representation of what is happening in the prime property sector.
- A robust filtering process is also employed to ensure that any property which is listed on www.primelocation.com by more than one agent is only counted once. An average over three months ensures that the length of the sales process is also factored in.

iii. International Positioning:

- Primelocation.com has the largest collection of international property of any UK-based property portal with 65,000 homes in France, Spain, Portugal, Italy, South Africa and over 50 other countries. A search index is also available for International Property (see www.primelocation.com/international-property/searchindex).

*****ENDS*****

For further information please contact:

Ian Springett – Primelocation.com – Tel: 020 7432 4000
Email: ianspringett@primelocation.com

For press information please contact:

Jamie Jago – Jago Dean PR Ltd – Tel: 020 7228 5464
Email: jjago@jagodean.co.uk