

Another record-breaking month for the prime London sales market, while the prime country market achieves only modest gains.

Headlines for January 2007:

- Another month, another record broken in the market for **prime London property for sale**, with average sales prices jumping 25.8% in the 12 months to January 2007.
- January 2007 marks the thirteenth consecutive month of price growth in the market for **prime London property for sale**, with the average sales value of a prime London property now standing at over £1.1 million.
- Continuing the trend of previous months, **prime country property for sale** shows only minimal growth in average sales prices, up 1.8% on this time last year. The stock of available country property rises by 20% on last year, suppressing more vigorous price growth.
- The regions surrounding the capital continue to benefit from the 'London effect', with **prime country property for sale** in the South East region outperforming the wider market, with prices up 5.4% annually.
- A consistent performer, the market for **prime London property to rent** shows robust price growth, with weekly rental values up 11.3% on last year, achieving a record £951 per week.

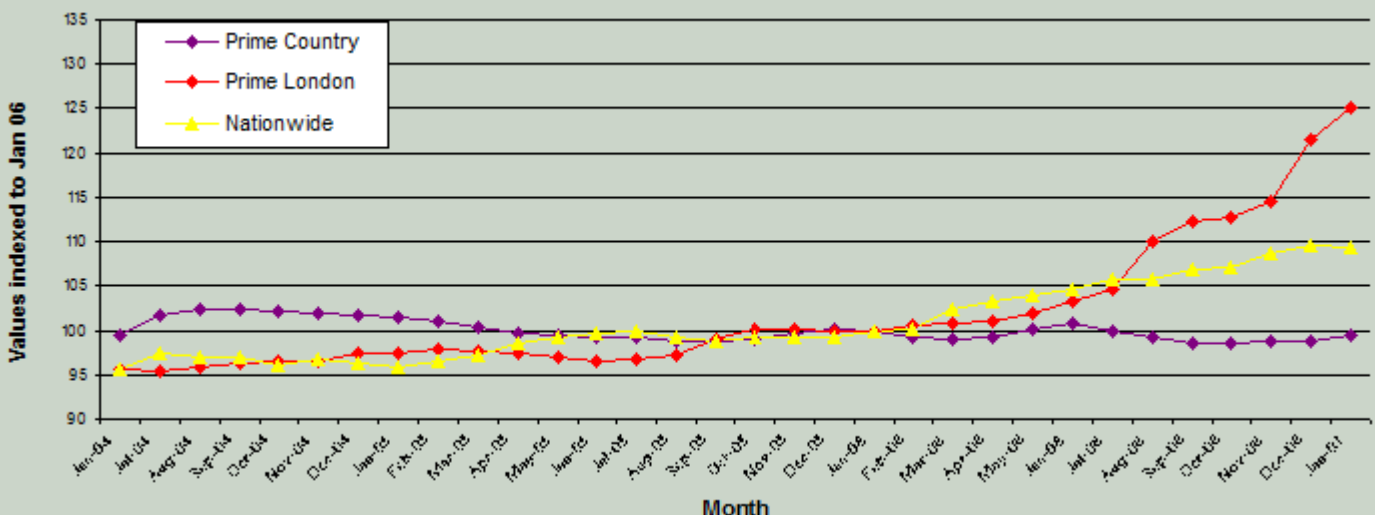
Primelocation's Chief Executive, Ian Springett, comments:

"After a year of unprecedented price growth in the prime London sales market in 2006, we begin 2007 with yet another record-breaking performance in January. Property stock hits an all-time low in the region, and coupled with continuing demand from both international buyers and the influx of City bonus money into the market, prices have surged upwards to reach record levels. Indeed, with the extent of the recent price rises, some commentators will no doubt begin to question the sustainability of the current rate of growth. But while the fundamental components of demand and supply remain so lopsided, we expect to see the current trend continue over the coming months.

"In comparison, the prime country market has yet to ignite, and with buoyant levels of property stock in the market, it may take a while longer for any significant price growth to be recorded within the mainstream market. The very top-end of the market, however, performs well, with the South East continuing to benefit from the shortage of quality stock in the capital. Indeed, the Home Counties are increasingly receiving interest from both wealthy national and international buyers, all looking to secure their ultimate prime property.

"The rental market is performing well, with very robust growth in average rental prices. While the recent interest rate rises may have impacted on yields, the current rate of price growth and continuing strength of demand will provide landlords with confidence about the future potential of their investments".

Indexed Average Sales Prices - Prime and mainstream property markets (Base - Jan 06)



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 Jan 06. 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

- The prime London property market produces its thirteenth consecutive month of price rises.
- It is a sellers market, with average sales prices breaking records, up 25.8% annually.
- The average sales price of a prime London property reaches £1.1 million for the first time.

Average Sales Price* - Comparison (% Change)

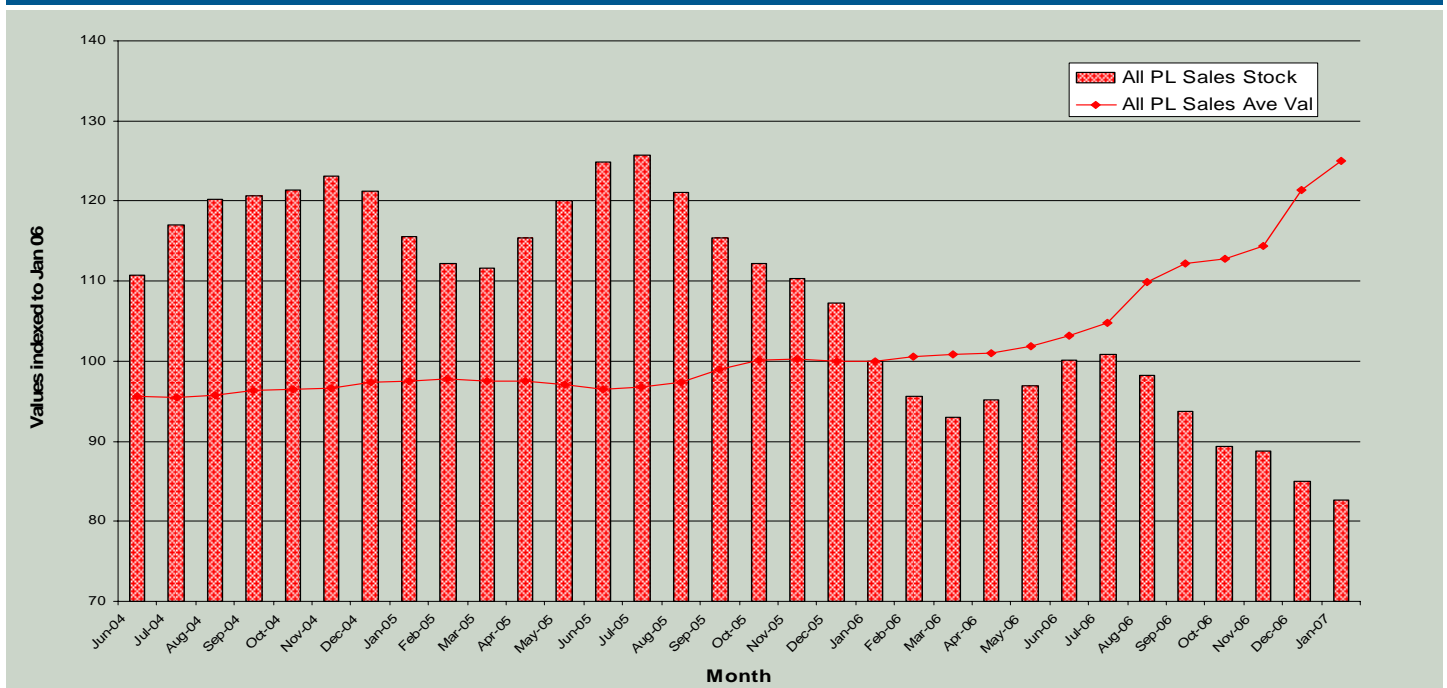
Region	Jan 07	% Annual Change	% Monthly Change
Central London	£1,501,779	25.5%	2.8%
South West London	£806,482	24.9%	3.6%
North West London	£1,091,800	26.0%	3.7%
Islington, City & Docklands	£561,232	17.1%	2.2%
West & South West	£996,062	21.1%	2.3%
Overall Prime London	£1,102,235	25.8%	3.0%

Such is the strength of the current prime property sales boom in London, that records continue to be broken on all fronts just about every month. This month is certainly no exception, with annual price growth of 25.8% being recorded. This has largely been driven by a dearth of property available to buy, with the lowest level of London sales stock since the Index began back in January 2004. In fact, one agent recently claimed to be experiencing a 50% rise in the number of property buyers in the Central London market, coupled with a 50% reduction in the supply of available property compared to last year. Demand remains acute, from both international buyers and those looking to invest the most recent round of City bonuses. Agents are reporting that for every £10 million-plus property for sale, there are at least 10 serious buyers, making competition fierce and sealed bids increasingly common. In fact, fewer and fewer properties are making it to the open market before being snapped up by wealthy buyers.

With prime houses, as opposed to flats, in particularly short supply (down 25% annually), prices for these properties have risen dramatically, particularly in Central London, where the average house price is averaging no less than £2.9 million, nearly three times the average price of a flat in the region. However, prime flats are also commanding higher prices than ever. In January, a flat in the exclusive Eaton Square area, was sold to an international buyer for £11.7 million, while a flat in the prestigious Candy & Candy Hyde Park development is rumoured to have been sold off-plan for a staggering £84 million.

We have every reason to expect similar growth levels to continue in 2007, particularly in the first few months of the year.

Indexed Average Sales Price / Stock Levels - Prime London (Base - Jan 06)



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

Prime Country Sales

- The prime country market begins 2007 with only modest average price growth, up 1.8% overall.
- The South East region continues to outperform the wider market, with average price growth of 5.4%.
- After a mini-boom in the first half of 2006, sales prices in Scotland continue to decline, down 5.2% annually.

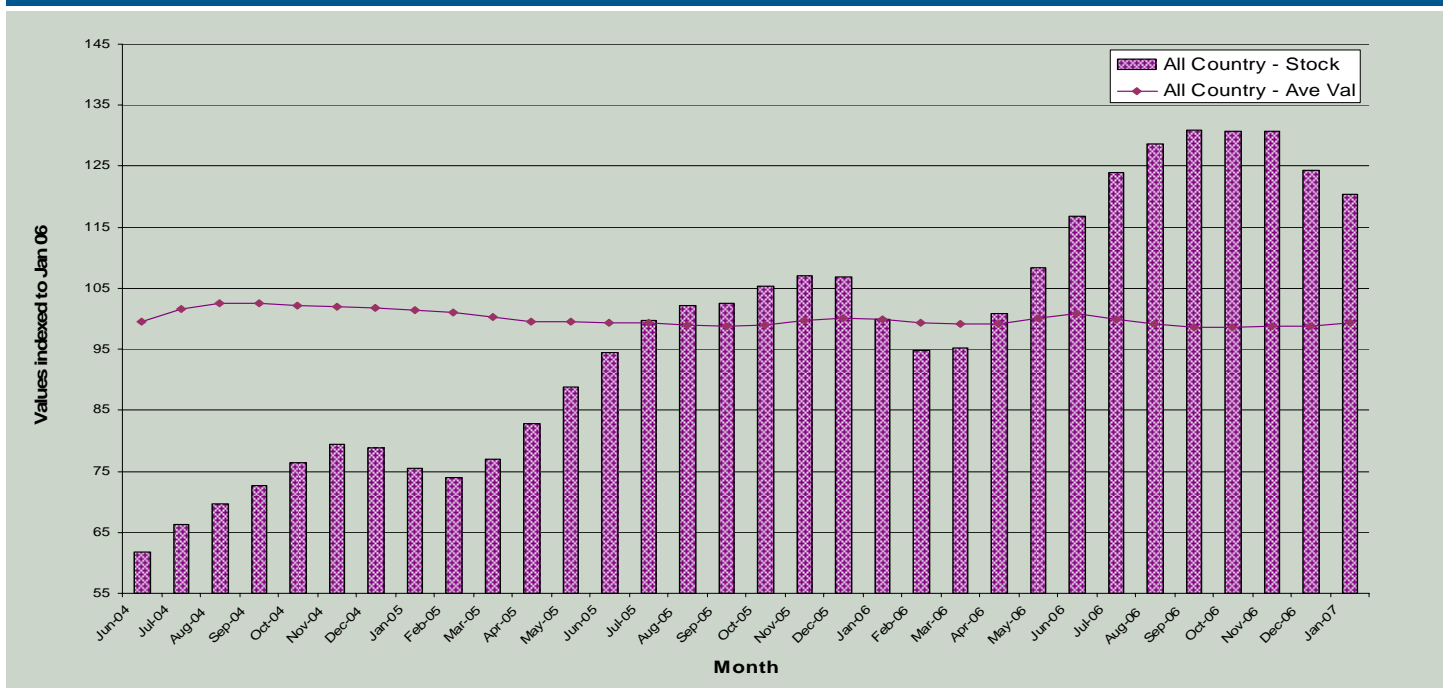
Average Sales Price* - Comparison (% Change)

Region	Jan 07	% Annual Change	% Monthly Change
South West	£433,411	1.0%	0.1%
South East	£615,406	5.4%	0.9%
East Anglia & East Midlands	£395,889	3.2%	0.0%
West Midlands & Wales	£441,567	1.2%	-0.4%
North	£504,298	-1.3%	0.1%
Scotland	£402,537	-5.2%	-0.7%
Overall Prime Country	£498,236	1.8%	0.6%

The prime country market has begun 2007 with only modest rises in average prices, up 1.8% on last year. The stock of available property across the country is up 20% on this time last year, and this has suppressed any more vigorous price growth. The South East (which includes Surrey, Kent and Sussex) outperformed the rest of the market for the latter half of 2006 and continues in the same vein in January, with annual price growth of 5.4%. Certainly, the counties surrounding the capital have benefited from the shortage of stock in London, with wealthy buyers increasingly looking further afield for prime property. Demand remains strong at the very top-end of the market, with the idyllic trophy mansion the target for many property hunters. The Home Counties are also benefiting from the increasing interest of overseas buyers, particularly Russians, from whom agents have reported a surge in interest. Scotland, which enjoyed a mini-boom in the first half of 2006, has seen average sales prices decline by 5.2% over the last 12 months, despite a downturn in available stock of around 10% on last year. The North region is the only other area to have recorded a decline in average sales prices caused by a healthy supply of available properties, up 28% on last year.

In our view, the prime country market is likely to continue with only modest growth over the next few months, particularly while stock levels remain very buoyant.

Indexed Average Sales Price / Stock Levels - Prime Country (Base - Jan 06)



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

Prime London Lettings

- The prime London lettings market begins the year with solid, consistent growth, with average rents up 11.3% annually.
- Islington, City and Docklands record the sharpest rise in rental prices, up 14.7% on last year.
- At £951 per week, average prices for prime lettings reach record levels.

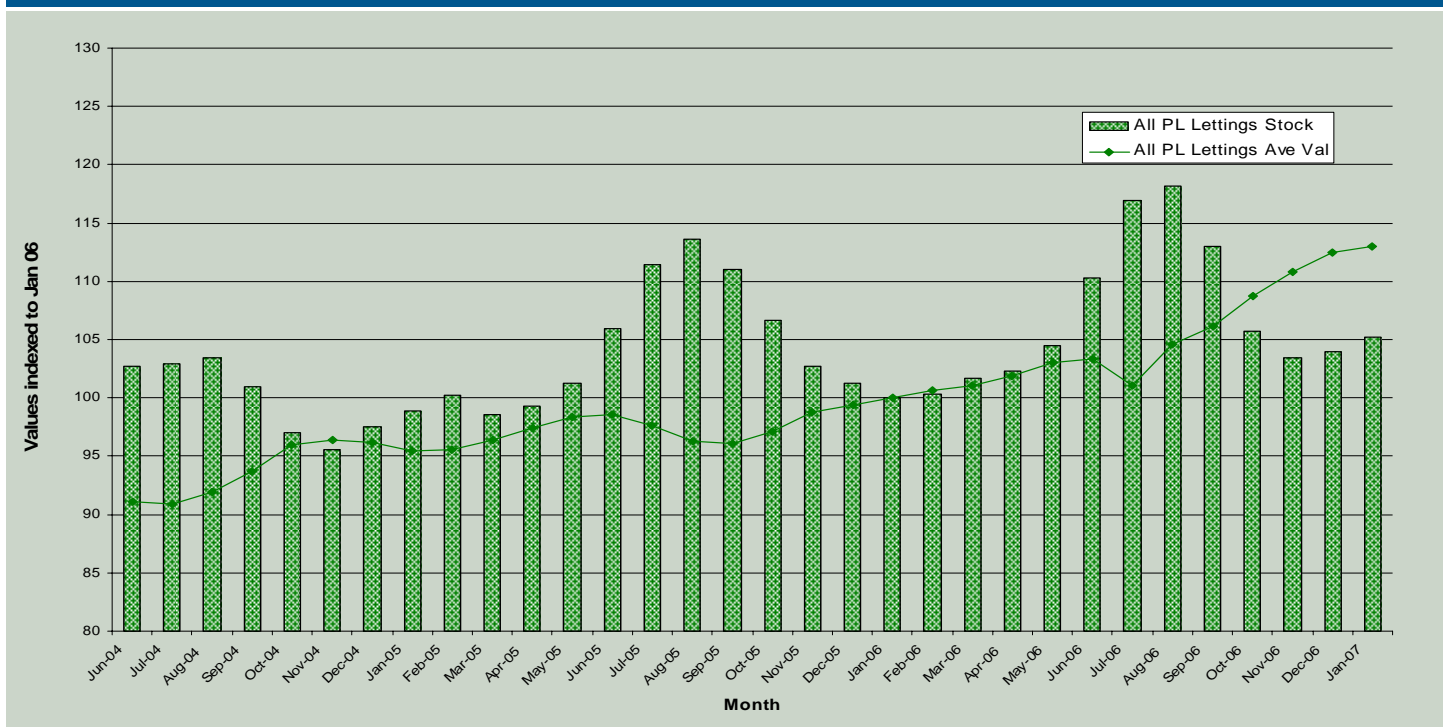
Average Weekly Rents* - Comparison (% Change)

Region	Jan 07	% Annual Change	% Monthly Change
Central London	£1,183	12.3%	0.4%
South West London	£551	8.2%	0.5%
North West London	£974	12.2%	1.7%
Islington, City & Docklands	£526	14.7%	2.8%
West & South West	£630	11.4%	0.1%
Overall Prime London	£951	11.3%	0.4%

The prime London lettings market achieved robust and consistent growth throughout 2006 and it begins 2007 in the same vein, with weekly rental values up 11.3% over the last 12 months. In fact, the average rental value of a prime London property has hit £951 per week, the highest rental value ever recorded on the Index. Despite recent interest rate rises, landlords remain confident and very optimistic about the future of the market. While some are contemplating cashing in on the current sales value of their property with the market so strong, others continue to hold out for the very best offers from prospective tenants. Demand remains strong for the best properties, with the corporate market underpinning much of the appetite as international companies continue to relocate to London, increasingly seen as the unofficial capital city of Europe. Similarly, those who have sold their property to cash in on the sellers market, but are unable to find a suitable property to move in to due to low stock levels, are increasingly turning to the rental market as a short-term solution. With the stock of available property in North West London (including West Hampstead, Hampstead and Belsize Park) down some 25% on last year, prices have risen dramatically in the region. After Central London, it is the most expensive area in the capital.

We are expecting the market to continue with a consistent performance and solid growth over the coming months.

Indexed Average Weekly Rental Price / Stock Levels - Prime London (Base - Jan 06)



*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 nearly 3,500 agent firms listing their properties on Primelocation.com, representing some 7,500 offices both in the UK and abroad and advertising approximately 300,000 properties in one online location.

ii. Prime Country and Prime 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