

Prime London sales market in uncharted territory as price growth soars further, while the prime country market enjoys the first significant gains of 2007.

Headlines for February 2007:

- Unrelenting price growth of **prime London property for sale** produces record average sales prices in every region in London, with prices up 25.8% overall.
- Stock of **prime London property for sale** hits an all-time low, while demand intensifies, pushing prices up for the fourteenth consecutive month to reach a record average of £1.11 million.
- The market for **prime country property for sale** produces its largest increase in average prices since April 2005, up 3.9% on last year.
- The South East region produces more than twice the level of price growth witnessed in the wider market for **prime country property for sale**, up 8.2% to reach a record £624,564.
- While the market for **prime London property to rent** achieves robust average price growth, up 9.4% over the last year, this month is the first since August 2006 where annual price growth has been less than 10%, suggesting a possible stabilisation in the marketplace.

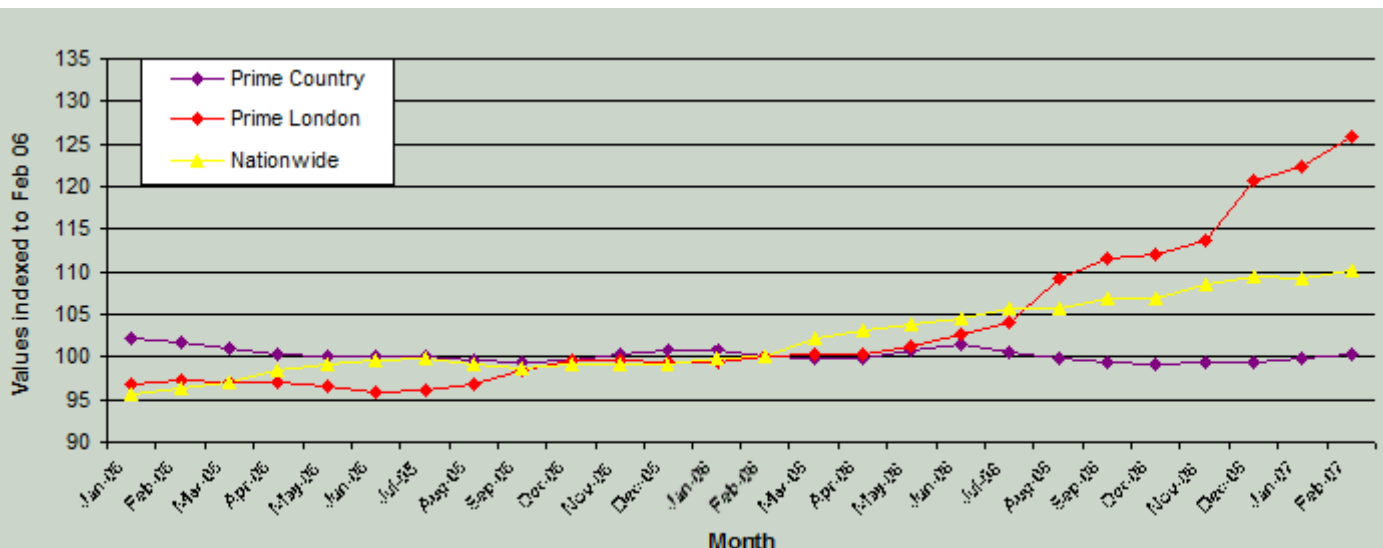
Primelocation's Chief Executive, Ian Springett, comments:

"It seems that no matter how high average sales prices get in prime London, the next month sees them go higher still. Certainly, that trend has been continual over the last year, with no sign of an immediate slowdown in the foreseeable future. With so few quality properties available and so many wealthy and eager buyers waiting in the wings, upwards pressure on prices is inevitable. Fresh City bonus money continues to pour into the market, alongside ever-increasing international interest, both of which underpin the key components of demand in this sector.

"The prime country market, which has underperformed in recent months, has finally started to enjoy more significant price growth. The ripple effect of the London market has hit the South East, where demand has intensified as prime London stock diminishes even further. City bonus money has pushed prices of farms and farmland upwards, while international interest intensifies in the Home Counties.

"Confidence in the prime London rental market remains strong, and if anything has been enhanced by the recent wobbles in the stock market, as investors continue to see London property as one of the best performing investment vehicles of recent years. Demand for rental property remains robust from both private and corporate tenants, while the 'Olympic Effect' continues to support the buoyancy of the market in the Docklands and City regions".

Indexed Average Sales Prices - Prime and mainstream property markets (Base - Feb 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 Feb 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

- Average sales prices reach record levels across every region of prime London in February 2007.
- Prices rise by 25.8% annually, pushing the average prime London sales price above £1.1 million.
- Stock of prime London property hits lowest ever level, down 14.2% annually.

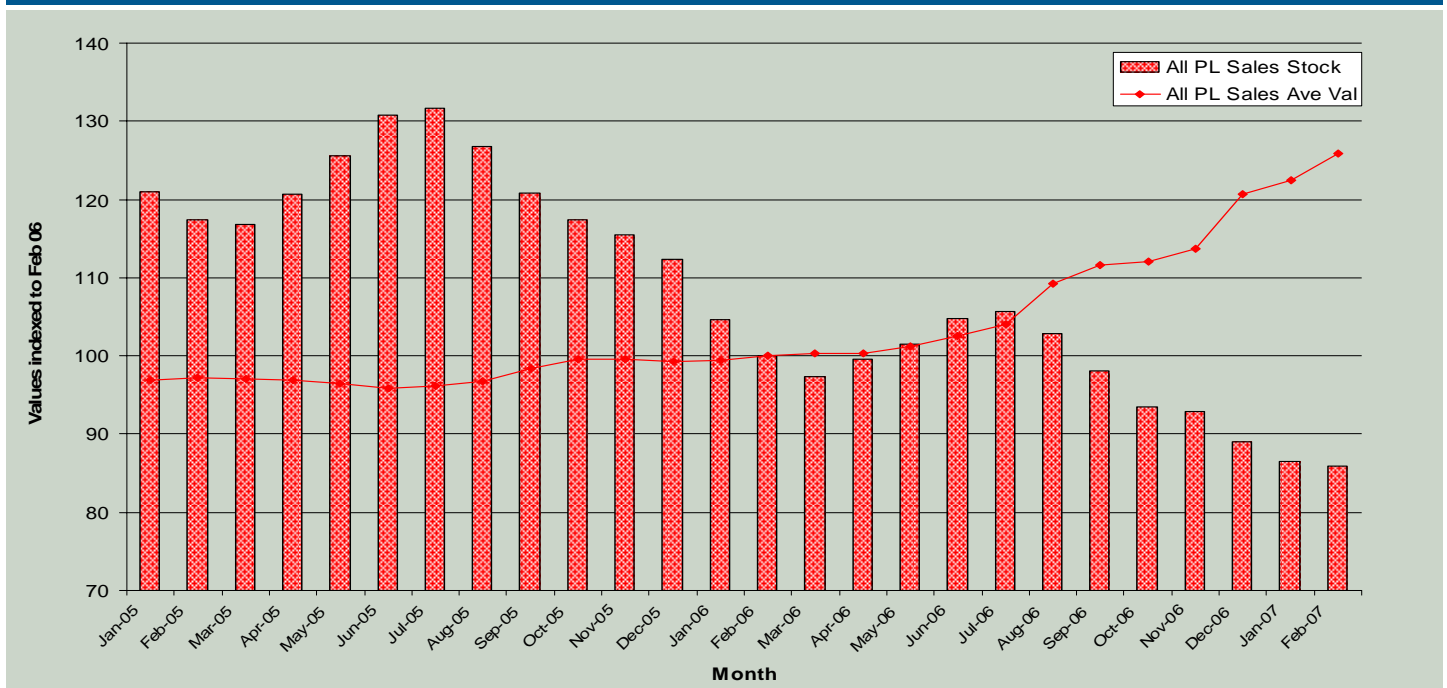
Average Sales Price* - Comparison (% Change)

Region	Feb 07	% Annual Change	% Monthly Change
Central London	£1,505,011	25.2%	3.5%
South West London	£783,969	19.2%	2.7%
North West London	£1,154,419	31.9%	5.2%
Islington, City & Docklands	£590,745	22.2%	3.4%
West & South West	£991,610	19.2%	1.3%
Overall Prime London	£1,115,767	25.8%	2.8%

The prime London property boom just keeps on growing. Indeed, average sales prices in the market have reached unprecedented heights after 14 months of consecutive price growth. Every area of prime London has achieved record sales prices this month, culminating in an average sales price of £1.11 million across the whole region. The so-called 'golden postcodes' have seen the most dramatic rises in the last year, with prices in Belgravia up 48.5% and prices in Chelsea up by a massive 50.4% annually. International demand has undoubtedly influenced prices in the most exclusive regions, with wealthy buyers from the Middle East, Russia, India and Europe all snapping up the very best property London has to offer. The start of 2007 has also seen the market benefit from the recent City bonuses, with much of the reported £9 billion of bonus cash pouring into prime London property. Parts of London have now become so expensive, that some of the most exclusive properties are being sold for more than £2,500 per square foot. This month, the Index has recorded the lowest supply of stock since it began back in 2004. At the same time, according to one agent, the number of buyers has risen by around 37%, with as many as 20 serious purchasers ready to pounce for every £10 million property available on the market. As a result, bidding wars are increasingly common, with many bids between £100K-£200K above the original asking price.

While the current supply of stock remains limited and demand remains high, we fully expect to see strong growth continuing over the coming months.

Indexed Average Sales Price / Stock Levels - Prime London (Base - Feb 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 shows signs of picking up, with average prices up 3.9% annually, the largest rise since April 05.
- Price growth in the South East is more than double the wider market, up 8.2%.
- In contrast, prime property prices in Scotland are in decline, down 6.1% over the last year.

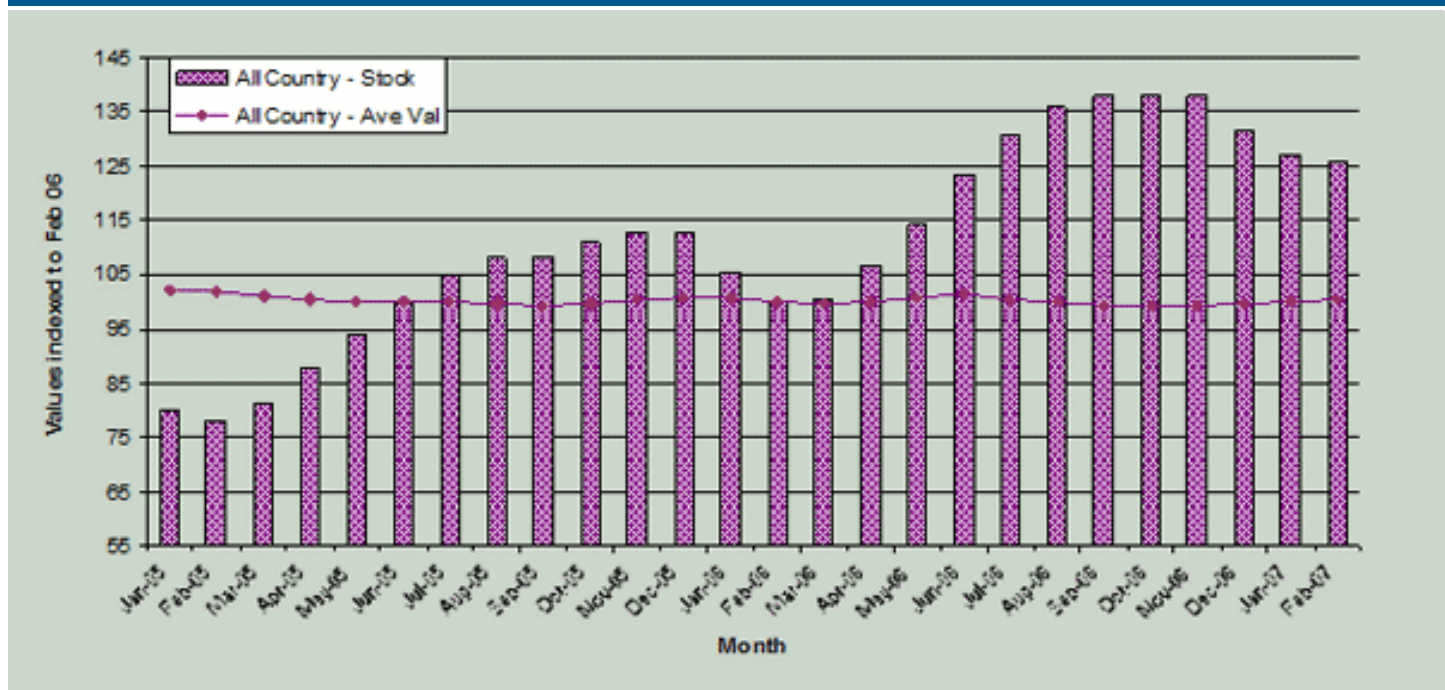
Average Sales Price* - Comparison (% Change)

Region	Feb 07	% Annual Change	% Monthly Change
South West	£426,777	1.8%	-0.4%
South East	£624,567	8.2%	1.3%
East Anglia & East Midlands	£395,652	5.4%	0.1%
West Midlands & Wales	£438,313	2.0%	-1.1%
North	£506,625	0.8%	0.3%
Scotland	£407,011	-6.1%	-0.4%
Overall Prime Country	£499,297	3.9%	0.4%

The prime country market has been unspectacular in its growth performance over the last few months. However, February 2007 sees the largest increase in average sales prices in over 2 years (up 3.9%), fuelled predominantly by the South East, where prices have increased by 8.2%, more than twice the market average. This can partly be explained by the strength of the prime London market over-spilling into neighbouring counties. Indeed, with supply so low in the capital, many are looking to the Home Counties for quality property, with City bonus money also pouring into the region in search of the ultimate country residence. In fact, City employees have been creating tremendous demand for farms and farmland in the South East, with prices for farmland in particular trebling in the second half of 2006 and continuing to rise in 2007. The average price of a property for sale in the South East has reached record levels and continues to grow strongly. It is also interesting to note that within the top 5 most expensive regions in the country outside of London, three of them are within the Home Counties of Surrey, Hertfordshire and Middlesex. In contrast, the prime property market in Scotland has gone into decline. After a very buoyant period in the first half of 2006, prices in the region have subsequently declined by over 6% annually in February 2007.

We expect to see modest rises in the prime Country market over the coming spring months.

Indexed Average Sales Price / Stock Levels - Prime Country (Base - Feb 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 performs well, with a 9.7% increase in average rental prices annually.
- The Islington, City & Docklands region enjoys significant growth in average rental prices, up 19.7%.
- Average rental prices in North West London begin to stabilise, after strong increases at the start of 2007.

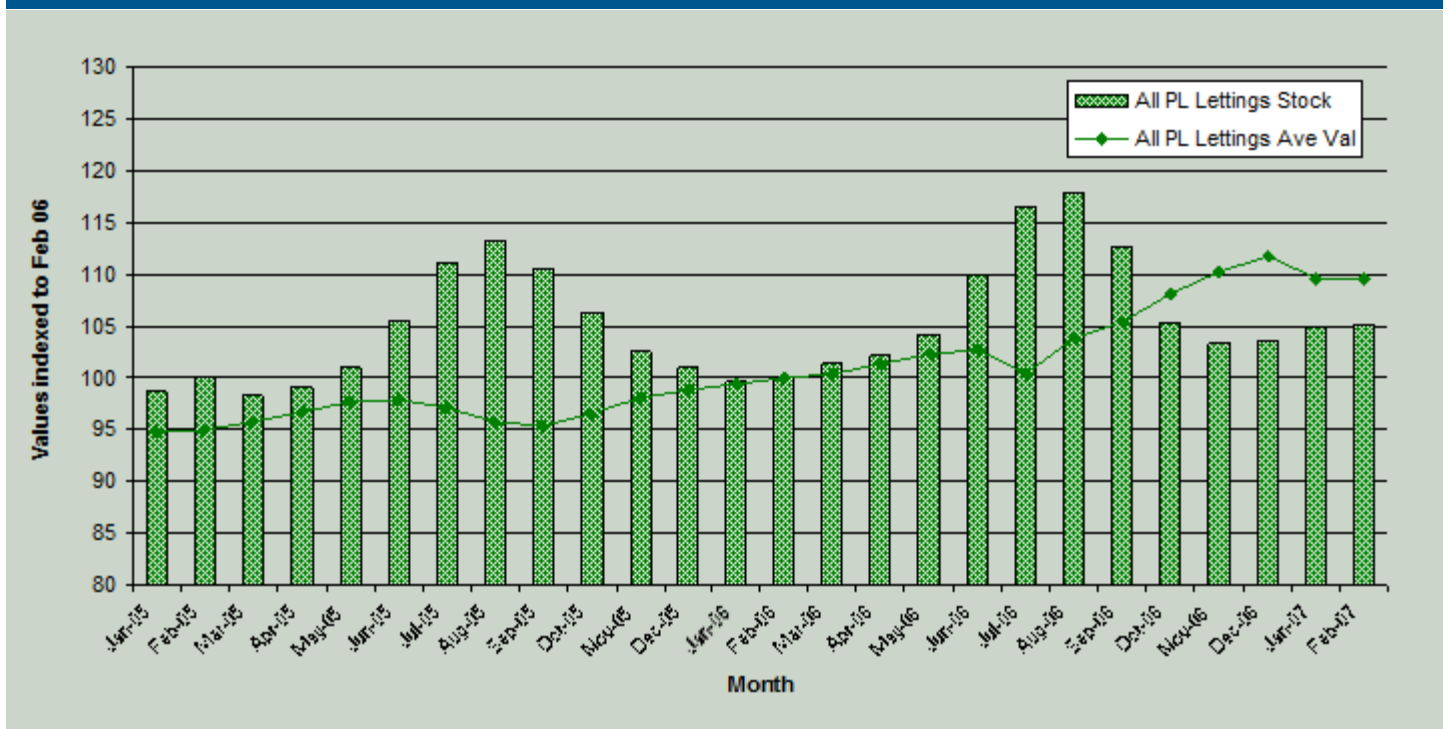
Average Weekly Rents* - Comparison (% Change)

Region	Feb 07	% Annual Change	% Monthly Change
Central London	£1,180	10.5%	0.0%
South West London	£539	7.3%	1.9%
North West London	£893	2.6%	-0.1%
Islington, City & Docklands	£538	19.7%	2.2%
West & South West	£614	9.0%	1.5%
Overall Prime London	£929	9.7%	0.1%

The prime London lettings market has been a consistent performer over the last 12 months, showing strong, double-digit growth and unusual similarities with the London sales market. However, despite performing strongly, there are signs that the rate of growth might be slowing down, with February 2007 being the first month since August 2006 that annual price growth has been under 10%. That said, some regions are performing better than others. In particular, the Islington, City and Docklands area has grown tremendously over the last 12 months, with average weekly rental values up nearly 20%. Certainly the 'Olympic Effect' has impacted on the region, with investors seeking to snap up properties with a view to capitalising on the regeneration of the immediate area over the next few years. Despite a strong start to the year for North West London, average price growth has subsided somewhat, to just 2.6% annually. The corporate lettings market continues to underpin much of the demand for rental property, as more companies seek to relocate or set up business in London. Bidding wars are commonplace amongst businesses for the very best rental properties. The sales market also continues to create a healthy rental sub-market, with many of those selling their property choosing to rent until a suitable property to buy comes to market.

We expect to see sustained growth in rental prices over the coming months while demand remains strong.

Indexed Average Weekly Rental Price / Stock Levels - Prime London (Base - Feb 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 340,000 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*****

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