

Yet again, the prime London market achieves record price growth, while the South East drives the momentum in the prime country market.

Headlines for March 2007:

- **Prime London property for sale** achieves a massive 27.4% annual rise in average sales prices, as it becomes increasingly detached from the mainstream property market.
- Despite a seasonal increase of stock in the market for **prime London property for sale**, up 6% on last month, it is not significant enough to halt the record-breaking price growth witnessed across the capital, with Central London prices up 29.3% and North West London prices up a staggering 37.5%.
- The market for **prime country property for sale** finally gathers pace, with annual price growth of 5.2% achieved in March 2007 and the average sales price in the region topping £500,000 for the first time.
- **Prime country property for sale** in the South East is responsible for much of the growth in prices, up 9.9% on last year, benefiting from the shortage of supply in the capital and increasing interest from overseas.
- **Prime London property to rent** has achieved robust annual price growth of 9.7%, although there are signs that prices are stabilising in the short-term, with no reported price inflation between February and March.

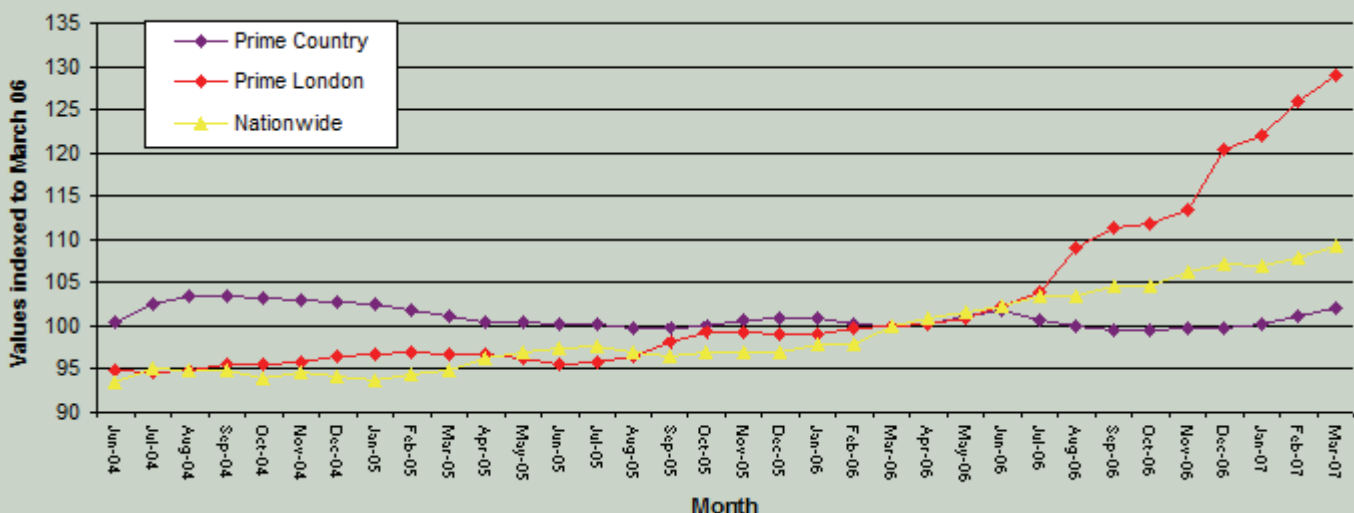
Primelocation's Chief Executive, Ian Springett, comments:

"Despite the desperate shortage of stock in the capital, demand from all sides is as strong as ever. The continuing imbalance of demand and supply has culminated in massive price growth, which is not just limited to the exclusive areas of Central London any more and is now being witnessed across the whole of the capital. Demand from overseas buyers remains the primary market driver, while significant amounts of bonus money from City employees has been pouring into the market since the turn of the year. Even the seasonal uplift in stock has failed to quash the tremendous surge in price inflation now being achieved across London.

"After months of only minimal gains, the prime country market has finally come to life, primarily driven by the South East which is now benefiting from the overspill of demand from the capital. With such limited choice in London, the Home Counties in particular are attracting increasing interest from overseas buyers and City employees looking to secure a prime country residence. It is quite possible that prices in the South East will be pulled further upwards by the prime London market, as both regions become increasingly detached from the mainstream country market.

"The prime rental market has displayed consistent growth over the last year, upheld by strong private and corporate demand. There are signs, however, that this growth may stabilise in the short-term as rental stock increases in the capital".

Indexed Average Sales Prices - Prime and mainstream property markets (Base - March 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 March 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 prime London property prices keep on rising, up 27.4% on last year.
- North West London property achieves the largest annual price rise, up 37.5% to reach £1.2 million.
- Despite property stock rising by nearly 6% on last month, it is not enough to curb price inflation.

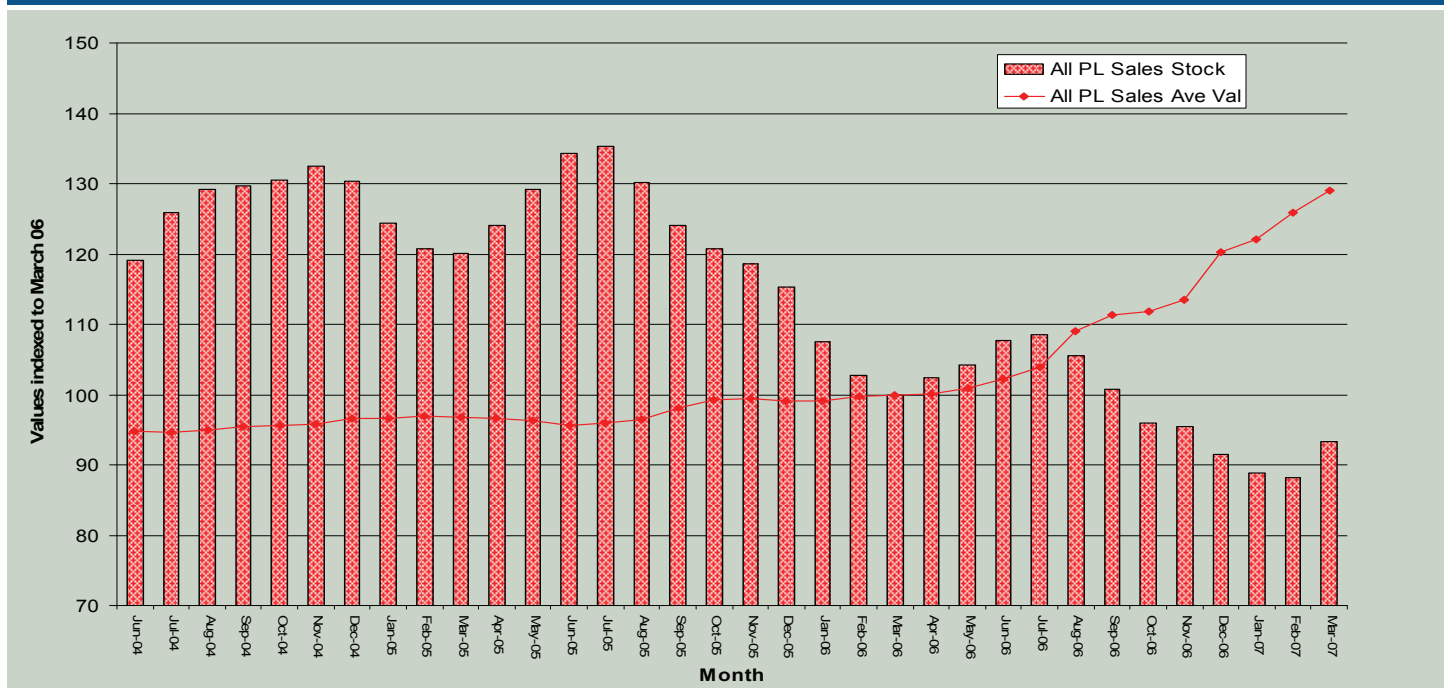
Average Sales Price* - Comparison (% Change)

Region	March 07	% Annual Change	% Monthly Change
Central London	£1,563,269	29.3%	3.3%
South West London	£797,846	17.3%	1.6%
North West London	£1,230,780	37.5%	6.8%
Islington, City & Docklands	£619,526	21.4%	2.8%
West & South West	£993,528	17.2%	1.0%
Overall Prime London	£1,147,578	27.4%	2.5%

London has fast become the real estate capital of the world, with prices reaching unprecedented levels over the last 12 months. Average sale prices have rocketed by 27.4% annually, with the most exclusive areas of London achieving the highest rises (Mayfair up 45.6%, Belgravia up 43.3%, Chelsea up 41.4%). But these rises are not just limited to Central London. North West London (including West Hampstead and Belsize Park) has seen a staggering 37.5% rise in prices and is quickly catching up with Central London as the most expensive area of prime London. With spiralling demand and a dearth of available property to buy, supply and demand remains seriously imbalanced. This in turn, has created a vicious circle, with potential sellers holding back from selling in fear of failing to find a suitable property to buy. Demand continues to be aggressive, with agents claiming that as many as 80-100 serious buyers are chasing each of the most desirable properties in London. Overseas buyers are a significant proportion of this demand, with buyers from China, the Middle East and India vying for the very best properties, alongside Western European and Russian buyers. Sheikh Hamad, the Foreign Minister of Qatar, is rumoured to have parted recently with £100 million to secure a prime flat in the prestigious One Hyde Park development, making it the most expensive flat in London. The tax loophole that allows wealthy overseas buyers to be resident in London without having to pay tax will continue to boost interest from abroad. In addition, the record City bonuses continue to seep into the capital, with much of it being invested in prime London property.

Under the current market conditions, we fully expect strong double-digit price growth to continue over the coming Spring months.

Indexed Average Sales Price / Stock Levels - Prime London (Base - March 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 finally gathers momentum, with prices up 5.2% annually and the average price topping £500,000 for the first time.
- The South East is driving the majority of price inflation, with prices up 9.9% on last year.
- Average prices in the South East hit record heights, as demand emanating from London overflows into the Home Counties.

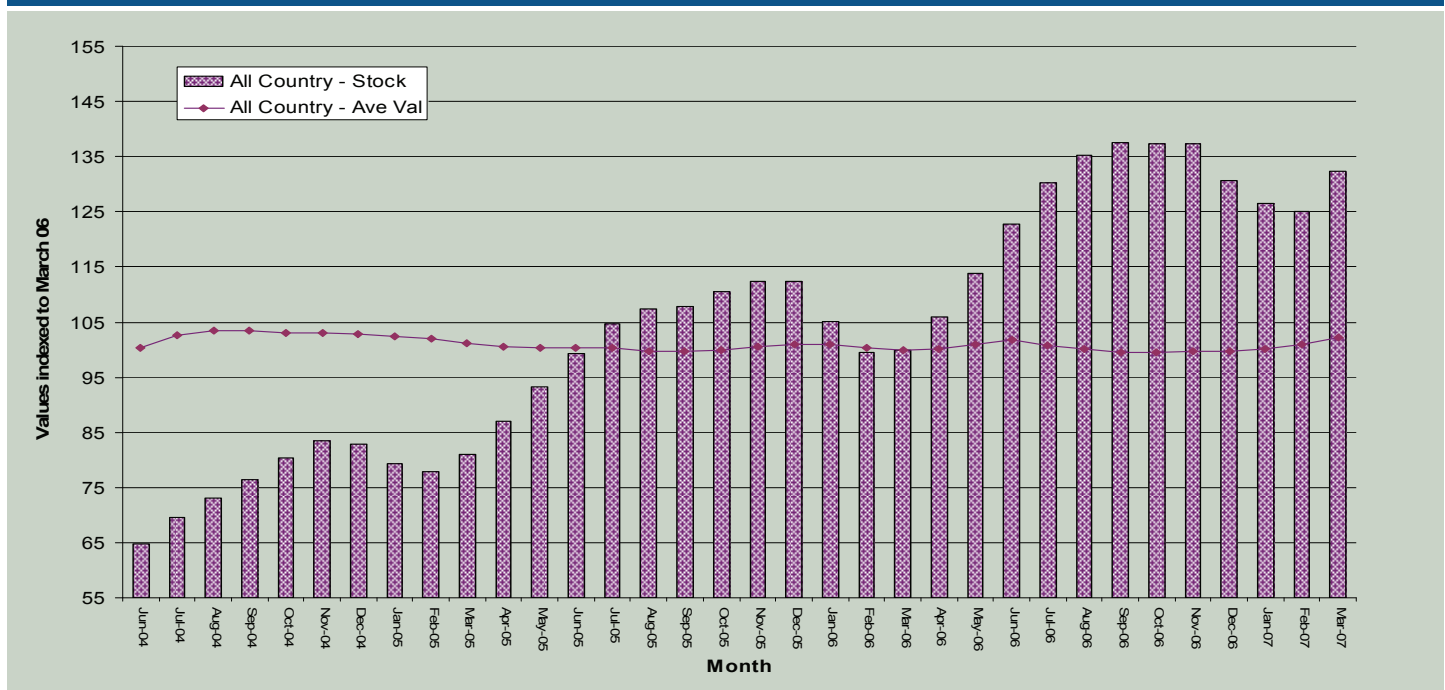
Average Sales Price* - Comparison (% Change)

Region	March 07	% Annual Change	% Monthly Change
South West	£430,738	2.9%	0.7%
South East	£640,258	9.9%	1.2%
East Anglia & East Midlands	£399,112	7.0%	1.0%
West Midlands & Wales	£435,295	1.1%	-0.5%
North	£510,407	1.1%	-0.3%
Scotland	£408,447	-4.7%	1.9%
Overall Prime Country	£507,032	5.2%	1.1%

Over the last year, London has become increasingly detached from the country market, with record price inflation in the capital contrasting with unspectacular price growth everywhere else. However, this month sees the prime country market finally gain some momentum of its own, with more purposeful annual price growth of 5.2%. The South East is leading the charge, with prices up 9.9% on last year, as the region continues to benefit from the 'London effect'. With so few properties available in the capital, both interest and demand have rippled out to the Home Counties, with wealthy City employees and overseas investors casting their nets further afield in search of the ultimate quality property. Indeed, Knight Frank recently reported that the number of London-based buyers registering for country property had risen 36% in January and February of this year, compared to the same period last year. It also cited the recent growth of overseas interest in the South East, claiming that 40% of buyers in the super-rich £10 million property bracket last year were from Russia. The East Anglia and East Midlands regions have also produced significant annual growth in prices, up 7.0% on last year. However, Scotland, after a sustained period of growth last year, is showing prices falling by 4.7% annually.

We expect growth in the South East region continue to over the coming Spring months, although a more subdued picture is expected in the wider country marketplace.

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



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

Prime London Lettings

- **Annual rental growth remains robust, up 9.7% annually to reach £925 per week.**
- **However, monthly rental growth has been suppressed by an increase in rental stock.**
- **Prices in the Islington, City and Docklands regions grow by 20.3% annually as demand intensifies.**

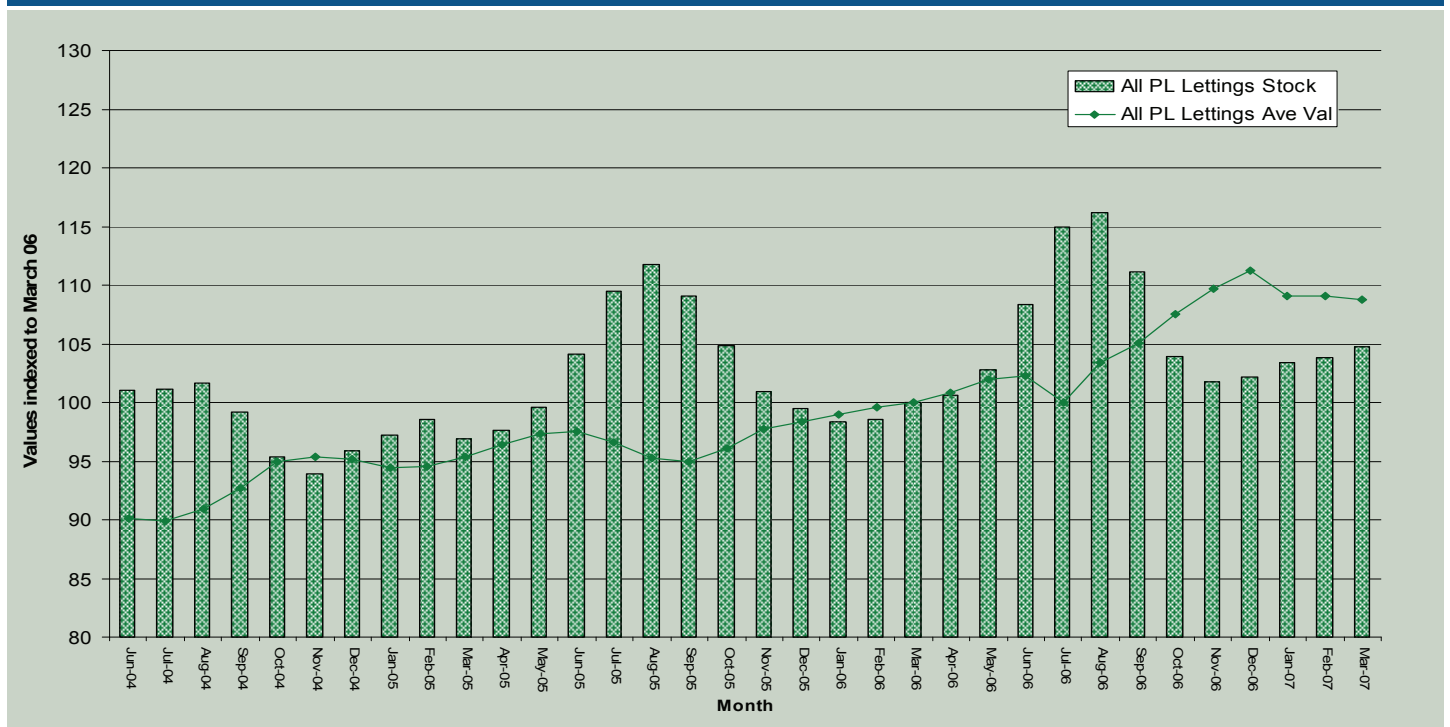
Average Weekly Rents* - Comparison (% Change)

Region	March 07	% Annual Change	% Monthly Change
Central London	£1,159	9.3%	-0.1%
South West London	£549	14.6%	1.5%
North West London	£903	11.7%	-0.5%
Islington, City & Docklands	£552	20.3%	1.6%
West & South West	£642	13.3%	2.0%
Overall Prime London	£925	9.7%	-0.4%

The prime London lettings market is showing robust annual price growth of 9.7%, continuing the trend seen over the last few months. However, there are signs that, in the short-term, price growth is beginning to stabilise, with no growth recorded since February 2007. But the market remains fiercely competitive, with sealed bids for prime rental property becoming increasingly common. One City agent has reported that around ten properties every month go to 'auctioned' bids, with at least five bidders for each property. At the very top-end of the market, prime properties are still commanding a premium, with 10 Park Street, Mayfair, rumoured to be the most expensive rental property on the market, with a weekly price tag of £40,000. The corporate lettings market remains a key component of demand, as London becomes the financial capital of the world and more and more businesses seek to relocate to the city. While Central London continues to command the highest prices, North West London is gaining ground, with prices here up 11.7% on last year, while the market in South West London remains buoyant, with annual price growth of 14.6%. The Islington, City and Docklands region continues to benefit from the 'Olympic effect' and the on-going regeneration, with prices rising by a firm 20.3% annually.

We expect annual price growth to remain robust, with unspectacular month-on-month movement in prices.

Indexed Average Weekly Rental Price / Stock Levels - Prime London (Base - March 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 over 4,000 agent firms listing their properties on Primelocation.com, representing some 8,500 offices both in the UK and abroad and advertising approximately 350,000 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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