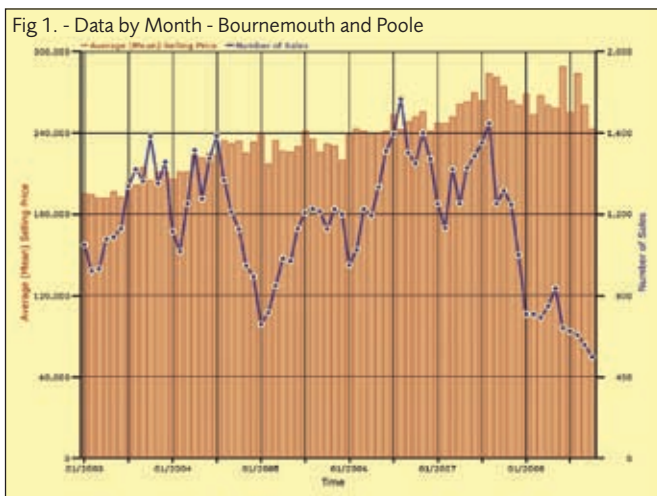


Welcome 2009

A very happy new year to all our readers and welcome to our second edition. Our goals are to inform and advise. We would be delighted to share further information with you. Please either pop into our office, visit our website www.youhome.co.uk or call **01202 544500**. We maintain extensive research on over 50 local areas so we have lots of information to share with you.

Our open and informative approach has led us to be the estate agent office with the largest number of listings (in excess of 200) within a year of opening. We also completed 7 property sales in December 2008 - we believe a record for an office of a local agent in the current market. We welcome your suggestions for content and exist to serve YOU.

Snapshot: a look at the current local property market



The residential property market remains very tough. Prices are correcting extremely quickly compared to previous property cycles. **Like for like sales values have already fallen 25% to 30% from their peak value.** As we predicted in our last issue, these steeper falls are now being reported in the press. The land registry data still lags the current market but is beginning to show the trends as shown in Fig 1. We feel that the current market is probably within 10% to 15% of the low point in this cycle - not a reason for serious buyers to hold back and we are seeing an increase in our property sales activity (the Bournemouth office of youhome[®] completed 7 sales in December

2008). Interest rates have fallen substantially (even though we will not return to the high multiple income lending of the past) and the reductions in interest rates are being passed on to a much larger extent than a couple of months ago so property is becoming more affordable. Investment buyers are beginning to appear as savings rates have fallen substantially and property yields are increasingly attractive. We continue to see demand from equity rich buyers. Some are holding off purchasing in expectation of further falls but the number of these buyers is increasing. The attractions of the Bournemouth and Poole resort just two hours from London with increasing amenities (such as the new Surf Reef) are clear.

These equity rich buyers are less dependent on the financial (credit) system and are eager to secure a home in a quality environment that suits their longer term lifestyle and is a reward for their hard work. The information below was kindly supplied to us supplied by Knight Frank.

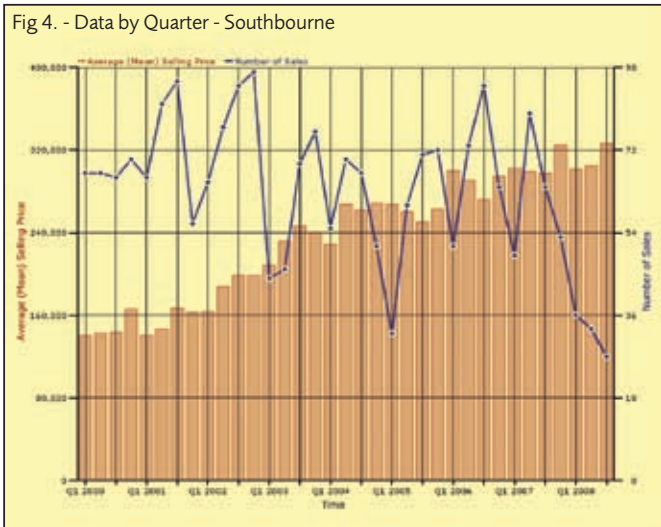
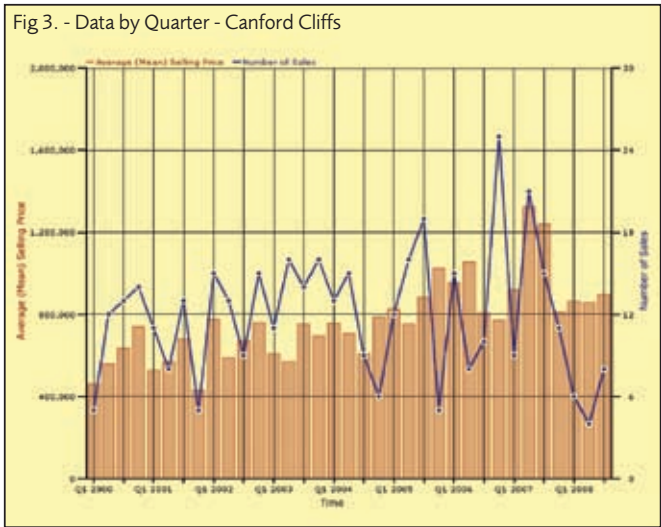
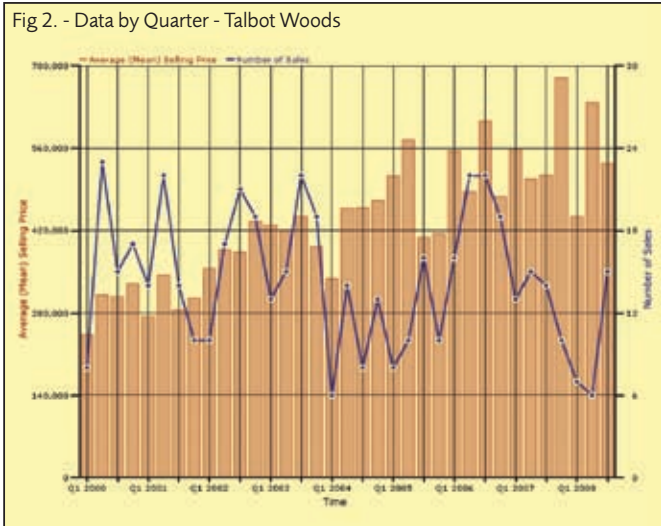
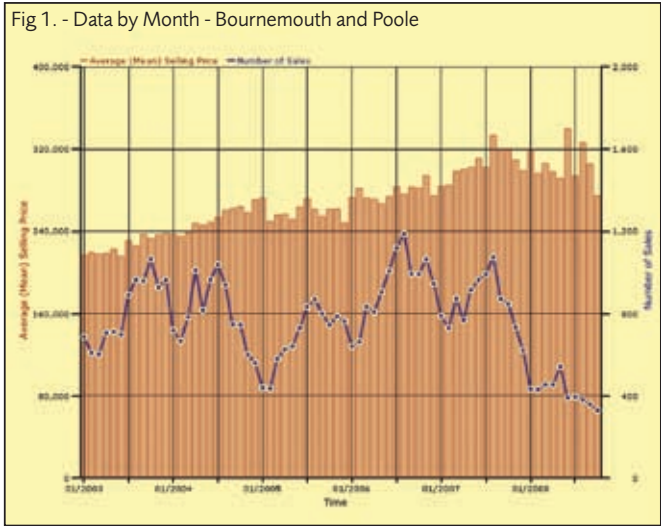
Age group	Households	Average property Value £	Debt	Equity	Average equity
16-24	160,522	106,700	91.4%	8.6%	9,176.20
25-34	2,314,631	149,000	88.5%	11.5%	17,135.00
35-44	4,075,200	189,500	87.7%	12.3%	23,308.50
45-54	3,728,264	203,400	76.2%	23.8%	48,409.20
55-59	1,974,599	209,400	57.3%	42.7%	89,413.80
60-64	1,348,044	198,200	46.2%	53.8%	106,631.60
65-69	1,223,768	198,500	20.7%	79.3%	157,410.50
70-74	947,600	191,900	9.4%	90.6%	173,861.40
75-79	716,310	188,100	1.4%	98.6%	185,466.60
80-84	415,978	190,000	2.4%	97.6%	185,440.00
85 and over	138,084	173,200	2.4%	97.6%	169,043.20
All ages	17,043,000	189,855			

Closeup: the local property market by type

Houses

House prices have fallen rapidly and are now close to their value in 2004. Sales volumes remain extremely low (Fig 1). Local analysis is essential for any property market appraisal - we include information below about houses in Talbot Woods (Fig 2) (prices falling gently), Canford Cliffs (Fig 3) (prices falling gently), Southbourne (Fig 4) (very low volume of

sales indicative of likely price falls ahead - indeed the average sale price of a house in Southbourne in October 2008 was a little above £250,000). We analyse 50 local areas independently, each covered by a local expert, so please contact us for further information.



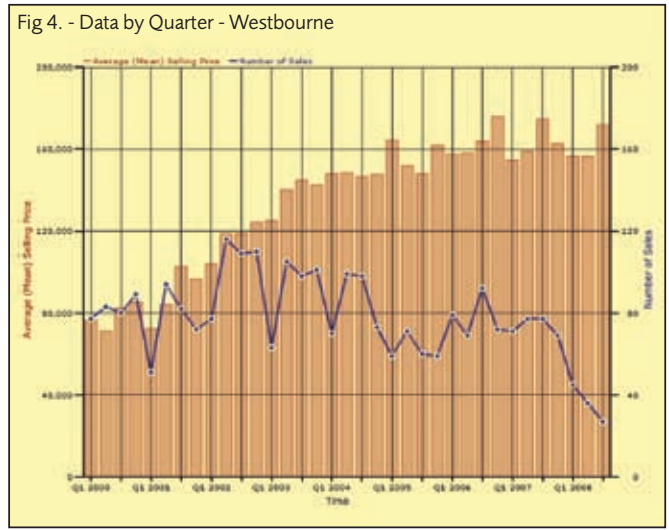
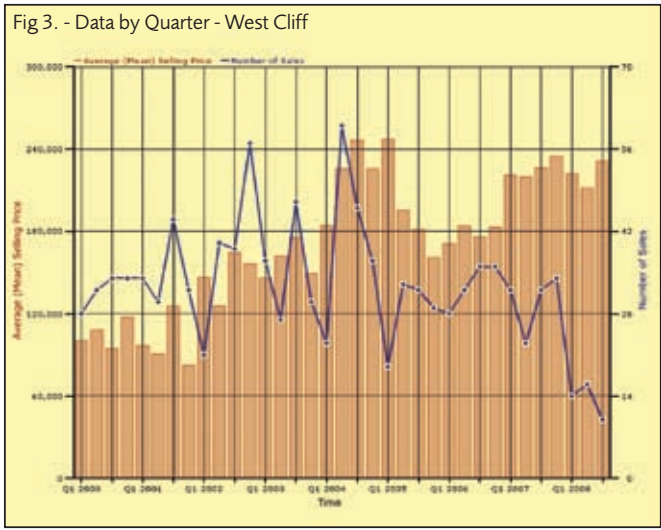
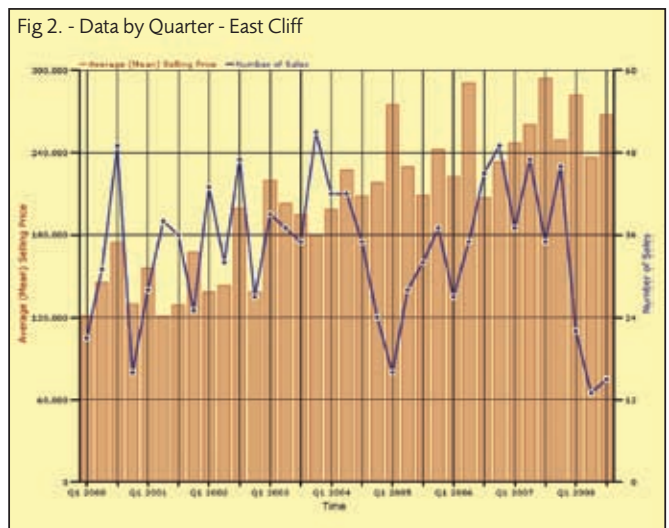
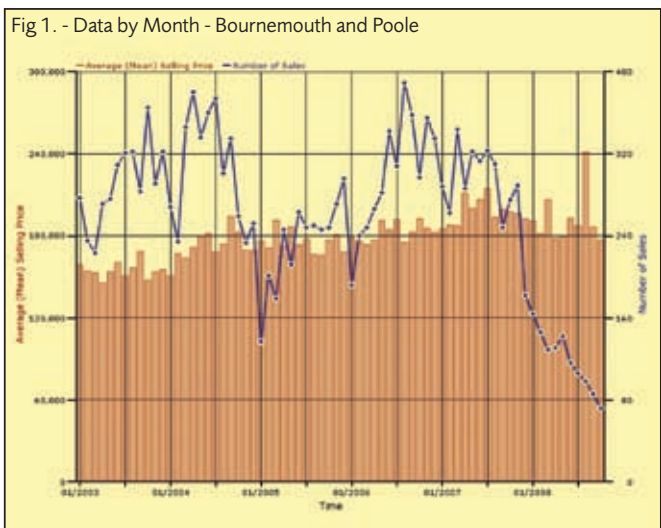
All charts include Land Registry information. © Land Registry. © youhome®.

Closeup: the local property market by type

Flats

Like for like flat sales prices have fallen and sales volumes have fallen substantially - this is highly characteristic of a falling market and a clear sign that prices may fall further (Fig 1). Special feature flats, such as those with sea views, will hold their value better. Local analysis is also essential for flats. Flat prices on the East Cliff are falling but still averaged £260,000 in the third quarter of 2008. Given the low sales volumes we have seen further price falls in October, November and December - indeed sold prices of flats on the East Cliff (Fig 2) averaged

£210,000 in October. On the West Cliff (Fig 3) prices have retreated to £230,000 on average in the third quarter of 2008 but sales volume is extremely low and we are seeing further substantial price falls - down to an average price of £190,000 per flat in October. Prices of flats in Westbourne (Fig 4) have also fallen. For the third quarter of 2008 sold prices were £172,000 on average falling to circa £160,000 on average in October. We analyse 50 local areas independently, each covered by a local expert, so please contact us for further information.



All charts include Land Registry information. © Land Registry. © youhome®.

...essential local property information...FOR FREE

Viewpoint: Opinions from the youhome® team

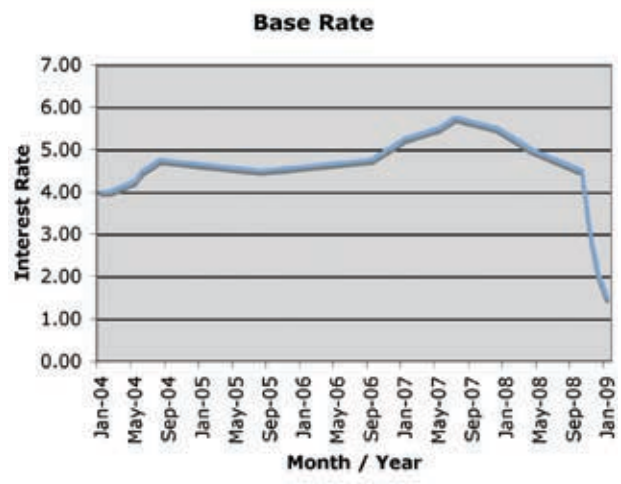
What does the low 1.5% interest rate mean to me?

As a buyer... your monthly mortgage costs will be reduced substantially making property much more affordable. It is unlikely that you will be able to borrow a higher income multiple (as we believe bank lending will continue to remain very conservative for some time to come) but we may see some lenders require smaller deposits as home prices have already fallen substantially from their peak. Rental yields on properties are in some cases much higher than deposit account interest rates increasing the attractiveness of property investment.

As a vendor... for well priced properties you will see more buyers expressing an interest in purchasing. Homes are now more affordable. We have sold 3 properties at or in excess of their asking prices in the past month.

How low will interest rates fall?

We believe probably to 1% in 2009 and possibly even lower. Interest rates are already close to 0% in the USA.



youhome® PROPERTY REPORT

- Sales history for your home
- Property sales prices in your area
- Comparable properties on the market and price changes
- Planning applications in your area

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For further information about youhome® or any of the articles in this or previous issues of PROPERTYtimes please call **01202 544500** or email **research@youhome.co.uk**.

Please look out for our March issue - if you would like our news letter emailed to you please advise us and we will be delighted to do this for you.

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