

The London Barometer/ Sales: June 2011

Market Comment

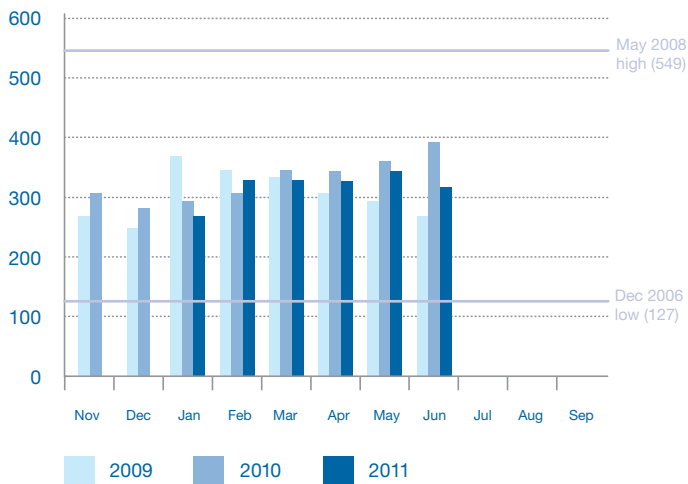
"June hasn't offered any relief from the current drought of properties on the market. With 20% less stock compared with June last year, and 10% fewer applicants, demand is diminishing at half the rate of supply.

"Consequently buyer demand continues to outstrip the supply of good properties in London ensuring prices remain steady. Most of the properties sell because they have been priced realistically.

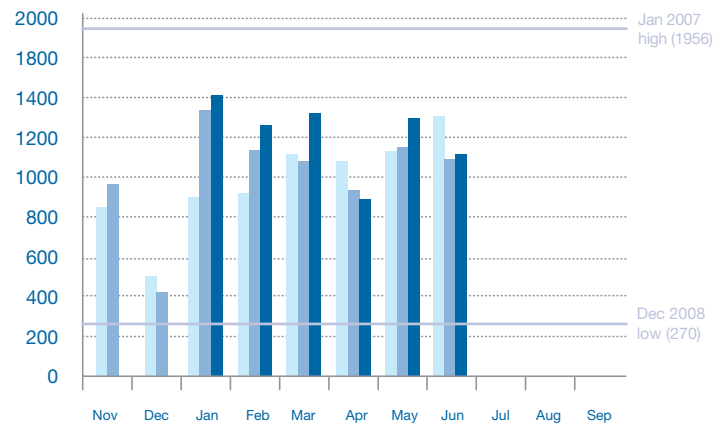
"It is a great market for vendors, but not for anyone involved in the service side of UK Property plc like moving companies, builders or surveyors etc as, quite simply, lower demand means fewer people are moving."

Ed Mead, Director

Supply*

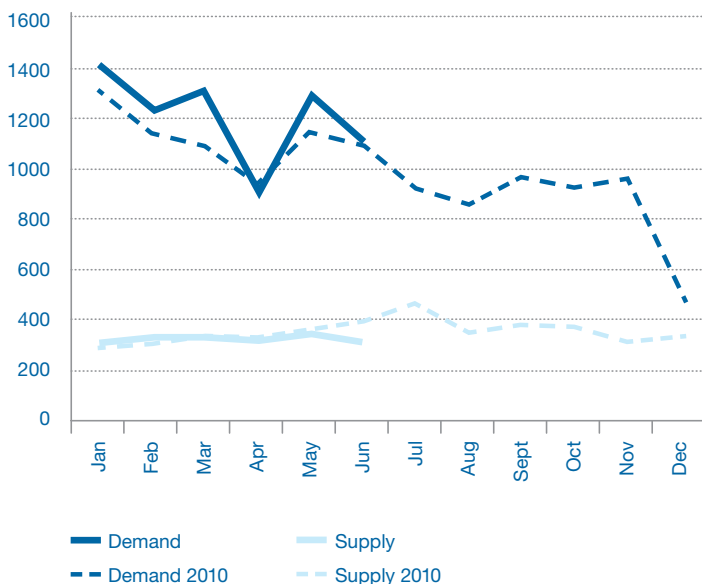


Demand*



*Supply and demand is determined by instructions and new applicants (respectively) within a given month across Douglas & Gordon's network of 13 sales offices in London

2011 Supply & Demand



Douglas & Gordon Average London Sales Price Index*

	Q2 2010	Q3 2010	Q4 2010	Q1 2011
1 bed flat	£ 361,250	£ 375,000	£ 361,667	£ 368,333
2 bed flat	£ 517,500	£ 523,750	£ 527,917	£ 543,333
3 bed house	£ 1,108,667	£ 1,101,667	£ 1,120,417	£ 1,174,167
4 bed house	£ 1,665,833	£ 1,658,333	£ 1,691,667	£ 1,780,833

*The D&G Average London Sales Index is based on a periodic re-valuation of each property type from every D&G office across London with the increase or decrease in their values averaged

The London Barometer/ Lettings: June 2011

Market Comment

"We have seen close to a 30% decrease in rental properties coming to the market in June 2011 compared to this time last year and a near 30% decrease in tenants choosing to terminate their current tenancies compared with last June, which highlights that tenants understand how difficult it is to find a new rental property and are opting to stay where they are.

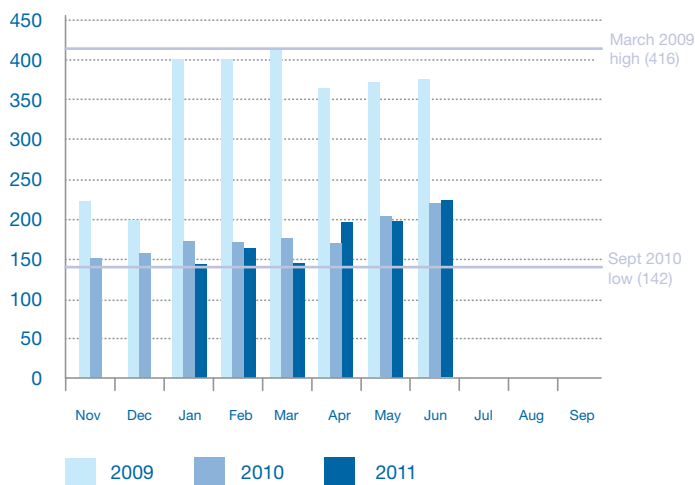
"The shortage of available properties and increasing rental prices in London is encouraging tenants to stay put, opting to renew to avoid the higher asking rents on new stock. Our figures show long term tenancies are becoming more commonplace and we expect to see the number of tenancies ending each month to decline further.

"Over 50% of our tenancies due to end in June have renewed and 64% of these landlords decided to increase the rental price, the rest preferring to keep their tenants happy and avoid any void periods.

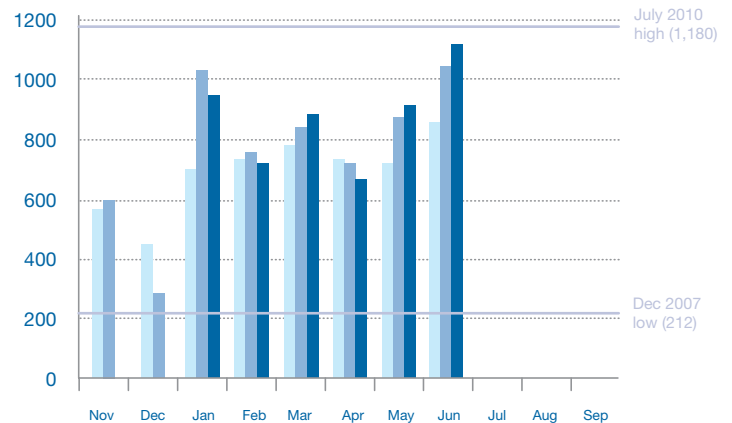
"Traditionally, June and July are two of the busiest months for the lettings market especially amongst the families wanting to move in time for the new academic year. With many families choosing to remain in properties in their chosen catchment area, there is currently a severe shortage of suitable family homes in London."

Virginia Skilbeck, Director

Supply*

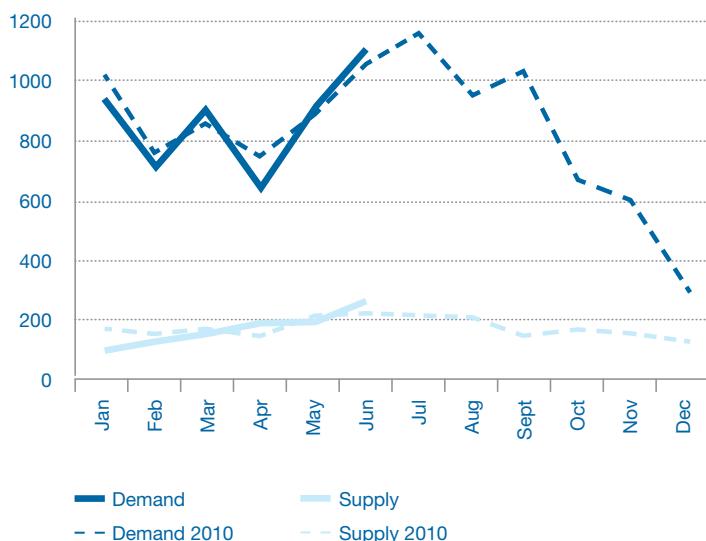


Demand*



*Supply and demand is determined by instructions and applicants (respectively) within a given month across Douglas & Gordon's network of 11 lettings offices in London

2011 Supply & Demand



Douglas & Gordon Average London Rent Index* (per week)

	Q2 2010	Q3 2010	Q4 2010	Q1 2011
1 bed flat	£ 362	£ 373	£ 376	£ 381
2 bed flat	£ 474	£ 491	£ 493	£ 503
3 bed house	£ 828	£ 840	£ 835	£ 860
4 bed house	£ 1,417	£ 1,468	£ 1,475	£ 1,530

*The D&G Average London Rent Index is based on a periodic re-valuation of each property type from every D&G office across London with the increase or decrease in their values averaged