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DESPITE HOUSING MARKET TURMOIL, NUMBER OF DAYS TAKEN TO SELL HOMES DECREASES

The average length of time it takes for a property to move from notification of sale to exchange has decreased according to figures issued today by LMS, the UK's leading provider of outsourced conveyancing, remortgage, survey and valuation services.

The LMS Quarterly Market Efficiency Monitor showed that during the first quarter of 2008, on average it took 55 days for the sale of a property to be completed, in comparison to 56 days for the same period last year.

Breaking the quarter down month-by-month, therefore allowing for further analysis, showed that the greatest decrease occurred during March whereby it took 52 days for the deal to be finalised, in comparison to 54 days in March 2007.

Dominic Toller, director of marketing and new business at LMS says: "Despite the housing turmoil that we've seen over the past three months, the average number of days it takes to sell a residential property has decreased slightly."

"When this figure is looked at in more detail, we can see a marked decrease between January (56 days) and March (52 days), showing the effect that HIPs are having on the industry."

"However, the length of time it takes for a property to sell is still too high. One of the key reasons being that in a slowing market you tend to find property chains have difficulty in settling, clearly making a big difference to the number of days taken to sell a property," continues Toller.

When looking at the figures on a regional basis, those properties that sold in the North of England experienced the greatest decrease year-on-year, with properties now only taking 47 days for completion during Q1 2008, in comparison to 51 days in Q1 2007. However, homes in Yorkshire saw the number of days it took to sell a property increase by three days - from 50 in Q1 2007, to 53 in Q1 2008.

Cancellations

The first quarter of 2008 has shown a marked increase in the number of cancellations seen across the UK, with cancellations occurring during Q1 (i.e. for those sales originating between October and December 2007) at 17%, in comparison to 13% for the same period last year.

However, if comparing Q1's figure (17%) with Q4 2007 (16%) the increase is not so marked.

"Given the turbulence of the market and the difficulties buyers are having getting access to finance, it is little wonder that the number of cancellations has increased," says Toller.

"As the effects of the credit crunch further embed themselves in the market, we anticipate that the next quarter's figures will be up considerably. However, without the introduction of HIPs last year, we could have expected this figure to be far worse," concludes Toller.