The main key questions:

1. How much do sale prices differ from previous valuations?
2. Are differences random or were sale prices consistently above or below the latest valuation?

The headline 2011 findings across the four major markets were as follows:

1. In 2010, the value weighted average absolute differences between sale prices and preceding Market Adjusted Valuations ranged from 8.8% in France to 14.2% in Germany. Treating all valuations equally - regardless of capital value - Germany reported the widest spread, at 16.3%.
2. Average weighted direction differences, which measure whether values were under or over stated, were positive in all four markets.
3. Germany was the only market where the majority of assets were sold at prices below their preceding Market Adjusted Valuations (Figure 1). When compared to 2009, the French and German markets saw a fall in the proportion of assets sold at prices above the preceding Market Adjusted Valuation.
4. UK market experienced the largest increase in its assets’ sale prices being sold above their preceding Market Adjusted Valuations (Figure 1), which is mirrored by an increase in capital value growth, which was significant when compared to the capital value losses observed in 2009.
5. Traditionally across all four markets, the trend was for more valuable assets to be sold at prices closer to their preceding Market Adjusted Valuations, as indicated by a lower weighted average absolute average difference than un-weighted. 2010 saw a continuation of this trend in all markets apart from Germany, where smaller assets were sold for prices more in line with their preceding valuations.
6. On an average weighted basis, all markets saw larger and more valuable assets sold at greater premiums to their preceding valuations than smaller, less valuable assets (Figure 2). In comparison with other markets, the UK saw the greatest weighted premium.
7. The spread of sale prices about preceding valuations was wider in all markets, apart from the UK, in 2010 with a noticeably lower proportion of transactions sold for within +/-10% and +/-15% of the preceding Market Adjusted Valuations in France and in the Netherlands, respectively, than in 2009. (Table 3)