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This is the sixth **Halifax Housing Market Confidence Tracker** and monitors public sentiment towards the housing market. The June survey was conducted by Ipsos MORI on behalf of Halifax. Interviewing took place between 5th and 19th October 2012.

Britons more optimistic about housing market prospects than a year ago... ... but North/South divide widens

More Britons expect house prices to rise than fall over the coming twelve months, according to the latest Halifax Housing Market Confidence tracker. Just over a third (35%) of respondents forecast that the average UK house price will rise over the next year, whilst a fifth of respondents (20%) predict a decline in prices over the same period.

This means that the headline House Price Outlook balance (i.e. the difference between the proportion of people that expect house prices to rise rather than fall) stood at +15 in October. Although the headline House Price Outlook balance is unchanged from the reading in June, confidence in house price prospects is significantly stronger than it was at the beginning of the year –the House Price Outlook is just over double the +7 recorded in January. It is also significantly stronger than the -2 of October 2011.

However, the outlook for the housing market remains subdued. The majority think that any house price change over the next twelve months will be relatively small with two-thirds (66%) expecting any movement to be between +5% and -5%. The average UK house price in September 2012 was 0.3% lower than in December 2011, according to the latest Halifax House Price Index.

Martin Ellis, housing economist at Halifax, commented:

"Despite some regional differences, the general improvement in confidence in the outlook for house prices over the past year reflects the relative resilience of the UK housing market. Although the weak economic climate remains a significant constraint on housing demand, the low level of mortgage payments relative to income continues to provide support for house prices. We expect house prices to be broadly unchanged over the rest of this year and into 2013.

Concerns over job security and raising a deposit continue to trouble buyers

More than half the respondents highlighted the challenges in raising a deposit (58%) and concerns about job security (51%) as the main barriers to buying a home. Respondents also picked out household finances (32%) and the general availability of mortgages (31%) as major hurdles to home buying.

North-South housing market divide widens....

The north-south divide regarding the outlook for national house prices over the next twelve months has widened. The average headline House Price Outlook balance (i.e. indicating

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whether more people expect house prices to rise rather than fall) across the regions in the south of the UK¹ stood at +17 in October 2012, more than double (105%) the average headline House Price Outlook balance for the north of the Great Britain (+8). This is nearly five times the divide in January's survey when the average headline House Price Outlook balance for the south of the country¹ (+8) was just over a fifth (22%) higher than average headline House Price Outlook balance for Northern Great Britain (+6).

Those living in the South West are the most optimistic with an overall net balance of +19%, closely followed by those living in London (+17%) In contrast, those living in Scotland and the East Midland are the most pessimistic about the outlook for house prices (both +4%).

... with concerns over job security greater in the North

More than half (56%) of respondents in the north of Great Britain indicated worries over job security as a major barrier home buying, greater than the average proportion in the South (48%)

ADDITIONAL FINDINGS

Public sentiment still points to a buyers' market

Over half the respondents (56%) think that it will be a good time to buy in the next 12 months. This is over five times the proportion of Britons that feel it will be a good time to sell (11%). Overall, less than a tenth of those questioned (9%) were positive about both buying and selling over the next year, suggesting that the level of housing market activity is likely to remain subdued.

Men are more optimistic than women about house price prospects

38% of men predict that house prices nationally will increase in the next 12 months compared with 34% of women. The House Price Outlook balance for men stands at +18 percentage points (38% minus 20%) compared with +12 percentage points for women (34% minus 22%).

The young are most optimistic over the outlook for house prices

16-24 year olds and 25-34s are the most optimistic regarding house prices with an overall net balance of +29 and +19 respectively in October. In contrast, 45-54 year olds (+2) have the least positive outlook for house prices.

Increase in the proportion of Britons expecting rents to rise in 2012

65% of respondents forecast that the cost of private sector renting will increase over the next year. Whilst this is down from 71% of respondents in March's survey it is up from 61% in June. Two-thirds, 67%, of those renting in the private sector think rents will be higher in 12 months time.

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Table 1: Headline House Price Outlook Net Balance by Region

	October 2011*	October 2012*	Annual Change
South West	3	19	16
London	13	17	4
East	-1	16	17
South East	1	16	15
North East	-5	14	19
West Midlands	-9	14	23
Wales**	-4	10	14
North West	-2	7	9
Yorkshire and Humber	-8	5	13
East Midlands	-12	4	16
Scotland	-17	4	21
GB	-2	15	17

Sources: Halifax, Ipsos MORI

*Net balance of the % of respondents that expect the average UK house price to rise over the next 12 months compared to those that expect house prices to fall.

** Small >100 base size.

¹The north consists of the North East, North West, Yorkshire & the Humber, East Midlands, West Midlands, Scotland and Wales. The south consists of Greater London, South East, South West and East of England.

Editors' Notes:

Methodology:

The Halifax Housing Market Confidence tracker monitors public sentiment towards the housing market. The survey, conducted by Ipsos MORI on behalf of Halifax, was undertaken between 5th and 19th October 2012.

Survey respondents were asked about property, defined as "house, flats, apartments and all types of accommodation". Interviews were undertaken face to face with a representative sample of 1,890 British adults aged 16+ across Britain. Data are weighted to the national population profile by age, sex, working status, region, ethnicity, and tenure.

Results are subject to sampling tolerances e.g. ± 2 for a 50% finding based on 1,890 adults (95% confidence level).

Full detail on the survey methodology, sampling tolerances, questionnaire and findings can be found at: www.ipsos-mori.com/

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Press Release



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