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This is the ninth **Halifax Housing Market Confidence Tracker** and monitors public sentiment towards the housing market.

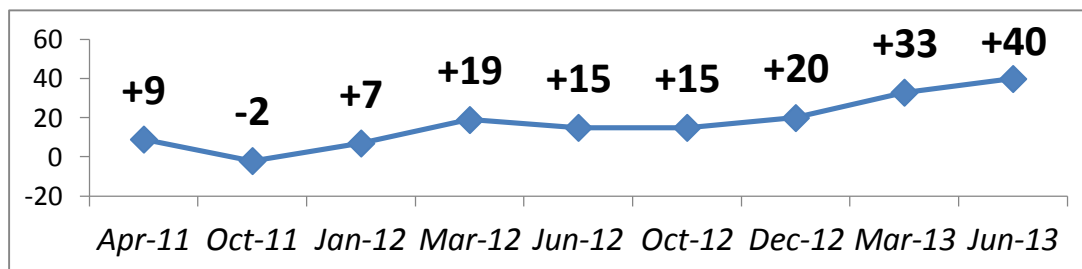
## House price expectations continue to rise

*1 in 4 expect house prices to increase by at least 5% in the next 12 months*

**Confidence in the housing market has risen significantly over the past three months, according to the latest quarterly Halifax Housing Market Confidence tracker.**

The tracker reveals that the headline House Price Outlook balance (i.e. the difference between the proportion of people across Britain that expect the average house price to rise rather than fall) stood at +40 in June. This was an increase of 7 percentage points compared with last quarter (+33) and was the highest score on this measure since the tracker began in April 2011. (See chart)

### House Price Outlook



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

### **Martin Ellis, housing economist at Halifax, commented:**

"Sentiment regarding the outlook for house prices has improved markedly over the past quarter, continuing the trend seen since late 2012. This increase in optimism is partly due to house prices being stronger than expected in the first half of the year. We continue to see a clear north / south divide with significantly higher proportions of people expecting prices to rise in the south than elsewhere in the UK.

"Nonetheless, the market still faces substantial headwinds with, for example, house prices remaining above the historical average in relation to earnings. Such factors are likely to prevent a sharp acceleration in house prices."

**More than half (52%) of British adults predict the average UK house price will rise over the next year** – an increase of 7 percentage points since March and 25 points since June 2012. Londoners are the most optimistic with nearly three-quarters (73%) expecting a rise. Those living in the North West are the least optimistic with just over a third (35%) of respondents predicting that the average price will rise.

Half (50%) of Londoners expect house prices to rise by 5% or more over the next 12

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months - double the UK average (24%). This is a substantial increase from 20% in 2013 quarter 1 and 18% a year ago.

The various initiatives designed to stimulate the market such as the funding for lending scheme, New Buy and Help to Buy equity share schemes appear to be working which is encouraging.

**Despite this, there has been little change in buying sentiment.** There has, however been a marked improvement in sentiment towards selling although the net balance remains against selling. A significantly higher proportion think that it will be a good time for people to buy (57%) than believe that it will be a good time to sell (30%) in the next 12 months.

Now, with the rise in those believing that it will be a good time to sell, just under a quarter (23%) believe that it will be a good time to both buy and sell over the coming 12 months. This compares with 16% three months' ago.

#### **Worries over job security and raising a deposit remain key obstacles to purchase**

Mentions about being able to afford a deposit increased significantly over the past quarter with 64% of respondents highlighting this as one of the main barriers to buying a home compared with 67% in Q1 2013. The proportion identifying concerns about job security has stayed unchanged at 58%.

#### **ADDITIONAL FINDINGS**

##### **Prices are expected to rise in all regions, but there is a clear north / south divide**

More people expect the average house price to rise than fall over the next 12 months in all regions. Whilst all regions have become more optimistic since the last survey, those living in London are the most optimistic with an overall net balance of +69, followed by the South East (+52) and the East of England (+49). In contrast, those living in the North West (+23), East Midlands (+25) Wales (+25) and Yorkshire and Humberside (+26) are the least optimistic.

##### **Regional variations in sentiment regarding buying...**

Regionally, Wales has the highest proportion of people thinking that it will be a good time for people to buy (66%), closely followed by the South East and East of England regions (both 63%). Whilst London has the lowest proportion with 47% of respondents feeling that it will be a good time to buy over the next 12 months, just below the West Midlands (49%).

##### **...but wider regional variations in sentiment towards selling**

London (41%) has the highest proportion of respondents who think that it will be a good time to sell during the coming year. In contrast, only 9% in Scotland believe that it will be a good time to sell.

##### **Men are a little more optimistic than women about house price prospects**

54% of men predict that house prices nationally will increase in the next 12 months compared with 49% of women. The House Price Outlook balance for men stands at +43 percentage points compared with +38 percentage points for women.

##### **Most expect rents to rise**

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Two-thirds (68%) of respondents predict that the cost of private sector renting will increase over the next year, continuing a steady upward trend since June 2012 (61%).

## Headline House Price Outlook (HPO) Net Balance by Region

	December 2012*	March 2013*	June 2013*
South West	23	23	41
London	15	52	69
East	11	44	49
South East	27	46	52
North East**	16	17	45
West Midlands	25	38	41
Wales**	11	10	25
North West	24	16	23
Yorkshire and Humber	26	17	26
East Midlands	20	37	25
Scotland	23	17	32
<b>GB</b>	<b>20</b>	<b>33</b>	<b>40</b>

Sources: Halifax, Ipsos MORI

Net balance (**HPO**) 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 base size >100 (June 2013)

### **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 21-27 June 2013.

Survey respondents were asked about property, defined as "houses, flats, apartments and all types of accommodation". Interviews were undertaken face to face with a representative sample of 1,959 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.  $\pm 2$  for a 50% finding based on 1,959 adults (95% confidence level).

Full detail on the survey methodology, questionnaire and findings can be found at: [www.ipsos-mori.com/](http://www.ipsos-mori.com/) with key findings presented in infographic format.

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"This report is prepared from information that we believe is collated with care, however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary

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# Press Release



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