

11/04/2013

NOT FOR BROADCAST OR PUBLICATION BEFORE 00.01 HRS Thursday 11th April 2013

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

House price optimism rises sharply

Optimism in house price prospects has risen significantly over the past three months, according to the latest quarterly Halifax Housing Market Confidence tracker.

The survey, which was conducted during the week of the Government's budget announcement, revealed 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 +33 in March. This was much higher than the +20 recorded in the last survey in December 2012 and is the highest since the survey began in April 2011.

More than four in ten (45%) respondents predict the average UK house price will rise over the next year. Only one in eight respondents (12%) forecast a decline in prices – the lowest proportion in the survey's history.

Sentiment over buying and selling points to continuing subdued activity

A significantly higher proportion think that it will be a good time to buy (55%) than believe that it will be a good time to sell (21%) in the next 12 months. The proportion thinking that it will be a good time to sell has, however, risen significantly since the last survey in December 2012 (13%).

Despite the rise in those believing that it will be a good time to sell, fewer than one in six (16%) believe that it will be a good time to both buy and sell over the coming 12 months.

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

Concerns about job security (58%) and the challenges in raising a deposit (57%) are highlighted by respondents as the main barriers to buying a home. There has been a slight rise in respondents identifying challenges in raising a deposit from 55% in December 2012. The proportion identifying concerns about job security is unchanged from three months' ago.

Martin Ellis, housing economist at Halifax, commented:

"There has been much more optimism about the prospects for the housing market over the past few months, particularly as the recent UK budget announced big plans for housing, and this seems to be reflected in the attitudes of the respondents. Sentiment regarding the outlook for house prices has improved markedly over the past quarter. This is likely to reflect the modest improvement in house prices nationally over recent months. A clear north / south divide exists with significantly higher proportions of people expecting prices to rise in the south than elsewhere in the UK.

"Only a small number think that it will be a good time to both buy and sell over the coming months. This finding indicates that the level of housing market activity is likely to remain

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subdued in 2013 despite the growing optimism regarding house price prospects."

ADDITIONAL FINDINGS

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

More people expect house prices to rise than fall over the next 12 months in all regions. Those living in London are the most optimistic with an overall net balance of +52%, followed by the South East (+46%) and the East of England (+44%). In contrast, those living in Wales (+10%) and the North East (+17%) are the least optimistic.

Regional variations in sentiment regarding buying...

Regionally, Wales and the South West have the highest proportion of people thinking that it will be a good time to buy (both 62%) whilst Scotland has the lowest proportion with 46% of respondents feeling that it will be a good time to buy over the next 12 months.

...but wider regional variations in sentiment towards selling

London (32%) 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

46% of men predict that house prices nationally will increase in the next 12 months compared with 42% of women. The House Price Outlook balance for men stands at +33 percentage points compared with +31 percentage points for women.

Most expect rents to rise

Two-thirds (67%) 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*
South West	23	23
London	15	52
East	11	44
South East	27	46
North East***	16	17
West Midlands	25	38
Wales**	11	10
North West	24	16
Yorkshire and Humber	26	17
East Midlands**	20	37
Scotland	23	17
GB	20	33

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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 <100 base size (March 2013).

*** **Small <100 base size (December 2012 and March 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 15th March and 2nd April 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 1,702 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 **1,702** 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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