



NOT FOR BROADCAST OR PUBLICATION BEFORE 00.01 HRS Tuesday 1st November 2011

This is the second **Halifax Housing Market Confidence Tracker** and monitors public sentiment towards the UK housing market. The October survey was conducted by Ipsos MORI on behalf of Halifax. Interviewing took place between 7th and 13th October 2011.

Confidence in the housing market weakens amid the economic uncertainty

More people expect house prices to fall rather than rise over the next year, according to the latest Halifax Housing Market Confidence tracker. 30% predict that the national average house price will decline over the next twelve months. However, this is only marginally more than the 28% that forecast a price rise over same the period, suggesting an evidently polarised outlook towards the market.

The headline House Price Outlook balance has therefore slipped into negative territory with an overall balance score of -2 percentage points (28% minus 30%) compared with the positive reading of +9 (32% expecting a rise minus 23% expecting a fall) recorded in April's survey.

But house price movements are expected to be modest

Nonetheless, the majority of respondents expect any change in house prices over the next year to be relatively modest with 57% expecting any movement to be between +5% and -5%. Furthermore, more than a quarter (27%) think that house prices will be unchanged in a year's time.

North-South divide in the outlook for house prices

There is a clear North-South divide regarding the outlook for house prices over the next twelve months. The only three UK regions with a positive headline House Price Outlook balance (i.e. indicating that more people expect house prices to rise rather than fall) are in southern England. Londoners are most optimistic with an overall net balance of +13, followed by the South West (+3) and the South East (+1). In contrast, those living in Scotland are the most pessimistic about the outlook for house prices (-17). *(See Table 1 for details)*

Job insecurity and raising a deposit are seen as the main obstacles to home buying...

Over half (57%) cited concerns over job security as one of the main obstacles to buying a home (up five points on April). A quarter (25%) also identified worries over household finances as a key barrier to house purchase (down six points).

Current conditions in the UK mortgage market continue to weigh on buyers with 57% believing that concerns over being able to raise a deposit are a major barrier to home buying (up seven points).

...but it's a better time to buy than sell

More people believe that it is currently a buyer's market with 53% of all respondents thinking that it is currently a good time to buy. This is more than four times the proportion thinking that it is a good time to sell (13%). These sentiments have hardened significantly over the past six months.

Now, only 9% of adults, and the same proportion of owner-occupiers, think the next twelve months will be a good time to buy and a good time to sell.

Martin Ellis, housing economist at Halifax, commented:

"It is unsurprising that confidence in the housing market has been shaken a little over the last few months given the increasing uncertainty about the current economic environment, together with pressure on householders' finances from weak earnings growth, higher inflation and tax rises. However, despite this deterioration in sentiment, record low interest rates continue to help to support the market. House prices nationally have changed little overall since the start of the year and we expect little change in both prices and activity over the next few months."

OTHER KEY FINDINGS

Owner occupiers:

- Owner occupiers are more pessimistic about the prospects for the housing market than the public as a whole. 33% of existing homeowners think that the national average price will be lower in 12 months time compared with 26% who think that it will be higher (a net balance of -7 percentage points and worse than the +5 recorded in April).
- 80% of owner occupiers think the next 12 months would be a bad time to sell (up 16 points since April). 58% think it would be a good time to buy.

Rental market:

- 66% of adults think that private rents will rise over the next 12 months, compared to just 3% who believe that rents will fall.
- Private renters share similar sentiments (69% and 5% respectively).

Table 1: Headline House Price Outlook (net balance) by region

Region	House Price Outlook (headline net balance*)
London	+13
South West	+3
South East	+1
North West	-2
Eastern	-1
Wales	-4
North East	-5%
Yorkshire and Humber	-8
West Midlands	-9
East Midlands	-12
Scotland	-17
UK	-2

Base: 1,986 British adults aged 16+, (unweighted) base sizes for regions range from 138 (Wales) to 239 (North West)

Source: Halifax/Ipsos MORI

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

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 7th and 13th October 2011.

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 1,986 British adults aged 16+ using 155 sampling points 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 1,986 adults (95% confidence level).

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

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For the latest housing research, previous releases, and for information on the Halifax House Price Index, please follow this link:

http://www.lloydsbankinggroup.com/media1/economic_insight/halifax_house_price_index_page.asp

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