

01/01/2013

NOT FOR BROADCAST OR PUBLICATION BEFORE 00.01 HRS Tuesday 1st January 2013

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

House price optimism on the up for 2013

More people expect house prices to rise than fall over the coming twelve months, according to the latest Halifax Housing Market Confidence tracker. Nearly four in ten (38%) respondents predict the average UK house price will rise over the next year, whilst less than a fifth of respondents (18%) forecast a decline in prices.

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 +20 in December. This is the highest reading since the survey began in April 2011, surpassing the previous high of +19 in March 2012. Optimism has risen since the last survey in October when the House Price Outlook balance stood at +15.

Martin Ellis, housing economist at Halifax, commented:

"Conditions in the housing market have been largely unchanged over the past 12 months with little overall movement in either house prices or sales for the second consecutive year. This remarkable stability, given the poor domestic and overseas economic climate, has probably been a key driver of the improvement in sentiment regarding the outlook for house prices over the coming year.

"Ongoing concerns over job security and the challenges in raising a deposit are likely to constrain housing demand and activity next year. Accordingly, we expect continuing broad stability in house prices nationally in 2013."

Sentiment over buying and selling points to continuing subdued activity

More than half the respondents (53%) think it will be a good time to buy in the next 12 months. This is nearly four times the proportion feeling it will be a good time to sell (13%). Fewer than one in ten (9%) think it will be a good time to both buy and sell over the coming months, suggesting the level of housing market activity is likely to remain subdued in 2013.

Concerns over job security and raising a deposit are main obstacles to purchase

More than half the respondents highlighted concerns about job security (58%) and the challenges in raising a deposit (55%) as the main barriers to buying a home. The proportion highlighting concerns about job security is 7 percentage points higher than in October (51%). There has been a slight decline in respondents identifying the general availability of mortgages as a major hurdle to home buying from 31% in October to 29%.

ADDITIONAL FINDINGS

Modest price changes predicted

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Despite the overall improvement in sentiment, the majority think that any house price change over the next twelve months will be relatively small with just under two-thirds (64%) expecting any movement to be between +5% and -5%.

Prices expected to rise in all regions

More people expect house prices to rise than fall over the next 12 months in all regions. Those living in the South East are the most optimistic with an overall net balance of +27%, closely followed by Yorkshire and the Humber (+26%) and the West Midlands (+25%). In contrast, those living in the East of England and Wales are the least optimistic about the outlook for house prices (both +11%). London has an overall net balance of +15%; the lowest score for the capital since October 2011.

Men are marginally more optimistic than women about house price prospects

39% of men predict that house prices nationally will increase in the next 12 months compared with 36% of women. The House Price Outlook balance for men stands at +21 percentage points (39% minus 18%) compared with +20 percentage points for women (36% minus 16%).

Significant differences by age with the young the most optimistic

16-24 year olds are the most optimistic regarding house prices with an overall net balance of +39. Those in the 55-64 year age bracket are the least positive (+9) followed by those aged 45-54 (+15).

Regional variations in sentiment regarding buying...

Regionally, the North East has the highest proportion thinking that it will be a good time to buy (66%) whilst London has the lowest proportion with 39% feeling that it will be a good time to buy over the next 12 months.

...and selling

The South East (23%) and London (20%) have the highest proportion of respondents thinking that it will be a good time to sell during the coming year. In contrast, only 6% in the North West and 7% in the North East believe that it will be a good time to sell.

Majority expect rents to rise in 2013

Two-thirds (66%) of respondents predict that the cost of private sector renting will increase over the next year. This is up slightly from 65% of respondents in October. Those renting in the private sector (62%) expect rents to rise over the next 12 months.

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Headline House Price Outlook (HPO) Net Balance by Region

	October 2012*	December 2012*
South West	19	23
London	17	15
East	16	11
South East	16	27
North East***	14	16
West Midlands	14	25
Wales**	10	11
North West	7	24
Yorkshire and Humber	5	26
East Midlands	4	20
Scotland	4	23
GB	15	20

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 (October 2012).

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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 30th November and 10th December 2012.

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 1,890 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 1,927 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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