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This is the fourth **Halifax Housing Market Confidence Tracker** and monitors public sentiment towards the housing market. The March survey was conducted by Ipsos MORI on behalf of Halifax. Interviewing took place between 23rd and 29th March 2012.

Public confidence in the housing market continues to rise

Britons are becoming increasingly confident in the outlook for the housing market, according to the latest Halifax Housing Market Confidence tracker. Over 1 in 3 (39%) of respondents predict that house prices nationally will increase over the next year, almost double the proportion that believe house prices will fall (20%).

As a result, the headline House Price Outlook balance (i.e. the difference between the proportion of people that expect house prices to rise rather than fall) increased to an overall balance score of +19 percentage points in March. This is more than double the reading of +7 in January's survey. This is also the most positive view since Halifax began measuring consumer confidence in the housing market 12 months ago.

A distinct North-South divide in housing market confidence

In this quarterly survey, all 11 regions saw a greater number of respondents with a belief that house prices will rise rather than fall over the next year. This compares with eight regions in January and just three in last October's survey. A distinct north-south divide has become ever more apparent, with the average House Price Outlook balance in the south¹, at +26, more than double that in the north (+12). The north-south divide gap has widened significantly since January's survey when housing sentiment in the south (+8) was only slightly more positive than in the north (+6).

Londoners remain the most confident about the prospects for the housing market with an overall net balance of +29, followed by the East (+26), the South West (+24) and the South East (+23). At the other end of the spectrum, those in the North East have the least positive outlook for house prices (+6). (**See Table 1**)

Sentiment towards selling improves but far more think it is a good time to buy

Consistent with the improvement in house price expectations, the net balance of those that believe it is a good time to sell has improved significantly; almost halving from -64 in January to -38 in March. Despite this improvement in sentiment regarding selling, over half (55%) think now is currently a good time to buy - more than double the proportion that believe it is a good time to sell (24%).

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Economic uncertainty continues to constrain housing demand

Notwithstanding the improvement in sentiment regarding the housing market outlook, nearly two-thirds (61%) identified concerns over job security as the main headwind facing potential homebuyers. The challenges of raising a deposit were identified as the second biggest constraint (45%). Additionally, over a quarter of all respondents thought that the state of household finances (27%) and the general availability of mortgages (25%) were major obstacles to home buying.

The cost of renting is expected to continue to rise

71% predict that the cost of renting in the private sector will increase over the next 12 months, compared with just 2% who think that rents will fall. This resulted in a net balance of +69 in March, up from +58 in January.

Martin Ellis, housing economist at Halifax, commented:

"It is encouraging that the level of consumer confidence in the housing market continues to improve, albeit from a very low base. This is consistent with the broad stability that we have been seeing in house prices nationally in recent months. According to the latest Halifax House Price Index, house prices in the first quarter of 2012 were just 0.1% lower than the final quarter of 2011.

"There is, however, a substantial north-south divide to the improvement in housing confidence which is reflective of property prices in the South currently more resilient than in the North. Overall, we continue to expect little overall movement in prices this year provided that the UK economy does not suffer a pronounced weakening."

Table 1: Headline Housing market outlook net balance by region

	House Price Outlook (headline net balance*)
London	29%
East	26%
South West	24%
South East	23%
North West	19%
East Midlands	17%

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Wales	12%
West Midlands	11%
Yorkshire and Humber	11%
Scotland	10%
North East	6%
GB	19%

Sources: Halifax, Ipsos MORI

Editors' Notes:

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

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

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 23rd and 29th March 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 2,029 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 2,029 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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