

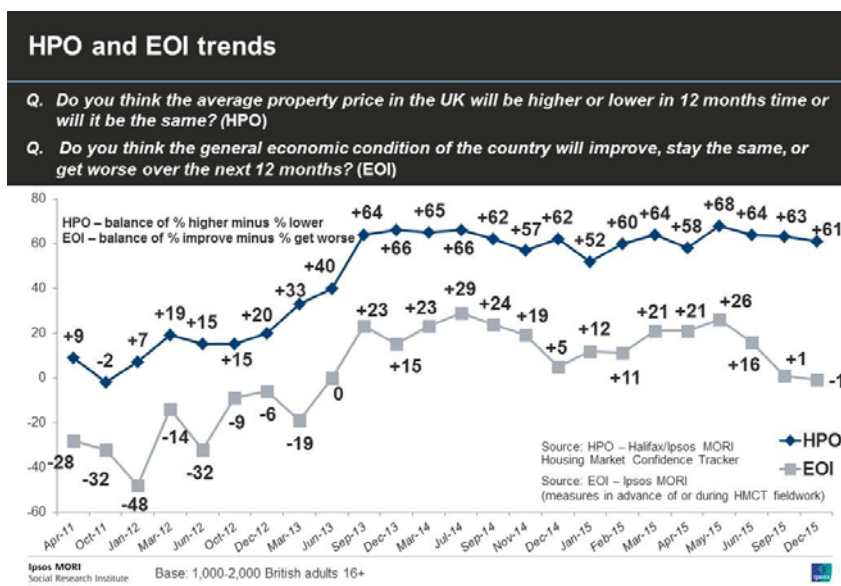
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## Public cooler on local house price prospects than national picture

- But most expect price growth where they live during 2016
- Survey also shows people underestimate extent of past house price rises

Alongside annual house price inflation running at 10% and the average house price standing at £208,286<sup>1</sup>, two-thirds of Britons (67%) expect property prices to continue to increase during 2016.

Confidence in the outlook for house price growth has fallen only a little alongside growing concerns about the economy<sup>2</sup>, according to the latest quarterly Halifax Housing Market Confidence Tracker. House price optimism (HPO<sup>3</sup>) remains high at +61 in Q4 2015 compared with +63 and +64 in Q3 and Q2 respectively. Now two-thirds of Britons (67%) expect the average property price to be higher in 12 months' time and 6% expect it to be lower. One in five Britons (20%) predict no change.



### Regional view

But when asked about the average property price in 12 months' time **in the area where they live**, only 58% of the British public expect this to rise, 27% think it won't change and

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6% expect a fall. Still, 14% expect a local property price rise of 10% or more, similar to the 13% who think this will happen nationally.

The survey shows marked regional differences, reflecting variations in the housing market, as well as in supply and demand. For example, compared to people in North England and the Midlands, those living in London and the South of England are more likely to expect the UK average to be higher at the end of 2016. While 71% in the capital and 75% in the South of England expect the average property price to rise, the same is true of 63% across the North of England and 59% in the Midlands.

Differences are also evident in regional outlooks for local prices. Seven out of ten in London (72%) and the South (71%) think that local property prices will be higher in the next year compared to just half or less in the Midlands (53%) and the North of England (45%). In London, 15% – one in seven – expect prices there to rise by 15% or more.

## **Scale of past house prices underestimated**

As well as asking people to estimate what will happen to average prices, the survey asked them how much they thought prices *had* changed in the 12 months up to October 2015 (when the average price was £205,240). On average, the public thought there had been a 1% rise, compared to the reality of 10% between October 2014 and October 2015<sup>4</sup>.

Those living in the North England are more likely than average to think that prices were the same or higher a year previously.

## **Craig McKinlay, Mortgages Director at Halifax, said:**

*“A north/south divide is clear from the survey with those living in the north less likely to expect price gains over the coming year. This largely reflects the regional house price pattern experienced over the past few years with London and the South East leading the recovery.”*

- ENDS -

## **NOTES TO EDITORS:**

<sup>1</sup> The [January 2016 Halifax House Price Index](#) reported that the average house price was £208,286.

<sup>2</sup> The difference between the proportions saying the next 12 months will be a good time to buy/sell minus the proportion saying it will be a bad time to buy/sell. Economic optimism (collected via a separate Ipsos MORI survey) is calculated as the net balance of the % of respondents that think the general economic condition of the country will improve over the next 12 months less those that expect it to get worse.

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<sup>3</sup> HPO is calculated as the net balance of the % of respondents that expect the average UK house price to rise over the next 12 months less those that expect house prices to fall.

<sup>4</sup> October 2014 and 2015 figures according to the Halifax House Price Index. The average public estimate of house price movement was derived by showing respondents potential movements (in percentage and price terms) and then averaging the prices given by all those providing an answer.

**Methodology:** The Halifax Housing Market Confidence tracker monitors public sentiment towards the housing market. The latest wave of the survey, conducted by Ipsos MORI on behalf of Halifax, was undertaken between 4-18 December 2015 across Britain.

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 1,956 British adults aged 16+ across Britain. Data are weighted to the national population profile by age, sex, working status, social grade, region, ethnicity, and tenure.

Results are subject to sampling tolerances e.g. +/-2 for a 50% finding based on **1,956** adults. Full detail on the survey methodology, questionnaire and findings can be found [here](#):

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