



FOR IMMEDIATE RELEASE

Confidence in UK housing market cooled in November

- Fewer people think the value of their home rose this month compared to October
- Sentiment towards future house price growth remains stable
- Insufficient savings remain the biggest barrier to buying a home

Fewer households across the UK think that the value of their home increased in November compared to last month, according to the latest House Price Sentiment Tracker from Halifax.

The survey, conducted in partnership with IHS Markit, found that just 14% of those asked in November felt the value of their home rose over the last month, compared to 17% in both September and October. However, this does remain significantly above the low of 4% recorded during the first national lockdown in May.

The resulting House Price Sentiment Tracker – a single figure indicator of perceived changes in house prices, where any figure above 50.0 indicates that people believe prices are increasing and any figure below 50.0 that they are decreasing – fell in November, from 52.4 to 51.6, registering just above the neutral threshold for the third month running.

Outlook for house prices

More people think their house will be worth more in 12 months' time than those who think it will be worth less.

Just over a quarter (27%) of households believe the value of their home will have increased by this time next year, compared to just 16% back in May.

One in five people (18%) now think the value of their property will be lower in 12 months' time, down from a peak of around one third (34%) of respondents in May. Meanwhile

The resulting Tracker figure for people's views on future house prices registered above 50.0 for the fourth successive month, at 54.8, having recovered nearly 14 points from May's low.

Russell Galley, Halifax Managing Director, said: "UK households remain broadly confident in the strength of the property market. The perceived rate of house price growth weakened slightly during November but is nonetheless above average and a noticeable reversal from the period of negative sentiment we saw between April through to August.

"People also remain cautiously optimistic that property prices across the country will be higher in 12 months' time. However, expectations softened from October, and remain subdued by historical standards. This is unlikely to change significantly while the macroeconomic landscape remains uncertain, with most housing market experts predicting greater downward pressure on house prices as we move into 2021."

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Barriers to buying a home

The survey also asked those respondents who are renting, but do not plan to purchase a property in the next two years, to select what factors were holding back their purchases. Of those respondents, two-thirds (67%) noted that a lack of savings was holding them back from buying. Other common factors included not earning enough (55%) and a poor credit score (26%).

Future housing market activity

Amid the ongoing economic uncertainty, around 8% of UK households said they planned to buy a property within the next year. Around one in seven households surveyed (13%) expect to purchase a home within two to five years, with a further 14% planning to purchase within the next five to 10 years.

On a regional basis, one in 10 households in London and the South East (both 11%), are planning a property purchase in the next 12 months. At the other end of the scale is Scotland where just 2% of households surveyed expect to make a property purchase in the coming year.

People aged between 25 and 34 are the most likely to be considering buying a home in the near term, with 13% of respondents saying they plan to purchase in the next year. This compares with just 6% of those aged between 18 and 24 and an even smaller proportion of those aged 55-64 (3%).

Regional confidence

In seven of the 11 monitored regions people felt that property prices rose on the previous month, with the sharpest increase signalled in Yorkshire & Humberside, followed by the South West of England.

Elsewhere, households in the East of England, Wales, London and the North East of England, felt that the value of their home had fallen, with the rate of decline sharpest in the North East.

Regional disparity was also evident with regard to future prices; households in the South West of England were most confident of higher property prices in the next year, while in the North East of England sentiment turned negative for the first time since August, albeit only slightly.

**Change in current and future prices
12-month change**



**Current and future prices by region
November 2020**



Source: IHS Markit/Halifax

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Notes:

This release is intended for the sole use of journalists and media professionals.

About the House Price Sentiment Tracker

The Halifax House Price Sentiment Tracker is based on the House Price Sentiment Index (HPSI) survey first conducted in February 2009 and compiled each month by IHS Markit. The survey is based on monthly responses from approximately 1,500 individuals in Great Britain, with data collected by Ipsos MORI from its panel of respondents aged 18-64. The survey sample is structured according to gender, region and age to ensure the survey results accurately reflect the true composition of the population. Results are also weighted to further improve representativeness.

Prior to September 2010, the Household Finance Index was jointly compiled by YouGov and IHS Markit based on monthly responses from over 2,000 UK households, with data collected online by YouGov plc from its representative panel of respondents aged 18 and above. The panel was structured according to income, region and age to ensure the survey results accurately reflected the true composition of the UK population. Results were also weighted to further improve representativeness.

The House Price Sentiment Index is prepared from information that IHS Markit and Halifax believe is collated with care, but IHS Markit and/or Halifax do not make any warranty, guarantee or representation as to its accuracy, timeliness or completeness, or its fitness for any particular purpose. The Index is provided on an "as is", "where is" basis. IHS Markit reserves the right to vary or discontinue the Index at any time. Various factors, including external factors beyond IHS Markit and Halifax's control might necessitate material changes to the Index.

Index numbers

Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline. These indices vary between 0 and 100 with readings of exactly 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 50.0 signal a decline or deterioration.

Ipsos MORI technical details (November survey)

Ipsos MORI interviewed 1500 adults aged 18-64 across Great Britain from its online panel of respondents. Interviews were conducted online between November 12th – 16th 2020. A representative sample of adults was interviewed with quota controls set by gender, age and region and the resultant survey data weighted to the known GB profile of this audience by gender, age, region and household income. Ipsos MORI was responsible for the fieldwork and data collection only and not responsible for the analysis, reporting or interpretation of the survey results.

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