

Headlines:

- **More than eight in ten young people aspire to own their own home by the age of 30.**
- **Issues in raising a deposit reach an all time high, with 69% of consumers concerned.**
- **Homeowners are far more optimistic about the housing market than those who rent.**

Most young people still aspire to buy a home

We asked respondents how old they were when they bought their first home and, for those who had never bought, their ideal age for that first purchase. The majority, 71%, of those who have already taken their first step onto the housing ladder did so by the age of 29. A further 16% bought between the ages of 30 and 34.

Of those that currently do not have their own home, 85% of young people (18-24) want to buy by the time they are 30. Overall across all age groups, more than 90% of respondents say that they would ideally have bought before they are 35, with three quarters having an aspiration to be a homeowner in their twenties. Of those who are currently renting or living rent-free with relatives, 27% say home ownership is not for them.

Commenting, Paul Broadhead, BSA Head of Mortgage Policy, said: “Homeownership rates have fallen over the past decade from a peak of 73% to 67% and are forecast to fall further to around 63%¹ over the next ten years. The results from the Property Tracker highlight that the aspiration to own their own home remains strong amongst Generation Y but that attitudes towards homeownership might be affected by the realities of getting onto the property ladder.”

Perceived barriers to property purchase remain

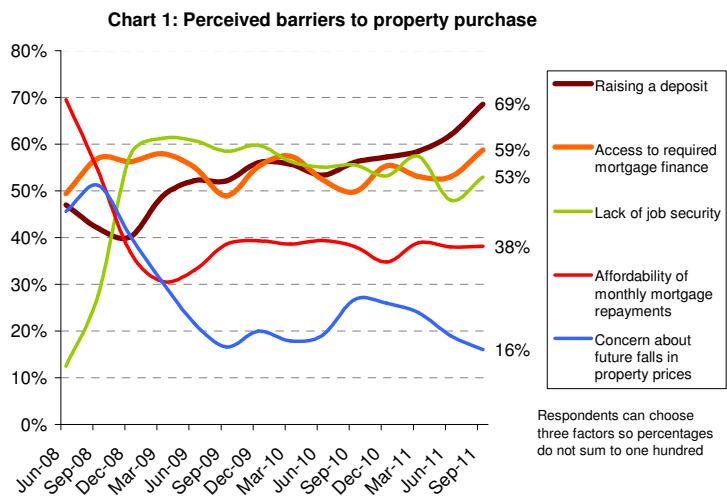
The number of UK adults who see raising a deposit as a barrier to home ownership rose sharply to 69% in September, an increase of 13 percentage points from this time last year, and a jump from 62% earlier this summer (June).

There was also an increase in those citing access to the required mortgage finance as a barrier, up to 59% in September, from 53% in June. This is the highest level for this factor since the survey started in June 2008.

Conversely only 16% of respondents said they were concerned about future falls in property prices, the lowest level ever for the Property Tracker.

Concerns about future job security also remain a significant disincentive to house purchase. This is a factor highlighted by 53% of respondents in September, up five percentage points from June. This level is still well below the highs of 2008 and 2009 where more than 60% of UK adults saw job security as a major concern.

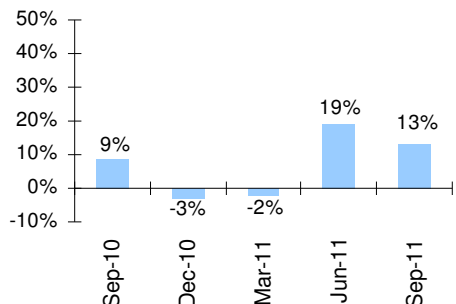
Commenting Paul Broadhead, BSA Head of Mortgage Policy, said: “The slightly greater recognition of barriers to entering the property market from June to September this year corresponds with a reported downturn in conditions across the labour market. Unemployment statistics reported in August showed an increase to 7.9% in the three months to July 2011.



“More generally, the availability of mortgage finance has improved, but modestly. With some notable exceptions - primarily in the mutual sector - it is still pretty difficult for homebuyers to find loans at higher loan to value ratios. Households are facing increasing financial pressure from higher inflation and low wage growth, whilst house prices have maintained their value. Raising a deposit is therefore becoming more of a challenge. This coupled with current economic news is inevitably driving consumer sentiment.”

House price expectations soften

Chart 2: Proportion of respondents expecting house prices to rise (net balance)



Almost one in four (39%) of respondents thought that property prices would rise over the next 12 months, compared to 26% who believe they will fall (a net 13% in favour of price increases).

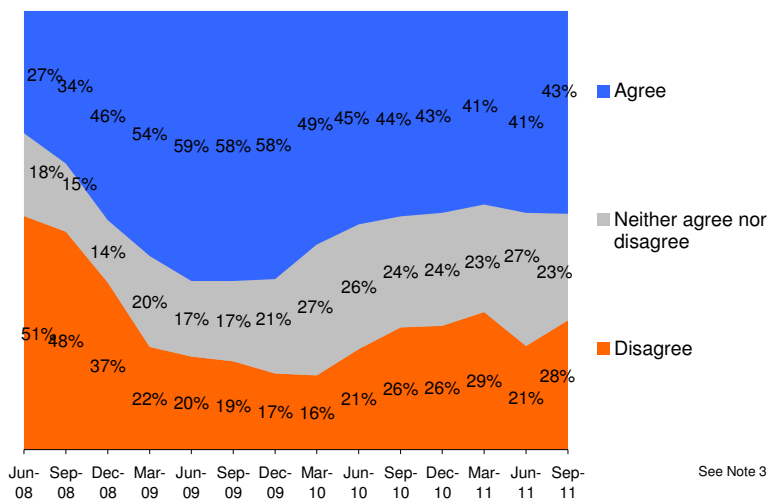
Respondents are more pessimistic about house price increases than in June this year, but nowhere near as negative as they were in Q4 2010 and Q1 2011. The median² forecast is for prices to remain flat over the next 12 months.

Is now a good time to buy property in the UK?

43% of UK adults think that now is a good time to buy property in the UK, up two percentage points from June this year (41%) and down 1% on September 2010. The divergence between the buy now and ‘hold’ lobbies has widened substantially since early summer with 28% of respondents believing that now is not the time to buy, up from 21% in June 2011.

Homeowners were substantially more optimistic about the housing market and the prospects for buying than those who currently rent, or live rent-free. This probably reflects the difficulties some people are experiencing in getting onto the housing ladder. Just over half of homeowners (51%) thought now was a good time to buy, compared to 22% who thought the opposite, a net ‘Yes’ vote of 29%. Renters (or those living rent-free) were gloomier with 32% believing that now is the time to buy. This compares sharply with 37% who did not, a net ‘No’ vote of -5%.

Chart 3: Now is a good time to buy property in the UK



See Note 3

Full data tables can be downloaded here: www.bsa.org.uk/docs/presspdfs/PTsept11trend.xls

The *Property Tracker* survey is conducted quarterly by YouGov plc for the Building Societies Association. All figures, unless otherwise stated, are from YouGov Plc. Total sample size in September 2011 was 2,002 adults. Fieldwork was undertaken between 2-5 September 2011. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

1. Figures from the National Housing Federation.
2. These averages are medians calculated by the BSA from YouGov data, excluding those that replied “don’t know” and assuming responses are evenly distributed through each range of price changes that could be chosen.
3. The proportion agreeing includes those who agree strongly and those who tend to agree, while the proportion disagreeing includes those who disagree strongly and those who tend to disagree. Excludes respondents who answered ‘don’t know’ so percentages do not sum to one hundred

The Building Societies Association (BSA) represents mutual lenders and deposit takers in the UK, including all 48 building societies. Mutual lenders and deposit takers have total assets of over £365 billion and, together with their subsidiaries, hold residential mortgages of almost £235 billion, 19% of the total outstanding in the UK.