



# Property Tracker

9 December 2015

## Barriers to house purchase drop in December

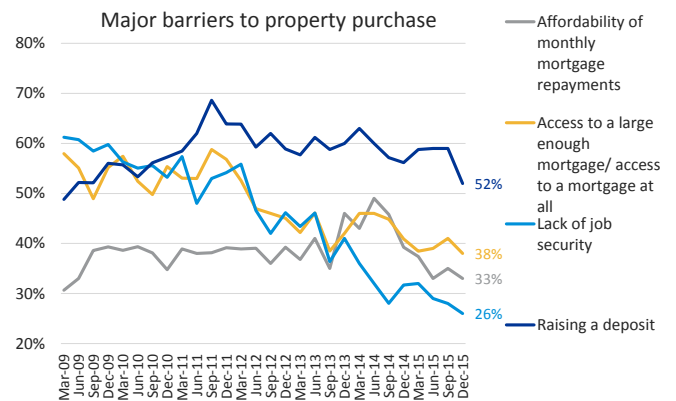
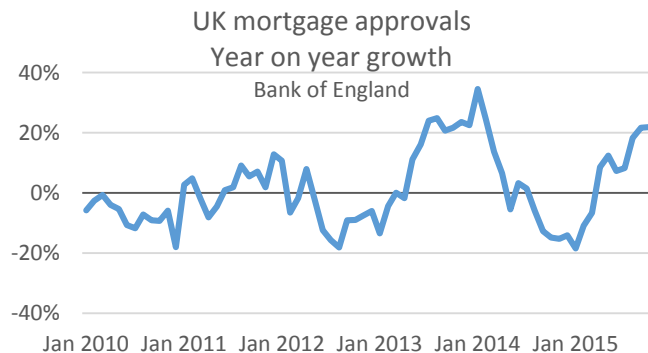
- The most persistent barrier to buying property – raising a deposit – drops significantly in December
- Raising a deposit at the lowest level since mid-2009
- Other major barriers to buying also decline

### Raising a deposit less of a barrier to buying

The prospect of raising the deposit required to buy a house has become less daunting, the latest BSA *Property Tracker* survey shows. Although this is still considered the biggest barrier to buying property in the UK, the proportion of people selecting this fell to 52%, down from 59% in September. This took this barrier to its lowest level since mid-2009.

The survey was conducted shortly after the Autumn Statement, so people may have been impressed by the Government’s announcements on housebuilding.

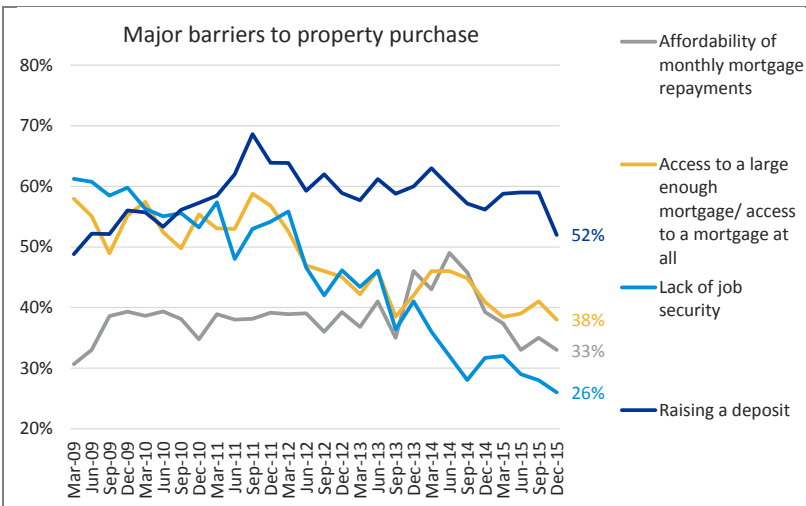
It may also be a reflection of increasing lending activity in the mortgage market. The Bank of England’s monthly figures show strong year on year growth in the second half of the year (see chart below). Within this, BSA data shows that building societies have maintained a strong market share.



In particular for those with smaller deposits, the number of high loan-to-value LTV products available on the market has increased considerably. In November there were an average of 241 mortgages available at LTVs of 95% or more which is a considerable increase on the 208 available in September, based on Moneyfacts data. This compares to just 180 products in November last year.

### Other barriers also decline

Other major barriers to property purchase, such as obtaining sufficient mortgage finance and affording the monthly repayments, were also thought to have reduced recently, though back down to levels observed earlier in the year. Potential buyers are also likely to be feeling more confident on the back of increased job security.

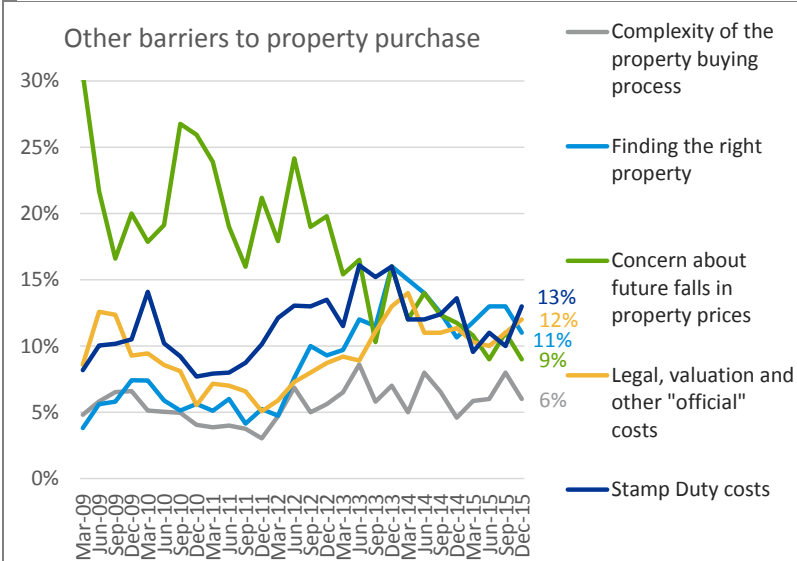


Raising a deposit as a barrier to property purchase reduced to 52% in December, from 59% in September.

Access to a large enough mortgage dropped to 38% from 41% in September.

Affording the mortgage repayments reduced to 33% from 35% in September.

Lack of job security fell further in December to 26% from 28% in September.

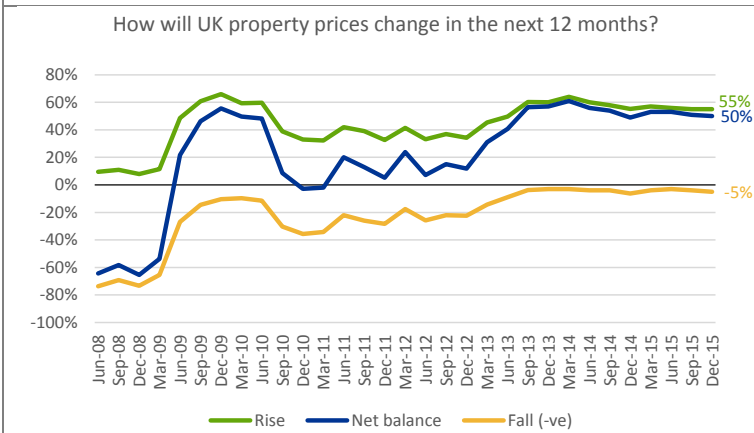


Stamp duty increased as a barrier to property purchase, up to 13% from 10% in September, which may reflect a reaction to Stamp Duty changes for buy-to-let and second homes announced in the Autumn Statement.

Legal, valuation and other official costs were little changed at 12% in December. Finding the right property reduced slightly to 11% from 13% in September.

Concerns about falls in future property prices reduced to 9% in December from 11% in September.

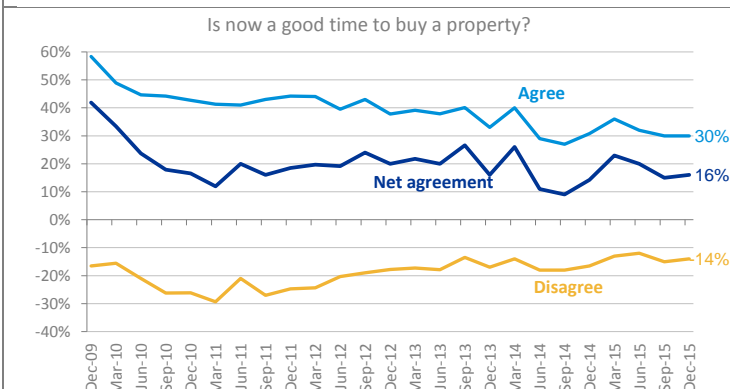
Complexity of the property buying process decreased to 6% in December from 8% in September.



In December 55% said property prices will rise in the following 12 months, unchanged from September.

5% said property prices would fall in the coming 12 months, little changed from the 4% in September.

As a result, the net balance was that 50% thought prices would rise in the next 12 months, broadly the same as the 51% in September.



30% agreed that now was a good time to buy in December, the same as in September.

14% disagreed in December compared to 15% in September.

Net agreement was 16 percentage points in December versus 15 percentage points in September.

The *Property Tracker* survey is conducted quarterly by Canadean Consumer for the Building Societies Association. Figures prior to June 2012 are from YouGov Plc. Total sample size was 2,000 adults. Fieldwork was undertaken between 26 – 29 November 2015. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

The proportion agreeing 'now is a good time to buy' 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 all 44 UK building societies. Building societies have total assets of over £330 billion and, together with their subsidiaries, hold residential mortgages of nearly £260 billion, 20% of the total outstanding in the UK. They hold almost £240 billion of retail deposits, accounting for 18% of all such deposits in the UK. Building societies account for about 29% of all cash ISA balances. They employ approximately 40,000 full and part-time staff and operate through approximately 1,550 branches.

**Data tables can be downloaded here**

[www.bsa.org.uk/information/statistics/bsa-property-tracker/](http://www.bsa.org.uk/information/statistics/bsa-property-tracker/)