

# Property Tracker

September 2018

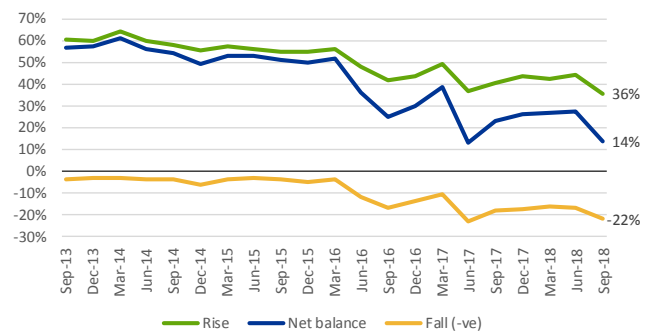
## Housing market confidence falls following Bank Rate rise

- A greater proportion of people do not think it is a good time to buy a property
- Nearly a quarter of people think house prices will fall over the next 12 months
- Affordability of mortgage repayments becomes second largest barrier to house purchase

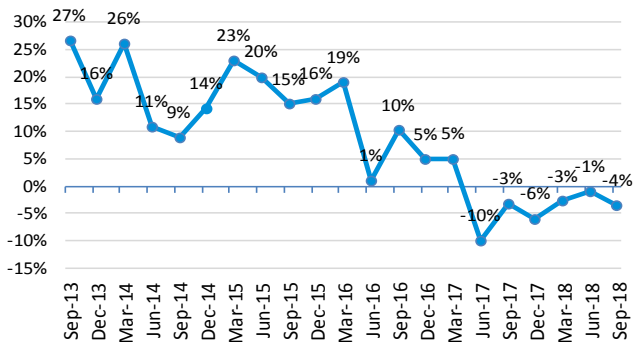
### Housing market confidence takes a dip in September

The September *Property Tracker* shows that just 24% of people agreed that now is a good time to buy a property, and 28% people did not agree. This gives a net score of minus 4 percentage points, down from minus 1 in June. This reading has now been negative for six consecutive quarters since June 2017.

How will UK property prices change in the next 12 months?



Net agreement: Is now is a good time to buy property in the UK?



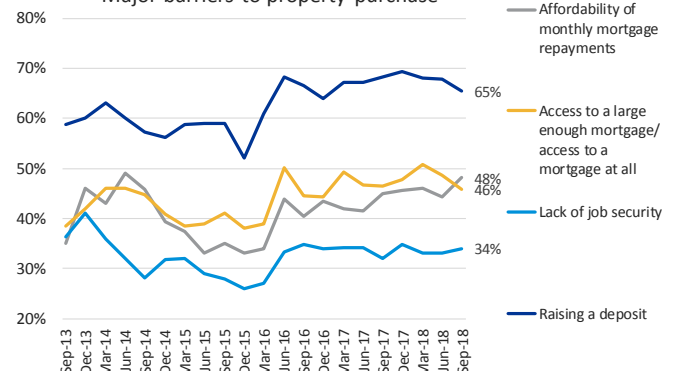
BSA Property Tracker

House price expectations were also lower in September. Over a third (36%) of people said they thought house prices would rise over the next 12 months, and 22% said prices would fall. This gives a net score of 14 percentage points, down from 28 in June.

### Affordability of mortgage repayments is now second biggest barrier to property purchase.

The *Property Tracker* results show that the affordability of monthly mortgage repayments has overtaken 'access to mortgage finance' to become the second largest barrier to property purchase.

Major barriers to property purchase

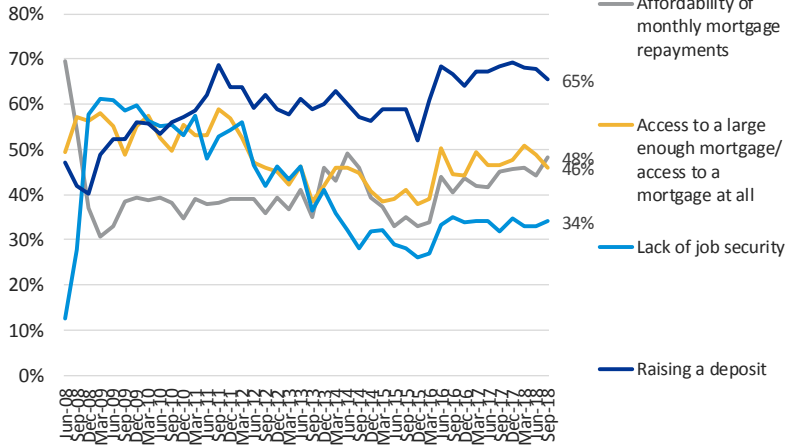


Nearly half (48%) said this was a barrier in September, up from 44% in June. At the same time just 46% of people said access to mortgage finance was a barrier, down from 49% in June. Perhaps one reason for this rise was the rise in the Bank Rate in August from 0.5% to 0.75%.

An increase in the Bank Rate will push up funding costs for lenders, which will influence the cost of borrowing. However, interest rates are still historically very low, and strong competition in the mortgage market is keeping rates low.

The ability to raise a deposit remained the largest barrier to property purchase, although in September it fell to 65% from 68% in June.

### Major barriers to property purchase

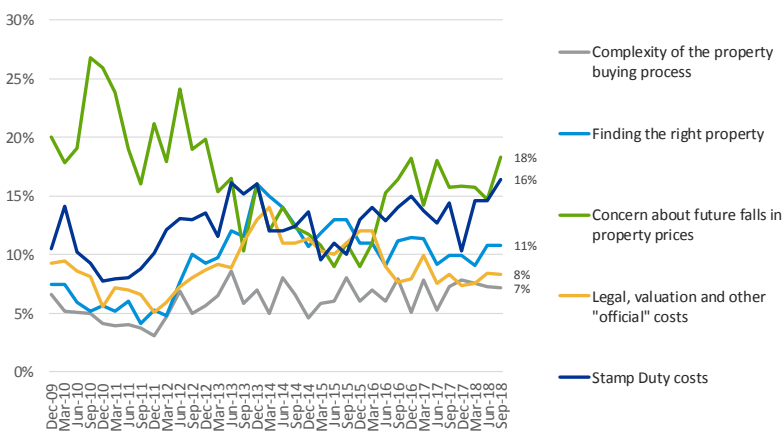


Raising a deposit was a barrier to 65% of people in September 2018, down from 68% in June.

Affordability of mortgage repayments was a barrier to 48% in September 2018 compared to 44% in June 2018.

Access to mortgage finance was a barrier to 46% of people in September 2018 compared to 49% in June 2018.

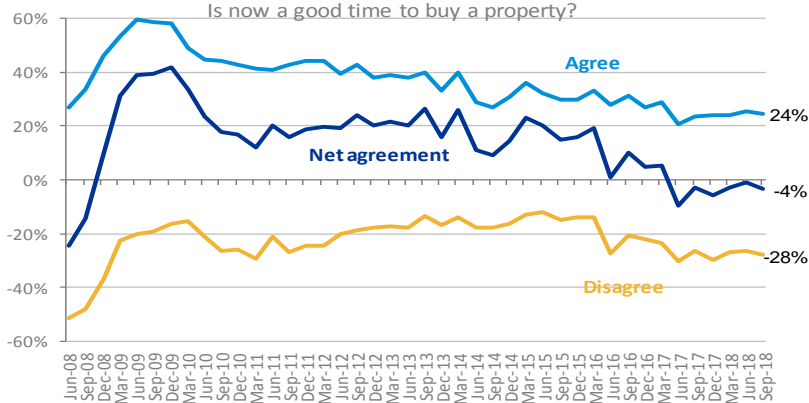
### Other barriers to property purchase



There was an increase in the proportion saying concerns about future fall in property prices was a barrier, up from 15% in June to 18% in September.

Other minor barriers were little changed quarter on quarter.

### BSA Home Purchase Index Is now a good time to buy a property?

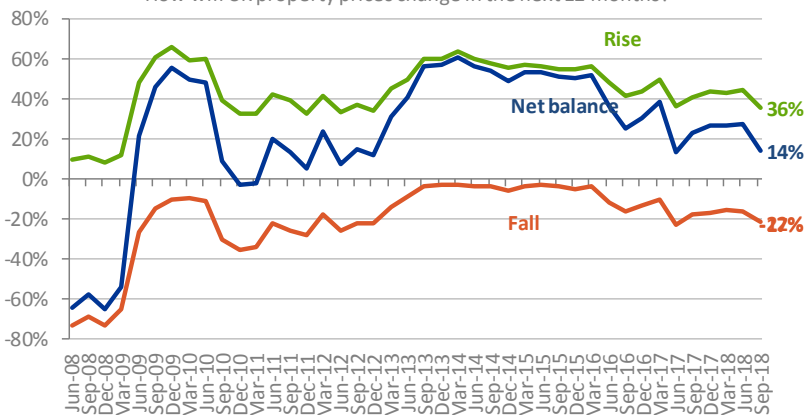


In September 2018 24% of consumers agreed that it is currently a good time to buy property in the UK; relatively unchanged from 25% in June.

In September 2018 28% disagreed, up from 26% in June 2018.

As a result, the net agreement decreased, to minus 4 percentage points in September 2018, from minus 1 percentage points in June 2018.

### How will UK property prices change in the next 12 months?



36% thought house prices would rise in the next 12 months in September 2018, down from 44% in June 2018.

22% thought prices would fall in September 2018, compared to 17% in June 2018.

The net balance therefore fell to 14 percentage points 28 percentage points in June.

The Property Tracker survey is conducted quarterly by YouGov Plc for the Building Societies Association.

Total sample size was 2,013 adults. Fieldwork was undertaken between 31<sup>st</sup> August - 3<sup>th</sup> September 2018. Surveys are carried out online. Figures have been weighted and are representative of all GB adults (aged 18+). All figures, unless otherwise stated, are from YouGov Plc.

Figures between June 2012 to March 2016 are from Canadean Consumer. For all other dates research was carried out by YouGov. Therefore, caution should be taken when comparing results across these periods.

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. Respondents who answered 'don't know' are not shown, so percentages do not sum to one hundred.

Net agreement represents the proportion who agree with a statement minus the proportion who disagree. Net balance figures represents those who said house prices would rise to some extent minus those who said prices would fall. These figures are calculated by the Building Societies Association using YouGov data.

The Building Societies Association (BSA) represents all 44 UK building societies. Building societies have total assets of over £396 billion and, together with their subsidiaries, hold residential mortgages of over £312 billion, 23% of the total outstanding in the UK. They hold over £276 billion of retail deposits, accounting for 18% of all such deposits in the UK. Building societies account for 37% of all cash ISA balances. They employ approximately 40,000 full and part-time staff and operate through approximately 1,550 branches.

Data tables for the standard questions can be downloaded here: [www.bsa.org.uk/information/statistics/bsa-property-tracker/](http://www.bsa.org.uk/information/statistics/bsa-property-tracker/)

