

Property Tracker



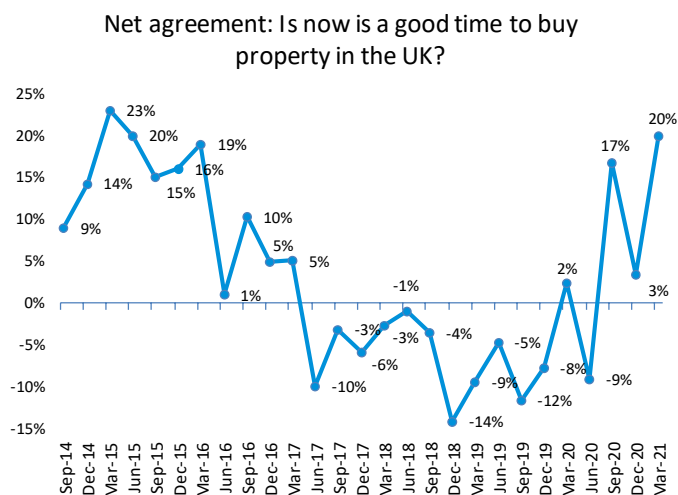
March 2021

- Strong pickup in housing market sentiment following 2021 Budget & Covid optimism
- Job security reduces as a barrier to property purchase but remains highest
- Government mortgage guarantee scheme and Stamp duty holiday boost confidence

Housing market sentiment picks up

Housing market sentiment rebounded strongly in March according to the latest results from the *Property Tracker*. Over a third (37%) of people agreed that now was a good time to buy a property in the UK, up from 27% in December. Just 17% disagreed that it was a good time to buy. This puts the housing market confidence index at 20 percentage points, up from 3 percentage points in December, and at the highest level since March 2015, before the EU referendum.

The rollout of the vaccination programme and planned easing of Covid-19 restrictions are likely to be significant contributors to this renewed optimism.

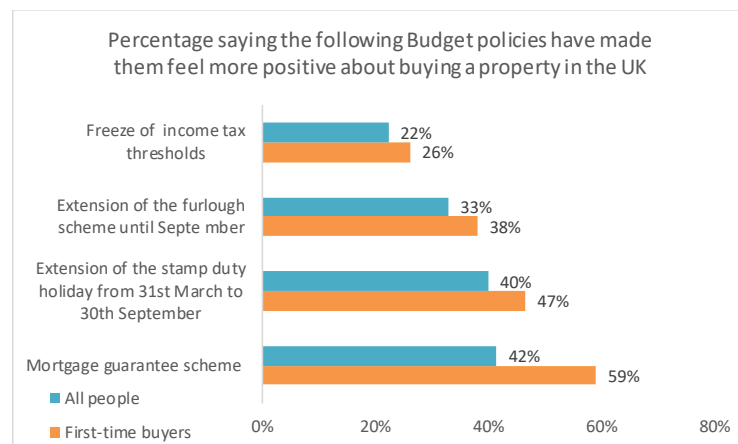


BSA Property Tracker

Government schemes help boost market confidence

Another boost to the housing market has been the announcements in the 2021 Budget in early March.

42% of people said the newly announced government mortgage guarantee scheme, which will boost the availability of higher LTV mortgages, made them feel more positive about buying a property in the UK. Unsurprisingly this was even higher amongst first-time buyers, with 59% saying the scheme makes them feel more positive.

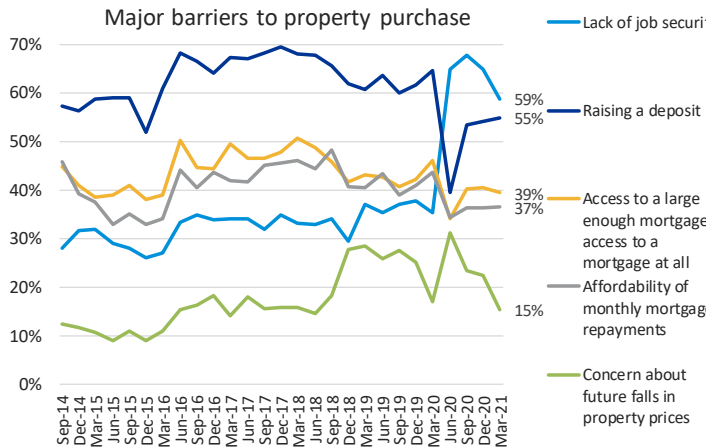


40% of people said the extension to the stamp duty holiday made them feel more positive about buying a property. This increased to 47% for first-time buyers.

The extension of the furlough scheme was also well received, with a third (33%) of people who said this makes them feel more positive about buying a property.

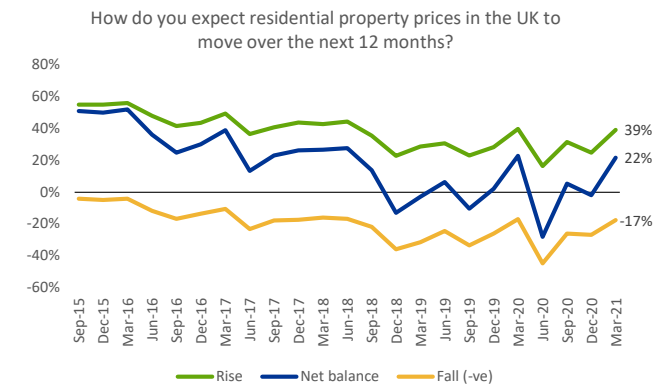
Job security falls as a barrier to property purchase

A lack of job security has been seen as the biggest barrier to property purchase since June 2020, in the midst of the Covid-19 pandemic. It remained elevated in March, with 59% of people citing it as a barrier. However, this has reduced from 65% in December 2020, and the all-time high of 68% in September 2020.



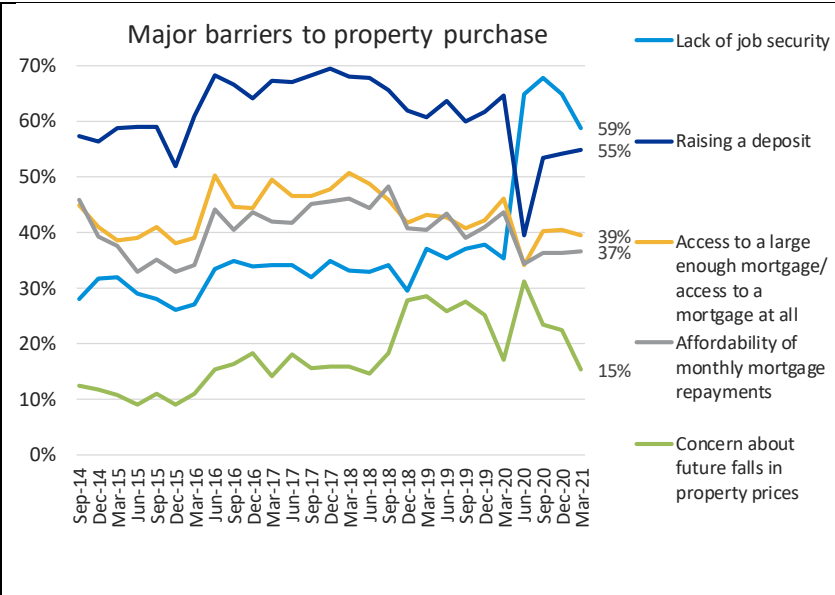
Whilst it is positive that people are less worried about employment prospects, the full impact of the covid-19 pandemic on the economy, and labour market are yet to be known. The furlough scheme has been supporting jobs and incomes for over a year, and it is not known the extent to which unemployment will rise once this is removed. The Office for Budget Responsibility expects the unemployment rate to peak at 6.5% at the end of the year.¹

House price expectations pick up significantly in March



Nearly 4 in 10 (39%) people expect house prices to rise over the next 12 months, up from 16% in December. Just 17% expect prices to fall, down from 27% in December.

This increased expectation in house price rises is likely to be linked to the improved optimism in the labour market.

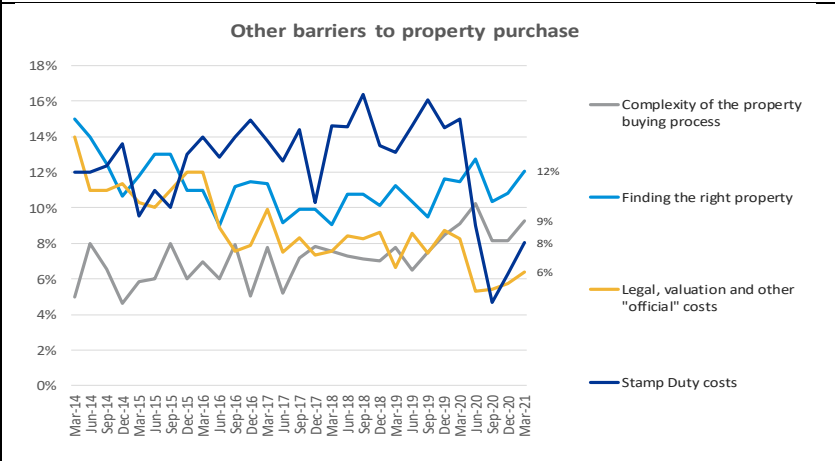


Lack of job security was selected as a barrier to property purchase by 59% of people in March, down from 65% in December.

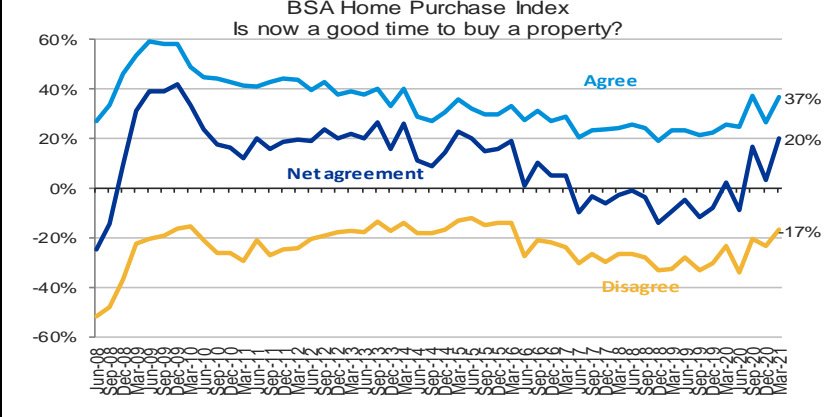
Concern about future falls in property prices was considered a barrier by 15% of people, down from 23% in the December report.

Raising a deposit was selected as a barrier by 55% of people, relatively unchanged from 54% in the December report.

Access to mortgage finance was seen as a barrier by 39% of people, relatively unchanged from 41% in the December report.



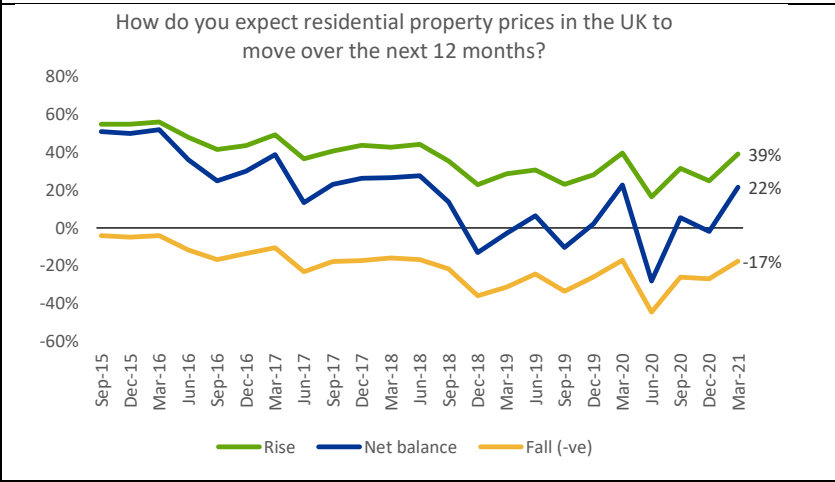
The smaller barriers to property purchase were relatively unchanged in March compared to the December report.



In March 37% of people agreed that it is currently a good time to buy property in the UK; up from 27% in December.

17% disagreed in March, down from 23% in December.

As a result, the net agreement increased, to 20 percentage points from 3 percentage points in the December report.*



39% thought house prices would rise in the next 12 months in March, up from 25% in December.

17% thought prices would fall over the next 12 months, down from 27% in December.

The net balance increased to 22 percentage points from minus 2 percentage points in December.

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

For the March Property Tracker survey fieldwork was undertaken between 8th - 9th March 2021. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+). Figures have been weighted and are representative of all GB adults (aged 18+). All figures, unless otherwise stated, are from YouGov Plc.

In December the total sample size was 2,026 adults. Fieldwork was undertaken between 27th November – 30th November 2020. Surveys are carried out online. Figures have been weighted and are representative of all GB adults (aged 18+).

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.

*'Net scores' are calculated by subtracting those who disagreed with a statement from those who agreed with a statement.

1. Office For Budget Responsibility <https://obr.uk/efo/economic-and-fiscal-outlook-march-2021/>

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 43 UK building societies, as well as 6 credit unions. Building societies have total assets of over £435 billion and, together with their subsidiaries, hold residential mortgages over £338 billion, 23% of the total outstanding in the UK. They hold over £297 billion of retail deposits, accounting for 17% of all such deposits in the UK. Building societies account for 37% of all cash ISA balances. They employ approximately 42,500 full and part-time staff and operate through approximately 1,380 branches.

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

