

Property Tracker



June 2021

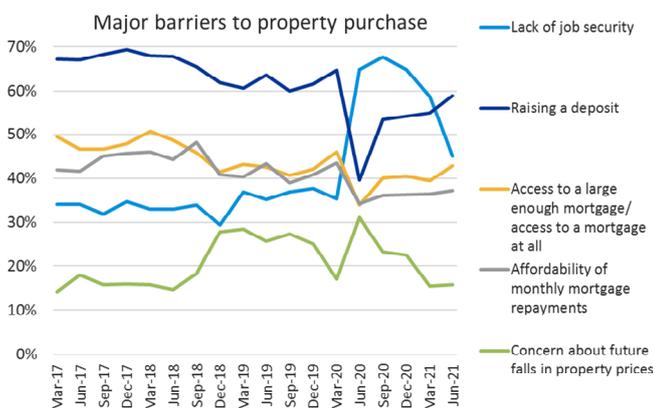
- As job concerns recede, raising a deposit becomes the biggest barrier to property purchase once again
- Greater expectations of rising house prices
- Demand for rural locations and outside space strengthens compared to six months ago

Affordability comes back to the fore

The BSA’s quarterly Property Tracker survey of 2,006 adults, run by YouGov, finds that a job insecurity has declined sharply in the first half of the year as a factor that might stop people buying property. Just 45% of people thought this was a barrier in June, down from 65% in December 2020, reflecting the improved outlook for the economy and the ongoing Government support for the labour market.

Raising a deposit for house purchase continues to climb as a barrier in people’s perceptions, with 59% saying this would hinder someone buying, compared to 54% in December 2020, and 40% last June.

Many lenders have launched mortgages for those with deposits as low as 5% of the property price. Some of these have been through the Government’s temporary mortgage guarantee scheme, but many building societies are offering products outside of this.



Expectations for house price growth continue to build

House prices are expected to rise over the following 12 months by the largest proportion in the Property Tracker for at least four years. 50% think that prices will rise, and just 11% think they will fall over the next twelve months.

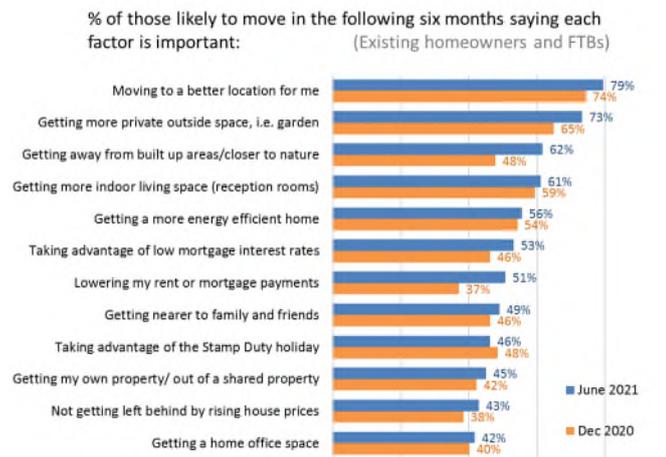
In June last year, 45% thought prices would fall in the subsequent twelve months, and just 16% thought they would rise. According to Nationwide, in the 12 months to May, the average house price was up by almost 11%.



Rural properties in demand

As part of this Property Tracker we asked people who thought they were likely to move property in the next six months how important various factors would be to their choice of home. We asked this to those who were already homeowners, and to those who were first-time buyers or were returning to the market,

repeating questions we asked in December of last year¹.

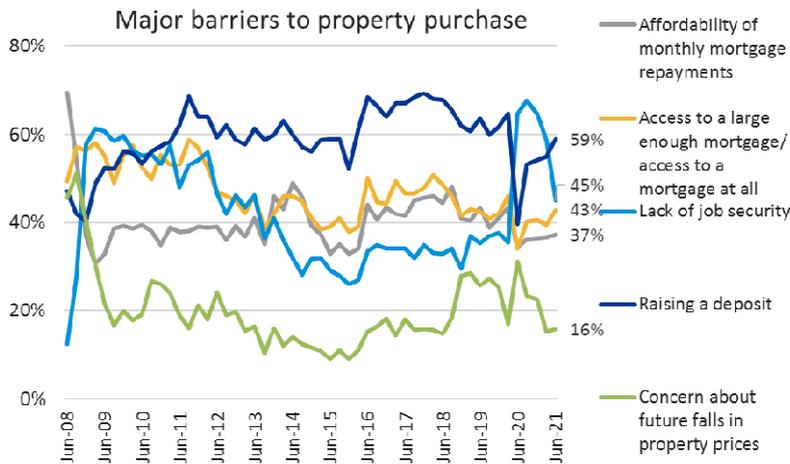


A better location in general remained the factor that was important for most people, but there was a substantial increase in the proportion that said that getting away from built-up areas and/or closer to nature was important to them. This increased to 62% in June, from 48% in December, suggesting the shift in demand to more rural, less urban properties is growing.

Getting more private outside space also increased, with 73% of prospective buyers saying it was important in June, compared to 65% in December.

Taking advantage of lower mortgage payments was also a bigger draw: 51% said it was important now, compared to 37% in December.

Taking advantage of the Stamp Duty holiday was less of an important factor, with 46% saying it was important, down slightly from 48% in December.



Raising a deposit was selected as a barrier by 59% of people, a slight increase from 55% in the March report.

Lack of job security was selected as a barrier to property purchase by 45% of people in March, down from 59% in March.

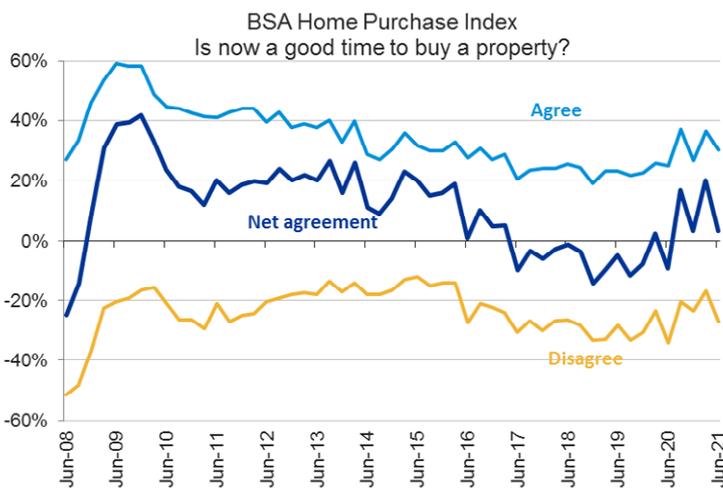
Concern about future falls in property prices was considered a barrier by 16% of people, little changed from 15% in the March report.

Access to mortgage finance was seen as a barrier by 37% of people, relatively unchanged from 39% in the March report.



Of the less frequently selected barriers, Stamp Duty costs increased to 13% in June, from 8% in March as the Stamp Duty holiday taper was announced.

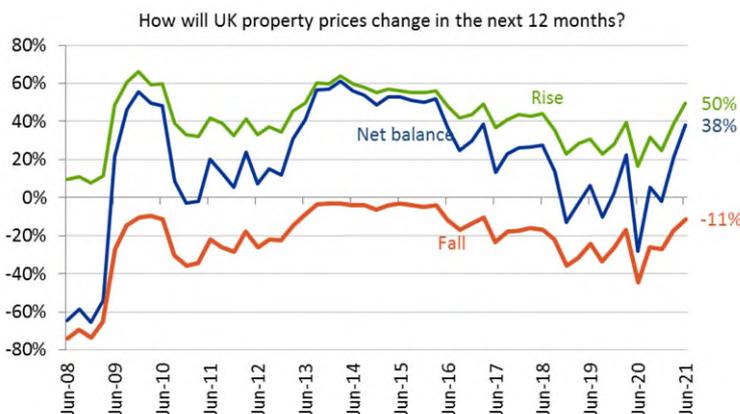
The other minor barriers were little changed.



In June 30% of people agreed that it is currently a good time to buy property in the UK, down from 37% in March.

27% disagreed in June, up from 17% in March.

As a result, the net agreement decreased to 3 percentage points in June, from 20 percentage points in March, and back to the same level as in the December report, showing the swings in housing market sentiment over the last year.



50% thought house prices would rise in the 12 months after June, up from 39% in March.

11% thought prices would fall over the next 12 months, down from 17% in March.

The net balance increased to 38 percentage points in June from 22 percentage points in March.

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

For the June Property Tracker survey fieldwork was undertaken between 1-2 June 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.

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.

¹ The base for those 'likely to move' is all GB Adults who are likely to move from their main property within the next six months or already have moved, and who are either currently homeowners or are not currently homeowners but are looking to buy their first property or buy again.

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/

