

Property Tracker



September 2019

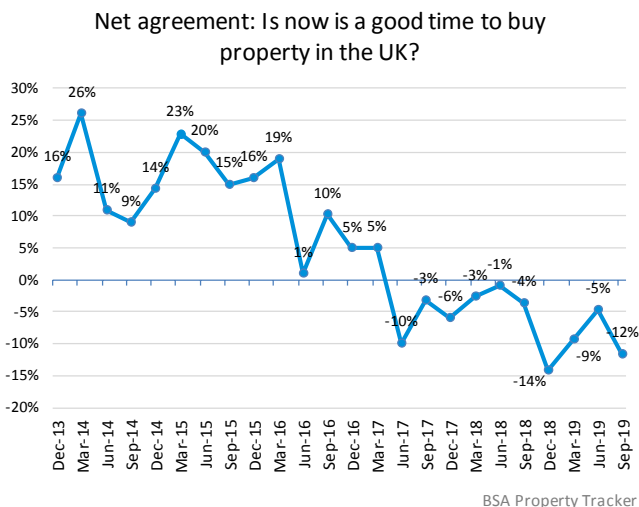
Housing market sentiment falls sharply ahead amidst Brexit chaos

- Housing market sentiment falls to second lowest level since EU referendum
- House price expectations move back into negative territory
- Raising a deposit falls as a barrier to property purchase but remains biggest hurdle

Housing market sentiment falls

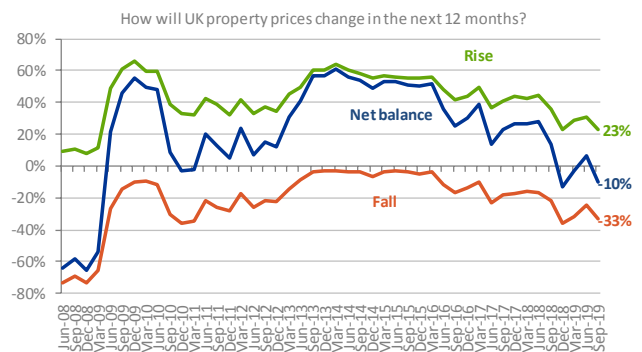
The ongoing political turmoil and uncertainty around Brexit saw housing market sentiment fall in September. The *Property Tracker* Index fell to minus 12 percentage points in September from minus 5 percentage points in June. Whilst over a fifth (23%) said house prices would rise, a third (33%) said they would fall.

The BSA *Property Tracker* survey took place prior to the suggestion of a general election in October. It is likely this added element of political uncertainty will see a further reduction in housing market confidence.



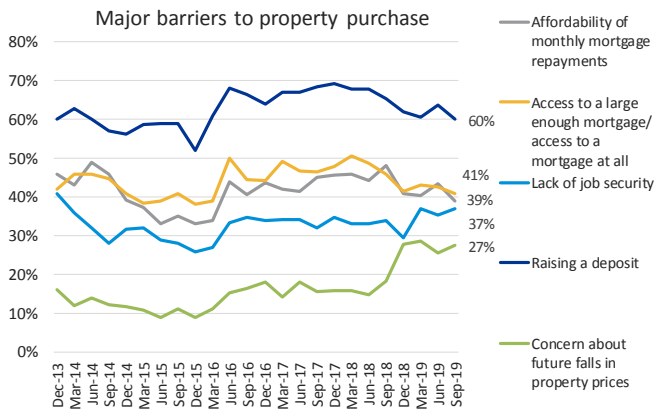
House price expectations fall back into negative territory

Less than a quarter (23%) of people said house prices would rise over the coming 12 months in September, and a third (33%) said they believe prices would fall. This gives a net score of minus 10 percentage points. This is down from 6 percentage points in June, and was only lower in December 2018 at minus 13 percentage points.

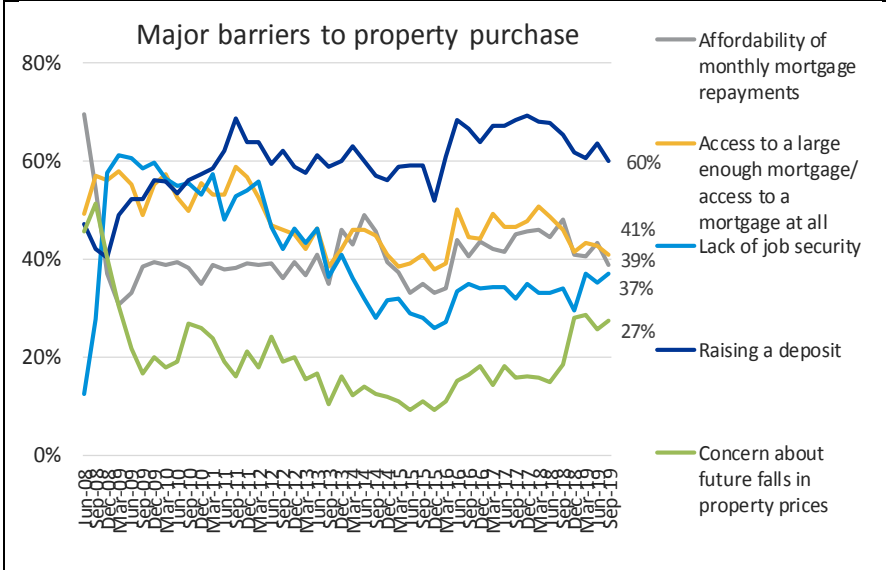


Raising a deposit remains biggest barrier to property purchase

Raising a deposit was said to be a barrier to property purchase by 60% in September. Although this remains the biggest barrier it is down from 64% in June and the lowest since December 2015. Affordability of mortgage repayments was chosen by 39%, down from 43% in June, and the lowest since March 2016.



The fall in these barriers is likely to be a consequence of more people being concerned about future falls in property prices, which was chosen by 27% in September. This has picked up as a barrier from just 18% in September last year and has remained elevated since.

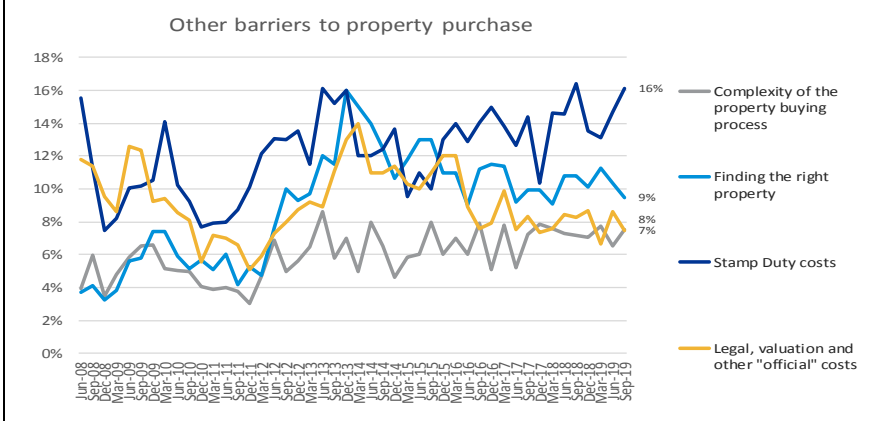


Raising a deposit was a barrier to 60% of people in September 2019, down from 64% in June 2019.

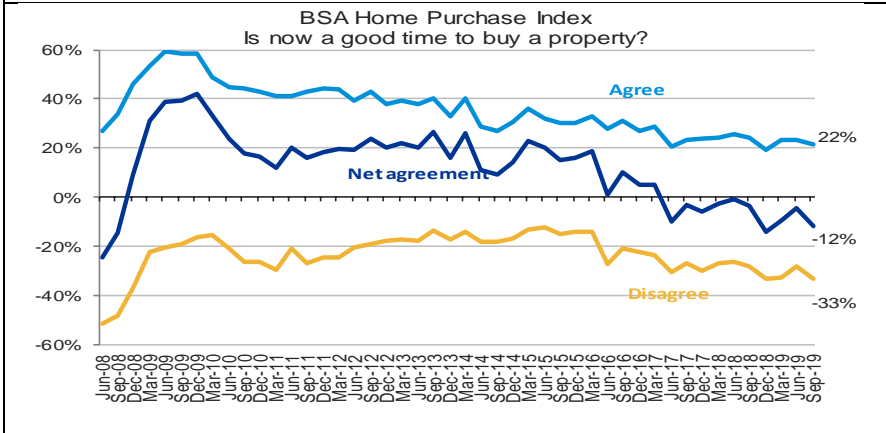
Affordability of monthly mortgage repayments was a barrier to 39% in September 2019, down from 43% in June 2019.

Lack of job security was a barrier to 37% in September 2019, up from 35% in June 2019.

Concern about future falls in property prices was a barrier to 27% of people in September, up from 26% in June 2019.



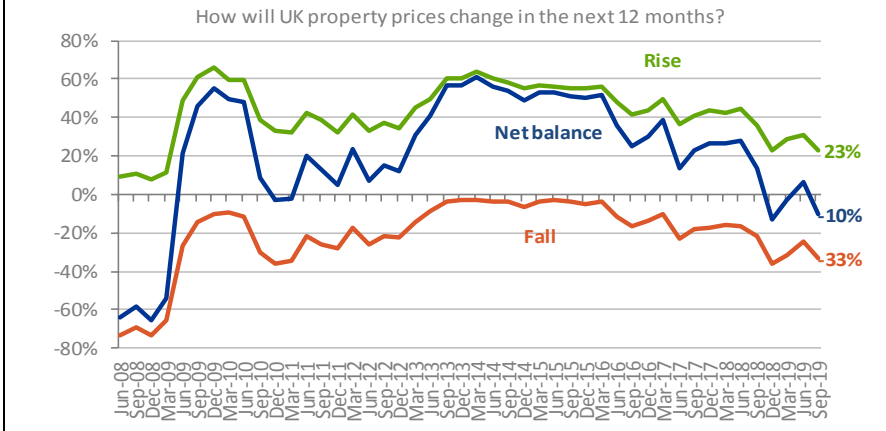
Minor barriers were little changed quarter on quarter.



In September 22% of consumers agreed that it is currently a good time to buy property in the UK; down from 23% in June 2019

In September 33% disagreed, up from 28% in June 2018.

As a result, the net agreement fell, to minus 12 percentage points in September from minus 5 percentage points in June 2019.



23% thought house prices would rise in the next 12 months in September, down from 31% in June 2019.

33% thought prices would fall over the next 12 months in September, compared to 24% in June 2019.

The net balance fell to minus 10 percentage points in September from 6 percentage points in March 2019.

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

Total sample size was 2,090 adults. Fieldwork was undertaken between 30th August –2th September 2019. 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.

Building societies - Balances as at 31 March 2019. The Building Societies Association (BSA) represents all 43 UK building societies, as well as 5 credit unions. Building societies have total assets of £415 billion and, together with their subsidiaries, hold residential mortgages almost £330 billion, 23% of the total outstanding in the UK. They hold over £280 billion of retail deposits, accounting for 19% 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 1,470 branches.

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

