

22 February 2010

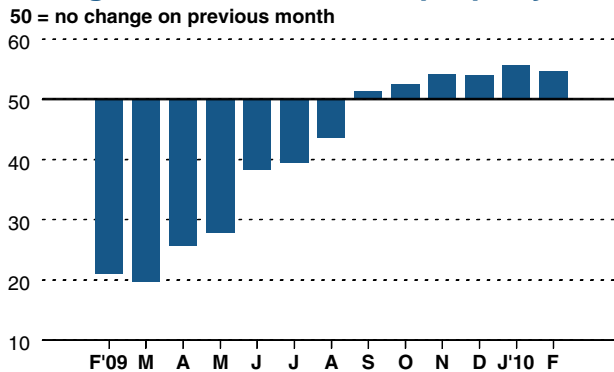
## Further perceived rise in house prices during February

- Households see sixth successive monthly rise in property values.
- Positive expectations for future values remain common, but headwinds point to only modest gains.

House price perceptions improved during February, according to the latest poll of UK household finances by Markit and YouGov. Positive sentiment has now been recorded continuously since last September.

Around 20% of households judged the value of their property to have increased since January, against just 10% that indicated a fall. At 54.7, the respective 'diffusion' index posted comfortably above the 50.0 no-change mark though was down on January's series record of 55.8.

### Change in current value of property



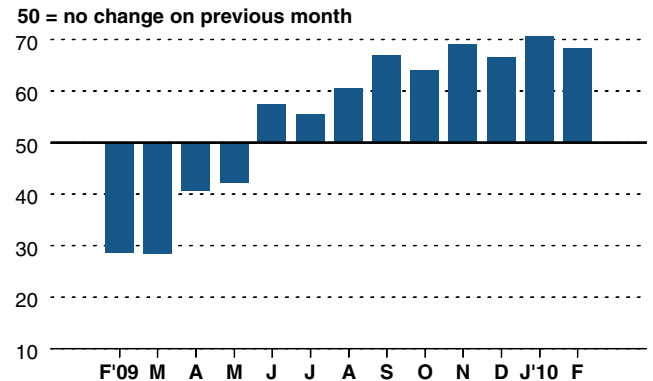
The strongest perceptions of price gains were among households based in London and the South East and those households with the greatest income (£57,551+).

In contrast, house prices were believed to have continued to fall in Northern Ireland and amongst lower income earners.

Households were again overall positive about future house prices, with some 47% of respondents forecasting an increase in the value of their residence over the next 12 months.

Positive expectations have now been recorded for nine successive months, with the degree of confidence in February remaining historically high, albeit down on January's record.

### Outlook for value of property



As was the case with current perceptions, the South East and London were the most bullish about future property values, with Northern Ireland households much less upbeat.

Higher income earners also signalled the greatest degree of confidence with regard future property values. By age group, those aged between 25 and 34 were the most upbeat about house price appreciation.

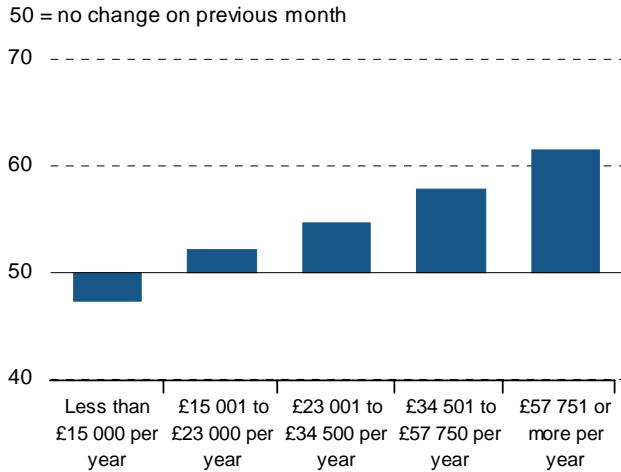
While households overall retain a high degree of confidence that house prices will increase over the coming year, any increases are likely to be modest (of the magnitude of 1% to 4%, based on responses from households).

Moreover, the latest HFI survey indicated a number of headwinds facing the housing market over the coming months. With incomes stagnating, household finances are being squeezed by rising prices for goods and services. Job security also remains a concern, despite reports of higher workplace activity. In addition, mortgage availability continues to worsen while terms and conditions attached to secured credit tightened further.

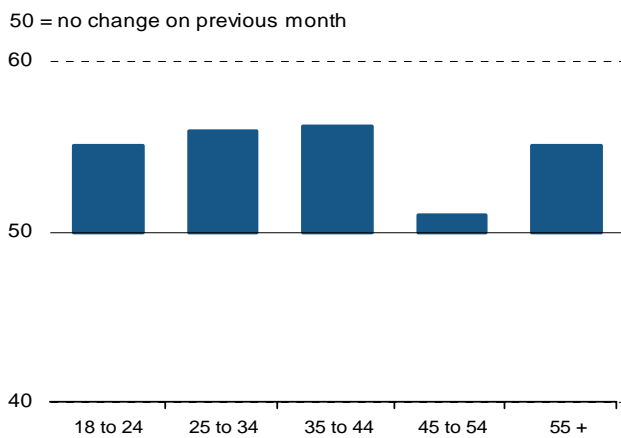
### Value of property

February data: Compared to one month ago, how do you think the value of the property/dwelling in which you live has changed?

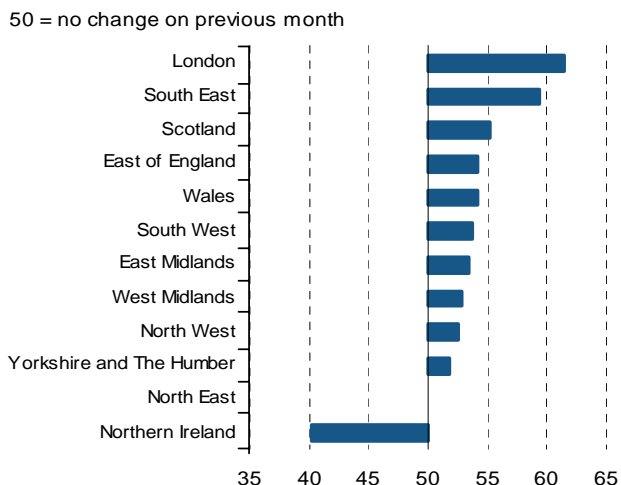
#### By Income



#### By Age



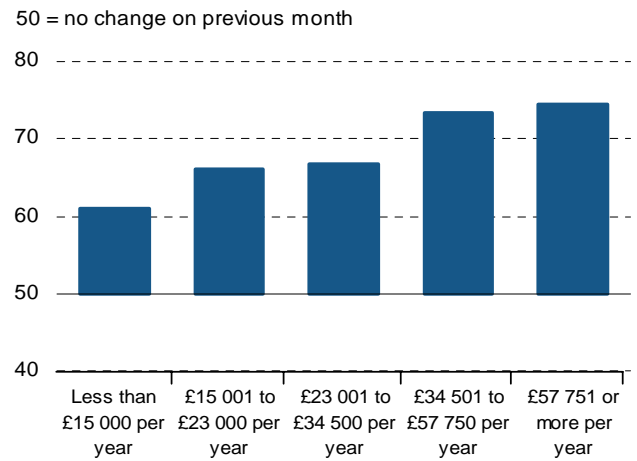
#### By Region



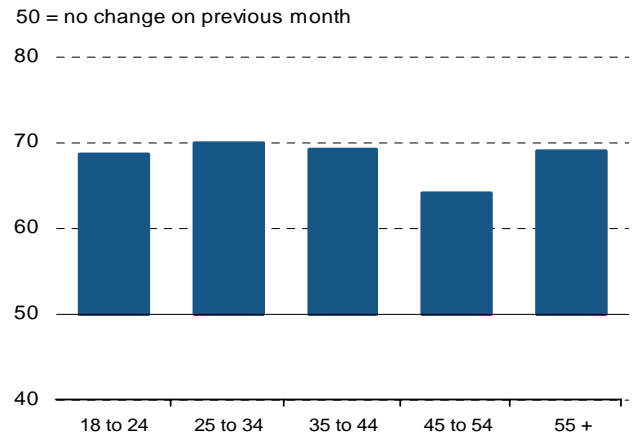
### Outlook for value of property

February data: How do you think the value of the property/dwelling in which you live will have changed 12 months from now?

#### By Income



#### By Age



#### By Region

