

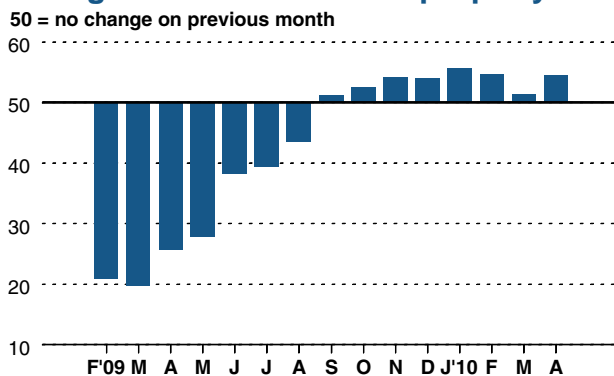
Households signal stronger rise in property prices during April

- **Households perceive faster growth of house prices in April.**
- **London and the South East see largest price rise; Northern Ireland lags.**
- **Confidence in outlook improves.**

The latest poll of UK household finances by Markit and YouGov indicated a further increase in property values during April, with the rate of increase accelerating on March. The outlook for property values also improved, although growth forecasts remain relatively muted.

At 54.5, the index measuring the perceived change in current property values improved on March's low of 51.5, and extended the current run above the no-change mark of 50.0 to eight successive months. Latest figures are therefore consistent with a re-acceleration of house price inflation following March's slowdown.

Change in current value of property



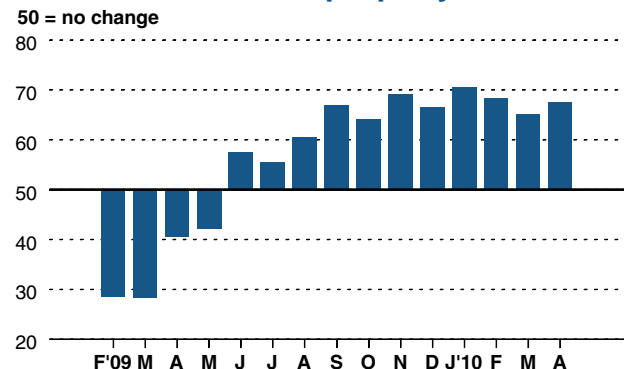
In line with recent trends it was higher income earners and those households based in London and the South East that were the most buoyant in terms of current house price perceptions.

The improved housing markets in London and the South East corresponds with the strengthened economic performance in these regions: the most recent regional Purchasing Managers' Index (PMI) data show London and the South East to have been the first- and third-fastest growing of the 12 UK regions in March.

In contrast, Northern Ireland remains the worst performing in terms of economic activity, and has been the only area of the UK to register declining output in recent months. Likewise, trends in Northern Ireland house prices remain weak compared to the overall national picture, with the latest HFI data indicating a further decline in prices during April.

With regards to the outlook for property values, households in Northern Ireland were also the least optimistic regarding house price appreciation for the coming year. This contrasted to Scotland, the South East and the East of England, where households were highly bullish of gains in property values one year from now.

Outlook for value of property



For the UK overall, households are generally optimistic that property prices will increase over the coming 12 months, with the degree of confidence improving since March. Those earning £34,501 and above were particularly confident of a rise in property values.

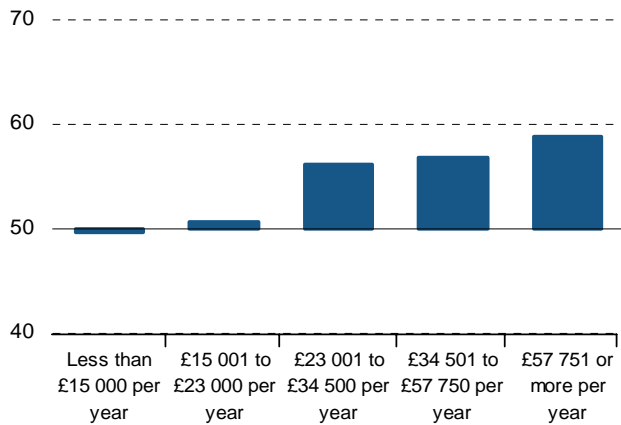
Although a substantial proportion of respondents are forecasting an increase in property values, any return to the strong annual growth seen prior to the financial crisis appears unlikely. The median forecast for growth amongst those surveyed is for prices to rise by just 3-4% in the coming year.

Value of property

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

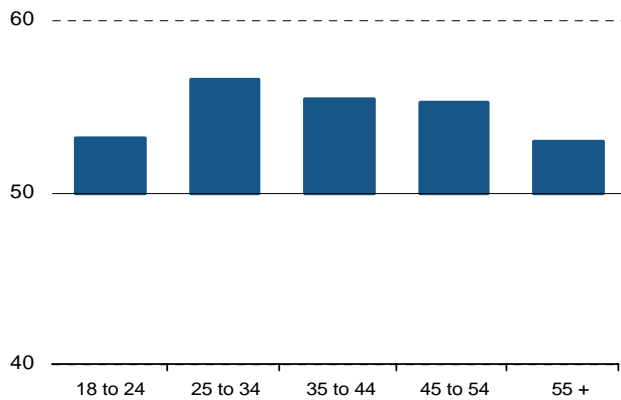
By Income

50 = no change on previous month



By Age

50 = no change on previous month



By Region

50 = no change on previous month

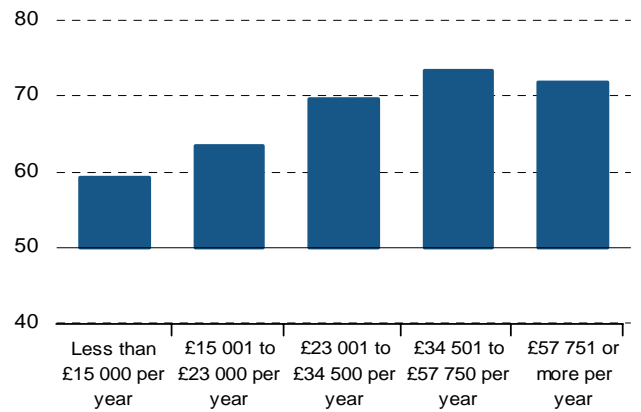


Outlook for value of property

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

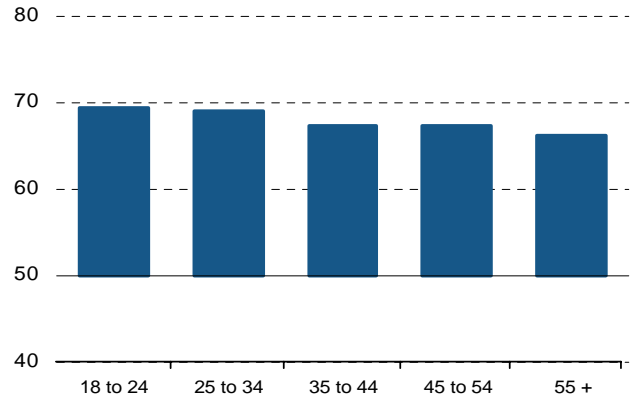
By Income

50 = no change



By Age

50 = no change



By Region

50 = no change

