

19 March 2010

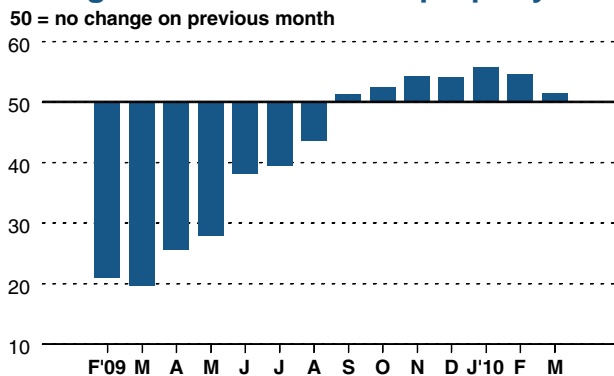
Households indicate only modest rise in property values during March

- **Prices perceived to have risen for seventh successive month.**
- **London and South East lead the way.**
- **Households remain positive about future price gains, but market recovery set to remain muted.**

March's poll of UK household finances by Markit and YouGov pointed to a further strengthening of property prices, albeit to a lesser degree than in recent months. Confidence over future property values also weakened though remained firmly in positive territory.

At 51.5, the index measuring the perceived change in current property values remained above the 50.0 mark for a seventh successive month. This is in stark contrast to the situation seen a year ago, when prices were perceived to be falling at a considerable rate. Nonetheless, down from 54.7 in February, the latest index posted its lowest reading since last September, and is consistent with a slowdown of property price inflation.

Change in current value of property



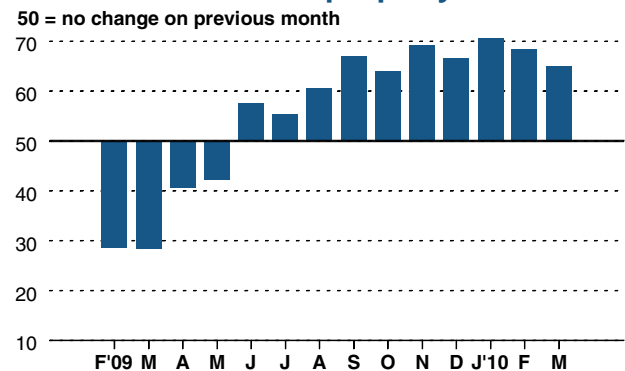
Higher income earners and those households based in the South East and London continued to signal the strongest perceptions of house price gains in March. However, the latest data indicated some loss of momentum in these regions, with positive perceptions substantially lower than one month ago.

While there were a number of regions that saw price falls over the month, Northern Ireland continued to stand out as the principal laggard with house prices perceived to have again fallen markedly. Northern

Ireland has suffered by far the steepest average declines in house prices since the peak of the market in mid-2007, and the latest HFI data indicate that this trend was extended in Q1 2010. House price values continue to suffer in the face of low levels of economic activity – Office for National Statistics data show that Northern Ireland has the highest level of economic inactivity in the UK (28%), while regional Purchasing Managers' Index data indicate the region's businesses are struggling to escape recession (Northern Ireland was the only area of the UK to register a contraction of business activity in the three months to February, while the rate of job losses was second only to that seen in Yorkshire & the Humber).

Meanwhile, future house price perceptions for the UK as a whole remained positive, with over two-fifths of all respondents signalling expectations for property price appreciation over the next year. March data marked the tenth consecutive month of positive price forecasts, although the degree of confidence remained below January's series high.

Outlook for value of property



The highest income earners were the most upbeat about future house price values, while households based in Wales and Scotland were the most optimistic. Households in the North East and Yorkshire & the Humber were the least bullish in March.

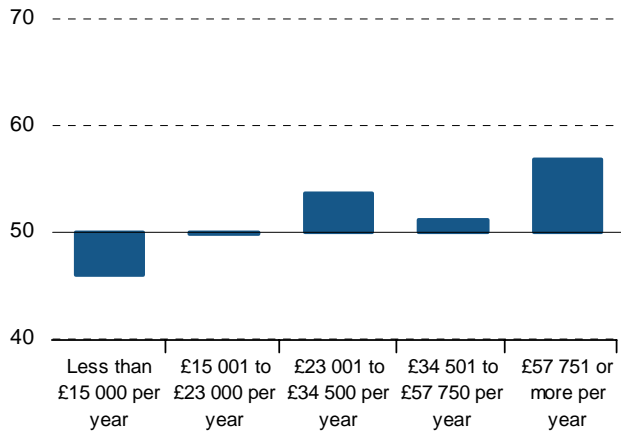
As with previous surveys, forecasts of house price rises were principally in the range of 1% to 4%, suggesting that the recovery will remain moderate during the coming 12 months.

Value of property

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

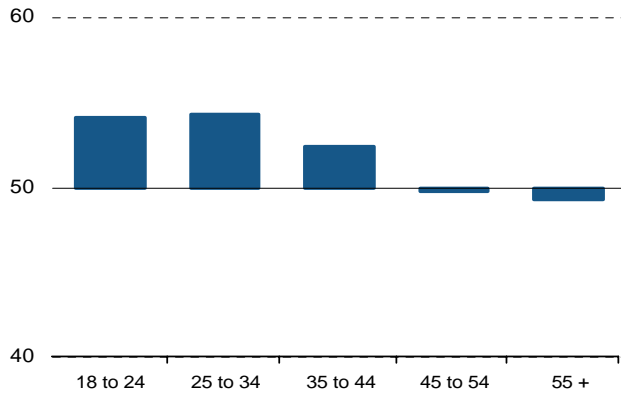
By Income

50 = no change on previous month



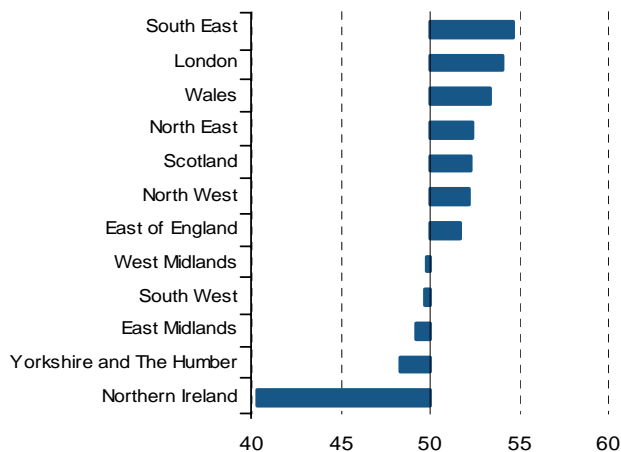
By Age

50 = no change on previous month



By Region

50 = no change on previous month

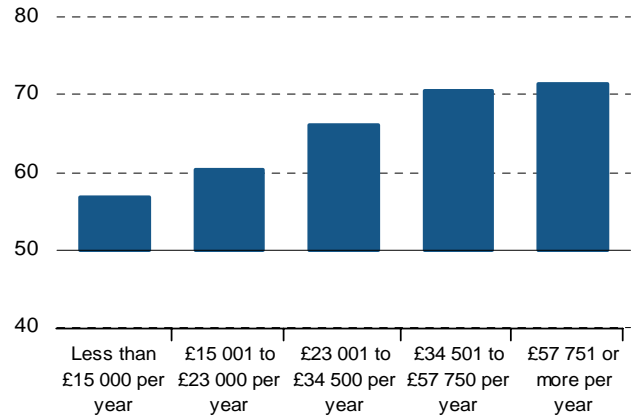


Outlook for value of property

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

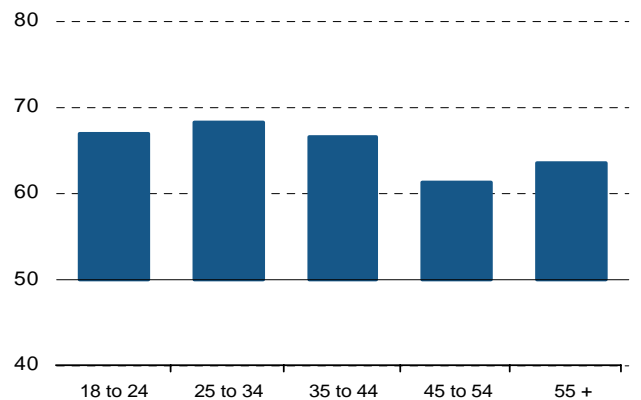
By Income

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By Age

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By Region

50 = no change on previous month

