

## The Rightmove Consumer Confidence Survey

The UK's leading survey of consumers from the UK's leading property website

# Consumer Price Forecast

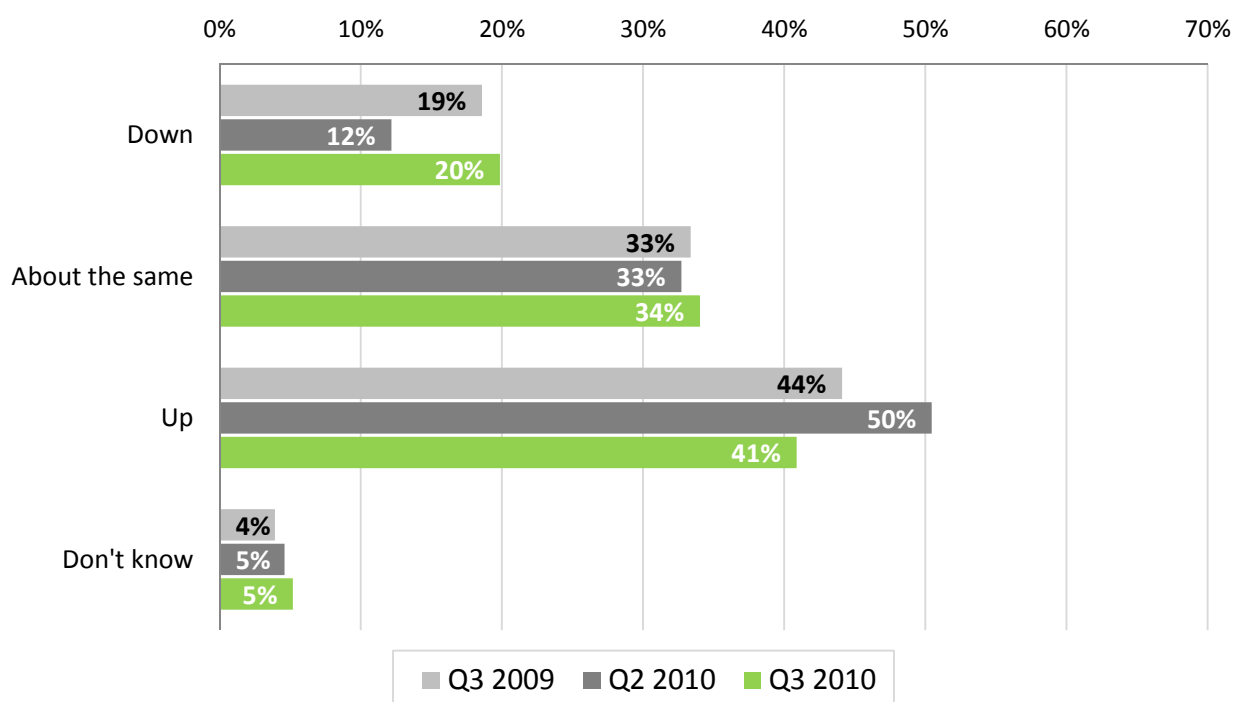
**\*\* UNDER EMBARGO UNTIL 00:01h ON MONDAY, 26<sup>th</sup> JULY 2010\*\***

## Home-movers confident of price recovery by mid-2011

- Post-budget survey finds 41% still confident house prices will be higher in a years' time, though a less optimistic view than the 50% recorded last quarter
- Three-quarters expect prices to be the same or higher. Confidence that Government austerity measures will improve prospects, or that the pain has yet to hit home?
- 'Nervy minority' grows to one in five, though still outnumbered 2:1 by 'price optimists'
- Survey sample exceeds 20,000, maintaining the Rightmove Consumer Confidence Survey as the largest of its type

### House price forecast: one year from now

Q. In your opinion, where do you think average house prices will be one year from now?



\* The Rightmove Consumer Confidence Survey reports the opinions of 22,010 consumers captured between Monday, 5<sup>th</sup> of July and Monday, 19<sup>th</sup> of July 2010.

The latest Rightmove Consumer Confidence Survey finds that the proportion of people that expect prices to be higher one year from now has dropped from 50% to 41% since last quarter. This view, taken from more than 20,000 prospective home-movers, comes against a backdrop of Rightmove reporting new sellers' average asking prices falling month-on-month for the first time this year. Despite a combination of factors exerting downward pressure on prices during the second half of 2010, overall a bullish majority of 75% believe that prices will either be the same as now or higher by July 2011. This has fallen back from the 83% recorded in our April survey, however.

The results are taken from responses to our regular quarterly question - "Where do you think average house prices will be one year from now?" – providing a first major insight into the property market outlook of potential home-movers since the change in government and announcement of austerity measures.

Miles Shipside, commercial director of Rightmove, comments: "A 9% drop in people expecting prices to be higher in a years' time is a significant shift. However, three-quarters of people still believe that prices will either be the same or higher in 12 months' time, indicating expectations of price stability in the medium-term. This suggests that either the Government cuts have not yet bitten hard enough to knock the inherent belief in property as a long-term safe-bet, or that there is a strong sense that the property market's 'dark days' are behind us".

Overall the survey indicates a degree of confidence that the new Government's austerity measures will be bearing fruit in a years' time. The medium-term view of the majority of respondents appears to be that by next summer the immediate concerns of property over-supply, mortgage famine, and the personal financial pain of the recovery process, will have eased. However, one in five believe prices will fall over the next year, and this 'nervy minority' has increased from one in eight last quarter.

Shipside adds: "The 'price-optimists' still out-number the 'price-nervy' by two to one, but with austerity measures starting to bite, a growing nervousness is to be expected. Given that house prices are anticipated to fall in the second half of 2010, it is reassuring that a bullish 75% believe that house prices will recover to be the same or higher by the summer of 2011. This is largely dependent on the return of mortgage availability which, unfortunately for frustrated would-be home-movers, may prove to be a longer game than they anticipate".

Confidence levels across each region appear broadly similar this quarter. Respondents in East Anglia, where new sellers' average asking prices are currently -1.4% year-on-year, are the most confident of higher prices (45.3%). For the second successive quarter London sees the greatest proportion forecasting lower prices (23.3%).

## Predicting the market

The Rightmove Consumer Confidence Survey reports the views of more than 20,000 people, making it the largest quarterly survey of its kind in the UK and an invaluable means of measuring public sentiment.

Matthew James, consumer and market insight manager at Rightmove, comments: "The Rightmove Consumer Confidence Survey measures sentiment, an early indicator of the trends that we can expect to see a bit further down the line and evidence of this can be found by comparing our survey results of one year ago with Rightmove's most recent House Price Index. And looking ahead, there is an interesting test coming for home-movers around price confidence as recent announcements of austerity measures and cuts start to be put into practice. It will be fascinating to see how resilient this confidence proves to be.

## Price forecast trend

Year	Quarter	Down more than 10%	Down less than 10%	About the same	Up less than 10%	Up more than 10%	Don't know
2010	3	7.0%	12.9%	34.0%	35.4%	5.5%	5.2%
	2	4.2%	8.0%	32.7%	44.1%	6.4%	4.6%
	1	4.3%	8.3%	30.0%	46.8%	6.7%	3.8%
2009	4	3.6%	7.4%	29.1%	48.9%	7.4%	3.7%
	3	5.7%	13.0%	33.6%	39.4%	4.5%	3.8%
	2	13.8%	21.2%	28.4%	28.3%	3.8%	4.6%
	1	36.5%	32.8%	17.7%	8.4%	1.4%	3.3%

## Top 5 regions expecting prices to go up – Q3 2010

Region	Up Q3 2010	Up Q2 2010	Up Q3 2009
East Anglia	45.4%	52.8%	46.5%
Scotland	43.4%	54.9%	44.2%
East Midlands	42.9%	51.6%	45.7%
South East	42.8%	53.0%	46.2%
Greater London	42.6%	52.9%	46.2%

NB – Figures in the table above aggregate 'up more than 10%' and 'up less than 10%'

45.4% of all respondents in East Anglia expect average house prices to be higher in 12 months' time than they are currently, 1.1% higher than the same period of 2009.

## Top 5 regions expecting prices to go down – Q3 2010

Region	Down Q3 2010	Down Q2 2010	Down Q3 2009
Greater London	23.3%	13.6%	21.2%
South West	22.6%	11.7%	18.7%
Wales	21.9%	11.4%	21.7%
North West	20.6%	12.2%	19.8%
South East	20.5%	12.2%	17.2%

NB – Figures in the table above aggregate 'down more than 10%' and 'down less than 10%'

23.3% of all respondents in Greater London expect average house prices to be lower in 12 months' time than they are now, 2.1% higher than the same period of 2009.

### Note for editors:

Rightmove analyses data for 9 regions in England, as well as Scotland and Wales. The size of the quarterly sample also allows for analysis by many major towns and cities. To request current and historic data for your region or nearest city, please contact Tom McGuigan on 020 7087 0605 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk).

## About this survey

The data presented as part of this release is taken from the quarterly Rightmove Consumer Confidence Survey. The survey seeks the views and attitudes of home-movers towards a key British obsession – the housing market. Started in early 2009, more than 120,000 people responded to the survey in its first year alone.

The Rightmove Consumer Confidence Survey provides a UK-wide picture of home-mover confidence by collecting opinions on a range of factors affecting the housing market and perceptions of it.

As one of the Top 10 most visited websites in the UK, Rightmove attracts a wide demographic and one that very closely matches the working-age profile of the UK. Rather than purely seeking the views of those currently active in the housing market, Rightmove's database ensures a much wider, more representative sample.

All responses were completed via an online questionnaire between **Monday, 5<sup>th</sup> July and Monday, 19<sup>th</sup> of July 2010**. A total of **22,010** responses were received from respondents during this time.

Data is weighted using Census data available from the Office for National Statistics to help ensure the results are representative of the UK and its regions.

	<b>N</b>	<b>% of response</b>
North of England	796	3.6%
North West	2,517	11.4%
West Midlands	1,706	7.8%
South West	2,376	10.8%
Greater London	2,691	12.2%
South East	4,718	21.4%
East Anglia	1,726	7.8%
East Midlands	1,868	8.5%
Yorkshire & Humberside	1,790	8.1%
Scotland	1,037	4.7%
Northern Ireland	44	0.2%
Wales	741	3.4%
<b>UK Total</b>	<b>22,010</b>	<b>100.0%</b>

**NB** – Northern Ireland is not included in any regional analysis presented owing to the relatively small sample size.