Fall in housing market confidence

Contributed by JGFR
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Fall in housing market confidence â€“ especially in London

The improvement in housing market confidence in the autumn, predicted by strong consumer intentions in June and September, is set to weaken in the next few months. Both FAB housing indicators continued to point to lower housing market activity. Mortgage demand is down for the third quarter running with the FAB Mortgage index falling back from 97.1 in December to 90.8 and not far above its record low of 86 in March 2005.

While there was little change in the proportion of people intending to put down a deposit on a property to buy this quarter, the 2-quarter FAB Property Purchase Intentions Index fell for the second quarter running, down from 103.5 in December to 98.8. In March 2005 the Index was
95.3. In London where housing market activity and sentiment has been at or near record levels for much of the past six months, the climate looks distinctly chilly. The London Property Intentions Index fell from a record high of 192.8 in December to 139.7, although remains slightly higher than in March 2005 (131.3).

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