

FOUR MILLION HOME OWNERS PLAY THE WAITING GAME

Submitted by: Brando

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More than four million home-owners are playing a waiting game, watching the fluctuating property market with an eagle eye so they can cash in on cheaper home-ownership before prices start to rise.

According to research from first direct, UK home-owners waiting for the right moment to 'trade up' their houses are now sitting on a savings pot of £20.2 billion* which is ready to be ploughed into the housing market when the time is right.

Findings suggest that with the property market already showing small signs of recovery, the average Brit expects house prices to start rising steadily as soon as October 2010.

One in six (15 per cent) think house prices will return to steady growth by the end of 2009, but the most pessimistic 16 per cent expect to wait until after the Olympic year 2012 to see steadily rising prices again.

Playing the waiting game

The highest proportion of house-buyers playing the waiting game live in the capital, with 15 per cent of savvy Londoners delaying house buying decisions. Women (14 per cent) are twice as likely as men (eight per cent) to wait for falling prices.

The waiting game has an emotional impact on the nation – a quarter (25 per cent) feel lucky to be able to take advantage of a falling market and snap up houses while prices are low. Close to two in 10 (18 per cent) are thrilled at the prospect of nabbing a bargain.

However, for 20 per cent of the nation, the waiting game is forcing them to postpone major life decisions such as marriage and children - and 12 per cent feel that they will never make it on to the property ladder with prices as they stand.

first direct spokesman, Jimmy Kelly, said: "If property is your preferred investment, it's worth existing home-owners investigating offset mortgages as a savings option while they wait for the right time to invest. With savings accounts paying such low rates of interest at the moment, offsets are looking particularly attractive.

"Swapping to an offset mortgage could cut down the length of a £100,000 25 year mortgage by almost three years and save £18,322 in interest payments over the lifetime of the mortgage."

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The Waiting Game by region

London - 15 per cent

South West - 13 per cent
North East - 13 per cent
Midlands - 12 per cent
North West - 11 per cent
Yorkshire & Humberside - 11 per cent
South East - 10 per cent
East Anglia - 10 per cent
Wales - 8 per cent
Scotland - 6 per cent

CASE STUDIES AVAILABLE

For case studies, more data or further information about first direct please contact Karen Salem on 020 7419 8632 / Karen@brando-world.com or Lucie Kaye on 020 7691 8767 / Lucie@brando-world.com

* £20.2 billion = 2.585 million home-owners waiting to trade up (i.e. people waiting for prices to fall so they can buy a home) multiplied by the average savings per mortgage owner (£7,816.73)

Notes to editors

first direct was recently voted the top call centre in the UK for customer service. The Top 50 Call Centres for Customer Service 2008 awards were based on over 20,000 calls to over 50 call centres in the UK.

first direct is a division of HSBC Holdings plc. HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from more than 9,500 offices in 85 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,547 billion at 30 June 2008, HSBC is one of the world's largest banking and financial services organisations.

HSBC is marketed worldwide as 'the world's local bank'.