

**Price expectations rose for the first time since May 2007, according to RICS' UK housing market survey published today.**

This is supported by low levels of stocks on surveyors' books and increasing buyer enquiries, according to RICS.

Evidence that activity in the housing market is picking up, albeit from very low levels, has increased surveyor optimism. The net balance of surveyors expecting price increases rose for the first time since May 2007. Six per cent more chartered surveyors expect house prices to rise over the next three months compared to a negative reading of 11% in May. The rise in optimism has been driven by the continuing up-turn in buyer enquiries and falling levels of fresh supply.

The number of chartered surveyors reporting an increase in new enquiries rose again in June, with a net balance of 67% reporting a rise rather than a fall, the eighth consecutive monthly gain and the highest figure since the series began in April 1999. The level of stocks on surveyors' books continued to provide some support for property prices while new instructions remain marginally in negative territory. In fact the amount of properties on surveyors' books has declined by around one third over the past year. Consequently, the net balance of surveyors reporting a fall in house prices rose from a negative balance of 43.8 to 18.1%, the highest reading since September 2007.

The survey also contains more definitive signs that the rebound in enquiries is now feeding thorough into increased transactions. Sales rose again but from very depressed levels. The average numbers of properties sold over the past three months rose to 12.7, up from 11.7. Newly agreed sales, measured on a net balance basis, increased sharply, reaching the highest level since August 1999.

Commenting, RICS spokesperson Jeremy Leaf said: "Although the market is showing signs of improvement, it is unlikely that there will be a sustained upturn while mortgage lenders remain risk adverse. A lack of stock on the market is providing a platform for modest price increases. While supply remains tight, the market may continue to show tentative signs of firming but instructions are starting to increase in some regions and this could dampen any meaningful recovery as long as economic conditions remain quite so uncertain."

