An index of U.K. house prices rose to the highest in 2 1/2 years last month as measures to boost credit lifted optimism at real-estate agents about the outlook, the Royal Institution of Chartered Surveyors said.

The price gauge advanced to zero from minus 9 in November, London-based RICS said in an e-mailed report today, citing a monthly poll of property surveyors. Its the first time since June 2010 that the measure hasn’t been below zero. A gauge of sales expectations for the next three months also rose.

The Bank of England started its Funding for Lending Scheme in August and reported earlier this month that credit conditions have eased. RICS said there has been a “notable increase” in new buyer inquiries in recent months and the housing market in some areas “may have started to bottom out.”

“As we start the new year, confidence to the housing market does appear to be improving, helped in part by the impact of the FLS,” RICS director Peter Bolton King said. “It may be that we are now over the very worst.”

The measure of home-price expectations for the next three months climbed to 1 in December from minus 5 in November, the first time it’s been above zero since May 2010. RICS predicts residential property values will increase 2 percent this year. The three-month sales-expectations index jumped to 24 from 13.

London’s housing market is outperforming the rest of the U.K. and in recent months has seen a “marked pick up” in price momentum, activity and expectations, according to RICS. The only other British region where surveyors are reporting more price rises than declines is south east England, while Scotland and Northern Ireland show more decreases, it said.

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