

Direct From The Front Line

Martyn Stubbs of Phillips & Stubbs assesses the first few weeks of property market activity in 2009 and suggests that while the economic picture may be still grave, local market activity in the housing sector is far from moribund.

The shiny chrome pinball of bank failure still crashes around the machine, ringing up eye-watering losses as it goes.

However, each piece of negative news makes one fewer bad headline in the future. This downturn will end, just as certainly as the Great Depression of the 1920s ended. Already, in 2009, there are signs of increased activity in the property market. These are not 'green shoots' - heaven forbid one should announce that just now! But there are signs that people who have to move are getting on with it. These signs also show that many sellers have brought their hot price expectations more into line with cold reality.

It is never easy for anyone to come to terms with a loss of some equity in their home – especially those who have never had to come to terms with this in the past. But before long the desire to move on in life overcomes even the most steadfast seller when faced with the proposition that getting on is better than holding on – especially when what they are holding on to might still be sinking. It's rather like asking comfortable passengers on the Titanic, before it hit the iceberg, if they would like to freeze in an over-laden lifeboat and then asking them again after the collision. Same question. Different answer.

We are living through a dramatic piece of economic history that will be mentioned as much in the future as the Great Depression has been in the past. Indeed it is probable that the two events will be forever linked as the classic examples of modern cataclysmic economic and commercial breakdown.

But those of us living through such shattering events are being forced to make decisions that few of our grandparents and great grandparents ever had to make. Mass home ownership, we have all learnt, can wear two masks – one of comedy and the other of tragedy.

The media is often two, and sometimes three, months out of step with property market news. Experts as they may be, news reporters are not working day-by-day in the front office of a high street estate agent, and they are often the innocent mouthpieces of received wisdom. Property statistics and trends do not have the immediacy of the stock market, they take months to filter through and then distort the up-to-date truth. Since the New Year estate agents up and down the country have been describing greatly increased levels of enquiry and property viewings unseen for over twelve months.

Nobody can say if these numbers will be sustained or even increased. Much depends on how quickly that shiny pinball comes to rest. But meanwhile there are sure signs that

the house buying and selling public are fed up with this recession, they are not prepared to put their lives on hold while the governments in the UK or even the US get their policies sorted out, or until the banks get their houses in order or even until the price correction ends and property regains its upward momentum.

Buyers are once again filling agents' offices, checking online and visiting property. And why shouldn't they be? There is great choice, prices have come down dramatically and those with enough deposit can enjoy the lowest interest rates for over three hundred years.