

‘Other Forces at Work’

There was a day when a slight shift in the bank base rate or change in stamp duty could have a profound effect on property market sentiment. Yet the Bank of England’s recent decision to hold interest rates is possibly the strongest signal to date that the UK property market is actually driven increasingly by factors other than such things. Oil and food prices along with foreign exchange rates have now largely replaced house prices as a driving force in the interest rate balancing act.

Until recently, most of us ignored the fundamentals of the national and global economy in our quest for advancement in the property arena and focused wholly on the word on the street as to the future of the property market. We all became property experts, sagely stating the effect that the latest quarter percent interest rate cut would have on ‘the market’.

Indeed, the term ‘the market’ goes a long way towards demonstrating that we have become ‘market traders’ over the years, rather than homeowners peacefully enjoying our chosen abode. ‘Get on, move on, bank the money’ was the order of the day in the extended post-Thatcherite era.

However, it seems that all that is changing rapidly – and for the better. The complimentary or divergent forces at work on the fate of house prices are now so complex and confusing that even the experts seem to be at a loss to know what is happening.

In any case, one thing is sure. Most buyers and sellers today are genuine people with a reason to move. They are less driven by the market and more driven by real life issues such as family, leisure, convenience, practicality and pleasure. As an estate agent, the joy of helping people move is what it’s all about. Who said the market was down?!