

Buy, Hold or Sell?

Martyn Stubbs of Phillips and Stubbs looks into the options presented by the property market this autumn.

Just like the stock market there is a right time in the property market to buy, hold or sell. However, unlike the stock market, buying property is usually allied to selling, so a clear financial advantage is harder to anticipate or achieve. Despite the turbulence of the past year the market now, against all odds, is rather good for selling. Here's why.

Figures just out show that the rental market is reaching some sort of equilibrium, with the numbers of available properties having dropped over the past six months or so. This is an important indicator; it suggests that those owners who couldn't sell their homes in the recession, and were thus letting them instead, have now begun to find buyers. This erosion of inventory in the rental sector indicates a new dynamic in the sales sector.

Over the course of the year buyers have been snapping up those properties priced keenly to sell. These bargain seekers have, in the main, been cash buyers or those with sufficient funds to require only a small mortgage. Now two things have happened in the market. Cash buyers are drying up along with the bargains. In many areas prices have been rising to reflect the paucity of available stock.

Will more property become available over the coming months as home-owners see more chance of a sale? Would a greater supply of property for sale suppress, or even reverse, some surprising price advances of the past few months? These questions are hard to answer in an economic environment that threatens greater job losses and higher taxation.

We are now in an all-important political party conference season. Those of us in the property industry and those whose plans include buying and/or selling property over the coming months are busy analysing how the policies of an aspiring new government may affect the property market. Taxing 'mansion' owners, repealing Home Information Pack legislation, and providing more social housing: these are all suggested new ideas.

What good, if any, these measures will have is difficult to see just now. But the real drivers of the property market are deaths, births, confidence and taxes. Any incoming government next year can't do too much about the first two. But how they manage the latter pair will be crucial to them and to us.

So what to do now to make the most of this market before the general election and even Christmas? Why, sell of course. But if there is a property to buy as well it really does not matter too much in the financial scheme of things. What surely does matter is that you and your family are happy and safe in the home you have or the home you buy. These are always the best reasons to determine whether to buy, hold or sell and no market or political party, whatever their policies, will ever change that.