

Home Truths

With the economy now in a period of uncertainty Martyn Stubbs of Phillips and Stubbs looks at the local property market in 2008 and offers some home truths and sound advice for sellers.

Where have all the TV property programme presenters gone? They are certainly not on our screens any longer, except in endless repeats which now seem to portray a rose-tinted world where property prices are in a never-ending upward spiral. Well, most presenters have disappeared from view because they don't have a view any longer, or certainly not one they want to air to viewers. They can no longer sensationalise about making big money from new home off-plan purchases, buy-to-lets or fix-ups.

The truth is that the property market is cyclical. All these people seem to surface when the going is good but go to ground when times are less so. Where are they now that the market is hardening up? Why aren't they telling us how to buck the trend? Because, by-and-large, there is no way to buck the trend. The market is how it is. We all live in a market economy and we all have to work within it – for better or worse. It's just that we've had it better for so long. Many younger estate agents haven't known anything but a buoyant sellers' market. Some have set up in business on the basis that estate agency isn't that difficult. Well it is and it's going to get more difficult.

So without the TV presenters to offer us their views where is one to go for the right advice? Who does one turn to when the going gets tougher? Like most things in life when you need someone to show you the way it is best to find someone who has been that way before and knows the path well. So if you are selling in 2008 here are some important points about this market that experienced estate agents understand only too well.

1. Don't believe everything you read in the press. The media is invariably three months behind the market and the national newspapers cannot reflect local market conditions that can swing wildly from county to county and even town to town. Conditions in West Kent and East Sussex are better than we had dared hope for. Interest rates are low and will probably go lower still. Employment is high. Money is tighter but buyers without a bad credit history are keen to purchase in many areas if the right property becomes available.
2. At the upper end of the market please don't hold your breath for City whiz kids and overseas buyers with more money than sense. Firstly they have more money because they have sense and invariably they like to buy low and sell high -whatever commodity they are dealing in. Billions were written off city bonuses at the end of last year so there are fewer bonus buyers than we have seen over the past few years. Also it's not true that Russians are buying everything at the top end of the market, and at full prices, despite what a few national estate agency firms may like to say. A relatively tiny number of houses and flats, mostly in London, are selling to eastern buyers. For the vast majority of sellers within these shores Russian buyers are not the geese that lay the golden eggs – even if one or two are occasionally by Faberge!
3. Start planning your 2008 sale early.
4. Be prepared to be flexible on price and timing.
5. Remember that property values have risen so much in the past few years even a fairly large negative correction to prices will have little significant effect on those who have owned their property for over three years. The notion of losing out is uncomfortable to anyone, but experienced movers understand they have to take the rough with the smooth.

6. What one loses on the swings one gains on the roundabouts. Price corrections work both ways – on the sale and the purchase. 2008 could be one of the best years in almost a decade for finding a great property. But selling will be a challenge. Would it be easier if things were reversed? Not really. One thing is sure: in property one rarely gets it good both ways! Be realistic.
7. Use an experienced professional to show you the way. Fee-cutting estate agents can be very attractive to the uninitiated, but don't be beguiled. You get what you pay for. In this market a wise seller needs sage advice based on experience and know-how. Sellers will need the services of those who offer their clients skill and candour as well as respect - not the scant attentions of those who regard other people's homes simply as commission-generating units of residence, or as another tick on the office dry-board score sheet. If you are selling and don't want to be a number make sure you get market appraisals from several reputable estate agents and be certain to ask each one how long they have worked in the area. Also ask if they worked through the last property downturn and, most importantly, what they learnt from it.
8. Home Information Packs have now been rolled out to all but a few property types. If your property has been on the market for some months and you are delighted that you weren't compelled to buy a HIP at the time don't be too pleased. Before very long the fact that your property doesn't have a HIP will rather advertise the length of time it has been on the market – not a very good selling point! The best course of action is to obtain a HIP now.
9. Finally there is no reason why a property that is well presented, in good order and priced correctly should not find an eager buyer but the right advice is crucial from the start.

To emphasise this Phillips and Stubbs offer a free market appraisal, which guarantees sellers sound and relevant market insight based on real local knowledge, long experience, a track record of excellent results in bad markets as well as good, and advice from those who certainly know their way in these market conditions. Sellers, at the very least, owe themselves that in 2008.