

## Reasons To Be Cheerful - Parts One to Eight

**Martyn Stubbs of Phillips and Stubbs takes a look at the property market as we look forward to the summer.**

In the depths of depression it is often hard to find reasons to be cheerful – especially in the property market. Prices dropping, nothing selling, precious few buyers - all these factors combine to deflate enthusiasm and erode confidence.

But this is all part of an established pattern. We have all been through these ups and downs before and are experienced enough to know that these recessions are cyclical and generally follow an eight-stage format.

The first stage is optimism, the period when people get excited about buying a home. When the market is so strong property increases quickly in value, and this heralds the second stage – fever pitch. Sadly it is this gold rush excitement that leads people to make rash and sometimes unwise decisions and it is these that lead to a downward cycle. At first nobody wants to believe that the bubble has burst and go to stage three, denial, not believing that their own property can lose value even when all others are.

Then comes fear, as prices continue to slide, followed by panic then stage six, resignation. Finally acceptance leads to hope and from hope we are back to optimism. And so the property market lifecycle is complete.

Right now we have gone through stages one to five. We are probably now hovering between resignation and acceptance. But this is not as bad as it may sound. It is actually a good moment. When the market is at fever pitch it is a time of minimum opportunity and maximum risk. Conversely when the market is between resignation and acceptance it is the time for minimum risk and maximum opportunity.

So now is clearly a time to think very positively indeed about buying a property. This is probably one of those periods in life that many people will look back on and say, 'I wish I had bought in 2009'! The strongest property market advice we can give is – don't be one of them.