



A riddle wrapped in a mystery inside an enigma

Martyn Stubbs of Phillips & Stubbs looks into the puzzling state of the property market this autumn and finds that, despite the conflicting signs, there is reason to be very optimistic.

What exactly is happening to the property market at the moment? In many parts of the UK August has been one of the most active on record and this following a rather busy July. So, after the dark and dreadful credit crunch months, what on earth is going on? After all the 'property experts' seem to think that the market could take years to pick up again.

This underlines the fact that nobody can really be a true expert forecaster in property. We can expertly deal with the market we are in, and skilfully help buyers and sellers to make the best of the prevailing conditions. However, to try and out-guess the property market is an entirely different proposition.

So if we aren't going to be foolish enough to try to foretell the future, at least we can try to understand the present. What the gurus couldn't factor in was the behaviour of the British house buyer and seller. Neither group is silly. Homeowners understand that there is a strong chance the market has hit the bottom and now the only way is up. So the longer they wait the more they may get for their property. Buyers, on the other hand, are keen to buy now as they anticipate that this is the perfect time to purchase. Indeed, latest figures show that residential property is now at its most affordable for thirteen years.

The recent property activity is a riddle, and the mystery of where things will go next does lie within the enigma that is the market. But one thing we do know: those astute buyers and sellers do understand a thing or two about supply and demand. Reluctant sellers mean a dearth of property coming onto the market and that, in turn, is stimulating a level of activity that is now causing competition between many buyers. Hence the recent surge in property activity. In some areas this means multiple offers and even rising prices.

So, what a great position to be in. Don't sell and you will make money. Buy now and you will make money. It is a win-win and that is a concept that should be no riddle, mystery or enigma to anyone.