

PHILLIPS & STUBBS

Steady As She Goes

Martyn Stubbs of Phillips and Stubbs assesses the property market as we enter what is traditionally the busiest time in the house selling calendar.

Anyone with sailing experience will know those joyful days when a warm brisk wind blows true and steady. But they will also know those days when the wind is cold, fluky and difficult; when it blows strongly from different directions with unpredictable gusts. Then it is not so joyful and can be downright uncomfortable.

Well, the property market is a bit like that. For over five years we have had great conditions. But now the weather has altered. It's stormy and changeable.

The irony is that while property sales are clearly down across the country as a whole, interest and viewing activity in the Rye area remains relatively high. 'Tis an ill wind that blows nobody any good, and in the case of this market it is buyers who are benefiting from the economic climate. Conditions for purchasers haven't been so good for years – apart from those looking for high-loan-to-value mortgages. This is down to two major factors. As prices enter a phase of re-adjustment people can now afford to buy property that even a couple of years ago would have been too expensive. There is also plenty on the market to choose from - most people can't remember the last time things were so good for prudent buyers.

But big questions remain. Will the country slip into recession? Nobody knows. How will the property market continue to react? No-one can say. Can we look at the recent past to help us understand how the market will behave in the future? Sadly not. Should we believe all that we read in the national press? Definitely not.

Well, what do we know? We know that the market is cyclical. We know, in the short term, what goes up will come down. We know in the long term there is a relentless upward trend - what goes up will continue to do so, despite the odd hiccup. We know that there are good buyers out there. We know that property priced in line with buyers' reasonable expectations will sell. We know that super-prime property in super-prime areas will remain a buoyant sector, albeit with sub-prime urgency. We know that the serious seller will sell and the serious buyer will buy. Does all that make for a bad market? Not at all!