

Time and Tide and the Property Market

Martyn Stubbs of Phillips and Stubbs takes a summer time look at the property market and explains why all one reads in the national press is not necessarily true in the Rye area.

No report on the residential property market in 2008 could dismiss the real problems there are in the market, principally because the dearth of transactions brought on by the parlous position of the banks and building societies.

However, the alarming headlines in the newspapers mask the real fact that in many ways and for many people it has to be business as usual because, despite the economic downturn, life goes on as usual. People will still have important reasons to buy or sell property. There are the happy reasons such as young people striking out on their own, marriages and births, there are business reasons like a change of job location, and there are the not-so-happy reasons such as redundancy, divorce or a death in the family. These are all factors that the economic situation, however worrying, cannot alter. It's true that aspirational and no-need movers, and those entering the buy-to-let market are in the main sitting on their hands but elsewhere there certainly is underlying market activity.

Prices are correcting throughout the UK and we will see more correction as this market cycle period continues. This is often hard for house sellers to appreciate but in a falling market most things in property are relative. The property one may be interested in buying is falling in value at just the same percentage rate as the property one is selling. There will be a financial discrepancy when the move is to a much smaller property, but by and large the amounts should not make too much difference.

Unless one is selling a property and not buying another or trading down to a significant level there are few reasons not to move at the moment. In fact there are many reasons why it may be a good thing. Firstly, there is so much choice. It is hard to think of a time in the last decade when there has been so much opportunity in the market.

Houses are a bit like policeman. There is never one around when you want one. Well, now is a good time to find that dream home. The tricky bit is selling but even here there are good signs. What the press headlines don't mention is that there are buyers and that if property is priced

correctly and the buyer is not looking for an impossible loan-to-value mortgage then there is every reason to be very optimistic.

The national press are also given to announcing aggregated national statistics. These are misleading as the property market is local and different regions, cities, towns and even neighbourhoods differ greatly across the country.

Market volume, lacking its feel good buyers, may be down by half on last year but that does not mean that the market is dead; far from it. There is in fact a brisk market for those determined to make the move.

Property today is not selling itself. It takes a great deal of skill and dedication by an experienced estate agent to piece together deals in such a challenging market - but that is the key; this is not the time to employ an inexperienced agent. This is not the time for estate agents who operate the Four Ps' rule – Put up a for sale board; Put it in the local newspaper; Put it on the internet; Pray. This is a time for creativity and innovation beyond the norm. This market also needs both seller and buyer to be flexible and an estate agent to be very aware of every opportunity to create a deal that works for both sides.

Everyone wants to get the most for their property and most of us want an uncomplicated sale in the shortest time possible. In this market sellers may have to restructure these expectations but there really is no reason to think that buying and selling in this market is unfeasible. It certainly is not. In the end it may be better to get on with life. Like the time and tide that wait for no man nor do they ever wait for economic conditions to be perfect either.