

Let The Waiting Games Begin



Martyn Stubbs of Phillips & Stubbs comments on a period of stagnation in the property market.

Putting off moving until after the summer holidays or waiting until after Christmas are the usual causes of home buying inertia. But now we have lots more reasons to put off the evil day. First there is the General Election. The World Cup in South Africa will quickly follow in June. Quite how differing outcomes of these events will affect the market is hard to fathom.

A brief period of euphoria may sweep the nation should England win the Jules Rimet Trophy but this is hardly going to kick-start a housing boom or usher in a slump. Likewise there will be few surprises, no matter who wins the election. Labour, Conservative, Liberal Democrat, Green, UKip or even the Monster Raving Loony Party – it is hard to see how any new government will not oversee a rise in interest rates, income tax and even VAT to claw back our crushing £101 billion deficit.

So if we know we are in for a tough few years of readjustment - no matter who wins the World Cup or General Election - perhaps the prudent thing to do would be to act now. For those who anticipate financial difficulty, downsizing and lowering the mortgage might be a sensible option. Others may wish to go eco-friendly ahead of inevitable rising energy prices. Still more may wish to release funds ahead of the increasing cost of their children's educations.

For those who see this time as one of golden opportunities there are certainly some of those. Our lowest interest rates for hundreds of years make stepping up in the market or even getting onto the first rung of the property-owning ladder easier now than for a long time – just as long as funds are available.

But despite the opportunities offered by this market there will still be those happy to put things off: and of course there are plenty of other events coming up in the months ahead to help them stave off moving day. Later this year there's the Commonwealth Games in Delhi and the G20 meeting in Seoul. Or for those who want to wait for the big one, what about the London Olympics in 2012?

But really, the best time to move is when our own lives dictate that it is right to do so, rather than waiting on the outcomes of national or world events. Currently there is a dearth of property on the market because so many people are waiting in vain. This is even causing prices to rise in some areas and bringing uncertainty in others.

However one thing is very certain: as far as the property market is concerned, waiting isn't working.