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GREEN SHOOTS PRODUCE SUMMER BLOOMS

The last three months has produced significant evidence of a return of confidence to the property market in the local area. Gascoigne Halman report an increase in sales over the last three months of more than 60% when compared to the corresponding period in 2008.

Commenting on the figures Managing Director John Halman said that the improvement had commenced earlier in the year and has gathered pace as the combination of low interest rates and cheaper house prices increased the activity within the market. Many of the buyers have been professional investors preferring to put their money in bricks and mortar rather than leave it on deposit earning low levels of interest. Buyer enquiries during July were a staggering 76% up on the corresponding period last year.

Whilst this is further evidence that the market has found its new level John adds that average prices over Gascoigne Halman's seventeen branch network are currently running at just under 20% lower than a year ago. The British Bankers Association has also indicated that mortgage approvals in July showed a rise of 7.4% compared with June and are 77% higher than a year ago. Mortgage availability for those requiring up to 85% loan to value remains good, although criteria is strict and nobody expects an early easing of the situation for first time buyers. It is generally regarded as a different market place to where we have been in the past, with banks and building societies ensuring that potential buyers pay a deposit and have long term sustainability of meeting their repayments.

John commented further: "It is now two years since our number of sales first began to indicate a difficulty in the market, and with prices having adjusted by 20%, it now seems that we can look forward in the belief that the market has reached the bottom of the cycle. Whilst we do not expect a return to rapidly rising prices, we do anticipate a further strengthening of the market as the year progresses".

John Halman

John Halman is Managing Director of Gascoigne Halman, an estate agent with seventeen offices in South Manchester and is the North West Regional Residential Spokesman for the Royal Institution of Chartered Surveyors.