

MARKET REVIEW FEBRUARY 2010

Spring sales are putting a spring in my step!

As winter lingers with continuing sharp frosts and flurries of snow, I am pleased to say that spring shoots are starting to show in the property market.

Since the beginning of the year we have seen a steady but certain week by week increase in activity levels in our offices across the area. Whilst there is little or no pressure on prices, sales are really encouraging with levels some 40% higher than at the same time last year.

There are several reasons for the underlying improving trend. Firstly there is an increasing acceptance that the significant property price falls of a year ago are now behind us. Whilst we are unlikely to see a return to a fast rising market, purchasers are buying with the confidence that their new asset is unlikely to fall in value.

Secondly, and significantly, we are seeing an increase in the number of mortgage products available to purchasers which is great news for the market and a really encouraging sign. This trend is especially apparent for those requiring 80 to 90% mortgages as these products were effectively priced out of the market for the majority of 2009. A healthy market requires first time buyers to be able obtain funding as this releases purchasers further up the ladder.

Finally, the Bank of England's decision to hold the base rate at 0.5% has led to many people capitalising on low interest rates. Inevitably rates will rise in due course but any increases are not likely to be fast or significant when they happen.

So, as we move closer to spring, and hopefully a little warmer weather for the crocuses and daffodils that will follow, this estate agent remains significantly more optimistic than he was a year ago.

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.