

PRESS RELEASE:

FOR IMMEDIATE RELEASE

Properties Staying On The Market For Longer

Autumn 2008

Research by the website Globrix has suggested that the proportion of properties unsold after 90 days has risen from 25% at the start of 2008 to 53% in August 2008. The UK's largest mortgage lender, the Halifax has also said that UK house prices had now fallen by 11% in the last 12 months, with the average house now worth £174,178, the same level as in February 2006.

Globrix has suggested that fear over further price falls in the market meant that sellers were finding it harder and harder to sell their homes. At the same time, Rightmove suggests there are now 15 sellers for every buyer in a position to proceed with a purchase in the market.

The government has now announced a package of measures in an attempt to slow the number of repossessions and expected evictions in 2009. Probably the most significant of these is the temporary lifting of stamp duty from 1% on homes over £125,000 to 1% on homes sold over £175,000. It is hoped that this move will particularly help the average first time buyer, and indeed the Halifax has welcomed this.

Of course, whilst this may be well intentioned, the problem with this and some of the other measures announced around offering "free" government five year loans of up to 30% of a property's value for first time buyers of new homes, is that more first time buyers are being encouraged into a falling market, where typically they are the ones that will require a 95% or higher mortgage. The effect of this is that they are quickly exposed to negative equity, should they have to sell again within a relatively short period, whilst the market continues to fall.

So if you are one of the fortunate few in a position to buy in the market this autumn, what measures should you perhaps consider?

Simon Himsworth of the website wefindhomes.co.uk suggests there are a number of practical and simple steps you can take:

- Ask the agent how long the property has been on the market, when and at what price it was originally valued. Has the price been reduced in line with the market?
- Ensure that you don't put yourself at too much risk of negative equity by borrowing at a too high loan to valuation (perhaps this is 85% or higher)
- Get a full homebuyers survey and ensure that any significant items highlighted in the survey are either rectified or you adequately negotiate a further reduction in the sale price
- Haggle hard and don't be afraid to walk away. There are more homes on the market now than there have been for many years.

ENDS

Notes for Editors:

Please only use quotations and factual information provided. For more information on the content of this press release, please contact:

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