

On Ice



In real estate it is both nicer and easier to give and receive messages of optimism and assurance. No one ever wants to hear from a pessimistic broker or agent. But then no one wants to hear from a stupid one either. Pessimism should never be confused with pragmatism or objectivity. It would be wrong not to prepare sellers and ensure that they are in the best possible position to make the very most of the market we are in. Property is sold by people with their feet on the ground, not by those with their heads in the clouds - or worse!

So realistic brokers and agents are putting the Champagne back on ice for little longer in the UK. For a while many people thought that a buoyant property market had returned. In many places prices had regained their pre-2007 levels and there was strong demand.

But it would be foolish to ignore the many signals we have. In the market, all is not quite so rosy as it was. Demand has slackened off; mortgage lending is at a six month low; harsh economic measures are ahead and, despite low interest rates and helpful noises from the IMF that the British economy is looking better, few are deceived into thinking that the next twelve months or so won't be a challenge.

For buyers with cash, or enough deposit to take advantage of some very good mortgage rates at the moment, this is a great market with lots of choice and a good degree of negotiating room. If purchasers missed the wonderful window of buying opportunity in spring 2008 now is a second chance to make a very good property investment in the UK just as it is in the US.

For sellers in the UK it is time to become hard-nosed business people. The message is clear. Pitch your price to attract lots of viewers and undercut the competition. Ensure that your home is always window-dressed to impress. Keep your eye always on your objective and try not to worry too much in the meantime. Encourage all offers and do not react crossly to low ones - it is not the first offer that counts, but the last! Negotiate hard on your next purchase. Finally, use a realistic broker/agent and not a silly one. Then, at last, you will be able to open that Champagne.