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THE PROPERTY MARKET IS NOT DEAD AS LONG AS NEW BUYERS STICK TO OLD RULES!

Mark Savill, Director of Novahomes Ltd, comments on the success of a new breed of buyers

The buyers in the old property market have run for the hills - gone are the high loan mortgage products with cheap interest rates, gone are those "new age developers" and gone too are the first time buyers with no deposits. Good job too! These were not intelligent buyers. Harsh words? You bet, but not as harsh as the judgements that are now being meted out.

However evolution by definition brings change and there is now a new breed of savvy buyers coming into the market, on the hunt for a bargain, but sticking to old market rules:

1. **The profit you make on sale is entirely dependant on the price you pay for a property.** Yes that is right - you make the profit on purchase and not on sale. Properties in need of work are still finding buyers - but buyers who are entirely realistic on the finished value, who carefully estimate their costs with a good sized contingency for the unexpected, and who factor in a profit for themselves.
2. **Buyers who are chain free can use their advantage to get a better deal.** First time buyers, cash buyers, investment buyers are all using their ability to proceed without a chain to knock prices down. The canny sellers are in turn using the advantage of their swift sale to agree a reduction on their next house. Clever negotiating is making these people money and building very good chains.
3. **Property investment is for the long term!** Many people no longer trust banks and few understand the stock market sufficiently to be able to invest on their own; but property investment is different. We all understand houses - most of us live in one after all! As long as you only borrow what you can afford, after the mortgage is paid off the house belongs to you. It really is that simple.

So is the property market dead? Well the old one is, but the new one has brought back the canny buyers who are making sound purchasing decisions at bargain prices and investing for the long term. Long live the new property market I say!

Notes to editors: Novahomes is a UK wide Estate Agency Franchise originating from Somerset with agents across the country including Halifax, Yeovil, Taunton, Shaftsbury, Worcester, Cheltenham and Exmouth.

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