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## House Prices travel back in time to 2005!

Mark Savill, Director of Novahomes, comments on the swift change to current house prices 2008 must be one of the fastest property market corrections ever, as evidence shows what took 3-4 years in the 90's has occurred in a record breaking 6 months! Property is appearing on the market at prices akin to those of 2005, and selling to people who perceive it to be recession proof money. In the early 90's the market correction lasted from 1989 to 1993 and over that time the average price fall for the UK was just under 10% and just under 20%<sup>1</sup> in the South West.

Why the correction has been so fast is open to debate. In the 90's price falls began in London, gradually spreading across the UK; however in 2008 the whole country has been affected almost simultaneously due to a lack of mortgage funding. The most significant difference is in the recent behaviour of buyers; those who decided to put their move on hold are now seeing some great opportunities to buy due to more attractive pricing.

Is the price correction bad news for sellers? For those who are not buying maybe, for the rest this has to be good news. Affordable housing makes life easier for those wanting to get on the housing ladder, easier and cheaper for those climbing the ladder and means we spend a lower percentage of our income on either rent or mortgage.

So how do you find out the right price for your house? A number of web sites will help you - at [rightmove.co.uk](http://rightmove.co.uk). you can log in to the section on sold prices and see what houses were fetching in your postcode in 2005. Other helpful sites are [zoopla.co.uk](http://zoopla.co.uk) and [mouseprice.com](http://mouseprice.com). Most agents offer a free valuation service - but make sure that your instructions are specific; ask for a price that will get you sold in the market we have today. Finally look at what bargains are out there - taking less for your home may put you in a good position to haggle on your purchase making you better off, not worse!

<sup>1</sup>source: <http://www.cml.org.uk/cml/statistics>

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### Notes to editors:

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