



Housing Market Woes.

The percentage of first time buyers in the property market has fallen to the lowest levels for two years, according to the National Association of Estate Agents (NAEA).

Figures from the NAEA reveal sales remained sluggish as the market sees fewer buyers overall due to low consumer confidence.

An NAEA report says the current economic climate, along with tight credit availability, has put off many first time buyers. It shows the percentage of first time buyers in the market fell to 8.3% in March, the lowest proportion seen since 7.9% was reported in April 2006.

There are indications that first time buyers have dropped their market share once again showing a 'wait and see' attitude has been adopted. Over the next few months it is going to be imperative that the shackles are released on the mortgage market so consumer confidence can be rebuilt, allowing the market to stabilise.

The number of buyers on estate agents' books increased slightly, from 243 to 249, but remains far lower than the 385 reported in March 2007.

The number of sales per agent fell, down from eight in January and February to seven in March. Agents were selling around 14 properties each in March last year.

Contributing factors to the fall in sales include the amount of viewings before properties are sold, which rose from 13 in February to 14 in March, while the amount of agreed sales that fell through rose from 8.6% to 10.3% over the same period. The difference between asking price and selling price rose to 4.7%, up from 2.9% a year ago.

The figures provide further evidence of the housing market's fragility, but the NAEA is hopeful measures taken by the Bank of England will increase financing and demand, although most industry commentators don't expect there to be any improvement for months to come. It is going to be a long hard summer in the housing market...

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