



## Housing Market Gloom.

Property sales will fall by at least 40% this year but there will be no crash in house prices says the Royal Institution of Chartered Surveyors (RICS). The UK housing market is unlikely to hit the buffers in a repeat of 1991, but house prices will fall by around 5% this year according to RICS.

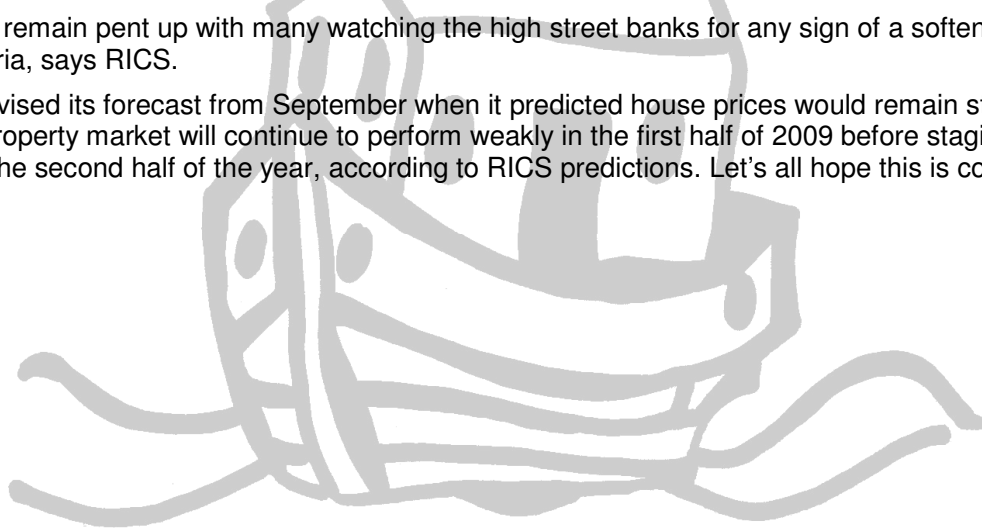
The prospect of the housing market picking up in the second half of this year has been written because of lenders hiking mortgage rates, says RICS. RICS said a 40% fall in property sales would knock 8% off consumer spending and would be bad news for mortgage brokers, estate agents and the high street.

The second half of 2008 will prove a difficult period for the housing market. Money looks set to remain tight and many will continue to find that cautious lenders restrict access to the market. Further interest rate cuts and intervention from the central banks could thaw out the property markets says RICS.

Demand will remain pent up with many watching the high street banks for any sign of a softening in lending criteria, says RICS.

RICS has revised its forecast from September when it predicted house prices would remain static across 2008. The property market will continue to perform weakly in the first half of 2009 before staging a recovery in the second half of the year, according to RICS predictions. Let's all hope this is correct!

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