

# There's never been a better time to buy, but will you still have a job in the morning?



Uncertainty continues to blight the housing market, but says Bedell Group partner **Guy Le Sueur**, there's no need to rush in just yet

THE current state of the market is a good example of Murphy's Law in operation. There has, arguably, never been a better time to buy a house, with interest rates at an all time low and supply exceeding demand in most sectors.

Against that, there is the painful reality that for a not insignificant number of employers and employees, especially those in the private sector, these are difficult economic times and concerns over job security exist for many Islanders.

The importance of a buoyant property market to the Island's economy cannot be overstated. The revenue for the Treasurer generated from a £400,000 property transaction assuming a 75% loan, is around £8,500 taking into account stamp duty and the tax on profits of the agents, lawyers and others involved in the process.

For the time being, it is probably unrealistic to expect any intervention from the States to try and ease the current difficulties in the market caused by a combination of a lack of competition amongst lenders for securing new business and, to some extent, fears over job security. It will be interesting over the coming months to see what, if any initiatives the States are prepared to offer to stimulate the market.

The good news is that if you are in a position to buy your first home or move property, now is a good time and I hope that the few pointers that follow will be of some help.

First and foremost, there is no need to rush in with any offer. It is a fact that properties which were selling at a first viewing maybe two years ago are now taking three or four viewings before offers materialise.

There will of course be exceptions, but at the moment the market is trying to balance itself between sellers in no particular rush to sell and buyers keen to secure a deal.

Always remember when you are buying that the agent is the seller's agent and should be presumed to have the seller's interests paramount. Do not be tempted to disclose to the agent what your maximum price might be or say anything which you would rather the seller did not hear.

As sure as night follows day, the agent will, as they should, pass on the information to the seller.

You might be invited, especially if you are dealing with a developer, to pay a deposit there and then to secure your offer. I have nothing against the principle of deposits, provided that they are fully refundable if the purchaser decides within a reasonable period of time to withdraw.

Therefore, always check that the deposit is fully refundable. If it is not, you will place not only yourself under pressure, but also your lawyer. Your lawyer should be looking to carve out some of the more one-side provisions in developer's contracts.

However, if there is a non-refundable deposit, the responses from the developer to requests for variations to the agreement are more likely to be 'take it or leave it' – and if you do decide to walk away, you lose your deposit.

If you are not buying a newly constructed home, there is no harm in asking your lawyer to find out when the sellers purchased the property and what they paid for it. Take some soundings from your friends and family, and look to figure out whether the asking price is reasonable taking into account the price they paid for it and any improvements that may have been carried out.

There are some encouraging signs that possibly one or two lenders might be entering the market and if this results in increased opportunities for first time buyers, then this can only be good for the rest of the market.