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## What's happening to your house price?

By Jonathan Davis

Ψ Are you becoming more and more concerned about house prices? Did you assume your house value would rise over time to help fund your retirement? If so, you're right to be concerned. There is a myth that house prices can never fall. Well, they have practically everywhere in the World and in many parts of the UK, too. In Northern Ireland, for example, house prices have halved since 2007. The South East saw prices fall some 20% during the 2008 economic crash, although they rapidly rebounded into 2010 as interest rates were slashed and bankers were bailed out. In the next economic decline (maybe it's already started) the government will probably bail out the bankers again. The one thing they can't ever do again, however, is slash interest rates. They've been at an historic low of 0.5% for some four years now, as most of the planet is in Recession and the UK hasn't grown in 6 years. As a result, house prices are unlikely to survive the next economic shock. So what should you do? Consider trading down to release retirement capital, or take in a lodger/s to boost your income and invest this annual surplus for your retirement. I wouldn't put off acting either. These things have a tendency to turn very quickly once they get going.

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