

## ‘House price fall will boost activity’

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THE best way to boost activity in the property market is to let house prices fall, an economist said yesterday.

Jonathan Davis, a City of London wealth manager who in 2007 predicted the Northern Ireland housing crash, was speaking following a Stormont initiative to help first-time buyers get on the property ladder.

Finance minister Sammy Wilson told the assembly on Monday that the executive was giving £10 million more towards an existing co-ownership scheme. Mr Wilson said this would “stimulate some much needed activity in the local property market”.

Mr Davis told the News Letter yesterday that transactions levels in Northern Ireland were down on 2006 highs because sellers are still asking too much.

“Activity is indeed needed and it will come when sellers reduce further their asking prices,” he said. “It will not come by taking action to keep prices higher than the market equilibrium — the true price or value that the market can bear.”

In May the News Letter revealed that the Halifax had become the first major house price survey to show that prices in the province had dropped 50 per cent from peak. The Nationwide and University of Ulster surveys have since recorded drops of 45 to 50 per cent.