

News Letter

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ADVICE: Jonathan Davis, Managing Director of financial advisor Armstrong Davis Ltd

What would I do if I was trying to sell a house?

If it was me and I was up to my eyeballs in debt – which is pretty much the only way people bought those properties in the last few years – I would bite the bullet and significantly reduce the asking price.

I would set the asking price at 10 per cent below the prevailing asking prices of similar properties in the area and accept a low offer.

Why? Because it will go down even further. This way you can get out of debt and hopefully put some money in the bank, rather than continuing to lose it and effectively working for the bank and the taxman.

For those thinking of buying, don't touch property with a barge pole.

Not only is it cheaper to rent but you have no capital falls and you get interest on the money you would otherwise have used as a deposit.

There is absolutely nothing that can be done for this sector of the economy.

The banks have got no money to lend. They are running around being put out of business at the moment – they are doing anything they can to stay in business.

The excesses of the last few years were beyond anything we have seen in about three generations – it's that big.

There's nothing that the Government or the banks can do – the lending was extreme and the contraction will, I'm afraid to say, be similarly extreme.