

Report on house price increase 'should be met with caution'

By James Stinson
Business Unit

COMMENTATORS have urged caution over new figures which suggest house prices rose by nearly 10 per cent in the last three months.

The rise comes after 18 months of precipitous falls which have seen average prices plummet nearly 40 per cent.

The Nationwide says figures, based on mortgage approvals with the society, show that prices increased by 9.7 per cent in the last quarter.

The increase represents the first rise in eight quarters and a substantial improvement from the 4.3 per cent quarter-on-quarter fall seen in the second quarter.

"The softening in the year-on-year rate of decline this quarter might reflect that affordability has improved considerably given the sharp price falls experienced over the last two years," Martin Gahbauer, Nationwide's chief economist, said.

"The ratio of house prices to earnings is now broadly in line with that



■ **10 PER CENT RISE:** A report by Nationwide shows that house prices in the north have risen by almost 10 per cent in the last quarter

for the UK as a whole, having been well above the UK average for most of the last two years."

The Nationwide figures follow a University of Ulster survey which showed a modest increase in house prices of 0.5 per cent in the second

quarter of the year.

However, commentators have warned against reading too much into one set of figures. They point out that house prices were bound to firm up given record low interest rates and massive government stimulus in

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the economy.

The number of transactions, which remain at less than half normal levels, may also cast doubt on the accuracy of the latest figures.

Chartered financial planner Jonathan Davis, one of the few to predict the house price crash before it happened, said he expected house prices to fall further.

"The recent rises are as a result

mainly of various government stimuli, in advance of the general election," he said.

"After the election, expect big public sector cuts and tax rises. Also, interest rates will eventually rise and unemployment will remain high for a long time, due to the terrible state of the global economy. In these conditions we expect house prices falls to resume.

"Remember, no trend goes in a straight line. The trend remains down until the wider economics improves and that is unlikely for years."

The Royal Institution of Chartered Surveyors (RICS) said it was unlikely any recovery in the housing market would be straight forward.

"The recent turnaround has been surprisingly strong," Brigid O'Leary, an economist at RICS, said.

"An increase in property for sale would improve transaction levels but could also put some renewed downward pressure on house prices."

According to the Nationwide, the average house price in Northern Ireland is now £147,204, down from a high of £227,970 recorded in the third quarter of 2007.



■ **AT THE COPACABANA:** Around 50,000 Brazilians joined celebrations at the Copacabana beach in Rio de Janeiro yesterday after it was announced that the city had won the nomination to host the 2016 Olympic Games

PICTURE:
Andre Penner/AP

Rio gets 2016 Games in first for Latin America

By Robert Dex PA

RIO de Janeiro will host the 2016 Olympics, it was announced yesterday. The Brazilian city beat off competition from Madrid, Chicago and Tokyo to land the sporting extravaganza.

The decision was announced by International Olympic Committee (IOC) president Jacques Rogge in Copenhagen.

The announcement, which sees the Olympic Games go to South America for the first time, sparked wild celebrations in Denmark and Brazil.

Athlete Denise Lewis, who won gold at the 2000 Sydney Olympics, said it was the right decision.

"Every Olympiad, you want the Olympic movement to

move forward and venture into uncharted territory," she said.

Chicago had been favourite to land the Games, with its

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Denise Lewis

odds bolstered after US president Barack Obama flew in to the Danish capital to help with the final bid presentation.

IOC delegates made their picks during the day, with the city receiving the fewest votes

eliminated round by round until one candidate secured a majority.

Olympics minister Tessa Jowell congratulated Brazil.

"As the first South American nation to host the summer games, this groundbreaking decision is a unique opportunity for Brazil, a country where the Olympics are already making a difference to the lives of thousands of children through London 2012's International Inspiration programme," she said.

"Rio de Janeiro now has the chance not just to deliver an amazing sporting event but to inspire people of all ages, renew and regenerate communities and to leave a legacy that will benefit Brazilians for generations to come.

Southern Protestants fight education cuts to schools

By Simon Doyle
Education Correspondent

AN UNPRECEDENTED gathering of the Republic's Protestant community will come together today to fight education cuts.

The Republic's education minister Batt O'Keeffe last year withdrew a range of ancillary grants and supports to Protestant schools.

He also increased the pupil to teacher ratio in Protestant and other fee-paying schools.

A conference in Dublin - 'Protestant Secondary Education: A Challenging Future?' - is expected to attract the largest gathering

of Protestant people on a single issue for years. Speakers include Church leaders, educators, parents and experts in the fields of Irish education and constitutional law.

The conference will hear that the threat of closure looms large for some

"Anger across our community is palpable"

Eleanor Petrie

Protestant secondary schools because of current and prospective government cost-cutting.

It is claimed Mr O'Keeffe's decision will force schools

to increase fees substantially, thereby creating huge financial difficulties for poorer Protestant families.

"Anger across our community is palpable. Protestant parents are not willing to stand by and watch as the possibility of educating our children in a school reflecting our ethos evaporate," Eleanor Petrie from the Protestant Parents' Association said.

"As we continue to fight for parity in our schools, this conference will bring together members of the community from across Ireland to debate and examine the issues facing our schools."



Wedding in Rome

■ **JUST MARRIED:** Antrim county chairman John McSparran and his bride Donna McAlister, who were married on Thursday in the St John of Lateran Baptistery in Rome, take in a trip to the Colosseum en route to their reception in the Ristorante Ozarzio

PICTURE:
John McIlwaine