

UK Housing Prices: Boom or Bust?

Despite the rapidly increasing house prices ~~that were noticed~~ evident ~~induring~~ 2006, the threat of a UK housing price crash persists. It is reported that increased levels of personal debt, the chance ~~for of~~ interest rate ~~rises-increases~~ and fears ~~ss concerning-over~~ the stability of the sub-prime mortgage market can all lead to ~~a~~ the crash of housing prices. ~~It is noted that the~~ The UK mortgage market ~~increased~~ hiked almost 21 per cent from 2005 to 2006. This signifies a jump from £288.4 billion to £344.9 billion in one year. Moreover, ~~the~~ growth in the average unsecured debt ~~has been an ever-increasing phenomenon~~ has continued to rise in the UK. In fact, it has ~~increased~~ grown 5.4% per each year since 2002, ~~rising~~ going from £3,670 to £4,522. ~~Therefore~~ So, it is not surprising to ~~notice~~ see the number of repossessions ~~also increasing~~ going from 10,310 to 17,000 ~~in from~~ 2005 to 2006.

Together with expectations of a hike in ~~the~~ interest rates, this could be the most important factor that ~~may~~ could lead to a ~~house-price~~ crash in housing prices. Higher levels of personal debt could also lead to the increased role of the sub-prime mortgage sector (mortgages for high-risk borrowers) ~~becoming more significant~~ in the housing market. In particular, ~~it is pointed out by~~ experts reveal that ~~there is~~ a recent crisis among sub-prime mortgage lenders in the US ~~also exists~~ well, and it ~~echoes~~ the situation in the UK.

~~We can see that while~~ Although ~~the~~ UK lenders need to practice a practical lending policy, ~~we can see that~~ there are always “players” in the housing market who are willing to take a risky approach to lending. This can be ~~accomplished~~ done by relaxing their ~~making their~~ criteria ~~more relaxed in order~~ so as to attract more customers. ~~Though there is an~~ ome people may argue that ~~argument that they have~~ these individuals practice sophisticated underwriting models ~~which are practiced~~. Nonetheless, UK sub-prime lenders should learn to heed ~~take~~ the US sub-prime mortgage crisis as a warning. They should ~~make sure that~~ ensure they are not opening themselves to ~~more risky~~ loans. ~~Otherwise~~ if they fail to do so, it ~~this~~ could have a ~~had some~~ serious impact on the UK mortgage market.

Comment [T1]: You should specify which organization

~~But~~ The organization has keenly pointed out that although the risk should be taken seriously, the housing market ~~was not~~ is not likely to ~~crash~~ go bust. Experts do not believe that the housing market ~~is on the path to a house price~~ will experience a price crash, mainly because the economy remains

healthy. ~~However, but~~ the threat of a boom and bust cycle still ~~remains~~stays. A number of factors such as high levels of personal debt ~~that,~~ averaging £4,521 per person, may have a considerable effect on the future performance of the mortgage market.

~~It is said that such~~Many experts claim that ~~exuberant housing activity cannot be retained on a~~continue on a long-term basis and ~~undoubtedly,~~ housing prices cannot ~~keep going up~~continue to increase ~~forever indefinitely. It is reported that.~~ The world's biggest property agent, whose value is close to half the investment-grade commercial real estate in all of the UK, has requested that selected clients ~~to mark down their~~reduce the value of their property by ~~up to as much as~~ 10 percent. This is a result of ~~has been due to~~ sheer concern, given the ~~as there is a significant~~major downturn in the market. Such is the condition of the UK real estate market ~~in the UK~~. A boom and a bust cycle are just part and parcel of the real estate ~~property cycle~~industry. In fact, this cycle does not differring much from the real estate scenario all over the world.