

UK Housing Prices: Boom or Bust?

Despite the rapidly increasing house prices ~~that were noticed evident~~ in 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 ~~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 ~~noticesee~~ the number of repossessions ~~also increasing going~~ from 10,310 to 17,000 ~~infrom~~ 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 ~~a so exists well, and it echoesing~~ 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~~ Some 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 riski~~ ry 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 ~~T~~he 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 differ~~ing much from the real estate scenario all over the world.