

## House prices drop as sales slow

House prices fell further in November and property sale times lengthened as rate rises took their toll, the Royal Institute of Chartered Surveyors found.

A total of 48% of chartered surveyor estate agents reported lower prices in the three months to November - the highest level in 12 years. Meanwhile the number of sales dropped 32% to an average of 22 per surveyor. The amount of unsold properties on their books rose for the sixth month in a row to an average of 67 properties. "The slowdown occurring in the market has given buyers more power to negotiate, but this time of year is traditionally a quiet one," RICS housing spokesman Ian Perry said. "The decision by the Bank of England not to increase interest rates further and the healthy economy is allowing confidence to consolidate."

The figures support recent data from the government and other bodies which all point to a slowdown in the housing market. On Monday, the Council of Mortgage Lenders, British Bankers Association and Building Societies Association all said mortgage lending was slowing. The figures were published as another survey by property website Rightmove said the average asking price of a home fell by more than £600 from £190,329 in November to £189,733 in December. Around the UK, the Midlands and South saw the biggest price falls, while London prices fell but at less than the national rate. In Scotland, where prices have remained on an upward path, increases were more "moderate", RICS added. But the news failed to dent confidence that sales will recover in future, with surveyors at their most optimistic in a year - as new purchase inquiries stabilised despite holding at lower levels. "Sales usually pick up in the New Year and I am confident this year will be no exception," Mr Perry added. Looking ahead, the group is anticipating a quiet start to 2005 with the market picking up in the second half - prompting a 3% rise in prices over the coming 12 months.