

Lowest house sales in 40 years and prices forecast to fall faster due to sellers' growing realism

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House price falls were registered in the country last month as the average property value dipped -0.2 per cent and this means the pace of decline will pick up in months ahead.

Demand from buyers has fallen for the last four months in a row as the number of new buyers registered with agents dropped -2.2 per cent this month.

. It is predicted that with the supply/demand balance in negative territory there will be an acceleration in price falls in the months ahead – especially as the Christmas period takes its toll.

A weak UK economy, together with turmoil in the eurozone, has meant there has been a rapid reduction in new supply coming to the market [...] this month listings were down by -0.8 per cent.

. Properties that sell are achieving 92.5 per cent hitting of their asking price on average. The finding follows data by Zoopla last week that found 40 per cent of all UK property currently for sale has been reduced in price at least once - it said that average discount was 7.4 per cent.

Hometrack says the negative economic backdrop means only committed sellers are putting their homes on the market and in a bid to push sales through before Christmas, they are aligning prices to meet what buyers are prepared to pay.

If prices in London drop, scale of headline price falls will accelerate

London was the only region not to register falls in property prices, but according to Hometrack, it looks unlikely that the capital will escape the continued turmoil in the financial markets.