Article published on December 28th 2011 | Loans

The real estate market of the country does not need any time-taking capital investment, but it needs to be small apart from few more number of houses. The Council of Mortgage Lenders that is CML has brought out new report that has something else to say; different from what is already flowing in the year. In the month of June, 2005 the cash purchases were 18. 7 percent which have increased many folds now and the transactions have gone up by 40 percent. These were the reports that were doing rounds.

Contrary to all this, the reality is something else. Actually there has not been much of a change in the actual raw number of cash purchase from the year 2005 to 2011. So if it said that more rich people have come up would not be true but the other part of the market has gone kaput. This is only the starting of the whole scenario.

The housing society market runs on the basis of the mortgage advances and that is quite clear but at this hour even the market of the mortgage is in a span of a little trouble as even the banks at this time are in the period f rebuilding their balance sheets and so they are not yet ready to give out any kinds of loans as of yet, same as the year 2006. In addition to this, the recommendation that the banks have got is that to make corrections in the crisis in the banking sector, it is important that they should make reductions as far as giving risky loans are concerned. Because of this it would also be possible that the value of high loans as well as high income multiples would also not go up more high. These two things are the main reason to believe that both long term as well as short term situations would be these only and so the market would not easily come back to its normal situation as it was in the early nineties.

There is a lot of lending happening in the lending market but can be the reason behind it? They can be the availability of cheap capital, more and growing competition among the new banks that have come up in the market as well as the new lenders who have come up have the heart to take risks. Apart from this even people at young age want to have their own houses.

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JessicaJetti - About Author:
Jessica Jetti is a expert financial adviser. Her area of work is finance and she writes articles on a instant loans for bad credit. She also gives her expert view on a instant decision loans and a instant loans no credit check. For more info visit http://www.instantloansforbadcredits.co.uk/

Article Keywords:
Finance, housing, Finance news

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