

# Repossessions to rise by 50% in 2008

**LONDON:** The number of home repossession is expected to rise by 50% this year, according to the Royal Institution of Chartered Surveyors (Rics).

Figures released by Rics show that the number of properties offered at auction, usually an indication of distress, was close to historically high levels last year with 7,732 properties placed under the hammer.

However, a smaller proportion were reaching their reserves: in 4Q2007, only 57% of properties were disposed of successfully, compared to 69% in the same period a year ago.

The overall number of residential properties offered at auctions rose by 15% in 2007, while the number of repossessed properties rose by around 20%, indicating that many have struggled to

service their mortgages following last year's interest rate hikes and tougher refinancing conditions.

There also seems to be an emerging "London effect". Success rates at auctions for London property fell to 63% in the last few months of 2007, down from 80% in the same period a year before.

Rics economist Oliver Gilmartin said: "Fears over further house price falls have taken some stimulus out of achieved sales at the auction house, as specialist lending has all but evaporated... we expect a tougher year for many at the margins in 2008."

Recently, the Nationwide Building Society reported a 0.5% fall in house prices for February, which is a greater drop than the 0.3% recorded in January. Year on year, Nationwide said that prices were now up just 2.7%. — *The Independent*