

HOUSE PRICES TREND IN ENGLAND

House prices in London have rocketed¹ to a record high – but in the rest of the country they have plunged² by up to 20 per cent since the **credit crunch** began.

The biggest risers are in Kensington and Chelsea, where the average property costs a record £1.089 million. In the past year, the price of a home in the London borough has jumped by an average of £150,000, or £12,600 every month, according to the Land Registry. This rise is nearly six times the annual pre-tax wage of a typical full-time worker on £26,100. The average property in Kensington and Chelsea ‘earns’ the same in just over two months. But prices have fallen dramatically in the rest of the country. While London is making strong progress, prices are still dropping in the North. In the North West, one of the worst affected areas, the average home was worth £135,988 when the credit crunch

A **credit crunch** (also known as a credit squeeze or credit crisis) is a reduction in the general availability of loans or a sudden tightening of the conditions required to obtain a loan from the banks.

began in August 2007. Today it is worth £109,235. This is equal to a drop³ of 19.6 per cent, or £26,753.

Estate agents told the Royal Institution of Chartered Surveyors how the market is ‘in the doldrums’⁴ and that confidence is ‘very low.’

One agent, from Carlisle, Cumbria, said: “The market still lacks confidence with nothing in sight to suggest it might improve.”

Overall, house prices in London have jumped 6.5 per cent over the last year. Peter Rollings, managing director of Marsh & Parsons, a specialist London estate agency, said: “There is a chronic lack of supply of homes for sale and an overdose of demand. People do not want to put their money in a bank. The stock market is up and down like a yoyo.⁵ They are looking for a place to put their money, so they decide to buy a property.” The cheapest one-bedroom flat in the area is currently on the market for £300,000 while the most expensive is on the market for £2.25 million, he said.

(Adapted from *dailymail.co.uk*)



GLOSSARY

- 1 **rised** rapidly
- 2 **descended** very suddenly
- 3 **fall**
- 4 **a period of stagnation**
- 5 **something that undergoes** frequent abrupt shifts or reversals

VOCABULARY

● Explain in your own words the meaning of the following terms and expressions.

- | | |
|------------------|--------------------------|
| ① Dropping | ⑤ Wage |
| ② Began | ⑥ Dramatically |
| ③ Property | ⑦ Overdose |
| ④ Borough | ⑧ One-bedroom flat |

ACTIVITIES



TRANSLATION

● Translate the following sentences into Italian.

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|---|---|
| ① In the past year, the price of a home in the London borough has jumped by an average of £150,000, or £12,600 every month, according to the Land Registry. | prices are still dropping in the North. |
| ② This rise is nearly six times the annual pre-tax wage of a typical full-time worker on £26,100. | ④ One agent, from Carlisle, Cumbria, said: ‘[The] market still lacks confidence with nothing in sight to suggest it might improve.’ |
| ③ While London is making strong progress, | ⑤ They are looking for a place to put their money, so they decide to buy a property. |

WRITING

● Summarize the article above.

RESEARCH WORK

● Gather some further information on the housing market in the London districts of Chelsea and Kensington and write a short report.