

## Property Investment Still Safe As Houses

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WITH AUDIO: PROPERTY INVESTMENT STILL SAFE AS HOUSES, SAY NORTH EAST INVESTORS

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More than 60 per cent of investors in the North East would still prefer to invest in property than in stocks or cash options, according to research by IFAs at the leading firm of advisors, Arlington Financial.

- When investing, 63 per cent said they would feel more comfortable investing in property than they would in cash (27 per cent) or stocks (nine per cent).
- A total of 63 per cent of those who responded to the survey also believed the economic problems could last up to three years or more. Only nine per cent thought it would last as little as six to 12 months.
- Also on the rise is the number of people who feel they have been directly affected by the credit crunch, with the survey showing 72 per cent of people feeling the pinch.

Jon Sturrock, managing director of Arlington Financial, said: "We interviewed a good cross section of large and small investors and the most surprising thing we found was per 60 per cent of them felt that the safest place for their money at the moment is bricks and mortar property as opposed to the stock market or cash investments.

"I think if we had asked the same question of people two to three months ago, most people would have said that they would feel most comfortable with their cash in the bank at that time, but obviously the circumstances have changed significantly since then. The main reason behind that change of sentiment has been the lack of confidence in the banking sector now."

Jon added that during the last two months, shocking revelations about the financial strength of some "big brand" banks which had previously seemed impervious to the threat of going into administration have led to that change.

As the economic crisis has grown in recent weeks, investors' views of the longevity of the situation has also worsened.

Jon said: "A lot of people feel that the current economic downturn we are experiencing is going to be a long, protracted affair. I think two or three months ago, people might have said it was a 12 or 24 month cycle and we would be back starting to see positive signs again.

"I think the main thing we can take away from people's answers now is that they [investors] feel it's a long term situation, potentially three to five years, if not longer before we see the positive recovery that we would hope for."

Arlington, which handles a portfolio in excess of £100 million for both individual and business clients, conducted the survey as part of its ongoing process of evaluating market conditions and investors' outlooks.

A total of 82 per cent of those questioned said a lack of confidence in the banks meant they would feel more comfortable using IFAs to invest their money than what had previously been seen as a safe pair of hands.