

DeVARGA COMMENTARY – OCTOBER 2012**And Now For Something Completely Different**

I know this newsletter comes 'hard on the heels' of that produced in September 2012, but I cannot resist writing this as a result of an article which I saw on the BBC News Business website on 18th September. According to the Office for National Statistics, UK property prices rose by 2% in the year to the end of July. However, prices increased by 5.7% in London over the same period. Now we are starting to get some real information.

Other good news was on the same day, the rate of inflation in the UK as measured by the Consumer Price Index fell back to 2.5% in August according to the Office for National Statistics.

I also couldn't help but notice an interview with John Major. On the BBC Andrew Marr's show he made some interesting comments. He said *'there are some oddities in the figures at the moment. Why in the depths of this recession is employment growing? Why is industrial production going up? Why has the stock market risen?'* He then goes on to say, *'there are things happening out there that will become apparent and we don't quite know why or how. My guess, and this is something that a Minister can't say but I can, is that in due course we will find that we have passed the bottom.'*

From my perspective, I have noticed an increased interest from Banks to lend money. Don't ask me why, but those lending companies which were quiet up until about March have suddenly started to lend again. It is all very confusing but personally I can see reasons to be cheerful and it isn't just the success of the Paralympics competitors. What a magnificent display of sporting excellence. And all followed by Murray winning the US Open – who would have believed it.

So, the title this time is based upon what happened in the real world. I trust Monty Python does not object to me using their well known phrase to head this newsletter.

I am not suggesting for the moment that 10 Downing Street adopt policies which are consistent with John Cleese and his fellow pythons. I am sure Python fans will agree with me when I say that could result in a Spanish Inquisition.

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STOP PRESS. *According to the Times Wednesday 03 October, the Shadow Monetary Policy Committee sates there are tentative signs that the economy is on the road to recovery. Andrew Sentance a former member of the Bank of England's Monetary Policy Committee says "The bulk of the data is consistent with economic growth in the UK, albeit at a modest pace"*

The BBC website ran an interesting article on 01 October 2012. Based on a survey of 7,593 firms, the British Chamber of Commerce says the economy grew by 0.5% between July and September after three consecutive quarters of contraction. They do not agree with the office of National Statics "gloomy estimation" that the UK has been in recession for the whole period. David Kern chief economist of the BCC says "Despite official estimates, we believe the economy is still growing, but it is slowing. We need immediate measures now to support confidence and investment, a radical long term plan, and a continued commitment to deficit reduction."

The question now is - OK Number 10 and for that matter number 11, are you up to task?