

Stamford & Rutland

Property News

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Struggling to sell your home?

If everyone "loves your home" why hasn't it sold? Take a few steps back and consider these 5 points...

- 1. Its' present condition:** Get maintenance jobs done, tidy personal items away and keep tidy.
- 2. Its' market value:** Be sensible when pricing your property. Don't be flattered by a high valuation.
- 3. The marketing:** Are the photographs and the description working hard enough? Is it enticing and does it stand out?
- 4. Viewing feedback:** Showing potential buyers around takes skill and experience. The sooner you understand why your house isn't selling, the quicker you can deal with it.
- 5. General presentation:** Sometimes we're too close to notice what others see, hear or even smell! Ask a friend or family member to be honest and don't take offence, take action.

If you're in this situation, we'd love to discuss all of the factors that could be affecting the saleability of your property with you. We've got lots of creative ideas and years of experience in successfully selling homes in Stamford and Rutland, maybe we can help you too?

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How Affordable is Stamford Property for Average Working Families?

If the supply of new properties is limited and demand continues to soar, the values of existing properties will continue to remain high and stay unattainable for many. Looking at some recent government statistics, the ratio of the lower quartile house prices to lower quartile gross annual salaries in South Kesteven District Council (SKDC) has hit 8.73 to 1.

If we systematically ordered every property in SKDC by their value, the average value of the lower quartile properties (i.e. lowest 25%) would be £148,000. If we then did the same calculation to salaries in the same council area, the average of the lowest quartile (lowest 25%) the average salary of the lowest 25% is £16,958 pa, thus dividing one with the other, we get the ratio of 8.73 to 1.

Assuming there is one wage earner in the house, the chances of a Stamford working family being able to afford to buy their own home (when it's over 8 times their annual salary), is very slim indeed. The current affordability crisis is the unavoidable outcome of the accumulative effect in the failure to build enough homes to keep up with demand. Nevertheless, improving affordability is not a case of just constructing more homes. The council needs to ensure more properties are not only built, but built in the right locations, of the right type and at the right price to ensure the needs of these lower income

working families are met, because at the moment, they presently have few options apart from the private rental sector.

Looking at historical data of the ratio, it can be seen that this has been an issue since the early 90's to mid 2000's. However, those on the bottom rung of the ladder (in the lower quartile of wage earners) used to be housed by the local authority. However, the vast majority of council houses were sold off in the 1980's meaning there are much fewer council houses today to house this generation.

Many of the lower quartile working class families were given a lifeline to buy their own homes in middle 2000's with 100% mortgages, but the 2009 credit crunch ended that opportunity. It is cheaper to buy than to rent, but securing the 5% deposit is the biggest challenge. Unless the government allows 100% mortgages again, demand for rental properties will continue to outstrip supply.

Long term, I suggest local communities hold their local politicians to account to

Continued on page 2



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ensure the affordability of housing and the extent to which they work with private developers and housing associations. In addition, they must be encouraged to use the planning tools at their disposal in safeguarding the local community, thereby effectively realising the required level of new households. SKDC could designate certain parcels of residential building land for private rented development

only, eliminating the opportunity of the land being bought to develop large executive homes, which does not solve the current problem.

Short term, demand for rental properties will continue to grow, keeping house prices high and rents high.

Rutland Asking Prices Up **19.4%** in the Last 12 Months

The average asking price of property in Oakham increased by 19.4% or £56,259 compared to a year ago, with particularly good demand in the first few months of the year. This takes the current average asking price to £346,039, compared with £289,780 this time last year.

The rise in asking prices is being aggravated by buyers jumping into action looking to benefit from potential stamp duty savings (especially first-time buyers) or beat impending mortgage interest rate rises later in 2018. Of the numerous Oakham buyers starting their property hunting in the usually active spring market this year, many face paying even more than ever for the property of their dreams, although as I mentioned a few weeks ago, there are more properties for sale in Oakham compared to 12 months ago.

Looking at the different sectors of the Oakham property market, splitting it down into property types, one can see what is happening to each sector of the market with regard to their average asking prices now compared to a year ago. The most upward average asking price pressure is in the detached and semi-detached property type sectors.

Now, I must stress this growth in the asking prices of Oakham property doesn't mean the value of Oakham property is going up by the same amount ... nothing could be further from the truth. Only time will tell if the current levels of Oakham asking

prices is a catch-up abnormality after a couple of months of restrained asking price rises in the first few months of 2018, or is it an initial sign that we are in for a better 2018 Oakham Property market than all of us were expecting at the start of the year?

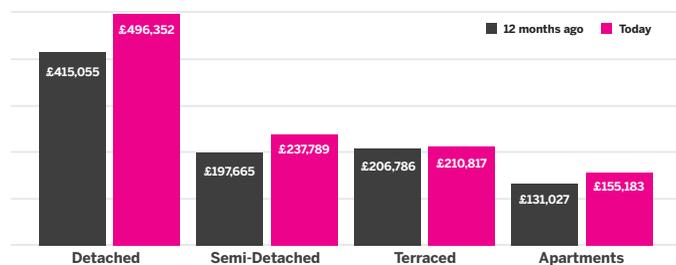
I believe these asking prices must be viewed with a pinch of salt, as it will be fascinating to see whether Oakham properties actually sell at these higher asking prices. Just because house sellers (be they owner-occupiers or landlords liquidating their assets) are asking for more money it doesn't mean buyers will be enthusiastic to part with their hard earned cash.

Also, property owners wanting to sell need to be aware of progressively strained buyer mortgage affordability and the more those sellers increase asking prices, the more buyers will hit their maximum on the amount they are able borrow on a mortgage.

However, those Oakham buyers who need a mortgage (be they owner-occupier or landlord), will paradoxically benefit from lower mortgage payments before interest rates rise ... maybe another reason for the uplift in the number first time buyers and landlords buying? Only time will tell!

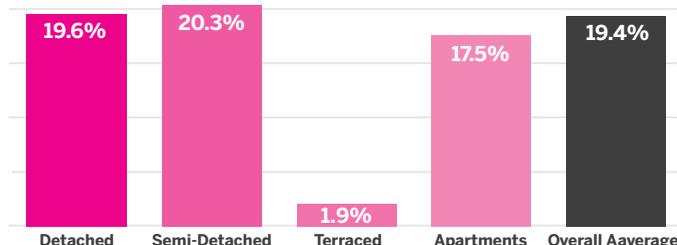
Oakham Property Market

Average Asking Prices: Today vs 12 Months Ago



Oakham Property Market

Percentage Change Over the Last 12 Months in Average Asking Prices



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