

HOMES AND THE WAY WE LIVE

As people's tastes in housing change, a good Estate Agent will always be alert to new priorities.

Grazing instead of dining, everyone wanting their own en-suite bathroom, open plan rather than opening doors...the way people want their homes organised has changed hugely over the past 10-20 years, of that there is no doubt.

This means that whether marketing a house or advising people on the right kind of work to carry out to add value to a property, Estate Agents needs to understand what will make a house most appealing to the new king of Buyer.

Historically, people would have lots of rooms for different functions. However, these days, people want simplicity and flexibility, whether it is kitchen/dining rooms or large multi purpose living areas. Sometimes, it is because space is at such a premium, that people inevitably end up using the same areas for different needs and sometimes people are simply relaxed about one minute sitting in the kitchen surfing online through a laptop and folding it away to lay out for dinner.

SKILLED AGENT

More than ever, a good Agent has to develop the skill of listening to what a client or a Buyer is saying, hearing the thinking behind it and interpreting it. Buyers who say they simply want "a nice family home" may have a very exact idea of what they are looking for, but not necessarily be able to put their finger on an exact match.

One has to have an intuitive understanding of their preferences – it serves no ones interests to bombard potential Buyers with useless information. One has to be able to see how a house could work, with a bit of skill and attention.

Buyers themselves need to be up front and pro-active if they want to give themselves the best chance of securing a house with a modern, flexible configuration. Many Buyers hide behind the internet and carry out their searches with a very precise idea in mind – often to find that there is nothing out there to suit. However, it is likely that many properties would fit a Buyer's brief, but the relevant information may not be available or obvious via the internet. This is where Agents are so very important.

OPEN HOUSE

With the relative shortage of property on the market at the moment that ticks all the right boxes, Buyers who do not register with Agents, could very well miss out. It helps to persuade Buyers to be open minded too. Some of the national Estate Agents for example have introduced regional and even national open house days, which encourage people to look at a number of properties that they might not even have considered and which can often be an unexpected hit. People have to accept that provided they can find the core requirements in the house, they may have to accept some things that they do not want – of which in many case, they can change in time.

SELLING POINTS

Often Selling Agents will advise people who want to do building work on their house before they sell, to ensure that they get the maximum value from it. In the advent of new lighter stronger building materials, the advances in technology of insulated and “smart” glass, there are more possibilities than ever before as to how you can build and adapt a property but there are pitfalls there too.

People can get very personal about what sort of things they like, rather than think what will appeal more widely. Buyers also become muddled on what they should spend money on. People like plenty of bathrooms these days, but one has to be careful for example in squeezing in an extra bathroom at the expense of a bedroom. It is a question of getting the balance right.

One has to be careful that you remember what your situation was when you bought the house. Making it into something that suits your needs may not be right for the market you are selling in.

Sometimes it is simply a question of reorganising in the right way and knowing what are the right selling points. For instance, creating a suite or annex on the top floor for parents, is all very well, but might not suit older parents, or the kind of young family you yourself were when you bought the house and for whom the area might be particularly appealing.

No one can guarantee 100% what is going to appeal to whom and a wise Agent will not get too fixated on a single formula. Always be prepared to be surprised – you will anticipate that your house is perfect for a young couple moving out of London and an older couple from a nearby village will turn out to have been looking for something like it for years. You have to reach them all.

RESIDENTIAL PROPERTY PRICES

The latest property index reports that the residential real estate market is widely stable, with all but one region seeing price increases in the second quarter of the year.

The figures from Nationwide show that average prices inched up by 0.1% in June on a seasonally adjusted basis, following a 0.5% increase in May.

The smoother quarter on quarter rate of change rose marginally from 1.7% to 1.8%. By contrast, the annual rate of house price inflation dropped for a second consecutive month from 9.8% to 8.7%, reflective of the fact that house prices were increasing at a faster pace this time last year.

The South West of the country showed the strongest regional growth over the quarter, whilst London has the strongest growth overall. Only Northern Ireland saw prices fall over the same period.

The South West of England saw prices up by seasonally adjusted 3% and up 12.5% annually.

The latest data from Nationwide shows house prices edged up by just 0.1% in June, the smallest monthly gain since February 2010. The flatter trend in prices, which now appears to be emerging, is consistent with evidence that fresh supply onto the market is beginning to outstrip new Buyers' enquiries, according to The Royal Institute of Chartered Surveyors. Indeed, the decision to abolish Home Information Packs (HIPS) has encouraged an increase in new instructions to Estate Agents, as I have mentioned in one of my recent articles titled "The Demise of the HIP". The indications are that the supply of property onto the market is expected to rise by another 15%.

LOCAL TREND

The more important issue for the market is whether this is accompanied by a pick up in transaction activity. Certainly in the Bude, Holsworthy and surrounding areas, the market has seen more recent activity. The increase in choice for purchasers as more properties come onto the market is a healthy development which, in conjunction with the Stamp Duty holiday for first time Buyers, could see sale volumes also increase. However, with mortgage finance still being heavily rationed and consumer confidence slipping slightly in the wake of the tough budget, it would be wrong to expect turnover to rise markedly over the rest of the year.

MORTGAGE LENDING UP

The figures from the Council of Mortgage Lenders have shown that gross mortgage lending in June was 15% higher than in May, but are still at a low level.

An estimated 13.1 billion was loaned in June, compared with 11.4 billion in May. The June figure is also 7% higher than June 09.

CML Economist Paul Samter said “our gross lending estimate of £13.1 billion in June represents a seasonable pick up and is higher than June last year, but is still indicative of low levels of activity. There are signs of house prices stabilising and more properties coming onto the market following the abolition of Home Information Packs. This may improve liquidity in the market, but transaction levels are subdued and likely to remain so whilst access to credit remains constrained. The Financial Services Authority has outlined a clear direction, in respect of its mortgage market review, which will deal with “responsible lending”.”

Lending in the first half of the year totalled £65 billion, unchanged, compared to the first half of 2009.

Ian Osborne
Busbys Solicitors
Bude & Holsworthy