Is now the right time to buy your first home?

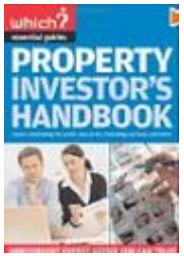
Agenda

- How does the property market work?
  - Working out when is a good time to buy
- What are your options?
- What do you need to do to work out what is happening in your area?
- How do you work out whether it is a good property to buy or not?
  - What's the risk?
- How do you look after yourself?

Who am I and why am I here?

Property checklists.co.uk

- Write books…especially for Which?



- Asked to comment on BBC Breakfast & Business, 5Live, 'Resident property expert' for ITN news on property stuff
- Write for the Telegraph's property club
- What about?
  - Property prices & rents
  - Spot trends in the property market
  - Explain 'how to….'
- Get up each day thinking 'I'm a first time buyer'
  - What do I need?
- Run property clinics across the UK – here to help you today

What can I do for you?

- We are supported by:-
  - Trade associations
  - Award winning companies
  - Anyone that really cares about….you
- We provide ***FREE,*** independent, up to date advice
  - Propertychecklists.co.uk

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For ***FREE*** today

- Quick guide to buying your first home
- How to work out what's happening in your market
- Finding your perfect home
- Help to Buy new build
- Help to Buy existing home
- Buy Shared ownership
- First time buyer legals
- Buildings and contents insurance
- How to store your belongings
- Is buying cheaper than renting?
- Quick guide to renting
- Avoiding rogue landlords

How do property markets work?

All about supply and demand:-

Month one: Three buyers chasing one property

Month three: One buyer choosing between two properties

So how do you assess this?

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Hometrack.co.uk….

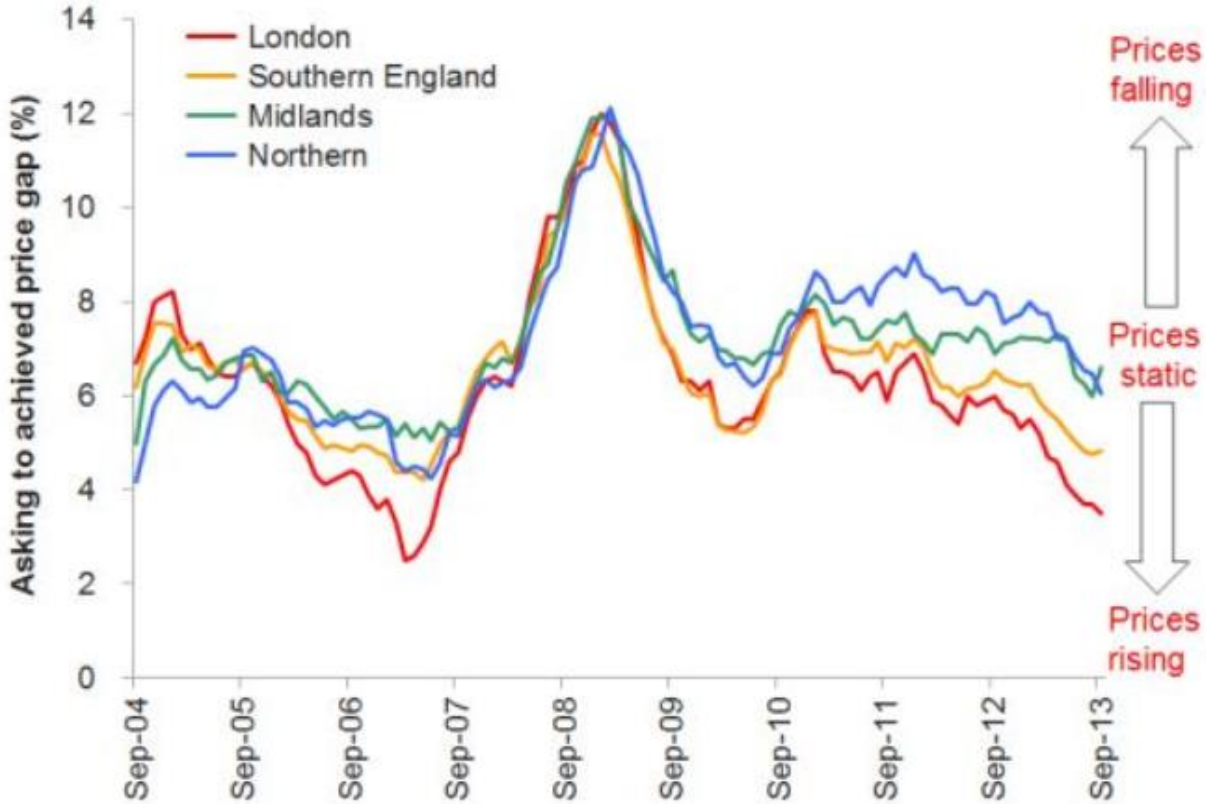
Figure 1

"The gap between asking and achieved prices has been falling across the country.

The gap is narrowing most rapidly in London and Southern England.

Improvements in underlying pricing levels are now feeding through in the northern and midlands regions."

Discount from asking price to sales price by large region



So how do you assess this?

Property checklists.co.uk

- Royal Institute of Chartered Surveyors….
  - Consistently predicted property price changes

09 Apr 2013

The leading survey on the state of the UK residential sales market.

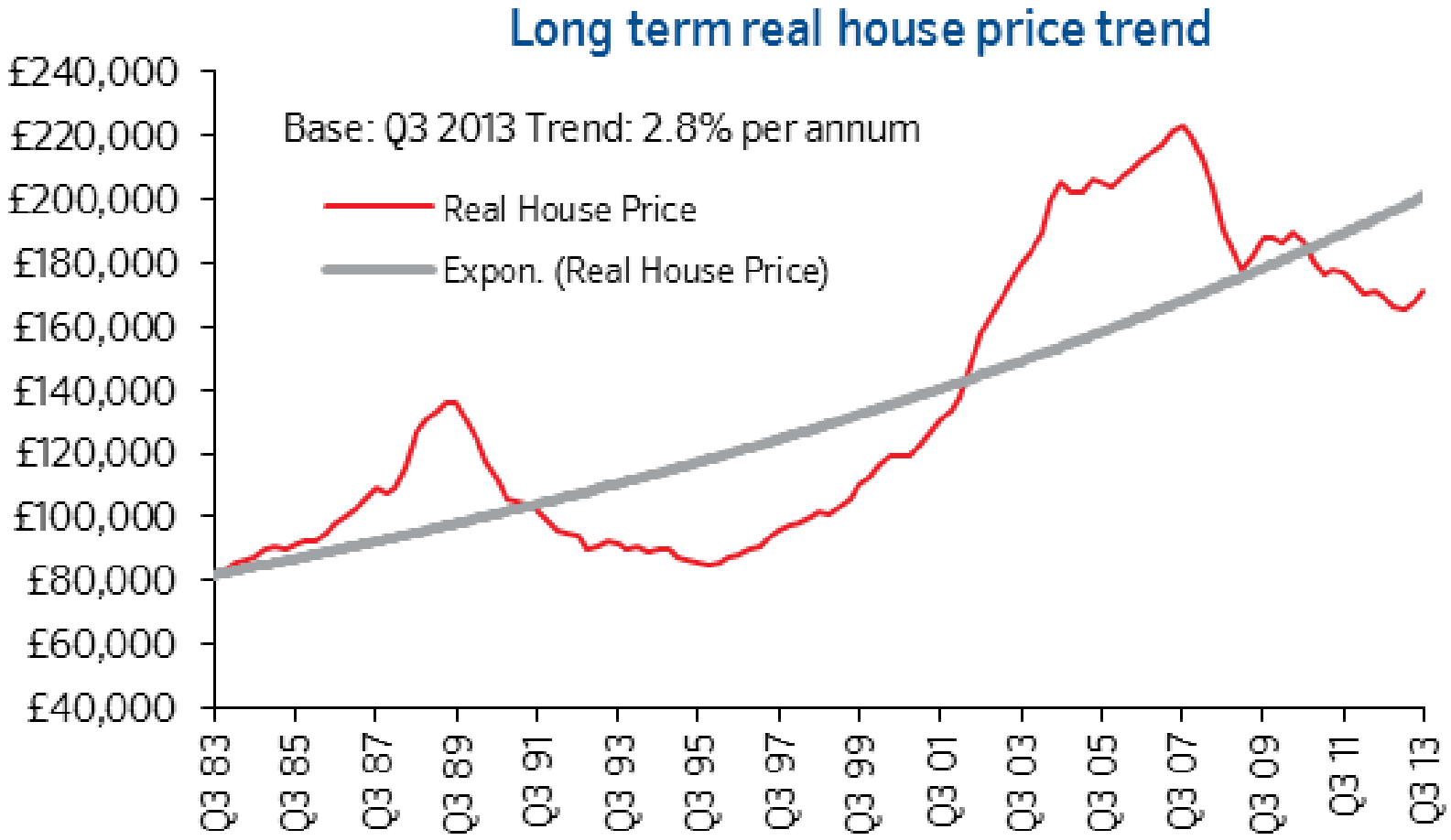
- Stable price picture at national level
- Slight thaw in activity levels
- London remains the outperformer on prices

What to be aware of….

- Rightmove property price report
  - All about asking prices, not ***REAL*** prices
- Mortgage info
  - Nationwide/Halifax
- Hometrack
  - Estate agents agreed price
- RICs
  - Surveyors price
- Land Registry
  - Real price, but months out of date

How to work out what’s happening in your local market

Understand where your market is on the curve…



Where to start.....

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Property Prices in London Land Registry data	Highest average price achieved 2007/8	Lowest average prices fell to 2009	Percentage fall from highest average price to lowest average price	Average price for August 2013* *Will be adjusted over coming months	Average Aug price vs Highest average price	Year on year change in price in August	Month on month change in price in August
Greater London average	£ 350,890	£ 293,464	-16%	£ 389,066	11%	7.1%	1.2%
Areas recovered to 2007 heights							
Brent	£ 320,505	£ 266,819	-17%	£ 352,849	10%	7.8%	2.4%
Merton	£ 344,668	£ 282,694	-18%	£ 372,350	8%	6.7%	0.1%
Ealing	£ 332,509	£ 278,193	-16%	£ 358,868	8%	5.4%	1.6%
Barnet	£ 352,848	£ 304,028	-14%	£ 376,806	7%	3.4%	1.4%
Hounslow	£ 294,505	£ 245,573	-17%	£ 310,290	5%	5.5%	0.6%
Kingston upon Thames	£ 324,664	£ 259,197	-20%	£ 338,308	4%	5.5%	0.7%
Lewisham	£ 285,065	£ 237,483	-17%	£ 296,559	4%	6.9%	0.6%
Harrow	£ 304,966	£ 252,500	-17%	£ 315,599	3%	4.6%	-0.3%
Greenwich	£ 281,751	£ 237,011	-16%	£ 285,059	1%	6.5%	0.2%
Waltham Forest	£ 268,300	£ 213,612	-20%	£ 268,858	0%	5.9%	-0.3%
Areas still recovering to 2007 heights							
Tower Hamlets	£ 381,312	£ 307,643	-19%	£ 373,369	-2%	3.1%	1.0%
Bromley	£ 308,853	£ 255,204	-17%	£ 305,521	-1%	3.3%	0.7%
Hillingdon	£ 278,092	£ 230,614	-17%	£ 272,363	-2%	2.7%	-0.4%
Redbridge	£ 311,725	£ 260,674	-16%	£ 300,766	-4%	2.5%	-0.4%
Enfield	£ 277,980	£ 229,287	-18%	£ 267,581	-4%	2.3%	1.6%
Sutton	£ 271,040	£ 219,441	-19%	£ 259,391	-4%	4.5%	0.9%
Havering	£ 279,929	£ 234,869	-16%	£ 260,630	-7%	1.6%	-0.1%
Bexley	£ 251,579	£ 209,355	-17%	£ 234,093	-7%	1.9%	0.3%
Croydon	£ 279,534	£ 224,370	-20%	£ 253,000	-9%	2.9%	-0.6%
Newham	£ 259,022	£ 201,996	-22%	£ 227,692	-12%	-1.7%	1.7%
Barking and Dagenham	£ 254,042	£ 197,414	-22%	£ 215,784	-15%	2.0%	1.1%

Land Registry data

Property checklists.co.uk

1 Choose a region

Select all England and Wales or click on a region below (this will reveal available counties and boroughs).

Select a county

Greater London

Select a borough

Croydon

Land Registry data

Property checklists.co.uk

2 Date range

Choose one of the date range options below.

Date range

From:	January	1995
To:	August	2013

Alternative date range options

3 Report types

- [x] **Sales volume**
- [x] **House price index**
- [x] **Average price**
- [x] **Property type**

Land Registry data

Property checklists.co.uk

- Lets have a look at Croydon….

February 2008	531,095	317,796	244,371	200,747
March 2008	533,908	319,479	245,665	201,810
April 2008	534,092	319,589	245,750	201,880
May 2008	535,853	320,643	246,560	202,546
June 2008	528,293	316,119	243,082	199,688

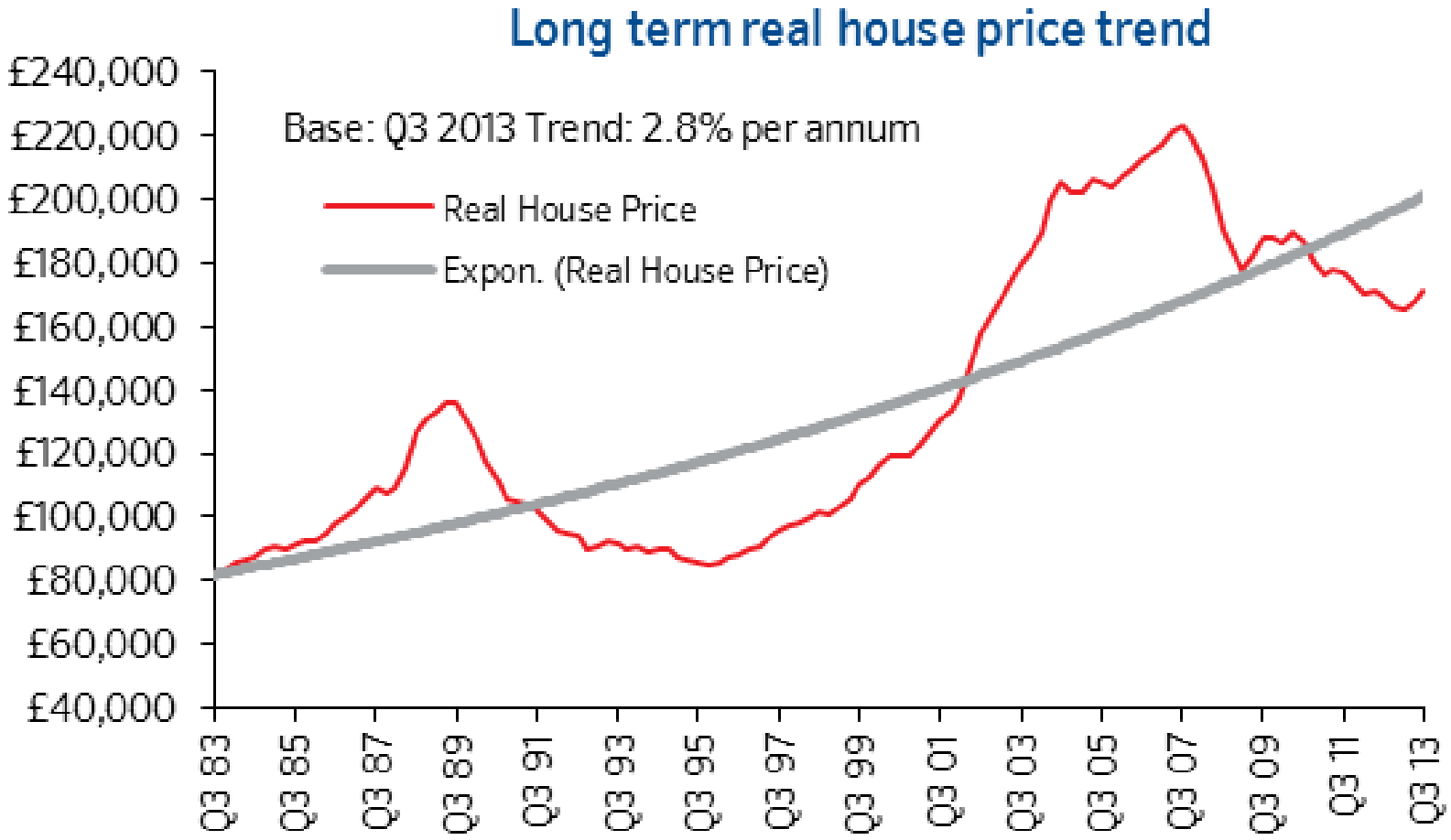
- Where was the low?

June 2009	433,888	259,629	199,644	164,004
July 2009	430,107	257,366	197,904	162,575
August 2009	431,445	258,167	198,520	163,081
September 2009	434,267	259,856	199,818	164,147
October 2009	439,209	262,813	202,092	166,015

- Where is it now?

April 2013	489,433	292,866	225,201	184,999
May 2013	485,790	290,686	223,525	183,623
June 2013	482,656	288,811	222,083	182,438
July 2013	482,291	288,592	221,915	182,300
August 2013	484,988	290,206	223,156	183,319

Understand where your market is on the curve…



How do you assess supply & demand locally?

- Board counts…

- 4/10 = steady market
- > 5/10 = busy market
- < 4/10 = quiet market

Then you find a house/flat

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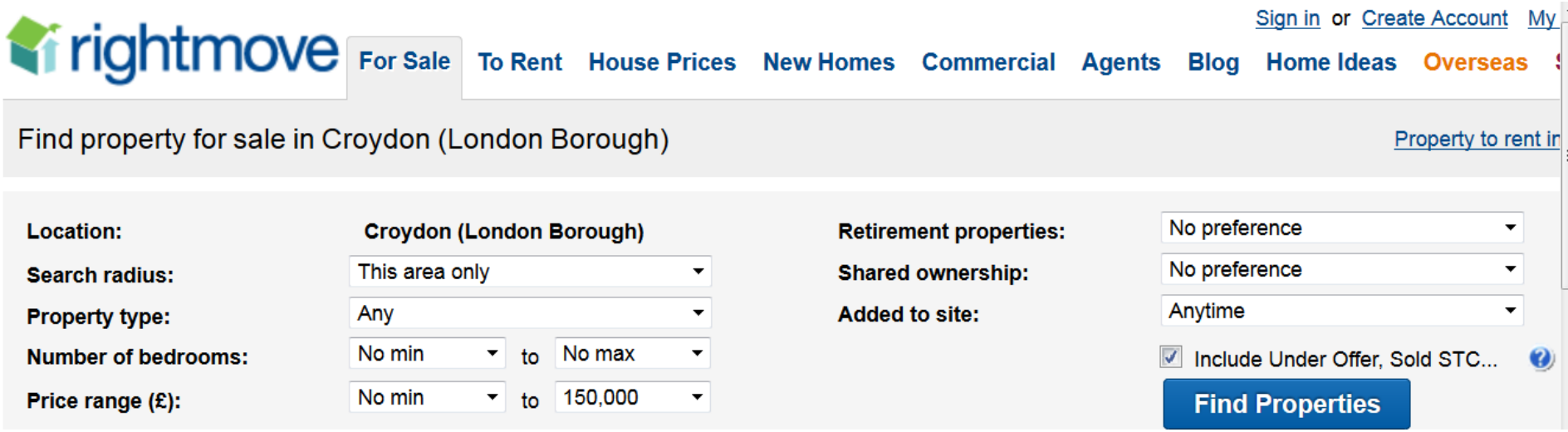

Check out what else has sold nearby ……

Do the same analysis for a property

Property checklists.co.uk

rightmove

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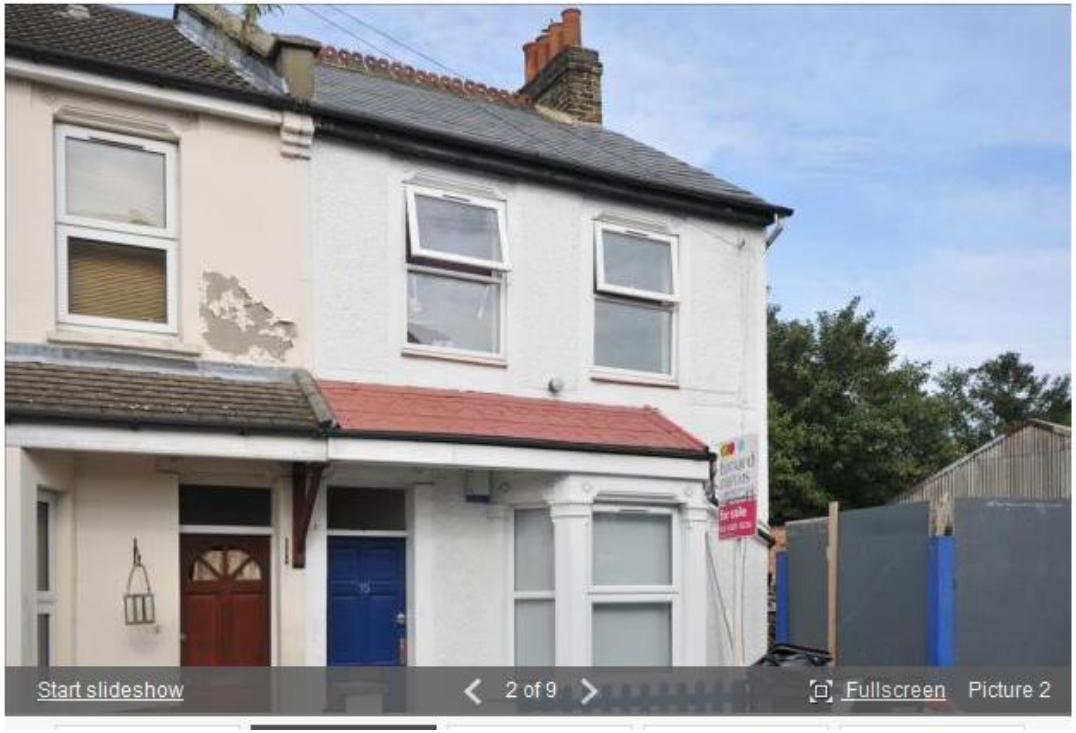
2 bedroom flat for sale £145,000

Neville Road, Croydon



Back to property listings

barnard marcus

Barnard Marcus, Croydon
50 Lower Addiscombe Road, Croydon, Surrey, CR0 6AA

More properties from this agent

Request Details

or call 020 3324 5769

Save Property

Print

Add Notes

Send to Friend

Do the same analysis for a property

Property checklists.co.uk

49 Neville Road, Croydon, Greater London CR0 2DS

£160,000	Flat, Leasehold	10 May 2013	3 bedrooms
£249,000	Terraced, Freehold	11 Jan 2008	
£96,000	Terraced, Freehold	22 Oct 1999	
£65,000	Terraced, Freehold	22 Apr 1999	

49a Neville Road, Croydon, Greater London CR0 2DS

£160,000	Semi-Detached, Leasehold	28 Mar 2013	3 bedrooms

36 Neville Road, Croydon, Greater London CR0 2DS

£204,000	Semi-Detached, Freehold	16 Mar 2012	2 bedrooms
£150,000	Semi-Detached, Freehold	06 Mar 2009	

8a Neville Road, Croydon, Greater London CR0 2DS

£92,000	Flat, Leasehold	20 Jan 2012	1 bedroom
£87,500	Flat, Leasehold	31 May 2002	

30 Neville Road, Croydon, Greater London CR0 2DS

£170,000	Semi-Detached, Freehold	20 Dec 2011	2 bedrooms
£135,000	Semi-Detached, Freehold	10 Jun 2005	

Consider…..

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- Supply versus demand
  - How quickly will your property sell?
- Understand the risks of buying
  - How much might the property's value fall?
  - How long will it take for it to recover?
- If you need to leave the property
  - Can you rent it out and cover your costs?
- If something goes wrong in the property
  - Can you pay for the repairs?
  - Can you rent the property out?
- Be cautious over flats
  - Leasehold agreements & Service charges
  - Major works

Renting is a good option

- In London, likely to pay much less each month
- Keeps flexibility of tenure
- Example if your rent is £1,200 = interest element payment on your mortgage makes no difference
  - Apart from property price growth
  - But you have to include costs of maintenance

Renting is a good option

- Compare the cost of buying via:-
  - Interest only payments versus rental cost
  - Include the cost of maintenance
    - Around £1,000 per year
- Costs of buying and selling
  - Around 2% for buying (under £250k)
  - Around 3% for selling

But if you want to settle

- Property does give a good return – normally!

The Poplars, West Bridgford
Average sold prices
2013: £129,000, 3%
2007: £125,000, 15%
2005: £109,000, 98%
2000: £54,950

2 bedroom flat for sale £125,000
The Poplars, West Bridgford, Nottingham

Woodside Drive, Arnold
Average sold prices
2013: £80,000, -16%
2007: £95,000, 1%
2005: £94,000, 81%
2000: £52,000

2 bedroom maisonette for sale £103,500
Woodside Drive, Arnold, Nottingham

Summary

- Don’t rush – take your time
- Understand what options are available to you
  - Help to Buy
  - Shared Ownership
  - Equity share
- Make sure you are:-
  - Patient
  - Do your research
  - Seek a quality surveyor, legal company and have a will
- If you get stuck: enquiries@designsonproperty.co.uk