

Winkworth

# Your market

Autumn 2012



Understanding residential property

# Overview

## Winkworth

With the Olympics finally behind us will the nation start to refocus on its favourite dinner party topic - the housing market? With the launch of our new quarterly research report, we aim to help keep you informed of the latest trends.

### UK housing market

This year has seen the excitement of the Jubilee celebrations and the fantastic performance of Team GB at London 2012. Meanwhile the property market has taken a back seat, with both transaction levels and new properties reaching the market being lower than historic levels over the summer months.

Nationally the housing market remains subdued. Average values have increased only marginally in the last 12 months, with growth of 0.9% according to the Land Registry. Even in the South East,

**31** average age of a **FIRST TIME ~ BUYER ~**

**38** increase in **~ SALES ~** in Romsey in first half 2012 compared with first half 2011

**PERCENT**

the best performing region outside of London, values have only increased by 1.4% in the last year.

**90** number of **WINKWORTH ~ OFFICES ~** nationally

**4.3** UK rental **GROWTH** in the last **12 MONTHS**

**PERCENT**

**London still the star performer** London and the South East of England continue to see the highest levels of sales activity and price growth. This is particularly so in the prime locations.

Annual price growth in London of 6.3% outperforms all other UK regions, with growth of over 11% in the most expensive borough, Kensington & Chelsea. Even in higher value areas of the South East such as ours the outperformance of the London property market means that buyers selling up within the Capital are finding their budgets are stretching further than ever in the commuter belt.

## Our local market

Compared to the national picture, average house price performance in our area has been more positive. One of the reasons for this is that the area appeals to a broad range of budgets and buyers, being well located for business executives with commutes as well as those looking for a lifestyle choice.



In the last three months average values here have increased by 2.1% while there has been less than 1% annual growth nationally and county-wide. Correctly priced properties in good locations are still highly sought after. Demand comes from downsizers, typically with more equity than other market segments; the family market; and those selling in London and relocating to the country to benefit from larger properties with land.

For older residents in the county who are looking to downsize from a large country property to a more manageable home, Romsey is the ideal choice, offering access to amenities but not the hubbub of a city. As such, conveniently located, two bedroom, single storey houses are highly sought after in the area.

A number of schools in the surrounding Romsey area have been named 'outstanding' by Ofsted including Romsey Centre Preschool

(2010), making the area attractive to families. For this reason, four bedroom houses for established families are very popular. The strength of this demand is also demonstrated in the healthier performance of prices in this category compared to the rest of the market. Indeed there has been a 2.6% rise in average detached house values over the last three months.

Winkworth in Romsey benefits from being part of a network of over 90 offices operating both nationally and internationally. Being owner managed by franchisees, Claire Wells and Sebastian Clarke, also ensures a high level of personal service. We support clients who are relocating,

for example with their property sale in London and forward purchase of their next home in Hampshire. Indeed, those trading in their property in London and moving to the country have often fuelled demand for larger homes in Romsey, typically with land.

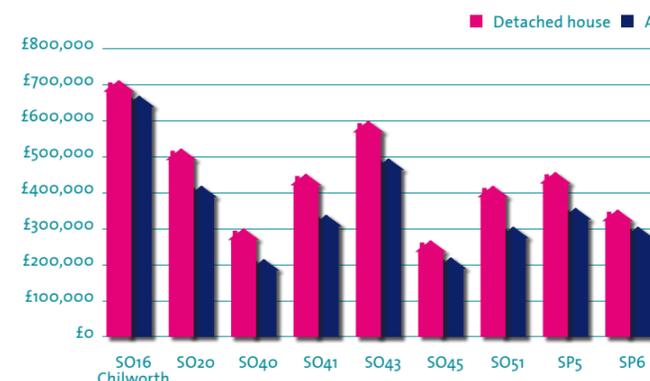
Strong demand for homes in Romsey has resulted in sales in the first half of 2012 38% higher than in the same 6 month period in 2011. Detached family homes have been particularly sought after with a 79% rise in sales over the first half of 2012. With sales of larger family homes forming a high proportion of transactions, so far this year 12% of all sales exceeded £500,000.

*"Despite a shortage of stock available, the market for homes over £1million remains buoyant with interest from both local buyers and those relocating from further afield".* SEBASTIAN CLARKE

### COVERAGE OF WINKWORTH ROMSEY

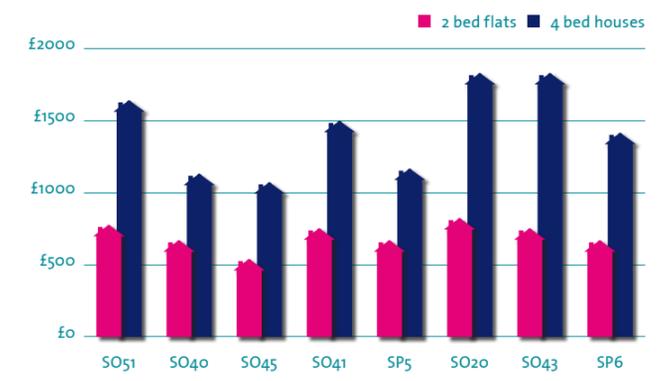


AVERAGE PRICES BY AREA (JAN TO JUNE 2012)



SOURCE: LAND REGISTRY

AVERAGE ASKING RENTS BY AREA (LAST 3 MONTHS)



SOURCE: TDPG



## Lettings news

The difficulties being experienced within the sales market, particularly for those looking to secure mortgage finance, continues to benefit the rental market, with tenants remaining in the rental market for longer.

According to the Council of Mortgage Lenders (CML) the average age of a first time buyer is now 31, with only 22% of first time buyers without financial assistance (bank of mum and dad etc.) now under the age of 30. This compares with 65% in 2005.

With high levels of demand from both existing and new tenants, rental value growth continues to outperform house price growth.

*"An imbalance between applicants and available properties continues to drive rental growth in our area".*

SERENA WRIGHT

According to the Royal Institute of Chartered Surveyors (RICS) nationally rents increased by 4.3% in the last 12 months. The survey also forecast growth in rents of 3.9% over the next year.

### The local market

The rental market within our area remains busy, with tenants registering with us far outweighing available properties. As well as demand from frustrated first time buyers we are also seeing families looking for homes in the area. Demand from families has been particularly strong in recent months, with applicants looking to secure a home before the start of the academic year in September.

Here at Winkworth we continue to see strong demand for family homes, particularly those in sought after locations such as Awbridge. Despite having recently secured and let a four bedroom family house in

the area, homes to rent in Awbridge remain scarce, with only three properties, all houses, currently listed.

Awbridge falls within the SO51 postcode

area where asking rents for a two bedroom flat now average £775 per calendar month, with four bedroom houses commanding in excess of £1,660 per month.

### AVERAGE SALES PRICES

	DETACHED HOUSE	APARTMENT
ROMSEY	£416,116	£183,041
HAMPSHIRE	£347,392	£124,619
ENGLAND & WALES	£254,780	£150,289

### LATEST ANNUAL GROWTH



0.6%  
ENGLAND  
& WALES



0.7%  
HAMPSHIRE

SOURCE: LAND REGISTRY

### KEY MARKET FACTS

	LATEST DATA	QUARTERLY GROWTH	ANNUAL GROWTH
MTG APPROVALS	51,098	2.9%	9.8%
RESI. TRANS	73,000	-2.5%	4.3%
GROSS MTG	£12.2BN	0.4%	9.1%
INFLATION	2.8%	N/A	N/A
BASE RATE	0.5%	N/A	N/A

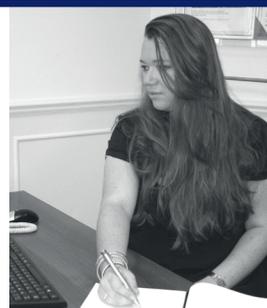
SOURCE: LAND REGISTRY



SEBASTIAN CLARKE  
Director  
07825 260981  
sclarke@winkworth.co.uk



CLAIRE WELLS  
Director  
07711 316985  
cwells@winkworth.co.uk



SERENA WRIGHT  
Lettings Manager  
07913 480527  
serenawright@winkworth.co.uk



CHRIS WEBB  
Sales Manager  
07708 324667  
cwebb@winkworth.co.uk



MATT HICKS  
Sales Manager  
07825 654596  
mhicks@winkworth.co.uk