

RUTLAND & STAMFORD property news



David Crooke

author of the
RUTLAND & STAMFORD
property news

Regular followers of my property blog already know that I like to keep a close eye on the local housing market on a daily basis, because it enables me to give the very best advice.

If you would like a free valuation of a property you already own, be that your own personal home or an investment property – for either sale or rental purposes, please get in touch.

We have just moved offices to a smart new office on Red Lion Street. Please call in to see us and say hello.

We are here to help you buy, sell, rent and manage your homes and property investments.

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STAMFORD

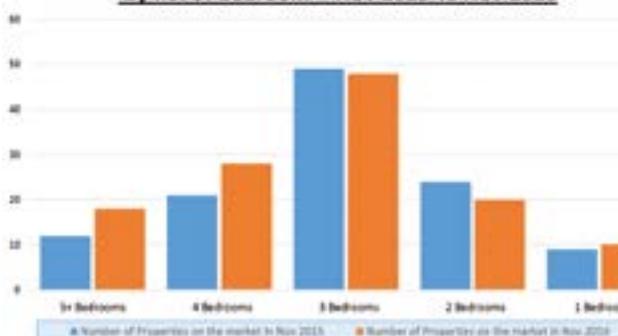
STAMFORD PROPERTY MARKET SEES AN UNPREDICTED 4% BOOST

Well, it doesn't seem like 2 minutes ago that it was Christmas – and now it's all over! Last week after moving into our smart new office on Red Lion Street (please call in to see us and say hello), I thought I would nip out for a quick coffee at my favourite local coffee shop. I met a senior partner of a local solicitors in there and we got talking about the Stamford property market.

As a solicitor he had noticed a slight blip, but things appeared to be going back to normal. He asked me how the Stamford property market had performed towards the end of last year, and if there were any great buy-to-let (BTL) deals around for one of his clients to consider. In reply I said that, in my view, shrugging off the uncertainty of the initial post-Brexit vote, I have seen an increase in supply and a rise in the number of properties selling at the lower - middle end of the market, meaning both first time buyers and BTL landlords have been returning in the last few months – proof the market is still buoyant.

So let's look at the numbers...

**Number of properties on the market in Stamford
by no. of bedroom - Nov 2015 vs Nov 2016**



In November 2016, according to the 3 main property portals Rightmove, Zoopla and OnTheMarket, there were a total of 124 properties for sale in Stamford (within 2 miles of the centre of Stamford). In November 2015, there were only 119 properties for sale, a rise of 4%.

When I split it down into bedrooms (note things like building plots and part commercial/part residential etc., won't be in these figures, so the numbers below won't exactly match up to those in the above paragraph).

Type of Property	# Properties on the market in Nov 2015	# Properties on the market in Nov 2016	% Change
Detached	39	51	+31%
Semi	29	32	+10%
Terraced	24	18	-26%
Flat	9	6	-6%

As the number of Stamford properties for sale has risen by 4%, homeowners have become more realistic about how much their homes are worth. This increase in homeowners wanting to sell suggests there is still confidence in the Stamford property market and there are also signs that people are being more realistic about pricing their property. (I have previously

commented on the vital importance in pricing your property right from the beginning – see the archive section on my blog for more).

As you can see, there has been an uplift in semi-detached properties, which means they are a great choice for first time buyers and landlords. So with a combination of realistic pricing and more properties on the market – both first time buyers and landlords alike might be able to pick up a few bargains!

OAKHAM'S SENIOR CITIZENS SITTING ON £596.5M OF PROPERTY

Oakham residents aged over 65 years currently hold more housing wealth in their homes than the annual GDP of the whole of the Orkney Islands... and this is a problem for everyone in the town.

Many retirees want to move but cannot, as there is a shortage of such homes for mature people to downsize into. Due to the shortage, bungalows command a 10% - 20% premium per square foot over houses of the same size with stairs. To add to the woes, in 2014, just 1% of new builds in the UK were bungalows, according to the National House Building Council - down from 7% in 1996.

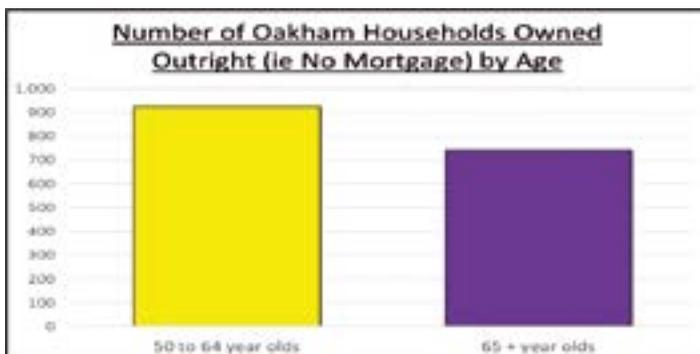
My research has found that there are 1,740 households in Oakham owned outright (i.e. no mortgage) by over 65 year olds. Taking into account the average value of a property in Oakham, this means £596.5 million of equity is locked up in these Oakham homes, compared to the GDP of the whole of the Orkney Islands being £385 million of GDP.

A recent survey by YouGov, found that 36% of people aged over 65 in the UK are looking to downsize into a smaller home. However, the Government seems to focus all its attention on first-time buyers with strategies such as Starter Homes to ensure the youngsters of the UK don't become permanent members of 'Generation Rent'. Conversely, this overlooks the chronic under-supply of appropriate retirement housing essential to the needs of the Oakham's rapidly ageing population. Regrettably, the Oakham's housing stock is woefully unprepared for this demographic shift to the 'stretched middle age', and this has created a new 'Generation Trapped' dilemma where older people cannot move.

Some senior citizens who are finding it difficult to live on their own, are unable to leave their bungalow because of a lack of sheltered housing and 'affordable' care home places. So, older retirees can't leave bungalows, younger retirees can't buy bungalows and younger people can't buy family houses.

Interestingly, the problem will only get worse, as in the 50 year old - 64 year old homeownership age range there are an additional

925 Oakham households that are mortgage free and a further 796 Oakham households who will be completing their mortgage responsibility. With Government projections showing the proportion of over 65's will rise by over a third from the current 17.7% to 24.3% of the population in the next 20 years ... this can only add greater pressure to the Oakham property market.



House prices have rocketed over the last 40 years because the supply of property has not kept up with demand. With migration, people living longer and high divorce rates (meaning 1 family becomes 2) we need, as a country, 240,000 properties to be built a year to just stand still. In the 1990's and early 2000's, the country was building on average 180,000 - 190,000 households a year, but since the Credit Crunch (2009), that has only been between 130,000 - 145,000 households a year.

The solution release more land for starter homes, bungalows and sheltered accommodation because land prices are killing the housing market as the large firms dominating the construction industry are more likely to focus on traditional houses and apartments.

My opinion? Well, until the government change the planning rules and allow more land to be built on, bungalows could be a decent bet for future investment as they continue to attract ever growing premiums.

See my WEEKLY blog for the '3 Best Buy-To-Let Deals on the Rutland & Stamford property market', such as...



3 Bed Semi-Detached

Fir Road, Stamford. Marketed by Knight Partnership
Sale Price £260,000 → Rent: Approx £895pcm → Yield: c4.1%



2 Bed Apartment

The Sidings, Oakham. Marketed by Moores
Guide Price: £125,000 → Rent: Approx £575 → Yield: c5.5%



2 Bed Semi-Detached

Irwell Close, Oakham. Marketed by UPP Property Agents
Guide Price: £179,950 → Rent: Approx £650pcm → Yield: c4.3%

For more details and a link to each property, please visit my blog. Prices correct as at January 2017

FOR MORE ADVICE AND OPINION ON THE RUTLAND AND STAMFORD PROPERTY MARKET, SEE OUR BLOG



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