

Issue 18

Stamford & Rutland

Property News

www.stamfordandrutlandpropertyblog.co.uk



Welcome

My name is David Crooke, owner of UPP Property Agents. Followers of my weekly property blog already know I like to keep a close eye on the Stamford and Rutland housing market, because it enables me to give the best advice.

The research and data that I obtain enables my business to react swiftly to current market trends, thereby offering homeowners, investors, landlords and tenants the very latest information on the local property market, so they can sell, buy, let and manage their properties effectively.

If you would like to learn more on the local property market, please visit my blog where each week I post my pick of the best buy-to-let deals on the Stamford and Rutland property market, along with an impressive archive of articles to keep you well informed.

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Stamford Flats Outperform Property Market Average by 78%

Even the sanest person in Britain has to admit the Brexit vote will affect the UK property market. Excluding central London, most commentators are saying prices will be affected by around 10%.

According to the Land Registry's latest House Price Index for Stamford and the surrounding locality, the value of apartments/flats are rising at a faster rate than any other property type.

Values of apartments in Stamford have increased by 4.8% over the past year, which is proportionally 78% more than the Stamford average rise of 2.69%. The last time flats/apartments in Stamford outperformed all the other types of property by such a gulf, was back in the spring of 2003. For comparison, the other property types performed as follows:

- > Detached homes rose by 2.6%
- > Semi-Detached homes rose by 2.57%
- > Terraced/Town Houses rose by 2.39%

This moderately increasing rate of property value growth is opportune – but no one should confuse it with a strong and vigorously healthy Stamford property market. Instead, it is somewhat of an indicator of the long-lasting lack of property on the market.

The average property value in Stamford now stands at £308,500.

When split down into property types:



Stamford average property values by type

So, why have Stamford apartments performed so well, and is it just a Stamford thing?

When I scrutinised the figures for the rest of the UK, it appears that apartments are pacemakers in the clear majority of the country. Of the 379 local authority areas in the UK, the value of apartments is rising faster than detached, semi-detached and terraced houses in 320 of them.

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It's hard to have faith in the fact that Stamford house values rose rapidly last month given that, in the last 6 months, the Land Registry has frequently made downward revisions to their first published House Price Index figures. Thankfully, the bigger picture from the Council of Mortgage Lenders (CML) stated that home buying activity last month was up 2%, over the same month in 2016. The CML stated first time buyer's levels of affordability was being squeezed and that the average amount borrowed by those first-time buyers dropped slightly last month, but the overall amount borrowed (by all buyers) was an impressive 12% higher than

the same month in 2016. I believe the uplift in the values of apartments is a short-term blip. The real issue is with the way wage growth might not keep up with inflation as the effects of 2016 exchange rate sucks in inflation (meaning real wage growth stagnates). This will mean buyer demand growth will be curtailed and with property values already so full, I believe a renewed hastening in house price growth is unlikely.

Personally, I foresee a return to the housing market we saw in the mid 1990's, Steady demand, steady supply – nothing silly when it comes to house price growth.

57.1 miles – The average distance people move away from Rutland

"Do Rutlanders ever move far away from the area"? This was an intriguing question asked by one of my clients recently. Readers of my property blog will know I love a challenge, especially when it comes to talking about the local property market!

For the majority, the response is not very far. It is far more common for homeowners and tenants in Great Britain to move across town than to the next town or county. Until now, it's been hard to say how many homeowners and tenants moved from (and to) relatively far away to buy or rent their new home. However, I carried out some research and requested some statistics from the Royal Mail.

Using statistics for the 12 months up to the middle of autumn 2016, 365 households moved out of Rutland (LE15), moving an average distance of 57.11 miles - the equivalent of moving from Oakham to Luton as the crow flies. The greatest distance travelled was 302 miles, when someone moved to Blairgowrie in Scotland.

Considering there were 365 property sales in LE15 in the year and countless tenant moves, the numbers seem consistent; once you find a town you like, you tend to want to settle down and if you do move, you might only move to a different neighbourhood, or for better transport links or perhaps to be within the catchment area of a particular school, but the likelihood is you won't travel far.

I then turned my attention to people moving into Rutland. Using the same statistics for the 12 months up to the middle of autumn 2016, 509 households moved into LE15, moving an

average distance of 56.75 miles - the equivalent of moving from Newmarket to Oakham (again as the crow flies). The greatest distance travelled was 443 miles, when someone moved from the Isles of Lewis and Harris to Oakham.

I have looked at the data of every person moving into Rutland and these have been plotted on a map of the UK. Referring to the map, it shows exactly where most people have relocated to Rutland from. As you can see, there are a high proportion of people moving from London and the South.

So, what does all this mean for Rutland's landlords and homeowners?

When an agent markets a property for sale or to let it is vital to know the prospective tenant or property buyer well, and that the properties they are selling or letting fit those buyers and tenants.

There's a lot more involved than simply knowing the features of the property, the mover's budget and being able to share insight on the area, but agents need to be constantly reading (and reacting to) trends in the local property market, and understanding where their homebuyers and tenants are relocating from to appreciate and match their client's needs.

I say it might be helpful to factor in where (and how) far people are moving from, so the property can be sold or let more easily. Many say 'knowledge is power' and whilst I do enjoy writing my blog on our local property market, I also use the information to help my clients buy, let and sell effectively. So for example, the information gained for this article will enable my team and I to be more efficient in where to direct our marketing resources, therefore ensuring we maximise our clients' property's 'sale-ability' or 'rent-ability'.



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