

Housing shortage pushing prices up



■ CREEPING UP: Estate agent Graham McDonald believes a shortage of housing in Oxford has pushed prices up
Picture: OX52989 David Fleming

MARKET: Poor stock levels are frustrating buyers

● Continued from page 1
really been a lack of supply. Despite the economy prices have gradually crept up. "In places like Abingdon and Didcot, where more houses have been built, prices have not risen to the same level."

Prices were also buoyed by a move by wealthier people towards urban living, he said. And he added: "Even in the less expensive parts of Oxford people are keen to buy. Some of it is school catchment areas, and some of it is not wanting to commute, or not wanting to drive their children to school."

Robin Swales, director of North Oxford Property Services in Jericho, believed the recovery of prices in Oxford started 14 months ago.

He said: "It's down to continued demand, a lack of stock and buoyant local economy." Nigel Wild, president of Oxfordshire Chamber of Commerce, added: "The economy is pretty buoyant in Oxford-

shire, and I think house prices reflect that."

Ronnie Van der Ploeg, of Savills, said: "The frustration for buyers is poor stock levels."

"There are never enough for sale."

"Oxford draws people in because of the schools and business parks. People move in but there are not huge levels of stock, so prices rise."

Mark Charter, of Carter Jonas, said: "Prices in prime locations have raced ahead of the bottom end of the market. The Oxford economy is good and unemployment is relatively low."

The economic downturn started in December 2007 and by January 2009, the UK had officially entered recession.

This year it entered recession once more as the feared "double dip" became reality.



The economy is pretty buoyant in Oxfordshire, and I think house prices reflect that - Nigel Wild, Chamber of Commerce

But what has also changed since 2007 is the availability of mortgages.

Amanda Thomas, director of Orange Frog Mortgages in Abingdon, said five years ago people could obtain 100 per cent mortgages worth up to seven times their income.

Now virtually no one can obtain a home loan with less than a 10 per cent deposit and it was a struggle to obtain four times an annual wage.

She added: "If you want a 90 per cent mortgage now, the rates will be higher and you have to have a perfect credit history as well as a good income. Realistically, people looking to buy need a 15 per cent deposit as the rates will be much better."

And obtaining a mortgage has also become more difficult as people's incomes struggle

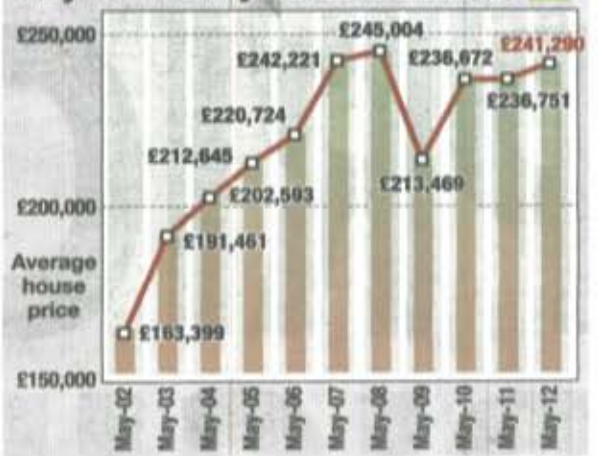
to keep pace with inflation.

According to the Office for National Statistics, in 2007 the average annual wage for a senior professional in Oxfordshire was £28,155. By 2011 it was, £31,238, a rise of less than 2.2 per cent a year. Meanwhile, rents in Oxfordshire have risen 20 per cent in the past five years due to increasing demand.

Frank Webster, director of Summertown-based property rental specialists Finders Keepers, said: "Due to the lack of money, people can't buy and are having to rent. As well as having to get a deposit together, there is a lot of uncertainty over interest rates."

The latest Land Registry figures, based on completed sales, put the average Oxfordshire house price at £241,290 in May, up 0.8 per cent on the previous month. The last time prices were as high was August 2008, when the average was £241,334.

Average house prices in Oxfordshire May 2002 to May 2012



WHAT YOU GET...

Property for sale with a guide price of £240,000 on rightmove.co.uk:

- Four-bedroom detached house, Sinclair Avenue, Banbury.
- Three-bedroom terraced house, Girdlestone Road, Headington.
- Three-bedroom end-of-terrace house, Fern Hill Road Cowley.
- Two-bedroom end-of-terrace house, Neave Mews, Abingdon.
- One-bedroom ground-floor flat, Jaune Street, East Oxford.

City is 'second least affordable'

A NEW study lists Oxford as the second least affordable local authority district in the country for first-time buyers.

The study from Halifax found nationally the share of UK towns and cities that are affordable to first-time buyers was at its highest in a decade due to the sluggish housing market.

But it highlighted a widening North-South divide and said in Oxford homes cost 7.6 times average earnings - making it the second least affordable place behind Brent, London.



'You've got to be realistic'

HOUSE seller Claire Thompson believes the Land Registry figures don't tell the whole story.

"I know that house prices in my area are not going up and they haven't for some time," she said.

Ms Thompson bought her new home in Banbury for £265,000 - more than 10 per cent below the asking price - before putting her existing house, an 18th-century one bedroom cottage in Bloxham, near Banbury, on the market.

After consulting with her estate agent, she set a guide price of £175,000 and has received strong interest.

■ FOR SALE: Claire Thompson outside her one-bedroom cottage in Bloxham

Ms Thompson, director of Cassington public relations firm Syncro PR, has bought her new home jointly with fiance Simon Verbeeten.

The couple are expecting their first child in December, which prompted the move to a larger home.

She said: "Equivalent houses are on the market for a lot more, but they have been sticking. I want to sell - that's why I wanted to set a realistic price."

"It has only just gone on the market so I don't know what's going to happen. But if you are not realistic in your pricing you stand a chance of not getting people through the door."

Inside... Weather & Lottery 4; Scales of Justice 12; Your Letters 16 & 21; Memory Lane 17-20; TV Guide 22-23; Crosswords, Sudoku, Quiz & Stars 24; What's on 25; Announcements 27; Classifieds 28-30, Sport 31-36.

GETTING YOUR OXFORD MAIL

If you would like to get your *Oxford Mail* delivered direct to your home, would like to join the *Oxford Mail* Loyalty Scheme or you have experienced problems with your delivery, please contact our team on 01865 425282 or email directdelivery@nqo.com