

Hotspots that buck the downward trend

Article

Hotspot properties



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Sluggish. Stagnant. Circumspect. All words that are being bandied around to describe the prospects for the 2015 property market, and none of them comforting for those considering a move next year.

After a stunning start to this year, sales have been slowing since late spring. With an impending general election (and possible tax changes) and a more general sense of prudence in the market, there

This detached property near Nailsworth, Gloucestershire, is on the market with Peter Joy Sales and Lettings, for £775,000

are few who are willing to stick their necks out and predict a profitable year to come.

Lucian Cook, the director of residential research at Savills — which predicts UK-wide growth of 2 per cent in 2015 — is very downbeat about finding any area that will buck the trend next year. “I don’t think growth is going to be that strong anywhere,” he says. The possible exceptions, he says, are areas in line for “infrastructure-led gains” — specifically, improvements to road or rail networks.

This could bring growth to areas such as Ealing in west London and Shenfield in Essex, which are both on the Crossrail line that will be fully operational by 2019. Cook feels that less desirable, grittier areas, even if they are in line for improvements and represent good value, will not find buyers keen to invest. “I think that in a sluggish year people are less likely to take a punt on areas that look like they are undervalued,” he explains.

Crossrail, of course, is a few years off and its impact on local property prices has been well documented. However, Shrewsbury in Shropshire is having a rail revolution of its own, with the first direct train service to London starting soon, on December 14. A journey to the capital will still take more than two and a half hours, making it a stretch for the commuting crowd, but those working in Birmingham can get to the office in less than an hour.

Transport links aside, Shrewsbury is also an exceptionally nice medieval market town, dotted with outstanding timber-framed buildings. Local employment rates are strong thanks to its tourism industry. A significant sign that this is an area on the up is the imminent arrival of Waitrose.

Kevin Boulton, a partner at Strutt & Parker in Shrewsbury, believes that the prime buying area is within the “river loop”, the twist in the River Severn within which lies the city centre.

This area, he feels, is a strong buy, thanks to its centrality and proximity to not only the station but Shrewsbury’s shops, bars and cafés. Much of the property in the loop is Georgian, or older but with a Georgian façade. A three-to-four bedroom townhouse would cost about £350,000. Another area tipped by Boulton is Kingsland,

outside the loop, but one of the prime city suburbs and home to the independent Shrewsbury School. A four bedroom semi-detached house here would cost about £500,000 and Boulton believes this cost will rise, thanks to the lack of supply of properties.

Yet another point in Shrewsbury's favour is the development in the city of an outpost of the University of Chester. Shropshire Council estimates that the university, due to open next September, will pump around £60 million into the local economy each year.

In the Cotswolds, Luke Morgan, a partner in Strutt & Parker's country department, feels that the emphasis next year will be on value and not "the usual hedge-fund valley hotspots". On this basis, he has hopes for the town of Nailsworth, an under-the-radar neighbour to Tetbury in Gloucestershire.

Nailsworth is no sink village: its surrounding countryside is fabulous, its shopping is good (William's Fish Market, Oyster Bar and Foodhall being highlights), and Nailsworth Church of England Primary School is rated "good" by Ofsted. Trains from Stroud, four and a half miles away, take about 90 minutes to reach London Paddington, which is why it is good value for money.

"Nailsworth is a down-to-earth market town, which has got everything you need," says Morgan. "It is not as pretty or as glorious as your Stow-on-the-Wolds but it is easily as nice as Chipping Norton."

Expect to pay £550,000 to £600,000 for a four to five-bedroom family house in Nailsworth, or about £250,000 for a two-bedroom cottage. In the surrounding countryside, £2 million will buy you a four to five-bedroom period house with a couple of acres.

When it comes to cities, Cambridge's hotspot of high-tech companies — which are in fact based just north of the city in Milton — has been a key factor in its strong performance over the past few years. Its heat has propelled Cambridgeshire prices up 10.3 per cent in the past year, according to the Land Registry.

Cameron Ewer, head of Strutt & Parker's Cambridge office, believes

that as quality employment opportunities increase, so will prices — bolstered by the fact that Cambridge is one of the most beautiful cities in Britain.

“Pharmaceutical company AstraZeneca is imminently locating its global headquarters to Cambridge, which means we are already seeing staff look for property here as they relocate their family,” he says.

In May 2016, a new station will open at Chesterton to link the Cambridge Science Park and the city, and Ewer believes this will mean that three-bedroom Victorian terrace homes in the area, priced at £500,000 to £600,000, will outperform.

Within the city, his tip is Mill Road, the streets south east of Parker’s Piece. A three-bedroom Victorian terrace house in this area will cost £700,000 to £750,000 and he believes that proximity to the city’s railway station and top performing schools such as Parkside Community College will continue to draw family buyers.

Rob Hall, the deputy managing director of Hill — a developer building more than 1,000 homes in Cambridge over the next three years — adds that the 2017 relocation of Papworth Hospital to the Cambridge Biomedical Campus, two miles from Mill Road, will also attract more buyers to southeast Cambridge.

After its performance since the recession, London is one location unlikely to see price rises at all next year, according to Savills. Prime areas may even experience slight falls, but the impact of “London money” can never be underestimated.

Research by Hamptons International has identified Spelthorne in Surrey as the top destination for priced-out buyers leaving the capital in search of value for money and a leafier way of life. Perhaps the nicest part of Spelthorne is Shepperton, home to the famous film studio where *Bridget Jones’s Diary* and *Gravity* were shot.

Commuters like the area because they can be at London Waterloo in

less than an hour — and it may potentially benefit from the Crossrail II line. The area has a really pleasant market-town feel, with plenty of independent shops and cafés, and Old Shepperton has some stunning riverside homes and lovely pubs. The area was hit by severe floods in 2003, but it is hoped that a £300 million mitigation scheme will prevent any repetition.

Owen Miles, a partner at Curchods estate agency, has witnessed a growing number of couples and families moving out of southwest London for better value homes in Shepperton. A two-bedroom purpose-built flat would cost about £250,000, while a three-bedroom Victorian cottage would be about £400,000. For those on a more expansive budget, a period riverside home with a mooring could cost anything up to about £2 million.

Miles believes that Shepperton's "villagey but convenient" feel is what draws in buyers and, on that basis, sees prices rising steadily during 2015. "I think we will see a good steady market with rises of at least 5 per cent," he says. And that, in the greater scheme of things, should make Shepperton one of 2015's property winners.

Six worth watching

Kingswear, Devon

The South Devon Link Road will allow traffic to bypass Torquay, making journeys from the end of the M5 to this coastal town swifter and easier. Christopher Bailey, head of Knight Frank waterfront, believes this will help to propel Kingswear into the premier league of second home locations in the South Hams district. "This, coupled with the new route to and from Exeter airport to London City airport, makes Kingswear a viable weekend destination from London," he says.

Bath

Electrification of the rail line from the West Country is forecast to

have far-reaching implications for cities such as Bath — and with its shops, restaurants, nightlife and outstanding housing, it is easily enough to tempt a Londoner willing to take on a 70-minute commute. “The market here is particularly resilient because available stock will always be limited by the valley location and world heritage status, which restricts further development,” points out Luke Brady, of Savills.

Taunton, Somerset

Simon Derby, of Smiths Gore, is predicting that electrification of the rail line between the southwest and London will also make this region more appealing to buyers. He expects Taunton to be a beneficiary. “Travel to London from Taunton will be a little over an hour and a half,” he says. “With many London commuters taking longer to get to their London offices, it would be a fairly safe bet that many will choose the country life instead.”

Melrose and Galashiels, Scottish Borders

Next September the Borders Railway will launch, linking these towns to Edinburgh. “It will give a much-needed boost to the property market in the central Borders, particularly for houses of £450,000-plus,” says James Denne, of Knight Frank. “Once it’s up and running, I’m confident we will see the effect with more people moving to Melrose, Galashiels and the surrounding area, improving property values.”

Oxford

At present, trains to Paddington take from 60 minutes and this relatively swift journey will become even swifter in 2016 when Network Rail completes its electrification of the line to London. Next year, Chiltern Railways will begin to run a 58-minute service from Water Eaton, north of the city, which will provide a further fillip to smart north Oxford and open up lovely villages such as Islip, Noke and Kirtlington. Frank Webster, of the Finders Keepers lettings agency, says that the project has “already had an effect and prices in nearby towns have been rising rapidly for the past year. We expect

prices to continue to rise as the station opening nears in summer 2015.”

Norwich

Next month the project to turn the A11 from London into a dual carriageway will be completed, and Nigel Steele, a partner at Jackson-Stops & Staff in Norwich, believes this will make an impression on local prices. “Prices at the bottom of the market, which is largely comprised of terraced houses, have climbed 15 per cent in the past year and this is likely to ripple out across the entire market over the next 12-24 months,” he says.