

Positive actions lead to success

A black swan is a rare event that has a major impact and is both difficult to have predicted but is considered obvious in hindsight. The first half of 2020 has all the markings of a black swan. However over our 48 years we have worked through different global crises and so, as before, we continued to work as a team to deliver a quality service to our customers and clients. Doing so has led to real successes across our eight offices in Oxfordshire.

Soaring demand levels

Having being locked down for seven weeks, applicant demand surged once property agencies could re-open their offices. Our phone and email enquiries increased 24% year-on-year for May and 44% for June (Figure 1). Applicants have been more measured, researching online and shortlisting properties before enquiring. This has resulted in more decisiveness – in the first week of June we converted 47% of viewings into lets, compared to an 18% conversion in the same week last year.

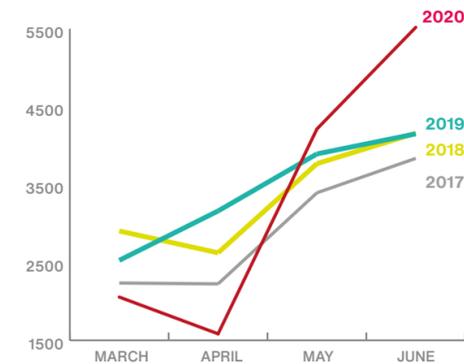


Figure 1 - Phone and email enquiries from finders.co.uk, Rightmove and Zoopla

Will search requirements change?

Spending more time at home may have made any property quirks more apparent and led people to reconsider what they want from their home, or even where they ...want to live, e.g. our East Oxford office noticed a small increase in applicants wanting to be able to walk or cycle

to work rather than relying on public transport. Broadly, there has not been a dramatic shift in search priorities so far, but it is possible that we may see a change in requirements as we come out the other side of lockdown. Will commuting times become less important and home offices and internet speed more important?

Presentation first

While we were unable to carry out physical viewings, online presentation was more vital than ever. Accurate descriptions, professional photos and video tours enabled us to achieve 132 lets in May while our offices were not open and we weren't carrying out physical viewings.



Of course, where there is oversupply it may be necessary to adjust rents to ensure the property isn't left empty and we advised landlords on an individual basis.

City to country

Demand for village living always increases in the summer months, and although not overwhelming, our offices saw a small rise in the number of property enquiries from people looking to move out of London. For example, Photo 1 is a 4 bedroom barn conversion in Tackley at £1,750¹ which let to a professional couple moving out of the capital. Photo 2, a 6 bedroom house in New Yatt near Witney at £6,000, received a number of enquiries from people looking to move out of London, and our North Oxford team let a 4 bedroom house in Summertown to a family moving out of London for schooling.

1. All individual rents in this report are pcm and marketing rents



Family Houses

April, May and June are typically busy months for the family market. We agreed some great lets including Photo 3, a 4 bedroom cottage in Clifton Hampden which let to a family relocating to the area, and a spectacular 5 bedroom house in Summertown at £6,500 which had been on the sales market for two years before the owner (a previous client) instructed us. We let the property (Photo 4) to a family moving from overseas for their children's schooling. Despite solid demand, there has been a slight lack of supply in some areas due to existing tenants renewing their tenancies.

Students

According to their websites, Oxford Brookes will move large lectures to online learning, and Oxford University and its colleges intend to be



open for all students from the start of the next academic year. We have only seen one tenancy withdrawn due to the pandemic, with all other student tenants (who are currently living back at home) keen to move into their own place – even if their lectures will be carried out remotely initially.

Pets at home

The number of people searching for pet-friendly rental properties has surged since lockdown². Across the county we have had more requests and would advise landlords to consider pets if possible rather than losing a good tenant. The landlord of a 3 bedroom house with countryside views in Marsh Gibbon (near Bicester) had not been keen on pets, and had struggled to find tenants. We had great applicants who had a dog (with an accompanying reference from a previous landlord) and advised the landlord to consider being flexible. The family viewed the property and loved it – and the location – and applied straight away.

A move away from short-lets

For the last couple of years the majority of our new business has come not from investor landlords, but a real mix of failed sales, inherited property, job relocations and tied accommodation and couples moving in together (and letting the second property). Most notable this year is a shift from short-term lets to long-term, with demand for Airbnb-style lets dropping off dramatically. We have been instructed on and let a number of apartments in Oxford, including a 2 bedroom apartment in Jericho, which was listed on a Thursday evening and within 12 hours we had received an offer for a 12 month tenancy from applicants who had viewed the video tour online.

Renewals

Perhaps unsurprisingly, June and July renewals were up, with many tenants requesting break clauses or short renewals. Overall, landlords were willing to be flexible to keep their tenants rather than risk an empty property. For example, one Abingdon tenant couldn't complete on a house purchase during lockdown. Without knowing the completion date, renewing for a fixed term was not a sensible option and so switching to a periodic tenancy worked in this situation. We are now seeing September renewals returning to normal levels, perhaps a sign of confidence?

Sales bouncing back...

Our sales and acquisitions department had a few sales fall through as a result of lockdown. However, the market remained busy with enquiries and new sales were agreed, sometimes at higher values. For example, a 2 bedroom end-of-terrace

2. <https://www.telegraph.co.uk/news/2020/07/12/searches-pet-friendly-homes-surge-since-lockdown/>



house in East Oxford which was relisted during lockdown (Photo 5) had three interested buyers who entered a bidding war and the property eventually sold for £5,000 more than the previously agreed sale.

...and a Stamp Duty Holiday

At the beginning of July the Chancellor announced a stamp duty holiday on homes selling for £500,000 or less until 31 March 2021. Across England, nine out of ten transactions will pay no stamp duty; the rest will pay less than before³. Buy-to-let (BTL) investors will still have the 3% additional homes surcharge, however this temporary holiday will aid investors in the amount of cash they need upfront to purchase a BTL property. Our *Inspired Sales & Acquisitions* division can help you with a property search, 01865 302314.

What's to come

The coming months are likely to be challenging, but success comes to those who are quick to adapt. Property will be a stable and secure investment during economic uncertainty and Oxfordshire has a strong economy with strong demand for rental property from a transient population often coming to the area to work in research, science and education. We anticipate the market continuing to be price sensitive so our focus will remain on keeping properties in the best condition to attract the best tenants at the highest rents.

3. <https://www.ft.com/content/449dd0af-438d-423d-9c94-249dfbd914bb>

Don't forget!

Electrical Installation Condition Reports (EICRs) are now a legal requirement for new and renewing tenancies. The regulations will apply to existing tenancies from April next year, and the consequence is a fine of up to £30,000. Full details can be found on our blog at finders.co.uk/news

People matter in this business. Skills matter, experience matters and, most importantly, attitude matters. That is why we are delighted to be awarded One Star in the Sunday Times Best Companies to Work For survey. Visit our offices to cast your own judgement and learn how better people lead to happier tenants and more successful landlords. We look forward to it.



Decorum Interiors
01865 302339
114 High Street
OX28 6HT

Bricks & Mortar
01865 302350
226 Banbury Road
OX2 7BY

Inspired Sales & Acquisitions
01865 302314
226 Banbury Road
OX2 7BY

North Oxford
01865 311011
226 Banbury Road
OX2 7BY

East Oxford
01865 307207
122 London Road
OX3 9AX

Central Oxford
01865 297999
22 Park End Street
OX1 1HU

Abingdon
01235 535454
1 Vineyard Chambers
OX14 3PX

Banbury
01295 276766
3 Horse Fair
OX16 0AA

Bicester
01869 329530
24 Market Square
OX26 6AD

Witney
01993 700150
114 High Street
OX28 6HT

FK Shared Letting
01865 260111
28 St Clements
OX4 1AB