

Surfing the summer wave - don't miss out

Quarter 2 (April, May and June) sees the annual letting wave build towards its peak of the summer months (Graph 1). In general terms, this means there is more variety and fewer 'trends' in terms of what lets best and who is renting in Oxfordshire – over the last three months we have let more than 600 properties across the county and these have ranged from 1 bedroom annexes in the grounds of the owner's home up to 7 bedroom houses. However, there have been ripples of difference across our eight offices:

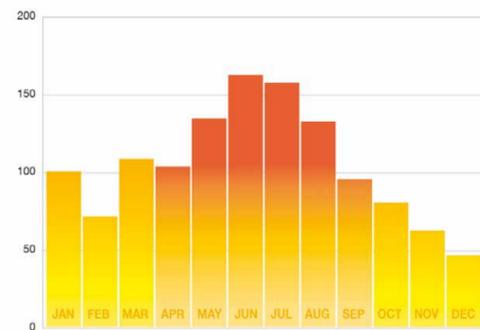
Decisive high budget applicants

As is typical for this time of year, applicants are being decisive when it comes to larger properties. Keen to secure their home before the summer holiday, location plays a big part in their search. For example, a 4 bedroom house at £3,995¹ let to

a family who wanted to be within walking distance of North Oxford's schools, and a 7 bedroom house in Weston-on-the-Green at £6,500 let to a family who needed easy access both to London for work and Bicester for the children's school (Photo 1). Elsewhere, a 4 bedroom period home near Buckland at £3,500 let on the first viewing to a couple moving out of London (Photo 2).

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

Enquiries 2017 - Indexed to 100

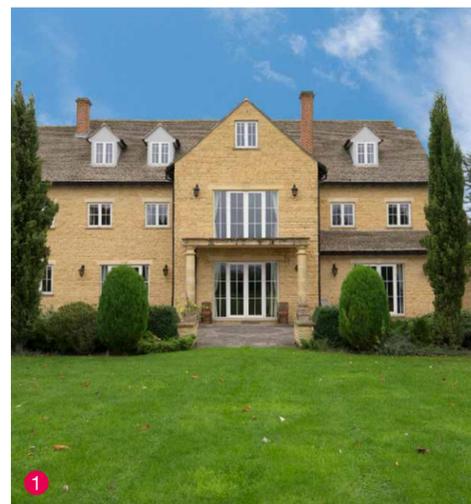


Total applicant emails and phone calls, 01/01/17-31/12/17



A tale of two counties...

Outside of Oxford, 1 and 2 bedroom properties have been letting promptly to first-time renters and couples seeking value for money. Bicester and Banbury remain popular with people commuting to Oxford, London and Birmingham, and Abingdon and Witney continue to see a steady stream of tenants from the Science Vale, Business Parks and Motorsport Valley. On the other hand, we've seen a very high supply of 1 and 2 bedroom properties in Oxford with applicants slow to commit as they want to view *everything* on the market. The exception to this has been in Central Oxford where international students are already taking 2 bedroom apartments available in September – possibly allowing time to comply with Right to Rent checks. We have been careful to market properties at the right time so that they don't go 'stale' online and have been guiding clients on adjusting the property presentation or the price where necessary.



A mixed bag of mid-size

In Bicester applicants will only pay a premium for 3 bedroom properties if they are the first to live in it. The 'new builds' which are now one or two tenancies in are taking longer to let – or aren't achieving such high rents – due to more brand new 3 bedroom properties coming on-stream. Conversely, in Abingdon tenants of 3 bedroom properties have been staying put so when one does come to market it lets very quickly. Similarly, in Central Oxford HMOs are in extremely high demand, for example a 3 bedroom apartment (Photo 3) which let on the first viewing, leaving a lot of disappointed groups.

Our rents remain realistic

Although the market has been busier, at times it has been hard work with so much choice for applicants – in part this is exacerbated by agents being slow to have honest conversations about adjusting rents, resulting in excess supply as the property sits on the market. Despite this, our average rent for the quarter has increased 1.5%² year on year. It is important to remain realistic and set rents based on the current market – this includes at renewal or you could end up with a huge disparity between rent at the end of tenancy and market value at the time.

A false economy

Nearly every single one of our offices has an example of this perennial business-winning tactic this quarter and it is always at the landlord's

² Internal Finders Keepers figures on a revolving portfolio

expense: we provide a realistic valuation of rent, but the landlord is tempted by another agent who has promised a much higher rent. The property sits empty and un-viewed for two weeks before the agent calls the landlord on a Tuesday morning to say the rent needs to be reduced. Recently, we valued a 5 bedroom house in Bicester at £1,700 but the landlord went with the agent who quoted £2,100. Over two months the rent was progressively reduced until it eventually let at £1,700 – a potential lost income of £3,400. Similarly, we valued a 3 bedroom house in North Oxford at £1,595 in February, the landlord went with the other agent who quoted £1,850 and (at the time of going to print) the property is still available online at a reduced rent of £1,695.

Struggling to sell

Across the county we've let properties which have failed to sell, from 2 bedroom apartments in Banbury to 4 bedroom houses in Headington (Photo 4). A landlord failed to sell their 3 bedroom townhouse in Abingdon earlier this year, so we've let the property at a slightly lower rent with a specially negotiated break clause so that the owner can continue to market the property for sale (with tenants in situ). This means the landlord is earning income in the interim and the agreement suited the tenants perfectly who are looking to buy a property. If you are considering letting instead of selling it's important to act now before the volume of applicants reduces – talk to us to discuss your options.



New developments

New developments continue across the county (Curbridge, Bampton, Long Hanborough, Bicester, Harwell to name a few areas) which will bring more property to the market. Inspired Investment, our search and acquisition service, has vast experience in helping investors to source properties – often acquiring off-plan and therefore seeing immediate capital gains upon completion. If you are considering investing in Oxfordshire call Maxine on 01865 302314 to discuss.

Our student letting division opened in 2004 and runs to a very different calendar than our other offices. Where we are in peak letting season, the FKSL team has already let 95% of its portfolio for the 2018/19 academic year. As such, they are very much in 'check-out season' and here are some interesting stats:



111 properties to check-out

467 tenants to liaise with

Team of 4 to carry out check-outs and process deposit refunds

433 mattress protectors purchased (so far)

170 toilet brushes purchased (so far)

200 energy saving bulbs (so far)

Only 1 deposit dispute last year – we excel at Property Management

