

# Getting results in a tougher market

Oxfordshire is a resilient area and has withstood a lot of disruption over the years; who would have thought that our letting market would boom when Lehman Brothers collapsed in 2008? While this has certainly been a fickle year with ongoing Brexit negotiations and a snap election at the start of the summer, Oxfordshire's future is looking bright with BMW confirming that their Mini E electric car will be built in the UK<sup>1</sup> and Harwell Campus announcing an £80million expansion, bringing 200 jobs and creating a 'European innovation district' on the science vale<sup>2</sup>. That said, Quarter 3 has been varied across our 8 letting offices:

## Successful letting isn't down to luck

We have seen a slower market across the county as applicant demand has flattened year on year (our applicant leads from Rightmove, Zoopla and finders.co.uk are down 19.3%<sup>3</sup>). However, a slower market does not necessarily mean failure; our proactive letting teams are still getting good results, achieving only 3.5% fewer lets compared to July, August and September last year<sup>3</sup>. This is down to careful applicant matching and setting rents appropriate for the current market; pricing is not a science but a human art of judging the market at a point in time and a good agent will advise you honestly as the market changes.

## Market expectations

The focus in Quarter 3 has been on presentation and setting the rent correctly – you cannot charge a premium price where the quality of property is only moderate. We work with our clients to maximise the rent. We have three interesting examples of this:

1. Our search and acquisition team, Inspired Investment, helped clients to acquire four apartments in a small development in central Wantage (Photo 1). Our Abingdon team then listed the properties - a mix of 1 and 2



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bedrooms - before finding great tenants for all four apartments. They all let at the asking rent (starting from £795<sup>4</sup>). The landlords were delighted and each of the tenants moved in within 18-30 days of instruction.

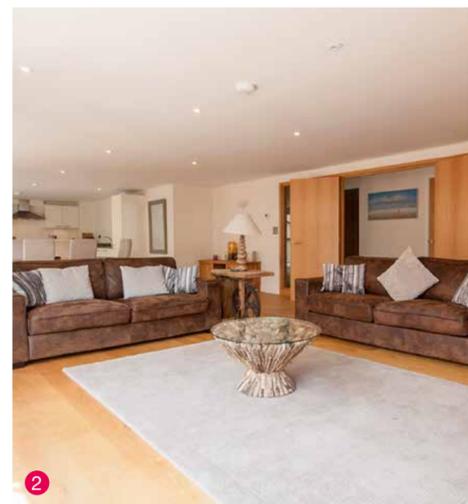
2. You can still further improve the quality to above market standard and gain an increase the rent. For example, a 2 bedroom apartment in central Oxford was refurbished and we then let it at a 23% rent increase before the works had finished.

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

3. Where a property is of high enough quality and in a good location the only factor that can be influenced is the rent. Setting the appropriate rent from the start will result in a swift let and secure income. For example, a 3 bedroom apartment in Central Oxford which was set at £2,750 – a slightly lower rent than previous years, but which resulted in a two year let (Photo 2).

## Struggling to sell

Interest rates are likely to rise in the coming months<sup>5</sup>, which could make selling more difficult. Across the county we have already seen some failed sales returning to us, such as a 1 bedroom house in Bicester, which the landlord tried to sell early in the summer. With little interest, they decided towards the end of August to put it back on the letting market and we let it at £795 to a professional couple. The owner of a 4 bedroom house in Standlake (Photo 3) failed to sell in the spring and came back to us for help in August. We let the property at £1,725 to a lovely lady who is relocating to the area (with her small dog) to be closer to her family. If you are struggling to sell, now is the time of year to get it back on the letting market. Don't wait for it not to sell in the depths of winter when you'll achieve a lower rent.



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## Fewer landlords, more property

The Government is squeezing the BTL market but the more savvy landlords appear to be seizing the opportunity by snapping up properties (more commonly under a company structure). Our Abingdon and Banbury offices reported a reduction in the number of single 'new to buy-to-let' landlords this quarter and Table 1 supports this, showing that the number of landlords has fallen over the last two years despite a rise in supply of homes to rent.

Table 1: Countrywide's Monthly Letting Index for August

	2017	2015
Number of landlords	3.56m	3.72m
Number of rented homes	5.1m	4.9m
LLs own one BTL property	73%	86%
LLs own 10+ homes	Up by 33%	

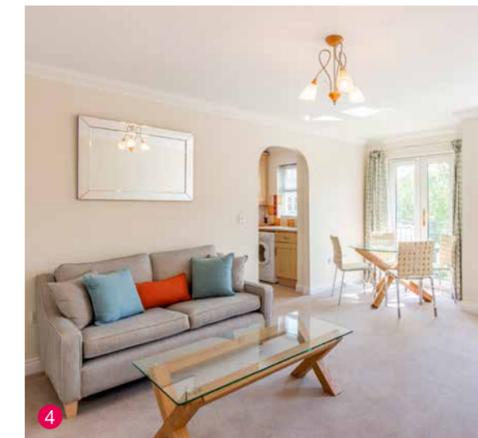
## New developments

Oxfordshire has a challenging housing situation, so it is positive to see all of the developments around the county. Stratton Park in Bicester has been a great success and we have let 20 properties on the site, achieving around a 5% gross return for the clients. Inspired Investment continues to

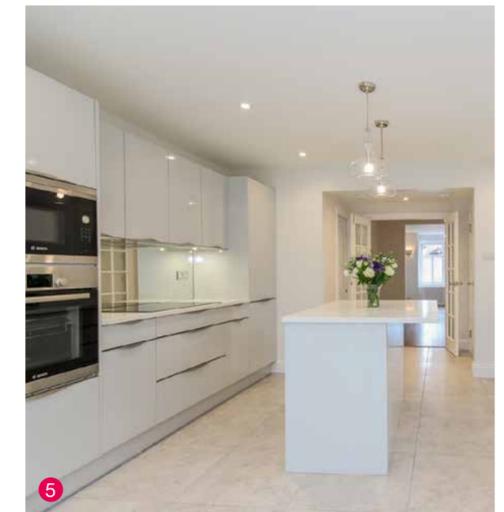
5 <http://www.independent.co.uk/news/business/news/uk-interest-rates-latest-update-rise-mark-carney-bank-england-imf-speech-mpc-washington-dc-a7953936.html>

receive enquiries from clients looking to invest their money in property as a way of spreading risk or as a method of inheritance tax planning.

However, it's not always about new builds. Re-sales of properties in a good location can be a good investment. A client wanted to sell a couple of 2 bedroom apartments near Oxford train station (Photo 4). They have maintained the quality of the properties over the years and have recently updated the bathrooms at both properties. The location is good, next to Oxford station and walking distance from the Westgate shopping centre. One property has already sold at a 4.6% gross yield, for full details of the other one contact Inspired Investment on 01865 302314.



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## Technology

Skype viewings are still in demand and helping to let property to good tenants. Some examples from this quarter are: a 2 bedroom house in Bicester let to an American couple trying to secure a property before their relocation and a 1 bedroom apartment in Jericho which has let twice in 2 years via video viewing – both times on the first viewing. A superb 4 bedroom property in Marston (Photo 5) let on the first viewing via a Skype call to a couple who live in Oxford but were on holiday and extremely keen not to miss out! They viewed in person when they came home and were absolutely thrilled.

In Kidlington our forward-thinking Inspired Investment team worked alongside the agent and developer to install charge points for electric cars at a new development (Photo 6). This seems sensible, particularly given that in August, Oxford City Council (alongside Oxfordshire County Council), began installing 100 electric charging stations in residential streets across the city to encourage drivers to go electric<sup>6</sup>.

6 [http://www.heraldservices.co.uk/news/15496667.Green\\_revolution\\_\\_Oxford\\_set\\_to\\_lead\\_the\\_world\\_with\\_its\\_residential\\_electric\\_car\\_charging\\_point\\_pilot/](http://www.heraldservices.co.uk/news/15496667.Green_revolution__Oxford_set_to_lead_the_world_with_its_residential_electric_car_charging_point_pilot/)



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