Staying ahead of the game in 2016

The year ahead will be as unpredictable and strange as last year; 2015 was an odd year with considerable government interference. New homes are being built but not many near Oxford and not in sufficient enough quantities. Let us all hope that changes in 2016. Here are seven predictions about Oxfordshire's property market:

1. Nimbys will get louder. Everyone in Oxfordshire agrees **we need more houses but there is scant agreement about where they go.** The 'Not in my back yard' impulse is understandable, yet not conducive to increasing supply.
2. **Agents and Landlords will have to 'up their game'**. New legislation in the form of the Deregulation Act and the Right to Rent Scheme will be challenging for those with responsibility in the Private Rental Sector, particularly the 'adequate response' expectation for repairs. Thinking positively, the new laws should result in improved standards of property (HHSRS) and quality of service in the industry.
3. It is abundantly clear from 2015 experience that **larger family homes** will need to be available to view in the spring for move-in dates in July/August. Landlords will need to ensure their houses are in tip top condition and be flexible on rental asking price, availability dates and pets.
4. We expect quite a few enquiries for help with **investing in property** in the New Year, as an ongoing means of ring-fencing surplus cash which now more than ever will require professional advice on existing wealth management. The appetite for investing in an OX postcode will remain strong, based on a booming local economy and upward capital gains. Income will be more of a challenge but for some people investing is about diversifying their assets and long-term planning.
5. We see a tightening of available stock of rental properties as existing tenants renew their tenancies combined with a lack of available properties as buy to let landlords compete with buyers backed by government initiatives and tax payer 'help to buy' loan schemes. Ironically, the unintended consequence is that **rents may well rise**, as has been seen in Oxford with the scarcity value now placed on HMOs for shared living.
6. Discerning landlords **will improve their current properties** to stay a step ahead of the chancellor and maintain or increase their return. This will include making the most of low interest rates to fund the improvement works over a shorter lending period and re-financing so as to minimise the reductions in the mortgage interest tax relief allowance.
7. We will see a **short term flurry of investors** who take advantage of the low interest rates and secure their buy to let purchases in advance of the April deadline when 3% levy is applied to buy to let purchases. We do believe that we will also see many more small companies being formed as investors take specialist advice to maximise their tax efficiency.

Discerning landlords will improve their current properties to stay a step ahead of the chancellor

Landlords of family homes will need to ensure their houses are in tip top condition by the spring

In Central Oxford there is a 'lock up and leave' mentality among tenants who travel a lot

2016 by area

Abingdon office

Didcot is a growing destination for landlords and tenants with the new developments providing investment opportunities alongside growing job prospects. We anticipate that demand for 1 bedroom and 2 bedroom properties across Abingdon and Didcot will continue to lift, with supply in the area still far out-stretched by demand.

Banbury office

The town is seeing a lot of new-build property. This is good for an area which needs more housing. We anticipate continued investor activity due to the 5+% yields which are available. With bigger properties landlords are going to need to be more flexible than ever, take our advice and match the market's tastes. This may include allowing pets and being open to specific requests from good potential tenants.

Bicester office

Bicester will continue to boom, with a significant volume of new housing supply and the new train line to Oxford opening later in 2016. Rents are still a good 25% lower than in Oxford and significantly lower than London. Investors have identified the Bicester area as a hot spot with gross yields often exceeding 5% and with rents and capital values increasing significantly over the last few years.

Witney office

Witney will go from strength to strength: a 'proper' High Street with free parking and high profile incoming retailers (Jigsaw, Jack Wills); good local employers; and a broad range of pubs and restaurants. Rental demand outstrips supply, particularly for quality 1 and 2 bedroom homes. There are new schemes planned (eg. Cala Homes) which should be good news for investors.

North Oxford office

There will be more demand to live in an area with good access to main rail or road links. Prices in Kidlington and Islip (with the Chiltern Railways line to Marylebone) and other local hotspots (Wolvercote) will continue to rise unabated. Studios, annexes and basement conversions will remain extremely popular as pied-à-terre residences for the week as more tenants than ever want to avoid being stuck in the gridlocked local road network.

Central Oxford office

The tenant demographic is cosmopolitan in OX1, with many tenants from overseas. We see the rise of a 'lock up and leave' mentality among those tenants who travel a lot. They want well-maintained homes and the property management needs to be well organised to meet tenant expectations. Only then will rents will continue to rise. Smartly furnished 1 and 2 bedroom apartments will be the most sought after.

East Oxford office

Persistent traffic issues will make rental homes near the hospitals the most popular in 2016 – if a tenant can use their bike rather than a car it helps. Outside Oxford we expect good demand for period village homes between the city and Thame – they offer the character people want with the shorter journey to London via the M40 and Haddenham and Thame Parkway.