

2015 – The Year Ahead

Once a year the Finders Keepers 'brains trust' members turn into fortune tellers. Some trends are more obvious than others – we hope you enjoy them and have a wonderful 2015.

A massive year for housing politics nationally

Housing is a bona fide election voting issue for the first time. It stirs the emotions as it is the centre of so many hot topics: interest rates and banks (for mortgages), the Green Belt (new supply), immigration (social housing, population growth) and youth employment (salaries vs. house prices). Labour has parked its tanks on landlord's lawns and is making an unashamed sales pitch to 9 million tenants. Drowned within the mudslinging at landlords is common sense. We see few good ideas about the two biggest problems in the rental sector – poor service from agents and landlords, and low quality properties. Working with landlords, not against them, is more likely to yield progress.

More tension re affordable homes and the Green Belt locally

In 2014 only 4 affordable houses were built in Oxford¹ even though 25,000-30,000 new houses are needed in Oxfordshire by 2030². Worrying times. Affordable housing quotas are deterring private sector investment in Oxford without which not many houses are built. 2014 saw our local authorities engage in legal battles to block / pass their Local Plans – Oxford City Council wants more housing allocations outside Oxford. In 2015 the focus is squarely on the Green Belt as reported consistently by the Oxford Times, with sites within 5 miles of Oxford favoured, such as Begbroke and between Blackbird Leys and the Baldons.

- 1 Oxford City Council Housing Strategy 2015-2018.
- 2 Strategic Housing Market Assessment 2014



This North Oxford property was upgraded in 2014 and saw a rent increase of 40.68%

A slower sales market will bring more quality back to renting

Some of the best applicants chose to buy not rent in the first half of 2014. Perhaps we are being too optimistic but we think a slower sales market in 2015 (caution up to the election, interest rates edging up) will lure some of the strongest applicants back to renting.

The new London train will help Bicester

Major infrastructure projects have their own gritty glamour. The new Water Eaton-Bicester-London line has already accelerated Kidlington house prices, but the impact on Bicester has been less heralded. The dramatic increase in Bicester to Oxford train services will be yet another reason to live in Bicester and will support rents and sales prices.

Canny 'doer-upper' landlords will benefit

'Doing up' an older property can be a wise move. In Bicester, for example, the average price of a solid 2-bedroom home is around 10-15% less than a new-build of comparable size. But – if kept up to modern specifications – the rent will barely differ as applicants like high quality older properties. They are usually larger, on bigger plots and often in greener areas with better parking.

Roll on the flood defences, Westgate and Oxpens

Finally we may have action. The £500m Westgate centre promises 3,400 new jobs and 122 homes and won planning permission at the end of 2014. £42m has been allocated for the Oxford Western Conveyance Flood Channel to protect 1,200 homes – we hope that plans are not stuck in red tape in 2015. The Oxpens redevelopment is a major part of Oxford's proposed Housing Strategy – the area is dire currently and can withstand high-density living.



Cowley will emerge as a hotspot in 2015

Cowley will emerge as a hotspot

A bold call perhaps. The evidence: relatively low entry prices compared with much of Oxford; strong and growing local employment; and Chiltern Railways' desire to create new passenger stations at Oxford Business Park and Oxford Science Park by 2020 using the existing Cowley freight line.

Letting agents will become Border Control

It is highly likely that from May 2015 letting agents and landlords will need to do the Home Office's job for them and check that new overseas tenants have valid visas. The rental sector comprises 17% of households³, so who checks the other 83%? Also, illegal immigrants will just avoid formal rental

- 3 DCLG figures, 2014



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Will letting agents and landlords need to check visas come May?

situations which require ID checks and live with friends or in shared houses via online classified ads.

Bungalows to bounce back

Our Vice-Chairman is bullish on bungalows, or 'single storey dwellings' as we call them. He knows that the over-60 population in Oxford is forecast to grow by 43% by 2037 against the city growing 12% overall⁴. He also realises that an older demographic with 'guilt equity' want homes without stairs and to free up some cash for their family to get on to the housing ladder. Location is a question: an urban environment suits many elderly downsizers but new bungalows will be in villages, not towns.

- 4 Oxford City Council Housing Strategy 2015-2018



Will pensioners spend their pensions on buy-to-let come April?

SKI-ing pensioners will be less reckless than advertised

Ten years ago the 'SKI' acronym captured baby-boomers Spending their Kids' Inheritance. Longer, fitter lives and expanded horizons led to more travel and less saving. Like any media tag, there was truth alongside myth. Now people think that pensioners will lift the lid on their pensions in April 2015 when regulations are relaxed and spend the lot on buy-to-let properties in a fit of bricks & mortar hedonism. Unlikely. Yes, our Inspired Investment service is already advising more people than normal about how to invest successfully in residential property, but we do not think that people who have worked hard all their lives for their pensions will be remotely reckless.

The Finders Keepers 'brains trust'

