

Epsom Property News

Equity and value appreciation are the benefits of home ownership

Appreciating value and equity build-up are the main benefits for property homeowners, BLP Insurance, a specialist residential warranty and commercial latent defects insurer, has found. That was the view of almost half (46%) of homeowners, with this viewpoint particularly prevalent among over 55-year-olds (56%) compared with 18-34-year-olds and 35-54-year-olds (35% and 45% respectively).

Kim Vernau, chief executive at BLP Insurance, said: "With prospective first-time buyers struggling to get their foot on the housing ladder and no quick fix in sight, it's more important than ever that the standards of rental accommodation are addressed. "In an otherwise uncertain housing market, the UK Build to Rent (BTR) sector is going from strength to strength, which is encouraging because it has a vital role to play in resolving the issues faced by renters. Over a third of Brits (36%) find deposit size to be the main barrier to ownership in the next decade.

"BTR offers affordable access to quality housing, with greater accountability to tenants on the part of the housing provider compared with traditional landlords.

"It's fast becoming the torchbearer within the rental market, helping people avoid the issues presented by rogue landlords and sub-standard living conditions."

Other popular benefits of homeownership included inheritance and legacy for children (42%), not having to share living spaces with strangers or housemates (41%) and ownership being a reflection of ambition and success (30%).

The survey, took place online with Opinium, also revealed that nearly a fifth of homeowners (18%) considered potential rental income to be a main benefit, with a further 17% citing property ownership as a risk-averse investment. Almost 18% of those people who took part in the separate BLP tenants survey have faced mould-related issues, closely followed by plumbing and heating problems (17%), cheap fittings and furnishings (16%) and noisy or untidy housemates (11%).

Issues with landlords were also common, with one in 10 (10%) experiencing invasions of privacy and 8% being involved in a dispute over a deposit. Not having to deal with the related costs and responsibility of property maintenance was considered the most popular benefit of renting (37%)



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3 WAYS TO BECOME THE 'PERFECT TENANT'

With Direct Residential you'll receive an award-winning service that is tailored to your needs to find your perfect property. Here's 3 tips in becoming the 'perfect tenant'

1. Pay your rent and other outstanding bills on time to avoid delays
2. Respect your neighbors and the property to avoid disruption
3. Repair or pay for any damages caused by you



Latest idea for agent diversification? Letting out driveways...

Could this be the latest way for letting agents to spread their risk and diversify their offer to clients - by letting out driveways? Online parking website YourParkingSpace says owners are making more than £1,000 per year on average by renting out their driveways to motorists. The site looks at the 50 top earning cities and towns to reveal an annual average driveway income of £1,114.

"Households across the country are earning significant sums by renting out their empty driveways to motorists looking for somewhere to park. It really is possible to earn more than £1,000 per year, especially if your driveway is located in a busy area, such as near a train station, music or sports arena or local amenities" claims site managing director Harrison Woods. Further analysis also shows that breaking the average £1,000 threshold has been achieved consistently by householders over the previous few years, with 2018 and 2017 showing very similar results of £1,126 and £1,130 respectively.

Rents in England and Wales increased by 1.8% in the 12 months to November 2018, taking the average paid to £864 per calendar month, the latest index shows

The South West recorded the strongest annual growth at 4.3% to an average of £701, followed by the East Midlands, up 1.9% to £663, according to the data from Your Move.

London remains the most expensive place to rent with an average rent of £1,263, followed by the South East at £897 and the East of England at £881.

Month on month rents increased by 0.1% and the biggest monthly rise was 0.4% in Wales and the West Midlands, taking average rents to £594 and £627 respectively.

Landlords in the North of England saw the highest percentage returns, with average yields much higher than in Southern areas. The average annual yield in the North East was 5% and in the North West it was 4.8%.

Overall, landlords in eight of the 10 regions covered by the index saw yields remain firm between October and November. But the East of England and the East Midlands both saw a slight decline in yields, down from 3.7% to 3.6% and down from 4.3% to 4.2% respectively.

The Buy-to-let market stabilizes!

Buy-to-let activity was mostly unchanged in May, leading to suggestions that it has stabilized, the UK Finance Mortgage Trends Update has found. There were 5,500 new buy-to-let home purchase mortgages completed in May, the same number as this time last year. There were 15,000 remortgages in the buy-to-let sector, 2% more year-on-year.

Mike Scott, chief property analyst at full-service estate agent Yopa, said: "The number of buy-to-let mortgages for house purchase was unchanged from 2018, suggesting that the buy-to-let market has finally reached a new stable level after several unfavorable tax changes."

Mark Harris, chief executive of mortgage broker SPF Private Clients, added: "Buy-to-let continues its steady trend, showing that investors are sticking with the sector rather than deserting it in their droves."

"That said, we are also not seeing a flood of new landlords – rather, the experienced ones are adding to their portfolios where they see opportunities and remortgaging to keep costs down."

Tomer Aboody, director of property lender MT Finance, also highlighted that he hasn't seen a flood of buy-to-let investors selling up as a consequence of the extra taxes that have hit them.

In 2015 the government said it would start to phase in mortgage tax relief. In 2017 to 2018 the deduction from property income was restricted to 75% of finance costs, in 2018 to 2019 the finance costs are down to 50% and during 2019/2020, 25%. From 2020 to 2021 all financing costs will be subject to a basic rate tax reduction.

For any specific advice on Buy-to-Let please contact Ian at:
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