

Jameson

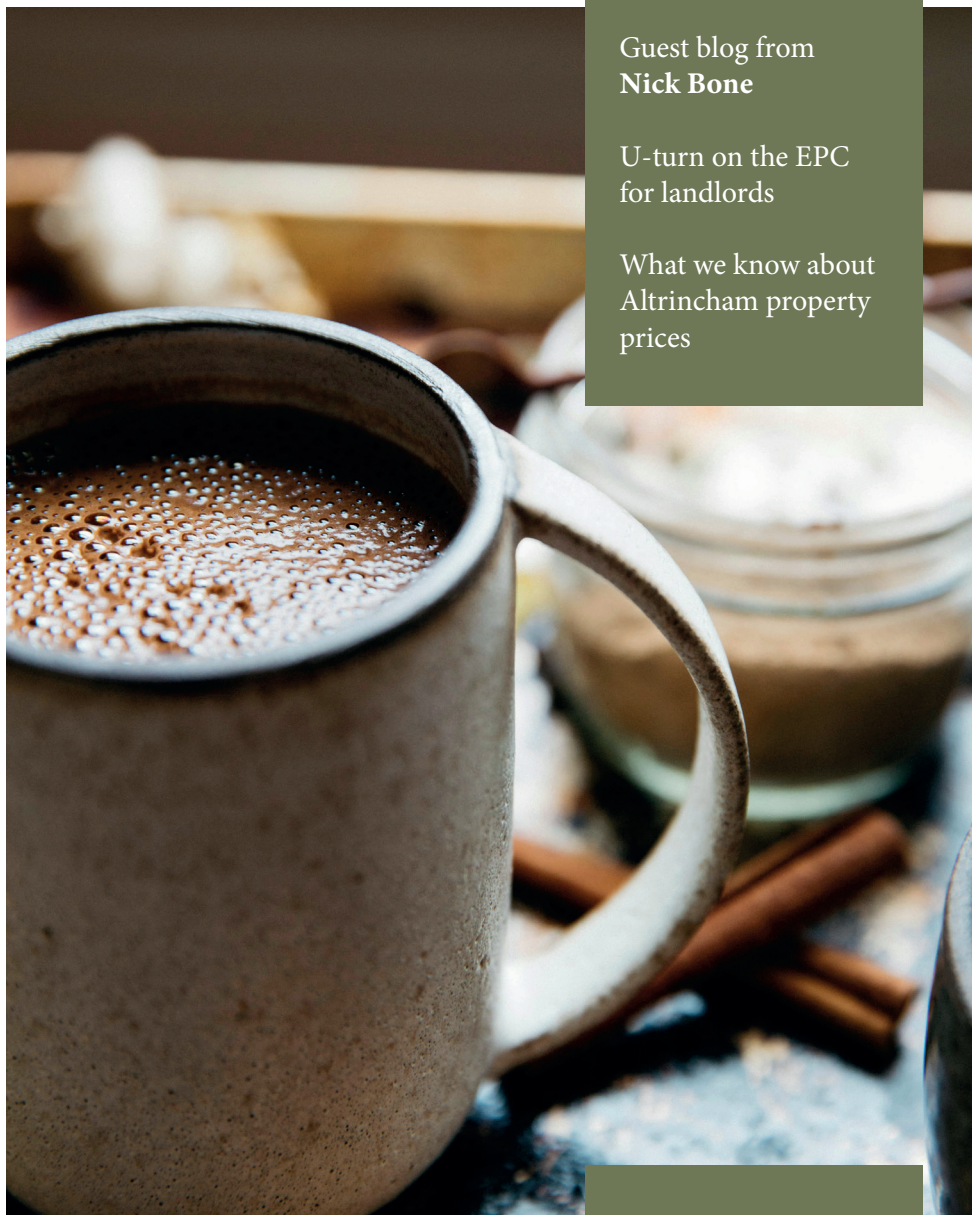
AND PARTNERS LTD

WINTER 2023 / SPRING 2024

Guest blog from
Nick Bone

U-turn on the EPC
for landlords

What we know about
Altrincham property
prices



GUEST BLOG FROM NICK BONE, FINANCIAL ADVISOR OF GREENWOOD MORTGAGES

Will we see mortgage rates below 4% any time soon?

There could be light at the end of the tunnel as a dramatic drop in inflation announced last week could mean the end of the rate increases experienced over the past two years.

Rates dropped to an all-time low in March 2020 at 0.1% to try and shield the economy from the impact of coronavirus and remained at that level until November 2021. Then the rise began, by September it was 2.25% and by the end of that year 3.25% - the highest in a decade. Fast forward to November 2023 and the base rate stands at 5.25%, its highest since January 2007. 7.5 million households are expected to have been affected by the rate rises. But with inflation slowing, have we seen the worst of high rates and could mortgage costs start to come back down?

Annual inflation fell to 4.6 per cent in October from 6.7 per cent in September, surprising investors, and the Bank of England.

Many of the country's major lenders - and quite a few smaller ones, too - have slashed mortgage rates in response to dramatically improved inflation data. At the end of last week there were circa 30 lenders offering a sub 5.0 per cent fixed mortgage compared to 13 at the start of October. Mortgage lenders were already at war with each other on pricing and these inflation figures will only encourage them to go even further, and quicker.

SHOULD I HOLD OUT FOR A LOWER RATE?

With fixed-rate deals expected to improve, many may be tempted to hold out and delay locking into a new rate in the hope that they fall rapidly.

You can secure a new mortgage rate up to six months in advance of your deal ending. Even when purchasing a property if rates improve between application and exchange "most" lenders will allow a change of product. Given the rollercoaster conditions seen over the last two years my advice is to secure a new deal as early as possible. It gives you protection if the market takes a negative turn and if rates improve you can still benefit. Its not uncommon for us to change products on behalf of clients several times before the new deal is in place - it's the market we are in!

Market Insights from Jamesons

Housing and wider economic outlook

	2023	2024
Economy (GDP)	+0.2%	+0.7%
Inflation (CPI)	+5.0%	+2.7%
Wage growth	+5.3%	+3.5%
Official bank rate	+5.6%	+4.9%
Employment	+1.1%	-0.1%
House prices	-5.1%	-3.1%

UK economy expected to avoid recession with more stability in 2024

Source: Datafolt. Average of independent forecasts made in the last 3 months. August 2023



TOP TIPS

- Purchasing a property? Get an agreement in Principle (an indication from the lender of how much they would be willing to lend) Your broker will also be able to give you an indication of cost and rate based on your circumstance.
- Own a property? You can secure rates up to 6 months before your deal comes to an end – worth dusting off the mortgage paperwork and getting a quote.
- Let a professional help. We do this every day and are up to date with what lenders offer and the criteria they are likely to accept.

FABULOUS FRONT DOORS

First impressions count

Many studies have shown that it takes just three seconds to form a first impression, this judgment is often made before the front door has even been opened.

Replace or Upgrade

A new front door is a big investment but will add value to your property. A new door can be more attractive visually, but also offers improved security and energy efficiency.

If you are replacing your front door, we generally advise that you select a door which will complement your property's age and style.

If you can't afford a brand-new front door, then take the time and effort to give your old one some TLC. Depending on the type of door you have, you can either wash it down or give it a new coat of paint. Small details like a new doorknob or knocker, letterbox or house number can give the door a new lease of life too.

Decorate your front door with a wreath

The wonderful thing about door wreaths, is that you can have one all year round if you want. We often have one on our front door at our Jameson and Partners offices on The Downs in Altrincham, throughout the year.

Using the flora and foliage that is in season, you can easily buy or even create your own wreath for hanging on your front door. If you're selling your home, there's really no better way to greet prospective buyers than with a beautiful arrangement taking pride of place on the front door.



U-TURN ON THE EPC FOR LANDLORDS

What does the U-turn on the EPC for landlords mean?

The initial proposals stated that landlords would require a minimum EPC rating of C by 2025 for all new tenancies. The same rating would then apply to all rental properties in 2028. However, with the legislation being scrapped, the current requirements are set to remain as they are today, at level E. Instead of enforcing changes with regards stricter minimum energy efficiency standards for rental properties, the government urges landlords to make changes to their properties where, when and how they can.

WHY HAS THE GOVERNMENT MADE THIS CHANGE?

The government's overall aim is to remove financial pressure from both landlords and tenants. Landlords would need to make a significant financial investment in their properties to make the necessary changes to meet energy efficient standards. And the fear is landlords will increase rents for tenants to compensate for the expense. With the rental market already experiencing some of the highest rents we have ever seen, this could bring further damage to the sector. Tenants are struggling with the overall increased costs of living, above and beyond the rent they have to pay.

TENANTS WANT ENERGY EFFICIENCY

We find tenants are prepared to pay higher rents and commit to longer tenancy periods, if they are renting a home which is more energy efficient. With energy bills remaining high, and more worryingly, unpredictable in the near future; tenants are looking to avoid extortionate gas and

electric bills, or a freezing cold homes.

Some could argue that improving the energy efficiency of rental properties also improves their overall condition, making them cleaner and healthier to live in. By scrapping the EPC proposals, are we prolonging the availability of poor standard rental housing stock?

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WHAT ABOUT THE LANDLORDS WHO LEFT THE INDUSTRY?

The news of the proposed EPC changes has been around since 2018. And in this time, with Covid thrown into the mix and the increased cost of materials to carry out property improvements, some landlords sold off their rental properties. It hasn't been an easy couple of years for buy-to-let landlords especially, and these factors along with other legislation changes saw many decide



to quit letting properties altogether. Here in the Altrincham area, we have seen it first-hand; a case of it no longer being affordable or worth the time and effort.

ULTIMATELY THE PLANET LOSES OUT

There are no real winners or losers following this latest decision. If landlords have forked out to improve the energy efficiency of their properties, they will have done so at a cost which they need to recoup. And if they haven't made the changes, they might lose out on tenants who want energy efficiency. For tenants, they either face expensive energy and heating bills or higher rents, whichever type of property they choose to rent. We can only surmise the real loser here is our planet as we take even longer to adjust older homes to more energy efficient ways of working. Or will another government step in to change the plans again? We shall have to wait and see...

Here at Jameson and Partners, property lettings lies at the core of our business. We work with landlords to advertise properties to rent, source appropriate tenants, and even manage lettings on their behalf. We can also offer advice if you're thinking of becoming a buy-to-let landlord. For more help, advice or to get your rental property on the market, contact our team of professionals today.

WHAT WE KNOW ABOUT ALTRINCHAM PROPERTY PRICES

As local Altrincham estate agents, we make sure we know about Altrincham property prices. In fact, we invest in a data tool so that we can be accurate with the property valuations we do. But this information also keeps us informed about Altrincham property prices – whether they're fluctuating, rising or falling. A good property agent should know this.

Perhaps you feel unsure about selling a home in the Altrincham area right now? Well, let us help by outlining what is happening with property prices in Altrincham. Read on to find out...

ALTRINCHAM PROPERTY PRICES OVERVIEW

We're not quite at the end of the year, but the data we currently have covers the last 9 months of 2023. This gives us a good indicator of how Altrincham property prices have fared throughout this year against economic and market conditions. For example, across all the property bands (houses of all styles and flats and apartments), the start of 2023 saw property prices increase in line with buyer demand. Around this time, mortgage rates fell back towards 4% after their sharp rise at the end of 2022.

With some of the property bands in Altrincham, you will see there was a slight drop in property prices over the summer months. This can be attributed to a rise in summertime borrowing costs which impacted buyer demand again. But in Altrincham specifically, unlike some other areas of the country, the difference was slight.

AVERAGE ALTRINCHAM PROPERTY PRICES BY PROPERTY TYPE

The data we are referencing throughout this article covers the whole previous year, from October 2022 to September 2023.

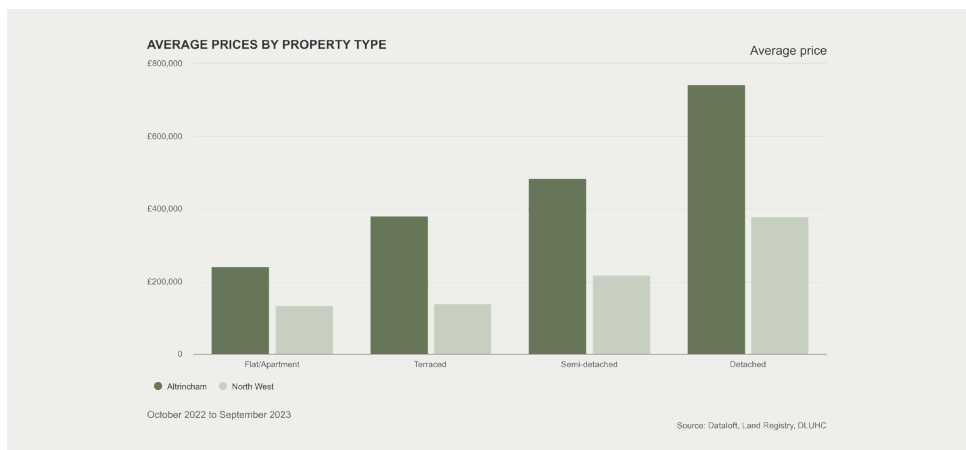
The chart above right shows the average prices by property type for properties in Altrincham, compared to those in the North West.

The Altrincham property price averages you can see are as follows:

Flat / apartment - £241,240
Terraced property – £380,352
Semi-detached property - £483,672
Detached property - £742,982

There is a notable price difference for each property type in Altrincham compared to the wider North West.

But we can explore a little more about how these Altrincham property prices have fared over the course of the last year.

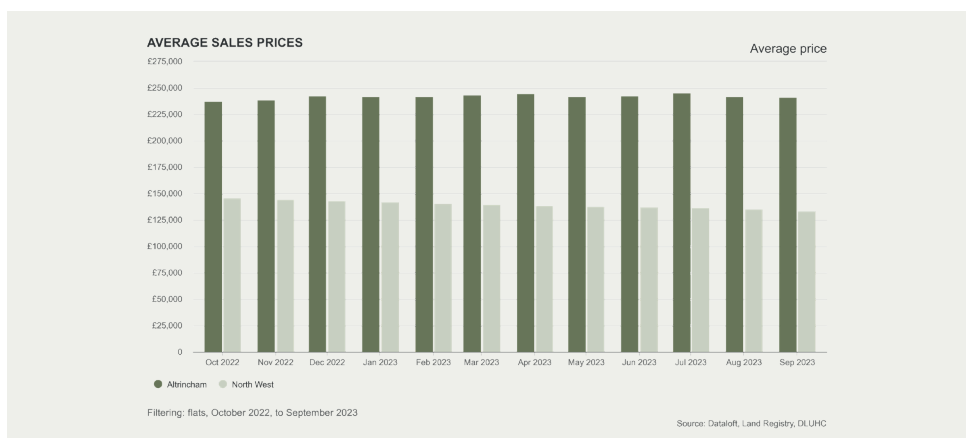


FLATS AND APARTMENT PROPERTY PRICES IN ALTRINCHAM

There has been a little fluctuation with prices in this category this year, although overall it has remained fairly consistent. However, it's important to note that the average price of flats and apartments is still higher than last year and those pre-pandemic.

On this chart you can see a slight fluctuation in the average price of flats and apartments this year. It was in July when the average hit a peak of £245,365 and this has tailed off slightly to around £241k.

But if we go back to 2021 and the post Covid Stamp Duty Holiday, flats and apartments hit their highest price of £262,933 in the month of May. To get a true reflection of where prices are today, we can go back a little further to pre-pandemic times. This was when the average price of flats and apartments was around the £220k mark. So, it's clear to see that the average price of flats and apartments in Altrincham remain strong. They still remain higher than the year previously too when the average in October 2022 was £237,404.



WHAT WE KNOW ABOUT ALTRINCHAM PROPERTY PRICES

TERRACED PROPERTY PRICES IN ALTRINCHAM

Prices of terraced properties appear to have followed the trends caused by wider market conditions.

For example, prices hit a peak in February of this year at £389,474 and have dropped by nearly £10k to £380,352 in September. However, these averages are better than the year previously – back in October 2022 the average terraced property prices were £377,738. And the year before that, October 2021, they were £341,716. This shows that terraced properties in Altrincham, of which we have plenty, remain desirable.

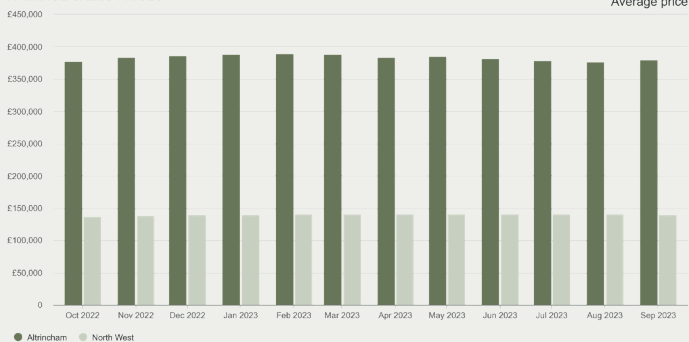
SEMI-DETACHED PROPERTY PRICES IN ALTRINCHAM

Over the last six months of the year, the average price of semi-detached properties in Altrincham has been steadily rising despite market and economic conditions.

Not only that, but the average price difference between October 2022 (£449,881) and September 2023 (£483,672), is a significant increase. And if we go back to pre-pandemic times and October 2019, the average price of a semi-detached property in Altrincham then was £355,723. This just shows the staggering increase in semi detached price averages in such a short space of time.

We can attribute this to the demand for these homes. With the high-quality schools in the area, and semi-detached homes being ideal for families, the desire to live in Altrincham continues to drive prices up.

AVERAGE SALES PRICES



Filtering: terraced houses, October 2022, to September 2023

Source: Datafloft, Land Registry, DLUHC

DETACHED PROPERTY PRICES IN ALTRINCHAM

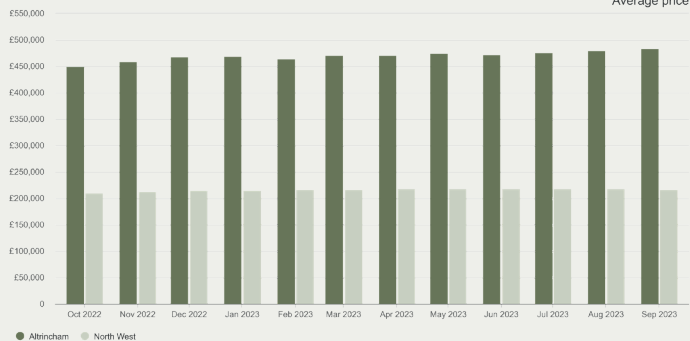
As with semi-detached properties, detached properties in Altrincham have seen prices increase steadily since the start of the year. There was a slight dip in April (£730,693) and July (£742,204), and more recently in September down to £742,982. But average prices hit a peak in June this year at £752,656.

This category took a real knock at the end of 2022 when average prices dipped below the £700k mark at £694,200. However, it is clear the average price of detached properties is performing far better than the year previously when in October 2022 the averages were £714,638.

And as with the semi-detached property averages, if you go back to pre-pandemic times there has been a whopping increase in prices. Back in October 2019, detached property prices in Altrincham averaged £603,701. Again, the fact prices continue to increase, although more steadily these days, proves the demand for detached properties in Altrincham remains.



AVERAGE SALES PRICES



Filtering: semi-detached houses, October 2022, to September 2023

Source: DataIoff, Land Registry, DLUHC

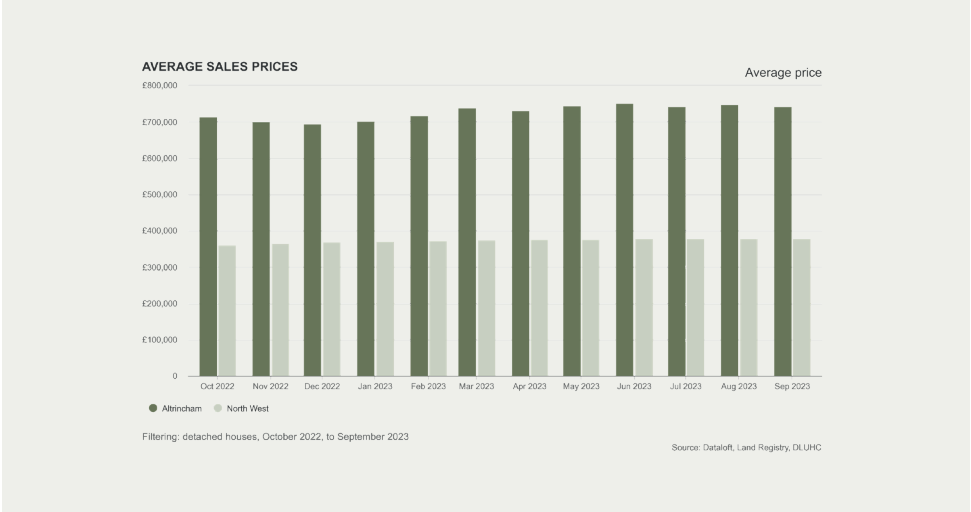
WHAT WE KNOW ABOUT ALTRINCHAM PROPERTY PRICES

AVERAGE PROPERTY PRICES IN ALTRINCHAM ARE SLOWING

As we can see from the data, average property prices in Altrincham are faring well through these tough economic times. The average prices are slowing down and considerably compared to the years before. But that said, across all property areas, the average prices are still greater than the year previously. And this is good news for anyone looking to buy or sell in this area. One thing is definitely for sure – demand for homes remains in Altrincham and its surrounding areas.

High demand is one of the reasons why Altrincham property prices remain above average. If you are looking to sell your home in Altrincham in 2024, contact us for a free valuation and realistic discussion about your property's value. Our professional team provide an unparalleled service which you can only expect from a local, independent estate agent such as us.

All data shared in this article comes from Dataloft Inform, of which we are Subscribers.







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