

# London Voice



## Special report by Sean Williams, manager of Hamptons Pimlico and Westminster

With the second quarter of 2014 well under way, it is worth reflecting on

what has been a phenomenal start to the year. Prices have continued to rise and if anything appear to be accelerating.

The biggest change we have noticed from 2013 to 2014 is the number of buyers willing to go beyond asking prices. We have recorded an average of one in four transactions this year in which buyers have bid over the asking price to secure a property.

Although it may not appear to buyers that more stock is available, our Pimlico/Westminster branch have seen an

increase of approximately 15 per cent for new instructions compared to the first quarter of 2013. The difference is they are going under offer much more quickly than a year ago.

Some sellers have clearly been tempted by record prices but the demand is such that supply is simply not keeping up.

Across prime central London, instruction levels have not been as kind and there remains a severe shortage of good quality homes for sale.

Ever-increasing prices in central London have also produced some interesting statistics within the M25 commuter belt, with a noticeable increase in London

buyers looking for more affordable homes in areas such as Horsham, Haselmere, Guildford and Beaconsfield. We have recorded a 45 per cent increase in London buyers venturing into the country compared to a year ago as supply in London tightens.

Average earnings grew in February by 1.7 per cent and inflation fell to its lowest point since 2009 to 1.6 per cent. This is further evidence that pressure on household spending is being reduced. Unemployment continues to fall and the UK economy continues to grow. This is all good news. There are, however, growing concerns as to how long this will continue.

At some point 'affordability' will be brought into question and there is the inevitable interest rate rise, which is anticipated next year, marking the end of a five-year run of record low rates. Scottish independence could also unsettle the market and we have an election year to look forward to as well. The pound is much stronger against the US dollar and this will impact foreign buyers to invest in property in the UK.

The much-discussed mansion tax will also play a part, depending on which government we elect next year. We could be approaching the top of the market and I would not be surprised if house price inflation were to stall this year.

## propertytalk



## Even the smallest outdoor space makes a difference to Londoners, notes Cheryl Markosky

Nearly every Londoner (95 per cent) wants outside space, according to a study from Strutt & Parker.

James Hyman from Cluttons believes that whatever the value of property in London, in most cases the outside space is never large.

"Sellers should illustrate to potential buyers that regardless of size, they have had a lot of satisfaction from the space as an extension of the property," he says.

They should also ensure the space is well maintained as if it was an internal part of the home, as it can add 15 to 20 per cent to a home's value. "For example, paving stones should be jet-washed, grass should be cut neatly and timber should be treated," notes Hyman.

It's worth spending money on quality garden furniture, shrubbery and flowers. A water feature, as long as it's tasteful and clean, can add significant value.

An irrigation system is important too, argues Hyman. "Potential purchasers won't worry about upkeep. Exterior lighting, a sound system or bar area are not imperative, but certainly make a nice add-on, while a hot tub isn't worth the money."

House finder Caroline Takla of The Collection LLP is witnessing an increase in the desire for outdoor space, due to the rising trend of buyers wanting to entertain more at home.

"In London, one of the most desirable forms of outside space is a balcony or roof terrace, particularly within boroughs such as Kensington and Chelsea," she explains. "Obtaining planning permission for roof terraces can be difficult, so it's beneficial to purchase a property that already has access to one or permission granted to build a roof terrace."

A good compromise to a private garden can be communal gardens, Takla argues, "offering the benefit of enjoying a vast amount of space, but not being responsible for maintenance."

Outside space is a huge selling point for a rentals property, points out Lisa-Jane Stratton of Benham & Reeves Residential Lettings Knightsbridge. "Families with children looking for larger houses do expect a garden. On the other hand, young professionals and couples looking for apartments will usually view a balcony or terrace as a bonus. Being close to a park is a good alternative."

### Stratton's top tips for landlords:

- A patio or paved area where tenants can have a dining table and chairs will make the most of the space
- A trellis with climbing plants will provide privacy
- Attractive lighting allows tenants to use the garden in the evening

