

Current and future property market

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What do we do?



• Educate and inform

First time buyers through to self build and buy to let/property investment

• How?

Watch Episode 1	Episode 1 - Contents	Download eBook 1			
The Buy to Let Show episod We and the second se	 Should you invest in buy to let? The pros and cons of letting a property What are your financial expectations from buy to let? Investing for retirement What will your financial adviser discuss with you when you visit? Example of costs and returns Buy to let tax What is the right way to set up your property investment business? Investing via a Limited Company Buy to let summary 	essek 1 Is Buy to Let a Wise Investment?			

Choosing A Law Firm For Your Buy To Let Purchase Analysing A Buy To Let Financing A Buy To Let Investing Via A Limited Company **Buying At Auction** How To Buy Property Below Market Value Buy To Let Insurance Letting A Property Choosing A Letting Agent 12 Steps To Letting Success Landlord Associations **Renting Rooms** Buy To Let Tax How To Ensure Your Rental Property Is Safe For Tenants Landlord Electrical Safety Checklist Legionnaires Disease Risk Assessment

Buy To Let Guide



Produce specialist price and rental reports

The national picture



Average price: United Kingdom from January 1995 to October 2017



Key: • all property types

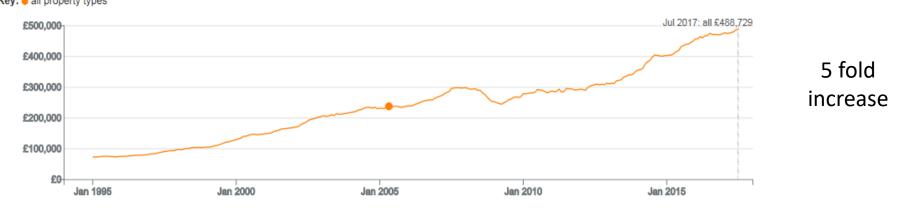
4 fold increase in prices vs inflation at 76%

Who cares?

Local markets matter



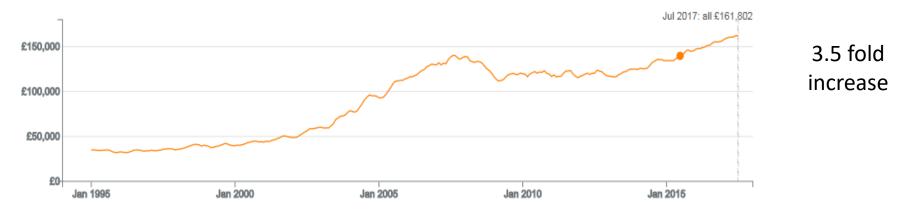
Average price: London from January 1995 to October 2017



Key: • all property types

Average price: Manchester from January 1995 to October 2017

Key: • all property types



Deals matter



40, Fassett Square, London, Greater London E8 1DQ

£1,500,000	Semi-Detached, Freehold, Residential	16 Sep 2016	4 bedrooms
£754,842	Semi-Detached, Freehold, Residential	22 Jan 2010	
£543,000	Semi-Detached, Freehold, Residential	14 Aug 2006	
£107,000	Semi-Detached, Freehold, Residential	27 Nov 1996	



14 fold increase

30, Manley Street, Salford, Greater Manchester M7 2FJ£125,000Terraced, Freehold, Residential28 Jun 20173 bedrooms£44,000Terraced, Freehold, Residential15 Mar 2004£10,000Terraced, Freehold, Residential29 Nov 2001£12,000Terraced, Freehold, Residential17 Nov 1995

10.5 fold increase

What factors landlords need to consider



- Will the property meet your investment objectives?
 - Have you 'done enough'?
 - Does harsher taxation on property = better investments
 - Who will inherit your properties? Are you sure?
- Will the property keep up with inflation?
 - Do you need mortgage finance to secure a return?
 - Have you compared the two?
- Natural vs forced price growth?
 - Can you develop?
- Do you know the 400+ lettings rules and reglations
 - How do you keep up to date?

Why does inflation matter?



- Inflation since 2007 credit crunch: 27%
- Regional property price performance

Property Prices - Regions	Highest average	Lowest average	Market low	Latest month's	How much higher/	Year on year	Annual	Highe	est yearly	
	house price	house price	+/- versus	data	lower are latest	e latest change in price		average increase		
	pre-credit crunch	during recession	market height	Jun-17	prices vs	in Jun 17	increase	sin	since 2000	
	2007/08	2009			height in 2007/8		since 2000	Date	% Increase	
North East	£139,400	£117,079	-16.01%	£130,065	-7%	2.5%	6.1%	Jan-04	34.8%	
North West	£152,427	£124,654	-18.22%	£156,392	3%	5.5%	6.8%	Jul-04	33.0%	
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£157,762	5%	4.9%	6.9%	Jun-04	29.3%	
East Midlands	£159,537	£129,876	-18.59%	£182,166	14%	7.1%	7.0%	Feb-03	33.9%	
West Midlands	£165,807	£136,966	-17.39%	£185,082	12%	4.7%	6.5%	Jan-03	29.5%	
South West	£212,666	£171,356	-19.42%	£246,159	16%	5.3%	6.7%	Jan-03	29.8%	
East	£209,624	£168,263	-19.73%	£286,623	37%	7.2%	7.5%	Jan-03	28.9%	
South East	£238,670	£191,156	-19.91%	£320,168	34%	4.9%	6.8%	Jun-00	25.0%	
London	£298,596	£245,351	-17.83%	£481,556	61%	2.9%	8.0%	Apr-00	28.3%	

Only East, South East and London regions have kept pace with inflation

Cash investment of £139,400 in 2007 in the North East should be worth : £177,500

Matters even more for rents



- They are your earnings
 - On average, rents rise by 2% per annum
 - On average, inflation rises by 3% per annum
- If you charged £500 rent in 2007
 - Should be charging £636 per month today
 - If wages allow
- Are your rents keeping up or are you giving yourself a wages cut
 - Can you reduce your costs without increasing your risk?



Future of BTL, will it deliver?



Whatever happens in the property market, buy to let can always deliver

Forecasts for BTL



• Lower natural capital growth

	2017		2018		2019		2020		2021		5-year
UK	\bigcirc	0.0%	\bigcirc	2.0%	C.	5.5%	\bigcirc	3.0%	\bigcirc	2.0%	13%
London	\bigcirc	0.0%	\bigcirc	3.0%	C.	4.5%	\bigcirc	2.0%	\bigcirc	1.0%	11%
South East	\bigcirc	2.0%	\bigcirc	2.0%	C.	6.5%	C.	4.0%	\bigcirc	1.5%	17%
East of England	\bigcirc	2.5%	\bigcirc	2.5%	C.	6.5%	C.	4.0%	\bigcirc	2.0%	19%
South West	\bigcirc	1.0%	\bigcirc	2.0%	C.	6.0%	\bigcirc	3.0%	\bigcirc	1.5%	14%
East Midlands	\bigcirc	0.0%	\bigcirc	2.0%	C)	5.5%	\bigcirc	3.5%	\bigcirc	2.0%	14%
West Midlands	\bigcirc	-0.5%	\bigcirc	2.0%		5.0%	\bigcirc	3.5%	\bigcirc	2.0%	13%
North East	\bigcirc	-2.5%	\bigcirc	1.5%	C)	5.0%	\bigcirc	2.0%	\bigcirc	3.0%	9%
Yorks & Humber	\bigcirc	-2.0%	\bigcirc	1.5%	C.	5.0%	\bigcirc	2.5%	\bigcirc	2.5%	10%
North West	\bigcirc	-2.0%	\bigcirc	2.0%	C.	5.5%	\bigcirc	3.0%	\bigcirc	3.0%	12%
Wales	\bigcirc	-2.0%	\bigcirc	1.5%	C.	5.0%	\bigcirc	2.5%	\bigcirc	2.5%	10%
Scotland	\bigcirc	-2.5%	\bigcirc	1.5%	C.	5.0%	\bigcirc	2.0%	\bigcirc	3.0%	9%

Source: Savills

Rental growth forecasts





Source: Savills

BTL Headwinds



- Housebuilding
 - Planning has failed to match homes with population
 - New measure of housing need
- PRS
 - Belief is that people rent just because they can't buy
- Currently there is an anti (small) landlord campaign
 - Increased taxation
 - £30,000 fines and jail
- In contrast support for large landlord build to rent

BTL Headwinds



- What else?
 - Lettings fee ban and agent regulation
 - Landlord ombudsman and housing court
 - Incentives for 12 months + tenancies
 - 3 months notice to remove tenants
 - Just announced in Scotland Universal Credit can elect to pay their landlord direct
 - England government being urged to do the same
- Possible rent controls don't worry!



Enjoy your day!