

Inside Access

Residential Market Review

October/November 2011

Beyond your expectations
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HAMPTONS
INTERNATIONAL



Research

Islands in the Stream

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Even the political party conference season, generally filled with good news announcements, was overshadowed by difficult stories about the state of our economy. Although it may sometimes seem like the world is falling down around our ears, the housing market has continued a fairly defiant stance against this backdrop.

Hamptons International has had a strong performance since the summer, a testament to a strong team and to a market which, despite headlines, remains quite active. The average value of properties sold last month was around eight percent above September 2010. This reflects in part a rising market, as well as the particular

strength of activity in the high-value sector across the South of England.

We will be publishing our 2012 forecasts in the coming weeks and as ever are mindful of the wider market conditions that are likely to shape the trading environment for the business and our clients. Although it is clear that strong headwinds will be with us into the New Year, there are also reasons to think that next year may see improving fortunes. Inflation is widely expected to fall back over the next few months, while mortgage lending rates remain at record low levels. Our detailed forecasts will be made available in a dedicated section of the Hamptons International website shortly. ■

UK Residential Sales

Promising Signs for the Autumn Market

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September has responded with an improving level of activity and demand. The volume of new applicants was up on 2010 and 50 percent above 2008 levels, translating to a six percent increase in year over year net sales. The number of new buyers is increasing at a faster rate than stock, supporting prices and maintaining pressure on purchasers who have identified their preferred property. We now have seven new buyers for every new property on our books.

Looking ahead towards the end of 2011 and into 2012, there are encouraging signs for the market. The wider economic

turmoil has meant that the Bank of England base rate is expected to stay at 0.5 percent well into 2012. This means that mortgage rates, currently at record low levels, should also remain very competitive for those seeking loans.

Frustrated buyers seem to be more accepting of uncertainty as a way of life these days. Many have held back on new purchases over the past couple of years, but households can only delay plans for so long. As a result, expect increasing demand levels into the New Year, helping vendors to achieve a quick sale. ■

Mortgages

Lending Volumes Improve

Capital Private Finance

Capital Private Finance provides a dedicated advice service and our advisers are highly experienced in all aspects of property finance, helping customers of Hamptons secure the funding they require regardless of the amount or complexity of the transaction. Offering truly independent mortgage advice, at Capital we can access thousands of mortgage schemes including many which are not readily available direct from a lender.

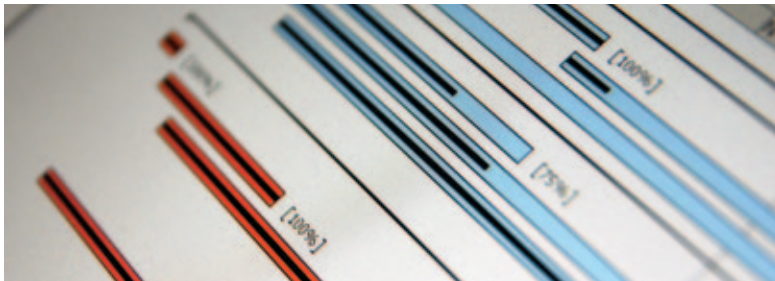
Recently we have seen rapid growth in enquiries from prospective house purchasers and, encouragingly, this growth is also within an improving market context. The Council of Mortgage Lenders (CML) most recent report shows an improvement in both the volume and value of mortgages taken out in August for house purchase, up 7 percent and 10 percent respectively over the previous month and up 2 percent and 3 percent respectively over the levels of a year ago. Remortgaging showed even better improvement with the number of loans for remortgages up 33 percent on the previous August and the value up 31 percent.

The CML data also reveals that those moving house are experiencing a record low in the proportion of their income needed to pay their mortgage interest, so the low rate environment is a benefit to those with mortgages, even against the backdrop of the gloom in the wider economy.

Finally, we will be closely monitoring the impact of the new banking regulations from the Independent Commission on Banking to consider how these changes will impact on mortgage lending volumes and rates. The proposals may favour some lenders over others and we will proactively be advising clients accordingly, although the proposals will take a number of years to come into force.

Your home may be repossessed if you do not keep up repayments on your mortgage.

There will be a Mortgage Admin Fee, the actual amount you pay will depend upon your circumstances and loan amount. Typical fee is 0.67% and will not exceed 1.5% with £495 taken on application. ■



UK Residential Lettings

Summer Heat Still in the Lettings Market

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The all time high levels of activity we witnessed over the summer months continued into September. This led to another record performance for the Hamptons International lettings division.

Growth in rents remains stable at seven percent year over year, while transaction levels continued to creep up. Rental growth has been supported by strong demand, which is being pushed further out from Central London as budgets become stretched for the best locations. This is supporting our expanding network in Marlow, Farnham, Gerrards Cross, Bath and most recently in Muswell Hill.

Over the summer, rising demand was met by increasing stock levels. This trend has now reversed, leaving the level of available properties only around 20 percent higher than last year. This will continue to put upward pressure on rents. The exception to this has been in the corporate sector, where the economic backdrop has reduced demand for executive property relocations.

Early indications in October suggest that there will be little let up in activity overall. With ongoing affordability challenges for first-time buyers unlikely to disappear in the medium term, demand in the rental market looks well-supported for some time to come. ■



Drawing on over 140 years' experience, Hamptons International is one of the premier international residential agents – with a network of more than 80 offices in the UK and key overseas markets.

We continue to expand to be one of the most valuable and innovative residential property groups in the world. Our name is synonymous with an unrivalled level of expertise and the finest properties.

Our services include:

- Sales
- Lettings
- Residential Development
- Corporate Services
- Interior Solutions
- Land and Professional Services
- Property Management
- Mortgage Finance
- Valuation



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