

MAUNDER TAYLOR - SALES DEPARTMENT - MARKET OVERVIEW

RESIDENTIAL

We saw residential property prices climb sharply in the early part of last year, levelling off in April - following the mortgage market review, and heading into the summer holiday season. Although activity slowed in the Autumn and Winter, prices remained stable. The first part of 2015 started slowly, but activity levels and prices have already picked up again, although there are still the regular estate agency complaints of *a lack of quality stock* and *too many vendors with unrealistic expectations of what their home is worth*.

The mortgage market review had an impact on the market, as many purchasers with a decision in principle from their lender that pre-dated the review, were shocked when discussing their finances with their lenders once more, realising that they weren't able to borrow as much as they once thought. However, although there were warnings that high loan to value cases were going to be a thing of the past, we are now again seeing sales going through with 10% deposits – almost business as usual once more!

One shock from the past 12 months – despite years of petitioning – was the overnight changes to the stamp duty system. Of the sales we were handling at the time, there was an even mix between those who benefitted and those who just lost out. Several solicitors we spoke to since have told us that they worked well into the evening of the Autumn Statement, to get sales exchanged for clients that would have lost out – in one or two cases, quite significantly. This has had a knock on effect for planned low density redevelopment sites where a small number of high value units are being planned, thus putting them into the higher thresholds for the eventual buyers – as with the mortgage market review, this too will soon settle to become the norm.

We've carried out a number of appraisals for residential schemes being created under the current permitted development rules from office space (see comments below). Considering the schemes where construction is already underway, and those that are likely to commence in the coming months, it is plain to see that we will soon experience a very high number of 1, 2 & 3 bedroom flats coming to the market, and depending on how this is staggered, it will have an impact on the best prices that can be achieved – over supply must be avoided (how much more stock can the buy-to-let market absorb?).

COMMERCIAL

We are now experiencing greater demand for smaller retail premises, but sadly the strength of the covenants are often weak – start-up businesses without track records and minimal funds to get the business off the ground. The demand for office space, either for long term rental or for purchase, has sharply increased as many tenants who held leasehold office space – often for 10 years or more – are now finding that their landlords are wanting vacant possession of their office buildings to make way for permitted development change to create residential units.

A lot of the office space that we are now letting is on shorter, more flexible terms and outside the provisions of the Landlord & Tenant act. This is resulting in an increase in both the rental and freehold values for office space, as more parties are seeking premises from an ever decreasing level of stock. Several times a week we are contacted by individuals or property scouts with retained clients seeking office space of between 1,000ft² – 3,000ft² - but for the long term. Those companies that are well established, and can fund a purchase, are keen to acquire freeholds, so as to give their business some security over the coming years, as well as providing an investment opportunity for the directors of the company in the future. However, the numbers of flexible serviced office units are also increasing. These can either be considered as a stop gap until a company finds more suitable long term premises, but with people's changing work patterns and less need for face to face meetings (video conferencing becoming the norm), some companies are taking this as an opportunity to downsize into modern serviced office suites, on a fixed all inclusive basis, for more flexible terms of contract.

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NORTH FINCHLEY

**FREEHOLD FOR SALE BY INFORMAL TENDER
(12th March 2015)**

(Business not affected – relocating)

Self-contained, modern office building
– with development potential STPP
Approximate GIA 3,770 ft² (350.24m²)
Parking to rear

FINCHLEY CENTRAL

**FREEHOLD FOR SALE BY INFORMAL TENDER
(26th February 2015)**

Former park keepers lodge, adjacent to Victoria Park.
Property requires considerable refurbishment, but offers
an opportunity to create a unique home in an attractive
setting. Scope for extension - STPP



WHETSTONE

**FREEHOLD FOR SALE - PART INVESTMENT/
PART RE-DEVELOPMENT OPPORTUNITY**

Ground floor is let and income producing
(10 year lease, commenced March 2009)
Upper parts have consent to create
3 self-contained flats, with parking to the rear.



MAUNDER TAYLOR

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