

a1 property

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SUMMER

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A continued demand from buyers

FUNDING A DREAM HOME

Second-time buyers finding it
more difficult to move

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New findings highlight the fact that some people are putting their lives on hold as they struggle to save towards their 'dream home', new research[1] reveals. Almost nine in ten (86%) people living in their first home think it is harder now than a decade ago to make the jump to their second home, according to a Nationwide Building Society poll.

The top barriers to moving home by potential second-time buyers include finding a home within budget (38%), finding a home in the right location (25%), having a large enough deposit (18%), not being able to cover moving costs (15%) and being in negative equity (8%). One in five (21%) said they have found themselves stuck in a house that is too small for their family or in an area they don't like due to housing affordability (16%).

FINANCIAL HELPING HAND

The survey of more than 1,000 Britons living in their first home found that the average cost of the next property is £370,539, which leaves many buyers still finding themselves

in need of a financial helping hand to move. As well as one in seven (14%) having to borrow money from family to support a move, eight in ten (85%) would have to make some sort of sacrifice to be able to move up the housing ladder. Around a quarter would need to change their career or job (27%) or increase working hours (26%). Just under a fifth would need to make significant changes to lifestyle (19%), while the same proportion would need to delay plans for starting a family (19%) and 16% would put on hold any plans to get married.

When asked what they would be willing to give up to move up the housing ladder, more than half (55%) said they would forego nights out, followed by eating out (48%) and holidays or weekends away (33%). One in seven (14%) said they would even give up a spouse or partner if it meant they could move up the property ladder, although men (22%) were more likely to choose this option than women (7%).

WISH LIST

The poll reveals that when it comes to

compromising on the next property, a conservatory would be the first item second-time buyers would be willing to forgo (35%), followed by a garage (29%), a driveway (22%), and ideal schools (20%). By contrast, the size of the bathroom (11%), the size of the kitchen (11%) and the number of bedrooms (13%) were the least likely items to be struck off the wish list. Just under nine in ten (88%) also said they would consider buying a property that needed renovating if it was significantly cheaper to buy.

Despite the struggles experienced by potential second-time movers, one in five (21%) of those surveyed said they weren't willing to forgo anything at all on the next property they bought. More than half (55%) want their next home to be detached, and more than a quarter (26%) want it to be their forever home (26%). Just over a third (35%) said they were holding out for their dream home.

MAKING COMPROMISES

Of those surveyed, eight in ten (80%) said they could be convinced to stay in their current home if they could make some changes, including an extension (37%), a kitchen or bathroom renovation (29%), more land (27%), better neighbours (15%), or better schools nearby (9%).

There is a great deal of focus on the difficulties facing first-time buyers trying to get onto the property ladder, but as the research shows, second-time buyers are facing a variety of difficult challenges of their own. Many are having to make compromises in terms of size or location of their new home, or make spending cutbacks and personal sacrifices to move and avoid becoming stuck in a property that isn't appropriate for their changing needs.

Source data:

[1] Research by Censuswide: total sample size was 1,006 UK adults living in their first home. The survey ran from 26–30 January 2018.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.



*Figures from **MoneyFacts** show that compared to the 1,725 buy-to-let products available at the start of September, there are now 2,052.*



BUY-TO-LET

Are you a landlord finding it harder to get a mortgage?

The Prudential Regulation Authority's (PRA's) recent attempts to cool the buy-to-let market appear to have been successful, as 63% of landlords who are aware of the changes that occurred six months and a year ago say it's now harder to get a new buy-to-let mortgage deal.

This follows regulatory changes which saw more stringent stress tests introduced in January 2017 and affordability tests for portfolio landlords made stricter last September, among other things. That's according to the National Landlords Association's latest survey, which further found that 70% of portfolio landlords (i.e. those with four or more buy-to-let mortgages) are facing greater difficulties.

FEELING THE IMPACT

Considering that lenders now have to take into account how all of a landlord's properties are doing financially when deciding on a new mortgage deal, it's hardly surprising that portfolio landlords are feeling the impact. Yet almost half (48%) of all landlords aware of the changes believe it has slowed down the finance process, while 46% believe the changes have reduced the range of mortgage products available.

These findings show that the PRA's changes seem to be greatly affecting the ability of landlords to find new finance and increase their portfolios. Given that the private rented sector now makes up 20% of the housing market, it is vital that

professional landlords are incentivised to continue providing good-quality affordable housing to those who need it.

LOOKING TO ADD NEW PROPERTIES

Figures from MoneyFacts show that compared to the 1,725 buy-to-let products available at the start of September, there are now 2,052. So while landlords may feel there are less products to choose from, the opposite is true. The process may be a bit more arduous than it used to be, but you can still potentially find a top buy-to-let deal.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.





The latest ESPC house price report revealed that the average selling price in east central Scotland increased by 6.1% year-on-year in the first three months of 2018.

CONTACT US FOR FURTHER INFORMATION

As part of our service, we take the time to understand our clients' unique needs and circumstances so that we can provide them with the most suitable solutions in the most cost-effective way. If you would like to discuss the range of services we offer, please contact A1 Financial Solutions for further information.



EDINBURGH PROPERTY MARKET

A continued demand from buyers

Edinburgh is often called a property bubble, and this seems likely to continue, despite the Royal Institute of Chartered Surveyors recently reporting a drop in new buyer enquiries and prices remaining flat. Property specialists the ESPC have claimed that this report is not an accurate reflection of Scotland, and Edinburgh in particular.

POSITIVE OUTLOOK

The outlook in Scotland looks to be remaining positive, with continued demand for properties, particularly in Edinburgh and east central Scotland. In Edinburgh, there seems to be a continuing demand from buyers, with selling times of properties being faster than ever. The continuing trend for a shortage of properties being brought to

market is in turn driving up selling prices.

The latest ESPC house price report revealed that the average selling price in east central Scotland increased by 6.1% year-on-year in the first three months of 2018, in part driven by a 10.1% decrease in the number of new properties being brought to the market in that same time period.

With 90.4% of properties listed in the first three months of the year being marketed as 'offers over', compared with 81.5% in 2017, this is evidence of the confidence solicitor estate agents have in the market.

NO FALLING BUYER DEMAND

According to Neilsons Solicitors and Estate Agents, veterans of the Edinburgh property scene, there is no such thing as a 'UK property market' – the UK is a patchwork of

local markets each with its own dynamics.

In Edinburgh, sales prices have increased by 7% on average due to huge buyer demand. As such, there appears to be no falling buyer demand.

It is very much the opposite in Edinburgh and the surrounding areas, as is evidenced by the speed at which properties are selling and the record selling prices achieved in many cases. Closing dates have become the norm, and supply is simply not keeping up with the buyer demand.

Source: ESPC House Price Report March 2018

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