



# Market overview

Sunshine and showers is perhaps a rather apt way to describe the current housing market this spring. Although Brexit discussions have cast a cloud and dampened appetite, there are committed purchasers, both first-time buyers and families, seeking to either upsize or downscale, that are ensuring the market remains steady. Mortgage approvals are on par with last year and there has been no discernible drop in sales volumes over the past six months, HMRC reporting sales in February were 2.7% higher than a year ago. Customer confidence remains stoic, mortgage interest rates historically low and Rightmove comment search activity remains steady when compared to a year ago. Home movers are undoubtedly keeping an eye on the market and in sought-after locations such as ours, demand remains high. A lack of choice, not a lack of appetite, being the most significant issue at present.

## FACTS & FIGURES

15.2%

% of sales which were new build properties, 2018

dataloft inform

2.46%

Average mortgage interest rate

Bank of England, 2019

£304,850

Average property price for a first-time buyer across Winchester<sup>1</sup>

dataloft, UK HPI, <sup>1</sup>City of Winchester

27.6%

Average income spent on rent, lower than the South East average of 28.5%

Dataloft Rental Market Analytics, tenancies commenced over the last 12 months



## OUR MARKET

While much of the housing media has pointed to doom and gloom in 2019, the same cannot be said for our local Charters offices which remain leaders in terms of market activity. Business remains steady, with demand for properties across the board. We are conscious many prospective vendors are hesitant to enter the market, but a lack of available stock is the main constraint to activity and we would encourage anyone considering selling to contact us.

Mortgage interest rates remain historically low and with a suite of excellent fixed rate deals across the market place first-time buyers continue to be proactive. The average price of a first-time buyer property in our local area is currently £304,850.<sup>1</sup> One third of all property sales, over half of all terraced properties and three-quarters of all apartments sold for below this price over the past year.

Our new build market also continues to perform well. Developer incentives and the opportunity of no-chain deals are attractive for prospective purchasers. Across our market, one in every ten properties sold in Winchester over the past year has been a new build, rising to one in five across Bishops Waltham, where significant developments in Fair Oak and Botley are adding to the existing housing stock. Nearly half of all new build development sold over the past year has been detached properties, selling in the region of £500,000 in Alresford and Bishops Waltham with properties in Winchester commanding a price premium.

<sup>1</sup>Refers to the Local Authority district of City of Winchester

## ONE IN SEVEN SALES ARE NEW BUILD

Average Price | % sales new build

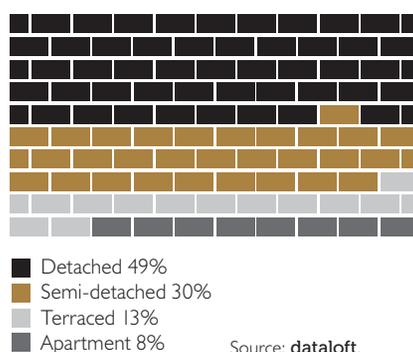
### LOW RATES

Mortgage interest rate remains historically low

1999	7.21%
2009	4.10%
2014	3.25%
2019	2.46%

Source: dataloft, Bank of England (2019)

### DETACHED PROPERTIES DOMINATE NEW BUILD SALES



# THE MOVE TO RENTAL

More and more people are entering the private rental market, either as a lifestyle choice or due to affordability constraints in the wider sales market. Across the South East, over a quarter of a million more households are now in the private rented sector compared to a decade ago, equating to nearly one in five households, up from one in eight in 2007/8.

With the introduction of legislative changes over recent years and new legislature set to be introduced in the coming months, including the Tenant Fee Ban, never has it been more important for both landlords and tenants to use the expertise of reputable management agents. If you are thinking of renting your home, please contact us to arrange your free valuation.

Are you an existing landlord, or thinking about becoming one? Join us at one of our informative Landlord & Investor Evenings where you will have a unique opportunity to meet and question trusted independent experts regarding all things financial and legal.

Go to Charters **Events** Page at [www.chartersestateagents.co.uk](http://www.chartersestateagents.co.uk) or email [lettings@chartersestateagents.co.uk](mailto:lettings@chartersestateagents.co.uk).

## PRIVATE RENTERS ON THE INCREASE

Proportion of households | **Number of households**

2007/08	12.8%	448,000
2017/18	18.8%	710,000

Source: Dataloft Rental Market Analytics, MHCLG, South East

## GROSS YIELDS ACROSS OUR AREA

Property by number of bedrooms

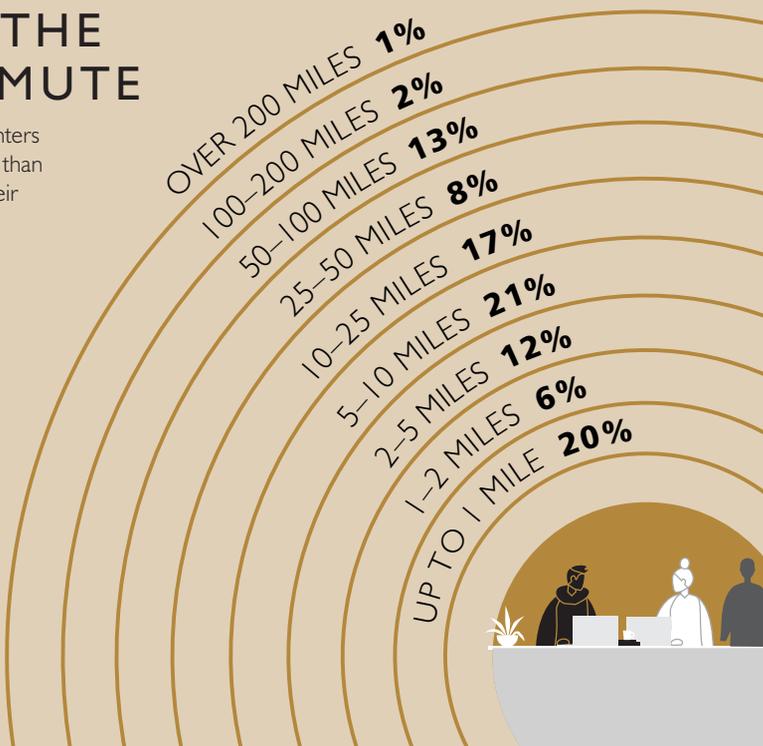
	4.7%
	4.2%
	3.0%

Source: Dataloft Rental Market Analytics, Land Registry, ONS

## CUT THE COMMUTE

Half of our renters commute less than 10 miles to their place of work

Source: Dataloft Rental Market Analytics, new tenancies over past 12 months

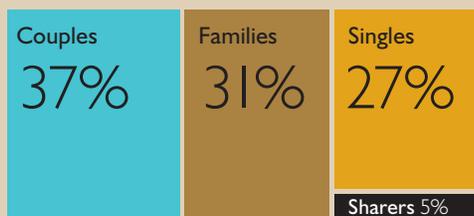


## THE LANDLORD

The abolition of mortgage tax relief by 2020, a 3% stamp duty surcharge for new additional property, requirements for an EPC rating of E and the new Fitness for Habitation Bill have all placed pressure on existing landlords. Despite this, yields remain attractive in many areas, with 53% of landlords saying they plan to keep their portfolio the same over the next year and 11% planning to increase it, according to the recently published English Private Landlord Survey.<sup>1</sup>

<sup>1</sup>English Private Landlord Survey 2018, MHCLG, 2019

## WHO RENTS IN OUR AREA?



Source: Dataloft Rental Market Analytics

## THE TENANT

Tenants across our area spend on average 27.6% of their gross income on rent, slightly lower than the South East average of 28.5%. Our area appeals to a wide range of tenants, singles, couples and families alike, the latter often attracted by the quality of local schooling. Once they move here many tenants choose to stay within our locality; close to two in five renters moving less than five miles to start a new tenancy. The commute to work is also an important consideration. While one in six tenants commute over 50 miles (London is 65 miles away), over half commute less than 10 miles, the key employment centres of Winchester, Southampton, Basingstoke and Andover are all within easy reach.



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