

# The Letter\*

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Summer 2016 Issue 16

## I DO LIKE TO BE BESIDE THE SEASIDE....



Property prices in seaside towns are on the crest of a wave with increases in value of a third over the past decade, according to latest figures.

The annual Halifax Seaside Town Review found that the average property near the sea increased from £166,565 in 2006 to £219,836 this year – a rise of £440 per month.

The millionaires' playground of Sandbanks, near Poole, in Dorset, tops the table with the average house price there at nearly £665,000.

Salcombe in Devon, where the average home is worth £539,950, came second while the least expensive was Scotland's Port Bannatyne on the Isle of Bute, where the average house price is £77,132.

However, seaside towns in Scotland have seen the largest increase in value, with the majority located in Aberdeenshire, according to the Halifax.

Martin Ellis, a housing economist at Halifax, said: "Seaside towns are highly popular places to live, offering sought-after scenery, weather and lifestyle which no doubt comes at a price."

"They also attract those looking for holiday properties, which add upward pressure on house prices."

Good quality private rented properties and realistically priced homes tend to remain in demand whatever the macro economic conditions.

With average property prices around the £210,000 mark and up about 9% year on year – depending on the price index – the market is certainly strong in Portsmouth and Southsea too.

With the success of the America's Cup and potential shopping centre redevelopment, is the Portsmouth area a shore thing to rise up the table next year?

The 10 most expensive seaside towns in Britain, according to Halifax:

Sandbanks, Dorset,	£664,655
Salcombe, Devon,	£539,950
Padstow, Cornwall,	£443,396
Aldeburgh, Suffolk,	£439,379
Lymington, Hampshire,	£426,112
Dartmouth, Devon,	£401,361
Fowey, Cornwall,	£379,003
St Mawes, Cornwall,	£373,746
Wadebridge, Cornwall,	£373,351
Budleigh Salterton, Devon,	£360,984

## In this issue

### Page 2

**LANDLORDS  
AIMING HIGH  
FOR TENANTS**

**STAMP DUTY  
MAKES  
ITS MARK**

### Page 3

**ABANDONMENT  
IS KEY ISSUE**

**CAPITAL COST  
OF RENTING**

### Page 4

**MEET THE  
STAFF:  
SANDRA  
HARRIS**

**INTERESTING  
DEVELOPMENTS  
ON THE  
HORIZON!**

# LANDLORDS AIMING HIGH FOR TENANTS

Increased competition for the best tenants has helped drive up standards in the private rented sector, according to a new survey.

The study has indicated that rising numbers of landlords are going the extra mile to attract and retain long-term, reliable tenants – whether that is through better customer service, competitive rents, maintenance and improvements, or higher quality rental stock in general.

Insurance provider Endsleigh surveyed 500 landlords and more than 1,000 tenants for the investigation.

It found:

- Two-fifths (41%) say they would unreservedly 'go the extra mile' to keep their tenants happy
- Almost a third (28%) of landlords say they would absorb the cost of rental increases to keep reliable tenants in their property for a longer period
- Two in five (40%) landlords saying they would redecorate at their tenants' request
- More than three quarters (83%) of tenants said they were happy with their current landlord

Other findings showed that 'poor tenants and damages' rated as the biggest concern for landlords (20%).

Having their property vacant for too long (19%) and the rising cost of maintenance (15%) were also issues.

Nearly half of landlords (47%) said that the Government was not doing enough to protect landlords – a figure of 78% when tenants were asked the same question in relation to them.



Overall, however, two thirds (67%) of landlords agreed that the benefits of being a landlord outweighed the time and hassle involved in the processes.

Anything that helps drive up standards and improve relations between tenants and landlords is to be welcomed.

At Chinneck Shaw, we aim to ensure that landlords and tenants enjoy a smooth and trouble-free relationship which works in everyone's best interests.

For more details visit [www.landlordtoday.co.uk/breaking-news/2016/6/landlords-aim-to-exceed-tenant-expectations](http://www.landlordtoday.co.uk/breaking-news/2016/6/landlords-aim-to-exceed-tenant-expectations)

## Stamp duty makes its mark

Have you noticed any change in the market since the imposition of new Stamp Duty charges?

The volume of new rental properties listed by landlords fell by 5.7% in May, according to the crowdfunding platform Property Partner.

It says that buy-to-let landlords have been deterred from adding to their portfolio by the 3% surcharge.

However, there was a rush of investors who raced to beat the April deadline, which led to a temporary spike in rental supply.

As summer continues into autumn, we will

have to see whether this fall in rental supply becomes a structural change or whether the market adjusts and we see a return to longer-term trends.

Record low interest rates and continued Government intervention in the property market are also factors which could affect the sector for the foreseeable future.

As a member of Association of Residential Letting Agents (ARLA), the Royal Institution of Chartered Surveyors (RICS), the Residential Landlords Association (RLA) and the Portsmouth Property Association (PPA), we



keep informed about all issues affecting the private rented sector.

This allows us to ensure landlords and tenants are ahead of the curve when it comes to any major industry impacts.

# Abandonment is key issue

New Government rules are set to ease the impact – and cost – of abandonment on landlords and letting agents.

Research from the National Landlords Association (NLA) has shown that more than a third of landlords (36%) have had a property abandoned by tenants.

Abandonment is when a tenant leaves a property before the end of their tenancy without informing the landlords or lettings agent.

Frustratingly, landlords or letting agents then face potentially lengthy and costly legal action to regain possession.

The cost is even greater if outstanding rent is owed, as is often the case.

Although most tenants will simply disappear, they do still have the legal right to return at any time; the landlord or lettings agent can do very little about this. Legal repossession is often the only option.

Now the House and Planning Act, which has received Royal Assent, includes measures to tackle the issue.

They include a new mechanism allowing landlords and letting agents to legally recover abandoned properties without needing to go to court.

There will be no need to serve a section 21 notice or obtain a possession order, although certain conditions will apply.

More than two months' consecutive rent must be outstanding. The landlord or lettings agent must serve at least three warning notices at certain times – including one affixed to the front door.

Richard Lambert, chief executive of the NLA, says that the act will give landlords far more security and peace of mind.

Good communication and a healthy relationship between tenant and letting agent or landlord go a long way to addressing any issues which may cause abandonment.



You can read more on the Residential Landlords Association (RLA) website at: <http://news.rla.org.uk/housing-and-planhat-happens-next/>



A staggering 70% of the average tenant's income in London is spent on rent and essential bills.

New research has shown that the Londoner has to work for three and a half days every week to pay for the roof over their head before their wages become available for other expenses.

## Capital cost of renting

With rents rocketing in the capital along with costs such as transport fares, many Londoners are seeking value further out in boroughs such as Bexley, Barking, and Dagenham.

Commuters are also moving further afield to such south coast cities as Southampton and Brighton as well as Portsmouth and Chichester.

With demand on housing and rental stock ever increasing, it is important the property prices and rents are kept sustainable both for landlords and tenants – and for the local economy to benefit from any disposable income once all the bills are paid.

# Meet the staff

- Welcome to a newly launched feature for The Letter: Meet the Staff! .....

# Sandra Harris

Name: Sandra Harris

Position: Property Management Secretary - Sandra knows Chinneck Shaw inside out with an incredible 45 years with the firm so far.

Responsibilities: Include entering rents, paying contractors' bills and paying monthly/quarterly accounts to clients.

What you love about your job: Getting the books to balance at the end of the week is the most satisfying part of the job.

Hobbies and interests: Parish Clerk at St Mary's for some years. Favourite duties include arranging the weddings – making the bookings, and checking which music, hymns, readings and prayers the couple want for their marriage service. Also help on the engaged couples courses where couples meet others engaged to be married and the priest who will marry them.

Favourite Book: Anything by Catherine Cookson, Lyn Andrews, Katie Flynn, and similar writers. | Favourite film: Love such musicals as Oklahoma!, Seven Brides for Seven Brothers, West Side Story, Singing in the Rain as well as more modern films such as Pretty Woman, Love Actually, and Disney films.



| Favourite TV show: Downtown Abbey, Upstairs Downstairs, Coronation Street, and Murdoch Mysteries. | Favourite music: All sorts of music. Fifties, sixties and songs from musicals. 'Anything with a good tune and with lyrics you can hear - nothing modern!' | Favourite place: Holiday bungalow at Earnley, just along from Bracklesham Bay. | Favourite meal: Good old fashion roast.

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## INTERESTING DEVELOPMENTS ON THE HORIZON!



New talks are underway which could see fresh life breathed into the £500m Northern Quarter scheme in Portsmouth.

The ambitious plan to create a multi-million pound shopping complex on the former Tricorn Centre site and surrounding land collapsed in 2013 after a decade of false starts.

Now developer Centros is back in 'active discussions' with the council, according to the Portsmouth News.

A new road would be needed to improve traffic flows but all parties seem optimistic about the chances of success. There may also be some residential and leisure elements to the scheme.

Any redevelopment of the site would be very welcome. It could help ease traffic congestion, bolster the city's status as a leading tourist and shopping destination, as well as boost the local economy and even deliver some much needed housing.

