

The Letter*

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www.chinneckshaw.co.uk/theletter

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We Raced for Life

In follow up to the article in the last edition of The Letter; on 21st July 2013 the Chinneck Shaw ladies; Dolores, Lizzie, Susan, Shelley, Glynis and Ellie all successfully completed the 10k Race For Life in Southsea. In doing so, they raised over £700.00 for Cancer

Research UK and would like to thank everyone who made a kind donation.

Also at hand on the day were Neil and James who both volunteered to help with the event. An enjoyable day was had by all.



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Newsletter mailing list

If you would like to be added to our newsletter mailing list, please provide us with your name and address, and we will make sure that we send you a copy of *The Letter* each quarter.

In it for the Long-Term

If you're an investment landlord, chances are you're looking for good tenants who will make your property their home and settle down for the long term. Having your properties come empty on a regular basis can be costly and frustrating. At Chinneck Shaw, when we are meeting prospective tenants we try to ensure that we select those who are in it for the long term and try to avoid those looking short term.

In fact, we still have many Assured Shorthold tenants living in clients properties who moved in the 1990's including a property in Reginald Road, Southsea where the tenant moved in on a six month AST in October 1994!

As much as we would love all tenants to stay in their properties for 20 years or more, it's not something that can be guaranteed, but we are seeing more and more tenants stay in their properties for longer due to rising property prices and higher deposits needed to purchase a home.

Happy Campers

A significant number of people living in rent accommodation are happy to do so.



This is according to research released by insurance provider Liverpool Victoria last week, which found 42 per cent of tenants aged 35 and under are happy renting and content to do so for the next ten years or more.

In a survey of over 1,700 people, LV found the concept of home ownership is becoming less important to younger demographics. While 93 per cent of individuals aged between 55 and 75 claimed this was their ultimate goal, only a third of younger individuals share this view.

Mark Jones of LV commented: "While previous research has suggested that those in 'Generation Rent' have had renting forced upon them by rising property prices and low mortgage availability, this report shows that huge numbers of young men and women are freely choosing tenancy and actually prefer it to ownership".

September House Price Index

Online property portal Rightmove's September House Price Index reported that the average price of new to the market property is down by 1.5% (-£3,704) this month, though remains up by 7.2% (+£16,506) so far in 2013.

The report indicates that the price of properties in the South East of England in particular have risen by 5.6% this year with flats, apartments and terraced house rising on average more than detached and semi-detached houses.

Everything's Tip-Top in Tipner

The Portsmouth News recently reported that work is underway on Portsmouth's £28m park and ride scheme and Tipner Interchange. The ambitious project will help to ease congestion on the roads.

Driving into Portsmouth on the M275, you can't see the full scale of the work that's happening nearby. But The News have recently revealed what's going on as it was given exclusive access to the site which is currently off limits to everyone else.

The contractor; Volker Fitzpatrick Colas have put the framework in place for the bus turning circle at the park and ride and surfaced the roads leading to it. The land has been raised to prevent flooding and drainage marries installed. Next month building work will begin on a single storey passenger waiting area at the park and ride where there will be 660 parking spaces. It will be linked to the interchange, a roundabout going under the motorway, and connect it to the M275.

The scheme, one of the biggest building projects on the south coast at the moment, is transforming seven acres of council owned derelict land and is on target to finish in spring of next year.

The park and ride is the first in a number of key elements of a £130m project to regenerate Tipner, with future plans for 1,600 new homes, business space to support 1,500 new jobs, and a hotel.

Chinneck Shaw are keen to keep up to date with the development of this site in Tipner and look forward to its completion and positive changes it should bring to the gateway of the city.



A Question of Rent Control

The property market is once again in the headlines. It is not just the fear of an artificially created housing bubble, caused by the stimulus of the Governments "Help to Buy" scheme that is causing concern but equally pressing is that rents have risen sharply, putting pressure on the growing minority of Britons who rely on private landlords.

The following is a précis of an article which appeared in The Daily Telegraph in June this year and looks at the problems associated with Rent Control.

"Rent controls are madness, we need to build more homes"

Allister Heath, Daily Telegraph 11th June 2013.

It is not just house prices that are out of control, increasing again despite being already dangerously over-valued. An even more pressing crisis is that rents are shooting up, tightening the screws on the growing minority of Britons who rely on private landlords.

Generation Rent, which includes the majority of 20 and 30-something professionals and 15.6pc of all households, is being hit by a vicious double whammy: the average rent in England and Wales is now 3.9pc higher than it was this time last year and yet the average wage in the private sector hasn't gone up at all, with pay rises grinding to a complete halt.

No wonder, therefore, that we are starting to hear tentative calls for rent controls - compulsory limits on how much landlords are allowed to charge, and caps on annual rent hikes.

Yet, while something drastic needs to be done to tackle Britain's housing crisis, rent controls would be complete madness: they are one of the stupidest economic policies known to man.

The only way to tackle the issue is either to reduce demand or to increase supply, or both. Yet rent controls would achieve the exact opposite: increase demand (by keeping rents low) and

reduce supply (by making it less worthwhile for landlords to let out homes).

Once the Government starts to interfere, rents become a political football and investing in property becomes riskier, requiring higher returns and thus rents to make it worthwhile. Rent controls typically also cripple mobility, with people remaining in homes to avoid higher rents elsewhere, which increases unemployment and commute times.

Earlier this week, the London Assembly's housing and regeneration committee, a Labour and left-wing dominated sub-group, called on Boris Johnson to adopt a pilot scheme for "rent stabilisation" – in other words, rent controls. The Tory members of the committee rightly put out a dissenting report, cogently arguing that such a policy would chase away the investment in extra rental properties – especially by large institutions seeking to professionalise the market – that is so desperately required to bring rents down and improve security of tenure.

Yet the writing is on the wall. If rents keep on going up, such calls will become more common, and will find increasing support among struggling tenants. Instead of focusing on the manifestation of the crisis - higher rents - politicians need to focus on its causes.

There were just 101,920 housing starts in the 12 months to March, down 3pc, a scandalously low figure. With the population set to go on rising, prices are being pushed up and far fewer people can afford to buy: the share of owner occupiers fell to 65.3pc of UK households in 2011-12, the lowest level since 1987 and down from a peak of 70.9pc in 2003.

The answer is not to build more council flats, which people don't want to live in, but to allow the construction of far more private homes of the right kind and in the right places, pushing down prices (for those who can buy) and rents (for those who can't).

Like every other problem in economics, the answer to our housing crisis can be found in the laws of supply and demand.

A Dog Ate My Rent Money

A survey of hundreds of landlords in Scotland by Letting Protection Service has revealed a list of top ten bizarre tenants excuses for non-payment of rent:

- I spent the money at the bookies
- My father died (for the third time)
- A dog ate my rent money
- I had to pay a bank tax
- I'm saving for a holiday
- The money fell out of my pocket
- I have a phobia about touching my chequebook
- My pet died and I have to pay the funeral costs
- I need cash for my Rangers season ticket
- It's Christmas and I've had to buy presents



Bloomin' Marvellous

In the summertime, we all enjoy seeing many people's imagination and hard work come to fruition as homes, gardens, parks, schools, shops and streets, offices and workplaces around Portsmouth come to life with plants and flowers of all kinds. It really does make a difference to city life every year.

There is both friendly rivalry and comradeship as participants are encouraged to enter their hard work in the annual Portsmouth in Bloom community gardening competition.

All 2013 entries were judged on individual merit and this year awards were given in line with the www.rhs.org.uk i.e. gold, silver gilt, silver and bronze. There was a prize-giving evening in September and we are delighted to report that one of our green fingered tenants, Mr David Horler, snapped up the Gold prize in the 'Garden in Sheltered Housing or Apartment Blocks' category for his hard work on the communal garden at Kipling Buildings in London Road, North End. We send our congratulations to Mr Horler for creating a little oasis in the city.



'Chinneck Shaw are regulated by the Royal Institute of Chartered Surveyors meaning we are bound to comply with their professional, ethical and business standards. This offers protection and peace of mind for both our landlords and tenants.'



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Contact details

Editors

Miss Shelley Morris-Green
and Mr Neil Shaw FRICS
11 Milton Road
Copnor
Portsmouth
PO3 6AN

t: 023 9282 6731

f: 023 9282 6733

email:

info@chinneckshaw.co.uk

website:

www.chinneckshaw.co.uk



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