

TEDDINGTON

PROPERTY NEWS

What can Teddington landlords expect from their rental property in 2015?



A chap dropped me an e-mail the other day after reading my last article in TW11 Magazine. He had come into some money and, after checking out my blog (the Teddington Property Blog), took me up on the offer of a chat about investing in property. I reminded him that landlords who invest in property achieve a return on their investment in two ways: The first is their rental income, which is what the tenant pays you. If you divide the annual rent into the value (or purchase price) of the property, this is your yield, or annual return. When a property increases in value over time, it is known as 'capital growth'. Capital growth, also known as capital appreciation, has been strong in recent times in Teddington, but the value of property does go up as well as down, and of course the local conditions surrounding property will have a big effect.

The gross average yield on the typical Teddington rental property stands at 3.6% a year, representing a fall of 0.1% from one year ago, down from 3.5% in February 2014. Over the last 12 months, property values in Teddington have risen by 11.1%, so taking into account capital growth, total annual returns on an average Teddington property stand at 14.6% over the twelve months to February. In absolute terms this means the average landlord in Teddington has seen a return, before deductions such as mortgage payments and maintenance, of £98,478 in the last twelve months! Wowzers! This is made up of rental income of £27,120 and an average capital gain of £71,358.

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However, yields for new investors in Teddington are going to be tough to make ends meet when interest rates rise, so it's essential new buy to let landlords seek the best advice, buy the best sort of property, buy that property at the right price and factor in mortgage rates of five to six percent seen before the credit crunch. Alongside being a Letting Agent, part of what I do is source buy to let properties for investors. Whether you have an existing portfolio that you don't have time to add to yourself, or have no experience of property whatsoever, I can help you. I can look at the whole of the local property market and tell you what I would consider buying and why, and even work out your True Rate of Return on each property. Please do just give me a call or drop me an email if you want to know more - I'm very friendly I promise! :o)

A few weeks ago I talked about future property value increases, so this week I want to finish with my thoughts on rents. You see, at present, rents are moving in an upward direction, but in the main it is only in line with inflation. Therefore, from a landlord's point of view, in real terms, they are no better off. Ideally, if wages were rising, as they should be, with inflation, neither would tenants be better off either. Finally though, it might

interest readers to know that the rents Teddington tenants have to pay for Teddington property are still 4% lower than they were 2008. Considering prices for other things (gas, food, petrol etc.) have risen by 19% since 2008, tenants are getting a good deal whilst landlords are achieving good returns themselves. Happy days for property investing!

Are you a landlord who's fed up of the same old average service from Letting Agents? I am a local, independent letting agent whose family have lived in Teddington for over 35 years. I will only put a tenant into your property if I would have them in my property and I will look after that property as if it were my own. I really care about the service I offer so, please do contact me by email or phone if you'd like to know more, I'd love to hear from you.



Rebecca Smith

Teddington's First Buy to Let Expert and Letting Agent

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Remortgaging made simple!

Did you know that 31% of people are spending more than a third of their total household income on rent or mortgage payments?! Seems mad doesn't it? Picking a new mortgage deal that's just a fraction of a percent different can end up costing you thousands over a few years.

Just last week a Teddington local gave me a call asking if I could help him with his remortgage. He'd been on a fixed rate for the last five years and with all the press talk of super-low interest rates he felt he could get a better deal but didn't know how to work out which was right for him! That's where I come in!

Mortgage lenders are hungry for new customers. They may offer very attractive rates for a limited period and these generally last for between two and five years. After this period has ended (which was the case with my client), your mortgage will continue on the lender's standard variable rate (SVR). My client essentially had three options: stay on the SVR, remortgage with his existing lender or remortgage with a new lender.

Staying on the Standard Variable Rate - Staying on the SVR makes sense if the cost of setting up a new mortgage outweighs the savings, for example, if your mortgage is due to end in a few years anyway. Although there is the potential to make savings by remortgaging, it's worth remembering that there are also potential costs involved such as valuation fees and legal paperwork.

Remortgaging with your existing lender - In April 2014 new rules were introduced in an effort to ensure that people only took out mortgages they could afford to repay. However, lenders are still permitted to issue new mortgages to existing customers who technically wouldn't be accepted under the new rules, provided that the customers are simply changing to a better deal. This could really work to your advantage if you're not eligible for deals with a new provider.

Remortgaging with a new lender - If you have been paying off your mortgage over the last two to five years you may have built up further equity in your home and benefited from prices rises as well.



Construction changes – don't get caught out!

Belinda Simpson explains that even kitchen extensions will be affected by the new construction rules...

Some big changes are afoot if you are considering doing any construction work on your property. We've begun to realise here at Geoff Beardsley & Partners that not a lot of our clients know about it yet though which is quite concerning. As local Teddington architects, we are fully up to speed with the new CDM2015 regulations and can advise those who are considering carrying out their own building works and who may, as yet, have no knowledge in this field.

So what are the changes and how/when will they affect you? In brief, this will affect anyone who falls into this definition - "someone who has construction work carried out on their own home, or the home of a family member, that is not done for the furtherance of a business, whether for profit or not". So basically any building project, particularly smaller domestic works like a kitchen extension, will now be required to have a Principal Contractor and a Principal Designer (PD) appointed in writing.

The former regulations (CDM 2007) did not relate to the domestic market therefore this is a huge change and one you will need to know about when it comes into force on 6th April 2015. The new regulations (CDM 2015) now bring with it legal duties on domestic clients where none existed before. Exciting times ahead!

This is where we come in as we know everything you need to know and can help! So feel free to give us a call for some advice on 020 8614 4374.

This could have created a smaller loan to value (LTV). You, as a borrower may therefore be eligible for better deals than you were the first time around.

If you are thinking about remortgaging the basic, golden rule is to add up all the costs and look at how much you can save. This is what I do day in day out and so if you would like some help with this process please call me; Stuart Belcher, Riverside Financial Consultants to get professional financial advice. Mobile: 07988 726 433 or e-mail stuartbelcher@riverside-consultants.com

Typically we do not charge for this service and our initial meeting is always at our cost. Under certain circumstances, however, a fee of a maximum of £250 or 1% of the loan amount, if greater, may be payable. Typically this will be £250.

Your home may be repossessed if you do not keep up repayments on your mortgage.

The Property Race to get the School Place!!



Lisa Sollors, Stone Rowe Brewer's Teddington office property expert, talks about when you simply cannot be late for (the right) school.

We've had an interesting time of it recently at Stone Rowe Brewer Teddington which many of you can probably relate to. Teddington has, and always will, appeal to the family market because of its excellent choice of schools which makes competition for those places and of-course the houses within the catchment areas pretty fierce!

I had a case recently where I was asked by my clients if we could complete their property transaction by a certain date. Unfortunately, given the nature of our conveyancing system, such a request can be worrying and my usual response is to warn clients that, whilst I will do all that I can to achieve their aim, there are many factors entirely out of my control that can lead to delays. However, in this case it wasn't the completion date that was important to my client; the exchange of contracts was actually the key date due to the school application process.

When you are moving house and completing a school places application the local authority will require proof of address or, where you have not yet moved home, they will often accept proof of exchange of contracts. I have had more than one experience of this running close to the

wire as the school places deadline approaches. In fact, I remember at least one occasion where I have hurried to put the telephone down after confirming an exchange of contracts and rushed to hit send on a confirmatory e-mail or fax to the local authority on behalf of my clients.

Whilst it remains the case that we cannot guarantee you an exchange or completion date, at Stone Rowe Brewer we understand that often our clients' desire to achieve a particular date is not just a whim based on a preferred moving date but that sometimes, as with a school places deadline, there can be a lot at stake. If you find yourselves in this situation and have a school place dependent on proof of your new address, do make sure you discuss this at an early stage with your solicitor. We might not be able to wave a magic wand but will do our very best to work with you to achieve your aims and, if necessary, will have that confirmatory letter prepared and ready to send at a moments' notice!



Please contact Lisa Sollors by calling 020 8977 8621 or e-mailing her at l.sollors@srb.co.uk

DO YOU HAVE A CHILD AT UNIVERSITY OR ABOUT TO GO? EVER THOUGHT OF BUYING AN INVESTMENT PROPERTY FOR THEM AND THEIR FRIENDS TO LIVE IN? SAVE RENT, MAKE MONEY AND HAVE A GREAT INVESTMENT! WE CAN DO IT ALL FOR YOU AT A SURPRISINGLY AFFORDABLE FEE!

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