

Market Overview for Stourbridge, Halesowen, The Black Country, plus the Towns and Villages of North Worcestershire



Dean Grove and Stewart Alcock, Director & Partner with Lex Allan collecting awards at this years Estate Agency of The Year Awards ceremony in Mayfair, London.

Residential:

The majority of pundits are reporting that the downturn in the UK housing market is shortly to reach its lowest level. Experts are predicting that by the end of this year the market will have fallen to its lowest point, being approximately 25% below the property price peak of August 2007.

An undertone of cautious optimism prevails amongst prospective purchasers and new applicants entering the housing arena, who have been arriving in their numbers throughout the summer months. Viewing levels are up although offers are frequently coming in 5% or 10% below asking prices and whilst vendors on the whole are being realistic in terms of their realization expectations, the divide between bid and offer is often too great to result in a bargain being agreed.

A recent U.K. survey indicated that 80% of 'high net worth' individuals polled, confirmed that they would be increasing their exposure to residential property, either in terms of their own house or supplementary 'buy to let' investments.

Whilst there are green shoots of recovery emerging, the momentum is being thwarted by punitive mortgage administration costs and high interest rates for those buyers that have less than 25% equity to put down on property. With appropriate professional advice, a limited number of attractive mortgage deals can be secured – these however appear to be restricted in number and are swiftly snapped up on a first come, first served basis.

Residential Lettings:

Residential lettings is now no longer the poor relation to home ownership and is now an accepted sensible alternative in terms of occupational status. More tenants than ever before are committing to re let the homes they occupy on further long term fixed tenancies. Tenants are viewing their houses or flats as homes rather than a temporary stop gap measure.

With service standards being laid down by governing professional bodies and government regulations in place relating to the handling of tenants deposits, the levels of professionalism that are expected by landlords from their letting agents have risen significantly, and it is clear that some letting agents will not be able to match the service standard expectations from their landlord client base.

Those Estate Agents that have “dabbled” at residential lettings to provide a supplementary income during the house sale downturn, will find themselves struggling to meet current service standards, and the greater likelihood is that many portfolios accrued by these companies will “switch horses” over the course of time with landlords favouring long established, accredited and professional residential letting operators.

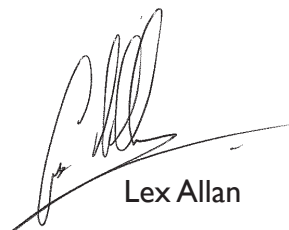


Jerry Reeve and Jason Morris
Partners - Lex Allan Lettings

Commercial:

Inevitably the commercial property market has suffered as a result of the worldwide, European, National and Regional recession. The overriding sentiment of commercial property occupiers is that whilst their individual businesses may be surviving the downturn, they are reticent to commit to additional or larger premises for fear that their trade may downturn or they could fall foul of a significant debtor. Local manufacturing companies passing into receivership are at record levels. This is a source of considerable concern for a number of commercial property portfolio investors. Having said this, there has been notable speculative investor bidding on packaged investments returning yields of between 8% and 10%.

Stourbridge Town Centre remains popular in terms of secondary retail users, although there is a significant surfeit of office space available. Office Tenants are seeking premises that are not only well presented but also appropriately serviced with network trunking, broadband connectivity and a high standard of internal specification, including quality carpets, decorations, heating and air conditioning.



Lex Allan

The Lex Allan Group incorporating Lex Allan & Gregson and Lex Allan & Grove are an independent company of property specialists offering professional services including Estate Agency, Residential Lettings, Commercial Agency and Property Management, Valuations, Land and New Homes. Their area of operation covers Stourbridge, Halesowen, The Black Country and the towns and villages of North Worcestershire.



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