



IN THE KNOW

Stacks property search & acquisition

THE BUYER'S AGENT SINCE 1984

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The property market thaws... a little



'Some activity has been seen at the middle and upper ends of the market'

'The fear of a total collapse in property prices has now passed,' says **James Greenwood**, managing director of Stacks Property Search & Acquisition. Here he analyses what's going on.

No one expects to see price increases in the immediate future, but the big question mark has been over how far prices have to fall before we start bumping along the bottom. I now believe that many parts of the market have hit the bottom. We have seen precipitous falls over an extremely short period, and the good news is that we have started to reach a correction point in nine months rather than over the course of a painful three or four years.

Of course, some properties are still on the market at unrealistic levels, and these will still have to drop. But many are selling at 30% less than the heady 2007 levels, and this is the bar

by which potential purchasers should measure the market.

The best news is that we are seeing more activity in the market than we have for many months. Some activity has been seen at the middle and upper ends of the market. Buyers who have been holding off are worried that they may have missed the boat and are stripping off and jumping in! For those who have cash, the market is wide open; and even those requiring finance are finding that money is available at a good rate, as long as they have a sensible deposit.

A whole new raft of buyers is getting ready to Hoover up correctly priced property, and this

new surge of activity will prompt previously reluctant vendors to enter the market. But those vendors who have continued to resist pressure to drop their prices won't find that the situation has changed.

As buying agents we are taking on new purchaser clients who are concerned that by the time they find the right property, the market won't be so much in their favour. Those that have started to look on their own are finding that new property coming on can be difficult to spot, as many vendors are preferring to market 'quietly' – quite a challenge for estate agents!

STACKS
PROPERTY SEARCH & ACQUISITION

Founder Member Association of Relocation Professionals
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Don't be an April Fool – learn the jargon

Regional Director of Stacks Gloucs and North Wilts office **Jo Aldridge** says purchasers can find many hidden clues in the property description – it's just a question of understanding the jargon.

Many purchasers have found themselves visiting a completely unsuitable property, wondering why the image they have in their head is so far removed from the reality. If you can identify potential problems from the property description, you can then question the estate agent more closely before wasting time on a viewing.

Here is some of the commonly used jargon, and Stacks (slightly tongue in cheek) debunking of the terminology...

'Conveniently situated' = road/rail/ aeroplane noise

'Lots of potential' = unsound/falling down

'Wealth of beams' = if you're over 5'6", you develop a permanent stoop

'Has character' = dark

'Cosy' = tiny

'Interesting conversion' = just doesn't work

'Easily maintained garden' = concreted over/postage stamp

'Deceptively spacious' = tiny (doors and furniture have been removed to make it look bigger)

'Partial sea view' = if you hang out of the bathroom window while someone holds onto your legs

Other areas of jargon that may need clearing up include the definition of refurbishment (pretty tatty, but liveable), modernisation (needs new kitchen, bathrooms, floors and windows); and renovation (unsound/falling down).

'NEVER go and see a house without identifying it on Google Earth first'

The price is something that is increasingly causing confusion – with a variety of terms including, 'offers in the region of...'; 'offers in excess of...'; 'guide price'; and recently 'price range', giving two prices,

often as much as 15% apart. It's been such a sparse market for 18 months that my advice is to ignore all the words and the price on the particulars – work out what you think the property might have fetched at the peak of 2007, subtract 35%, and use that as your starting point.

Finally, a less flippant piece of advice. Google Earth is possibly one of the most spectacularly useful pieces technology ever invented for the house buyer. NEVER go and see a house without identifying it on Google Earth first. The information you will acquire is immense. If you're struggling to find the property, check the particulars, and navigate your way to the property using the directions.

Ten good reasons to use Stacks

- 1 The dramatic turn in the market has posed more questions than answers – we will arm you with valuable information in a confusing market.
- 2 Establishing exactly what the value of a property is in the current market, given a lack of comparables and falling prices, can be virtually impossible. Our job is to advise you what you should be paying.
- 3 Many properties are being marketed quietly – we will know about these properties and get you in to see them early.
- 4 We negotiate hard on your behalf, knowing how far to push it. Stack's best deal? A property with a peak value of £2m+ was obtained for a buyer at £739,000.
- 5 Buyers represented by us are taken more seriously by both estate agents and vendors.
- 6 We paint a wide picture, arming you with plenty of information about the property and the area, allowing you to make an informed decision.
- 7 Buying property can be emotional – we make sure your decisions are well-balanced ones.
- 8 Using a buying agent to handle negotiations dramatically decreases the risk of a purchase falling through and chains falling apart.
- 9 'Are we doing the right thing?' is a frequently asked question in today's market – we go through all the issues with you and make sure your decisions have firm foundations.
- 10 Buying agents are often considered the preserve of the super-rich, for whom surgically negotiating the very best price is not necessarily that important. For buyers working under normal financial conditions, the savings of time, money and heartache that Stacks delivers is enormous.





Gazundering – should you, or shouldn't you?

James Greenwood, MD of Stacks Property Search and Acquisition explains why he believes it's not such a good idea.

The first thing to point out is that there's a big difference between gazundering (last minute, 11th hour, chancing and opportunising, dropping the price on the day of exchange for no reason), and re-negotiating (re-assessing the price for a legitimate reason).

Gazundering isn't illegal, but it's not difficult to argue that it's immoral. Why shouldn't you do it? I believe that it's morally wrong and it's generally not a good idea; it leaves a bad taste and if you

succeed and the purchase goes ahead, you will retain no goodwill with the vendor at all, the house is likely to be stripped of anything useful, and you will start your new life with neighbours who will believe you to be an untrustworthy and dishonourable person. And of course it can go badly wrong with the vendor being so incensed that he pulls right out of the deal and refuses to negotiate with you at all, on any terms.

How else can it go wrong?

The chances are that you have invested in the purchase already, so you risk the deal collapsing and losing the time and money that you've spent, not to mention losing your chosen property. By dropping your offer, you also risk re-igniting competition that you may or may not have been aware of.

Much better to negotiate ruthlessly at the outset. Or to renegotiate, at the earliest possible opportunity, if new information comes to light that justifies it, for instance:

- » Problems revealed in the survey
- » If the chain collapses because of someone renegotiating further down the line

- » If property prices fall and you have been held up by the vendor
- » If planning issues come to light during the searches
- » Any new information revealed at any stage in the negotiations that devalue the property

And if you're a vendor, how can you stop yourself being gazundered?

The best thing vendors can do to stop themselves being gazundered is to have everything in order and ready to exchange. If a vendor keeps delaying, and the solicitor stalling so as to repeatedly postpone exchange of contracts over a period of time, then in a falling market it's not unrealistic for the purchaser to look for a renegotiation.

- » Make sure you have all the paperwork prepared, and ask your solicitor to work within specific time frames;
- » Set a realistic asking price and be prepared to be flexible for the right buyer
- » Be honest about any problems with the property that are likely to be revealed in the course of the purchasers' enquiries. This should deter renegotiation after the survey.

What the experts say...

'Gone are the heady days and overheated markets, now the buyer has a chance to carefully consider his purchase without having to look over his shoulder worrying that he will be overtaken in the rush.'

Jo Aldridge, Gloucs & North Wilts

'Our experience would indicate that nearly half the houses coming to the market at the top end are being sold within a few months.'

Sarah McAllister, Beds, Bucks, Herts, Northants, & Oxon

'With few fresh properties coming on to the market one could think that there are no new sellers, but there are many examples of houses where vendors are keen to sell but would rather 'test' the market quietly before going public.'

Percy Lawson Johnston, North Cotswolds

'South West Wales will be offering excellent value for money during 2009 with stunning locations for the holiday let market, retirement homes and for those that see that now is the time to make that "change of lifestyle move" and live the dream in a beautiful part of the country.'

Bob Humphrey, Pembroke & Carmarthen

'Almost all the property experts have been predicting a 25% - 30% fall in prices from the highs at the end of 2007, but what has caught everyone by surprise is the speed at which we have dropped to these levels. We don't expect the market to rebound quickly, however we think the next six months offer fantastic buying opportunities.'

Bill Spreckley, Hants, Surrey & West Sussex

'Better properties in the middle and upper end of the market in this area are still selling well when correctly priced. By contrast properties that are dull, ordinary, blemished or overpriced are not selling at all.'

Gideon Sumption, West Somerset & East Devon

'Prices have fallen across the spectrum with properties under £500K taking the biggest hit. The top end of the market is not as reliant on city bonuses as in other areas of the country which has helped to lessen their drop in value. Most properties currently coming to the market are priced to sell in a difficult market and those that are not are sticking.'

Jayne Perks, Worcs & Hereford

'In this tough market it is vital to have professional advice and negotiating skills at your disposal throughout the buying process. As always, bear in mind that the estate agent is paid by the seller to do the best he/she can on their behalf.'

Nicola Oddy, West Devon

For regional, specific and up-to-the-minute market comment visit our local office blogs at www.stacks.co.uk



The new office is headed up by Charlotte Walker who has lived and worked in the region all her life. Charlotte has an degree in Estate Surveying and brings with her extensive property experience including residential agency, commercial agency, property development, investment and management.

Charlotte grew up and was educated in the area, primarily at the PNEU School in East Leake before moving on to Oakham School in Rutland and is now living in Clipston-on-the-Wolds with her husband and two children who are both at school locally.

She says, "This is a fantastic area of the country. The region is punctuated by two significant cities, Nottingham and Leicester and yet has a largely rural landscape with the Vale of Belvoir at its heart, Sherwood Forest to the north and Rutland water to the south. It is precisely because of the accessibility to the cities that makes the East Midlands so popular as it is possible to live in the countryside and still be able to work in, and enjoy, the regional cities. Some of the more fashionable areas are firmly on the map, but much of the country remains a mystery. Incomers need help with orientation, and locally based buyers are finding that a great deal of property is on the market quietly and need help to track it down."

For further information and help contact:

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For a definitive guide to buying and a comprehensive guide to the area you are looking in: Local Geography, Communications, Facilities, Economy, Schools, Leisure facilities and Overview of the Local Market.

Stacks facts – A guide to all the different elements of buying with plenty of inside information and advice. Video Guides, Useful Links, Newsletters – the site is a gold mine of information for anyone involved in buying property.

Stacks 25 year anniversary 1984-2009

We've been helping buyers for 25 years, and our experience shows.

Visit www.stacks.co.uk to find out how we can help you.

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