



## WELCOME...

Welcome to the Spring 2010 Property Consultants Society Newsletter. We are three months into a new year and still amidst of a volatile market with conflicting predictions. So what does 2010 hold for the housing market? House prices were reported as up 9% in March but will prices continue their upward path, slow down, or even fall again?

A year ago the Council of Mortgage lenders (CML) decided not to make a public forecast of house prices for 2009. Its spokesman Bernard Clarke thinks that decision, repeated this year, has been fully justified. "It's a vindication of our decision not to forecast in such a volatile market," he said. "No-one forecast the rise this year and it is difficult with such a thin volume of transaction to do something that is reliable."

With a sluggish economic recovery, mortgage rationing and rising unemployment versus an unprecedented level of government stimulus to the economy such as VAT cuts and low interest rates, it looks like 2010 will continue to be hard to predict.

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In this months Newsletter we focus on several impending market issues; the fact that in the UK, (as globally) we have an ageing population and this has a significant effect on the housing market, but is the UK doing anything towards this and how effective will this be? Why are we lagging behind other countries? The latest on Stamp Duty, and the effect of the growing online sales market. We also have a light hearted property quiz – do you really know your market? supplied by our regular member contributor, Mr Michael Swan, and not forgetting our regular features.

We would like to remind Members that we have a unique members area, which was requested by many of our existing members yet does not get used - please log on to [www.propertyconsultantsociety.org](http://www.propertyconsultantsociety.org) and have a look!

Also, many payments are still being missed and this does result in members accounts being deleted. For a fast and easy way to pay, why not pay with online banking? We are always interested in your thoughts, comments and stories, so please email us! Lastly, we hope you all have a busy and auspicious Easter!

Editor.



# AN AGE OLD MARKET...



**The UK's increasing ageing population have a significant effect on the future of the housing market, as the**

**'retired' form the country's fastest growing demographic group.**

These older households will represent half of all household growth between now and 2026, according to the Retirement Housing Report 2010 from consultants Knight Frank. Liam Bailey, head of residential research at Knight Frank had this to say;

In the UK, the majority of the over 65s, some 89%, live in mainstream housing. Just 6%, that is some 500,000 households, live in specialist retirement housing and 5%, 400,000, live in institutions, for example residential care or nursing care accommodation.

Most people who retire do so as owner occupiers in mainstream housing. Recent studies have confirmed that the decision to move to retirement housing is almost always due to bereavement, frailty or the desire for close proximity to relations. However, people aged over 60 are living longer, healthier and more active lives and this will have a dramatic impact on the housing requirements for this age group.

In Australia, Scandinavia, the US and New Zealand Retirement Villages have been popular for decades, yet in the UK there are still relatively few.

The development, construction and care industries need to recognise the trend as there are strong prospects for growth.

The need to release equity through a downsizing move may also impel a greater shift towards specialised retirement housing.

There is a real opportunity for the retirement village concept, as long as developers get it right and account for modern day requirements. The ideal retirement village will typically allow residents to do as much or as little as they choose and receive whatever level of care they wish. Fitness, library, entertainment and social facilities are often provided, care services generally offer nurses on call, so there is someone there to keep an eye on the residents and provide further care in the home as required. Structural maintenance and repairs are the responsibility of the village owner and residents are thus relieved of this burden.

A growing proportion aged over 60 still work; many will be engaged in part-time work at home and therefore require extra space for their work or hobbies. The evidence from the US and Australia is that retirement villages can offer benefits to society as a whole because residents release under occupied properties for sale and this creates a small but useful stream of family homes. Retirement villages also create employment, and support viability of local services.

The growth in popularity of retirement villages stems, fairly obviously, from our increasingly ageing population and the growing assets it holds, but also from a growing tendency for older people to place a positive emphasis on the need for security, socialising opportunities and convenience.

Do you think the UK is lagging behind?

# NET SALES....

In a recent interview TV presenter Sarah Beeneey stated that 'I would be amazed if by 2015 about 50 per cent of normal people with normal houses weren't selling them directly online.

Promoting her new website, Tepilo, which has around 6,000 properties



privately for sale or rent, Ms Beeneey claims that private selling online is the future for the housing market.

Judging by the increasing number of websites devoted to private house sales Ms Beeneey doesn't appear to be alone in her predictions about private selling online being the future for the housing market.

One of the latest entries to this market is iSold.com. The site is being run by Spicerhaart Britain's largest independent estate agent. Working in association with supermarket giant Tesco it aims to offer 'a halfway house' between traditional estate agency and an online service.

There are three home-selling packages, with cost ranging from £999 to £1,299. The basic package includes a valuation of the property a For Sale board and the property details will be prepared and advertised on major property portals such as Rightmove and Finda Property. The project has been launched in Bristol and there are plans to expand the service to other major centres in the near future.

Whether 50% of "normal people" will be selling their property online by 2015 as Ms. Beeneey suggests is questionable but what is not in doubt is the fact that a significant number are already being sold online and if this number increases, as seems likely, it can only be at the expense of a traditional agency.

The results of a recent survey found that 94% of the agents surveyed believed that their web offering could overtake the value of a high-street office as the majority of house hunting begins online.

A further 33% of those surveyed felt that they would move out of the high street to an alternate location. Robin King, movewithus director says 'although customers seek the help of a professional, to advise and negotiate on their behalf, they are initiating their search and seem more comfortable with online brands'

No Commission and no commitment to an estate agent's contract are the biggest incentives for DIY house sales. Estate agents have had the monopoly for too long, which never benefits the customer,' says Beeneey.

Nick Marr director at 'The Little House Company' "Estate agent valuations are an opinion and will vary from agent to agent. Most agents do have good local housing market knowledge however some unscrupulous agents may over value to win an instruction. Automated Valuation Models can help calculate property valuations as they use a statistical model which computes large amounts of property data to estimate the market value for an individual property"

These facts put together increase the positive reasons for consumers to turn to selling online.

Do you feel under pressure or threat by the increasing online property sales market?

## PROPERTY QUIZ!

It is estimated that currently there are around 1.1m mortgages in negative equity and for every 5% rise in interest rates this figure increases by 250,000. If the fragile economic recover falters and large numbers of mortgages default, the result is likely to be catastrophic

The Government recently published a list of the 22 areas with the highest proportion of homeowners that are at risk from repossession. Where you think these areas are?

Answers on Page 4

Sent in by Michael Swan.



# STAMPED OUT!

## The decision to scrap stamp duty for first time buyers on

**purchases up to £250,000 for two years but increasing it to 5% for residential properties over a million pounds from April 2011 has been generally welcomed by the real estate industry.**

But analysts indicate it will not revive the market and actually have some negative impacts particularly in London where many more people face paying the higher rate as more properties are worth more than a million.

Chancellor Alistair Darling said the change will help nine out of ten first time buyers who still find it hard to get a mortgage. But some people who think they might be classed as a first time buyer might find that they are not, such as a newly married couple where one has owned a property before. And not everyone agrees with Darling's numbers. According to Martin Ellis, housing economist at the Halifax it will help an additional 40% of first time buyers, somewhat different from Darling's nine out of ten.

The Royal Institution of Chartered Surveyors said the change should result in an increase in transactions at the lower end of the market but it believes greater reform of the system is needed as the impact will be limited by the ongoing lack of housing supply and restricted mortgage lending.

'The current slab structure, where a higher rate applies to the whole value of a transaction, should be replaced with a marginal system similar to income tax. This would smooth out distortions in the market and can be done on a revenue neutral basis. The Government should also consider reshaping the tax by introducing a new band for higher value properties,' RICS said.

The National Association of Estate Agents (NAEA) welcomed the change as a major victory but also said that wider reform is needed. 'This announcement has added a new rung to the property ladder, one within reach of thousands of young families. We have long argued that stamp duty is a tax on aspiration that smothered the natural demand of the market. We still believe that more reform is needed and there is more work to be done, but this is a good first step, a major victory for first time buyers,' said Peter Bolton King, chief executive of the NAEA.

Liam Bailey, head of residential research at Knight Frank called it 'a tax on London' as only 44% of property sales will slip under the new zero-rate band compared average of 74% in the rest of the country. In addition well over 60% of all £1 million plus transactions affected by the new 5% rate take place in the capital,' he explained.



'The removal of stamp duty for first-time buyers purchasing properties under £250,000 is a welcome move and will benefit the new-build market that has been

particularly hard hit by the housing downturn. In some parts of the UK virtually all the housing stock will now be free of stamp duty for first time buyers. For houses worth around £1 million there will be pressure from buyers to pull back asking prices below the new threshold to avoid paying the extra stamp duty,' he said.

According to Charles Beer, senior partner of Real Estate Tax at KPMG, said it may provide a modest boost to the housing market, but doesn't address the fundamental issues that many first time buyers face in affording deposits and finding suitable mortgages. The measure is also tightly restricted. You do not qualify for the relief if you have ever owned a property anywhere else in the world and it is for two years.

## ONLINE PAYMENT £££££

MEMBERSHIP FEES CAN BE PAID VIA ONLINE BANKING. FAST, EASY AND CONVENIENT. JUST SEND THE AMOUNT WITH YOUR NAME, MEMBERSHIP NUMBER AND MONTH THE PAYMENT REFERS TO.

HAVE YOU A NEWS STORY THAT YOU WOULD LIKE TO SHARE WITH OTHER PCS MEMBERS?  
CONTACT US AT;  
[INFO@PROPERTYCONSULTANTSOCIETY.ORG](mailto:INFO@PROPERTYCONSULTANTSOCIETY.ORG)  
WE WOULD LOVE TO HEAR FROM YOU.



**Your  
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Dear Members

please take 3 moments to help...

**1** The Society is currently running a new member recruitment campaign, you may have seen our ads in the trade papers. To compliment our New Year push we are asking current members (that's you!) to help by letting us have the name and email address of everyone you would consider us contacting with our newsletter.

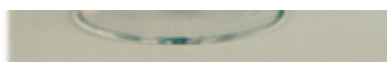


**2** On receipt of your list we will contact your nominees. For every person from your list that joins us we will reward you with a bottle of red, white or rosé wine.



**3** I look forward to receiving your list and sending you your wine. Thank you for your help.

From the Directors  
*(The Property Consultants Society)*



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# MEMBERS OLD AND NEW

## WE WOULD LIKE TO WELCOME THE FOLLOWING NEW MEMBERS;

MR KEVIN NORMAN (3168A) OXSHOTT, SURREY

## WE WOULD LIKE TO WISH THE FOLLOWING A HAPPY RETIREMENT;

MR A.C. FIELD (1254F) SOUTHWARK, LONDON  
MR HOWARD HUTTON (2620F) GUILFORD, SURREY

# HALL OF SHAME

## THE FOLLOWING MEMBERS PAYMENTS OVER OVERDUE;

RONALD CAINE (1815F) BATTLE, EAST SUSSEX  
GODFREY JOHN (3136F) BEXHILL-ON-SEA, EAST SUSSEX  
ROBERT MOULT (2583F) BORROWASH, DERBY  
PAUL NISCHAL (2411F) BIRMINGHAM  
SANJAY PARMAR (2832F) BIRMINGHAM  
K. RIZOS (3161F) ATHENS, GREECE  
E. STINGAS (3162A) ATHENS, GREECE  
CHRISTOPHER UNDERHILL (2484F) LONDON



## THE FOLLOWING MEMBERS WILL BE DELETED UNLESS PROM. . . PAYMENT IS RECEIVED;

ANTHONY CHAN (2781F) HONG KONG  
JEAN GILBERT (3030F) STANWAY, COLCHESTER

## THE FOLLOWING HAVE BEEN DELETED FOR NON PAYMENT;

CHRISTOPHER DAVIS (3146A) RIPON, YORKSHIRE  
JEFFREY GRAVENEY (3112F) SOUTH HARWOOD, LONDON  
MAXINE PELLER (1963F), SOUTHGATE LONDON  
GILES PERRY (3052F) EARLY, BERKSHIRE  
PETROS PETROU (2705F) LONDON



## QUIZ ANSWERS...

- |                         |                   |
|-------------------------|-------------------|
| 1. Barking and Dagenham | 12. Northampton   |
| 2. Birmingham           | 13. Nottingham    |
| 3. Bolton               | 14. Reading       |
| 4. Cannock Chase        | 15. Readditch     |
| 5. Corby                | 16. Salford       |
| 6. Halton               | 17. Sandwell      |
| 7. Kingston-upon-Hull   | 18. Sunderland    |
| 8. Knowsley             | 19. Swindon       |
| 9. Liverpool            | 20. Walsall       |
| 10. Manchester          | 21. Wigan         |
| 11. Newham              | 22. Wolverhampton |

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# TECHNOLOGY CORNER



## NEWSLETTER



All Newsletters, (except those including the AGM information) will be sent via email and be available to view online at our website [www.propertyconsultantssociety.org](http://www.propertyconsultantssociety.org). If you are unable to receive email, have changed your email address, or do not have online access, please call us as soon as possible on 01903 883787.

## NETWORKING

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Why not chat with other PCS members all over the world and join our online forum with Google Groups. Quick and easy to register, it is also free of charge. You can post news stories, ask questions and discuss industry issues.

<http://groups.google.com/pcs-members>.

## MEMBERS AREA

Although requested by many of our members, it appears that our Members' Area on the website is not being used. This area is only available to PCS members and you will need a unique password to enter. Please have a look.