

CHICHESTER PROPERTY NEWS

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Property values in Chichester jump over £30,000 in the past year

Property price growth has accelerated in Chichester over the past year, with the average property value in the area now standing at £359,461, compared to £328,998 a year ago (an increase of £30,463 or 9.3%).

This compares favourably to both the UK average (up £15,392) and other destinations in West Sussex, where Horsham has increased by £24,304, Worthing £22,194, Crawley is up £15,027 and Bognor Regis only £8,043.

Destinations in Hampshire have also been outshone as Winchester has seen a lower increase of £20,541, Petersfield is up £14,864, Portsmouth £15,091 and Southampton 'just' £11,904.

Whilst it's not quite kept pace with the wild increases seen in London, Chichester's property prices are now at their highest level ever, with the past year's increase even outstripping the local average salary of £27,369.

This has meant that getting on the property ladder has become even more difficult in the area as first time buyers struggle to keep up with the booming property prices. They are either having to stretch their finances further in order to buy, or continue to sit out of the market as they continue saving for an ever increasing deposit.

This situation has led to opportunities for buy-to-let investors, as there is an even stronger demand for good quality rental accommodation throughout the city. This, coupled with the ability to access the increasing equity in their current properties, has led to some landlords being able to take advantage of the current opportunities and increase their property portfolios.

If you would like some advice about investing in Chichester or need assistance letting your property, please get in touch.

Is Bognor really 28% better than Chichester?

Whilst helping a couple look for a 3 bed semi-detached house to invest in, it became clear that at first glance Bognor Regis served up the better proposition when compared to Chichester.

3 bed semis start from £185,000 in Bognor Regis versus around £250,000 for a similar property in Chichester. With the rent on these properties only differing by around £50 per month (approximately £850pcm in Bognor Regis and £900pcm in Chichester) the respective yields come out at 5.5% for Bognor Regis and just 4.3% in Chichester, which is a staggering 28% difference!

This, however, is a great example of the annual rental return or yield not being the only factor when choosing an investment property.

Taking a look at the two areas showed Chichester had a stronger rental demand for 3 bed semis. As a landlord, minimising your voids (the period in which your property is empty) is critical. Having a vacant property would soon take the shine off Bognor Regis' 5.5% yield.

As capital growth plays a key role in your overall returns, we should also consider how much the value of the respective properties might go up in the future. In the past five years, semi-detached houses in Bognor Regis have risen in value by an average of 20%, whereas in Chichester they have outperformed considerably with an increase of 42%. Assuming this trend continues, it calls into question what initially looked like a 'no brainer'.

This is why when looking to invest in property it is important to dig a little deeper and not just rely on the headline figures.

Chichester: Battle of the postcodes

The main postcode area of the City is PO19, covering the area up to Lavant and down to the A27, plus Stockbridge and part of Fishbourne. The villages to the North of this are in PO18, also incorporating as far as Eartham to the East and Nutbourne to the West. Then to the South of the A27, covering the Manhood Peninsula and reaching out towards Bognor Regis, is PO20.

Of these three postcode areas, the one with the best performing housing market over the past 12 months has been the most central to Chichester city centre, PO19, with average values rising by 6.9%. In a very close second was PO20 with a rise of 6.6% and in third was PO18 with a still decent 4.4% increase.

It's a similar story when looking back at the areas over a longer period. Over the last 5 years, values in PO19 have risen by 16.9%, PO20 is only slightly behind with a 15% rise and finally PO18 has seen a respectable 11.9% increase.

The rental yields also reflect similarly on the three postcode areas, as PO19 leads the way with an average 4% yield, slightly ahead of PO20 (3.9%) and PO18 (3.6%).

You can visit the blog on my website to see a map of all 22 mainland 'PO' postcodes and how their performance has varied over the past 1 to 5 years (spoiler alert - central Chichester is number one!).

Interested in property?

Visit the blog on our website, or sign up for our free newsletter, to keep up to date with all the latest Chichester property news.

Property Type	Average Value	Average Rent	Gross Yield
1 bed flat	£142,124	£702	5.9%
2 bed flat	£234,741	£831	4.2%
2 bed house	£228,328	£941	4.9%
3 bed house	£372,453	£1,198	3.9%
4 bed house	£657,975	£1,297	2.4%

This is a market snapshot of Chichester using average values and rental data from Zoopla