

CHICHESTER PROPERTY NEWS

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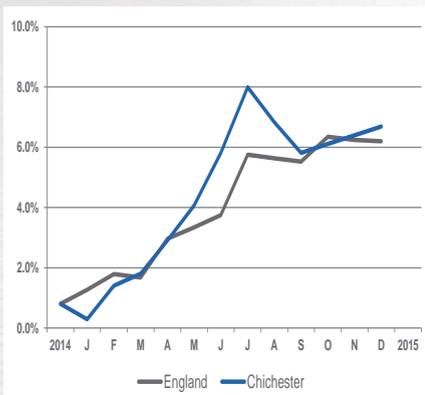
Issue 3

January 2015

Chichester property values increased 6.7% in 2014

2014 was a year of two halves for the property market. Like much of the country, Chichester's property prices went into overdrive in the first six months of the year, rising by 8% between January and July.

These increases came to a halt in the summer, as property prices largely flattened out for the rest of the year.



The average value of a property in Chichester is now £367,571, according to Zoopla, which is an increase of £23,197 from the average value of 12 months ago (£344,374).

This equates to a 6.7% rise, which doesn't quite match the exuberance seen in London's property market (up a staggering 17.8%) but it does compare well both nationally and locally.

What about 2015?

The pent-up demand of 12 months ago that drove prices higher seems to have faded.

This, alongside the uncertainty over a possible interest rate rise and the general election in May, means that buyers could soon start to have the upper hand.

Is it a good time to invest?

There is still strong tenant demand for good quality rental property in Chichester, which should be the core focus for any property investment.

The average rent in Chichester is £1,465 per month. This figure would provide a rental return of 4.8% based on the current average value of £367,571.

This, added to 2014's 6.7% capital growth, meant that last year a buy-to-let property in Chichester provided an excellent overall return of 11.5% (better than you get in the bank!).

The recent stamp duty changes and imminent pension reforms could offer buy-to-let investors some excellent opportunities to enter the market, particularly if they can do so whilst prices remain subdued.

What should I buy?

If you're not sure what to look for, I would strongly suggest you seek independent advice before you buy anything.

CRJ Lettings are one of the few regulated 'lettings only' agents in Chichester. This means we're well placed to advise whether the property you are considering will rent and at what price, without having a bias towards which particular property you buy or from which estate agent.

Please contact us if you're looking for a new buy-to-let investment, need assistance letting a property or simply want to have a chat about the local property market.

**Average
Chichester property
now valued at
£367,571**

**67% of homes in
Chichester are
owner-occupied**

**11.5% total return
from buy-to-let in
Chichester in 2014**

If you would like to keep up to date with Chichester's property market as it unfolds in 2015, you can sign up for the free weekly 'Chichester Property News' via www.crjlettings.co.uk

Will the stamp duty changes save you money?

The stamp duty changes announced in December 2014 have meant that all property purchases below £937,500 will see their stamp duty bill either decrease or remain the same.

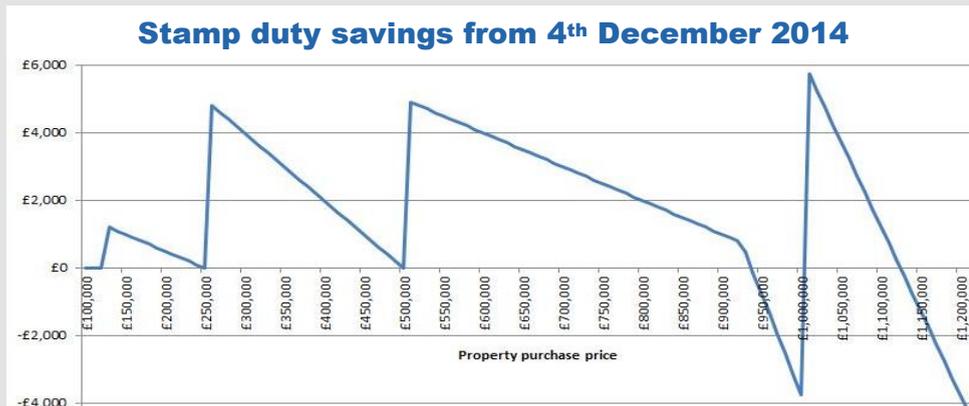
There are currently 221 properties for sale in Chichester, according to Rightmove. Of these, just seven (3%) have an asking price whereby the eventual buyer will pay more stamp duty now than they would have done under the old system.

We previously identified the average property value in Chichester as £367,571. This purchase price would have previously resulted in a stamp duty bill of £11,027, whereas now the buyer will pay 'just' £8,379. This represents a saving of £2,648.

The most common savings will be made around the old stamp duty thresholds of £250,000 and £500,000. A purchase price £1 above these levels would have cost £5,000 more in stamp duty than they will do now.

This fact often dragged down the prices of properties marketed just above these price points, which will perhaps no longer be the case.

Clearly the majority will be better off under the new system. The changes are a positive step for the market, particularly to buyers struggling to raise the significant deposits required to buy.



97%
of Chichester
property buyers
will save money

Median rental price by property type



1 bed flat



2 bed flat



2 bed house



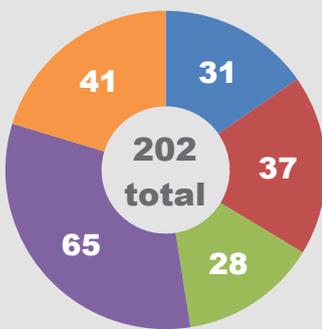
3 bed house



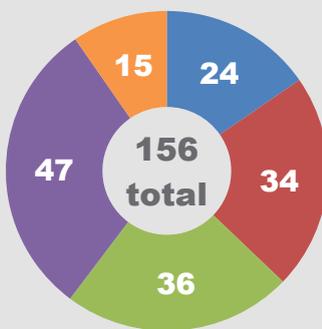
4 bed house

Number of properties in Chichester...

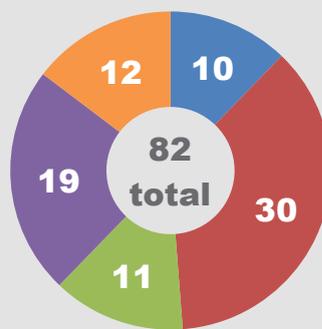
for sale



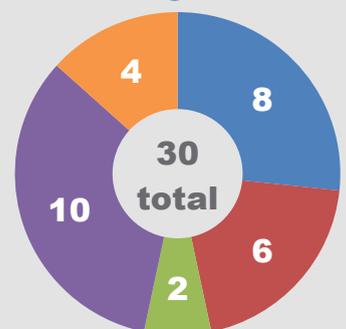
sold s.t.c.



to let



let agreed



1 bed flats 2 bed flats 2 bed houses 3 bed houses 4 bed houses

(Rightmove listings as of 4th Jan)