

CHICHESTER PROPERTY NEWS

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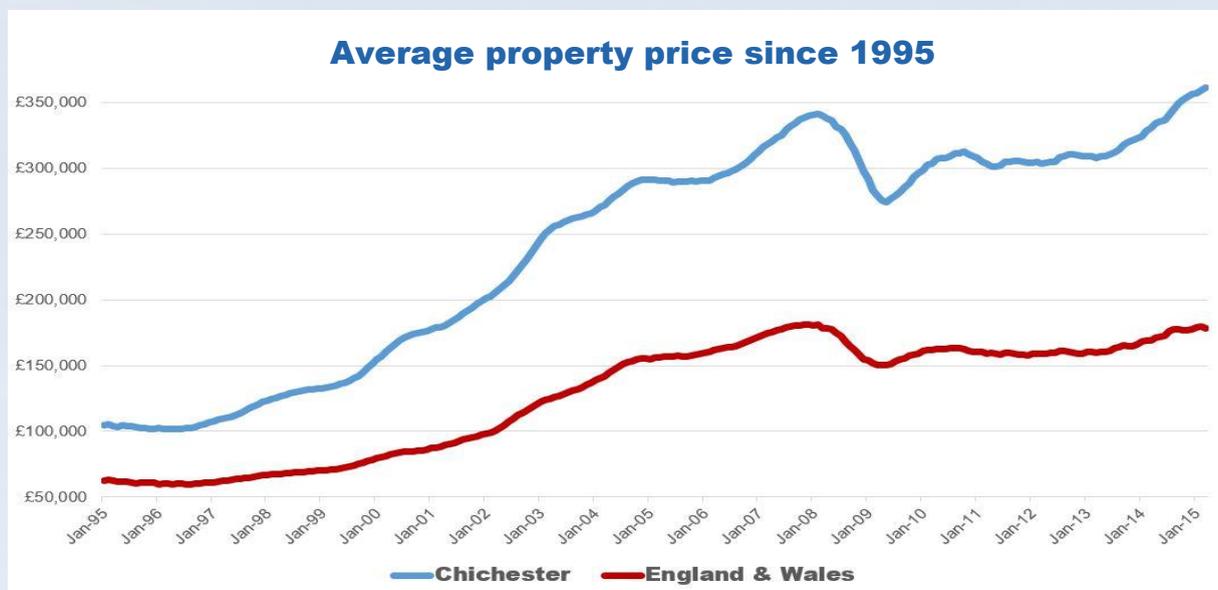
Property prices in Chichester rise 241% in twenty years!

Many see property as a long-term buy and hold strategy to provide strong capital growth paired with an on-going annual return from the rent.

I was intrigued to look at the history books after speaking to a landlord who first bought property in the mid-nineties when “buy-to-let” was unheard of and prices had been depressed for nearly a decade.

If the trajectory of house prices was to continue at this same rate, it would mean in 2035 the average house price in England and Wales would be £515,895 and in Chichester it would be over £1.2m!

These figures may sound fanciful, but I’m sure the same would’ve been said of today’s prices twenty years ago.



The average property price in England and Wales in January 1995 was £62,124. Fast forward twenty years to January this year and prices have leapt 188.2%, to stand at an average price of £179,006.

It was interesting to note that prices in Chichester have significantly outperformed the rest of the country in this time, with average prices increasing 240.6% from 1995 (£104,825) to 2015 (£357,013).

Whatever happens to house prices, I firmly believe that Chichester will continue to outperform the overall market and provide better capital growth than the U.K as a whole.

This has been proven to be the case historically and I see no reason why the continually strong demand to live in our beautiful city will change anytime soon.



Your pension could now fund a buy-to-let in Chichester

From the 6th April this year, anyone aged over 55 is allowed to withdraw as much of their pension pot as they like and spend it how they wish.

Whilst this immediately sounds like fantastic news there are serious tax implications you should be aware of. As per the old rules, a quarter of your pension pot can still be withdrawn tax-free, whilst anything above this amount will be taxed as income. So, if you took the whole lot out, the first 25% will be tax-free but the remaining 75% will be taxed at your income tax rate of 20%, 40% or even 45%.

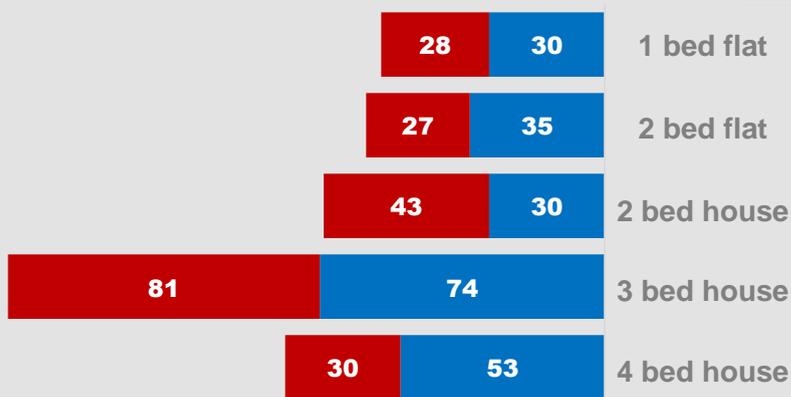
Unlike the old scheme though, you are no longer forced to buy an annuity. Critics of annuity policies pointed out that when you died your annuity would end too i.e. you had nothing to pass to your family.

Also, in recent years with the reduction in interest rates, the returns on offer from annuities have been woeful (Hargreaves and Lansdown suggest a 55 year old could now receive 2.2%+inflation or 4.4% fixed for life).

Compare this to yields in Chichester of between 4% and 5%, with rents that typically follow inflation and the huge bonus of owning an asset which, history suggests, will increase in value and, perhaps most importantly, can also be passed down to your family.

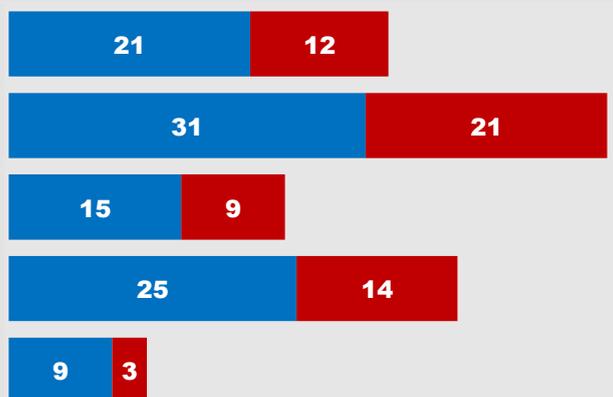
Chichester offers a great mix of decent rental returns with excellent scope for capital growth. It is also an area in strong demand from tenants, many of whom are relatively affluent and reliable in regards to paying their rent and looking after their home.

Number of properties for sale



■ Available For Sale ■ Sale Agreed

Number of properties for rent



■ Available To Rent ■ Let Agreed

Median asking price by property type



1 bed flat

2 bed flat

2 bed house

3 bed house

4 bed house



If you would like some friendly advice, whether you are an existing landlord or new to the market and thinking about investing for the first time, please contact Clive Janes, local landlord and owner of CRJ Lettings in Chichester.

You can also read more Chichester property news at www.crjlettings.co.uk/blog

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