

CHICHESTER PROPERTY NEWS

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How expensive is property in Chichester?

Research from the National Housing Federation named Chichester amongst the most expensive places to buy in the country. It cites that at £215,000, the average lower quartile property is some twenty times the local average lower quartile salary of £10,989.

But is this the full story? The demographics of Chichester show that 32% of residents are over the age of 60 versus 22% nationally i.e. around 50% more residents are retired than average.

I often hear people comment that property in Chichester is expensive and yet it consistently outperforms the national property market.

In August 2009 a similar report put Chichester as the second least affordable place in the country. Since then, property prices in Chichester have risen 40% compared to 21% nationally.

In August 2013, Chichester was labelled the “worst place to buy” having become the least affordable area in the country. Since then, Chichester’s property prices have defied the naysayers by rising 20% compared to 14% nationally.

Yes, it’s true that you can get more ‘bricks for your buck’ elsewhere but that’s not comparing apples with apples in regards to the lower than average crime rates, better than average schooling and superb local culture we enjoy in Chichester.

The average semi-detached house in Chichester is around 2.5 times more expensive than in Hull, which is one of the cheapest parts of the country. Then again, with prices being a fifth of those in London’s Kensington and Chelsea you could argue that property in Chichester is something of a bargain!

**The average
property in Chichester
is now valued at
£404,281**

**Values in the
past 12 months are
UP 8.7%**

**The average
rent in Chichester is
£980pcm**

2030: Chichester homeowners are millionaires!

The average property in Chichester is worth £404,281 compared to just £102,168 twenty years ago. That means prices have increased (and compounded) an average of 7.12% a year.

To put that meteoric rise of 296% into perspective; values have actually beaten the twenty year average in the past 12 months by increasing 8.65%.

If we assume the average rate of increase in property values from the past twenty years (7.12%) were to continue, we would conclude that the average property in Chichester would be worth £1million by 2030; a mere 14 years away!

If that seems a little fanciful do consider whether you think in the mid-nineties with unemployment at 10%, interest rates having been 15% just a few years prior and with property prices having stagnated, that people would’ve believed house prices would nearly quadruple within two decades?

Property isn’t a one-way bet though. There were significant price drops in 1979, 1988 and 2008/09.

I do, however, believe that property can offer very lucrative returns in the long-run, particularly in the form of capital growth whilst the rent covers (and hopefully exceeds) your outgoings.

How useful is 'pound per square foot'?

I was recently tasked with finding a modern three bedroom house in Fishbourne. There were three available at the time, all within 200 yards of one another and each of a similar age and specification. They were priced at £289,950, £315,000 and £325,000.

Seems pretty obvious which one to plump for right? This is where my trusty pound per square foot calculation came in handy.

Calculated by dividing the purchase price by the total square footage of the property, it is one of the metrics I always refer to when analysing a potential property purchase.

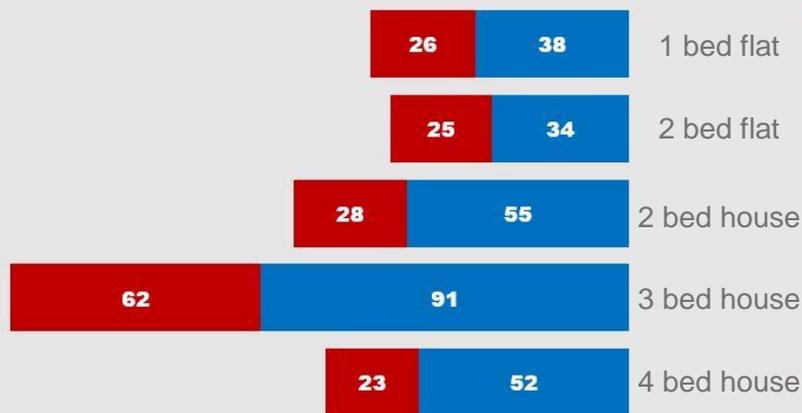
The three bed house at £289,950 was set over two storeys and had a footprint of 887 square feet, meaning it cost £327 per square foot.

The three bed house at £315,000 was also the traditional two storeys high, but had a far greater footprint of 1,125 square feet, meaning it cost just £280 per square foot.

Even better value was found from the most expensive three bed house though. Set over three storeys it had an impressive 1,315 square feet; meaning you were paying just £247 per square foot, compared to an average price in Fishbourne of £309 per square foot.

Whilst the rental figure may only be around £150 a month more for the extra 433 square feet of space (meaning the gross yield is comparable) I am confident as to which property will be the most appealing to prospective tenants and thus let the quickest.

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



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If you would like some friendly advice about the local property market please contact Clive Janes, local landlord and owner of CRJ Lettings in Chichester

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