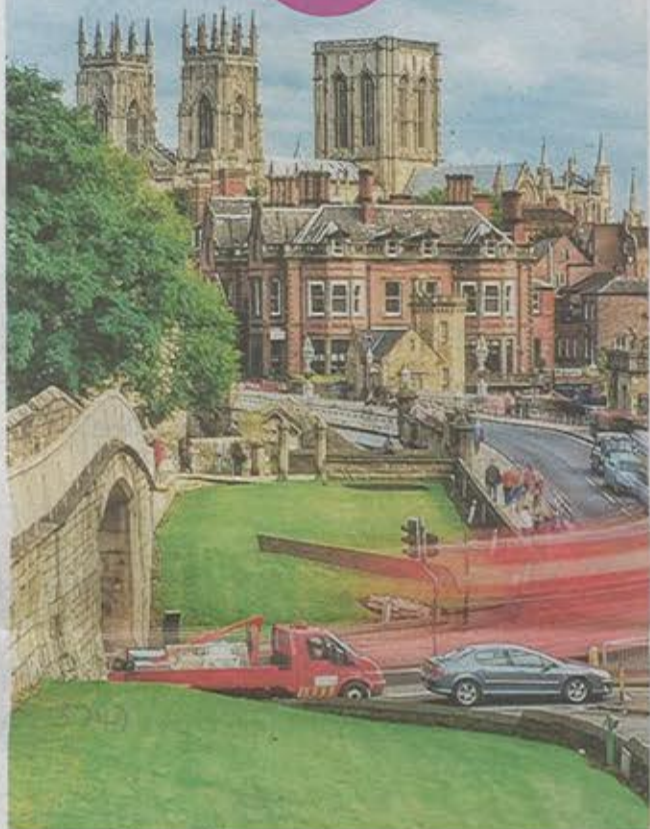
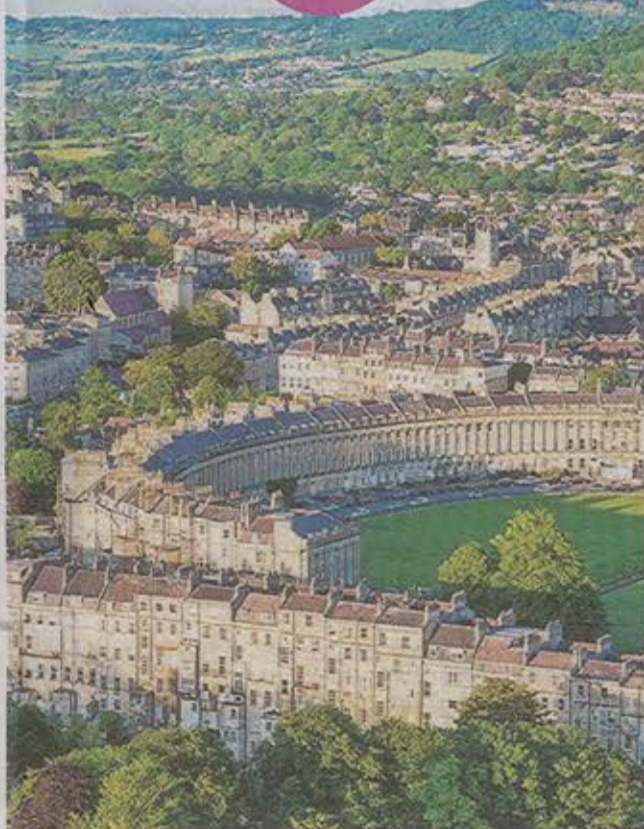


Home Cover

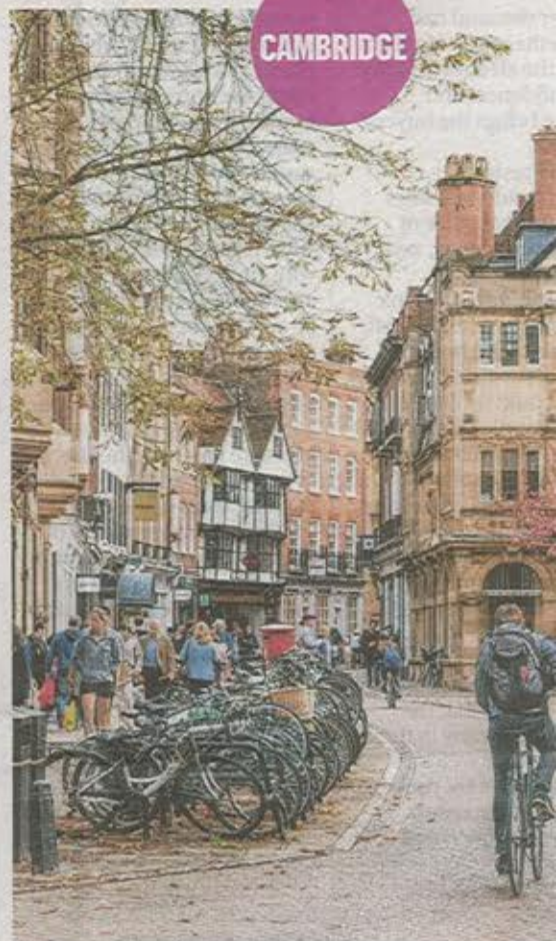
YORK



BATH



CAMBRIDGE



ARE YOU FEELING THE BORIS BOUNCE?

The election landslide has brought some spring back to the housing market, but who will benefit, asks *Carol Lewis*

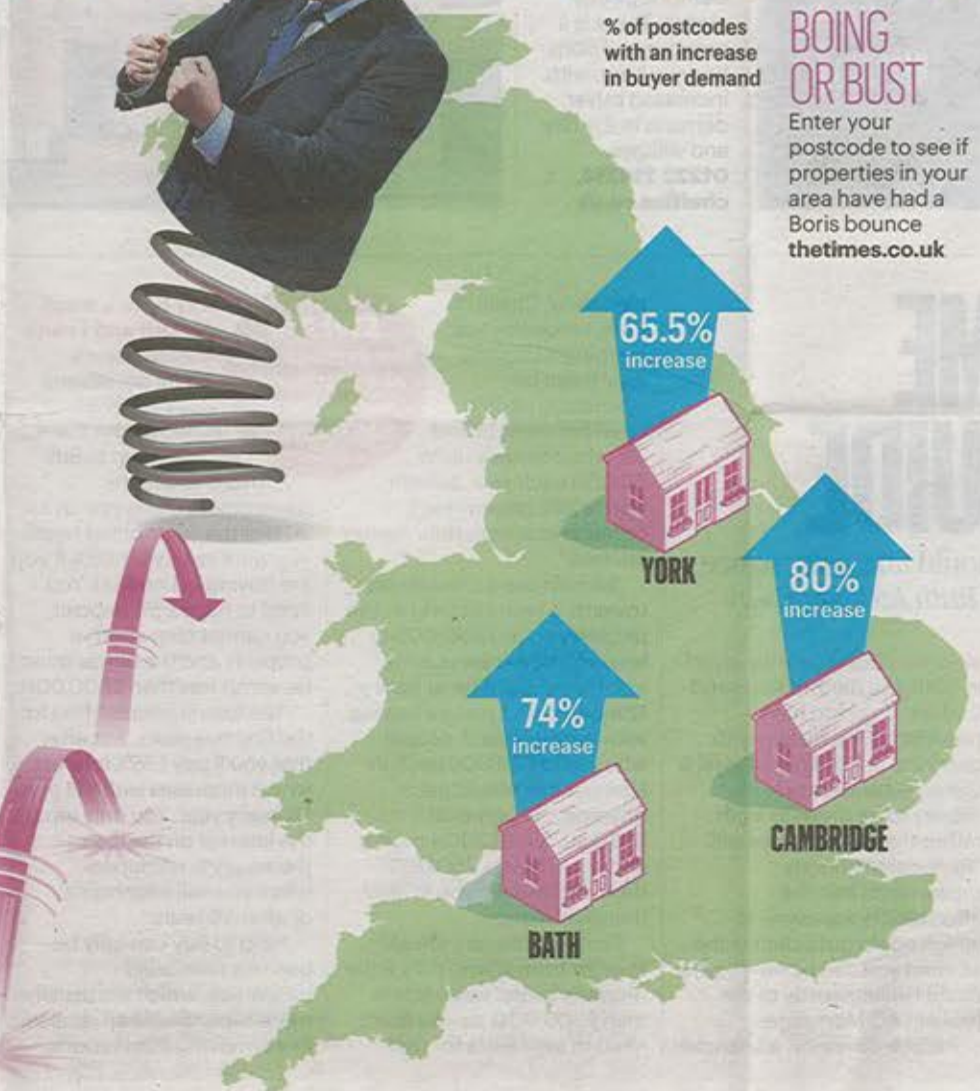
The country is divided 52%-48% – only this time we're not talking opinions on the European Union, but on whether now is a good time to buy a property.

Analysis of data compiled exclusively for *The Sunday Times Home* shows that in 52% of postcodes in England and Wales, there has been a post-election surge in buyer demand – the so-called Boris bounce.

Yet strangely, the election of a pro-Brexit prime minister seems to have left remainers feeling buoyant, with many of the locations that have experienced the greatest increase in buyer demand those that voted to stay in the EU in June 2016. Several are also affluent areas, where buyers may have feared a higher tax regime under a Jeremy Corbyn-led Labour government.

Miles Shipside, director and housing-market analyst for the property portal Rightmove, says: "The early birds are on it, with almost a million buyer inquiries to agents since the election, up 14% on the same time a year ago. Some buyers are even further ahead and have snapped up a property already, with the number of sales agreed up by 7.1%. There seems to be a release of several years of pent-up demand, which suggests we are in for an active spring market."

"The fundamentals are sound, with lenders keen to lend at low fixed rates, average wages rising and employment at a record high. The bounce seems to indicate that buyers and sellers feel the election result gives a window of stability – so, if you have been a 'Brexit delayer', 2020 could well be the year to move."



BOING OR BUST
Enter your postcode to see if properties in your area have had a Boris bounce
thetimes.co.uk

WHERE IS THE BOUNCING BEING FELT?
The areas where buyer sentiment has turned dramatically since the election include Cambridge, 80% of CB postcodes seen an increase in buyer demand compared with the same time last year, Bath (74% of BA postcodes), York (65.5% of YO postcodes) and Bristol (65.5% of BS postcodes), according to analysis carried out for *The Sunday Times* by PropCast.

The property-market forecasting website also shows the change in buyer demand (the percentage of properties under offer relative to the available stock of properties for sale) between the November 2018 to January 2019 and November 2019 to January 2020. All four voted to remain in the referendum.

The individual districts that saw the greatest surge in demand was L29 (central Liverpool) and Sefton, which remain popular buy-to-let areas for investors and families). The second highest increase, however, was in RG28, in the rural Test Valley Hampshire: a pro-Brexit area.

Gavin Brazg, founder of PropCast, says: "The pockets across the country that have experienced the greatest increase in demand are those that have experienced the greatest increase in demand. This is to be expected."

Home Cover

lot of buyer demand had built up in the market in the run-up to the election. Clarity brings confidence, and confidence brings the buyers out to play."

Richard Freshwater, director of residential sales at the Cambridge office of Cheffins estate agency, says: "We are starting to see competitive bidding. I think buyers have been holding off, but in terms of the housing market, the election result was the best it could be. It offers stability – people think decisions will be made now. Interest rates are still low, people don't want to rent and they see value in the market. Potential vendors are starting to see properties sell, too, which is enticing them onto the market."

That said, it's not a one-way street, Brazg cautions. "Many sellers are feeling that the pendulum has swung in their favour, but it may well be a false dawn for the UK property market, and those sellers who dig in their heels and hang on for a premium offer may find 2020 feeling very similar to 2019."

WILL THIS PUSH UP PRICES?

Rightmove reported a 2.3% increase in the price of property coming to the market between December 8 and

January 11, with demand outstripping supply in many places. "While a substantial rise is the norm in January, buoyed by the start of a new year, this is the biggest price surge that we have ever recorded for this period," Shipside says. "However, it is still a price-sensitive market, with stretched buyer affordability, so sellers should be careful not to get carried away with their pricing and miss out on this window of increased activity. One factor behind the upward price pressure has been the shortage of property coming to market in many areas of the country."

While there are plenty of tales of competitive bids and houses being sold for more than their guide price, much of this is because sellers are holding back – possibly waiting until spring, when their gardens will look better, or in the hope of a more lasting rise in prices later in the year. This has left estate agents complaining that they don't have enough stock to satisfy buyer demand.

Ben Pridden, head of residential sales for Savills in York, thinks many homeowners are indeed holding off until spring. "This means there is a window of opportunity for buyers – particularly at the top end,

where there is still perceived value – before prices start going up."

That may not last long once more sellers, enticed by the sight of "Sold" signs in their neighbourhoods, start to venture out – a process that other agents say is already happening. "There are lots of new people coming into the marketplace," says James Toogood, head of Knight Frank's office in Bristol. "And as a result of the sudden appetite to have your home valued, we're taking on lots of stock. People who have been on our books but dormant are also suddenly back with a positive outlook, ready to start viewing."

Richard Donnell, director of research and insight at Zoopla, says: "We've seen a strong surge in confidence following Boris Johnson's majority win. In Greater London, for example, £2.7bn worth of new listings have been added to Zoopla since Boxing Day, heralding the return of sellers in the capital." With confidence returning and the market appearing to pick up pace, he says it's an opportune time for serious vendors to get their homes on sale.

As more properties come onto the market, prices should level out, as long as neither

Scouse proud
Parts of Liverpool have seen the greatest boost in buyer confidence in the country



£2.5M

CAMBRIDGESHIRE

A modern five-bedroom home in the village of Little Gransden, 14 miles west of Cambridge city centre. There is a pronounced Boris bounce here, with increased buyer demand in the city and villages. **01223 214214, cheffins.co.uk**



£425,000

BATH

You'll have to be quick to bag this three-bedroom end-of-terrace cottage in the village of Batheaston, four miles northeast of Bath. This area is another that has experienced a surge in demand. **01225 685149, knightfrank.co.uk**



£1.795M

FIRST TIME BUYER GUIDE

Aspiring homeowners should take this chance to get onto the ladder. By *Ruth Jackson-Kirby*

Government stats show that the average first-time buyer is 33 years old and the biggest hurdle to home ownership is saving for a deposit – which now typically exceeds £50,000, according to Moneysupermarket.com. That is a lot of money, but don't abandon hope: there is help available. This guide outlines all the ways you can finance your first home, and some helpful tips for getting through the buying process.

How do I build up a deposit?

In 2019, the Bank of Mum and Dad is thought to have provided £6bn to help with deposits, according to Legal & General. Lenders prefer money to be given as a gift rather than a loan. They will "factor any monthly repayments into the affordability assessment, which could put a dent in the amount you can borrow", says David Hollingworth, of the broker L&C Mortgages. Patrick Connolly, a financial

planner at Chase de Vere, recommends opening a Lifetime Isa. "It can be opened by people aged between 18 and 39, who can save up to £4,000 each year, benefit from a 25% government bonus and access their money tax-free."

You can use a Lifetime Isa towards a home as long as the property costs £450,000 or less, you have been saving into the account for at least 12 months and you are buying with a mortgage. A couple who saved £20,000 each in Lifetime Isas would get a government bonus of £10,000. Save £330 a month and you'd have a £50,000 deposit between you in less than five years.

First-time buyers are also exempt from stamp duty if the property's total value is less than £300,000, so you don't need to save extra for that.

£197,760

The average cost of a first home, according to HM Treasury

I only have a small deposit and I can't borrow much

There are several government schemes out there, such as Help to Buy.

This is where the government lends you up to 20% of the value of the home you want to buy (or 40% if you are buying in London). You need to have a 5% deposit, you cannot own another property and the house must be worth less than £600,000.

The loan is interest-free for the first five years, but after that you'll pay 1.75% interest, which increases with RPI plus 1% every year. You only repay the interest on the loan – the equity is recouped when you sell your home or after 25 years.

Help to Buy can only be used for new-build properties, which are usually more expensive than resales. Reallymoving.com reports

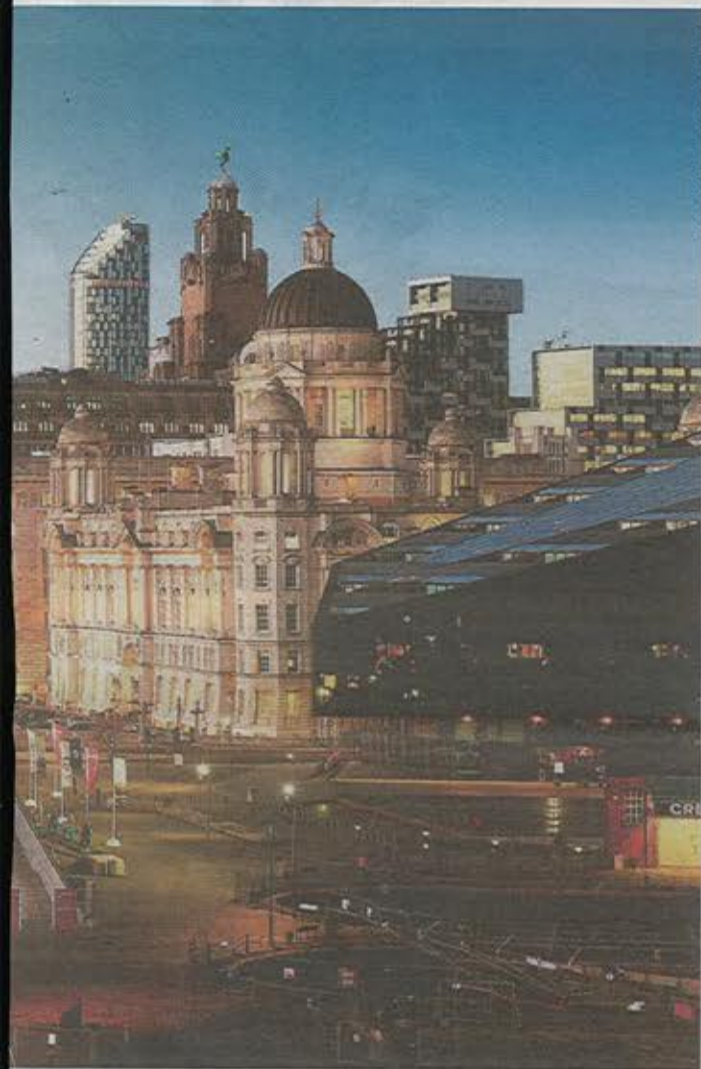
Find out how to save to get onto the property ladder without parental help like Cheng Voon Tong, right, who bought a two-bedroom house in Cambridge on his own at the age of 28. Read his story at **The Times Money Mentor: thetimes.co.uk/money-mentor**

THE TIMES money mentor

£50,174

The average deposit buyers put down on their first home (Moneysupermarket.com)





buyers nor sellers get carried away. There is a danger, though, that the latter might get a little overexcited. "Sellers recover their confidence quickly, sometimes too quickly," says Trevor Abrahmsohn, founder of Glentree Estates, a top-end London agency. "This raises their expectations of value beyond the willingness of buyers to pay and could hold back transactions." Another prime central London agent sums up the situation: "Buyers now have the confidence to come off the fence, but they don't want to pay tomorrow's prices."

WHAT DOES THIS MEAN FOR FIRST-TIME BUYERS?

"First-time-buyer activity has remained strong, buoyed by cheap interest rates and the high costs of renting," Shippside says: "The downside of this high demand is upward price pressure, with the average price of a typical first-time buyer property hitting a record high." Rightmove's data shows that newly marketed properties with two bedrooms or fewer have a national average asking price of £193,103 – rising to £401,000 in London. And the latest figures from the Office for National Statistics show that there were fewer

“We've seen a strong surge in confidence since Johnson's win. Zoopla has had £2.7bn of new London listings since Boxing Day

first-time buyers in 2018-19 than the year before – 727,000 compared with 785,000 – as high rents continue to stymie their attempts to save for a deposit. Yet Shippside adds: "The annual rate of [house price] increase remains fairly modest at 1.6%, less than the rate of growth in average earnings, so affordability has actually improved a little for first-time buyers." Those looking to step onto the first rung of the ladder could also benefit from reduced competition if, as pledged, an additional 3% stamp-duty levy is introduced on non-resident buyers in the budget on March 11. More landlords may also sell up as a result of tax changes coming in on April 1, including the reduction of mortgage interest tax relief to 20%.

First-time buyers will also be eagerly awaiting news of the government's promised First Homes Initiative and the Conservative manifesto pledge to offer them long-term, fixed-rate, 95% loan-to-value mortgages. **HOW ABOUT SECOND-STEPPERS?** Buyers looking to move on from their first home have seen the gap between the price of an average flat and a typical terraced house increase in every region of the country, according to Savills. In 2017, the average terraced house in the southeast cost £264,000, which was £59,000 more than the typical flat. The most recent data shows that this gap has grown by 14%: households now need to find an additional £67,300 on average to move from a flat to a terraced house in the southeast. It has grown even more rapidly in the West Midlands: there, the additional cost has leapt by 30% from £21,500 to £27,900. "In recent years, the government has thrown everything but the kitchen sink at helping households buy their first home," says Lawrence Bowles, research analyst at Savills. "In doing so, they may have neglected owners whose homes are no

longer suitable for... from UK Finance... there were just 342... mortgaged home... the year to Novem... less than half the p... the global financ... Some may be h... the chancellor su... with a stamp-duty... budget, but this is... according to Robin... head of sales in sou... London for Savills... keen to take advan... interest rates, a ma... seems to have bott... indeed, we saw ma... growth last year –... expectation that th... between their exist... and the next rung... ladder is only likely... But given the high... transacting, partic... stamp duty, buyers... cautious and have... upper budget in mi... "By contrast, se... firmed up – some... might have taken 5... guide last year will... looking for at least... price. Matching bu... seller expectations... becoming more of... and this can preven... getting what they v... All of which just... show that, when it... bounces, there will... be highs and lows.

BRISTOL
The leafy neighbourhood of Leigh Woods, where you'll find the contemporary four-bedroom Glashaus, is one of the few Bristol postcodes (BS8) not to see increased buyer interest – yet. **0117 973 1516, hydes.co.uk**

£620,000

YORK
This grade II listed three-bedroom townhouse, on four floors, is on Holgate Road, a 20-minute walk from the city centre. Interest in its postcode, YO24, has increased steeply since the election. **01904 617818, savills.co.uk**

£1.25M

TUNBRIDGE WELLS
This five-bedroom house on Road is in a sought-after location. Many of the rooms have been sold (subject to contract). Kent town. It came on the market on January 12 and one of the four days. **01892 222222, knightfrank.co.uk**

that Help to Buy properties tend to sell at a 10% premium. Another option is shared ownership. This is where you buy a portion of a property and rent the rest from your local authority or a housing association. You buy a stake in the property – usually between 25% and 75% – then pay a reduced rent on the rest. Each housing association has different eligibility criteria for shared ownership. They are usually restricted to people with a household income of less than £80,000 (£90,000 in London). The drawback with shared ownership is running costs. While you only own a share of the property, you are liable for the full maintenance and repair costs. You can gradually buy more of the home until you eventually own it outright through a process called "staircasing", but you will need to pay fees each time you increase your share, for

things such as conveyancing and valuations. "First-time buyers need to go in with their eyes open," says Paula Higgins, chief executive of the HomeOwners Alliance. Alternatively, you could opt for a Rent to Buy property. You pay a subsidised rent (about 80% of the market rate) for up to five years, with the option to buy the property, but make sure you use the opportunity to save. "None of the government schemes is perfect," says Angela Kerr, director of the HomeOwners Alliance. "Buying on the open market is always the preferred option if you can." **Can I buy with a friend or family member?** Family mortgages are offered by several lenders, including

Barclays, Lloyds and Halifax. These are linked to a family member's savings account, which acts as a deposit so you can get a mortgage. The money is still theirs, and they will get it back with interest if you make all your repayments on time. Or you could buy with a friend. Typically, mortgages can be taken out by up to two people, but more lenders are allowing applications from up to four people. Just make sure you consider the legal implications. During the purchasing process, ask your solicitor to draw up a Declaration of Trust. This will reflect how much you put into the property and what you will each get back.

How do I get a mortgage? A mortgage, or home loan, is the biggest financial commitment you are ever likely to make, and typically lasts for 25-35 years. There are several online calculators that will give you an idea of the amount you can borrow. "A rule of thumb is likely to be 4 to 4.5 times your income," Hollingworth says. Start thinking about your mortgage application at least six months before you take the plunge. Check your credit score. If it's low, improve it: check and correct any mistakes; reduce the amount of credit you have access to if you aren't using it; and register to vote, which can add 50 points to your credit score, according to Experian. Lenders are looking to see that

you have reliably repaid debt in the past. If you don't have a credit card, apply for one, and pay it off in full each month. Take an axe to your spending. When you apply for a mortgage, the lender will assess how much you can afford to repay each month by studying your outgoings. When you are ready to apply, speak to a specialist broker to get the best deal. Some are free and charge commission, others will take a fee, usually about 1% of the mortgage value. **How do I start the buying process?** Viewing properties is fun, but don't get carried away. "The more information you have on the property, the better equipped you will be to make an offer. Ask as many questions as you like, view the house more than once and at

different times of... pictures on your pl... make notes as you... Ben Leonard, chief... of FirstHomeCoach... Once you offer accep... legal pro... over. Co... solicitor... week for... update; if... waiting for... from the vend... agent to chase it up... Make sure you c... read all the docum... solicitor sends you... first-time buyers p... leasehold properti... adds an extra dime... the legal work. Che... length of the lease... below 80 years, it c... costly to extend. If... 60 years, it's best a... **Read more advice on buying your first home at thetimes.co.uk**

£12,800
The average deposit paid for shared ownership (MHCLG)

221,405
The number of properties bought using Help to Buy equity loans up to March last year, with an average loan of £56,300 (MHCLG)

33
The average age of a first-time buyer (MHCLG)