

Toby's View of the marketplace

Now it's 2012 and so far the market seems to be off to a rather sluggish start. We anticipate activity levels to improve once January is behind us and the glimmer of sun brings potential buyers out from their hiding places. Viewing levels are low but our website reports indicate there are literally thousands of people viewing our properties all the time, but they may be at the early stages of their search, or possibly not in a proceedable buying position. We have not seen a great surge of fresh properties entering the market, which on one side isn't great for Estate Agents stock, however this may increase the chance of a sale for Vendors as hopefully the demand will out do the supply. Naturally Spring sees more property entering the market place and we are currently advising our vendors to make sure their asking prices are realistic and presentation excellent, in order to maximise the chances of a successful sale.

As well as this, I feel vendors will need to be more open minded in negotiations, allowing a degree of flexibility if needed. It is essential to trust and listen to their Agents advice, even if they are hearing things that may not, in the first instance be what they want to hear. If sellers and Agents work together in a good relationship, great results can be achieved, even in a stagnant market.

I have also gathered below information and comments from key players in the housing market, which I hope will prove of interest.

Nationwide and Halifax have confirmed my thoughts by indicating a slow 2012 Market. Halifax have said average house prices fell by 1.3% in 2011 after a monthly decline of 0.9% between November & December. Economists also feel that prices will remain stagnant or fall, with a weak economy and rising unemployment also keeping a lid on

consumer spending. Inflation and the Euro zone debt crisis will also unfortunately have a negative effect on house prices this year.

A big impact on the housing market are first time buyers and the number of these buying property has fallen to their lowest levels since records began in 1974!

Despite the above gloomy views of 2012, house prices are at their most affordable levels for 8 years and The Royal Institution of Chartered Surveyors (R.I.C.S) actually said that demand for property in the UK rose during November 2011.

The great thing about being an Estate Agent in Devon is that lots of people want to live here! So even though it is clear we are all in for another challenging year, properties will sell in this area if people respond to current conditions, listen to advice and keep expectations realistic. Here's hoping for a very happy and successful 2012!

New Regulations—Flues which run in ceiling spaces

If you need an Energy Performance Certificate for your property, we can organise this on your behalf at a cost of £95 + VAT. Please do not hesitate to ask. Your property cannot be advertised until an EPC has been completed.

Some properties, mainly flats and apartments, have been built with boiler flues which cannot be inspected because they are hidden behind walls or ceilings. The boiler flues that this information relates to are connected to room-sealed fan assisted boilers. Gas safe registered engineers

need to be able to see the flue - which can take fumes away from the boiler - as part of essential safety checks whenever the boiler is worked on. A flue in poor condition, com-

bined with a boiler that is not working correctly, could put tenants in danger from carbon monoxide poisoning. If the boiler is situated on an outside wall, it is unlikely you have this type of flue. Alternatively, if your engineer can see all of the flue you will not need to take any further action in relation to this matter.

If you do have a boiler where all, or part of, the flue cannot be seen, you will need to arrange for inspection hatches to be fitted. This does not mean your flue system is suddenly unsafe. As long as the boiler passes a series of safety checks - including having audible carbon monoxide alarms fitted - it can be used normally for the time being.

Carbon monoxide alarms are not an alternative to being able to see the flue and you will still need to have inspection hatches fitted. You have until **31 December 2012** for this work to be completed. It is recommended

that inspection hatches are fitted as soon as you are able to do so. From **1st January 2013**, any gas safe registered engineer will turn the boiler off, with your permission and formally advise you not to use it until inspection hatches have been fitted in the appropriate places.

Although most of the affected boiler and flue systems are relatively new (installed since 2000), the risk of faults leading to the release of carbon monoxide increases as the system gets older, especially if it is not serviced regularly.

If your property is less than 2 years old then you should contact your builder. If your property is between 2 and 10 years old contact your home warranty provider, as you may be covered by them if there are defects in the flue. If your property is 10 years or older you should contact a gas safe registered engineer or ask your agent to do so.

Protecting Clients Money

All money received on behalf of our clients, either rents or deposits, are held in a designated client bank account. Payments can be made to us by cash, cheque, direct into the client bank account or by card: cash and cheques are banked into this account every day. Client account statements are then reconciled to our computer systems on a daily basis to ensure that all monies paid are allocated to the correct landlords account, and that these rents are then paid across to our landlords in a timely manner.

Payments to landlords are made by cheque or directly into a landlords' bank account. If you are currently paid by cheque but would like payments to be made direct into your bank account, please provide me with your bank details and then I will arrange this

for you.

If we make payments to contractors, who have carried out necessary work on a landlords' property, we always ensure that there is enough money in the account and that a copy of the relevant invoice is provided to the landlord.

A "Statement of Account and Payment Advice" is sent to our landlords with every payment, either by post or email. If you currently receive a statement by post but would like statements to be emailed, then please let me know your email address and I will arrange for them to be emailed in future.

If you require an annual "Statement Summary" of income and expenditure on

your property, to help with tax returns at the end of the financial year, I would be happy to supply for you at a cost of £5+VAT per statement.

Our client account is audited every year by an independent accountant to ensure that we adhere to the rules of the National Association of Estate Agents.

Please contact Sally in our Accounts department on sally@johnsmale.com or on my direct line 01271 410130.

Sally Forsdike MAAT
Finance Administrator

Agent Feature - David Edwards as seen in The North Devon Journal

How has the lettings market performed over the year?

The lettings market is in a period of boom. 2011 saw a great deal of private rented sector growth with demand outstripping supply. Homelet reporting a 17% increase tenant referencing and rents increasing on average by 8% over the year period. At John Smale & Co, we have witnessed an increasing amount of lettings business with the last quarter one of the busiest quarters experienced with record-breaking number of new landlords and lettings. This is contrary to the sales market which has seen a slowdown in sales, but still activity for the correctly priced properties.

How do you see the market in 2012?

I anticipate very little change in the lettings market for the forthcoming year

with sales activity continuing to be slow. The lettings market will continue in my opinion to boom with more and more people opting to rent. With the potential attractions of renting in this current difficult economic climate demand will remain constant with increasing rental levels. There has been increasing trend for people now to rent, with now 28% in the rented sector and increasing.

Why is it that there is such strong demand and people continue to prefer to rent?

There are pluses and minuses with renting a property but due to the current economic climate several consider that renting is a good option, it removes the uncertainty you have with buying a property when several forecasts predict further price falls and therefore potential negative equity. There is also the positive

with cash flow, that there are no unexpected maintenance bills to budget for. Renting also gives you the flexibility and freedom to move to relocate for work or if there is job security worries.

Bearing the above, is it still a good time to be a landlord?

I personally as a landlord myself feel it is now a good time to invest in property as long as the purchase price is correct and the yield is worthwhile. We are happy to provide advice to investors looking to buy about potential rental levels. Even with the current market, property remains a great investment from which you can benefit from income, any capital increase over the long-term is a bonus. Make letting easier by using a ARLA or RICS registered agent.

Property Clinic

We are pleased to inform you that we have a series of Property Clinics arranged for 2012.

The idea behind the clinics are to offer advice to local residents on matters such as property preparation before sale, up to date information on the current market, lettings and commercial property advice as well as the services we offer and the methods we use to be successful in all areas of estate agency.

Representatives from our office and sometimes from other related businesses such as solicitors and mortgage advisers etc. are on hand to

offer advice on all lettings, sales and property matters and we offer incentives to people who book valuations on the day.

The clinics are usually held at local hotels or pubs/restaurants providing a relaxed informal environment in which to chat about any queries you may have – and there is always plenty of tea and coffee available!

Our first clinic of the year was held on Friday 27th January at the Bell Inn in Chittlehampton and was a great success with the next one planned

for April in Croyde - full details will be available shortly.

COMING SOON....

....for all you daytime TV fans and property show followers out there, look out for Jackie on BBC1's Homes Under the Hammer!!

Mayfair Office Group

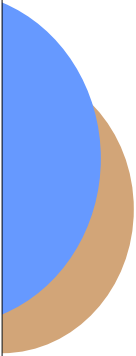


2012 sees a new programme of exhibitions planned for the year ahead at our Mayfair Office in the West end of London with the first one being held on 22nd March.

Toby will be at the exclusive London office maximising the marketing of our properties to full potential reaching diverse audiences that not all local agents have the facility to do and meeting with other member agents who are part of the network to compare views and ideas about the marketplace.

The London Office Provides national and international marketing and a link to the South East Market which is a great benefit to sellers as North Devon is an important target for house-hunters from out of the area. This office has excellent contacts within the national press which allows us to offer additional services and preferential rates that other agents may not have the ability to do.

Please speak to us now to ensure your property details are ready for inclusion at the next exhibition.



5 Cross Street
Barnstaple
North Devon
EX31 1BA

Tel: 01271 342000
Fax: 01271 323084
Email: sales@johnsmale.com
Website: www.johnsmale.com

John
Smale & Co.

FOLLOW US ON



Tracy Edwards, Director at John Smale & Co, has Joined the second Women V Cancer cycle challenge in India. The challenge is on to cycle 350km in 5 days across rural Rajasthan in October this year.

It will be a journey full of fun, friendship and incredible support as women of all ages and from all walks of life challenge themselves for an amazing cause. This fantastic challenge is a great opportunity to have an experience of a life time all

whilst raising significant funds to help in the fight against breast, ovarian and cervical cancers.

Funds raised by Women V Cancer will be divided equally between three important charities: Breast Cancer Care, Jo's Cervical Cancer Trust and Ovarian Cancer Action and used to support their valuable work.

Any sponsorship for this cause will be gratefully received and you can make a donation online

<http://www.justgiving.com/Tracy-Edwards3>

Thanking you in advance for your warm generosity.



STICK WITH SMALES!!!



WE ARE NOW A MEMBER OF
ARLA.

The Association of
Residential Letting Agents

Display one of our stickers in your car to be in with a chance of winning a prize!

On the 1st of every month the registration number and picture of a car seen with a sticker in the window will be selected and published on our Facebook page and if it belongs to you a special treat will be all yours!

Pick up your sticker from our Barnstaple office NOW!!



Continuing to successfully sell and let properties.

*Speak to us **NOW** if any of our services may be of use to you, or anyone you know.*

We are currently offering a special gift to existing clients who recommend a friend!

Contact us for more details.

