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Buying • Selling • Renting • Letting

Forget buy-to-let, cash in on the credit crunch and...

Sell to rent!

(Or how to move from a semi in the suburbs to a designer pad in Notting Hill)



TO BUY or not to buy? That may be the question, but with the market rapidly cooling it has become a far less straightforward one. Two years ago most people who could buy did, but a new trend is emerging: rent-surfers, those who are able to buy but choose not to. These rent-surfers are taking advantage of the property slump and “selling-to-let” — selling up and choosing to rent a bigger, more attractive, or more central property. For the most part, rental prices have not

BY JESSIE HEWITSON

kept pace with property prices, so monthly expenditure on rent can be much less than on a mortgage, allowing renters to trade up to areas and properties they'd never be able to afford to buy.

Conventional wisdom is also turning on its head and for many, renting is no longer

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Upwardly mobile: Tony Morgan sold his house in Isleworth, top, and is now looking to rent in Notting Hill

Property&Interiors

Market moves ...

●FAME and fortune can't help when it comes to shifting your property, it seems. Jade Jagger put her £1.75m three-bedroom house in Queen's Park on the market six months ago, but it's still unsold. She had hoped to upsize to give her two teenage daughters more space and to accommodate DJ boyfriend Dan Williams.

●DEVELOPERS in London will be forced to provide small, affordable shops in their schemes under Boris Johnson's leadership. He has said he will force developers into legally binding agreements to provide affordable shops in major shopping centres to allow independent retailers to set up.

●FOUND a few million quid down the back of the sofa and fancy holiday home? The A-listers' hotspot this week is, apparently, Trancoso, on the north-east coast of Brazil. Naomi Campbell, right, Steven Spielberg and Leonardo DiCaprio are regular visitors, and Calvin Klein is house-hunting there. Since one local vendor just rejected a £5m offer, it's safe to say it's a pretty exclusive area.



AS HOUSE PRICES DECLINE, PLAY THE WAITING GAME AND LIVE

Renting is the smartest move

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seen as throwing money down the drain. In an uncertain property climate, with forecasts and predictions changing daily, renting can be a safer option. With high interest rates, banks and building societies demanding large deposits and mortgages increasingly hard to come by, it can also be less of a financial worry.

"There has certainly been an increase in the number of clients who, having sold their property, are choosing to rent rather than buy," says Emilie Dawes, lettings manager at the Notting Hill branch of Marsh & Parsons. "That's particularly at the lower end of the market, where finding a good deal on your refinancing is currently challenging.

"For many, it's time out of the property ladder in order to watch the prices in the sales market. They're

holding off buying temporarily so as to get a better purchase for their money in a few months' time."

While the housing market continues to suffer — the average UK home asking price fell by £4,345 to £235,219 between June and July — the lettings market is experiencing a surge in demand.

Estate agent Kinleigh, Folkard & Hayward reports a 12 per cent increase in those looking to rent compared with a year ago, and an increase in viewings of 14 per cent.

Meanwhile, the urban policy research unit Centre for Cities has found that, by 2021, Britain could be home to more than three million renters — up one million from 2001.

"It's a lifestyle issue," says Jo Eccles, director of Sourcing Property, a buying agency that advises clients on the best properties to buy and rent in London. "My clients are enjoying having a bit of breathing space and they are

choosing property to enjoy right now instead of having to think long-term. They are renting bigger and smarter properties in nicer areas than they would have been able to afford to buy in — we're seeing lots of flash bachelor pads. They think: 'What the hell, let's live really centrally for a year and try something different.'

"I have a few clients who bought in the past five years and sold recently, so they have made good money.

"They have put their money in the bank and are getting six per cent interest, and that is paying their rent, so some of them are effectively living rent-free."

Emilie Dawes points out that rents have not gone up in Notting Hill, her highly desirable patch of London. This is because while there has been a big increase in the number of people looking for property to rent in London, there has also been a big increase in supply of property available to

rent. Many people who absolutely have to move — people who are moving out of London, or moving in with a partner, for example — can't sell at the price they would like to and are putting their property on the rental market instead.

"Prices aren't going up from last year — and all the other letting agents I speak to in London say the same thing," says Ms Dawes.

"In fact, a good 20 to 30 per cent of our landlords are taking less money in rent than they did last year. A recent landlord, with a property in one of the best streets in Notting Hill, has just had to accept rent of £675 a week on a property he has let out twice before for £800," she says.

"This means that many of the people choosing to rent are able to get a better property and lifestyle than they anticipated. Areas like Chelsea, which were previously too expensive, are now within reach."

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