

# GLASGOW PROPERTY TIMES

YOUR FREE INSIGHT INTO THE GLASGOW PROPERTY MARKET BROUGHT TO YOU BY RECOGNISED INDUSTRY EXPERTS.



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## With a lack of stock driving up prices, could now be the time to sell?



Summer holidays have come to an end, which should be great news at least for one demographic: keen property buyers who've been waiting for fresh property stock all through summer. With the sun still shining (hopefully) and plenty of green in the gardens to help with presentations and viewings, could this autumn be the season of plenty on Glasgow's West End property market?

**Dwindling stock and increasing demand push prices.**  
Sobering numbers have been announced for the first half of the year by property data website and they confirm our perception from the field. An up to 20% drop in property stock – depending on the postcode, in the context of a 20% increase in our data base of active buyers in the first half of 2018 compared to 2017. Imagine the flurry of enquiries every time a new property is launched on the market.

It's a classic context of demand fueling activity, with not many homes coming to the market in popular areas but a rising number of buyers looking to purchase their next homes. Disappointed with losing out at several closing dates, many buyers go the extra mile and make an even bigger offer for their dream property, driving prices up.

*Glasgow West End homes achieving between 5% and 30% over the Home Report value*

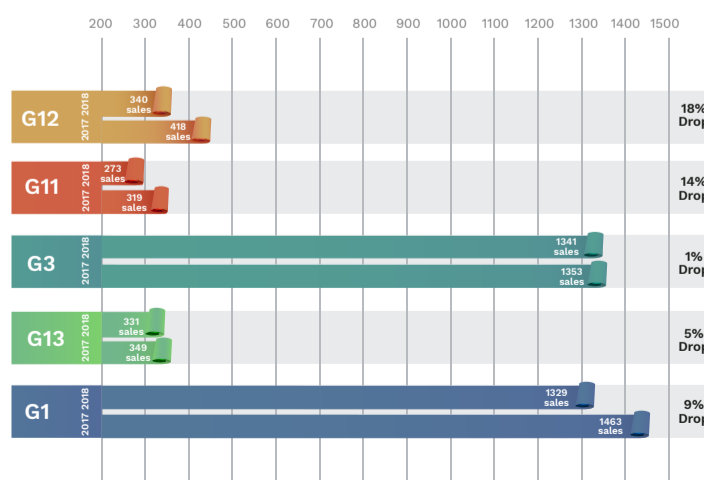
**Home Report Values constantly surpassed.**  
In Glasgow's West End, closing dates are a common occurrence nowadays, as well as properties achieving between 5% and 30% over the Home Report value.

For example, Vanilla Square recently sold a flat in Yorkhill for 30.4% over the Home Report valuation - and a whopping 48% over asking price. For almost every home that currently comes to the market, we have tens of viewings and a considerable number of offers.

With mortgages being still readily available and money being still relatively cheap to borrow, many buyers currently opt to push for 95% financing. What that means is that they have plenty of money left over from the deposit, which will ultimately be used as the premium over the Home Report value.

**What the future holds.**  
Although Brexit is looming, there are no signs that Glasgow's West End market is slowing. Even the recently announced small increase in interest rates (from 0.5% to 0.75%) had little effect in the activity we see on the local market. In fact, we currently see an average sale time of around 2 weeks in Glasgow's West End with plenty of off-market sales being agreed in as little as a few days.

We predict the remainder of the year will be strong as we enjoy the Autumn market which is typically one of the best times of year to sell. We have an abundance of buyers at present desperate to find the right home so make the best out of the current context.



**Steven Lucas** has worked at Director level in Estate Agency for over 14 years. Heading up the Vanilla Square sales team, his passion is for delivering excellence across the board, from sharp marketing material and the right advice, through to handing out keys to satisfied buyers.

Working tirelessly with his experienced team, Vanilla Square has maintained its commitment to be open 7 days a week and work outwith normal business hours to ensure both sellers and buyers can enjoy a stress free experience and have a professional by their side whenever they need.

The team at Vanilla Square have a genuine passion about property, particularly in the Greater Glasgow area, and as such, show determination to stand out from the crowd and over-deliver on every occasion.

If you're looking to buy, sell or rent your property, or you're simply considering the idea, contact Steven anytime on 07436 165965 or pop into our office at 711 Great Western Road where one of our dedicated team will be delighted to help and provide you with impartial advice.





# Will Glasgow feel the effect of the recent rise in interest rates?

It has been a busy 2018 for our mortgage department and during the summer we have seen the much anticipated interest rate increase which leads us to question what this might mean for property purchase in and around Glasgow. The combination of property prices increasing and interest rates rising means people can run the risk of being priced out of the market. Properties in Glasgow are selling fast. Many are being sold for well in excess of the home report value, in the West End by 10 – 15%.

If buying a property like this, you could fall into a higher loan to value bracket if your deposit is fixed, it may mean a higher interest rate than if you had bought the property for the home report value. Even after factoring this in, interest rates across all loan to value bandings are still very good.

## It's not all doom and gloom

The Monetary Policy Committee's decision to raise the Bank of England's base rate (from 0.5% to 0.75%, on August 2, 2018) took interest rates to their highest level for nine years. Rates are however still very low in comparison to the 80s and 90s and borrowers remain well-placed to get excellent deals for their residential mortgage. With the concerns over rate increases many borrowers are looking ahead and taking a fixed rate deal while those that haven't should consider reviewing all their options.

## Should you consider a fixed rate?

Although fixed-rate mortgages have been increasing since the run up to the recent rate hike in August, the options remain very competitive and in many cases reviewing your current deal can offer substantial cost savings as well as the security to take advantage of rates that are still very low protecting yourself against further rises.

If lenders apply the recent rate increase to their standard variable rate, average SVR rates will be around 5%, although this varies between lenders. As a result, many households have taken advantage of excellent fixed rate deals by remortgaging to protect themselves against future rate rises.

## Why seek advice?

The mortgage market can be complex one and it is important to consider all your options as well as factoring in flexibility in case your circumstances change.

Wherever you live (or would like to live) concerns and uncertainty over possible future rate increases may impact on your decision to buy a property. This is where it is important to have property professionals who can help you make the right decisions while answering any concerns and questions you may have.

McCreas work closely with other property experts such as Allied Surveyors, Lindsays Solicitors and Vanilla Square, all featured in this edition of the Glasgow Property Times, to take into account the many pieces of the 'mortgage puzzle'.

The demand for property in Glasgow, particularly the west end and surrounding areas, remains high and with excellent deals available from many lenders this is a great time to review any existing mortgage or consider a possible house move.

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Graeme Nichols is the Mortgage and Protection Specialist at McCrea Financial Services.

Graeme is qualified to advise on all types of mortgages and provides detailed insurance and protection advice to ensure that our clients have the correct protection in place appropriate to their circumstances.

Having worked with independent financial firms for over a decade, Graeme has come across most scenarios with clients, including those of a very complex nature and part of his job is to make the process of buying a property as stress free as possible.

If you would like to get in touch, please contact Graeme Nichols at [mortgages@mccreafs.co.uk](mailto:mortgages@mccreafs.co.uk) or call 0141 572 1340.



# Why Pay More Than The Home Report Value!

**It is now seen as common practice to pay over Home Report Value to secure a property within the West End of Glasgow but why is this and why should you?**

Glasgow, and in particular the West End, has seen a resurgence of the property market in the last 3 years fuelled by a significant reduction in the volume of properties for sale (down 26% in G12 in first 5 months of 2018 against 2017) with a healthy number of motivated purchasers aided by historically low mortgage rates and lenders keen to lend into a buoyant housing market. These factors have led to the return of closing dates and sale prices often sitting 20% or more above the offers over price. It is now not uncommon for agents' diaries to fill up with viewers within hours of a property being listed and closing dates are currently being achieved on around 50% of all sales within the West End of Glasgow. The Home Report has been successful to a largest extent in eradicating artificially low asking prices, multiple surveys as well as better informing purchasers on condition however; the rise in the return to a buoyant property market has driven prices up often faster than agents and surveyors can reflect in either asking price or in valuation.

Should anybody pay over Home Report Value I hear you ask! The short answer is it is down to you as the buyer to decide. The valuation contained within the Home Report will be derived from comparable sales which can be up to 3 months old and indeed often longer if the date of entry was several months after the property sale was concluded. Surveyors need to rely on accurate sales evidence and will therefore, particularly at this time of the year, be reflecting sales which were often made in the tail end of 2017 and through the first couple of months of 2018 rather than on sale prices achieved within a closing date in June or July. This means that by paying over Home Report Value you are actually paying what will later be seen as the going rate for that particular property type rather than paying too much.

The agents are providing the circumstances for high levels of competition by setting closing dates knowing that a number of interested parties, most of whom will already have missed out on other properties, may become increasingly desperate to secure a new home.

It is the cornerstone of the housing industry that the "market" will always decide what the value of the property should be. However, in times of such low stock and high demand it is likely purchasers will be paying a premium just to secure the purchase. Whether these premiums will be maintained in the longer term only the future will tell, however, there would appear to be no long term issues in terms of demand due to availability of mortgage facilities and affordability in Scotland still lies well below national UK averages. In Glasgow the average flat price is £104,000 with all properties at £144,000 against England all areas at £225,000 and £243,000 respectively. Of course we would all love to find a property in the West End of Glasgow at these levels, but the figures reflect, at all levels, where affordability currently sits in Glasgow as a whole. Edinburgh by contrast supports average flat values at £222,000 and all properties at £285,000.

Within these fast paced times in the local market you will have to remember that whilst you may have to pay more than you wish to have for the property of your dreams the likelihood is that you will have received more for your own property when selling. This of course leaves two issues. Firstly, buyers from outside the West End of Glasgow trying to compete in the local market and even more importantly first time buyers who rely on the valuation to secure mortgage purposes and who if they are already struggling for a deposit the difference between sale price and Home Report Value is a significant issue. Interestingly what we have seen in the West End is that the starter properties tend to achieve no lower than 5% on average, the mid-market around 9% over Home Report Value and the top end generally less than 5% over Home Report Value. So the Home Report Value itself is a restriction on the starter flats and with less competition at the upper end is generally a good indicator of what would be required to secure purchaser.

Given the prevailing market conditions it is likely that we will see this phenomenon continuing and the most relevant thing to think about is how much the property is worth to you and are you willing to pay that little bit extra to secure it.



KEITH DENHOLM FRICS

At present I run Allied Surveyors Glasgow North office and undertake Single Surveys on a daily basis. I have been heavily involved with the implementation of the Home Report and trained surveyors, agents and solicitors on how the Home Report works.

My own experience stretches back over 30 years and arms me with an in-depth knowledge of how the market operates and how we can best act on your behalf. It is important to ensure that the surveyor who prepares your Home Report does have the relevant local knowledge and experience but also the ability to report to a lender for the potential purchaser. Your home is probably your largest asset and it is vital that, in order to maximise its potential you seek the advice and professional service of surveyor who knows your property. At Allied Surveyors we can offer the level of service that is required.



Even if you have a simply query on any aspect of your property please pick up the phone and I will be able to assist you.

Telephone: 0141 337 1133.

# lindsays

## When's a good time to buy and sell in Glasgow? Now



House prices have risen steadily in Glasgow this year, at a pace that works well for both sellers and buyers.

Edinburgh and Manchester may boast the fastest-rising prices in the UK, but what we're seeing here is nicely sustainable – the rises are not clocking up at a rate that stresses out buyers or eats away at affordability.

The latest prices from Registers of Scotland show the average property price in Glasgow City was £154,806 this summer, about 3% up on 12 months earlier.

The frontrunner of growth was detached houses – up 6.6% on 12 months earlier, with an average price of £265,113. The number of sales of detached houses was down, which explains the price rise – demand is outstripping supply, especially in popular locations with good schools and amenities.

In the West End, demand outstrips supply for all types of high-quality property in areas like Hyndland and Dowanhill. We've recently been handling the sale of a garden flat in the West End – well maintained with period features and good-sized rooms. It had 40 viewings within a few days, and the sale price was almost 20% more than the 'offers over' price and 16% above the Home Report Valuation.

With any type of property – whether you're competing with dozens of other viewers for a grand flat in the West End, or just getting a foot in the market, you need good advice to grab the best of the opportunities.

**If you're a seller, good advice from a reputable selling agent such as Vanilla Square, will ensure that you:**

- Set the right offer price and closing date. Successful tactics around this will usually get you a higher price
- Assess the offers. Spotting any warning signs that could slow the sale or cause purchasers to let you down

**If you're a purchaser, good advice from your solicitor will help you:**

- Make decisions around offer tactics. This will raise your chances of a successful bid, especially if several would-be purchasers have noted interest
- Negotiate attractive conditions and timings
- Spot any potential legal issues connected to the property, now or in future.

So, yes, now's a good time to buy and sell in Glasgow. But to make the most of the market, you'll want the best people on your team.

### ABOUT HEATHER MACKAY

Heather is an Associate in our property team based in Glasgow. She is a specialist in all aspects of residential conveyancing and acts on behalf of individuals in relation to buying and selling property, re-mortgaging, and gifts of residential property across Scotland.

Heather enjoys building a strong relationship with her clients in order to make the buying and selling process as smooth and clear as possible for them.

If you would like to get in touch with Heather please call 0141 221 6551 or email [heathermackay@lindsays.co.uk](mailto:heathermackay@lindsays.co.uk).



*Lindsays provides legal advice to individuals, families and businesses. We support our clients at every stage of their journey through life in areas related to their work, family, property, business and retirement, and with any other issues that may crop up along the way.*