



# Quarter Two Review 2023

Having concluded another successful quarter, HH is pleased to report our thoughts on the market, along with some of the business we have done, and also some that we are doing...

## Case Studies



RUSHEY GREEN  
SE20

- Vacant mix-use building
- Offering conversion and redevelopment opportunity



LEAVES GREEN  
BR2

- Repossessed detached house
- Freehold with vacant possession



SUNNY GARDENS  
NW4

- Derelict freehold house
- Providing prime refurb opportunity



KIMMERIDGE ROAD  
SE9

- Vacant commercial unit
- Sold to investor with 999 year lease



SIDCUP HIGH STREET  
DA14

## The Site

- Total site area of 8,867 sqft (0.2 acres)
- Vacant possession
- Parking for circa 10 cars
- 0.5 miles from Sidcup station
- 0.75 miles from Queen Mary's Hospital and Bird College
- Potential for extension & conversion or comprehensive redevelopment
- Former Barclays Bank buildings

## The Deal

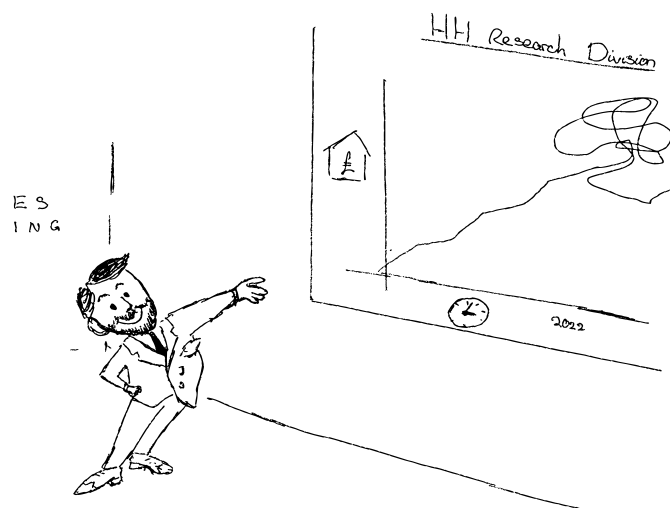
- Acquired on behalf of a local business
- Completed in June 2023
- Once planned reconfiguration and redevelopment have been completed the purchasers will be relocating their head office to the new custom designed premises

## Our Market Review

Time flies when you're having fun! With the first half of 2023 already over and as we enter the summer months, we at HH have taken a moment to reflect and ask ourselves... "What is actually going on at the moment"?

As agents, we are often expected to give an opinion on the market and to consider what we expect to happen next. Although in periods of uncertainty, it's difficult to examine recent trends in the market, let alone predict the future patterns that can be expected in such a changeable economic and political climate. Interest rates and inflation have been the two headline topics for some time, with analysts predicting a catastrophic drop in property values as a result of increases in the Bank of England's base rate. So far however, that hasn't happened.

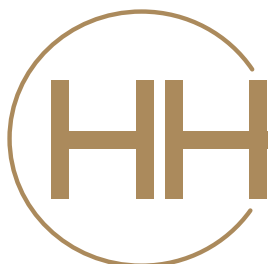
According to the Halifax price index, June house prices fell by just 0.1% nationally, which considering the recent political and economic upheaval, appears to be a modest figure. Holmes Hosking's recent calculations tell a different story on how homeowners' disposable income has been directly impacted by the changeable rates. Interest rate rises over the last 18 months have resulted in an increase of around 60% to a mortgagee's monthly payments. If the impact is this extreme, then why aren't we seeing homeowners forced into selling at reduced prices?



Perhaps one of the main reasons is the fundamental motivation that drives property investment, with property long considered by many as a more reliable vehicle of investment. By comparison, in this uncertain market, stocks, shares, crypto have all experienced significant downturns and high levels of volatility. Secondly, the public's demand for property remains consistent, helping drive the sector, as demand is underpinned by people always needing a place to live!

Rents are at an all-time high and with the shortage of rental stock that seems unlikely to change any time soon. The cost of downsizing has also continued to rise in recent years, with stamp duty, agents fees, legal fees, removal costs, mortgage arrangement fees and the annoying miscellaneous costs you weren't expecting, making downsizing to reduce debt an unattractive proposition too. Meanwhile, salaries have seen a 7.2% increase in April, so while they're still not in line with inflation people are continuing to earn more. Statistics have also suggested that domestic incomes have seen a lag from covid, where homeowners are able to rely on their own savings to assist in increased monthly payments.

A reasonable theory on the current state of the housing market, suggests that many homeowners are attempting to 'ride the storm', in the hope that they can manage their finances over the next 24 months, while within that time mortgage rates will have dropped down to more affordable levels.



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## The impact on our industry right now?



It is apparent that the higher cost of borrowing and the threat of both a recession and a property crash has driven some potential buyers from both the residential and development markets. For a few years, we have entertained buyers in the development sector who were heavily leveraged and looking to spread their equity as far as it would go, but this method of financing seems less viable today. Despite this, there is still no shortage of buyers for development opportunities, with a lot of cash rich buyers speculating on better days being ahead in the market. There has been a drop in enquiries, but we have also seen a steady flow of buyers for our new homes stock too. There have been fewer 'tyre kickers' and most enquiries have come from serious buyers, and in some ways, the current situation has been quite refreshing!

Meanwhile, demand for conditional deals remains very high, which suits the setup we have at Holmes Hosking, as our site sourcing team continue to unearth gems across South-East London and Kent to fit our clients' requirements.

If you're looking for a refurbishment opportunity, a consented site from 1-100 units or a subject to planning or option deal, give us a call!



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## Available Stock - Land and Development

### Consented site 5x terrace houses...



### Mixed-use freehold building offering development potential...



### Freehold commercial building...



### Double fronted commercial/retail unit...

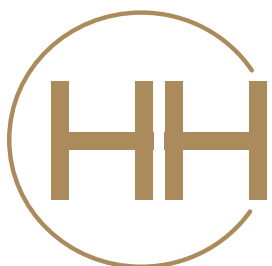




We are very excited to announce that we have finalised the details of our apprenticeship scheme and are now able to provide the opportunity for a school leaver to join our team. This programme is made up of six stages including an induction, a property development course and the option to either choose a Junior Real Estate or Chartered Surveying course. Successful applicants will be supported throughout their learning and training.

Having engaged with a number of local secondary schools we have received a good response from school leavers who are keen to enter the industry, and have been very impressed with the calibre of applicants to date.

We look forward to progressing with the scheme, which we are confident will strengthen our team, providing an excellent opportunity for our new intake. We're excited to update you on how everyone at HH is getting on in our next quarterly review!



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## Available Stock - New Homes

### *4 bedroom detached house...*



LEAVES GREEN  
BR2

### *Selection of 2 & 3 bedroom cottages...*



HARTREE GARDENS  
TN14

### *Two new build, 2 bedroom apartments...*



BROOKBANK ROAD  
SE13

### *Newly converted development of 1 & 2 bedroom flats...*



TIMBER HILL  
CR3