

Karl Ormerod
Luxury Property Expert



JACKSON-STOPS

A large, light-colored house with a stone roof, surrounded by lush green trees and a body of water in the foreground. The house has a prominent chimney and a large window with a decorative frame. The scene is framed by dense foliage, with a body of water in the foreground.

HIGHER VALUE HOMES UPDATE

LANCASHIRE & SEFTON COAST

SUMMER 2024



Q2 MARKET REPORT

A QUICK RECAP ON QUARTER ONE

We last wrote to you in April and reported that the year's first quarter had started positively. This was on the back of consecutive rate holds as buyers returned to the market with that 'new year, new start' mentality. However, as we always say, the land registry data tends to lag a bit behind and shows completed sales that are relevant to three months earlier.

Trends reported by Rightmove indicated that sales activity was up and there had been a surge in buyer enquiries. This led to more houses coming to the market and sellers being ambitious with their pricing. We expected this to lead to more positivity in the quarter two figures once they were released. Then came the small matter of a general election!

HOW HAS THE GENERAL ELECTION IMPACTED THE MARKET?

Despite concerns that the General Election campaign would lead to a significant slowdown in home-moving activity, Rightmove's data shows that the vast majority of people have been proceeding with their moves since the election was called. In fact, Rightmove conducted a poll of over 14,000 people, and an overwhelming 95% of those planning to move said their plans would not be affected by the election. The stats support this as well. Sales agreed are up 15% against the same period last year, and the number of homes hitting the market is 3% above last year.

In my experience, this makes sense. While economic factors sometimes discourage people from moving, much of it comes down to interest rates, wage growth, and banks' willingness to lend. The latest inflation rates have remained steady at 2%, and mortgage approvals are up 8%. The average five-year fixed-rate mortgage is now 4.97%, which is below the peak of 6.11% in July 2023, and buyers have been encouraged by the consistent interest rate holds.

So, a quick note if you are already on the market and your estate agent is telling you that the General Election has brought the market to a halt... it hasn't!

	LATEST DATA	QUARTERLY CHANGE	ANNUAL CHANGE
MORTGAGE APPROVALS (MAY)	59,991	8.0%	19.2%
RESIDENTIAL TRANSACTIONS (MAY)	91,290	7.1%	17.2%
GROSS MORTGAGE LENDING (MAY)	£22.2BN	19.3%	20.7%
NEW HOMES BUILT (Q124)	57,446	-8.4%	2.8%
NEW HOMES BUILT (ANNUAL)	240,491	-	-6.2%

Source: Bank of England, HMRC, ONS, LANDIS

Most recently published data. Quarterly change figures are for the last 3 months compared to the previous 3. Annual change shows the change in the month to the same month 12 months earlier. New homes built includes EPC registrations for all new domestic properties in England and Wales.

DESPITE THE POSITIVITY, THERE ARE CHALLENGES IN THE MARKET!

The statistical data paints a positive picture, but there is no doubt that some homeowners are struggling to move their properties. The number of properties for sale is now at an eight-year high, so buyers have a lot more choice and, therefore, more power than they have had in recent years.

The reason for this is that the number of new houses coming to the market is up on last year, and the number of people re-listing their homes for sale is up 21% (these might be people who tried and failed to sell previously). However, some houses are taking longer to sell due to overpricing, leading to a surplus of stock.

Nevertheless, we can see that the speed to secure a buyer is improving (for those priced and marketed correctly). At the start of the year, it was 78 days, but it is now just 59 days, which is a return to more normal levels. This has certainly been a result of the number of people reducing their house prices. In fact, Zoopla reports that 43% of sellers have reduced their house prices by more than 5% just to attract interest!



PERSISTENT OVERVALUING - A MARKET FRUSTRATION

This is one of the frustrations we see in the market—persistent overvaluing! Often, this is not the fault of the homeowner—they are acting on the advice of the estate agent. However, a common mistake is relying solely on the estate agent's opinion. The job of an estate agent is to provide factual data to enable homeowners to make informed decisions. They should deliver trends in the local market, identify where a property stands, and then create a marketing campaign aimed at the right type of buyer for the home they are marketing. Unfortunately, many don't do enough due diligence and 'value' homes based on outdated data. We are certainly seeing a lot of that at the moment!

WHAT DOES THE NEXT HALF OF THE YEAR HAVE IN STORE?

There is certainly no lack of demand in the market. However, there is clearly a price sensitivity issue, with too many homes needing to reduce prices to attract interest. Many homebuyers are waiting to see what happens with interest rates, as consistent reports of a base rate drop have people excitedly anticipating whether this will aid their journey.

A base rate cut would undoubtedly lead to lower mortgage rates offered by banks, which could be a game-changer for some potential home movers currently held back by significantly higher mortgage costs. While a rate drop would boost the market, it could also put upward pressure on prices as more buyers return to the market.

With the uncertainty of the election out of the way and a new government in place, the new Chancellor's immediate announcements on housebuilding targets and planning reform are positive signs. These actions suggest the government is keen to fulfil its manifesto pledges, which should instil confidence in the market.

Typically, the summer months are quieter due to the holiday period. However, if we see an interest rate drop in August or September, as many predict, it could lead to a busy end of the year.

HOW DOES ALL OF THIS AFFECT HOMEOWNERS

There is a lot of positivity and certainly more clarity now. However, it is clear that many homes are struggling to sell because they are priced incorrectly. If you are considering selling your home, it is crucial to follow the data for your local area.

In our reports, we cover the wider area of, but your agent, (if you are on the market), should be able to drill down into the details and show you what's happening around you to give you a more realistic chance of selling your biggest tax-free asset. The signs are good, with both areas seeing price rises and healthy activity despite the reported economic uncertainty. It remains to be seen how prices will be affected as we head into the latter half of the year, but they are likely to stay steady and maybe even rise towards the end of the year if we do indeed get the predicted rate cuts.

Aside from pricing, it's also important that your marketing is tailored towards the target market for your home. Remember, you are not just selling your home; you are selling your buyer's next home, so it is essential to set it up for the type of buyer that is likely to occupy it.

Speak to your agent about the target market for your home. You are not just selling bricks and mortar; you are selling a lifestyle, so there are key areas your agent can focus on to generate interest in your type of home.

THINKING OF SELLING TOWARDS THE END OF THE YEAR OR EVEN NEXT YEAR?

This might sound crazy, but if you are thinking of selling your home towards the end of the year or even early in 2025, now might be the time to start getting ready. Christmas seems so far away, and mentioning it in a July market update might seem odd, but preparing your home for the market while we have better weather could be advantageous. Your competition will wait until January when everyone else is thinking the same thing, leading to a crowded market. However, if you were to be 'Market Ready' now, you are just clicks away from listing at one of the peak times of the year for selling (Rightmove experiences its busiest online traffic between Christmas and New Year). Having your property photographed in its best light will help attract the right type of buyer and showcase it when it is at its best!

This also applies if you find your dream home. Most people wait to find the perfect house and then go through the process of getting a valuation and going to market. For unique and prestigious homes, this can put you weeks behind, resulting in losing the home you want. Being market-ready will allow you to make offers with confidence and, more importantly, give the seller confidence, knowing you can move quickly.

YOUR NEXT STEPS...

Whether you are considering selling now or within the next few years, I would love to meet you. You might be looking to move or have been thinking about it, and you have questions and concerns. I invite you to pick up the phone and chat with me about your options. You'll never be wasting my time; it's my job to help high-value homeowners make informed decisions and plan for the future.

Call or WhatsApp me on 07443 645 157

LAND WANTED

Having formed exclusive arrangements with a small handful of independent and national developers, as well as corporations looking for land for care homes, supermarkets etc, we are always looking to source potential development land, and refurbishment projects of all sizes.

Everything considered, no matter how large or small, as we could well have the right buyer.

If you have something that may be of interest, please feel free to reach out as we would welcome an informal chat with you.



OFF MARKET

ONE OF MY FORTES OVER THE YEARS HAS BEEN TO SUCCESSFULLY SOURCE 'OFF MARKET' PROPERTY FOR BUYERS.

This can often suit a seller as they don't want to be openly on the market, for various reasons.

If you would like to understand more about how this works, please feel free to contact me.



Mid-Year Mortgage Market Analysis

Sir Keir Starmer's landslide victory in the general election, securing 411 seats in parliament, has introduced a potential new era of stability and confidence in the market.

This majority allows Labour to efficiently implement policies in parliament, providing reassurance to markets. UK businesses, in particular, will welcome a business tax roadmap that clearly outlines the future tax system in the medium term, especially when investing in large financial projects.

Your home may be repossessed if you do not keep up repayments on your mortgage. Private Finance is not a tax adviser and this page does not constitute tax advice.

House Prices and Mortgage Rates

The hope now is that this renewed sense of confidence will reinforce steady growth in house prices and anticipations of rate cuts into 2025. According to Halifax, current annual house price growth is at 1.6% with modest increases expected through the rest of the year and into 2025.

Major lenders announced mortgage rates reductions leading up to and following the election. SONIA (Sterling Overnight Index Average) swap rates, particularly 5-year swaps, have fallen again following the election—a positive move for fixed-rate mortgages. The market had likely priced in a Labour victory, and the announcement confirmed these expectations. Now, the next major economic expectation is the anticipated first base rate cut this year, which would likely signal a major market shift and a departure from the highest mortgage rates for now.



Addressing the Housing Crisis

Labour's housebuilding targets include constructing one and a half million new homes within the next five years, aiming to boost affordable housing and provide support for first-time buyers. New housing policies should focus on serving the market in the longer term, providing affordable, good-quality housing and market stability. The ongoing housing supply shortage highlights the need for

significant reform, particularly to support first-time buyers.

One key area Labour will need to address is stamp duty changes, particularly for those looking to downsize and free up much-needed good-sized family homes back into the housing market.

Stability and Positivity

The immediate view suggests that Labour's victory appears to have settled the mortgage market. We await to see how Labour's fiscal policies impact affordability later in the year and future announcements made in their first budget. The potential surge in private school fees remains a significant concern for many parents.

It is important to remember that property transactions typically take months to complete, whereas new policies could take months or years to implement. If significant measures are introduced, they would likely be in place before the exchange of contracts, allowing for possible renegotiations if surprise policy changes affect future house prices. Property transactions are long-term investments; a fixed-rate mortgage can help navigate market fluctuations over the next few years.

Now could be an advantageous time to buy, with positive property price forecasts over the next few years and current market demand being lower. Considering the strong pent-up demand, later in the year could be a much busier time for the property and mortgage market.

If you would like to discuss any of these points further or require a personalised mortgage consultation, please contact Nathan Cole at shrewsbury@privatefinance.co.uk who would be happy to assist you.

FOR SALE

A selection of high value homes we currently have on the market.



BLUNDELLSANDS L23
ASKING PRICE £800,000



HALSALL, L39, ASKING PRICE £1,300,000



BICKERSTAFFE, L39, ASKING PRICE £1,000,000



AUGHTON, L39
ASKING PRICE £900,000



AUGHTON, L39
OIEO £700,000



BLUNDELLSANDS, L23
ASKING PRICE £950,000

SOLD

Just a few of our recent
sales success stories.



MAWDESLEY, GUIDE PRICE £3,500,000



AUGHTON, L39, ASKING PRICE £995,000



ORMSKIRK, L39
ASKING PRICE £845,00



ORMSKIRK, L39
ASKING PRICE £950,000

KIND WORDS

Here are just a few of the lovely testimonials and reviews that we've received from satisfied clients...



'Karl is the best estate agent that we have ever experienced. He has been effective, friendly, wise, and available whenever needed. He provided tactful advice on sprucing up our home, then a really attractive (but accurate) brochure. We realised the wisdom and practicality of him doing all the showings. Karl also expertly smoothed over the last-minute challenges and hiccups so common in the (antiquated) English system of conveyancing. All of this with unflappable calmness and courtesy.'

Simon & Ann Capewell

'I recently had the pleasure of working with Karl Ormerod and I couldn't be more satisfied with the service we received. From start to finish, he demonstrated an exceptional level of professionalism, expertise, and dedication. The challenge - to sell 3 houses and purchase one.

Karl kept me informed at every step of the process. He was always available to answer my questions, whether it was via phone, email, or in person and at any time of the day, weekend, late evenings and at lunch times! He provided clear and concise information, which made the entire experience stress-free and straightforward, personally attending all viewings which was important to us. Karl has an impressive understanding of the local market. He provided valuable insights and data that helped us make informed decisions. He accurately assessed the value of our properties and advised us on the best strategies to maximise its appeal. Plus, behind the scenes, he helped us conclude our purchase smoothly.

When it came to negotiations, Karl truly shone. He was able to secure a fantastic deal, exceeding our expectations. He handled all negotiations with skill and tact, ensuring that my interests were well-represented. He went above and beyond to ensure that I was completely satisfied with the outcome. I highly recommend Karl Ormerod to anyone looking to buy or sell property. His dedication, expertise, and professionalism make him an invaluable asset to Jackson-Stops. The experience was nothing short of excellent, and I will definitely be using his services again in the future.

Thank you, Karl, for your outstanding service and for making this process so smooth and successful!

Stephen Johnson

'Having bought and sold our recent home through Karl, we can't recommend him enough. He is always available: evenings, weekends and never fails to respond to a call or message. He prides himself on being knowledgeable, approachable, and professional and he most certainly is all those things and more. Plus, he is a dachshund lover - which really leaves nothing else to add!'

Joy Shakeshaft



KARL ORMEROD

YOUR PREMIUM AGENT.

I am a real estate professional with over 30 years of experience in estate agency in the UK, Spain and Dubai. My career began in a strong, 10-office independent in the late 1980's where I progressed from trainee negotiator to senior branch manager in record time.

In the mid 1990's I ventured out on my own and within four years had a five-office network. My journey then took me to Spain where I set up an agency with four offices, helping UK nationals buy property there, whilst building a network of over 250 UK estate agency partners. After the downturn I spent four years in Dubai, again, in my own agency which brought me into contact with premium properties from developers such as OMNIYAT and EMAAR etc.

Working with a premium brand finally brought me to settle back in the UK in Scarisbrick, West Lancashire, where my wife was born, and I have come to know and love the area, along with the marvellous Sefton coastline. Partnering with a prestigious and well-trusted brand has allowed me to cover a broad area while delivering first-class, personalised, and bespoke service. This collaboration allows me to showcase every property to both a wide and premium audience across the North West and nationally, ensuring maximum exposure and the best possible outcomes for my vendors. Whether they're buying or selling, I can be there for them from valuing and marketing, through to the completion.

Outside of my work, my passions are my two little rescue dogs from Dubai - which I love walking along the beaches of the Sefton coastline - and golf, when I get time, for which I'm spoilt for choice, as the North-West has some of the best links courses in the UK.

MY SUCCESS

I genuinely believe that the only way to achieve the best price for a property is to be able to offer my owners maximum exposure, which is something no other local estate agents can offer.

This has culminated in my achieving the highest price ever recorded in L25 and L40, as well as the second highest price in WN8, L12 & L31.*

*Correct at time of printing



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LANCASHIRE & THE SEFTON COAST

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National reach through a network of London and regional offices.

