

Out-fox the market



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There is little doubting the damage incurred to all markets in the wake of the banking collapse and the approaching recession. House prices are a much quoted economic indicator and there is no escaping the dramatic fall in values and lack of confidence in the market place.

While some see only doom others spot opportunities and, with a little lateral thought, there are still deals being agreed, writes Peter Harden of Fox & Manwaring. Small parcels of land are still attracting strong interest and are fetching surprisingly good prices. We



have recently offered several parcels of land, pasture and woodland, between 10 and 30

acres and find interest coming from a variety of different purchasers. 12 acres of farm land attracted three offers at the full asking price within five days and eventually went to "best and final offers". One of the proposed purchasers was a local town council wishing to create a new cemetery whilst other uses put forward included a sanctuary for rescued animals and a retreat from the suburbs of London!

Land is a very limited resource and whilst developers can react to the market by increasing the housing supply, this certainly cannot be done with land.

Housing developers are struggling to sell their stock units and again with a little lateral thought, we have arranged several lettings with a purchase option thus providing the developer with much needed cash flow. This provides the developer with a captive purchaser once the initial 6 or 12 month agreement expires.

Hopefully we are near the bottom of the curve and with hindsight there may not be better time to buy. We have seen in the last few months an increasing number of repossessed properties as a consequence of the market, thus providing further interesting

investment possibilities. Banks are more than happy to lend money but are more particular with their clientele. The days of 125% loan to value are behind us and as long as a purchaser has a 10% deposit, mortgages and loans are not proving too much of a problem.

If you have a good balance sheet and view investment prospects carefully, there are opportunities to be taken now with more likely in the near future.

Farmers and landowners are in a strong position to make medium or long term investments to generate income and capital growth.

One has to view the lettings market and the residential market in a see-saw context and whilst sales are down lettings are buoyant. Youngsters unable to purchase have little option but to rent. Larger commercial units and offices are becoming more difficult, but with a bit of a push most property can still be filled within a reasonable time.

Opportunities arise from adversity and the market conditions are certainly offering interesting and challenging conditions.

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