

The Property Consultants Society



NEWSLETTER

AUTUMN 2007

Message from the President

Dear Fellow Members,

Salutations from Juan Les Pins in the South of France, my new home, where property values this year have exceeded expectations.

I hope that gloom and doom does not descend upon the UK property market as a result of the present international banking crisis. What goes up must come down, but overall I hope you will all agree that bricks and mortar will prevail.

Warmest greetings to you, dear Members, and wishing you health, prosperity and contentment for 2008.

Carol Mortiboy M.P.C.S.

REMINDERS

- If you are considering attending the **AGM** on Monday 17th December 2007, please let us know.
- If not attending, please complete the enclosed **PROXY** form and return it in good time.
- Please note: under **Agenda item 6**. AOB, previous notice in writing must be given in good time.

HEADLINES

- Owners of leasehold flats could be charged more to buy their freeholds after a recent Court of Appeal judgement. The Land Tribunals decision is criticised by the Leasehold Advisory Service for potentially costing tenants 40% more to buy their freeholds.
- U.K. commercial property sales value fell 2.2% in the third quarter.
- I.P.D. quarter index turned negative for the first time in its history in the third quarter.
- FTSE outperforming real estate (real estate index against all share index)
- Mortgage rates for, in particular, sub-prime borrowers and buy-to-let borrowers have gone up very fast. And that means from here on, buy-to-let investors are going to find things more and more expensive.
- With repossessions up by 30% on last year and profits harder to come by in the traditional buy-to-let sector, it is likely that there will be many more investors relying on the repossession method in the near future.
- The Housing Minister announced a £510 million pot to support councils & communities delivering new homes.
- The Housing Minister has set an ambitious target of 3 million more homes to be built by 2020.
- Land Registry said: the annual inflation rate for residential properties fell in September to 8.7%, a noticeable dip.
- If it were not for the current strength of the market in London, house price inflation would be even lower.
- Sale of existing homes in America slumped by 8% in September vs. August. Compared with September 2006, sales were down by more than 19%, much worse than anticipated
- House prices in the 3 months to October rose by 1.9% vs. previous 3 months, up from September's at 1.9%
- House prices to slow to 1% rise in 2008, compared to 7% in 2007 as a whole (CML forecast).



How Will Property Consultants Find the Next 12 Months?

By Ruth Kerslake M.P.C.S., MBA, MCIM

The Property Consultants Society has represented those in the property industry for more than fifty years and during that time its members have experienced a number of economic cycles. The question being asked is are we now at the start of the next economic downturn and if so how long and deep will that downturn be.

The last ten years, and particularly the last five years, have been good ones for property consultants. Rising property prices, historically low interest rates and a good level of demand have ensured that property services provided by our members have done well. During the last year or so it could be argued that we were in a fully priced market and therefore the potential for property developers to make a good margin on development projects has required more skill than it did previously.

But is this all about to change? During the spring and summer of this year property auctions in southern England appeared to be thriving. Invariably the pre-auction guide prices were exceeded and sometimes well exceeded at the auction itself. Not surprisingly then the October results of a local auctioneer caught my attention. Of those properties coming under the auctioneer's hammer only one quarter were sold at auction and prices achieved were close to the guide price. At the end of the auction three quarters of the properties were still available because bids made had not reached the reserve. I assume that the vendors of these unsold properties will now need to be more 'realistic' with their prices as vendor expectations are not yet in line with changing market values.

The rate of repossessions is another important indicator of the state of the housing market.

Expert opinion apparently predicts that the number of repossessions could double in 2008 when higher interest rates and the tighter availability of money takes its toll.

Despite these early unwelcome indicators, the property industry is not yet all doom and gloom. For those of us that can remember the recession of the early 1990s, this does not feel the same.

Currently indicators in the wider economy such as the rate of unemployment do not make the alarm bells ring. Indeed, parts of the property industry such as residential lettings in the South still seem to be doing well with rents up and demand for rented property good.

Our members represent all parts of the country and are involved in a wide range of activities and services – property development, estate agency, surveying and residential lettings - that make up the property industry. Let us know your views and experiences and we will publish them in the next newsletter.

HAVE YOUR SAY ...

The PCS Newsletter provides an opportunity for members to share their views on any relevant topic of interests:

Tenancy Deposit Scheme:

Dear Sirs, As a company, we feel that the above scheme will have both a good and bad impact on our business, as Lighthouse Property Services operate management of both Private and Student accommodation.

There are two schemes becoming available to operate within; either an insurance based scheme or a custodial scheme. In my opinion, the insurance based option will be most popular.

However, with the Tenancy Deposit Scheme requiring notification of any deposit dispute within a set timeframe, this will put immense pressure on our Student Department. We run a fixed term tenancy contract for student tenants, which means roughly 300 properties will be vacated at the same time. Administering deposit refunds where applicable at this time is a headache for our staff at the best of times, but having to assess any deductions and notify the TDS scheme providers in their set timeframe (the Housing Act 2004 states 10 days) will prove almost unmanageable.

On the plus side, for our Private Department, this new scheme will certainly ease the burden of the workload associated with deposit disputes. As tenancy vacations happen throughout the year and not at any set time, this will prove far more manageable.

But, for the lettings industry across the board, I can see this will give tenants far more confidence and lead to eradication of poor practice landlords.

Jonathan Lee A.P.C.S. Lighthouse Property Services Ltd., Lincoln

FAQS FAQS FAQS FAQS FAQS

How can I promote my membership of PCS to my customers?

There are a number of steps that we suggest that you can take. Firstly is your membership certificate displayed in a frame in your office where it will emphasise your professionalism? You can order a specially selected frame from the PCS office or, if your certificate is lost or dogeared, a new framed copy. Also available are the PCS ties that come in an elegant navy or claret colour and incorporate our logo. Lastly all fully paid up members can use the PCS logo on their stationary and advertising literature.

I recommended PCS membership to a colleague but his application is taking longer than expected to process. Can you explain why?

At the PCS office we make every effort to process new membership applications quickly and efficiently. In order to uphold our professional standards we do however insist on taking up references for every new member. This is where delays are most likely to occur as not all referees reply as promptly as we would like. If you are recommending your Society to a business friend or colleague, let them know that references will be taken up so that they can warn their referees and gain their co-operation in advance. This small tip will help us to help them!

What makes PCS different from all the other professional associations available to those working in the property industry?

PCS is one of the most long established professional associations for those engaged in property and has been serving members well for more than fifty years. Its ethos has been to promote high standards of conduct and so all members on joining agree to adhere to its Code of Conduct. PCS welcome members from every branch of property consultancy and therefore has a wider area of interest than many other professional associations.

Can you explain the membership pricing structure?

PCS charges a one off joining fee in addition to the annual membership fee. The joining fee covers the significant costs associated with processing new members including office time sending out and dealing with documents, the cost of taking up references and making changes to the membership data base and last but not least the cost of providing new members with their association's 'new members pack'. The annual membership fee reflects the cost of running a members' professional association. As a result of PCS operating very efficiently its annual membership fees compare extremely well with the fees

New Members:

The Society would like to welcome the following members:

Simon J. Sewell 3157S

accepted as a student member on the 22nd November 2006. He is training at the Lighthouse Property Services Company. Good luck to our first student member for many years.

Michael G. Dean 3158F

accepted as a member on the 17th May 2007. He is a Director at Prestige Properties Ltd in St Clement, Jersey.

Caroline E. Wildig 3159F

is a Specialist Equestrian Estate Agent at Borders Estates Leominster, Herefordshire. She was accepted as a member on the 17May 2007.

Re-instated Members:

The Society would like to welcome again the following members to the Society:

Matthew G. Dabell 2465F of London in May 2007

Honorary Members:

Richard Williams 2040F-Hons. , accepted Honorary membership in January 2007

Retired Members:

The Society would like to highlight the list of those members who are no longer with the Society:

- **Dennis Coote**
- **Norman Brooks 2798F** of Knockholt Kent – retired due to ill health – Our best wishes for recovery
- **David Jarvis 3088F** of Lusbec Cambs. – retired in August 2007
- **Anthony H. Parry 1265F** Mold, Clwyd retired in May 2006
- **H.J. Pickett 2811** of Uxbridge Surrey, retired January 2007
- **David Proctor 3123F** of Brentford London August 2007
- **Ian Shelley 1347F** of Edgeware Middx., retired January 2007
- **James D. (Tony) Shields 2846F** of Hastings East Sussex, January 2007

Lapsed Members: Deleted for non payment

Alan Bond-Ballard 3180F - no forwarding address
Paul Dale 2998F of Luton Beds. - no forwarding address
Paranjothy Kangasabi 3134F of Wembley Middx. – retired
Fola Lawal 3150F of Docklands, London – no forwarding address
Dhiraj Pankania 3041F of Harrow Middx. – no forwarding address

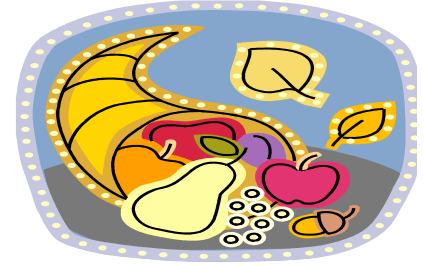
Membership at Risk:

Unless we hear from the following members and receive payment by return, they will have to be deleted:

Ayazi 3154A		Papeftymiou 3116F		Steele 3083F
Davis 3146A		Ritchie 3151F		
Gorringe 3048F		Sorge 3144F		

COUNCIL MEMBERS

C.C. Mortiboy M.P.C.S. President
D.A. Jones M.P.C.S.
M.E. Swan M.P.C.S.
R.M. Kerslake M.P.C.S.
Company Secretary: David J. Mav



PROPERTY WATCH

As the property market changes from **owner to buy to let** owner, the programmes on TV change as well. When a few years ago we were inundated with room make overs and house make over in 60 minutes, now we are flooded with *proper* property programmes. They call the ‘experts’ the real estate professionals. And just in case you do not exactly know what to do one day you have choices as to what to watch.

Some programmes take place at home ‘**To Buy or not to Buy**’ or ‘**Location Location**’ where with the help of a team of presenters you will have a better chance to find your dream house, criteria and price bracket included. Some will involve your technical skills – bidding at an auction and refurbishment ‘**Homes under the Hammer**’ or ‘**Property Ladder**’ where the presenters criticise you or check you out within 3 months of having bought the property and see what you have been up to. They will also confirm if you are within budget.

But then you can also up-stakes, relocate, or buy a second home. ‘**Escape to the Country**’ or ‘**A Place in the Sun**’ will send you to idyllic surroundings and make your dream come true. Even if your partner does not agree with your favourite location, they will show you ‘competitive’ dreams in each location and let you fight it out. But was it really a dream or a nightmare? ‘**Selling Houses Abroad**’ will show you how to get rid of this bad investment abroad. Quick solutions to major problems by getting in touch with the proper authorities (the presenter will know how to communicate with the opposition even in a foreign language), or put in place a £2,000 minimalist makeover that turns the property from a sitting duck to a presentable and sellable asset.

Then there is the piece de resistance with ‘**Grand Design**’. This programme sets you off into the ultimate of dreams, location, views, refurbishments and budgets. You can follow the different stages of development. And at the end of the programme you are presented with a full completion.

If you do not like properties after all this , what will it take?

The Property Consultants Society Tie

with THE SOCIETY CREST in silver between two oblique silver line is available in **Dark blue** or **Burgundy** at a cost of **£8.50** (including UK postage and packing)



Networking via the website

We have been working hard on updating the website www.propertyconsultantsociety.org and make it more user friendly. You should be able to:

1. Get a password, e-mail your request to society.secretary@propertyconsultantsociety.org
2. Go to the website and update your personal details. PLEASE NOTE that the details posted on the website will be available to other members. Re: DATA PROTECTION ACT, only input information that you would like posted
3. Soon you will have a blog page to inform other members, voice your concerns on your areas of interests.
4. Contact your fellow members and create local chapters
5. Send us local events information so that it can be posted onto the website

Lost, misplaced, so not displayed

OBTAIN A NEW A4 PCS CERTIFICATE FRAMED

Facilities available for

1. reprinting
2. framing your certificate in A4 format
3. shipping it in protective cardboard box.

Need a new certificate then:

1. send a cheque for £15.00
2. write your name as you want it to appear
3. confirm your ship to address
4. lead time 2 weeks approx.