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Header: Brexit and Development
Stand first: Wayne Reynolds, Director of Atriarc Planning offers an insight into current property trends emerging in the wake of Brexit

A few months have past since the UK referendum on EU membership. The outcome is still a hot topic and debates are continuing to spur passions from both remain and leave campaigners. But what has been the impact on land and property?

In the wake of the leave vote, financial markets dropped over night but the impact on land and housing remains less clear. Nationally estate agents have reported a general slow down in sales. However this is not uncommon over the summer holidays, as many prospective purchasers are enjoying the summer sun (which naturally leads to a reduction in sales). A second element is also worth noting. A high proportion of sales prior to the referendum, were fuelled by an increase in stamp duty for second homeowners from April 2016 - which saw a rush to complete sales prior to changes to taxation. This over inflated market statistics earlier in the year, which makes it harder to accurately predict future trends. Essentially the long-term impact of Brexit is impossible to predict at this stage (especially as we have yet to formally commence exit negotiations).

Professionally I have heard of a small number of sales falling through, but for the most part people committed to buying, both commercial and residential property, have held their nerve. Financial backers have also taken a positive view for the most part, to ensure schemes continue as previously planned.

If you are already on the housing ladder, the relative slow down has less of an impact, as compared to those seeking to get on the housing ladder for the first time. Low to mid range housing sales has continued to drive the market, as properties remain relatively affordable. However, it is interesting to note that higher value residential properties (and estates) have noticed a marked slow down in interest and transactions, as compared to the low-mid range housing stock. Perhaps time to pick up a bargain?

In terms of residential rentals, investors typically take a 10-20 year viewpoint on returns. Therefore short-term market fluctuations will have a lesser impact on investment strategies.

The recent reduction in interest rates should encourage new buyers back on to the market however not all lenders have passed on the rate cut. With record low interest rates, now could be the time to refinance either your home or investment portfolio. However you should always seek professional advice from an accountant or accredited mortgage broker prior to making a formal decision.

For further advice or assistance please contact Wayne Reynolds on 01994 220 667 or email wayne@atriarcgroup.com

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