

# Market Report

September 2013

## Who's driving the Bristol boom?

The property rental market is back with a bang and buy-to-let is back on the agenda, with demand for lets at an all-time high across the Greater Bristol area over the last 8 months.

To give an example, we have marketed 523 properties in this period and received well over 7,000 unique enquiries from Rightmove and Zoopla alone. In many cases, we have been letting properties before we've had chance to put them on the market!

In this latest Market Report (September 2013), we're going to take a look at who's driving this demand and what they're looking for, helping you to 'Know Your Market'

## 1. The new Spanish Armada

There has been a significant increase in foreign applicants this year with the vast majority coming from Spain. This is hardly surprising as youth unemployment in Spain is currently running at 55%. In fact, there are so many Spanish coming to the city that there is now a specialist relocation company specifically for Spanish tenants.

These prospective tenants are highly educated, speak impeccable English, and are willing to work in jobs well below their education. To give just one example, we rented a property to a Spanish couple last week, one of them had a MBA, the other a law degree, and they were working in a fast food restaurant.

We are also now seeing many residents originating from the Eastern European states such as Poland and the Baltic upgrading from secondary areas such as Avonmouth and Easton to properties in St Andrews, Bishopston, Bedminster and Totterdown, as the workforce move up the career ladder and are capable of renting a higher value property.

## 2. Executive decisions

The market for top-end property continues to be strong with no shortage of applicants for properties in the £1,500 + per month bracket. The areas that have been particularly strong are

The Greater Bristol Letting Agency

Stoke Bishop, Clifton, Redland, Chew Valley and surrounding villages.

The opening of the new head office for Imperial Tobacco on Winterstoke Road has seen an influx of executives looking for quality properties in the above areas, and this has kept rental values at good levels. Prime examples being a large apartment on Miles Road achieving £1,700 pcm and a large detached house in Blagdon achieving £2,000 pcm.

The summer months tend to be the prime months for 'executive relocation' as parents want their children settled into their new schools before the school year begins. The state schools that are proving popular with relocating parents are currently Backwell, Redland Green, Cotham, Chew Valley, Winterbourne International Academy (formerly The Ridings), Churchill and The Castle School in Thornbury.

### 3. Discerning students

At the top end of the market, the introduction of £9,000 per annum student fees has had little or no effect as students from wealthy backgrounds will continue to pay premium rents for properties in the right location. This year we let our first student property for £500 per room per month. Admittedly this was an exceptional property, but rents of £400+ per room are increasingly common.

Where the new fees are having an effect is in the middle to lower end of the market, rents in the £300-350 per room sector have stayed static, and secondary areas such as the top end of Horfield, Fishponds and Bedminster still have properties available with term starting in a few weeks.

In primary areas such as Clifton, Redland and Bishopston, student tenants are becoming much more selective. The days of just putting a desk and a bed in as many rooms as possible and getting a top rent are now gone. Students and their parents want and expect Wi-Fi, washing machines and cable or Sky TV - in short, all the comforts of home! Those landlords who have not kept their properties up to date are the ones who are seeing least demand and slow take-up.

**STOP THE PRESS:** The University of the West of England (UWE) has told 500 students who got their places through clearing that there is no university accommodation available for them and that they will have to make their own arrangements. There is currently a stampede of stressed parents looking for property and this will help the secondary areas fill rooms!

### 4. Upwardly mobile young professionals

This is the backbone of the Bristol property market and it is stirring. During the crash, as people

The Greater Bristol Letting Agency

worried about their jobs, tenants stayed where they were. Few tenants moved unless they had to, and so the market struggled. Now there is more optimism in the job market and we are seeing the return of tenants looking to trade up, generating more enquiries and pushing rents up.

This trend is not just happening in the traditional postcodes of BS8, BS6, and BS7. Secondary postcodes like BS2 and BS4 are getting a high volume of enquiries with properties letting within hours rather than days!

There is a caveat, however. The rise of property portals like Rightmove and Zoopla means that Tenants keep a close watch across the market and can compare rental values for similar properties quickly and easily. Anything overpriced won't get enquiries. And the longer a property stays on the market, the more suspicious prospective tenants become. It's an intriguing game of cat and mouse that our landlords must play with caution if they want to capitalise on this increasing demand.

## Further information

In conclusion – Bristol's property rental market is buzzing with activity across the spectrum.

There are opportunities aplenty if you do your homework, know who you're trying to attract and know in which areas to invest. If you can resist the temptation to hold out for a higher rent, you should be able to avoid the dreaded 'void' with ease in such a buoyant marketplace!

If in doubt, we're always here to help. Accommodation Unlimited knows the local market like no other agent, having been letting property across the Greater Bristol area for over 20 years!

We can give impartial advice and help you find a buy-to-let that fits your market and your budget, as part of our tailor-made 'Buy-To-Let Personal Shopper' service, ideal for those of you looking to minimise your risk and maximise your returns.

For more information visit: [www.aul.org.uk/personal\\_shopper](http://www.aul.org.uk/personal_shopper)

The Greater Bristol Letting Agency