

John Smale & Co.

Issue 5



Introduction

Inside this issue:

Planning Changes	2
Mortgage Services	2
First Time Buyers	2
North Devon Show	3
Mayfair Office	3
Advertising	3
Other News	4

Welcome again to our newsletter. It has been pleasing to hear from several clients that they have found those to be very useful and a good read. We hope this end of Summer/early Autumn issue will be equally informative.

For us at John Smale & Co recent months have certainly been a lot more exciting and additional services have made us more useful to our valued clients. The lettings market continues to thrive and welcome to several new Landlords. Rents are still positive although interestingly as usual with a better sales market some rents have had to be reduced ever so slightly. We are still seeing strong demand for rental properties, especially in the 3 bedroom range and popular areas normally Braunton, Barnstaple and the outskirts of Barnstaple and Bideford. Average let time is a matter of weeks but some recent properties

have gone in days. The main change in the property market is the increase in activity in the Sales market. You have no doubt read the press, who have at last been talking up the market. We have seen several properties now sell, some are good prices, others have had to be discounted. But at least they have sold! The feeling in the property sector is that the worst is definitely over and we shall now see more Sales activity moving forward. Although don't expect big price jumps, a steady market is probably what we will see. Certainly very optimistic now for the future.

We also have exciting news about our new financial services that we now offer and more details will be found regarding this further on in the newsletter.

If there are any property matters you wish to discuss in further detail do not hesitate to contact the office at any time.

We look forward to dealing with you all soon.

David Edwards

Managing Director
BSc MRICS FNAEA



Comment from our Mayfair Office

Proceed.....

but with caution!

Nick Churton at John Smale & Co looks at a resurgent property market that promises a great deal but still needs handling with some care.

July 2013. There is a new man at the helm of the Bank of England, The Chancellor's stock has risen a little of late, the manufacturing sector is showing signs of improvement, the people's bank, RBS, has just found £20 billion behind the sofa to lend to small businesses and the British Chamber of Commerce says that business confidence in the UK is at its highest level since 2007. We also learn that growth in the economy is marginally stronger than was suspected. Month by month we see

small but encouraging steps on the path to a fiscal recovery.

But there is one harbinger which heralds an economic change unlike any other—the property market. Few signs can illustrate more how the mood is changing. In this respect we are now seeing mortgage offers on the rise. More first time buyers entering the market—some through the government's new initiatives—and more sales completions that at any time since 2006.

It has been a long time since the last boom and it has been a difficult period all round. But now there is a feeling of greater optimism with more people deciding that the time is right for a move. This is great news for everyone as this increased activity feeds through to the rest of the economy. But we should also remember that memories tend to be short when the market strengthens

and money can be made. Lets not forget the looming threat of negative equity during a period of fragile recovery.

Interest rates are at rock bottom. But that won't last forever. When rates do increase some chickens will come home to roost. As an estate agent of course I want to encourage home ownership. But as an estate agent I never want to go through the past seven years again. Nor should anyone else. Very careful and responsible home purchase made within means and with a weather eye on the medium term should be a fundamental consideration when choosing property today.

My company advocates responsible home purchase and I hope that the rest of the industry follows suit—not just for the sake of the individual or the property market but also for the UK economy as a whole.



Planning Rules for Barn Conversions to be relaxed?

I thought I would share some good news with you regarding the planning system. As incredible as it may seem, the government is proposing that barns and other agricultural buildings should be allowed to be converted into permanent residential dwellings!

After many years of this idea being blocked by planning policy, the charming Mr Pickles and his gang are actually coming up with sensible proposals that will really help us in a rural area like North Devon.

Following the recent changes in Permitted Development Rights for agricultural buildings, there is the prospect of a welcome boost to the rural economy this week with the publication of a government consultation paper entitled "Greater Flexibilities for Change of Use."

The proposals represent the prospect of a major change in rural planning policy in as much as they allow for an agricultural building to be converted into

a maximum of three additional permanent dwellings, with a size limit imposed of 150m² for each. A separate opportunity is planned to allow an agricultural building of up to 500m² to be converted into a new state-funded (free) school or a nursery providing childcare.

Critically the proposals sensibly acknowledge that a barn 'conversion' will entail external alteration works to facilitate a change of use to a dwelling. The paper proposes that 'for the permitted development to be effective it should also include provision for some limited physical development.'

More surprisingly they also suggest that permitted development rights would 'enable the physical development necessary to allow for conversions, and where appropriate the demolition and rebuild of the property on the same footprint.' If confirmed when the regulations come into effect next April, this would appear to allow for the conversion of a large agricultural shed into up to three new build dwellings!

Prior approval will be required from local planners to ensure that a conversion complies with any local plan policies on

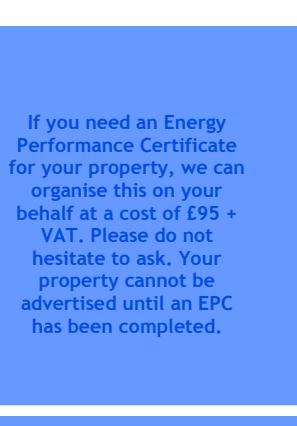
design, materials and outlook, but outright rejections will only be allowed on grounds of highways impact, noise impact, land contamination and flooding risks.

There are a couple of caveats; these rights won't extend to barns in conservation areas, National Parks or Areas of Outstanding Natural Beauty. In addition agricultural buildings will have to have been in existence prior to 20th March 2013, which will prevent a rash of new 'barns' appearing overnight!

For too long it has been very difficult to get planning consent to convert barns into permanent dwellings, resulting in either inappropriate / unauthorized uses or attractive but redundant rural buildings falling into disrepair due to their having no viable use. Such small scale residential development like this is, in my view, is unlikely to have a negative effect on the countryside. Moreover barns often provide interesting design opportunities to create individual homes of character, so I hope these proposals take place, watch this space!

Toby Dowding MNAEA

John Smale & Co Mortgage Services



We are pleased to announce the launch of our new Mortgage department, John Smale & Co Mortgage Services, headed by Kevin McCormick CeMap. Kevin is a fully independent Residential and Commercial Mortgage specialist with over 10 years worth of experience within the industry.

We are in a position to look at all aspects of finance and refinance whether it is a straightforward Mortgage/

ReMortage, Capital Raising or Buy To Let, or if it is a slightly more complicated case because we are independent we are in a great position to help.

We also specialise in protection products such as Life & Critical Illness and Income Protection. On the business side we are able to offer Business Finance, Asset & Working Capital Finance and Corporate Finance.

Our clients will shortly be receiving letters with more information regarding this but if you have any queries on this please contact the office. This new service fits in well with the increase in activity in the market place and should be of benefit to vendors, buyers and landlords.

Kevin can be contacted at the office, by email - kevin@johnsmale.com or on his mobile 07879 633476

First-Time Buyer Lending



Lending to first time buyers has hit its largest quarterly total since 2007 with 68,200 purchasing their first home in the second quarter of 2003, according to new figures released by the CML today. The increase, along with growth in lending to home movers, has resulted in a jump in total house purchase lending. Re-mortgage lending dipped back in June compared to May, although continues to trend above levels earlier this year. CML data shows that 25,300 loans were advances to first-time buyers in June, a 30% increase on the 19,400 loans advanced in June last year. Following the strength in first-time buyer activity in May and June, quarterly lending to first-time buyers was at its highest since 2007.

First-time buyers continued to increase the amount they borrowed - with an average loan size of £117,000 in June up from £112,500 in May. As a result of this there has been a stronger growth in the value of loans advanced to first-time buyers which totalled £3.5bn—an increase of 9% in value compared to May and 40% on June last year.

This is likely to be associated with the growth in house prices in recent months—in June 34% bought a home less than £125k, down from 37% in May. While first-time buyers borrowed more in June, an increase in income, along with falling interest rates mean that there has been no deterioration in the affordability of these loans as typical first-time buyers mortgage payments

consumed 19.3% of first-time buyers' income—unchanged from May.

The CML have previously noted a small increase in the average LTV ratio for loans advanced to first-time buyers—the latest figures show this to have dropped back to 80%. However the average for the second quarter, which will be less affected by monthly fluctuations, has increased slightly—up to 81% from 80% in previous quarters. First-time buyers accounted for 46% of all house purchase loans in June, which was up from 44% in May and considerably higher than the 38% seen on average since 2007. The house purchase sector continued to support overall gross lending in June and the second quarter as a whole.

North Devon Show 2013



Thousands of people flocked to the North Devon Show to celebrate the very best of British agriculture on Wednesday 7th August.

Everyone mucked in to make the 47th annual agricultural showcase a spectacular success—including Prime Minister David Cameron!

We were once again fortunate, and most grateful, for a fantastic day in the sunshine this year. It was a nervous time a day or two before when the rain poured and the ground became very soggy! Luckily it dried out and the show went ahead as planned. A large number of people attended from the local area and several holiday visitors. All of our properties were taken to the show and prominently displayed of which several had a very good response.

We had a free prize draw for a bottle of champagne on the day which was won by Sally Watkins who has recently opened a new shop and general store, 'Noodle pie Designs' in Bishops Tawton.

This year we shared a large marquee with Blue Fizz events, Peregrine Mears Architects, Paul Jewels Surveyor and Redver Design. We had a good spot next to Mole Valley Farmers which gave us a great vantage point when David Cameron passed by!

We hope to be there again next year....subject to the weather!



Mayfair Office

We continue to use our Mayfair office to good effect promoting all of our properties in London via this outlet which associates us with 300 other independent agents nationwide. We also hold regular exhibitions there, most recently in June when David Edwards spent the day at the West End office promoting Devon properties and having the opportunity to meet and speak with other agents within the network.

The London Office Provides national and international marketing and a link to the South East Market which is a great benefit to sellers as North Devon is an important target for house-hunters from out of the area. This office has excellent contacts within the national press which allows us to offer additional services and preferential rates that other agents may not have the ability to do.

It is important for us to visit the office and be accessible to buyers from out of the area and

also to get the chance to discuss our properties and the market in general with the staff who work in the office all year round and share thoughts and ideas regarding the selling and marketing of our properties.

We will shortly be hosting or next quarterly 'London Day' at the Mayfair Office where we will be on hand to promote and display all of our current sale properties. If you have any queries regarding this or want to register your property now, do not hesitate to contact us.

VENDOR FEEDBACK:

Smale & Co marketed our seaside apartment, that, while desirable, needed to be understood to be properly presented to a niche market. Our John Smale agent clearly understood the positives of the property as well as how to mitigate for the negatives and was able to realise a very fair offer within a couple of weeks. This, for us, was the very best measure of their marketing effectiveness. From that moment onwards, our agent kept us constantly informed of progress and worked hard to progress the sale to completion as quickly as possible. Based on results and the way in which the result were achieved, we could not fault John Smale & Co and would not hesitate when recommending them to others.'

Promoting our Properties

We offer excellent coverage of our properties through many different avenues of advertising including both traditional press means and via the Internet which is still the fastest growing outlet for marketing and sale of properties. The main sites we use are:

rightmove.co.uk and zoopla.co.uk

Due to contacts with many external companies and agencies, we are able to access a wide variety of advertising options and avenues which means being able

to offer our properties to a much wider range audience and not just within the North Devon area.

We have recently advertised in Devon Life and The Telegraph which gives our homes maximum exposure both across the region and nationally, and regularly advertise in the Western Morning News alongside other Mayfair member agents.



IT'S NOT ALL WORK...WORK...WORK!!



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WE'RE ON THE WEB!!!



<http://www.facebook.com/home.php>

<http://twitter.com/#!/johnsmale>



Louisa, Jackie & Jo took part in Nightwalk 2013 in May for the 3rd year running, hitting Saunton Sands for a 5 mile walk with lots of other women to raise money for Macmillan Cancer Support and North Devon Hospice. Thanks to the generosity of family, friends, clients and work associates, they managed to raise nearly £300 for these fantastic charities.

Then in June David Edwards, Tracy Edwards, Toby Dowding and Joanne Woodward took part in the "Race The Sun" charity event on June 29th 2013 and with the help of three of their sponsors Hatchmore Nursing Home, Town & Country Insurance and Brewer, Harding & Rowe managed to raise a staggering £2,000 for Action Medical Research.

They missed out by only 8 minutes from taking the coveted first place in the mixed team event. They completed cycling, climbing and canoeing sections of the challenge starting at 6am and finished 9½hrs later racing the sun! They cycled approximately 45 miles, hiked to the summit of the highest mountain in South Wales - Pen y Fan at 2,907ft (886m) and canoed a 3km course on the Pontsticill Reservoir.



David Edwards and the team would like to say a huge thank you to all our supporters and friends and family who generously gave to this worthy cause.

Action Medical Research relies entirely on donations to fund a range of research projects that address serious childhood conditions and improve quality of life for children with disabilities.



We were delighted to be involved with Ilfra-Expo in the summer and to sponsor some of the artwork.

Ilfra-Expo was an exhibition of contemporary artwork displayed in temporary and permanent locations across Ilfracombe. The exhibition showcased a dynamic selection of emerging artists from across the UK. From July 14th to August 4th the seaside town of Ilfracombe hosted a range of artworks, projects and events. Ilfra-Expo developed a series of guided tours and artist talks that accompanied exhibitions of artworks creating a trail of discovery around the historically rich town. The event presented artworks in diverse locations, including unused shops and public spaces, as well as the town's museums, heritage sites and other places important to the local community. This imaginative exhibition inspired public interest, with people discovering more about the town's heritage, experiencing a variety of young British artists and being inspired to be creative themselves.

Our contribution made it possible to create a high quality professional public artwork for Ilfracombe which will last for years to come. The artworks were by Hannah Davies and Lianne Harrison and directly respond to their research and time spent at Ilfracombe Harbour and museum. The artworks were displayed outside Ilfracombe Museum.



<http://lianneharrison.wordpress.com>

Continuing to successfully sell and let properties. Speak to us NOW if any of our services may be of use to you, or anyone you know.



John Smale & Co.
Chartered Surveyors Commercial & Residential Property Consultants