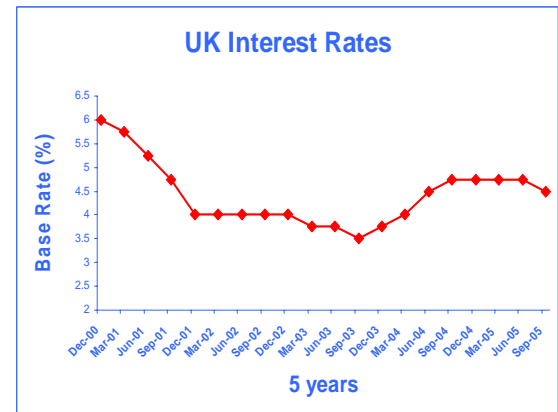


Slow recovery but no boom in sight - BSA

This week the Building Societies Association (BSA) gave its opinion on the state of the UK housing market based on its own recent lending data. The verdict: Signs of steady recovery but no clear indication of a boom similar to that seen earlier in the decade. Adrian Coles, the BSA's Director-General claimed that there is "no possibility of [a boom] emerging over the next year or two."

The BSA credits the solid increase in lending over the last couple of months to the Bank of England's quarter point cut in August down to 4.5%.

Not only is lending up, but seasonally adjusted approvals also increased month on month. Not since July 2004 have approvals been this high.



Home Information Packs – a Saviour... or a Hindrance?

In early 2007, sellers in England and Wales will have to provide a Home Information Pack (HIP) to prospective purchasers. HIP's will contain information such as evidence of ownership, terms of sale, copies of planning consents plus other documents, and will cost c. £600. In metropolitan areas the figure could be closer to £1000.

The reason for the governments move to introduce HIPs, is that when buying a house, buyers sometimes find that searches and surveys are often unsatisfactory causing sales to fall through and thereby unnecessary expense be incurred. The purpose of a HIP is therefore to de-risk potential buyers. The Office of the Deputy Prime Minister predicts that every day, failed transactions amount to £1m in expenses, yet it's predicted that HIPs might cost over £600m per year. Therefore the benefits from a pure cost perspective are not clear cut.

The knock-on effects of HIPs? Some predict a selling frenzy in the lead up to the reform, saturating the market and forcing prices down. Others believe that, faced with the cost of HIPs, up to 30% of sellers will not come to the market each year. This reduction in supply might well force prices upwards.

The National Association of Estate Agents warns that "in a slow market, some conveyancing solicitors will not accept HIPs which were created several months earlier." But what will be defined as 'several months' out of date is unclear.

So, sadly, conveyancing fees look unlikely to decrease because, in reality, is a buyer going to trust a survey carried out by the seller? Perhaps not. In this case, the buyer will have to instruct their own surveyor, bearing the cost themselves - so effectively no real change.

As much as HIPs might help the owner-occupier market, the benefits for investors remain less clear. It is perhaps for this reason that the ODPM decided that tenanted properties are excluded from needing to use HIPs, as are mixed commercial/residential and properties with leases of less than 21 years.

Landlord Trader Partnerships



Let Property Insurance

Multiple Quotations are just a click away! [CoverLet](#) is a trading style of Alan Blunden & Co. Ltd.

Insurance brokers, who have arranged over 40,000 insurance policies for landlords in the UK. Fill in just one form to get quotations from up to five major insurers instantly. [CoverLet.co.uk](#) uses a panel of insurers, selecting the most appropriate ones for your property. Or call them on **0800 9 70 71 72** and they will quote you without obligation for your single property or portfolio. Try [CoverLet.co.uk](#) for:

- Residential flats, houses
- Commercial shops, offices
- Industrial units



Chelsea Mortgage Shop [CMS](#) is an independent residential and commercial mortgage brokerage based in London, with access to the whole of the mortgage market, with many exclusive deals not available from lenders directly. [CMS](#) also offers a **unique CASHBACK offer** providing you with a full 20% slice of commission earned. [CMS](#) understands that no other broker in the UK currently offers a similar return to their clients. [CMS](#) are in business to assist you with all your funding requirements whether it be your own residential mortgage, your buy to let investment/s or indeed specialist funding on commercial projects.

If you would like to know more about CMS please feel free to see their website <http://www.chelseamortgage.co.uk>. Alternatively you can call Jude on the office number on **0207 537 0041** at any time MONDAY to SATURDAY 9am – 7pm to discuss your mortgage requirements.

Please send your comments and views to admin@LandlordTrader.co.uk