

Snapping up a **bargain**

Ex-council houses are becoming some of the **UK's hottest properties** for auction investors as they shun new builds in favour of bigger, **cut price properties...**

Former local authority properties can sell for around 70 percent of the cost of similar, privately built homes, with savings made when council houses were sold through the Right to Buy scheme being passed on to new buyers.

At Auction Finance Limited we have seen a 47 percent increase in the number of council properties we have provided finance for in the past year, thanks in part to the acquisition of some very active clients who specialise in acquiring this type of property. The shortage of new homes and the crippling price of existing ones has resulted in more compact designs, making larger ex-council houses attractive to investors.

Chris Baguley, Director at Auction Finance Limited, said:

"Lots of ex-council houses come up for sale at auction and they're usually snapped up by investors. They're an affordable way to buy property, selling for far less than many modern homes. They can produce excellent yields, which makes them particularly attractive for buy to let investors.

"With a council property you usually get a much bigger space for your money, making them ideal for families. They generally have thicker walls and lots of natural light and are often in or near desirable areas. The properties are usually well built, having undergone quality control at every stage of the building process, and they have generally been well maintained. If you do your research on an area and the value of similar sized properties, you can pick up some real bargains."

One client of Auction Finance is Happy Homes Investments, a property investment company set up in the East Midlands by directors Frank Flegg and Brett Plant. Both men started out in property by investing in ex-council homes in and around the Nottingham area.

Brett Plant said:

"We started buying and selling houses ourselves, but friends and family soon started asking us to help them do the same and we quickly realised there was a niche in the market. We could offer something other investment companies could not - a one stop shop for property investment, offering fully renovated properties purchased and refurbished in line with what the client wants with minimum hassle and financial outlay. So, with over sixteen years experience between us, Happy Homes was set up two years ago and has gone from strength to strength, with investors all over the UK.



"We bring new life to ex-local authority properties, some of which are very outdated. We choose them because tenants want good sized, family homes in areas close to relatives and all the amenities they need - shops, schools and good transport links. These properties can offer this, and are therefore in high demand."


HAPPY HOMES

Landlords can also see the benefit of ex-council properties, Brett adds:

"They are reasonably priced properties, professionally renovated in some very good areas that are in high demand from tenants, many of which are often signing their agreements before the renovations are completed. So, landlords are earning income from the day they take ownership and are forging relationships with the local authorities. This means any tenants on benefits will have their rent paid directly. Overall, there's an excellent return on investment for any landlord right from day one."



February 28, 2010

Auction Finance in the Sunday Express

Auction Finance Limited recently enjoyed excellent nationwide exposure, as the Sunday Express reported on the mini-boom in the sale of former council houses.

To read more about using Auction Finance to purchase council property please read our press release at: www.auctionfinance.co.uk/news



Essential Stats

By *David Sandeman*

Welcome to the March statistics, which give a view of activity in February. I am pleased to report that the percentage of lots sold and number of lots offered/sold has bounced back well, after the traditional January lull, bringing them back to the levels experienced at the end of 2009.



Total

	Last Month			Last Quarter			Last Year		
	Feb 2010	Feb 2009	Increase	Dec 2009 - Feb 2010	Dec 2008 - Feb 2009	Increase	Mar 2009 - Feb 2010	Mar 2008 - Feb 2009	Increase
Lots Offered	3,282	3,159	3.89%	6,900	7,157	-3.59%	29,351	37,121	-20.93%
Lots Sold	2,373	2,342	1.32%	4,914	5,139	-4.38%	21,857	24,031	-9.05%
Percent Sold	72%	74%	-2.70%	71%	72%	-1.39%	74%	65%	13.85%
Total Raised	£330,108,541	£335,449,335	-1.59%	£797,163,369	£705,864,995	12.93%	£3,385,659,416	£3,590,453,600	-5.70%

Residential

	Last Month			Last Quarter			Last Year		
	Feb 2010	Feb 2009	Increase	Dec 2009 - Feb 2010	Dec 2008 - Feb 2009	Increase	Mar 2009 - Feb 2010	Mar 2008 - Feb 2009	Increase
Lots Offered	2,651	2,588	2.43%	5,446	6,021	-9.55%	23,613	30,786	-23.30%
Lots Sold	1,917	1,925	-0.42%	3,878	4,345	-10.75%	17,498	19,720	-11.27%
Percent Sold	72%	74%	-2.70%	71%	72%	-1.39%	74%	64%	15.63%
Total Raised	£239,811,066	£235,372,675	1.89%	£503,407,444	£516,960,275	-2.62%	£2,218,247,490	£2,515,462,567	-11.82%

Commercial

	Last Month			Last Quarter			Last Year		
	Feb 2010	Feb 2009	Increase	Dec 2009 - Feb 2010	Dec 2008 - Feb 2009	Increase	Mar 2008 - Feb 2009	Mar 2008 - Feb 2009	Increase
Lots Offered	628	571	9.98%	1,451	1,136	27.73%	5,735	6,335	-9.47%
Lots Sold	456	417	9.35%	1,036	794	30.48%	4,359	4,311	1.11%
Percent Sold	73%	73%	0.00%	71%	70%	1.43%	76%	68%	11.76%
Total Raised	£90,297,475	£100,076,660	-9.77%	£293,755,925	£188,904,720	55.50%	£1,167,411,926	£1,074,991,033	8.60%

Focus On...



Butters John Bee are Independent Property Consultants, Auctioneers, Estate Agents and Chartered Surveyors providing residential and commercial property services throughout Cheshire, Shropshire, Staffordshire, East Midlands and West Midlands.

We hold regular auctions in Stafford, Stoke-on-Trent and Sandbach, Cheshire offering an excellent range of both residential and commercial investment opportunities. For further information about our services please contact us using the information below:

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