

Press Release:

Renting could be key in a difficult property market

Property expert Willie Hunter gives advice on making the right decisions

Willie Hunter is the partner in charge of the residential department at Gillespie MacAndrew LLP, which includes the estate agency department, Hunters Residential.

At a time when many agents are complaining about the lack of new instructions and surveyors are finding huge gaps appearing in their Home Report diaries I am delighted to report some good news.

At Hunters Residential we sold more properties last week than we have during any week in 2011 with three of them selling within one week of going on the market - so clearly there are still buyers out there.

Whilst I would love to suggest that this is clear evidence of a recovery for the property market, realistically I accept that it is more likely to be part of a final flourish as we move towards what has traditionally been the quiet time of the year as far as property sales are concerned.

Every year around this time estate agents and solicitors will be speaking to their clients about how best to prepare for the winter months. Should you continue to market your property throughout, should you temporarily withdraw it from the market or are there other options available? Let's be clear on one thing – there is not a right or a wrong answer to those questions and what suits one seller may not be the best course of action for another.

In a market that continues to fall there is certainly an argument for staying on the market. Sadly no-one is predicting a rise in average prices for some time to come so, in simple terms, the sooner you sell the better. Our own recent experience confirms that there are buyers out there keen to conclude a purchase before the end of the year but if you aren't advertising your property for sale it is unlikely that you are going to be attracting their attention.

If you take your property off the market how will this affect your Home Report? The legislation states that the Home Report should be no more than 12 weeks old when the house is put on the market and that is generally accepted as the shelf life of the Report. However a house for sale which has a Home Report can be taken off the market for 28 days without needing a new Home Report.

For those sellers with vacant properties the real concern is about how to cover costs such as council tax and utility bills. With that in mind many may turn to the short term rental market. Clearly this is not the route most sellers would have originally planned to go down but it can be a workable alternative. Having a secure tenant in situ on a six month short assured tenancy may be better than six months of extras bills to pay.

However, reluctant landlords must be willing to listen to professional advice when it comes to renting out their property. The existing decor and furniture may look fine in the sales particulars but more often than not to secure a tenant neutral decor and minimal furnishings are required. It's very important to decide what type of tenant you want in your property and then prepare the property for that market. Spending one month's rent kicking the property into shape is better than having the property empty throughout the winter and beyond.

Becoming a landlord is not just as simple as dropping the keys off with your local property manager or sticking an advert in the local newsagent's window. The legislation that landlords must abide by is onerous and ignoring it on the grounds that this is a temporary arrangement until the selling market picks up could land you in a lot of trouble should problems arise during a tenancy. Gas safety and electric certificates must be obtained, smoke detectors must be installed and an Energy Performance Certificates produced. Landlords must also register with the Landlord Registration scheme run by the local authority. Any professional letting agent should be able to take care of your registrations and certificates.

It is important that tenancies are set up correctly. Once a suitable tenant is found, appropriate references must be taken, AT5 forms and Lease documents must be signed by both parties and an inventory must be completed and agreed before a tenancy commences. Routine inspections need to be arranged and carried out to ensure that tenants are not letting the property deteriorate. You should instruct a solicitor to handle these matters for you.

I suggest that you start planning now and speak to your agent to establish what route you should go down. I would be happy to provide advice and assistance if required.

Contact Willie Hunter at the offices of :
Hunters Residential
76-80 Morningside Road
Edinburgh
EH10 4BY.