

Q&A: SALES



Russell Hunt

MANAGING DIRECTOR OF
PROPERTY HUNT

Q Dear Russell, I live overseas and want to buy a rental investment in London without travelling back. How do I go about finding the right company to find me the best investment property and then rent it out for the best price?

A Most reputable search agents will both find a property for your own needs and arrange a good lettings agent to let and manage it for you. You will have only one point of contact throughout the process and they will advise you from start to finish. This is also an important factor if there is a big time difference.

Unfortunately, search agents are not yet regulated so there are some rogues about. The best way to find a search agent is through recommendation, either from friends or well-known estate agents. We meet most of our clients this way.

Once you find a buying agent, have an in-depth telephone conversation to make sure you can really trust their judgment and that they really understand your personal requirements. Be clear in your mind about your budget: that is, whether the property is purely for investment purposes or if you may ever want to use the property yourself. If the latter is the case, then location may be just as important as the rental return.

A search agent can guide you on the benefits and pitfalls of different areas, know of properties that are off-market, spot a bargain and come back to you with all the different scenarios and the rental returns. They can also negotiate on the purchase price for you and oversee the sale to make sure it goes through smoothly.

A savvy search agent will also ensure that that the best local estate agent is employed to oversee the rental process, get the maximum rent, a good tenant and deal with any issues.

Q Dear Russell, I am keen to buy a property, but not if prices are still coming down. Everyone in the property industry is, predictably, saying now is the right time to buy. But how do we really know if we have reached the bottom of the market yet?

A Statistics are the best indicator, but they are usually published three months behind because they are based on completions. By that time you may well have missed the boat. There is currently a flurry of buying in prime central London – most are overseas people taking advantage of the weak sterling – but opinions on the property market can vary enormously.

But now is certainly a good time for you to start looking. Work out exactly where and what you would like to buy and view each property on an individual basis. If you come across a property now, where the vendor is able to be flexible on the price and it ticks all your requirements, then why wait for the market to get busier?

Property prices may well have further to fall, but if you can negotiate on a good property now then you should take advantage of the situation. But you should bear in mind that if you are upgrading to a bigger property, then that property will have theoretically fallen by more than the property that you are selling. This means you won't have to borrow as much in order to move up the property ladder. If you are looking for an investment property, there are already a number of distressed sales coming on to the market. People pay over the odds in a good market, so why join the queue waiting to reach the bottom?

Russell Hunt is managing director of Property Hunt, a search agent for London and the Home Counties

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