

## August spotlight: Rainy trends & housing opportunities

Amidst the rainy days of August, this month we shine a spotlight on the latest findings from Savills, revealing a notable increase in UK property landlords selling homes. Additionally, we cover the collective pressure exerted by MPs and Peers on the government to transform vacant commercial properties into affordable housing solutions. Lastly, like a timely break in the clouds, we present a case study that illuminates a developer's journey, enabling them to secure a £200,000 bridging loan, enabling the completion of a project and the initiation of a new venture



# 8.5%

Uptick in property transactions

### Landlord sales soar

A report conducted by Savills estimates that 25,000 homes in the UK were sold by landlords between April and May this year, compared with 22,000 in the previous two months.

This sharp increase in sales by UK property landlords, could be based on surging mortgage rates, as landlords feel the pinch of rising cost of living and interest rates, This has made refinancing BTL properties – especially interest-only - more expensive to repay.

Official figures from HM Revenue and Customs – based on capital gains tax data – suggested that landlords sold 153,000 properties in 2021-22, 8.5% more than originally estimated.

These sales figures do present an opportunity to existing landlords, who are still looking to expand their BTL portfolios, by purchasing stock with sitting tenants, or those who intend to increase the yields in the property.

## Turning spaces into hope: Repurposing properties to end homelessness

In the aftermath of a joint report issued by the Housing Market & Housing Delivery and Ending Homelessness groups in July, a bipartisan coalition of MPs and Peers is pressuring the government to convert vacant structures into high-quality, affordable homes as a means to combat the housing and homelessness crisis. **Their report, stemming from a collective inquiry into repurposing commercial properties for residential use**, highlights the potential for significantly expanding housing supply through such conversions, provided stringent quality and affordability measures are upheld.

Current data indicates that **14% of retail units and 7% of office spaces remain unoccupied**. To drive successful conversions and deter subpar redevelopment, the groups identify three focal areas necessitating government intervention. They advocate for bolstered standards, urging the implementation of 'Healthy Homes Principles' across all housing, encompassing amenities, safety measures, and more.

Furthermore, the coalition insists on mandatory contributions toward genuinely affordable housing for all conversions, addressing local needs and homelessness. While the government's Levelling Up Bill indicates a commitment to this cause, the MPs push for accelerated action. Lastly, the groups call for enhanced guidance, empowering local authorities to align conversions with regional housing and economic strategies.

## Case study

### Product

Light refurbishment bridge

### Term

12 months

### Monthly Interest

0.68%

### Loan size

£200,000

A construction powerhouse and property developer, transformed a land parcel into a stunning 3-story home. However, with the increase in labour and construction costs the client was £100,000 short of finishing the project.

Capitalise were able to source a £200,000 bridging loan, allowing the home's completion to be secured. The asset hit the market, and an additional £100,000 was unlocked for their next venture.

## To unlock more possibilities for your properties, get in touch



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