

Homes

# Creative strategies help to get housing market moving

WITH the latest reports on the state of the current property market, and the pending threat of a double dip recession, many potential buyers and sellers are adopting a 'wait and see approach'.

Based on recent government figures, house sales fell again during August, further indicating that the activity in the housing market is faltering.

Around 85,000 properties were sold during the month, down from 90,000 in July, according to HM Revenue & Customs reports.

The figures are up on the 79,000 transactions that took place in August last year, but less than half of the 162,000 properties sold in August 2007, before the financial crisis impacted on the market.

"With mortgage finance in short supply due to strict lending criteria, it has become necessary to embark on creative strategies to keep the market moving.

"Lease Options or 'Rent to Buy' becomes an ideal alternative to the normal sales process," said Vivien White, director of New Leaf Homes.

"It is a new concept to the UK residential sales market, however it has been popular in the USA, South Africa and Australia and has been implemented by various investors in the UK; along with being applied in the commercial property environment on a regular basis."

Vivien White was trained in South Africa more than 10 years ago in Lease Option sales strategies



A New Leaf Homes property.

and has recently set up New Leaf Homes with her daughter Sarah Meaker, in order to provide this strategy to the residential property market.

The company is able to provide everything from local lettings, property management and residential sales through to the more specific Lease Option and Rent to Buy strategies.

Vivien explained: "A lease option agreement involves a tenant being given the option to buy a property at an agreed price upfront to

complete at the end of a given rental period, usually three to five years.

"The tenant/buyer pays a consideration (Lease Option Fee) up front, of around at 3 to 7% of the agreed property price, which is preferable to putting up a full deposit of 20 to 25% straight away. In addition to the monthly rental a monthly lease option instalment is payable which goes towards the purchase price of the property.

"Completion can take place in as little as one year. It is a fully legally binding contract entered into by both parties with the aid of qualified solicitors.

"The types of sellers who benefit from a Lease Option sale are those who need to relocate, whose property may be in negative equity if they were to sell on the current open market, are moving to rented property or for those who need a small amount of cash now but are happy to agree a long term completion."



The Richards family.

## Lease Option ensures a faster sale

THE Lease Option principle was used to sell a property for the growing Kempshall family in Cobham.

"We needed to sell our property, fast. Seven-and-a-half months on and two agents later we were still looking for a buyer.

"We were beginning to lose hope until Vivien from New Leaf Homes explained the Lease Option Strategy to us," said Steve and Kelly Kempshall.

"This created a doorway to enable us to move on with our lives more quickly and suited our circumstances."

Due to the slow market for normal buyers the couple had a no show at the open day, and the market seemed stagnant.

However, Vivien suggested that they adjust the price slightly and within a day they had two tenant buyers really keen to purchase.

"The first couple viewed the house and put in a full asking price offer straight away, by the end of the night, all the initial paper work had been done.

The sale has solved our immediate needs and



Steve and Kelly Kempshall.

there are no fears of a chain falling apart," the couple added.

The buyers of the property, Tom and Tana Richards, had been renting but had gone through two properties in 18 months and needed some stability for their daughter.

"Without having enough of a deposit to buy conventionally, we decided to find out what a Lease Option was all about," they said.

"Vivien was great and explained the whole process, which was simple and an honest way of getting onto the property ladder.

"After viewing the property we put in an offer immediately, it was signed by the owners 30 minutes later and we celebrated together over a cup of tea; without the fear of being gazumped.

"The house is ours; we can renovate, add an extension and convert the garage - making it home."

If you are looking to let or sell your property or would like to know more about the opportunity of doing a Lease Option on your home, contact Vivien or Sarah on 01483 890722 or email [info@newleaf-homes.com](mailto:info@newleaf-homes.com).