

Property & Mortgage News

Award Winning Independent Financial Advisers since 1999



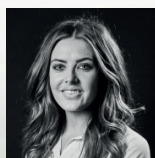
Our team was very excited to have been voted #1 Financial Advisers in The Midlands by a team of industry experts from Citywire.

The panel highlighted our approach to Environmental Social Governance (ESG) investing as well as our customer service, sustainability policies and the work we do to educate about Domestic Abuse.

We are very proud to have our business recognised in this way and hope you agree we go above and beyond for our clients and our community. We hope you enjoy this month's news.

In this month's Property & Mortgage Newsletter:

- **Bumper Q4 for equity release**
- **Time to get moving this spring?**
- **2022 buy-to-let hotspots**
- **Your home contents could be worth more than you think**
- **Life changes – so should your mortgage**



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Bumper Q4 for equity release

The Equity Release Council says record amounts of property wealth were accessed through equity release products in the last quarter of 2021, taking total lending for the year to £4.8bn, representing a 24% rise from the 2020 figure of £3.86bn¹.

Average loan sizes also increased, which the Council says is partly influenced by a rise in property prices as well as an increase in wealthier customers using equity release as part of their financial planning.

¹Equity Release Council, 2022



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Time to get moving this spring?

As we move into spring, aspiring movers will likely find themselves feeling galvanised to proceed with their homeownership goals.

Whether you're a first-time buyer looking to get onto the property ladder, a second stepper seeking the perfect home for a growing family, or a downsizer on the hunt for a smaller property to help build a retirement nest egg, spring is a popular time with aspiring buyers and sellers.

Things are looking up

Those looking to buy a property this year will be pleased by news that the ongoing imbalance between housing supply and demand may be beginning to ease. According to Rightmove, the number of properties listed in the final week of January 2022 was up 8% compared with the previous year².

Tim Bannister, Director of Property Data at Rightmove, commented, *"The market has picked up pace after a busy festive period, and it's really encouraging to see more properties start to come to market for sale. More new listings, coupled with the higher number of requests from prospective sellers to estate agents to value their home we are seeing, certainly suggests good news and positive signs we are moving towards a better-balanced market in 2022."*

However, he added that continued high demand would see buyers continuing to face "stiff competition" for available properties – so they *"should act fast when a property they like comes onto the market."*

Banish buyer anxiety

In a competitive market, buying a house can feel overwhelming. In fact, 40% of homeowners in a 2021 report³ said that moving home had made them feel stressed and ill. From getting a mortgage to instructing estate agents, solicitors and surveyors, it's a lot to deal with.

Breaking the process down into manageable steps, and then dealing with each step as an individual task, can help make the buying process more manageable. For example, when it comes to finding suitable mortgage finance, our expertise could help take the pressure off and get you on the way to your homeownership dreams.

²Rightmove, 2022, ³Yopa, 2021



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2022's buy-to-let hotspots

Bristol, Oxford, Cambridge, Manchester and Luton have been hailed the best top five cities for landlords to invest in this year, based on analysis of key indicators impacting BTL desirability (including average total rent, the best short-term returns through yield, long-term return through house price growth)⁴.

Investors have been eschewing London, which has slipped to sixth place. It seems many landlords are looking to areas with a high student population – where they can attract a greater rental yield.

The Scottish cities of Edinburgh and Glasgow both sit within the top 20 and are cited as *'particularly attractive to landlords looking for short-term yields.'* Edinburgh benefits from a high percentage of private renters (86%) ensuring one of the highest rental returns of all cities.

Head of Mortgage Distribution at Aldermore Bank, Jon Cooper, commented on the findings, *"The City Tracker shows the UK housing market is rich with diverse and unique conditions across the regions that are ripe for investment opportunities."*

As we move towards a post-Covid environment, we hope this analysis gives food for thought to many landlords on where to look for those hidden gems and returns that meet their business strategies."

He continued, "Private landlords are a central part of the housing market, supporting over 4.5 million households in the UK and, as we emerge from the pandemic, landlords will need to meet the emerging demand for choice and variety from renters. With the economy opening up and EPC rating changes coming in 2025, now is a great time for landlords to talk with their broker to review where they want to take their portfolios in the future.

⁴Aldermore, Dec 2021

First-time buyer or building up your property investment portfolio?

We can provide buy-to-let mortgage advice, get in touch.



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Your home contents could be worth more than you think

In January this year, a team clearing out the home of retired antiques dealer and lifelong hoarder found a treasure trove of valuables worth £50,000.

Among the piles of bags and boxes stuffed haphazardly into the Victorian town house were eight grandfather clocks worth £1,000, an antique chair worth between £600 and £800, and a 1956 Morris Minor 'Split Screen' classic car valued at up to £6,000 in the garage.

Do you know what's in your home?

Of course, most people don't have a home crammed with antiques; nevertheless, homeowners have made some incredible discoveries over the years. For example, an ancient Japanese coffer that had been sought after for decades by the Victoria and Albert Museum was found in the owner's home after his death, where it had served as a TV stand for 16 years. It sold for £6.3m!

If you haven't been up in your attic for a while, now could be the time. If you have any valuables knocking around that are currently unaccounted for, you might risk being underinsured.

Know your worth

Understanding the true value of your home contents (whether or not you have undiscovered valuables lurking in the attic) is crucial to getting the right home insurance cover. We can help you value your possessions and source the home insurance policy that best suits your needs.

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Life changes – so should your mortgage

The cost of living has shot up in recent months, with inflation expected to reach a peak of 7% this spring⁵ and many families facing a significant hike on their annual energy bills from April.

With finances squeezed, every penny counts – so it's important to consider all the options for streamlining your outgoings. If you're reaching the end of your current mortgage term, taking the time to explore whether more favourable rates are available could really pay.

Paying over the odds?

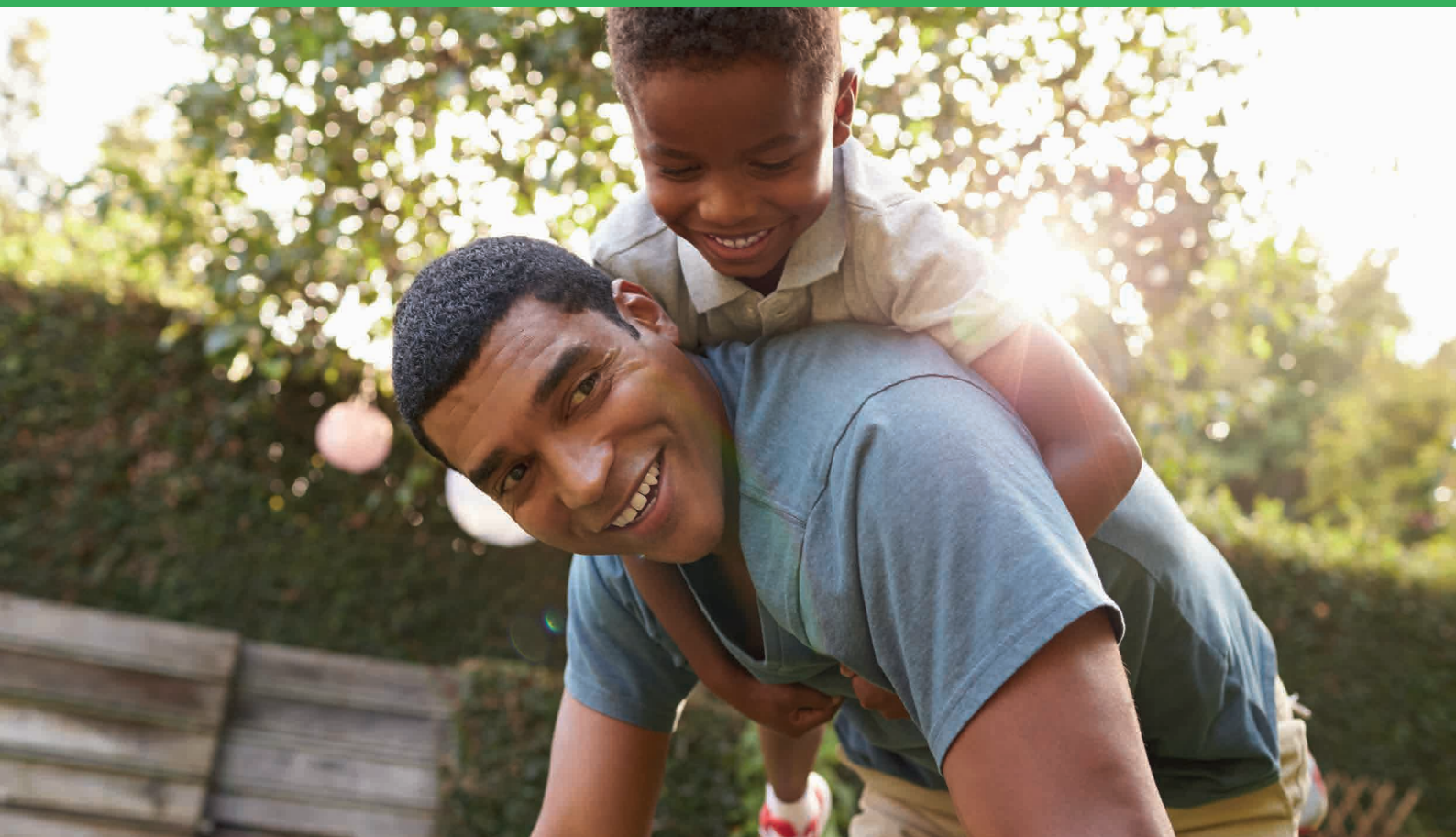
If your mortgage deal has expired and you are on your lender's Standard Variable Rate (SVR), it is likely you'll already have been hit by recent increases to the Bank of England base rate. SVRs are typically higher than those offered by available deals and fluctuate as interest rates rise and fall. Switching to a fixed rate mortgage deal instead could both save you money and make budgeting easier, as you'll know exactly what is going out each month.

Time for a review?

While you can switch your mortgage at any time, you may face early repayment charges (ERCs). Even if your current mortgage deal hasn't quite expired, however, you could start the remortgaging process up to six months beforehand. Many lenders will permit you to lock into a new deal up to three months in advance, so starting early will give you the time you need to assess your available options. That's where we can help – we can scour the market for the most suitable mortgage finance for your circumstances.

⁵Bank of England, 2022

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About Financial Advice Centre Limited

Financial Advice Centre Ltd is a multi-award winning team of West Midlands based Independent Financial Advisers (IFA's) and Wealth Managers. Founded in 1999, the team has grown to become a leading West Midlands based firm recognised for progressive thinking and a refreshing, transparent approach to managing and advising on client funds.

Our team of IFA's has deep technical expertise and offer an innovative approach to financial advice as seen through our proven pedigree of successful strategies in these areas:

- Bespoke Investment Strategies
- Retirement Planning Solutions
- Wealth Management
- Pension Drawdown and Freedoms
- Life Assurance and Protection
- Inheritance Tax Planning
- Mortgages

We are active Advisers with a unique charging structure focussed on building long term relationships and consistently adding value to clients' investment propositions. Our aim is to provide a service that is both forward-thinking and independent to help clients achieve their financial objectives.

Clients choose to work with us because we simplify a complicated financial environment and consistently deliver results in a way that's easy to understand.



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