

[View this email in your browser](#)

Ashbridge

PARTNERS

Welcome to our second periodical update on the Landed Estate and Residential Mortgage Markets.

In this issue we invite Guy Butler from [Glenbrook Property](#) to highlight the current challenges and opportunities for his landed estate clients who are active in the 'off estate' commercial property world. You'll also hear from our residential specialist, [Tim Miles-Marsh](#) and how buyers may benefit from this new landscape. And of course, some thoughts and observations from myself.



It's incredible how our world has changed in just a few months.

Before Christmas, BREXIT was the main political and economic topic. Then a decisive general election provided, what we hoped was, a clearer and brighter future. And yet here we are, working from home, schooling our children, and still largely isolated from wider family and friends. Many people are suffering severe financial and emotional anxiety and the economic impact is unprecedented in peacetime.



However, it's not all bad...

In our business, our team adjusted quickly to the new enforced methods of working; home working, meetings held only by Zoom and social distancing methods of operation. This forced adaptation to new technology has brought us on perhaps 5 years in 5 weeks and will definitely drive greater efficiency in all our businesses for the future.

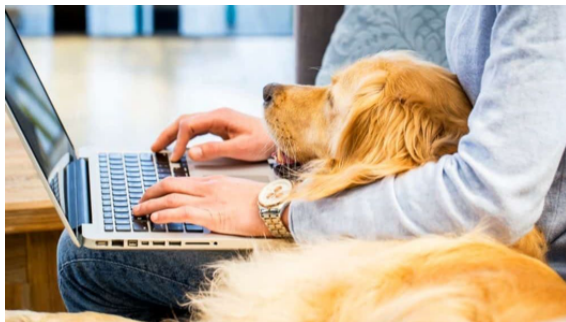
One of the key differences today versus the banking crisis of

2008 is that the banks are well capitalised. This means that they should weather the storm and continue to support business and personal lending. The recent fall in base rate, to 0.10%, represents the lowest bank rate on record.

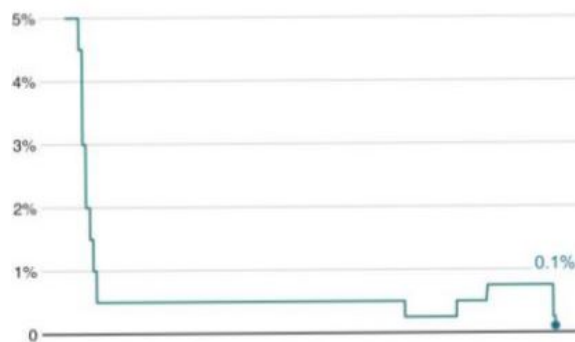
For clients on the Bank of England base rate, it has reduced interest costs, but banks are also feeling a sharp reduction in profitability. In the residential mortgage market this prompted a rush of product withdrawals, followed by some re-pricing. In the estate market we are seeing a slight hardening of interest margins, but total cost of debt is still lower than it was before the lockdown.

Working from home has its perks and its pitfalls.

Those of us with dogs and children will understand



Interest rates hit an all time historic low of 0.1% which is appealing for mortgage lending (photo credit bbc.coc.uk)



Turning to the future, I sense that this crisis has highlighted strengths and weaknesses in many businesses but also provided a window for strategic thinking. I am seeing a number of progressive businesses grasping the opportunity of 10, 20 or even 30 year fixed-rate debt options at historically low rates to realise their business opportunities. This might be a housing development, commercial development on a pre-let site or investing in commercial property as discussed by Guy, below.

Please do give us a call if you have plans to discuss.



Contact Mark

This season, our guest contributor is **Guy Butler**, Co Founder and Director of **Glenbrook Property Ltd.** Guy spent 15 years working for Grosvenor in London, Liverpool and elsewhere before setting up Glenbrook Property in 2005. His expertise spans the whole investment and development process, from purchase and sale, through to design, planning, financial appraisal and leasing. Today he acts for several progressive landed estates who have used his services to establish a commercial portfolio.

"The Covid 19 crisis has been a good test of our ability to assemble, manage and deliver consistent returns on commercial property portfolio's to our landed clients. We generally aim to deliver capital value uplift in the early years whilst maintaining an attractive income yield and this policy allows assets to be traded over a 3 – 5 year horizon.

Our experience of the 2008 financial crisis stands us in good stead to find the right path through the current issues. The lessons learned from the early stages of this crisis have been simple - keep

communication up with occupiers, and whilst showing empathy, be robust in managing income. Keep driving the business plan and have belief in the unknown. We have secured several new lettings and sales during lockdown which would not have happened had we paused, and not believed in the business plan.

Looking ahead, we are aiming to capitalise on the opportunities that this will throw up. Clients with ready cash, a medium-term view and the right advice could pick up some bargains in the coming months."

You can contact Guy at

www.glenbrookproperty.co.uk



Tim Miles-Marsh, Ashbridge Partners' residential specialist, discusses the new normal...



During lockdown most residential lenders adapted quickly to the new environment, for example, replacing physical valuations with desktop and automated ones. As the restrictions have lifted, physical inspections have returned, although processing delays are evident. Banks have responded to the heightened economic uncertainty; which for some lenders has meant disregarding non-guaranteed income, such as commission or bonuses. The earnings of the self employed have also come under greater scrutiny. These policy changes are likely to reduce the amount that some people can borrow despite mortgage rates falling to historic lows. That said, lending appetite is strong but it is now more important than ever to use an advisor to navigate the market.

The availability of buy-to-let, bridging and development finance has been constrained since March as this sector is principally funded via the capital markets. However, liquidity is gradually returning and development finance, in particular, could be busy if the Government are successful in easing the planning system.

Our clients tend to have strong balance sheets and diversified income streams. Therefore, we are optimistic that the Coronavirus pandemic will result in a new wave of opportunities for them and we will be on hand with our knowledge of the lending market to advise and source the most appropriate financing.



Contact Tim

We hope you enjoyed this latest installment of our newsletter. For your comments, suggestions or to be included in the next edition please contact us directly.

If you would like to keep in contact with us, follow our social media channel on LinkedIn. If you wish to change your subscription preferences, you can do so at any time using the link below.



*Copyright © *2020* *SUMMER:ASHBRIDGEPARTNERSLTD*, All rights reserved.*

Our mailing address is:

Ashbridge Partners Ltd, The Square, Pine House, Stow on the Wold, Cheltenham, GL54 1AL

Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#).

This email was sent to <<Email Address>>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

Ashbridge Partners · 25 St Thomas Street · Winchester, Hampshire SO23 9HJ · United Kingdom

