EMJA Group
Property Investment

Newsletter

The final quarter of the year has gone by quickly and the projects steadily. January should see one house go live on AirBnB, another refinanced and a third sold. This will give EMJA a chance to re-organise. Further to this, Emily and Lilian are trialling AirBnB management 'in house' and the plan for 2023 has been made.

Project Progress

- In Acquisition: 0
- In Progress: 2
- Refinancing: 0
- Sales conveyancing: 0
- Sold/refinanced in the last 3 months: 1

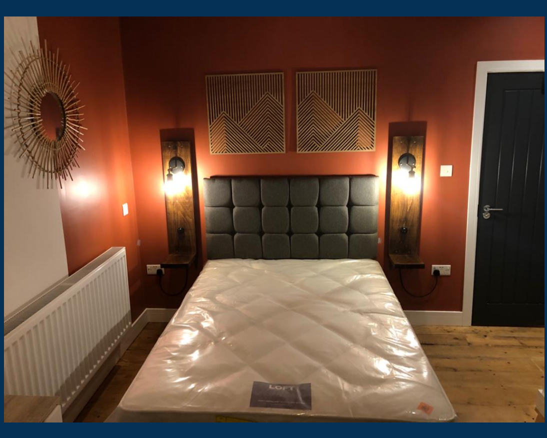
Downman Road

October marked the completion of a classic 2022 drawn-out conveyancing process. Since then, time seems to have accelerated; the core renovation work is complete and the painting will start at the beginning of January. While the interior is being painted the garden will be brought back to a neat basic standard. Once complete, Plan A is to sell the house. However, despite the desirable area, the current state of the market may mean we do not achieve the target price. Should this be the case then Plan B will be to rent the house out to the growing rental market.

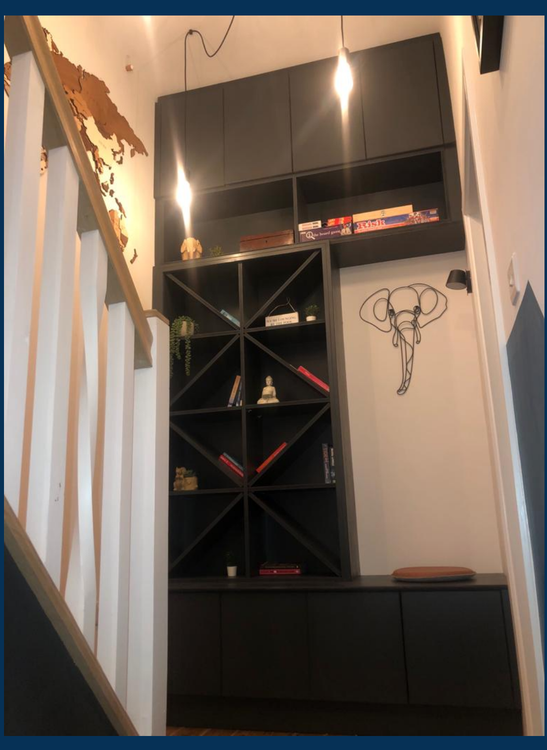

Bedminster Down Rd

With extensive damp penetration, significant movement and a terrible first floor layout, Bedminster Down Rd has undergone a lot of work. The house is now painted and once the garden work is complete in the first two weeks of January, it will be ready for the market. The final valuation figures will determine if EMJA keep or sell this property. We look forward to updating you on what we do in the Quarter 1 newsletter (secretly we want to keep it!).


Belfry House



At long last, the work on Belfry House is complete! The property has since been refinanced and is going through its final stages of furnishing. In fact, James is just waiting for the sofas (which were delayed by six weeks) to arrive before it goes live on AirBnB. There have been many 'lessons learnt' with this project which we look forward to sharing.

Serviced Accommodation Management

Having let Bell Hill House out by the room for the first half of 2022, Emily has put the house back on AirBnB. Typically, the management of a short-let property is best outsourced. However, with the support of Lilian to oversee day to day management and guest communication, we are experimenting with an in-house management system. Lilian has been managing bookings successfully since it started in August.


The Market: Demand vs Supply

Following the high level of demand which has fueled soaring house prices throughout the COVID years, the market is now cooling. The increase in supply is primarily caused by the rise in interest rates and fuel prices. This means that many homeowners are no longer able to afford new mortgage deals or to heat their homes and so they are left with no option but to sell and either downsize or rent. Meanwhile those who are at a stage in life where they would want to move into a larger house may instead choose to stay put until the cost-of-living eases. This has led to a drop in demand. This does however mean there is a growing rental demand.

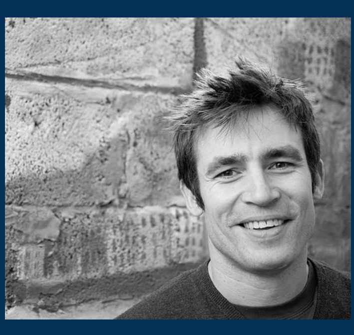
For property investors, this means that the fast growth of property value is on hold in many areas for now. On the other hand, the rise in supply over demand will lead to the availability of some excellent purchase deals. At the same time, the Buy-to-Let market will see a rise in rental demand making it easier for landlords to hold their properties.

EMJA and 2023

EMJA have well-established systems in the property renovation sector and some experience with commercial conversions. Our longer-term goal is to conduct larger multi-unit commercial conversions and planning gain projects. However, given that there will likely be an increase in residential opportunities and that EMJA is currently well geared towards them, we will continue to focus primarily on residential renovation projects throughout 2023. EMJA will take advantage of the low prices to operate in more expensive areas of Bristol. Such areas will also have more buyers willing to pay more for newly renovated properties making onward sales easier. That said, in case end-of-project asking prices are not achieved, EMJA will make their houses BTL friendly so they can weather the 'market correction period'. To increase conveyancing speeds, EMJA will source projects primarily from auctions.

The Team

Emily, James and Lilian have enjoyed a busy and fulfilling 2022. James has become much wiser in the art of HMO development and moved his Mountain Biking on to new levels. Emily has mastered the balance of work, play and monthly holidays showing a real knack for 'Working from Abroad'. Lilian meanwhile has helped her daughter get into private school, taken on new roles and responsibilities in and out of EMJA and enjoys the longing company of her dogs all-day every-day!


We are excited to see what developments we make throughout 2023 and thank you all for your interest and support to date. We wish all of our readers the very best for 2023!