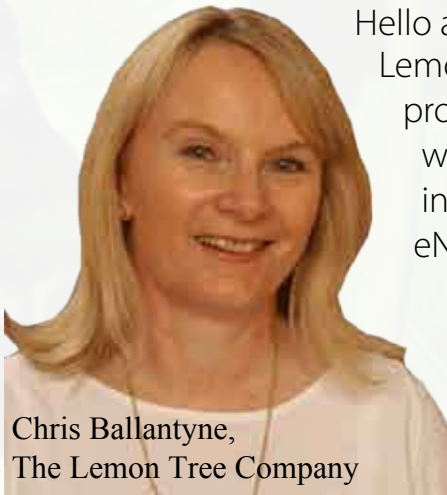




The Lemon Tree Company launches a premier Newsletter

Chrissie Ballantyne explains the real value of this new service.



Chris Ballantyne,
The Lemon Tree Company

Hello and a very warm welcome to this first edition of 'The Lemon Times'. There's so much going on in the world of property and finance in the UK and in Overseas markets that we at The Lemon Tree Company felt we needed to keep in touch with developments via a regular Newsletter and eNewsletter service.

So here is the first edition. We will try to issue future editions at monthly

intervals – more frequently if some special events occur, and I hope you will find them both helpful and informative. I thought it would be appropriate if the first issue centred around an overview of the property market as we seem to be showing some embryonic signs of reaching the end of the recession and the bottom of the market.

Green shoots in Autumn? So, according to the news, mid-September 2009, 'House Prices climb back to the 2008 levels'. Is this real, or simply a manifestation of computerised trickery?

A view from the other side of the Pond! The saying goes, 'if America sneezes, the UK catches a cold'. Well we've a view from one of our contacts in the sunny state of Florida, where many feel the worldwide property decline started.

If you have the time do read these two articles, and certainly the overriding conclusion is that Location Location Location really does count as always, and more than ever now. London represents some really great opportunities in the residential market – repossessions, short lease prime spots, below market quick sales.

Why not talk to us about our knowledge and

expertise with central London property, our great contacts who tip us the wink and enable our clients to make good entry level purchases, for own use or investment, with mortgage finance advice if required.

With a return to quality, the traditional and well loved markets of Italy, France and Portugal still generate enquiries for purchase being perceived as stable buys with longevity. Prudent lending in these jurisdictions has ensured that any dips in market value have not been met with panic selling and mortgage affordability has to a huge extent been maintained.

Chrissie's connections with Guernsey, where as an offshore centre the property market has been less adversely affected, allow for a more unusual destination for property purchase. Further afield, the Caribbean has opportunities and in Grenada particularly, we are pleased to present an investment offer from the developers of Bacolet Bay.

Some thought provoking ideas and projects. You no doubt have your own aspirations; please feel free to contact me if you think I may be able to help you. Enjoy the Autumn.

Chrissie
September 2009





“Halifax reported that the average price had climbed more than 0.8% last month”

GREEN SHOOTS IN AUTUMN?

So, according to the news house prices are climbing back to 2008 levels.

Halifax, the lender with the UK's longest running monthly survey of house prices, reported that the average price had climbed more than 0.8% last month, leaving homes costing slightly more than they did at the end of 2008.

Property owners and new buyers alike can be forgiven for their utter confusion on exactly what is happening to the housing market but perhaps it's time to consider just where is the starting point.

Halifax, like most of the main 'high street' mortgage lenders, have an indexation system which uses specific criteria to automatically calculate the values of property in their loan portfolio. Except, just how broad is this? First hand reports from residential mortgage brokers indicate that when accessing the indexation values for, say, a client's remortgage, in some areas of the country this is well below that given following a physical inspection with a valuer. Valuers traditionally use real and comparable pricing figures based on actual sold and sold subject to contract figures obtained from local estate agents.

Another case maybe where the input of a real person is contrary to that of a computerised calculation?

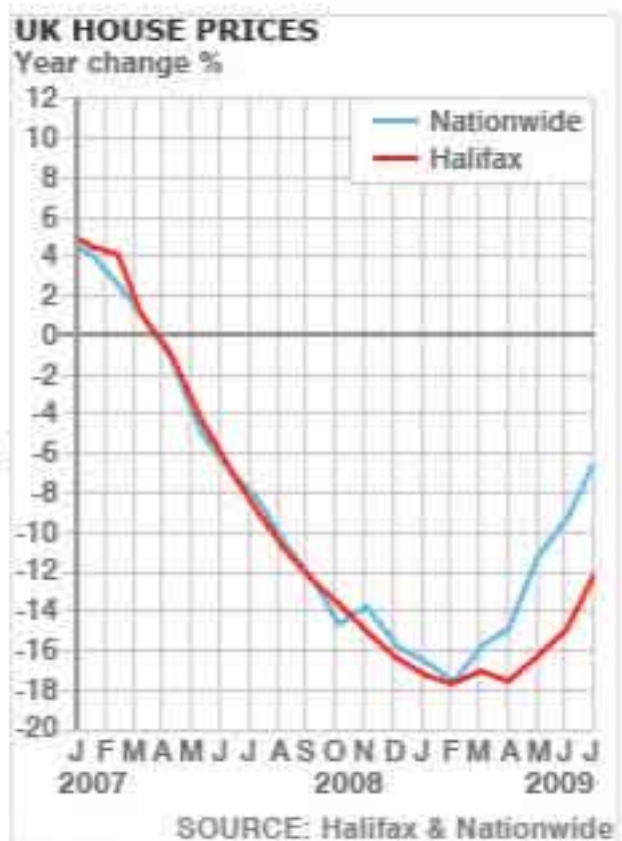
Equally, and at the other end of the scale, indexation may also be partly responsible for some of the much talked about negative equity in the UK. Until the last couple of years, when the figures were pushed harshly down the indexation ladder, much additional lending and drawing against housing equity was assessed on perhaps over-inflated figures. This is a fact which draws many in the mortgage industry,

experienced brokers and lender underwriters alike, to believe that over-borrowing was driven by these computerised calculations.

So what exactly to believe and whether to start buying again?

Well, watching the press and keeping ears open and ears close to the ground, the old adage of Location Location Location is never more true.

There is also no replacement for seeking out sound knowledge of a property area, the prices expected and exactly what you get for your money. It comes back again to using the experience of real people, and not relying on computerised 'facts'. Experienced agents or property finders are invaluable. Talk to several and you'll gauge what each knows about the area in which you are interested.



“That means if you’ve been sitting on the fence, it’s time to act.”



A VIEW FROM THE OTHER SIDE OF THE POND!



Why it’s time to invest in real estate. “It’s scary to jump into the housing market when prices have been plunging.

But waiting could end up costing you.” says James B. Stewart of SmartMoney.

“Passing through the Fort Myers, Fla., airport a few weeks ago, I noticed people eagerly signing up for a free bus tour of foreclosed real estate -- with all properties offering water views. During the ride to my hotel, the young driver volunteered that he’d just bought his first house, paying \$65,000 for a foreclosed property in nearby Cape Coral that had last sold for more than \$250,000. He said he’d never expected to be able to buy anything on a driver’s salary, let alone something that nice.

Late last month, Standard & Poor’s reported that its S&P/Case-Shiller U.S. National Home Price index of real-estate values increased this past quarter over the first quarter of 2009, the first quarter-on-quarter increase in three years. Its index of 20 major cities also rose for the three months ended June 30 over the three months ended May 31, with only hard-hit Detroit and Las Vegas experiencing declines. The week before that, the National Association of Realtors reported that sales volume of existing homes was up 7.2% in July from June. In short, the data suggest that real-estate prices hit a bottom some time during the second

quarter and have now begun to rise. There’s no way to be certain that this marks the end of the long, painful correction that followed the real-estate bubble, but clearly prices are no longer in free fall.

That means if you’ve been sitting on the fence, it’s time to act.

Trying to buy at a bottom

Ordinarily I’d never try to time the real-estate market, but I can understand why buyers have been cautious. Few want to buy in down markets, just as stock buyers avoid bear markets. And for most people, of course, buying a house is a much bigger decision than buying a stock.

But with real-estate prices nationally now down about 30% from their 2006 peak and showing signs of turning up, the prices aren’t likely to go much lower. Every real-estate market is local, and so there may be a few exceptions. Overall, though, I can’t imagine a better time to buy than right now.

In addition to bargain prices, buyers should find plenty of homes to choose from. The inventory of unsold homes was 4.09 million units in July, up 7.3% from June, according to the National Association of Realtors. And mortgage rates this week were at a two-month low of close to 5%.

I felt glad for my driver in Florida. He represents the other side of the foreclosure crisis.

For every hardship story, and no doubt there are many, others are realizing their dreams of homeownership and getting what may well turn out to be the deals of their lives.”



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“a good market for private landlords”

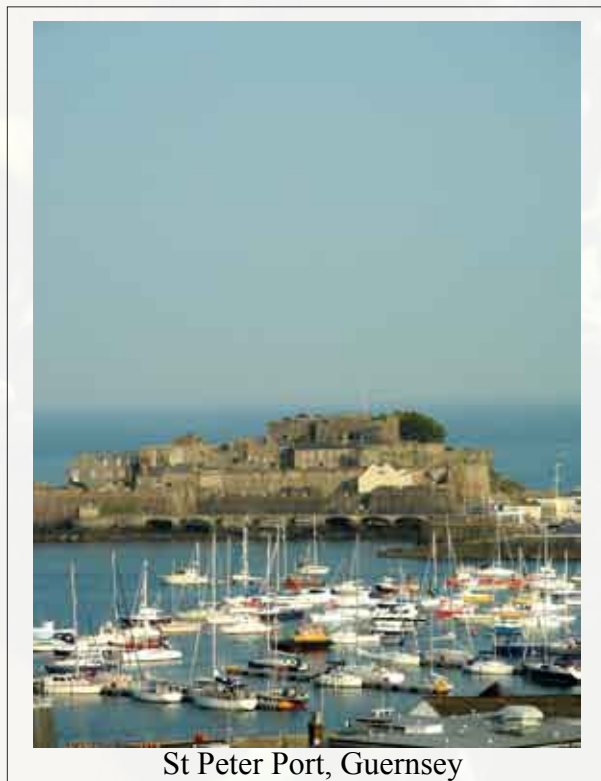


THE GUERNSEY PROPERTY MARKET

This little island is situated in the Gulf of St Malo, just off the coast of France and around an hour from UK airports.

Guernsey, a self governing British Crown Dependency, but not part of the United Kingdom or the European Union, looks after it's own fiscal affairs.

This has had the result that many companies - banks, insurance companies and trust organisations - have established an offshore base on the island. This in turn, has led people, particularly in the current financial climate on-shore in the UK and further afield, to look at basing their residency in Guernsey or it's close neighbour Jersey (actually a different jurisdiction although still part of what is termed The Channel Islands).



St Peter Port, Guernsey

Guernsey, 9 miles long and 3 miles wide, manages it's population through it's unique housing control system.

Housing is split into two tiers – the Open Market and the Local Market. There are no

restrictions on buying property, and the offshore finance industry provides a good market for private landlords, but there are tight restrictions on the occupation of the properties.

There are a wide range of properties available on the island - from large traditional farmhouses and small cottages (many solidly built in Guernsey granite) to front coast line modern purpose built developments with fantastic sea and marine views.

The climate is similar to that of the Devon or Cornwall coast with rare frosts and even rarer snowfalls.

Guernsey... the real jewel in the crown.

For further information on any of the items in this Newsletter, please contact:

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