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PRESS RELEASE

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Market comment from high-end property buying consultancy, The Buying Solution:

Key highlights:

- **Supply shortages across all regions mean there is little good stock on the market and competition in some regions – reports of ‘gazumping’ in Central region**
- **Private sales on the increase as vendors do not want to publicise their sales**
- **Busiest start to the year as an increasing number of buyers seek considered advice**
- **Southern region reports unusually active start to the year with several cash deals**

Estates and agricultural land

The estates market is suffering from even more than the usual supply shortage because owners are unlikely to sell unless they have to in the current market. There are, however, a handful of estates currently being offered privately. Private sales are more likely than open market sales this year as vendors who do have to sell would rather do so without publicising it to their peers, and would rather ‘test’ the market privately to gauge the success of the sale. The vendor then has the option to market the property publically should it fail to sell off-market.

Agricultural land appears to have stabilised at around £4,500 - £5000 an acre, and the shortage of supply should keep prices up. Despite agricultural yields being between only 2 and 3%, this is still more than the current bank savings rates, so land is seen as a good long term investment. Certainly, there are a variety of buyers looking for land including farmers who want to spread their fixed costs, international buyers because of the weak pound, and investors who are looking for safe returns and long term capital growth.

London and Home Counties

The London and Home Counties office is the busiest it has ever been, with an influx of new client enquiries, particularly from overseas buyers who are aiming to take advantage of price falls and the weak pound. However, as the global economy remains uncertain and further price falls are anticipated, London buyers are being extremely cautious; there is no immediate urgency to purchase. That said, in central London, the shortage of stock on the market means that good property is selling, with ‘best-in-class’ properties in prime locations such as Kensington even attracting competition.



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However, anything that is sub-standard is drawing little interest and offers are low - only flawless properties or exceptionally well-priced properties are generating any interest.

In the Home Counties, there are more houses privately available than there have been for some time as vendors do not want to publicise their sales to avoid school gate rumourmongers. Early signs are that best-in-class properties haven't fallen in value by as much as the 20% average; indeed, the shortage of good stock on the market means that some houses are actually attracting competitive offers. In the Home Counties, it's not only international buyers who are returning to the market, but city buyers who traditionally migrate out of London, focusing on areas with good schools and an easy commute back into London, are also active in the market.

Southern

There is currently a dramatic supply shortage across the Southern Counties, with stock down by around 50%. However, the traditionally quiet months of December and January were very busy for The Buying Solution's southern team who were involved with a number of purchases – extremely unusual for the time of year. These purchases were from cash buyers who were making lifestyle choices and therefore had no qualms about buying the right house even in the current climate. Traditionally a large percentage of clients buying in the southern region at this level tend to be young professional families who are moving out of the City to school their children and, as such, are obliged to move within a certain time frame.

Central

The central region too is suffering very little supply, much less so than in the traditional spring market, yet agents are reporting a 25% year on year increase in applicant viewings. All deals have been off-market as vendors do not want to publicise their sales. Best-in-class houses that are on the open market have attracted competition. Recently, a house in southern Gloucestershire attracted six buyers and a 'double gazump' ensued - the first buyer was gazumped, and in turn, the 'gazumper' was gazumped, which just goes to show, the right property will not only sell, but will attract competition.

Philip Selway, Managing Partner, concludes:

"There is very little good quality stock on the market, so local market knowledge is proving imperative, and as such, this has been our busiest start to the year to date. With interest rates at an historic low and house prices falling, those with equity realise that now is a great time to buy, and now, more than ever, are seeking strategic advice about what and where to purchase, particularly as so many vendors



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are opting for private sales and buyers are unsure of what to offer and how to negotiate in this market.”

For further information, please contact The Buying Solution on telephone: 01488 657912 or visit the website: www.thebuyingsolution.co.uk

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Editors notes:

The Buying Solution is the independent buying consultancy of Knight Frank LLP, and is the UK's leading property buying consultancy, dedicated to helping its clients find and buy exceptional homes. The Company operates on a completely independent basis with access to all agents and vendors, offering impartial advice in the market place. The team has over 150 years of collective experience in the property market. Clients include high-net-worth British buyers, as well as wealthy international buyers.

Regional breakdowns / areas covered:

Home Counties: Berkshire, Buckinghamshire, Surrey, South Oxfordshire, West Sussex

Southern: Somerset, Wiltshire, Berkshire, Hampshire, Dorset

Central: Northamptonshire, Herefordshire, Gloucestershire, Oxfordshire, Warwickshire, Worcestershire

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