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PRESS RELEASE

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The Buying Solution – Market Update

Is the Market Turning?

Cliff Gardiner, Partner of The Buying Solution's London & Home Counties office, says:

"With the current headlines focused on the G20 summit there is clearly some work to do on the Global economic crisis before we "return to normal", however the London property market is definitely showing signs of life. The Buying Solution's client list is as long as it has ever been, with international buyers keen to take advantage of the weakness in Sterling against the Dollar and the Euro, ideally before the property market officially turns.

"There is no doubt that the more astute estate agents have hammered property asking prices in the last six months to a year. Prices in some cases are as much as 30% lower than the peak of July/August 2007. Many of the top agents have simply refused to market properties that they did not feel had a genuine chance of selling during the current economic crisis; in some cases deals are being transacted at 40% below the levels seen during the property boom of 2006 and 2007. Both in London and the country, The Buying Solution has been able to demonstrate dramatic added value to its clients' property search, often negotiating discounts of 10% – 20% below guide prices which had already been substantially reduced from levels seen in the not too distant past.

"Today's headlines from Nationwide suggest that we have seen price increases in some markets. This is not surprising given government pressure on some of the banks to lend money again to buyers who simply wish to get on with their lives. Indeed, we are advising our clients that if a suitable property comes up in the right street and the seller is prepared to be realistic, then provided we can negotiate the right deal, we get on and secure properties wherever possible.

"Early in 2009, many Central London selling agents reported huge increases in the volumes of new buyers registering to explore the market. There is no doubt that these are now being turned into transactions and many properties are being put under offer at the lower end of the market (below £5m), which is traditionally the solid base that enables the rest of the market to become fluid again.



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The BUYING SOLUTION

"During the property bubble of 2006 and 2007, the market was led by super-rich international buyers coming to London and spending huge amounts of money on properties with sometimes wildly inflated asking prices. Recent evidence shows that we may be returning to more normal conditions where the market is led from the bottom up, rather than from the top down."

For further information, please contact The Buying Solution's London office on telephone: 020 7591 2640 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.

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