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## PRESS RELEASE

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### **Market Comment**

**From high-end property buying consultancy, The Buying Solution:**

Whilst the very top of the market remains fairly robust, The Buying Solution is seeing regional variations as buyers adapt to current market conditions.

### **More estates than usual in the market place**

Over the last ten year period, in a normal calendar year, there are one or maybe two estates with values of £20million plus that are sold, either publicly or privately. This year has seen six such properties including the much publicised Encombe Estate, Tetworth Hall Estate, Kelling Estate, the Easton Estate and Northumberland Estates. Interest in these properties has defied the rest of the market where a number of buyers with very deep pockets are competing to purchase a lifetime's ambition. Even at these levels, properties are selling privately before coming to the market, or under competition, with interest being predominantly from UK buyers.

### **Only exceptional is exchanging in London**

The level of transactions in Prime London since August is running at approximately one third of the level seen during the same period last year. Only the very exceptional are actually exchanging contracts. As an example, an apartment at Lennox Gardens recently exchanged contracts at £7.2m, equating to a purchase at £3,000 per sq ft, to a Chinese buyer purchasing on behalf of his daughter. Lennox Gardens is a good Knightsbridge address and the flat was exceptional. The super-rich are still visiting London, but are somewhat more circumspect about putting their cash into property. Since August 2008, there have been very few transactions exchanging over £10m.

The appetite for objective, considered property advice is growing. The London office has seen a five-fold increase in the number of clients seeking its counsel during August-October 2008, than in the same time period last year.

### **Home Counties slows as buyers stall their move**

The Home Counties market, which is renowned as 'stockbroker' belt and has a strong Russian presence, has quietened as city buyers who would have sold their London home to move out to the



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country have stalled their move. International buyers too are inactive as they wait to see what happens in the market. That said, there have been no forced sales in the prime market (£2 million +) and we have several clients who are poised to buy early next year when it is anticipated that more will come onto the market.

## **Supply drops in Southern region**

Much like the Home Counties, a lot of city based buyers have put their decision to move on hold due to the inability to sell their London residence. Supply has dropped, so we are likely to see an increase in activity and opportunities to buy in the spring as more comes onto the market. Despite the current city turbulence, some bankers are still expected to receive bonuses which should help boost the market. The draw of excellent communications to London, beautiful countryside and good schools throughout the area means it maintains attractiveness.

## **Second home owners release equity in the Central region**

There is very limited stock on the market at the moment as we head into the winter months, with the best properties continuing to sell off-market. However, as the full effects of the financial down-turn come into fruition, we are likely to see more houses coming to the market in the spring. There are a number of good houses in the £1m - £3m price bracket that were bought as weekend retreats by city buyers, and it's likely that some of these will be forced back onto the market. We also expect that second home buyers will be out of the market for some time, although we have a number of clients whose wealth is not generated by the city waiting to buy here when good houses become available.

## **Philip Selway, Managing Partner, concludes**

"It is clear that the middle-market (around £2 million) in the Home Counties and the south has been affected by the credit crunch, and as we head into the traditionally quiet winter months, it is unlikely that we will see much activity in the market place until the early part of next year. Whilst we are in no doubt that we are entering a quieter period, good quality houses and estates at the top-end of the market, by which we mean property priced above £10 million, are not being unduly affected by the financial fall-out and properties that 'tick all the boxes' will continue to sell."

For further information, please contact The Buying Solution on telephone: 01488 657912 or visit the website: [www.thebuyingsolution.co.uk](http://www.thebuyingsolution.co.uk)

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**Editors notes:**



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# *The* BUYING SOLUTION

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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