



APRIL
2010

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WELCOME

to the latest edition of In-Focus, The Buying Solution's quarterly e-newsletter.



Philip Selway

Welcome to the latest issue of The Buying Solution's quarterly newsletter. As the weather, at long last, starts to improve I can report that the UK's prime property market also remains in robust health. There remains a lack of good properties for sale and no shortage of buyers and clients chasing after them. The forthcoming General Election could cause the market to slow down in the run up to polling day, but I don't believe that the result will change the view of potential purchasers. Hopefully we will see more stock to choose from once the election is out of the way.

The article below looks in more detail at how the prime country and London markets have performed so far this year. I do hope you find it useful and that you enjoy reading the rest of the newsletter, which includes a profile of Andrew Giller who now heads up our London buying team.

Market Commentary

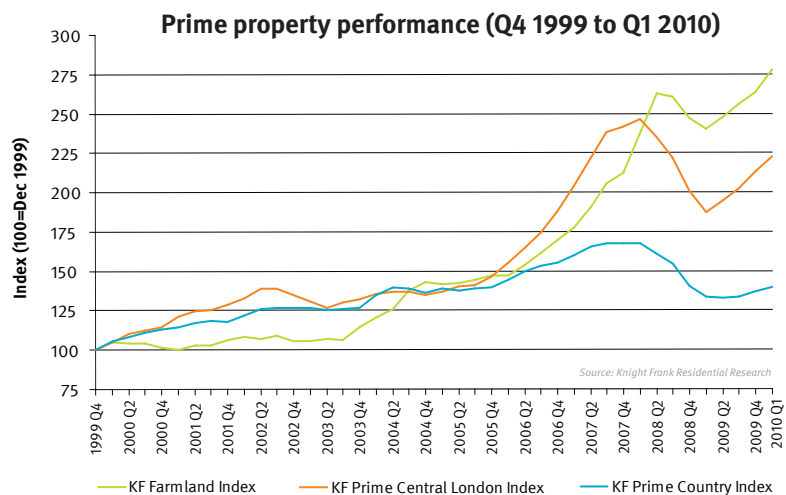
Prices for both prime London and country properties continued to rise in the first three months of 2010, maintaining the strong recovery that started in the capital this time last year and gradually spread across the rest of the UK via the Home Counties over the summer and autumn.

Price growth in London has been particularly bullish with average values of the best properties in central London now almost 20% higher than they were 12 months ago, according to the Knight Frank Prime Central London Sales Index.

Price growth in London has been particularly bullish

Apartments (+19.6%) have outperformed houses (+17.6%) slightly and a number of locations have proved particularly popular with buyers. Notting Hill (+26.9%) has seen the strongest annual growth, followed by Kensington (+25.7%) and Chelsea (+21.5%).

A shortage of supply, combined with huge interest from overseas buyers tempted by the



weakness of sterling, is helping to keep the prime London market buoyant and this trend shows no sign of abating. Last year Knight Frank sold houses in London to almost 50 different nationalities.

This demand is also being felt in the Home Counties where both Russian and Indian buyers are active buyers, especially in Surrey. The Russians that TBS is dealing with are the second generation of purchasers from

that country and they want to avoid making the same mistake as the first wave of their countrymen - paying too much for second-rate properties.

Price growth in the Home Counties has not been quite as strong as in London, but at 9.1% over the past 12 months and 2.9% this year alone, according to the Knight Frank Prime Country House Index, it has still been extremely healthy.

Market Commentary

The further you go from London the less average prices have climbed, but annual increases of 5% in the south west and 4.5% in the Cotswolds and surrounding counties are still looking very respectable, given the state of the economy.

In both areas there is a severe shortage of best-in-class properties for sale and this is creating more and more instances of competitive bidding. The Green at Fifield (see page 4 for more details) in Oxfordshire, for

example, sold for 10% over its guide price with four bidders in the running.

There are signs that more property may be coming to the market, but there is still not enough to dent current demand.

One sector that is particularly undersupplied is the market for high value country houses and estates. So far this year only a handful of properties over £8m has come up for sale publicly. There is more available privately, although it could be argued that a public sale

would be the best option when the public supply is so short. Rural estates and farms have continued to gain in value on the back of an increase in agricultural land prices. English farmland hit an all-time average high of over £5,300/acre in the first three months of the year, according to the Knight Frank Farmland Index, but many sales in the most sought-after locations have routinely been achieving north of £6,000/acre.

PROFILE OF ANDREW GILLER

Andrew Giller has just started a new role as head of The Buying Solution's London team. He talks to Andrew Shirley about his new role and why he believes TBS is the ideal solution for anybody searching for the best property in London or the countryside.



Andrew Giller

After spending just a few minutes with Andrew it becomes clear that customer service is at the very core of his business ethos. Not just in the day-to-day sense of dealing promptly and

efficiently with his clients and their individual transactions, but towards building up, and maintaining, long-term relationships.

"I don't benchmark the service that I offer with other buying agents. We represent some of the world's wealthiest people and the service they receive from us should be up there with the best they get from all their advisers globally, whether it's their bankers, wealth managers, solicitors or accountants."

Andrew's approach has been heavily influenced by an "Achieving breakthrough service" course he attended at the prestigious Harvard Business School in the US. "It was an amazing experience hearing from some of the greatest minds in a country that demands great service; learning how they dealt with problems and seeing the clarity of thought that went into their solutions.

"It has undoubtedly made me better at my job, I am able to take a step back and ask myself if what I am doing is best for my client, regardless of my personal benefit."

It is a strategy that is obviously paying off because much of Andrew's business comes from referrals. "We will often end up buying for clients' sons, daughters, colleagues or friends. We want everybody to be able to say TBS gave them a fantastic service. We really do bend over backwards for our clients to make sure that what they are buying is right for them."

You can, of course, offer the best service, but having the experience and market knowledge to back it up is vital. Andrew has been buying the best properties in the Home Counties for the past eight years and joined TBS (where he has been head of the Home Counties) two years ago after a stint with another buying agent.

"What I am hoping to do is build up a bigger team in London so that TBS achieves the dominant position that our reputation and quality of service has allowed us to attain in the Home Counties and throughout southern and central England.

"It is a very exciting time for us; there are a lot of wealthy people, especially those from overseas, who see the best residential property in prime central London as a very good place to put their money. As well as strong demand for classic London townhouses, there has also been a huge hike in demand from investors for one-bed flats priced at over £1m."

One of TBS's strongest assets is its extensive network, says Andrew. "Being part of a larger team enables any one member of TBS to draw on a much larger pool of knowledge than is available to smaller buying agencies. It also means we can afford to be truly impartial and we will never allow a client to buy the wrong property just to ensure we get our fee.

"I think I have one of the best jobs in property."

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PROPERTY ROUND UP

The Buying Solution's teams from around the country each choose a key property that has either just been sold or is currently on the market in their region.

LONDON

6 Cornwall Mansions, Kensington, W8



To find such a large apartment in this part of London is quite unusual, but with seven bedrooms and four bathrooms 6 Cornwall Mansions offers the sort of lateral living space that would happily swallow up a family with three or four children, and still leave room for guests. On the market with Knight Frank for £6.5m, this property, which is just steps away from Kensington Gardens and Hyde Park, will certainly appeal to Russian and Middle Eastern buyers who need plenty of space, but do not want the complications of a large house.

Andrew Giller

ESTATES

Compton Castle, Somerset-Dorset borders



The sale of Compton Castle by Knight Frank and Bidwells Faulkner earlier this year for around its £17m guide price was the first big estate deal of the year. Unusually, the 1,273-acre estate, which included an idyllically located eight-bedroomed castle, was due to be sold at auction as a whole, but an overseas buyer stepped in at the last minute with an offer that was too good to refuse. It was quite a complicated sale with some unusual tenancy arrangements on the land and highlights the need for sound advice when purchasing this type of property.

Mark Lawson

HOME COUNTIES

Glenridge, 97 Camp Road, Gerrards Cross, Buckinghamshire



The sale of Glenridge, which has just been built by luxury developer Belvedere, will set a new benchmark for the area if it achieves the £4.75m guide price being asked by joint agents Knight Frank and Nigel Briggs & Co. Houses in this part of Gerrards Cross tend to make between £3m and £4m. The property, however, is exceptionally well built and includes all the features – steam room, sauna room, home cinema and wine cellar – that anybody could need. This really is a “wow look at me” kind of house and could really appeal to somebody working in London, just 30 minutes' drive away.

Paul Frost

PROPERTY ROUND UP

SOUTHERN REGION

Red House Farmhouse, Clanville, Hampshire



There was a really pleasing balance to Red House Farmhouse, which was sold by Knight Frank for its strong £2.25m guide. On the one hand, this five-bedroomed Georgian farmhouse had been very well done up by the previous owners, but, on the other, it still retained some potential to be improved upon thereby allowing its new occupants to make their own mark on it. Its location in pretty countryside close to good schools and Andover train station also satisfied the three key requirements of commutability, education and attractive surroundings. At the moment there is certainly a shortage of similar properties in this part of the world.

Bobby Hall

CENTRAL REGION

The Green, Fifield, Oxfordshire



The sale of this classic five-bedroomed Grade II listed Cotswold village house with half an acre of mature gardens highlights the current demand for “best-in-class” properties in this area. Guided at £925,000 by selling agent Butler Sherborn, competitive bidding pushed the price up to £1.1m. The purchaser had been looking for a suitable property for a year and a half, but there has really been little to choose from of this class. Prices at this end of the market remain robust and are not far off the peak of the market before the credit crunch.

Ran Morgan

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