

London

22a Ives Street, London SW3 2ND
Tel: +44 (0)20 7591 2640

Country

2 Lower Woodspeen Court, Lambourn Road
Newbury, Berkshire RG20 8BP
Tel: +44 (0)1488 657912

www.thebuyingsolution.co.uk

PRESS RELEASE

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The Buying Solution, Country Market Comment Q4 and 2010 predictions

Key points:

- **A shortage of supply and increase in buyers across all regions has been the overriding factor for the market this year, a trend which is set to continue into 2010.**
- **It is predicted that numbers of off-market sales will be significant in the first quarter of 2010, with the open market remaining quiet until after the May election.**
- **Active buyers are still looking for value - houses that were deemed overpriced earlier in the year sold under competition when prices were brought down to realistic levels in the autumn market.**
- **Buyers need to be prepared to act quickly – prices are unlikely to soften in the spring market, the ongoing lack of supply means that the majority of good houses are selling under competition and gazumping is back.**

Regional breakdown:

Central: (Gloucestershire, Oxfordshire, Warwickshire, Northants, Herefordshire, Worcestershire)

Ran Morgan, Partner and head of Central region, comments: "Lack of supply and pent up demand has meant that we have seen competitive bidding on a number of properties towards the latter part of this year, and a return to gazumping in some cases. For example, Bourton House, Bourton-on-the-Hill, which was on the market for a guide price of £5m, went under offer for circa £4.75m, then was subsequently gazumped at £4.9m. The property is blighted by road noise, however, the lack of supply means that some buyers are prepared to compromise. Another recent landmark purchase was Blaisdon Hall, near the Forest of Dean, which has gone under offer just below its £4.75m guide price. Interestingly, it was purchased by a Russian buyer – fairly unusual for this part of the country, however the house is very private, has good views, and you can land a helicopter there, all of which are of utmost importance to Russian buyers.



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“For 2010, we anticipate a continued lack of supply and competition from buyers. We have a number of potential clients who believe we have reached the bottom of the market and are keen to purchase in the usually popular blue chip areas (Oxford, High Cotswolds). Most are UK buyers, including families looking in areas with good schooling, occasional second home owners and city buyers who anticipate bonuses.”

Southern (Somerset, Wiltshire, Berkshire, Hampshire, Dorset)

Bobby Hall, Partner and head of Southern region, says: “The latter part of this year has seen a very active market with a number of competitive bidding situations, particularly where prices have been adjusted to reflect current market conditions. For example, Micheldever House, Nr Winchester, was introduced to the market earlier in the year with a guide price of £4m. Having attracted no offers, the price was dropped to £3.5m in the autumn. It then went under offer for just over the reduced guide. Similarly, Steventon House, Nr Basingstoke, was introduced quietly in the summer with a guide of £5.5m. The property attracted no offers, but was then introduced to the market with greater advertising and a guide price of £4.5m; subsequently the property went under offer close to the new £4.5m guide. Both properties had blights, but attracted competition and achieved close to guide once priced according to market conditions.

“For 2010, I believe that we will see more supply coming to the open market in spring throughout West Berkshire, Wiltshire, North Hampshire and Dorset, and that we are likely to see city bonus buying in the second quarter and onwards in the open market, prior to the election. In the meantime, a number of houses are being privately offered at the upper end between now and early next year. For example, I have been quietly offered a £5m house in Hampshire that will not hit the open market until April but is expected to sell off market before Christmas.”

Home Counties (Berkshire, Buckinghamshire, Surrey, South Oxfordshire, West Sussex)

Andrew Giller, Partner and head of Home Counties, says: “As with all regions, there is very little property on the market, particularly in the £3m+ price region, which means that prices are holding firm. I expect this to continue into the New Year, and whilst supply/demand is unbalanced, there is likely to be continued competition for the most sought-after houses, pushing prices above guide as we have seen in recent months. We have had a number of enquiries from those anticipating bonuses who want to move out of South West London down the traditionally popular A3/M3 and M40 corridors for schooling. We also anticipate continued demand from international clients, particularly Russian and Middle Eastern buyers, who are very much back in the market place.”



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High value country houses, estates and land

Mark Lawson, Partner and head of high value houses and landed estates, says: “The land and estate market has seen a very healthy end to the year, for example, the sale of Malverleys, Nr Newbury, which achieved in excess of its £12m guide price with four people bidding – a figure that reflects peak market prices. One of the most noteworthy recent land deals is Manor Farm, Turkdean, Gloucs, (466 acres) which is under offer for significantly above its £5.5m guide price, with two UK buyers bidding. International buyers continue to dominate the market over £5m, and we are beginning to see Russians moving further out of London. There are also rumours of the first active Chinese buyer in the Home Counties with more than £10 million to spend.

“In my view, the top end of the country house market (£8m+) will continue to be short of supply in 2010, however I believe that there will be an increasing number of properties available privately – perhaps as much as 75% compared to 25% on-market, but vendors will want premium prices. The best in class will attract competition and will continue to sell well with peak market figures being achieved. This is as a result not only of the supply shortage and weak pound, but the ability to borrow cheaply for those able to access the banks' funds - a luxury for the rich and super rich.

“I believe the Home Counties will continue to be extremely sought-after (due to predicted city bonuses and international buyers), but also the core strong areas in the country including Oxfordshire, due to access to London and schooling, Gloucestershire, due to the beauty of the countryside and the pretty houses, Dorset, because of the shortage of supply of property over £3 million, and Hampshire because of commutability, good quality housing stock and the existing wealthy community.

“The supply of farm land will continue to dwindle, pushing prices ever higher, again driven by shortage of supply (because farmers are not having to sell as they can afford to fund their borrowings, and with the weakness of the pound, their Single Farm Payment cheque from the Euro Zone has increased in value by as much as 25%). Demand will be stronger than ever because it is now firmly believed that, with the growing population and the continued likely shortage of food, the Landowner will once again become king.”

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:



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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.

The Buying Solution has six teams covering:

- High value country housing, estates and land
- Prime London
- Home Counties (Berkshire, Buckinghamshire, Surrey, South Oxfordshire, West Sussex)
- Southern (Somerset, Wiltshire, Berkshire, Hampshire, Dorset)
- Central (Gloucestershire, Oxfordshire, Warwickshire, Northants, Herefordshire, Worcestershire)
- Rental search in London and Surrey

Media contact:

For further press information, please contact Emma Ward Hunt at Foundation PR on:

T: (0)20 8542 7400 / M: +44 (0)7989 979 693 / E: emma.wardhunt@foundation-pr.co.uk



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