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Country Markets

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Lack of supply dominates the country market, leading to a rise in off-market transactions, as Jonathan Bramwell and Mark Lawson tell Oliver Knight

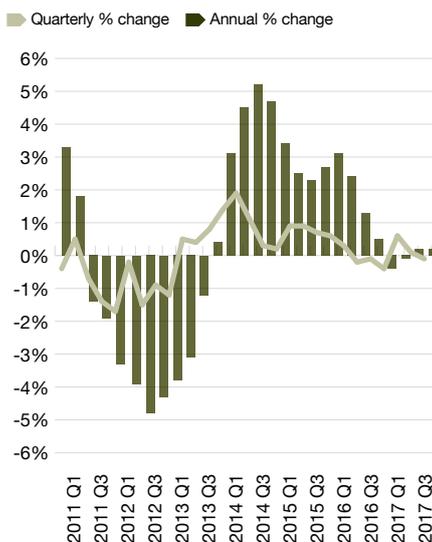
Prime markets outside of London have proven remarkably resilient over the last 12 months, in spite of the wider backdrop of rising political and economic uncertainty.

Buyers and vendors are understandably more cautious but, as Jonathan Bramwell, Head of The Buying Solution in the Country, explains, the demand for prime property outside of London remains strong.

One trend that Jonathan notes has become increasingly prevalent in this environment however, is an increase in the number of 'off-market' or 'pre-market' deals – the expression used to describe properties that are for sale but not being advertised or promoted.

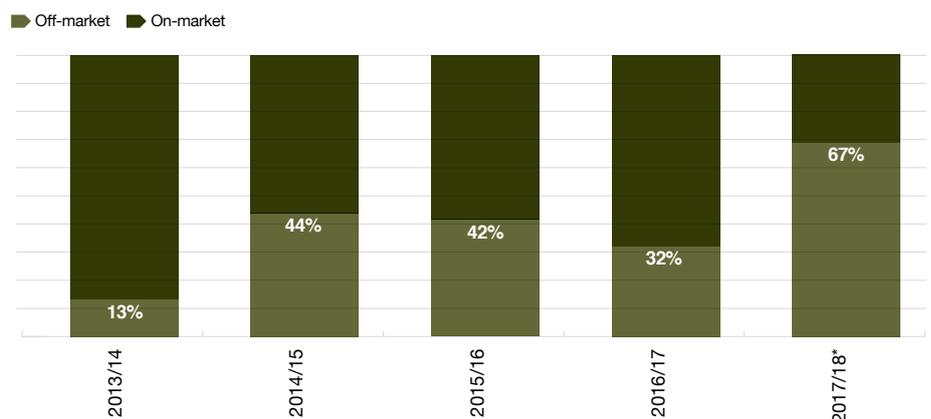
At the top end of the market such deals are commonplace, but our analysis of TBS data

FIGURE 3
Annual and quarterly change in prime country property values



Source: Knight Frank Research

FIGURE 4 **Rise in off-market deals** TBS data, financial year



Source: Knight Frank Research / TBS

*2017/18 not full year data

show that off-market purchases are becoming a regular occurrence on behalf of clients across all price bands.

Some 67% of purchases agreed by the TBS Country team so far this financial year were for properties that had not been launched or were off-market, up from 32% during the previous financial year and from 42% in 2015/16. Back in 2013/14, just 13% of TBS deals were off market.

“What we’re seeing is a real lack of good quality, well-priced stock coming to the market. As a result, when best in class properties do become available they sell quickly, often under competition,” Jonathan says. “There is little to suggest that the current situation will change any time soon, with many vendors not wanting to openly advertise their properties until there is more certainty in the market, which highlights the importance of having access to these opportunities first.”

However, while premiums have been achieved

for best in class properties, price growth has been muted. The latest prime index from Knight Frank shows annual growth of 0.2% on average across England & Wales over the year to September 2017, down from 5.2% in 2014.

Mark Lawson, of the Residential & Rural Estates team at TBS, notes that in this environment purchasers have tended to concentrate their searches on traditional prime locations.

“The Cotswolds remain as in demand as ever, while markets in and around Surrey, Berkshire and Buckinghamshire continue to attract both Londoners making the move out of the capital, as well as international buyers who are able to trade on a weak pound,” he explains.

A shortage of quality stock being advertised for sale is likely to characterise the market for the remainder of the year, he adds, and this will underpin pricing to some degree.

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