



WORCESTER REVIEW

Regional property market focus 2010

Knight Frank

Now is an extremely good time for people thinking of selling their houses to take advantage of increasing demand and low levels of stock in Worcestershire

New prospective buyers  100%

Viewings  60%

Sales  16%

All figures second half of 2009 v second half of 2008

LOCAL MARKET OVERVIEW

Knight Frank's Worcester office has emerged from the credit crunch as the area's leading prime property agent and expects to consolidate this position further during 2010.

Now is definitely the time to put your house on the market if you are thinking about selling. Most prospective purchasers appear confident that we have reached the bottom of the market in terms of prices and this was reflected by a 139% increase in the number of new buyers who registered with us last year.

We sold 16% more properties in the second half of last year than during the same period in 2008, and conducted a number of public auctions throughout 2009 that clearly showed the strength of the market. These included a house at Stanford Bishop that sold for 27% above its guide and a cottage at Martley that made 39% over expectations.

Areas that are proving particularly popular include villages in the Teme Valley and around the Malvern Hills. We also have a strong presence in Worcester itself and have achieved some good sales in the town's premier areas such as Britannia Square and Lansdowne Crescent.

A lack of stock, however, means that many buyers remain frustrated and we expect to see continued strong demand throughout 2010. In a number of cases this renewed interest has led to a return to competitive bidding with houses selling for over their guide prices.

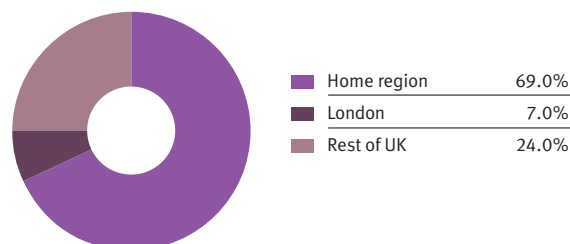
Despite this recent upturn, the past 18 months have been difficult. In such a challenging environment, we believe that the quality of our service and depth of knowledge has helped consolidate our position as the area's leading prime property agent and highlighted the benefits of using a truly national and international agent.

We have continued to invest in our global network of offices and our award winning website. The properties we sell are seen by hundreds of thousands of prospective wealthy buyers throughout the UK and across the globe. This exposure is vital for anybody who wants to ensure their

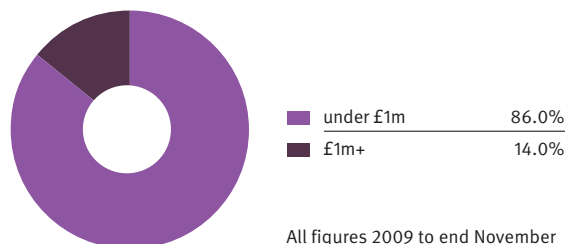
property is seen by the widest potential audience – one third of our buyers last year came from outside the area.

Our level of commitment to our clients remains the same whether the property we are selling is worth £4m or £400,000. About 85% of the properties we sold last year were priced at under £1m. Whether you own a cottage or a castle, as a Knight Frank client you will receive the highest level of service and advice.

Where our buyers come from



Sales by price band



All figures 2009 to end November

NATIONAL COUNTRY HOUSE MARKET

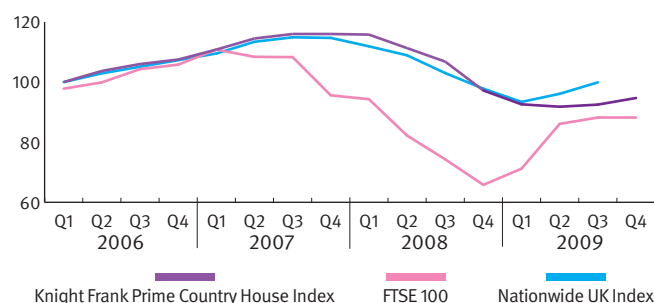
The price of prime country properties is now showing positive growth in all locations across the UK as demand outstrips supply.

Average prices for the best country properties increased by 2.3% in the final three months of 2009, the first significant quarterly increase since the autumn of 2007. Values overall are now just 2.6% below the levels seen at the end of 2008, but a number of locations, especially in the Home Counties, saw prices increase last year.

The impact of the resurgent London residential property market has had, unsurprisingly, the biggest knock-on effect in the areas surrounding the capital. Average values rose 3.1% across our Home Counties offices in the final quarter of 2008 and increased by 5% during the second half of the year, giving total annual growth of 1.4%.

Even the north of England and Scotland, where the recovery has been more muted until now, saw a 0.5% rise in average prices at the end of the year, although houses are still worth 11% less than at the beginning of the year.

Investment performance 2009



Apart from a general increase in consumer confidence as the UK slowly drags itself out of recession and continuing low interest rates, the market recovery has been led by a sharp imbalance between supply and demand. The number of potential purchasers registering with Knight Frank has increased significantly while the number of properties for sale continues to fall.

PRIME LONDON

Buyers coming out of London continue to underpin the prime country house market. Strong sales and price results in central London mean that a special frisson of activity is being offered to the country market in 2010.

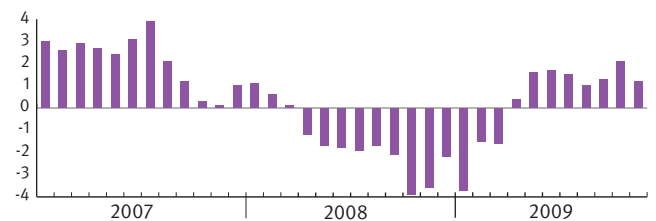
The prime London market saw a dramatic turnaround last year. With a weak pound attracting international buyers and low interest rates prompting many to take the plunge, sales volumes rose by 40% year-on-year. Weak supply helped drive prices higher – by almost 10% in the nine months to December.

London’s economy is playing its traditional market-leading role – heading the UK’s nascent recovery. Despite its current unpopularity and attempts to dent its power by the taxman, the City is again creating wealth that is being poured into the Capital’s housing market. There are several obstacles that London’s housing market will need to navigate during 2010: the election, tax rises, and potentially rising interest rates. However, the one lesson to take from last year is that demand for accommodation in London is very wide and very deep – the supply of country buyers coming out of London will continue to flow this year.

Our offices in London include:

- ◆ Belgravia
- ◆ Canary Wharf
- ◆ Chelsea
- ◆ Hampstead
- ◆ Kensington
- ◆ Knightsbridge
- ◆ Fulham
- ◆ Mayfair
- ◆ Marylebone
- ◆ Notting Hill
- ◆ Richmond
- ◆ Riverside
- ◆ St John’s Wood
- ◆ Wandsworth
- ◆ Wapping
- ◆ Wimbledon

Knight Frank Prime Central London Index, monthly price change 2007-2009

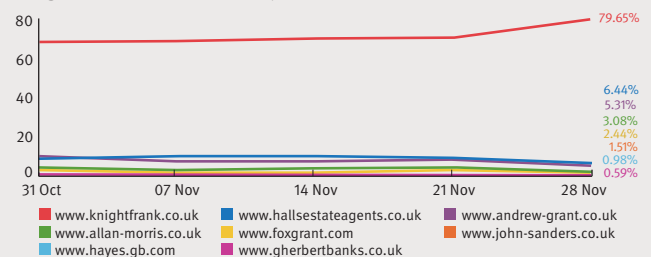


WORLD’S BEST PROPERTY WEBSITE

Our award winning website opens your property to the world.

Industry statistics show that over 74% of those looking for a new house start their search on the web. This is why we have developed our ground-breaking Global Residential Search facility, which is now live on KnightFrank.co.uk, the most visited UK estate-agency website. The Global Residential Search was voted the World’s Best Real Estate Agency Website*.

Knight Frank vs local competition 2009 (%)



Source: hitwise

KNIGHT FRANK FINANCE

Knight Frank Finance is here to help you secure the best deal.

The past six months have seen modest improvements in the number of mortgage deals approved, but seeking professional advice is still the best route to the best deal.

The High Street mortgage market continues to remain in a state of turmoil. While stock markets have managed to rally over the past few months, only about 20% of the High Street banks are actively lending and, of those, even less are lending above 75% loan to value.

Many potential first-time buyers and re-mortgagers are finding it very difficult to satisfy the criteria currently laid down by the banks, and securing a good interest rate can be extremely tough.

At Knight Frank Finance, we work hard to help you achieve the best possible terms in these tough times. By continually evaluating which

banks are lending, we have developed a very successful approach to securing the best deals despite the conditions. Our aim is to build an intimate understanding of your long-term goals, and act as both a trusted advisor and a confidante, not just at the moment of your transaction, but on an ongoing basis. By looking carefully at your full financial position, we can find the best source for you to borrow from. Often private banks or foreign lenders are providing superior terms to the High Street, and we have made it our business to know the right people at over 50 of these institutions.

Choosing Knight Frank Finance provides you with the access to some of the very best minds in financial services. Our high-calibre professional consultants, all experts in their respective fields, have been handpicked from the industry. If you feel we could help improve your financial position, we would be delighted to hear from you.

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A SELECTION OF PROPERTIES SOLD IN 2009



Acton Hall, Ombersley, Worcestershire

Long driveway approach with a home offering enormous potential



Old Hill House, Astley, Worcestershire

Views over paddocks to the Malvern Hills in the distance



Garden House, Great Witley

Unique position at the heart of The Witley Court Estate



Snipes Nest, Stanford Bishop, Herefordshire

A privately positioned cottage that required updating, with wonderful approach and paddocks



Northend Barn, Huntley, Gloucestershire

A rare conversion opportunity surrounded by open countryside



Hampton Manor, Evesham, Worcestershire

A Queen Anne house with many original features



Field Cottage, Areley Kings, Worcestershire

Extremely well presented with a large paddock



Uplands, Great Malvern, Worcestershire

Traditional living at the centre of Great Malvern



The Old Rectory, Harpley, Worcestershire

A refurbished rectory with a separate barn



Ranworth, Worcester City

A stunning Georgian town house with many delightful period features



The Cottage, Burford, Worcestershire

An extremely pretty cottage in a secluded location with paddocks



Meadow Cottage, Hanley Castle, Worcestershire

Stunning outlook over parkland and lakes to Bredon Hill

Your local team



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