



# WINCHESTER 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 the Winchester area

Total property for sale	↓	-23%
Newly available property for sale	↓	-20%
New prospective buyers	↑	64%
Viewings	↑	95%
Sales	↑	46%

All figures Q4 2009 v Q4 2008

# LOCAL MARKET OVERVIEW

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

Following five quarters of falling or static values, the Winchester office has now witnessed two consecutive quarters of price growth. This trend reflects not only growing confidence levels but the widening gap between demand and supply in the country homes market; 66% more applicants registered with the Winchester office in 2009 than in 2008 yet supply was down by 23%.

In the last four months of 2009 inspections rose by 76% compared with the same period a year earlier and sales increased by 46% over the same period. Last year also saw a departure from the traditional seasonal sales pattern with heightened activity in the autumn months as opposed to spring and summer.

Best-in-class homes that are realistically priced continue to attract immediate interest and go under offer quickly, with those close to good schools being consistently strong performers. Nonetheless, the market can still be relatively unforgiving in the case of those country homes that fail to measure up. Quality is key, buyers remain price-sensitive but will compete for aspirational homes of the highest quality.

Those families who opted to sell up and rent during the market downturn started 2009 feeling relatively secure about their decision, eager to take advantage of classic recession conditions – a market flooded with quality homes at discounted prices – but these events have not emerged and the options facing this group are narrowing.

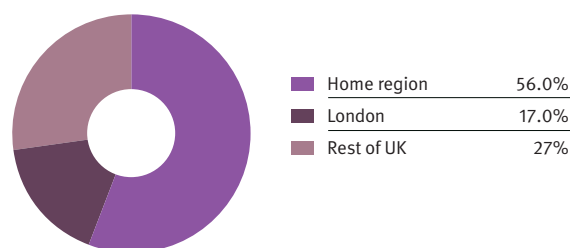
The period between Christmas and the next general election could prove critical for both purchasers and vendors alike. For purchasers, limited stock means the potential for more price rises, albeit small ones. For vendors, they need to act early in 2010, listing their property before the inevitable lull brought about by a general election.

In 2009 almost 30% of our buyers originated from outside the Hampshire area and a growing number were from overseas. With

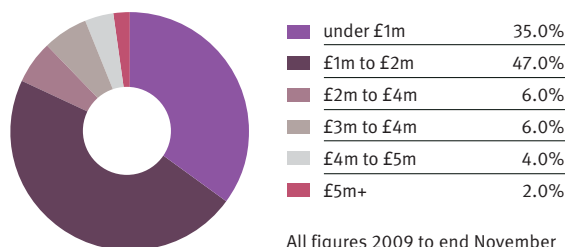
this in mind we have continued to invest in our global network of offices and our award winning website.

In this recent challenging environment, we believe that the quality of our service and depth of knowledge has helped consolidate our position as the area's leading country homes property agent. Our global brand and international network of offices is complemented by the office's local market knowledge. Together, the Knight Frank Hampshire team has worked in the county for over 150 years.

## Where our buyers come from



## Sales by price band



All figures 2009 to end November

# NATIONAL COUNTRY HOUSE MARKET

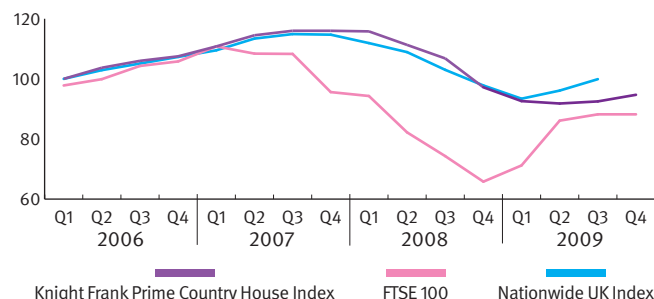
**The price of prime country properties is now showing positive growth in all locations across the UK as demand outstrips supply.**

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.**

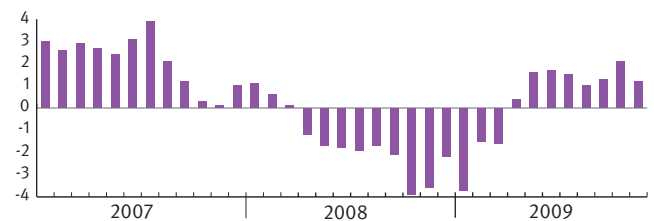
The prime London market saw a dramatic turnaround last year. With a weak pound attracting international buyers and low interest rates prompting many to take the plunge, sales volumes rose by 40% year-on-year. Weak supply helped drive prices higher – by almost 10% in the nine months to December.

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**

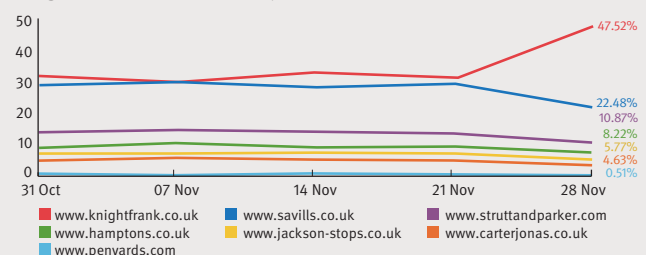


# WORLD'S BEST PROPERTY WEBSITE

**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



Swanmore, Hampshire

Sale agreed within one week



Nr Alton, Hampshire

Sold in excess of the guide price after 40 viewings



Quarley, Hampshire

Sold at the guide price



East Winterslow, Wiltshire

Sold in excess of the guide price



Longparish, Hampshire

Sold in one of Hampshire's most popular villages



Hursley, Hampshire

Sold in excess of the guide price



Wherwell, Hampshire

Sold in excess of the guide price



Forton, Hampshire

Sold in popular Hampshire village



Winchester, Hampshire

Within walking distance of Winchester Cathedral



Isle of Wight

Sold to London buyers as a second home



Compton, Hampshire

Sold in excess of guide price in popular edge of Winchester village



Nr Alresford, Hampshire

Previously sold by Knight Frank and Rutley about 100 years ago

## Your local team



Andrew Rome  
Winchester



George Clarendon  
Winchester



Edward Cunningham  
London



Andrew Theobald  
Hotels



Tom Woods  
Winchester



Sacha Jackson  
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