



# THAMES VALLEY OUTLOOK

Regional Property Market Focus 2011

**Knight Frank**

Insight into your  
local market

Focus on the national  
country house market

Impact of the prime  
London market

Market forecast

## LOCAL UPDATE

**Realistic pricing is key to keeping the market moving and we spend a great deal of time determining this with our clients. Lack of attention to detail at this stage may well lead to a property languishing in what is a very price sensitive market. It is safe to say that 2010 became tougher as it progressed, the busiest period falling between May and September.**

Looking ahead, we believe the market is going through a period of transition and 2011 may well provide the catalyst for many people to reflect on their next move. The future for interest rates remain unclear but it is generally thought that, even though there is a

pressure to increase the rate because of high inflation, any rate rises will be minimal and look more likely to happen towards the end of 2011.

With few properties coming to the lettings market, increasing rents could be inevitable. The budgets of

many corporate tenants appear to have improved on last year and the number of enquiries from their search agents has been very encouraging. Together with a good level of enquiries from private tenants, this has created an active local market that looks set to continue.

This publication is intended to give you a flavour of the market and demonstrate our expertise, both locally and nationally. Whether you are looking to act now or later in the year, our friendly and experienced teams are here to help. But do bear in mind that

those who act earlier will reap the benefits of lower stamp duty and good mortgage deals while they remain competitive. We hope you enjoy the outlook and look forward to hearing from you.

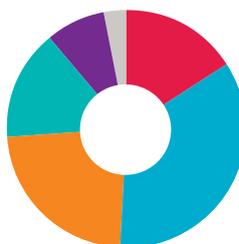
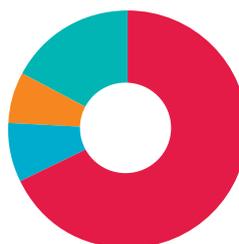


**Antony Wardell**  
Home Counties

## THAMES VALLEY BY NUMBERS

**Knight Frank has emerged from the credit crunch as the area's leading prime property agent and expects to consolidate this position further during 2011.**

- The average buyer from London spends £2.6m.
- 51% of our sales in the last 12 months were priced under £1.5m.
- Our Thames Valley online property listings are viewed 655 times a day through our award-winning website.
- In the last three months alone, potential buyers from 126 different countries have viewed properties for sale online through our Thames Valley offices.
- We currently have seven buyers on our books for every property we have for sale.



## OUR TEAM IN ACTION

The Old School House at Winkfield completes a hat-trick of sales for the same family, starting with the sale of Lovel Dene in Woodside in the early 1990's followed by Ronans in 2007 at Winkfield and lastly The Old School House at Winkfield. All three houses were owned by three brothers, all of

whom have entrusted Knight Frank with the sale of their beloved homes and have moved to other parts of the country. The connection with the same family doesn't stop there. Our Winchester office is presently selling a large house owned by the same family in Hampshire. Loyalty indeed!



THE OLD SCHOOL HOUSE



# NATIONAL COUNTRY HOUSE MARKET

**Activity boosted by the closing gap between overly ambitious sellers and cautious buyers.**

The national country house market experienced quite an upheaval last year. Although price growth in the 12 months to June 2010 helped the market claw back some of the falls seen during the credit crunch, ongoing problems with mortgage availability and affordability caused this growth spurt to reverse. Prices by the end of the year did however, remain 3.3% higher than the year before.

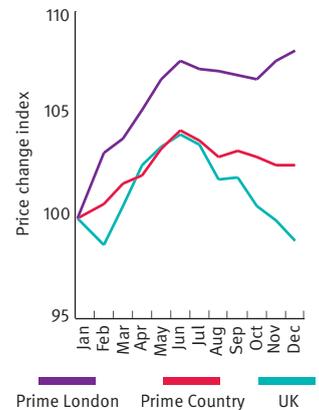
A positive outcome of this was the impact it had on the gap between overly ambitious sellers and cautious buyers. The necessary asking price reductions that began to take place in August and September narrowed this gap, leading to improved activity in the final quarter of the year.

We expect 2011 to mirror 2010 – the best properties are likely to sell well due to thin supply

and strong demand. Indeed, we moved into 2011 with 12% more purchasers registered to buy country house properties across the UK compared to the same position in 2010. The market for properties priced below £1m will however remain challenging for vendors due to the absence of a noticeable recovery in mortgage supply.

The most critical issue for vendors this year will be price. Only the most perfect properties can justify ambitious expectations in the current market. For most properties, this approach will lead to delays in attracting interest and lost marketing time in the critical spring months.

## How the prime London, prime country house and mainstream UK markets compared in 2010



Sources: Knight Frank Central London Sales Index, Knight Frank Prime Country House Index, Nationwide House Price Index

# LONDON'S SUCCESS FEEDS DEMAND FOR COUNTRY PROPERTY

There is no doubt that the strongest performing property market in the UK during 2010 was the prime London market – with prices rising by nearly 11% over the year.

While prices in London are unlikely to see any significant growth, we expect 2011 to

see a rerun of last year's strong performance in terms of sales volumes and buyer demand.

For large parts of the country house market across England, and even into Scotland and Wales, this positive outlook for London matters. Over 22% of buyers of country houses priced

£1m+ across the UK are from London. The figure hits 31% for property costing £2m+.

Our experience in the London market confirms that much of its strong performance stems from the perception that the market is a 'safe haven', particularly for international buyers.

This is demonstrated by the volume of new applicants from Europe looking to buy in central London, which rose 23% year-on-year in the final quarter of 2010. London property provided a strong defensive

option as the difficulties in the Eurozone worsened, and while the pound was trading at a discount to the euro.

London also experiences ongoing demand from Asia-Pacific buyers who have benefited from 30% to 50% price growth in Hong Kong, Singapore and other key Asian centres over the past year. They are keen to take advantage of the weak pound, removing their money from what have arguably become very hot markets in Asia.

# FINANCING WITH KNIGHT FRANK

As a highly respected team in the property financing industry, with 150 years of combined experience, Knight Frank Finance specialises in mortgages for main or second homes, investment property, buy-to-let mortgages and commercial property finance.

For loans below £1m, we have access to all of the most competitive mortgage interest

rates available on the high street. If you are considering borrowing above £1m, our close working relationships with the world's private banks, commercial lending sources and finance houses, enables us to achieve the very best terms for our clients, including those unable to find financing solutions elsewhere.

**To find out more, please call us on: Ascot +44 (0)1344 624732 or Virginia Water +44 (0)1344 840020.**

# MARKET FORECAST

We are unlikely to see strong capital growth in any residential sector in 2011. The opportunity for speculative gains was presented in early 2009 and by mid 2010 this had all but disappeared, at least for the short-term.

The vast majority of buyers in the market have recognised this fact and are looking at property as offering a stable home for their wealth in the long run. Demand from investors and holiday home buyers has remained strong, but again is driven by a view of long-term potential growth.

While we expect country house prices to rise only marginally in 2011, the fundamentals underpinning the market are as strong as ever. This year will be the third consecutive year when new-build development volumes will struggle to reach even 50% of the 2007 peak level.

For those with access to equity this year, there will be considerable opportunities in the market. For the investor or holiday home purchaser these opportunities will be centred on strong yielding properties. For others it will be in securing properties with scope for refurbishments or improvements.

## A SELECTION OF PROPERTIES SOLD IN 2010



**Four Furlongs House, Ascot**

Attracted 14 offers and contracts were exchanged well in excess of the guide price



**The White Gate, Binfield**

Despite being in competition with about five other estate agents, Knight Frank emerged victorious



**Santhari, Virginia Water**

Sold before the house was launched



**Dorney House, Windsor**

Sold in the first week for the guide price



**Rushmere Place, Englefield Green**

Let to tenants to assist their purchase of the property



**Pine Trees, Ascot**

Let on first viewing for full guide rent

## YOUR LOCAL TEAM



**James Heron**

James Heron has been with Knight Frank since 1988 and is the Partner in charge of the highly successful Ascot office dealing in properties anywhere from approximately £500,000 upwards.

[james.heron@knightfrank.com](mailto:james.heron@knightfrank.com)



**Martin Burrow**

Martin Burrow joined the Ascot team approximately 18 months ago and brings with him 30 years experience.

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**Paul Cockerham**

Paul Cockerham joined Knight Frank in 2004 when he was asked to head up the new office in Virginia Water and has never looked back since.

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**John Henson**

John Henson joined the Virginia Water office in June 2009 and has concentrated on houses and apartments in Virginia Water and Englefield Green up to the value of £2m with great success.

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