

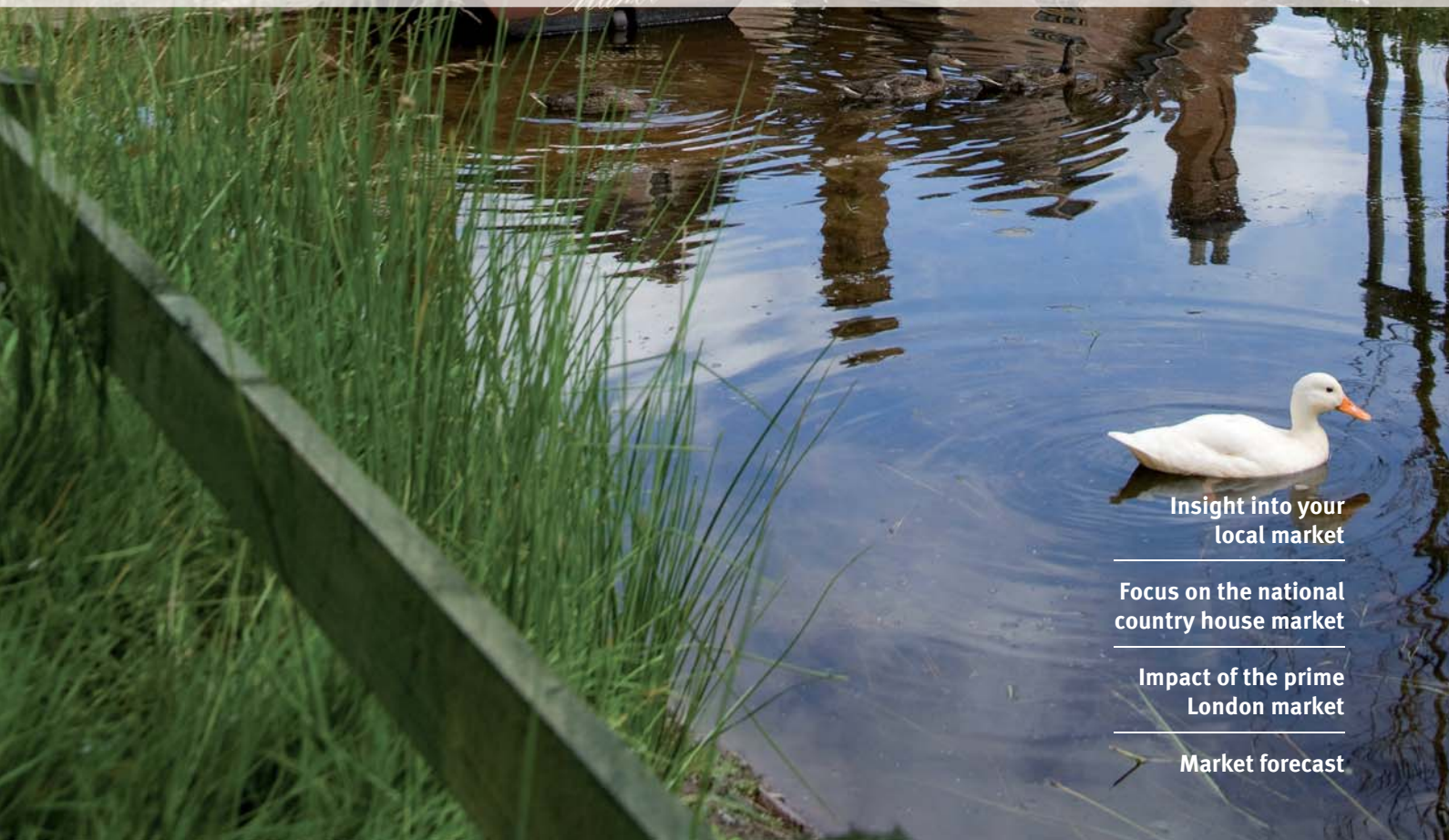


SUTTON COLDFIELD OUTLOOK

Regional Property Market Focus 2011

Knight Frank

*Leomanley
Manor*



Insight into your
local market

Focus on the national
country house market

Impact of the prime
London market

Market forecast

LOCAL UPDATE

2010 was a turbulent year for the local property market; following the green shoots of recovery came a flourishing spring market, followed by a slowdown in the run-up to the general election, after which activity came to a complete halt. The outcome of this was a shortage of houses and increasingly sensitive buyers. Property values fell by up to 7% during this time.

Our office now has two very distinct departments: the Town Sales department covers the Sutton Coldfield area and peripheral villages, and the Country House Sales department covers East Staffordshire, Derbyshire, South Nottinghamshire, North Warwickshire and West

Leicestershire. Town Sales has experienced strong demand for property priced from £750k to £1m and for addresses on the private estates of Sutton Coldfield such as Four Oaks Estate, Little Aston Park and Moor Hall. Country House Sales has handled some exciting sales throughout

the price ranges, from £500k through to £3.5m.

Both departments have encountered unrealistic expectations from some vendors. This has resulted in some properties staying on the open market with little activity. As we have been able to demonstrate in the majority of cases, if a property is priced in line with market sentiment and is marketed comprehensively, it will sell.

Whether you are looking to act now or later in the year, our friendly and experienced teams are here to help. But those who act earlier in the year will reap

the benefits of lower stamp duty and good mortgage deals while they remain competitive, as this could change with future interest rate hikes.

We hope you enjoy the outlook and look forward to hearing from you.

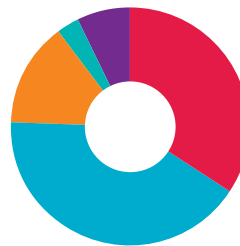


Christian Swaab
Office Head

SUTTON COLDFIELD BY NUMBERS

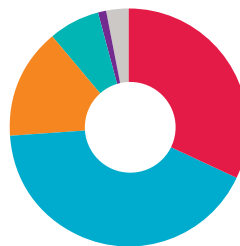
Knight Frank's Sutton Coldfield office has emerged from the credit crunch as the area's leading prime property agent and expects to consolidate this position further during 2011.

- The average local buyer spends £1.3m.
- 35% of our sales in the last 12 months were priced under £750k.
- On average we have achieved 97.3% of the guide price on sales in the past 12 months.
- Knight Frank Sutton Coldfield's online property listings are viewed 610 times a day through our award-winning website.
- In the last three months alone, potential buyers from 98 different countries have viewed properties for sale online through Knight Frank Sutton Coldfield.



Sales by price band

Under £750k	35%
£750k - £1.5m	41%
£1.5m - £2.5m	14%
£2.5m - £3.5m	3%
£3.5m - £5m	7%



New applicants by price band

Under £750k	32%
£750k - £1.5m	42%
£1.5m - £2.5m	15%
£2.5m - £3.5m	7%
£3.5m - £5m	1%
Over £5m	3%

OUR TEAM IN ACTION

Earlier in the year we sold a state-of-the-art, modern build property with superb interiors and furnishings on Hartopp Road, Four Oaks Estate. A high quality brochure was created and sent to buyers on our database plus all the details were available on

our website and through our iPhone App. The house drew the attention of ten focused buyers. After just three weeks the house was sold, achieving the guide price and an additional arrangement for the furniture.



FOUR OAKS ESTATE, SUTTON COLDFIELD



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.

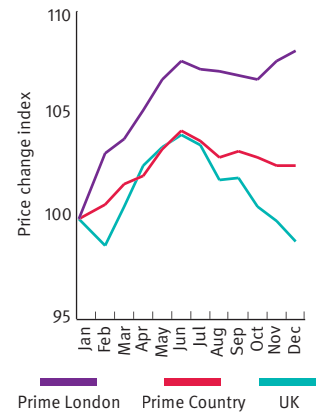
A positive outcome of this was the impact it had on the gap between overly ambitious sellers and cautious buyers. The necessary asking price reductions that began to take place in August and September narrowed this gap, leading to improved activity in the final quarter of the year.

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: +44 (0)121 362 7878.

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 Oaks, Sutton Coldfield

An attractive family home well placed for local amenities and schools, sold in 6 weeks after 14 viewings



Mapleton, Derbyshire

Grade II* Georgian gem on the edge of the Peak District, sold after over 40 viewings



Yoxall, Staffordshire

Extremely pretty beamed cottage with large garden in a popular village sold after 19 viewings



Little Aston Park, Sutton Coldfield

An extraordinary opportunity to complete a superb luxury home, attracted an incredible number of viewings



Walton-on-Trent, Derbyshire

Stunning traditional farmhouse with land and stables, sold to equestrian enthusiasts after 6 viewings



Four Oaks Estate, Sutton Coldfield

An immaculately presented period family home sold within 3 weeks

YOUR LOCAL TEAM



Christian Swaab, Office Head Town Sales

Christian enjoys the intricacies of every sale. A prolific deal-maker who thrives on helping clients maximise their property potential. Christian regularly receives repeat business and recommendations.

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Kate Harpham Country House Sales

Kate has a passion for country property and provides honest and straight forward advice. She has a consistent desire to provide an excellent service and thoroughly enjoys building a good relationship with clients.

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