



SEVENOAKS 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

The market in Sevenoaks performed consistently well throughout the first three quarters of 2010 and the best results achieved were with houses priced between £500,000 and £1.5m, either in Sevenoaks or within a five-mile radius.

But in late 2010 we began to see clear signs of demand and supply diverging.

While supply is increasing, mortgage lending is declining. These tighter funding conditions are contributing to a sharper than expected seasonal fall in demand. Evidence of this is demonstrated by the average time it takes a property to

sell, which has increased from 31 days to 52 (as at December 2010).

However, prices appear to be holding up in locations where demand is strongest – particularly Sevenoaks townhouses within walking distance of the station. This area has shown the most resilience as both London and local buyers compete.

Potential buyers, including those in rented accommodation and the new wave of bonus buyers, are choosing not to rush into a decision and are instead gauging the market's short-term direction. We anticipate that this pent-up demand could lead to stronger selling conditions early in the year.

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 team is 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, as this could change with future interest rate hikes.

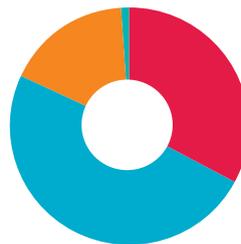


Edward Rook
Office Head

SEVENOAKS BY NUMBERS

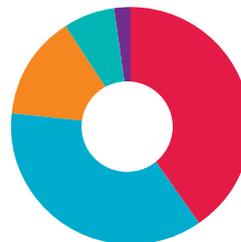
Knight Frank's Sevenoaks office has emerged from the credit crunch as the area's leading prime property agent and expects to consolidate this position further during 2011.

- The average London buyer spends £1.6m.
- The average local buyer spends £1m.
- 81% of our sales in the last 12 months were priced under £1.5m.
- On average we have achieved 96.5% of the guide price on sales in the past 12 months.
- Our office's online property listings are viewed 620 times a day through our award-winning website.



Sales by price band

Under £750k	33%
£750k - £1.5m	49%
£1.5m - £2.5m	17%
£2.5m - £3.5m	1%



Instructions by price band

Under £750k	40%
£750k - £1.5m	36%
£1.5m - £2.5m	14%
£2.5m - £3.5m	8%
£3.5m - £5m	2%

OUR TEAM IN ACTION

Prices Farmhouse

Prices Farmhouse is a stunning property in an exceptional rural setting in Leigh. This style and location of property will always attract a significant amount of interest, but it was difficult to predict the frenzy that occurred when it hit the market. We created a bespoke brochure and circulated it

to 250 applicants registered with us looking to spend a minimum of £1.5 million. This approach resulted in 75 viewings over a three-week period. We received ten offers, many of which were higher than the guide price, and a sale was agreed. The whole process took just 40 days, from launch to exchange of contracts.



PRICES FARMHOUSE



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.

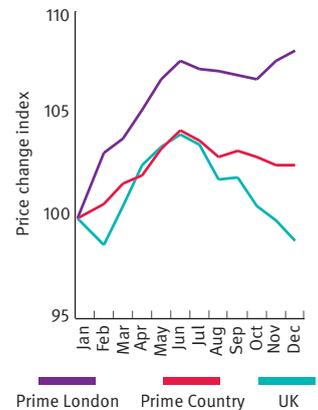
A positive outcome of this was the impact it had on the gap between overly ambitious sellers and cautious buyers. The necessary asking price reductions that began to take place in August and September narrowed this gap, leading to improved activity in the final quarter of the year.

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)1732 744477.

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



18 Dartford Road

Sold for 5% above the guide price



10 The Dene

Set a new price record for The Dene



Basted Farmhouse

Sale agreed within 1 week of launching



4 Carrick Drive

30 viewings in 2 weeks



53 Marlborough Crescent

Exchanged contracts within 14 days of agreeing a sale



Jordans

30 viewers: 10% overseas, 30% from London and 60% local

YOUR LOCAL TEAM



Edward Rook

A qualified Chartered Surveyor. Worked for Knight Frank for 15 years. Edward lives just outside Sevenoaks and has been focused on house sales in the area for over 10 years.

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Rupert Connell

Rupert has worked for Knight Frank for 6 years, following 5 years in the Central London property market. Living in the Weald of Kent he has focused on sales in the Sevenoaks area for the last 3 years.

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George Berry

Lived and schooled in and around Sevenoaks. George has worked within the property industry for over 10 years. For the past 3 and a half years he has focused on sales in the East and West of Kent.

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