



ESHER 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 Esher area

Total property for sale	↓	-19%
Newly available property for sale	↓	-20%
New prospective buyers	↑	117%
Viewings	↓	-5%
Sales	↑	27%

LOCAL MARKET OVERVIEW

Knight Frank's Esher 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 recognise that we have reached the bottom of the market in terms of prices and this was reflected by a 117% increase in the number of new buyers who registered with us in 2009.

We sold 27% more properties last year than during 2008 and towards the end of 2009 handled the first £5m+ sales on the St George's Hill estate in the past 18 months. Many deals, particularly in £3m-£4m price bracket, are taking place privately and the strength of the market is highlighted by two properties that we sold twice last year, each achieving a significant uplift in value.

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

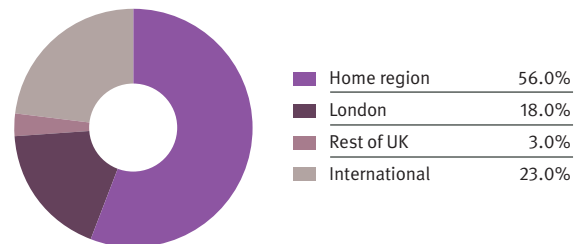
In the challenging environment of the credit crunch we believe that the quality of our service and depth of knowledge helped consolidate our position as the area's leading prime property agent and highlighted the benefits of using a truly international firm. Our professional approach and the quality of our applicants meant it took us on average only 26 days to secure a buyer for each instruction in 2009.

We combine 22 years' experience of the Esher market with the latest innovations and have continued to invest in our global network of offices and our award winning website. This means that the properties we sell are seen by hundreds of thousands of prospective buyers throughout the UK and internationally. Last year over 25% of our sales were to overseas buyers taking advantage of favourable exchange rates and the dip in prices. There has never been a better time to invest in UK

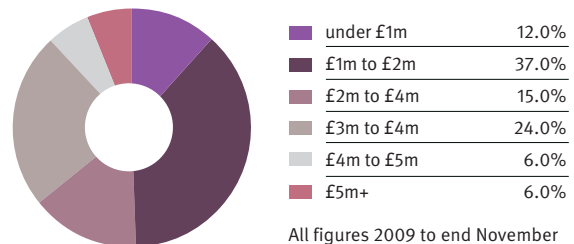
property and Knight Frank clients are ideally positioned to take advantage of this demand.

Our level of commitment to our clients remains the same irrespective of a property's value, which is highlighted by the fact that half the properties sold by this office in 2009 were priced under £2m. 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



NATIONAL COUNTRY HOUSE MARKET

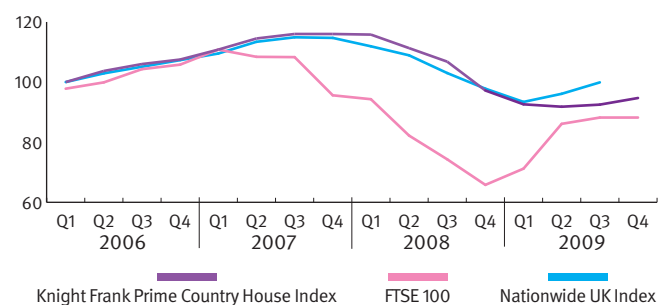
The price of prime country properties is now showing positive growth in all locations across the UK as demand outstrips supply.

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.

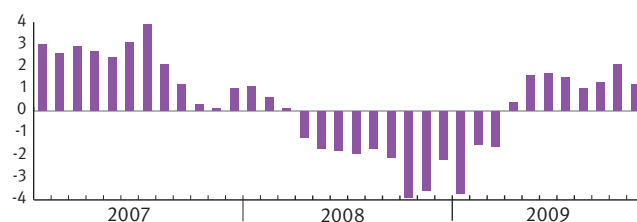
The prime London market saw a dramatic turnaround last year. With a weak pound attracting international buyers and low interest rates prompting many to take the plunge, sales volumes rose by 40% year-on-year. Weak supply helped drive prices higher – by almost 10% in the nine months to December.

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

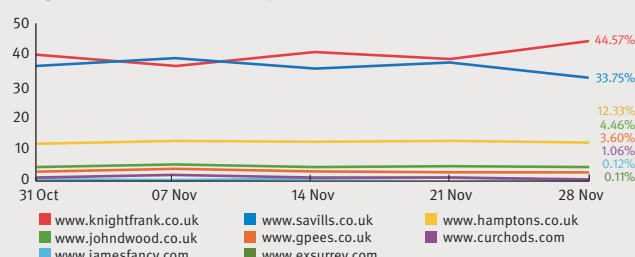


WORLD'S BEST PROPERTY WEBSITE

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



Copsem Drive, Esher

A fabulous refurbished property on this private road in central Esher



Blackhills, Esher

On one of the premier roads, this Octagon property sold "off market"



Ashley Park, Walton-on-Thames

With a superb indoor pool complex, a new build mansion that set a new record price for this estate



New Road, Esher

Central Esher gem sold in excess of asking price after competitive bidding



Grantley Place, Esher

Gated Octagon development and a superb investment



The Warren, Ashted

A one-off Art Deco Grade II listed property set in stunning gardens



St George's Hill, Weybridge

A contemporary modern masterpiece with all the toys



St George's Hill, Weybridge

One of the landmark sales of the year within this world-renowned private estate



Sandown Road, Esher

Art and crafts property sold on this popular private road



Burwood Park, Walton-on-Thames

A unique new build mansion and a landmark sale for 2009



St George's Hill, Weybridge

A fantastic plot of land with planning permission for a 13,000 sq ft mansion



Sandown Road, Esher

A beautiful family home and Knight Frank's second sale on this private road in 2009

Your local team



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Alex Herman
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James Machell
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