



# BERKHAMSTED OUTLOOK

Regional Property Market Focus 2011

**Knight Frank**

Insight into your  
local market

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Focus on the national  
country house market

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Impact of the prime  
London market

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Market forecast

## LOCAL UPDATE

**In 2010 Knight Frank continued to go from strength to strength in the property market in west Hertfordshire, south Bedfordshire and north east Buckinghamshire.**

We continue to sell quality properties in all price ranges and are showing them to a growing number of London, national and international buyers as well as house hunters from the local area.

Our reputation for excellence in marketing has continued

to grow as has our word of mouth recommendation in and around Berkhamsted and further afield. This is summed up very well by a testimonial received from one of our clients whose property we sold in one of the Aylesbury villages, 'The Knight Frank service at the

Berkhamsted office is worth every single penny of their fee. They worked tirelessly to earn every bit of it. We will 100% recommend the team to all our friends/family going forward.'

We anticipate further growth in our market share in 2011 in what will continue to be a very tight market. We believe our marketing expertise and advice on pricing will be absolutely key in this type of market and we would be delighted to hear from any property owners considering a sale in 2011.

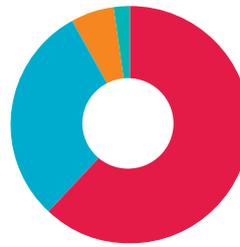


**Chris Moorhouse**  
Office Head

## BERKHAMSTED BY NUMBERS

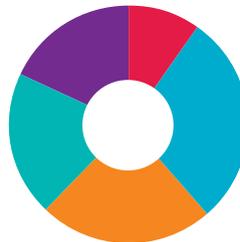
**Knight Frank's Berkhamsted office has emerged from the credit crunch as the area's leading prime property agent and expects to consolidate this position further during 2011.**

- 63% of our sales in the last 12 months were priced under £1m.
- On average we have achieved 97.2% of the guide price on sales in the past 12 months.
- We have 311 potential buyers on our books looking to spend a collective total of £400m.
- On average, five offers are made on our properties every week.
- In the last three months alone, potential buyers from 101 different countries have viewed properties for sale online through Knight Frank Berkhamsted.



**Where do our buyers come from?**

South East	62%
London	30%
Rest of UK	6%
International	2%



**Sales by price band**

Under £500k	10%
£500k - £750k	28%
£750k - £1m	24%
£1m - £1.5m	20%
£1.5m - £3m	18%

## OUR TEAM IN ACTION

### Wendover Guide £1,250,000

This beautiful property sits in wonderful gardens with outstanding views. Despite being in need of total refurbishment, it immediately attracted interest from a large number of buyers from far

and wide. We launched it in June 2010 and conducted 45 viewings, resulting in a sealed bid which saw seven offers made over the guide price. The property went under offer for a figure significantly higher than the guide and contracts were exchanged in August.



WENDOVER



# 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.

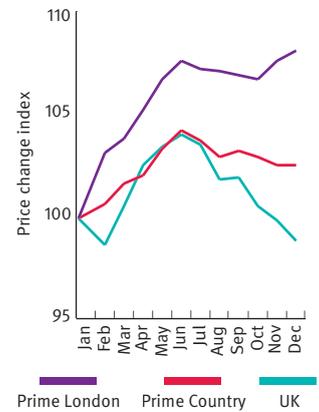
A positive outcome of this was the impact it had on the gap between overly ambitious sellers and cautious buyers. The necessary asking price reductions that began to take place in August and September narrowed this gap, leading to improved activity in the final quarter of the year.

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)1442 861610.**

# 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



**Farm Cottage – £795,000**  
Sold November 2010



**Norduck House – £1,425,000**  
Sold November 2010



**Winsor Farmhouse – £1,175,000**  
Sold within 4 weeks



**The Paddocks – £750,000**  
Sold to first viewer



**Westcott House – £2,050,000**  
Sold December 2010



**Bourne End Farm – £1,350,000**  
Sold to first viewer

## YOUR LOCAL TEAM



**Chris Moorhouse**  
LLB (Hons) Dip.LP

Chris is the head of the Berkhamsted office. He has been working in estate agency for 16 years in the Hertfordshire, Buckinghamshire, Bedfordshire and Berkshire regions.

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**Julian Clark**  
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Julian is the associate at the Berkhamsted office. He has been working in estate agency for 24 Years in the Hertfordshire, Buckinghamshire and Central London markets.

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**Sarah Warrington**

Sarah has been working in estate agency for 4 Years. Sarah is a lifelong resident of Berkhamsted and has extensive local knowledge of the area.

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Laura is the office manager at the Berkhamsted office. She has been working in estate agency for 7 years in central London and also the home counties.

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