

HIGHLIGHTS

BERKSHIRE & NORTH SURREY

Welcome to Knight Frank's Berkshire and North Surrey Highlights. In this year's edition, we look at the prevailing conditions and trends that have shaped the property market in the region and also feature a selection of properties marketed by our teams during 2015.

WELCOME

Of course the big UK story of the year was the surprise election result in May. In property terms the uncertainty surrounding the outcome – and the possible introduction of the so-called Mansion Tax – had the effect of putting the brakes on a market already slowed by the increase in stamp duty introduced at the end of 2014. However, by the late summer of 2015 the market was showing signs of absorbing these factors and getting back to business as usual.

If there has been any lasting impact it is that sensible pricing levels have been the key to achieving successful sales. The prime market in 2015 saw those properties listed at an attractive level generating a lot of interest – and often achieving significantly more than the guide price following a bidding situation.

The regional hotspots have remained those areas within a reasonable commute of the capital, as Londoners cash in and move out in search of more space. Berkshire and North Surrey provides just that, its popularity stemming from the excellent value on offer compared to the City.

Overall, there is a sense of a market returning to peak form and factors such as attractive mortgage rates are likely to provide added momentum in the months ahead.



James Cleland
Partner, Country House Department

TOWN LIVING

For many families, the pretty market towns of London's commuter belt offer the best of both worlds. Plenty of space and greenery, but with wonderful amenities on the doorstep. Add in fast commutes, excellent independent schools and charming architecture, and it's easy to see why 2015 was yet another year of strong activity in this region.

Cobham and Esher are always popular thanks to the great choice of schools nearby. Other popular towns include Ascot and Virginia Water.

appeal. In 2015 we saw a rise in the number of families moving to the area from Asia in particular to be in place ready for the start of the school year.

“Here are towns with everything you might find in one of London's ‘villages’ but without the crush and rush of living in the city”

The housing stock is varied, ranging from cottages to townhouses and detached villas, along with a constant supply of new developments. With the price differential against London property as wide as it has ever been, 2015 saw an increase in the amount of buyers choosing to swap the city for the town. With 20% year-on-year rises in the capital a thing of the past, it seems that many saw 2015 as the year to make the big move and cash out of the London market.

The following pages feature a selection of the town properties our teams successfully marketed during 2015.

1. **Arnison House**, East Molesey, 6 bedrooms. Guide price: £3,495,000
2. **Pine Acre**, Ascot, 6 bedrooms. Guide price: £2,795,000
3. **Abbots Drive**, Wentworth, 6 bedrooms. Guide price: £5,000,000
4. **Coromandel**, Cobham, 5 bedrooms. Guide price: £3,650,000
5. **Windrush**, Esher, 6 bedrooms. Guide price: £2,950,000

These are all thriving communities with a good array of cafés, restaurants and shopping, plus excellent links to the City. They are towns with everything you might find in one of London's 'villages' – such as Wimbledon or Barnes – but without the crush and rush of living in the City.

The quality of education choices has also created a strong international



“This landmark period property achieved a price that is currently the highest sale on the road”

1



2

◀ *“Knight Frank’s China desk helped secure the sale of the brand new property, on one of Ascot’s most sought after roads”*



3



4

◀ *“Was previously marketed by other agents, but sold by Knight Frank”*



5

- 6. **St. Mary's House**, Ascot, 5 bedrooms.
Guide price: £2,650,000
- 7. **Cavendish House**, Cobham,
5 bedrooms. Guide price: £2,195,000
- 8. **Toad Hall**, St George's Hill, 6 bedrooms.
Guide price: £4,750,000

- 9. **Birchwood House**, Cobham,
5 bedrooms. Guide price: £2,999,500
- 10. **Oakroyd**, Sunningdale, 6 bedrooms.
Guide price: £3,250,000
- 11. **Pipers End**, Wentworth, 5 bedrooms.
Guide price: £2,050,000

- 12. **Sunning Place**, Sunningdale,
6 bedrooms. Guide price: £4,150,000
- 13. **Split Pines**, St George's Hill,
6 bedrooms. Guide price: £5,950,000
- 14. **Waynefleete Tower Avenue**, Esher,
5 bedrooms. Guide price: £3,195,000



◀ *“St Mary’s House had been beautifully renovated and extended, and stole the purchasers hearts at first viewing”*



◀ *“Sold to a local buyer, who was previously renting through Knight Frank”*



▶ *“This luxury property sold to an international buyer during a period of difficult market conditions. We were still able to find a suitable buyer”*



- 15. **Virginia Drive**, Wentworth, 4 bedrooms.
Guide price: £2,250,000
- 16. **16 Oxshott Rise**, Cobham, 6 bedrooms.
Guide price: £3,595,000
- 17. **Oak House**, Cobham, 5 bedrooms.
Guide price: £2,795,000

- 18. **Rivendell**, Ascot, 5 bedrooms.
Guide price: £2,395,000
- 19. **Nuns Walk**, Wentworth, 6 bedrooms.
Guide price: £5,995,000
- 20. **Gorse Hill Lane**, Wentworth, 5 bedrooms.
Guide price: £2,450,000



14



15

◀
*“ Sold to a
Russian
client via
our London
residential
team ”*



16



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18



19



20

COUNTRY LIVING

A grand country home that feels a million miles from the City but has fast links to town and great schools on the doorstep – this is the unique selling proposition that brings buyers year after year to the band of rolling countryside which rings the capital.

North Surrey, Buckinghamshire and Berkshire are all prime hunting grounds, with a ready supply of fine country homes coming to market. With gardens and settings being a key selling feature with this kind of property, spring and summer are traditionally the busiest times and 2015 was no exception.

more attractive one. With growing numbers now only working 3 or 4 days in the office, the commute becomes less of a barrier. If it's an issue at all – pick the right home close to a station and you could be in town within half an hour, potentially faster than the commute from South West London.

“Looking ahead, the market in country homes seems set for steady growth”

Once again, the core buyer market was made up of families from London looking for more space and the peace and quiet of country living. The relative strengths of the two markets means that those leaving the capital can swap, say, a £3m Victorian house in Wandsworth for a manor house in the commuter belt with 5 to 10 acres, a swimming pool and a tennis court.

Changing working patterns have also made the move out of town a

Looking ahead, the market in country homes seems set for steady growth. The road-blocks that have slowed activity previously – election uncertainty and stamp duty rises, chiefly – are no longer an issue or have now been reflected in pricing. The latter part of 2015 saw activity building, with sensibly priced properties finding buyers quickly and a sense of momentum boding well for 2016.

The following pages feature a selection of the country homes our teams successfully marketed during 2015.

1. **Links House**, Sunningdale, 5-6 bedrooms. Guide price: £5,750,000
2. **Green Timbers**, Ascot, 6 bedrooms. Guide price: £3,950,000
3. **Ardgowan**, Winkfield, 6 bedrooms. Guide price: £2,975,000



1



2

▲ *“A beautiful property situated on one of the most exclusive roads in Sunningdale, sold by our Country House Department on the third viewing, after only six weeks of coming to market”*



3

- 4. **The Garden Lodge**, Sunninghill, 4 bedrooms. Guide price: £2,500,000
- 5. **Badgers Hill**, Wentworth, 4 bedrooms. Guide price: £2,150,000
- 6. **Ridgemean Road**, Englefield Green, 6 bedrooms. Guide price: £3,950,000

- 7. **Coach House**, Oxshott, 5 bedrooms. Guide price: £3,250,000
- 8. **Willow House**, Oxshott, 6 bedrooms. Guide price: £3,295,000
- 9. **Clappers Lane**, Chobham, 5 bedrooms. Guide price: £2,400,000

- 10. **Philpot Lane**, Chobham, 5 bedrooms. Guide price: £2,500,000
- 11. **The Mount**, Oxshott, 7 bedrooms. Guide price: £6,950,000



“Sold to a local investor with assistance from Knight Frank Finance. Subsequent to the purchase the new owner has let the property out whilst exploring the potential to re-develop”



“One of three houses sold by Knight Frank in Moles Hill within the past two years”





“ Sold by our dedicated North Surrey team based within our Country House Department in London to an overseas buyer ”





1. **Hurst House**, East Molesey, 6 bedrooms. Guide price: £2,495,000



BEHIND CLOSED DOORS

Ready access to vetted buyers is the key to making a successful sale away from the glare of the open market. With a wealth of local contacts built up over many years, and a strong national and international network, Knight Frank has become the first port of call for this more discreet approach to selling a home.

Whenever a seller approaches us with a new instruction, our agents locally can act straight away to contact a shortlist of well-positioned buyers. By working with our colleagues in the Country House Department in London, we can spread that net even wider and reach out to further potential purchasers within the UK or further afield.

“With more than 400 offices worldwide, Knight Frank has one of the most far-reaching shop windows in the property industry”

The pool of London buyers is particularly valuable as these are purchasers with often very specific property wish-lists, but they can be flexible in terms of location. So if the house has large grounds, a guest cottage and pool, for example, they may be happy to consider anywhere within good commuting distance of the capital.

International buyers also feature heavily in transactions of this type. With more than 400 offices worldwide, Knight Frank has one of the most far-reaching shop windows in the property industry. This ensures that our database of purchasers is constantly being updated and increasing our ability to find the perfect buyer when the right property comes along, even if it is being offered behind closed doors.

For purchasers, it can be an opportunity to gain an advantage and secure a sought-after piece of real estate. If it is a particularly popular location or property type, they will often prefer to pay a premium to secure an off market sale rather than risk the uncertainty that goes with a public listing.

The following pages feature a selection of the properties our teams successfully sold off-market during 2015.



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◀

“Vendor was an old client of Knight Frank who had successfully used us to sell their previous home”



2. **Brock Way**, Wentworth, 6 bedrooms.
Guide price: £4,950,000
3. **Heather Hill**, Cobham, 5 bedrooms.
Guide price: £2,950,000
4. **Spencer Road**, East Molesey,
5 bedrooms. Guide price: £2,250,000
5. **Chargate Close**, Walton On Thames,
4 bedrooms. Guide price: £2,350,000



COUNTRY RESEARCH



Oliver Knight

Senior Analyst,
Knight Frank Research

The turning point for the prime country property market occurred in early 2013 as prices started to edge upwards after two years of negative growth. By June 2014 annual growth had reached 5.2%. Although the rate of growth has slowed, prices ended 2015 3.1% higher than a year earlier.

As has also been the case in the mainstream housing market, there are conflicting factors at play in the prime market which are both weighing on growth and driving it higher.

With interest rates remaining at record lows, the economy continues to recover. However, tighter lending regulations and higher transaction costs as a result of reforms to stamp duty introduced in December 2014 have had a noticeable impact on activity and price growth in 2015.

Indeed, the impact of the increased amount of stamp duty can't be underestimated. The changes mean that, while those buying homes worth up to £937,500 pay less stamp duty than before, above this value buyers are potentially paying substantially more. There is a small anomaly between £1.01 million and £1.11 million, where under the new regime buyers pay slightly less tax.

While these higher transaction costs will continue to weigh on activity and price growth in 2016, signs have begun to emerge that both buyers and sellers are adjusting to the changes. Increasingly, higher transactional costs at the top end of the market are being factored into pricing.

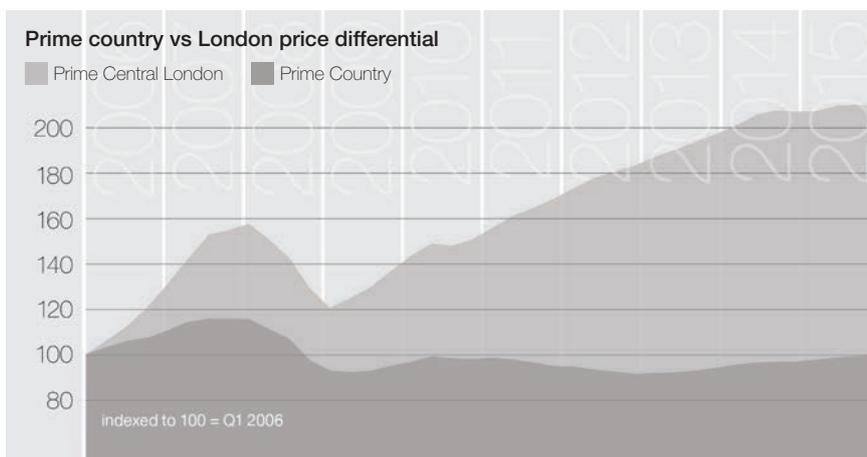
Furthermore, a degree of pent-up demand is being released as buyers at the top end of the market become more motivated after months of inaction.

We are forecasting average price growth across the prime country market of 3% in 2016.

As the economy continues to recover and prime property values outside of London increase, the trend for more London buyers to move will also gain traction, boosting the ripple effect of house price growth from the capital.

Popular commuter locations, within easy reach of the capital, are likely to be the biggest beneficiaries. Key town and city locations are also expected to outperform as the trend

“A degree of pent-up demand is being released as buyers at the top end of the market become increasingly motivated after months of inaction”



for urban living continues to grow. Infrastructure improvements, including new faster rail and road links, will enhance the appeal of these areas further, as well as opening up more rural markets once again.

The long-term outlook for the prime country market is positive. Prime country house prices remain 14%

below their 2007 peak and this suggests that there is potential for further price growth.

With a strong economic underpinning 2016 should see an improvement in trading conditions. The importance of correct pricing at the outset will remain critical to achieving sales.

SDLT CHANGES

Just over a year since George Osborne announced his major shake-up of Stamp Duty Land Tax (SDLT), the Government has proposed a further increase in purchase taxes for some buyers.

Under the proposals, an additional 3% rate will apply to the purchase of additional properties, such as buy-to-let and second homes. The new rate will come into effect from 1 April 2016.

The intention is that anyone who owns a home anywhere in the world will pay the higher stamp duty on purchases from April 1 2016, unless they are replacing their primary residence in the UK.

It would seem fair to expect a boost in activity between now and the end of March this year, as those affected by the changes look to complete on purchases before the new rates are implemented.

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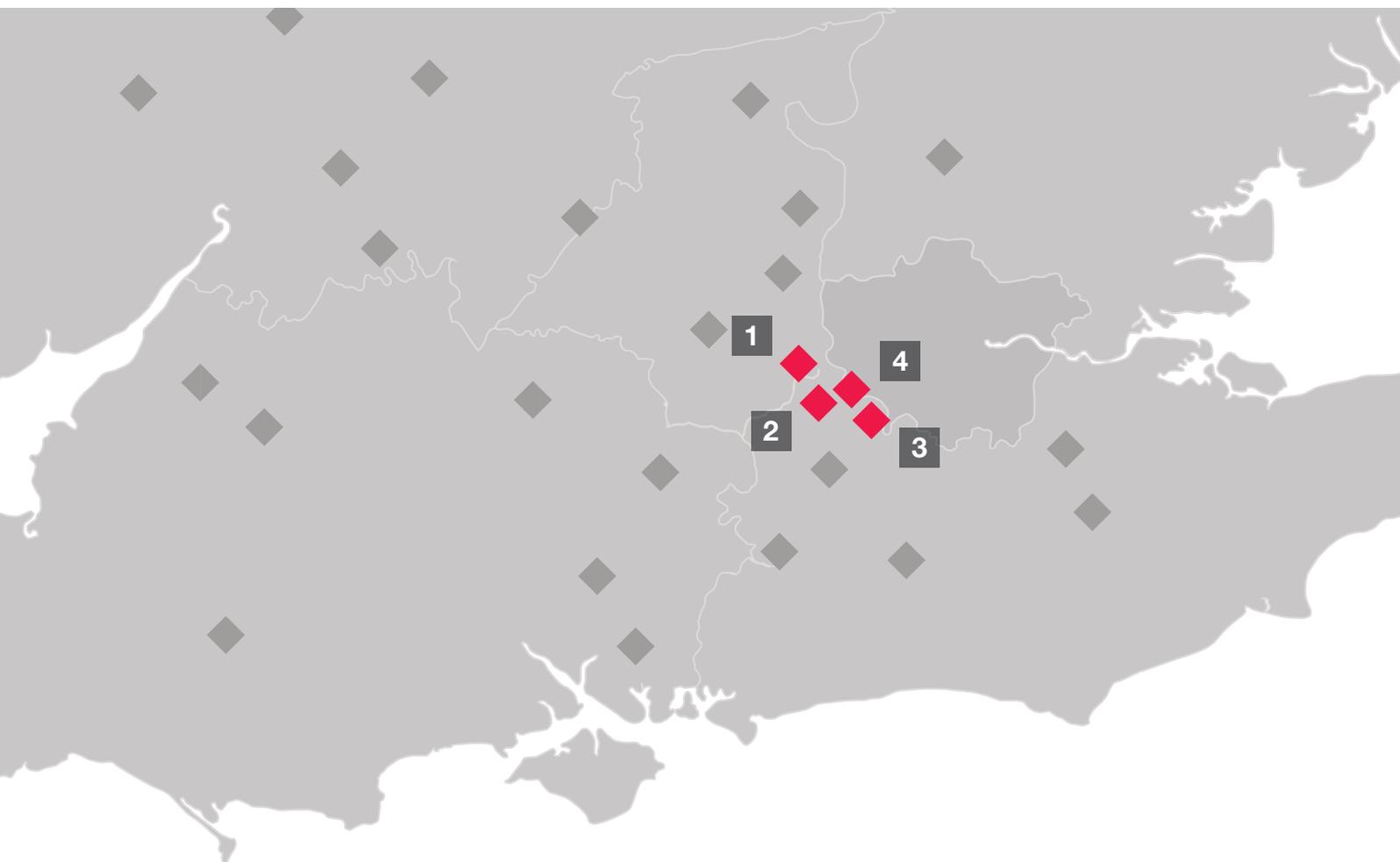
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