



HUNGERFORD 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 Hungerford area

Total property for sale	↓	-45%
Achieved price relative to guide price:	↑	6%
New prospective buyers	↑	93%
Viewings	↑	20%
Sales	↑	40%

All figures Jan-Nov 2009 v Jan-Nov 2008

LOCAL MARKET OVERVIEW

Knight Frank's Hungerford 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 the time to put your house on the market if you are thinking about selling sometime over the next 12 months. Most prospective purchasers appear confident that we have reached the bottom of the market in terms of prices and this was reflected by a 40% increase in sales for the Hungerford office during 2009.

Low levels of stock, however, mean that many buyers remain frustrated. Those that opted to rent during the market downturn are reluctant to hold off any longer but are finding that quality homes that meet all their requirements are in short supply.

The first few months of 2010 could prove critical for both purchasers and vendors alike. For purchasers, limited stock means the potential for more price rises, albeit small ones. For vendors, they need to act early in 2010, listing their property well before the inevitable lull brought about by a general election.

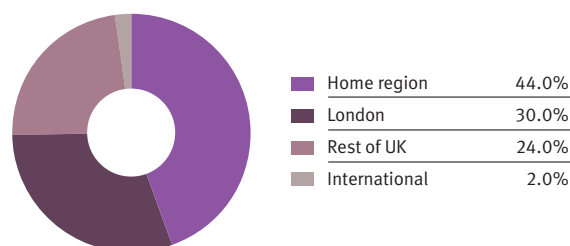
Low interest rates and a weak pound have placed the Hungerford market on a firm footing attracting healthy interest with applicant numbers up by 93% compared with 2008. In this recent challenging environment, we believe that the quality of our service and depth of knowledge have helped consolidate our position as the area's leading country homes property agent. Our rigorous applicant screening process enables us to achieve successful sales with fewer viewings and for the first time in 18 months we are able to advise how long it will take to sell a property with a good degree of confidence.

In 2009 over 30% of our buyers originated from London and a growing proportion from abroad. With this in mind we 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

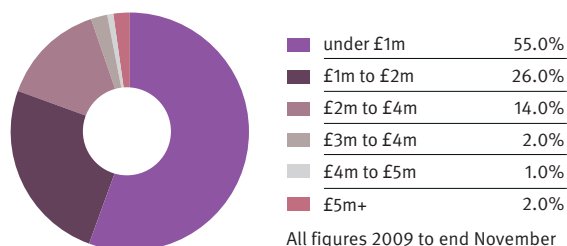
prospective wealthy buyers across the globe. Good schools, commuter access to London and the countryside are a strong draw to the area.

Our level of commitment to our clients, however, remains the same whether the property we are selling is worth £5m or £500,000. Over half of the properties we sold last year were priced between £500,000 and £1m. 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

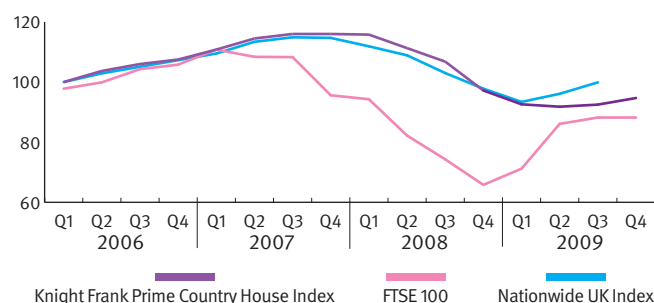
The price of prime country properties is now showing positive growth in all locations across the UK as demand outstrips supply.

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.

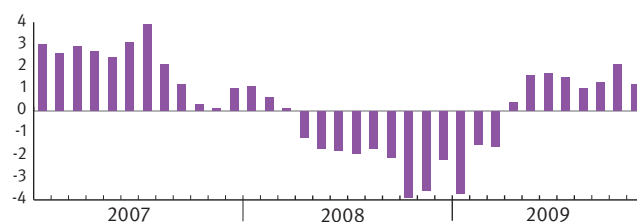
The prime London market saw a dramatic turnaround last year. With a weak pound attracting international buyers and low interest rates prompting many to take the plunge, sales volumes rose by 40% year-on-year. Weak supply helped drive prices higher – by almost 10% in the nine months to December.

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 | ◆ Kensington | ◆ Marylebone | ◆ St John's Wood |
| ◆ Canary Wharf | ◆ Knightsbridge | ◆ Notting Hill | ◆ Wandsworth |
| ◆ Chelsea | ◆ Fulham | ◆ Richmond | ◆ Wapping |
| ◆ Hampstead | ◆ Mayfair | ◆ Riverside | ◆ Wimbledon |

Knight Frank Prime Central London Index, monthly price change 2007-2009

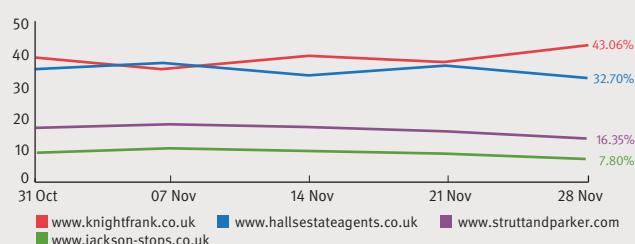


WORLD'S BEST PROPERTY WEBSITE

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



Stud House, Chilton Foliat, Berkshire

The ideal village house



The Old Post Office, Wilcot, Pewsey, Wiltshire

Pretty edge of village cottage with enormous character



Hurstbourne Priors House, Hampshire

A period house with huge potential and lovely gardens



Fiveacres, Bourton, Oxfordshire

House with 17 acres and great potential



Well Cottage, Chute Cadley, Hampshire

Delightful cottage in a sought-after village



Aughton Grange, Collingbourne Kingston, Wiltshire

A modern house with good accommodation and land



Church Farm, Enborne, Berkshire

A superb property with land and extensive accommodation



Thurston Cottage, Ashmansworth, Hampshire

Delightful cottage in an enviable position in a highly popular village



The Manor, Woodborough, Wiltshire

Substantial village house with paddocks and tennis court



Badbury Hill House, Faringdon, Oxfordshire

At the end of its long drive overlooking its own land



Forge Cottage, Shefford Woodlands, Berkshire

Charming cottage with pretty garden and access to good communications



The Little House, Boxford, Berkshire

A substantial village house in immaculate order

Your local team



Jackie Boucher
Hungerford



Nick Loweth
Hungerford



Nick van Zeller, FRICS
Hungerford



Rob Wightman, MRICS
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