



CHELTHENHAM 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 from highly proceedable buyers and low levels of stock in Cheltenham and the surrounding area

Total property for sale ↓ -32%

Newly available property for sale ↓ -6%

New prospective buyers ↑ 45%

Viewings ↑ 22%

Sales ↑ 39%

All figures Jan-Nov 2009 v Jan-Nov 2008

LOCAL MARKET OVERVIEW

Knight Frank's Cheltenham office is the agent of choice for quality houses and apartments in the town and surrounding villages.

Our level of commitment to our clients remains the same whether the property we are selling is worth £5m or £500,000. Almost 90% of the properties we sold last year were priced between £500,000 and £1m. Whether you own a smart apartment, a cottage or a magnificent townhouse, as a Knight Frank client you will receive the highest level of service and advice.

If you are thinking of selling sometime over the next 12 months now is definitely the time to put your house on the market. Most prospective purchasers appear confident that we have reached the bottom of the market in terms of prices and this was reflected by a 45% increase in new buyers registering with us last year.

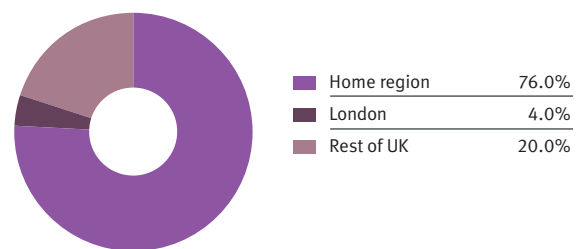
Last year we conducted 22% more viewings and sold almost 40% more properties than during 2008. There was strong demand for all types of houses, from traditional family homes near good schools to luxury apartments to classic Regency townhouses. Low levels of stock, however, have resulted in many buyers remaining frustrated and we expect to see a continued hunger for quality property throughout 2010.

Despite this recent upturn, the past 18 months have been extremely difficult as the property market has battled with the fallout and loss of confidence caused by the credit crunch. In such a challenging environment, we believe that the strength of our brand, quality of our service and depth of knowledge has helped us increase our market share of the areas best properties.

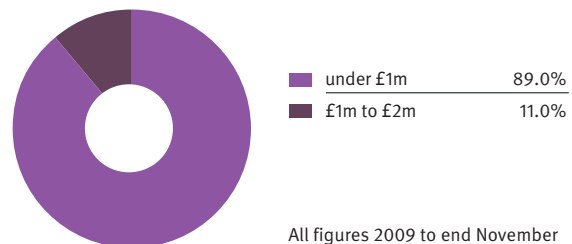
Three years after opening our Cheltenham office we are now the market leader for properties over £800,000. We are also increasing our market share of the best houses over £500,000 as vendors recognise the benefits of using a local specialist backed up by the international network of one of the world's premier property agents.

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 throughout the UK and across the globe. This exposure is vital for anybody selling a property in the area. Last year 25% of our sales were to buyers from outside the surrounding area and we can give your home the widest possible exposure to the best buyers, whatever its value.

Where our buyers come from



Sales by price band



All figures 2009 to end November

NATIONAL COUNTRY HOUSE MARKET

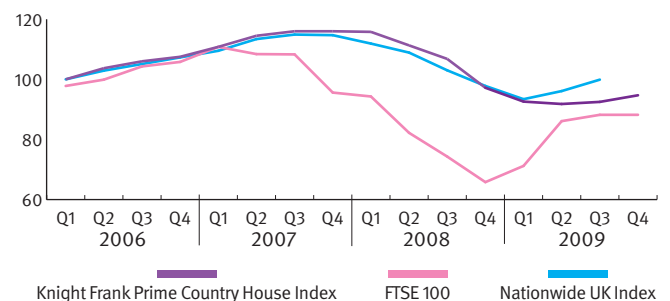
The price of prime country properties is now showing positive growth in all locations across the UK as demand outstrips supply.

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.

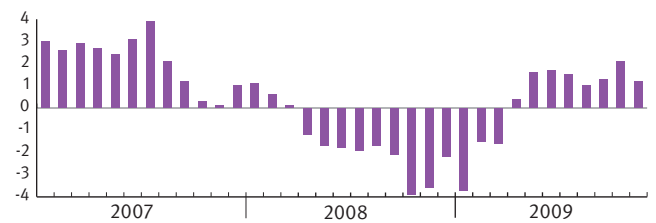
The prime London market saw a dramatic turnaround last year. With a weak pound attracting international buyers and low interest rates prompting many to take the plunge, sales volumes rose by 40% year-on-year. Weak supply helped drive prices higher – by almost 10% in the nine months to December.

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

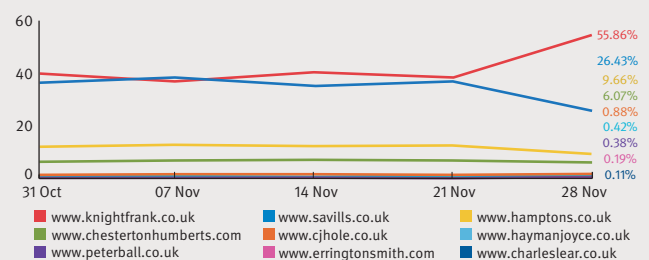


WORLD’S BEST PROPERTY WEBSITE

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



Willow Farm, Witcombe, Gloucestershire

A picturesque setting with a great combination of country living, equestrian and sporting facilities.



Mumford Cottage, Apperley, Gloucestershire

Positioned part way along a no-through lane, with stables and paddocks.



Ashton Chase, Ashton under Hill, Gloucestershire

The quality and finish of this house, along with the picturesque village setting ensured a quick sale.



Rose Tree Cottage, Tirley, Gloucestershire

Picture book pretty, rural in feel, yet in a hugely accessible location.



30 Painswick Road, Cheltenham, Gloucestershire

A perfect blend of period features and modern finishes in a highly desirable location.



Thornhill, Woodmancote, Gloucestershire

On the village fringe with open fields to the rear, a fabulous family home.



Laverham House, Cheltenham, Gloucestershire

Steeped in history in the very centre of Cheltenham, with private parking.



The Gables, Cheltenham, Gloucestershire

Tucked away in large private gardens and close to popular local schools.



East Court, Charlton Kings, Gloucestershire

A splendid home with beautiful Regency style elevations, benefiting from great privacy.



2 The Old Rectory, Dumbleton, Worcestershire

One of the most historic houses in the village with one of the most popular village cricket teams.



Middle Hill Farm, Prescott, Gloucestershire

Beautifully appointed with stunning views and a detached barn with planning for conversion.



Eldon Apartment, Cheltenham, Gloucestershire

One of Cheltenham's largest and most impressive apartments, in a first class location.

Your local team



Sue Healey
Cheltenham



Nick Chivers
Cheltenham



Tom Barnwell
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