



BRISTOL 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 Bristol area

Total property for sale	↓	-45%
Newly available property for sale	↓	-38%
New prospective buyers	↑	17%
Viewings	↓	-2%
Sales	↑	33%

All figures Jan-Nov 2009 v Jan-Nov 2008

LOCAL MARKET OVERVIEW

Knight Frank's Bristol office has emerged from the credit crunch as the area's leading prime property agent and expects to consolidate this position further during 2010.

The latest figures from Knight Frank's Prime Country House Index for Q4 2009 suggest that confidence in the Bristol housing market is returning with prices rising by 2.9% during the second half of 2009 following significant earlier falls. Despite this recent upturn, the past 18 months have been extremely difficult. In such a challenging environment, we believe that the quality of our service and depth of knowledge has helped consolidate our position as the area's leading prime property agent.

The widening gap between demand and supply is the main driver behind the recent price growth. The number of applicants registering with the Bristol office increased by 17% during 2009, whilst stock fell by 45%. Despite growing activity levels, buyers are still cautious but if priced correctly vendors are finding that there is still a chance of generating competition for their property due to the shortage of stock.

Demand for quality homes has strengthened across all price bands and property types whether buyers are looking for good-sized city apartments, townhouses in Clifton or family properties in nearby villages such as Wraxhall, Failand and the Chew Valley. The average time a property is on the market has fallen from 61 days in 2008 to 46 in 2009, a clear indication of the upturn in demand.

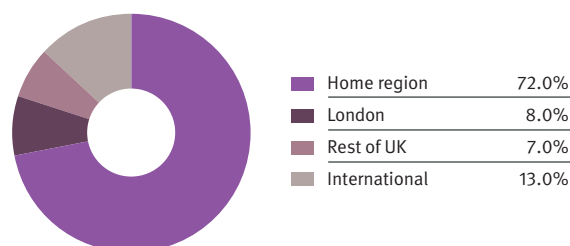
The period between Christmas and the next general election could prove critical for both purchasers and vendors alike. For purchasers, limited stock means greater competition for the most desirable of properties and the potential for more price rises, albeit small ones. For vendors, they need to act early in 2010, putting their property on the market before the inevitable lull caused by a May/June general election.

Almost 30% of our buyers this year have come from outside the local area with a quarter from overseas. This underlines the benefits of

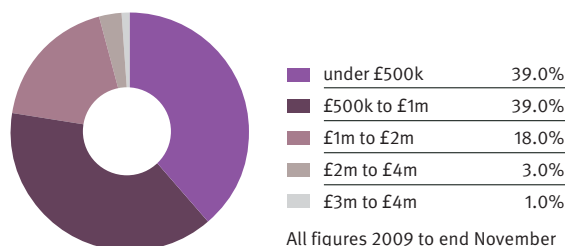
Knight Frank's UK and international network. With this in mind we have continued to invest in our global network of offices and our award winning website. This means that the properties we sell are seen by hundreds of thousands of prospective wealthy buyers across the globe.

Our level of commitment to our clients, however, remains the same 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

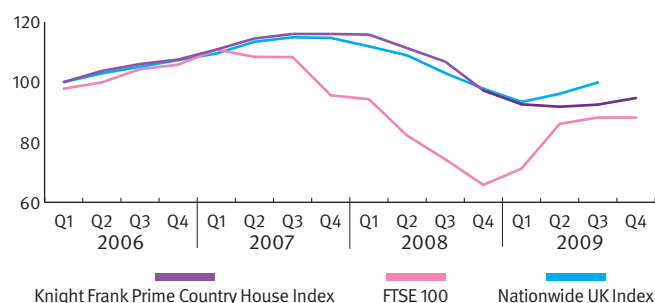
The price of prime country properties is now showing positive growth in all locations across the UK as demand outstrips supply.

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.

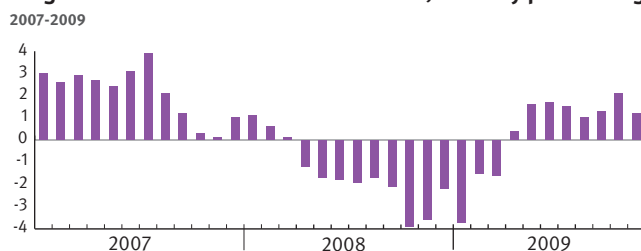
The prime London market saw a dramatic turnaround last year. With a weak pound attracting international buyers and low interest rates prompting many to take the plunge, sales volumes rose by 40% year-on-year. Weak supply helped drive prices higher – by almost 10% in the nine months to December.

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

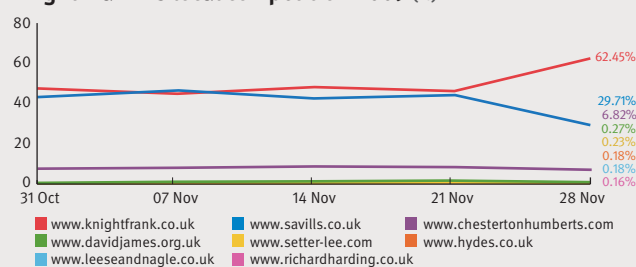


WORLD'S BEST PROPERTY WEBSITE

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



Doynton House, Doynton

On the market for the first time in over 70 years and going under offer to a London buyer within 2 weeks



Winscombe Court, Winscombe

An individual property requiring specialist marketing and selling to buyers from the south east



Gornay Court, West Harptree

Sold to a London buyer over the guide within a week



Boyd Farm, Bitton

Interest from Bath, Bristol and London. Sold 2% below the guide



Burlington Road, Redland

Substantial refurbished town house sold to local buyers with no chain



Cotham Grove, Cotham

Immensely popular family house selling to sealed bids in excess of the Guide Price



Julian Road, Sneyd Park

Sold in 14 days after taking over from a local agent who had marketed the property for 8 months



Oakfield Road, Clifton

Charming hall floor garden flat sold to young professionals with no chain



Jubilee House, Clifton

Within walking distance to Durdham Down, with a garden and parking which are rare in Clifton



Lime Breach, Clapton in Gordano

A private road within easy reach of the motorway network and city centre



Leigh Lodge, Abbots Leigh

Church Road has always been a sought after location. Sold within 4 weeks



Sneed House, Old Sneed Park

A special 1930 Art Deco house by Thomas Hartland, set in one of the most popular roads in the area

Your local team



Edward Cunningham
London

James Toogood
Bristol



Pat Weston
Bristol

Rupert Oliver
Bristol



Lucy Elliott
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Rachel Cousins
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Please contact either:

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