

RESIDENTIAL RESEARCH



A PREMIUM YOU CAN BANK ON

KNIGHT FRANK WATERFRONT INDEX
2014

ASSESSING THE PERFORMANCE OF PRIME WATERFRONT PROPERTY ACROSS THE UK

KEY FINDINGS JUNE 2014

Prime waterfront properties are worth 60% more than houses with similar features located inland

A waterfront property is defined as having a direct line of sight to water

There was a 6% increase in web searches from overseas for UK waterfront property in 2013, compared to the previous year

Over the last year, more than 60% of waterfront property buyers were in their 40s or younger

Private slipways are the most valuable feature, adding 115% to a property value on average



OLIVER KNIGHT
Residential Research

"Homes situated on estuaries command the largest uplift of about 85% compared to a similar property inland."

THE WATERFRONT PREMIUM

Knight Frank's Prime Waterfront Index measures how much additional value a waterfront location can add to a property. Oliver Knight examines the latest figures.

Prime waterfront properties in the UK are worth an average of 60% more than their inland counterparts, according to Knight Frank's Prime Waterfront Index.

A closer look at the data reveals that the premium varies by location. A waterfront position in South West England, for example, offers the most added value when compared to a similar property inland, with prices 75% higher. Prime riverside homes in London (+55%) and waterfront properties in the South East (+44%) and East Anglia (+41%) command the next largest uplifts.

Of course, it's not just the location that adds value to a waterfront property. Amenities are also a crucial factor for many buyers and having direct access to water is something many people are prepared to pay a premium for.

Private slipways are considered the most valuable feature, pushing up the waterfront premium by an average of 115%. Properties with a private mooring or pontoon see their waterfront premium rise by 104% and 100% respectively,

while jetties and private beach access add 89% and 85% (Figure 5).

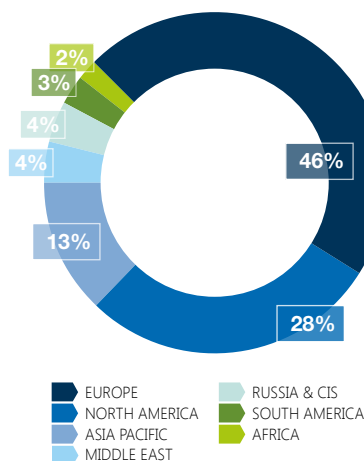
In terms of location types, homes situated on estuaries command the largest uplift of about 85% compared to a similar property inland. Prime harbour side properties enjoy an uplift of 83% due to their rarity and coastal properties are worth 56% more.

Heading away from the sea, lakeside homes are 37% pricier than their waterless equivalent, and being situated next to a river adds, on average, 57% to the value of a prime residential property.

And the demand is global. Our web-search data shows that there was a 6% increase in the number of individuals from outside of the UK looking at waterfront properties last year, led by potential buyers in the US, Germany and Australia (figure 1).

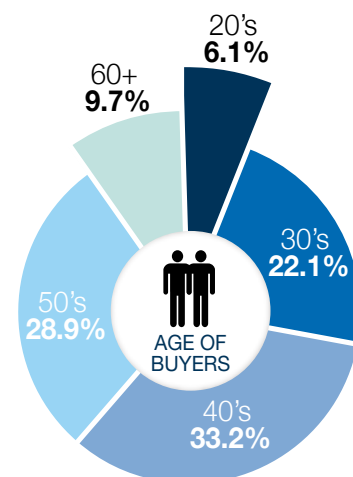
Interestingly, our analysis also shows that waterfront property buyers are getting younger. Over the last year, more than 60% of Knight Frank buyers were in their 40s or younger. Last year, the same percentage was aged 50 or over.

FIGURE 1
International demand for prime waterfront property (excl. UK)
2013



Source: Knight Frank Residential Research

FIGURE 2
Age of buyers of prime waterfront property
Q2 2013 - Q2 2014



Source: Knight Frank Residential Research

HOW DOES A LOCATION OR FEATURE AFFECT THE WATERFRONT PREMIUM?

FIGURE 3 Waterfront premium by region
Q2 2014

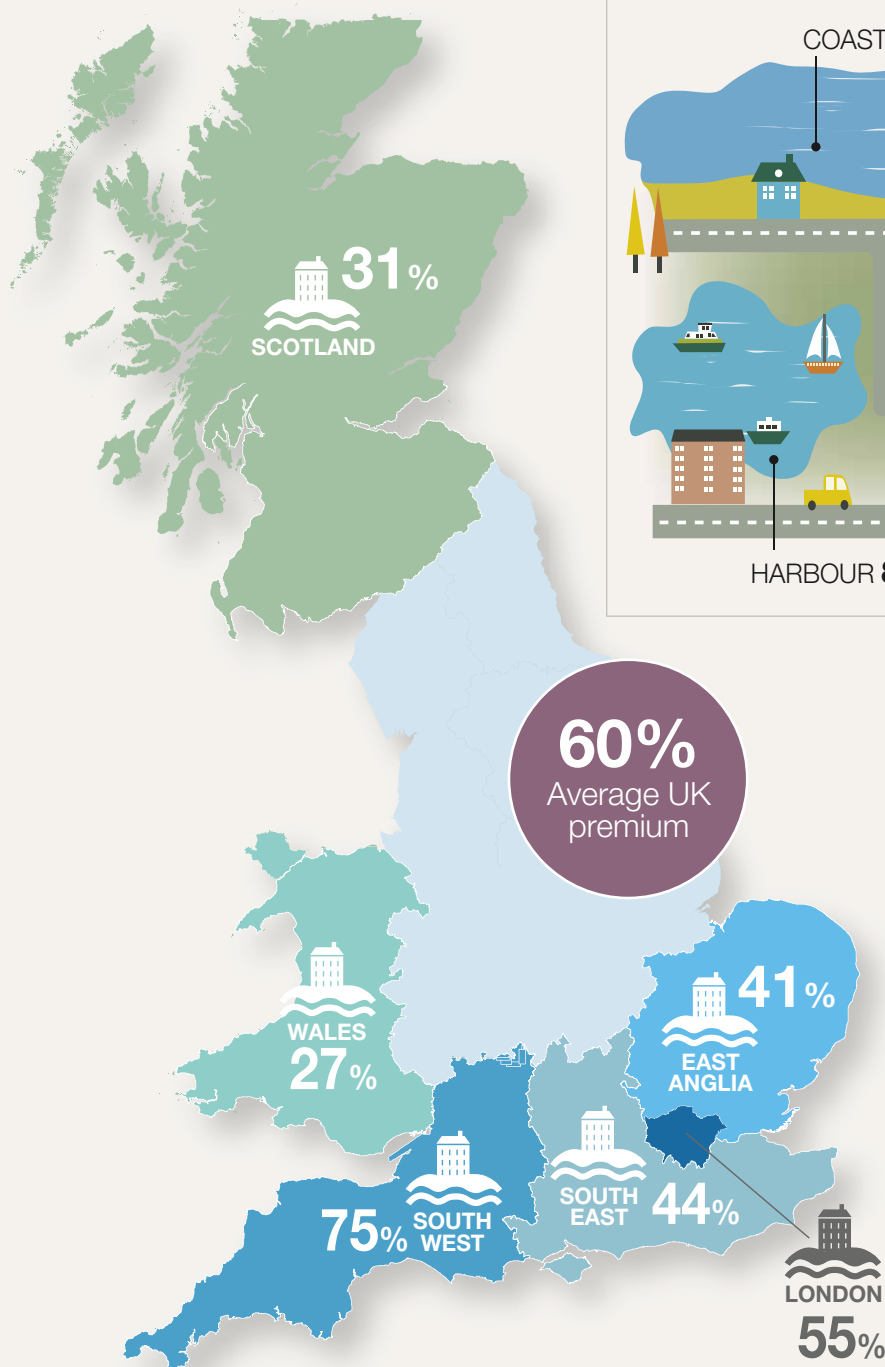


FIGURE 4 Property location and uplift in value
Q2 2014

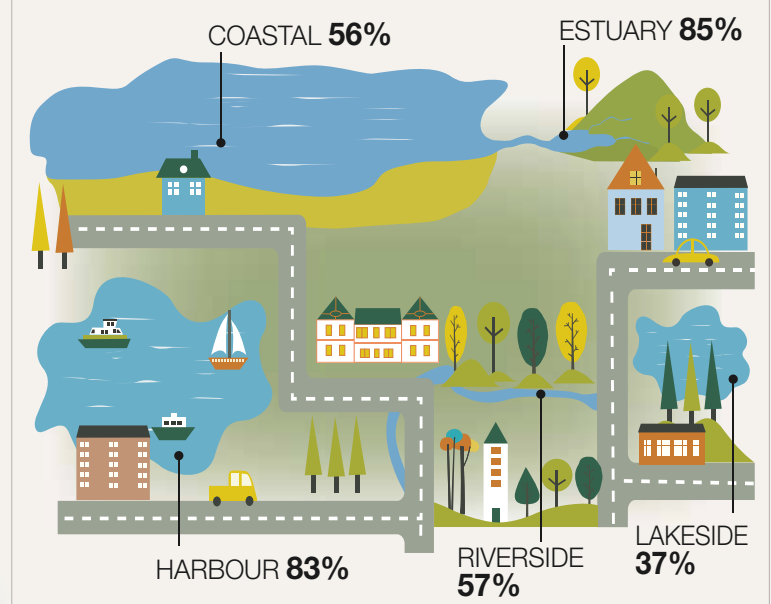
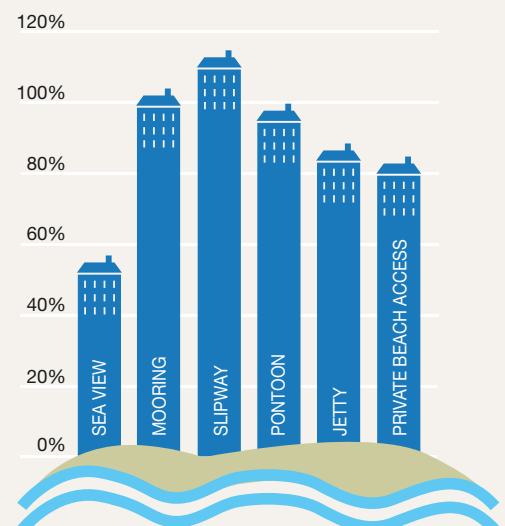


FIGURE 5 Property features and uplift in value
Q2 2014





GLOBAL BRIEFING

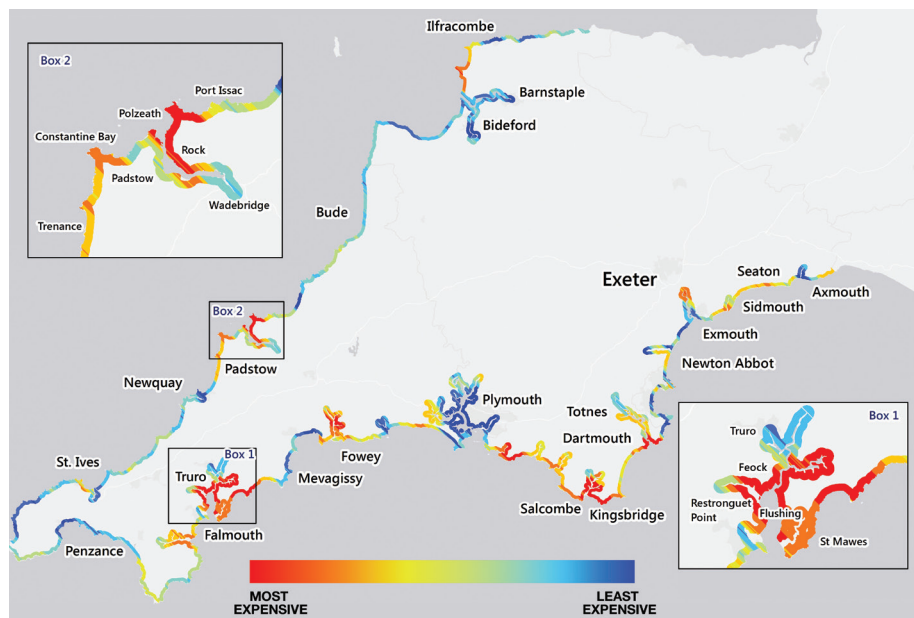
For the latest news, views and analysis on the world of prime property, visit KnightFrankblog.com/global-briefing

PRIME COASTAL MARKETS

FIGURE 6

Coasting along

Asking prices for properties along the Devon and Cornwall coast (July 2014)



Source: Knight Frank Residential Research

Home to the longest coastline in the UK, the South West has long been a popular location for waterfront property buyers. Its popularity is such that buyers are willing to pay a 75% premium for a waterfront home here, the most added value of any region in the UK.

Our map (figure 5) tracks the average asking prices for houses currently available for sale along the coast in the South West, revealing where prime waterfront markets are located.

The map shows that the stretch of coast starting just after Mevagissey and ending at Falmouth (excluding Truro) is where the

largest cluster of prime waterfront property in the South West is currently on sale.

There are also a number of additional peaks along the coast in prime locations in and around Dartmouth, Salcombe and – along the North Cornwall coast – in Rock.

Unsurprisingly, given the results of our Waterfront Index, the prime waterfront properties available for sale in these prime locations tend to be situated on stretches of river, or in harbours and estuaries where the biggest value uplifts for waterfront property can be found.

RESIDENTIAL RESEARCH

Oliver Knight

Residential Research

+44 20 7861 5134

oliver.knight@knightfrank.com

Gráinne Gilmore

Head of UK Residential Research

+44 20 7861 5102

grainne.gilmore@knightfrank.com

UK WATERFRONT

Christopher Bailey

Head of National Waterfront

+44 13 9284 8822

christopher.bailey@knightfrank.com

Alasdair Pritchard

National Waterfront

+44 20 7861 1098

alsadair.pritchard@knightfrank.com

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