



# Local View <sup>2015</sup>

The West Country

# Welcome to Local View

Welcome to the latest edition of Local View, our seasonal update on the property markets that matter to you. In here we highlight why we love the West Country as well as showcase some of our favourite sales from last year and look forward to 2015. Please contact your local team for more information and to find out what other opportunities we can offer.

**84%** of our sales in the last 12 months were under £1.5m

The average London based buyer spends **£1.2m** compared with a local buyer spending £800,000

We have **30%** more London buyers than this time last year

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**Specialism:** Country houses, farms and estates  
**Years of experience:** 22

The things I love most about the area is the understated but welcoming nature of the people, and their genuine love for the whole South West. I also love the vast range of magnificent countryside and open spaces, the superb regional centre that Exeter is and the ease of access (if you can tear yourself away!) to the rest of the UK.



**Richard Speedy**  
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**Specialism:** Waterfront and country property in South Devon and Cornwall  
**Years of experience:** 12

The South Hams and Cornwall certainly have some, if not most, of the best beaches and finest coastal property in the UK. Inland there are some wonderful period properties close to this magical coastline making the area highly desirable for first and second home buyers.



The people, the weather, the landscape both inland and along the coastline, the quality of life and the quality of the local food and drink are the things that I love most about the West Country. It is extremely accessible and yet feels a world away from the London rat race.



**Christopher Bailey**  
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**Specialism:** Waterfront and country property in South Devon and Cornwall  
**Years of experience:** 8



The best thing about this area is having the ability to enjoy city life, without it being too large, and fantastic recreational facilities on the doorstep. You can leave work at 5:30pm and be on a beach or on top of Dartmoor by 6pm. There aren't many other counties in the UK that can offer such diversity.



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**Specialism:** Exeter city sales and country properties in East Devon, Mid-Devon and Dartmoor  
**Years of experience:** 11



What I love so much about the South West is the diversity of the countryside. From coast to moor there is something for everyone. Wonderful people, great pace of life and always more to discover.



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**Years of experience:** 19



The South West offers a variety of landscapes. From the beautiful rugged coastlines with their sandy beaches and quaint seaside villages to the vast hills including Exmoor, Dartmoor, the Quantocks and the Blackdowns. Exeter has a lively and vibrant atmosphere with great shopping and facilities.



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**Specialism:** Formal valuations  
**Years of experience:** 8

# 2015 Forecast

2014 saw another steady rise in property values in the UK outside of London, yet the price differential between those and properties in the capital remains at a record level meaning that the country is great value for those looking to trade up and out. However, uncertainty as a result of the upcoming General Election means that the market is undoubtedly going to differ this year. In spite of this, we expect demand will continue to increase, particularly in light of recent tax changes, especially for properties valued below £1m.

Property prices for houses in the country have been rising for seven consecutive quarters, the longest period of sustained quarterly price growth since 2007.

Rising confidence among buyers as a result of more positive economic news, the ripple effect from London and growing demand for family homes has resulted in improved conditions in the market in 2014, helping to release some of the pent-up demand that had built up following the downturn.

Figures released by the Land Registry confirm this. Over the year to September 2014, the number of homes sold for over £500,000 in England and Wales was 42% higher than at the same time last year and 74% higher than the corresponding period in 2010.

Properties in the southeast, within commutable range of a city and close to good schools have sold well. Continued low interest rates and attractive mortgage offers have also encouraged buyers to act.

London have grown by 74% and are 32% above their previous peak, making the country good value for those wishing to trade up and out.

But there are signs that the momentum seen during the first half of the year has eased. Uncertainty over the outcome of the general election, an impending interest rate rise and tighter mortgage lending have all cooled demand during the second half of the year.

There is some positive news however. Reforms to property taxation announced by the Chancellor during the Autumn Statement mean that the majority of home purchasers will pay lower levels of stamp duty when buying a house. As a result of the changes those buying homes worth up to £937,500 will see their tax bills reduced. Additionally, there is an anomaly between £1,000,001 and £1,124,990 where less tax is payable under the new system.

The proposals are likely to be welcomed by buyers, ultimately increasing transaction levels below the £937,500 threshold. That is likely to have a knock on positive impact on consumer sentiment.

Against this backdrop, we are forecasting price growth of 2% across the country market in 2015, with outperformance in some locations driven by increased demand and, in some cases, improvements to infrastructure.

Homes located in town and city markets will see above average price growth driven by demand from those relocating from London and downsizers. Markets within commutable distance of the capital will also outperform. We are forecasting that price growth for family homes in the South East, South West and East of England will outpace local mainstream markets as values are boosted further by the "ripple effect" from London.

Agents report that demand has been bolstered by an increase in the number of buyers looking to take advantage of the gap between urban and rural values, particularly those moving from London. Prices in the country look good value on a historical basis having experienced several years of static or modest growth since the end of the financial crisis.

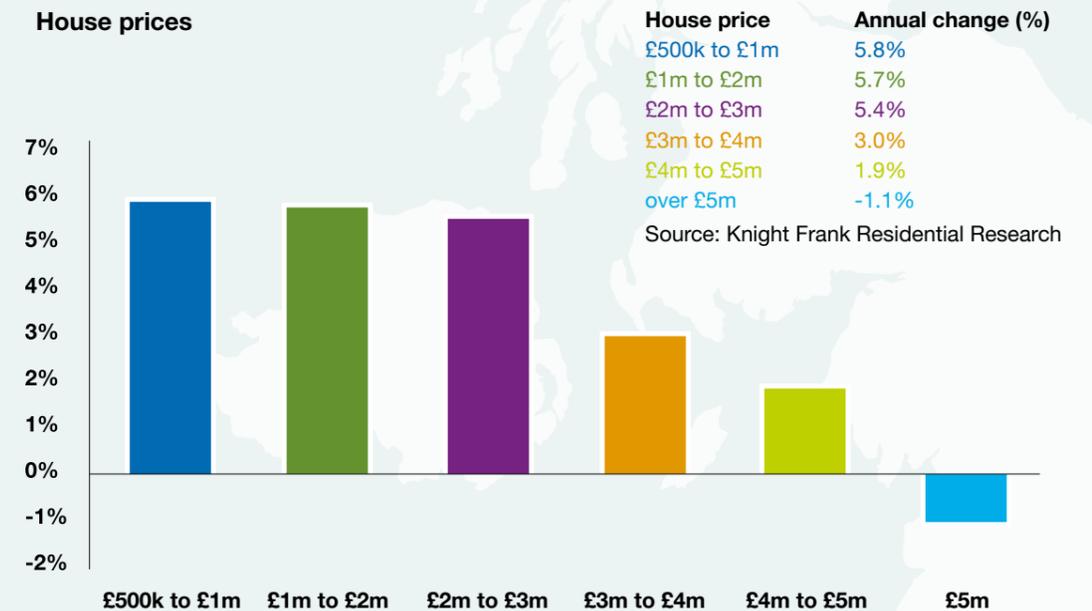
To illustrate this point, houses in the country have risen in value by 5.6% since the market low in 2009 and currently sit 16% below the previous market peak. In contrast, house prices in prime central

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## Registered voters

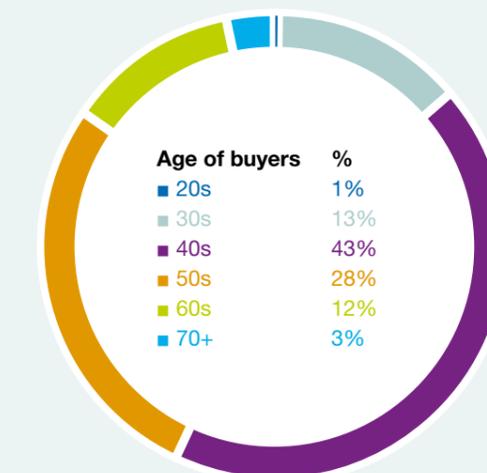
In 2010 there were **45,597,461** registered voters, **3.1%** more than in 2005

### House prices



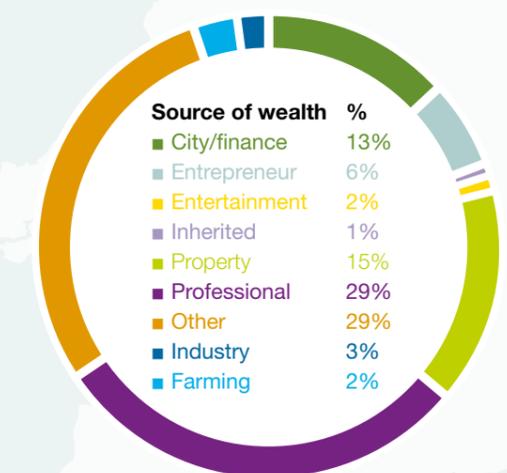
### For all sales less than or equal to £2m

#### Age of buyers



Source: Knight Frank Residential Research

#### Source of wealth



Source: Knight Frank Residential Research

# Highlights of 2014

Here we highlight our top 10 properties sold last year.



01

Polzeath, Cornwall  
**SOLD | GUIDE PRICE £1,250,000**

A newly built detached house with views over the beach at Polzeath, sold as a second home to buyers from the Midlands. Contracts were exchanged in four weeks.



03

Nr Taunton, Somerset  
**SOLD | GUIDE PRICE £1,650,000**

Every viewer of this property, without exception, had a central London address, wanting to take advantage of the fast rail access from Taunton to London.



02

Dartington, Devon  
**SOLD | GUIDE PRICE £1,450,000**

A large Grade II listed house set in a parkland close, the house was sold privately to a family at the guide price.



04

Salcombe, Devon  
**SOLD | GUIDE PRICE £1,500,000**

On the edge of Salcombe with south facing, panoramic views. Although it had been on the open market we sold this lovely property privately from our single, global database of buyers.



05

Honiton, Devon  
**SOLD | GUIDE PRICE £1,750,000**

Sold to a vendor registered with our Wimbledon office, we exchanged contracts on this house within three weeks of his first viewing.



Sold to the first viewer, an expat family returning from the Middle East.

Axminster, Devon  
**SOLD | GUIDE PRICE £1,900,000**



06



07

The house had previously been marketed by other local and national agents without success. Our national exposure helped us to find a buyer from the north of England.

St Leonards, Exeter | **SOLD | GUIDE PRICE £900,000**



08

This fantastic Grade II listed farmhouse sold to a local buyer under competitive bidding and exchanged and completed within ten days. A great example of the right marketing campaign.

Clyst St Lawrence, Devon | **SOLD | GUIDE PRICE £799,950**



09



An exciting development opportunity in the heart of Kingswear with south facing views down through the estuary mouth and upriver. Sold within the first month of advertising, very close to the guide price.

Kingswear, Devon  
**SOLD | GUIDE PRICE £2,000,000**



10



This immaculate Grade I listed longhouse sold under competitive bidding to buyers from the Home Counties.

Bridford, Devon  
**SOLD | GUIDE PRICE £1,000,000**

# London Expansion

The London property market has always driven activity outside of the capital, as Londoners sell or let their homes and seek greater value for money in different parts of the UK.

Outside of Prime Central London, we have seen growth in traditionally affordable areas, with sales price increases of up to 14% in parts of zone two over the last 12 months. These increases see those sellers in North West London and along the River Thames achieving record prices for their homes.

At Knight Frank, our team of experienced analysts are continually looking for the next hotspots in order to embrace the increased demand in these areas. We were therefore delighted to open four new offices in London in 2014. The addition of these offices in Barnes, Clapham, King's Cross and Chiswick means our London network now totals 24, and there are plans for further expansion this year.

This increased catchment area means we are better placed than ever to drive cash buyers to our country properties. In addition, the considerable growth of our lettings division has meant that we can assist those clients who are not yet looking to cash in their investment, but still wish to move out of London. The lettings team work closely with our relocations team to place international corporate tenants, often for up to three years, to ensure buyers from London still have the steady stream of income needed to facilitate a move.

With the net widening it is vital that any agent with a London presence covers the key growth areas. A move to the country is no longer the leap it might once have been considered by many hardened city dwellers, as what are described as "London's villages" are becoming increasingly prevalent. Moving to one of these areas first is becoming the preference amongst many families, with them acting as a stepping stone to the countryside further out of London. James Williams, head of Knight Frank Barnes says:

"It is fantastic to now have a shop front in such a wonderful location. It is such a friendly environment to work in". With the fashion being a two-stage move, we can now nurture long-term relationships with our clients. So whether they are looking for a different pace altogether or a move to a smaller town or city, we are able to put them in touch with a Knight Frank agent for every step they wish to take.

If you have a property that might be of interest to one of our London buyers, please call your local Knight Frank office for a complimentary market appraisal.



**"A move to the country is no longer the leap it once might have been considered by many hardened city dwellers"**

# About Us

In 2014, throughout the UK, Knight Frank sold:

2,740 swimming pools

68 shoots 4,336 new developments

1,166 listed buildings

2,852 properties with concierge 2,678 gyms

14 golf courses

604 tennis courts

1,127 properties with equestrian facilities

131 fishing facilities 1,719 properties by the water

207 farms and estates 1 houseboat

150 development plots

518 penthouses

**For more information on the services we provide visit [KnightFrank.co.uk](http://KnightFrank.co.uk)**

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first-mover  
advantage

If selling a property is one of your plans for 2015, now is the time to speak to an expert. Whilst others are waiting on the outcome of the forthcoming election, we are anticipating a busy start to the year.

So, at a time when staying one step ahead has never been more important, will you be one of the first movers in 2015?

For your complimentary market appraisal,  
call us today on: **+44 1392 976179**