



BASINGSTOKE 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 area

Total property for sale	↓	-33%
Newly available property for sale	↓	-17%
New prospective buyers	↑	63%
Viewings	↑	25%
Sales	↑	46%

All figures Jan-Nov 2009 v Jan-Nov 2008

LOCAL MARKET OVERVIEW

On its tenth anniversary Knight Frank's Basingstoke office has experienced its best year on record, defying the credit crunch and consolidating its position as the area's leading prime property agent.

Now is definitely 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 46% increase in sales for the Basingstoke office during 2009.

Low levels of stock, however, mean that many buyers remain frustrated and we expect to see continued strong demand in 2010. However, the general election is likely to take place at the height of the crucial spring market which means vendors should act early in 2010 to avoid the inevitable lull in the market.

Although the price of country homes in the Basingstoke area has fallen on an annual basis by 1.7%, the last three months of the year saw prices rise by 5.4%, underlining the renewed confidence in the market since the summer.

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 country homes property agent. It is pleasing to report that on the Basingstoke office's tenth anniversary we defied the credit crunch and had our best year on record, selling over £70m of prime property in the last six months of 2009.

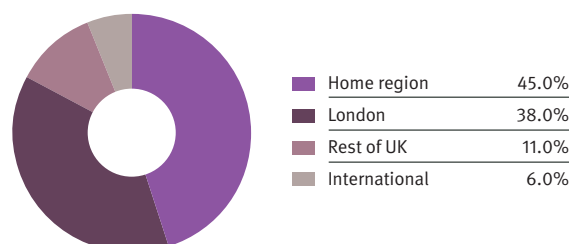
Our advice means it is taking us less time to sell properties than a year ago and our rigorous applicant screening process enables us to achieve successful sales with fewer viewings. Our local market knowledge, experience and professionalism has led to significant levels of repeat business.

In 2009 over 38% of 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.

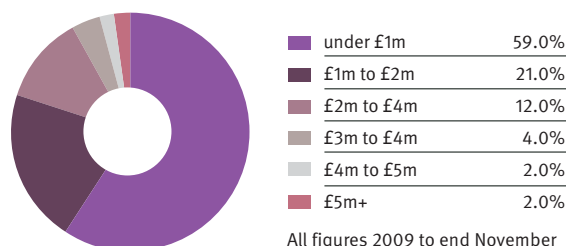
This means that the properties we sell are seen by hundreds of thousands of prospective wealthy buyers across the globe.

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

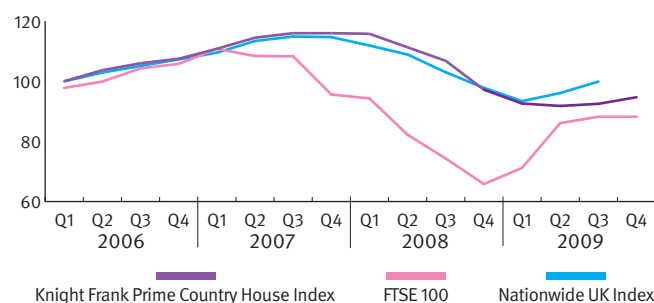
The price of prime country properties is now showing positive growth in all locations across the UK as demand outstrips supply.

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 2009 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.

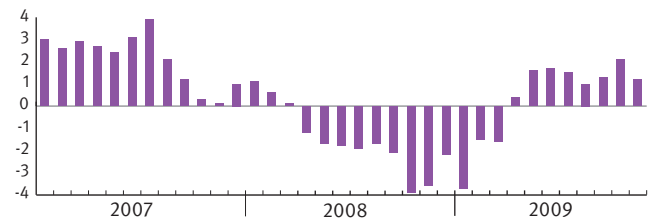
The prime London market saw a dramatic turnaround last year. With a weak pound attracting international buyers and low interest rates prompting many to take the plunge, sales volumes rose by 40% year-on-year. Weak supply helped drive prices higher – by almost 10% in the nine months to December.

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

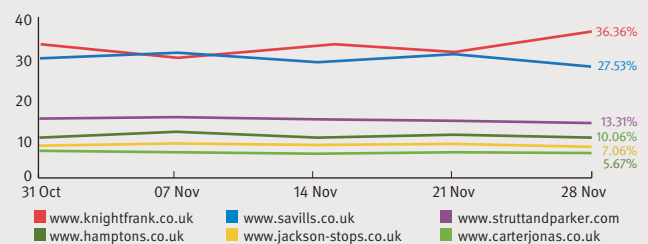


WORLD'S BEST PROPERTY WEBSITE

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



Queens Meadow, Sherborne St John

Chocolate box cottage in first class village, attracted good amount of interest



Welford House, Heckfield

Beautifully presented family house, attracted local and London buyers and multiple offers



Hydegate, Long Sutton

Stunning period village home, sold within three weeks of marketing with four offers



Hackwood Farm, Tunworth

Sold prior to full marketing campaign to cash buyer on our mailing list



Farley House, Hannington

This first class village house sold within two weeks of marketing



6 Pound Meadow, Sherfield-on-Loddon

One of many properties sold in 2009 to buyers coming back from abroad



Old Mill House, Kingsclere

Immaculate village house, sold to cash buyer prior to being openly marketed



Pond House, Rotherwick

Classical village home, offered to selective proceedable applicants registered on our mailing list



Moorcocks, Mattingley

First class equestrian facilities attracted both local and regional buyers due to its uniqueness



Scutts Farm, Hartley Wintney

25 viewings and four offers, sold to a local cash buyer



2 Hare Warren Farm Cottage, Hare Warren

The country cottage market became more buoyant in the second half of 2009



The Cottage, Whitchurch

Properties requiring improvement, still in demand, this attracted multiple offers

Your local team



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Basingstoke



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