




# HEREFORD REVIEW

Regional property market focus 2010

**Knight Frank**

Now is an extremely sensible time for people thinking of selling their houses to take advantage of increasing demand from London buyers looking for quality houses in Herefordshire and Monmouthshire

Newly available property for sale  16%

New prospective buyers  133%

Viewings  36%

Sales  47%

All figures Jan-Nov 2009 v Jan-Nov 2008



# LOCAL MARKET OVERVIEW

**Knight Frank's Hereford office remains the area's leading prime property agent with access to a high-quality pool of buyers from London and further afield.**

Now is definitely the time to put your house on the market if you are thinking about selling. There is currently extremely strong demand for the best houses in Herefordshire and Monmouthshire, but it is difficult to predict how long this level of confidence will be maintained as politicians face tough decisions about how to cut the UK's burgeoning national debt.

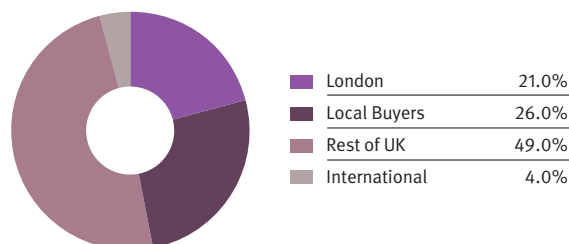
Last year was an exceptionally strong year for us. The number of new applicants registering with our office increased by 133% compared with 2008 and we sold almost twice as many houses. The top end of the market performed particularly well achieving peak prices, with the mid-market down only slightly from its 2007 heights. However, the first-time buyer is still struggling at the moment and though not having a knock-on effect on the higher levels so far, this could eventually put a brake on performance – another reason not to delay a sale.

One of the reasons that Knight Frank can achieve so many successful sales – last year on average the houses that we marketed sold for over 100% of their guide prices – is the strength of our national and London network of offices. In 2009 only a quarter of the properties that we sold were bought by local buyers – 75% came from London, other parts of the UK or overseas.

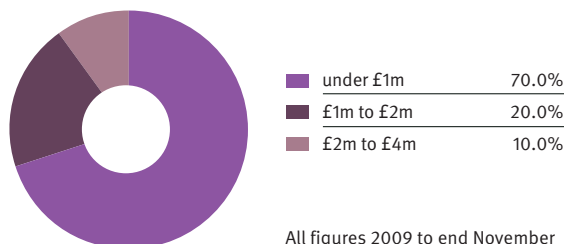
In a market so dependent on buyers from outside the area, getting your property in front of the widest possible audience is absolutely vital. Our network allows us to do just that and, coupled with our own award winning website and the wide range of property search engines that we list on, gives every property the maximum exposure to the best buyers. Even if we are not geographically the closest agent it makes sense to harness the power of our buyers – the days of window shopping have long gone.

With a 50% share of the region's prime property market we are clearly the leaders in the field, but our level of commitment to our clients remains the same whether the property we are selling is worth £5m or £500,000 – 88% of the properties we sold last year were priced below £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



All figures 2009 to end November

# NATIONAL COUNTRY HOUSE MARKET

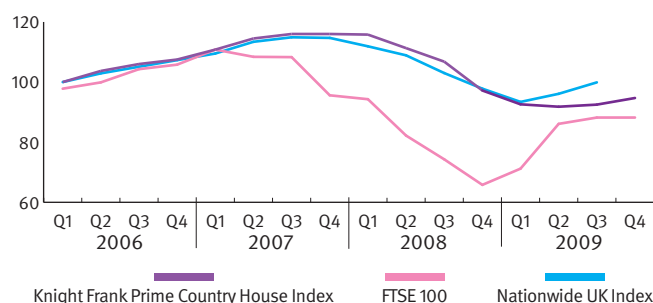
**The price of prime country properties is now showing positive growth in all locations across the UK as demand outstrips supply.**

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% hike 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.**

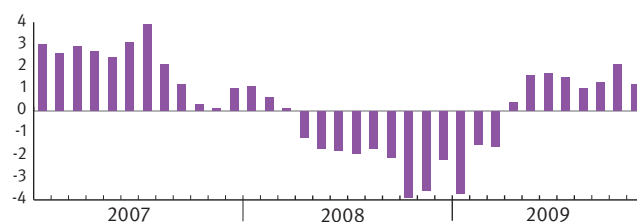
The prime London market saw a dramatic turnaround last year. With a weak pound attracting international buyers and low interest rates prompting many to take the plunge, sales volumes rose by 40% year-on-year. Weak supply helped drive prices higher – by almost 10% in the nine months to December.

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

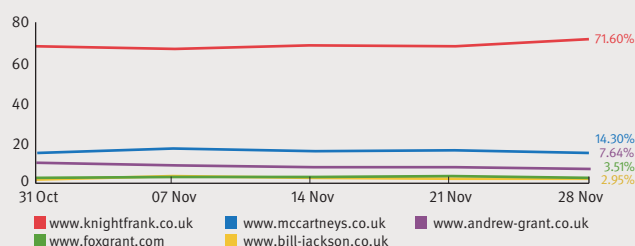


# WORLD'S BEST PROPERTY WEBSITE

## 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



Crickhowell

One of Crickhowell's best houses and therefore guaranteed to sell well



The Bage

Golden Valley period house with substantial outbuildings



Cleddon

Prime Monmouthshire mansion resulting in almost instant sale



Solva

One of the finest positions on the Welsh Coast



Hereford

Excellent townhouse, sold before being exposed to the market



Sellack

Iconic South Herefordshire manor house



Mordiford

Wonderful position overlooking the River Lugg



Mansel Lacy

Sold within first week of coming to the market



Peterstow

Numerous bidders pushing the price up to well over the guide



Onibury

A wonderful development project resulting in competitive bidding



Bucknell

Rare thatched house in stunning location



Longtown

Period village house sold for well over the guide

## Your local team



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Hereford



**Tim Jessop**  
Hereford



**Antonia Thorp**  
Hereford



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