



BUCKINGHAMSHIRE OUTLOOK

Regional Property Market Focus 2011

Knight Frank

Insight into your
local market

Focus on the national
country house market

Impact of the prime
London market

Market forecast

LOCAL UPDATE

Our office had a fascinating and successful year with activity continuing right through the autumn and winter. Despite continued negative press speculation over the future of the housing market it became apparent that good houses, correctly priced, would continue to sell.

Indeed, the number of properties sold equalled our previous record-breaking year, with sales taking place in both the lower and higher price ranges.

We firmly believe that the key to us being able to flourish in challenging times is the

depth of our knowledge and experience in selling property throughout the region. Our proactive approach to the changing market place has allowed us to offer clients invaluable advice, helping them to achieve the best possible result. As we head

into 2011 we are confident that the strength of our Beaconsfield team, working together with our Country Department in London, will allow us to consolidate this.

This publication is intended to give you a flavour of the market and demonstrate our expertise, both locally and nationally. Whether you are looking to act now or later in the year, our friendly and experienced team is here to help. But do bear in mind that those buyers who act earlier will reap the benefits of lower stamp duty and good

mortgage deals while they remain competitive, as this could change with future interest rate hikes.

We hope you enjoy the Outlook and look forward to hearing from you.



William Furniss
Partner / Office Head

BUCKINGHAMSHIRE BY NUMBERS

Knight Frank's Beaconsfield office has emerged from the credit crunch as the area's leading prime property agent and expects to consolidate this position further during 2011.

- The average London buyer spends £1.7m.
- 61% of our sales in the last 12 months were priced under £1.5m.
- On average we have achieved 95.1% of the guide price on sales in the past 12 months.
- We have 403 potential buyers on our books looking to spend a collective total of £781m.
- Knight Frank Beaconsfield's online property listings are viewed 539 times a day through our award-winning website.



Sales by price band

Under £750k	16%
£750k - £1.5m	45%
£1.5m - £2.5m	16%
£2.5m - £3.5m	18%
Over £3.5m	5%



Instructions by price band

Under £750k	12%
£750k - £1.5m	36%
£1.5m - £2.5m	22%
£2.5m - £3.5m	12%
£3.5m - £5m	15%
Over £5m	3%

OUR TEAM IN ACTION

Great Hampden was an interesting sale due to its complicated nature. The house sits in a village where the local estate owns much of the land. The property itself came with just half an acre of gardens, but there was adjoining land available to buy from the local estate. Our client selling the house had been renting about four acres of that land and, when we found a buyer, they wanted to purchase this

additional land along with the house. To complicate things further, the vendor was a lessee rather than the freeholder. The freeholder was the estate. We ended up acting on behalf of both parties and after much work on all sides – by us, our clients, the buyers and all lawyers involved – a successful outcome was achieved in what was one of the more complex transactions this office has seen in years.



GREAT HAMPDEN



NATIONAL COUNTRY HOUSE MARKET

Activity boosted by the closing gap between overly ambitious sellers and cautious buyers.

The national country house market experienced quite an upheaval last year. Although price growth in the 12 months to June 2010 helped the market claw back some of the falls seen during the credit crunch, ongoing problems with mortgage availability and affordability caused this growth spurt to reverse. Prices by the end of the year did however, remain 3.3% higher than the year before.

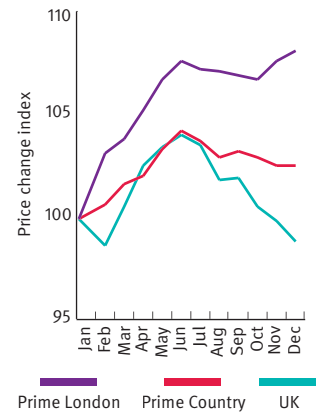
A positive outcome of this was the impact it had on the gap between overly ambitious sellers and cautious buyers. The necessary asking price reductions that began to take place in August and September narrowed this gap, leading to improved activity in the final quarter of the year.

We expect 2011 to mirror 2010 – the best properties are likely to sell well due to thin supply

and strong demand. Indeed, we moved into 2011 with 12% more purchasers registered to buy country house properties across the UK compared to the same position in 2010. The market for properties priced below £1m will however remain challenging for vendors due to the absence of a noticeable recovery in mortgage supply.

The most critical issue for vendors this year will be price. Only the most perfect properties can justify ambitious expectations in the current market. For most properties, this approach will lead to delays in attracting interest and lost marketing time in the critical spring months.

How the prime London, prime country house and mainstream UK markets compared in 2010



Sources: Knight Frank Central London Sales Index, Knight Frank Prime Country House Index, Nationwide House Price Index

LONDON'S SUCCESS FEEDS DEMAND FOR COUNTRY PROPERTY

There is no doubt that the strongest performing property market in the UK during 2010 was the prime London market – with prices rising by nearly 11% over the year.

While prices in London are unlikely to see any significant growth, we expect 2011 to

see a rerun of last year's strong performance in terms of sales volumes and buyer demand.

For large parts of the country house market across England, and even into Scotland and Wales, this positive outlook for London matters. Over 22% of buyers of country houses priced

£1m+ across the UK are from London. The figure hits 31% for property costing £2m+.

Our experience in the London market confirms that much of its strong performance stems from the perception that the market is a 'safe haven', particularly for international buyers.

This is demonstrated by the volume of new applicants from Europe looking to buy in central London, which rose 23% year-on-year in the final quarter of 2010. London property provided a strong defensive

option as the difficulties in the Eurozone worsened, and while the pound was trading at a discount to the euro.

London also experiences ongoing demand from Asia-Pacific buyers who have benefited from 30% to 50% price growth in Hong Kong, Singapore and other key Asian centres over the past year. They are keen to take advantage of the weak pound, removing their money from what have arguably become very hot markets in Asia.

FINANCING WITH KNIGHT FRANK

As a highly respected team in the property financing industry, with 150 years of combined experience, Knight Frank Finance specialises in mortgages for main or second homes, investment property, buy-to-let mortgages and commercial property finance.

For loans below £1m, we have access to all of the most competitive mortgage interest

rates available on the high street. If you are considering borrowing above £1m, our close working relationships with the world's private banks, commercial lending sources and finance houses, enables us to achieve the very best terms for our clients, including those unable to find financing solutions elsewhere.

To find out more, please call us on: +44 (0)1494 675368.

MARKET FORECAST

We are unlikely to see strong capital growth in any residential sector in 2011. The opportunity for speculative gains was presented in early 2009 and by mid 2010 this had all but disappeared, at least for the short-term.

The vast majority of buyers in the market have recognised this fact and are looking at property as offering a stable home for their wealth in the long run. Demand from investors and holiday home buyers has remained strong, but again is driven by a view of long-term potential growth.

While we expect country house prices to rise only marginally in 2011, the fundamentals underpinning the market are as strong as ever. This year will be the third consecutive year when new-build development volumes will struggle to reach even 50% of the 2007 peak level.

For those with access to equity this year, there will be considerable opportunities in the market. For the investor or holiday home purchaser these opportunities will be centred on strong yielding properties. For others it will be in securing properties with scope for refurbishments or improvements.

A SELECTION OF PROPERTIES SOLD IN 2010



Cookham, Berkshire
Achieved 98% of guide price



Saunderton, Buckinghamshire
Sold to first viewer



Pinkneys Green, Berkshire
Sold under competition



Great Missenden,
Sold to overseas purchaser



Bledlow Ridge, Buckinghamshire
Sold under competition



Gerrards Cross, Buckinghamshire
New build town house

YOUR LOCAL TEAM



William Furniss, Office Head

William grew up in Beaconsfield, was educated locally and started his estate agency career in South Bucks in 1988. He joined Knight Frank in 1998 and has been based in the Beaconsfield Office handling sales of residential property throughout Buckinghamshire ever since.

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Russell Grieve, Partner

Russell started his estate agency life in 1998 working for the first seven years in busy London offices before moving to Knight Frank, Beaconsfield in 2005. Russell has successfully transferred the skill base he developed in London to the country market.

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Claire Williams, Office Manager

Claire started her Knight Frank career in 2000 working in the Kensington and Notting Hill offices before two years in America and returning to rejoin Knight Frank in 2010 at the Beaconsfield office. Living locally Claire has a wonderful knowledge of the area.

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Sarah Brown, Secretary

Sarah was born and raised in the Hampdens, and has been with Knight Frank for 10 years providing wonderful marketing support to the team.

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