



BERKHAMSTED 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 Berkhamsted and wider surrounding area

- Knight Frank has a national and international award-winning property search website
- About 60% of the people buying houses through us come from outside the Home Counties
- Almost three quarters of the properties we sold in 2009 were priced under £1m
- We are now the dominant prime country property agent in Berkhamsted

LOCAL MARKET OVERVIEW

Knight Frank's Berkhamsted office has emerged from the credit crunch as the area's leading prime property agent and expects to consolidate this position further during 2010.

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 buyers appear confident that we are coming off the bottom of the market in terms of prices and this is reflected by an ever-increasing number of new buyers who are registering with us.

Since opening at the beginning of last year, sales volumes have increased month on month. In November, for example, when the market is traditionally slower we agreed sales on 12 houses compared with eight in the traditionally busier month of September. Low levels of stock, however, mean that many buyers remain frustrated and we expect to see continued strong demand throughout 2010. In a number of cases this renewed interest has led to a return to competitive bidding with houses selling for over their guide prices.

Despite this recent upturn, the past year has been difficult. In such a challenging environment we believe that the quality of our service and our depth of knowledge has helped consolidate our position as the area's leading prime property agent and highlighted the benefits of using a truly international agent over a local high-street firm.

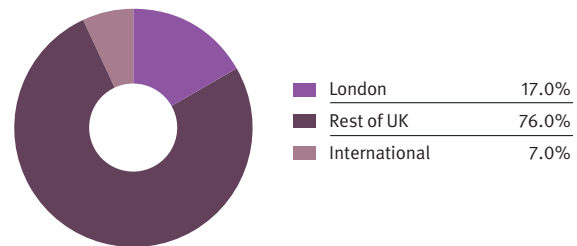
Unlike some of our competitors we know that the credit crunch has made our business stronger and better able to serve our clients. Our professional approach means that we have been able to sell properties in a matter of days that other agents have struggled with for months – without having to reduce the guide price.

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 throughout the UK and across the globe. This exposure is vital for anybody selling a property in this area as so many buyers are not local. Last year over

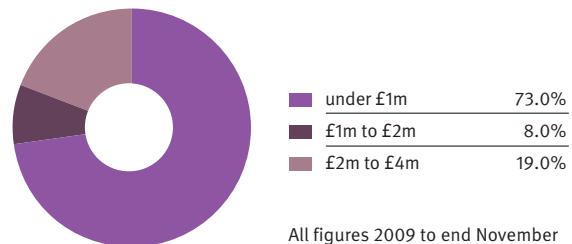
60% of our sales were to buyers from outside the surrounding area, a significant number of whom were from overseas.

Our level of commitment to our clients, however, remains the same whether the property we are selling is worth £5m or £500,000. In fact, about 75% of the properties we sell are priced under £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

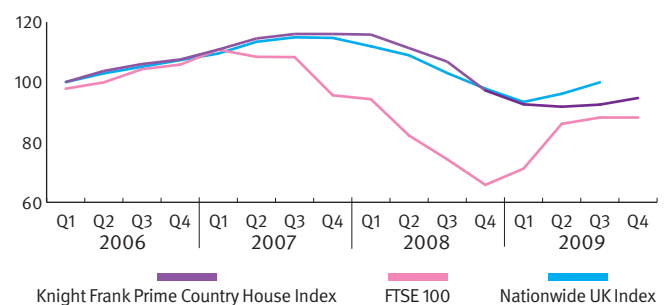
The price of prime country properties is now showing positive growth in all locations across the UK as demand outstrips supply.

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 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% 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.

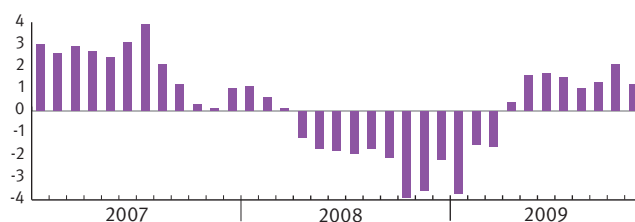
The prime London market saw a dramatic turnaround last year. With a weak pound attracting international buyers and low interest rates prompting many to take the plunge, sales volumes rose by 40% year-on-year. Weak supply helped drive prices higher – by almost 10% in the nine months to December.

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
- ◆ Canary Wharf
- ◆ Chelsea
- ◆ Hampstead
- ◆ Kensington
- ◆ Knightsbridge
- ◆ Fulham
- ◆ Mayfair
- ◆ Marylebone
- ◆ Notting Hill
- ◆ Richmond
- ◆ Riverside
- ◆ St John's Wood
- ◆ Wandsworth
- ◆ Wapping
- ◆ Wimbledon

Knight Frank Prime Central London Index, monthly price change 2007-2009

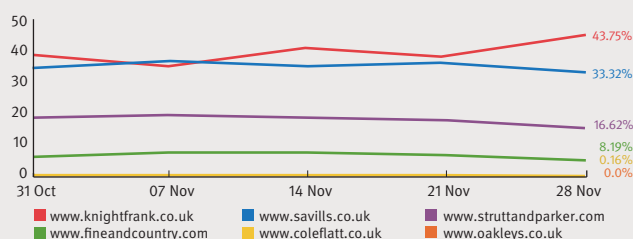


WORLD'S BEST PROPERTY WEBSITE

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



2 Kitsbury Terrace

This type of house is very much in demand with its superb period feel and central town location



The Cedars

Brand new luxury home, built to an exceptional standard in a sought after road



Deer Leap Manor

Brand new country house, in one of the most popular villages in the local area



Pavillion Park

Sold in less than a week. A substantial part of a superb listed mansion



Charleston

Elegant family house with impressive indoor swimming pool complex



Braziers

A stunning Grade II listed Queen Anne property in a sought after village



The Gables

With rural views and paddocks on the edge of this popular Buckinghamshire village



Little Paddock

Sold in a week, at well over the guide price. Set in one of the area's premier roads



13 Hall Park Hill

Set in 1/3 of an acre, and walking distance to the town centre



Crossways Farm

Fantastic equestrian property just outside of town



Old Fishery Cottage

Pretty period cottage set in gardens approaching an acre



Tall Oaks

Wonderful views from this attractive period property

Your local team



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