



Knight Frank's Exeter office sells properties in Devon, Cornwall and West Somerset as well as Exeter. William Morrison, Office Head, discusses how the market has been performing, where buyers are moving from, and tips for homeowners thinking about selling.

Which price bracket of the market has performed best this year and why?

The top end of the market (£3m+) has faced tougher conditions this year compared to the previous two or three years, and most of our sales activity has taken place in the £500,000 to £1,750,000 price bracket. By logic you would expect this price bracket to have struggled in this economic climate, but buyers have not been afraid to purchase at, or even above, the guide price for the best properties.

Where do your buyers tend to come from?

The majority of our buyers tend to come from London and the South East. While this has been the case so far this year, we have also sold a number of houses to local buyers and have even sold a house in Cornwall to a Greek family.

What is the greatest success you and your team have been involved in recently?

We recently sold a property near Lyme Regis that had previously been on the market with another national agent for over a year. When we took the property on we arranged for some high-quality photographs to be taken before re-launching it to the market with a new brochure and a revised guide price. As a consequence, we managed to introduce a selection of potential buyers and sold the property for more than the guide price.

How have house prices been performing over the past three months and what is your view looking forward?

The market as a whole has picked up during the past three months. The number of properties entering the market has fallen, especially in October, and this has driven activity by encouraging buyers to make offers on their chosen property for fear of losing it to another purchaser. Looking forward, the economic climate is unlikely to improve and could well decline over the next three months, which would have an impact on prices.

“BUYERS HAVE NOT BEEN AFRAID TO PURCHASE AT, OR EVEN ABOVE, THE GUIDE PRICE FOR THE BEST PROPERTIES.”

What advice would you give to a homeowner thinking about selling?

Speak to us as early as possible, preparation is key. Professional photographs, floor plans and a good quality brochure, combined with a suitable advertising campaign, are essential in making your property stand out from the crowd. We also advise our clients to ask their solicitor to prepare a full legal package and contract prior to a property being launched to the market. This way, any issues that could cause delay or allow a buyer to attempt to re-negotiate can be ironed out.

Why should people think about buying or selling now?

Despite concerns about the eurozone and the global economy, there are still plenty of buyers in the market. Tangible assets such as property are seen as a relatively safe investment and the fact that there is a limited supply of properties available means there is no reason why you shouldn't find a buyer in a relatively short space of time. In late 2009 and the early part of 2010 we encountered conditions such as these and enjoyed relatively good activity levels as a result. Our advice to vendors is to take advantage of this situation before the inevitable rush of activity next spring.



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Exeter office sales market at a glance

Figure 1
What do our applicants want to spend?
 New applicants, past 12 months

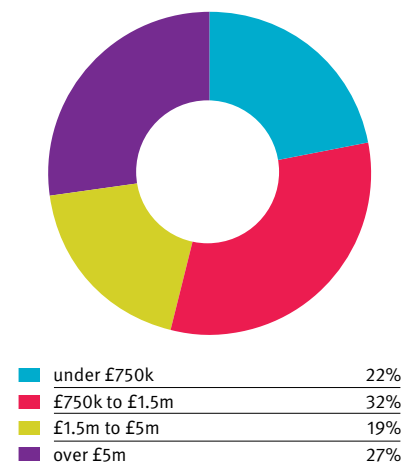
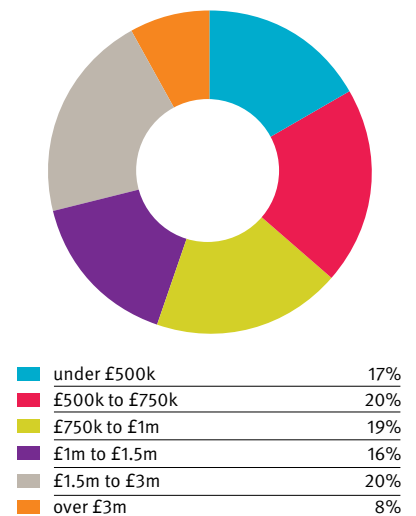


Figure 2
What is coming to market?
 New instructions, past 12 months





Charting the market



Figure 3
Sales by price band
 Exchanges, past 12 months

| | |
|----------------|-------|
| under £750k | 38.5% |
| £750k to £1.5m | 38.5% |
| £1.5m to £2.5m | 6% |
| £2.5m to £3.5m | 13% |
| £3.5m to £5m | 4% |



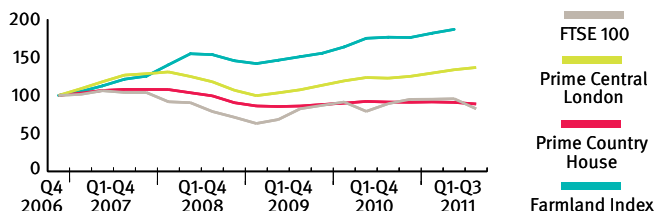
Figure 4
Where do our buyers come from?
 Buyers, past 12 months

| | |
|---------------|-----|
| South West | 28% |
| London | 21% |
| Rest of UK | 45% |
| International | 6% |

Figure 5
Market activity
 Last three months, year-on-year change

| | |
|------------------|---------|
| Exchanges | ↑ 100% |
| New applicants | ↑ 25% |
| New instructions | ↓ -7% |
| Viewings | ↑ 16% |
| Prices | ↓ -0.7% |

Figure 6
Wider market performance
 Prime London and country property (sales prices) vs FTSE 100, past 5 Years



Properties sold recently

SOLD
Award-winning coastal home
 BUDLEIGH SALTERTON, DEVON
 4
 £1,550,000



SOLD
Listed former farmhouse with converted barn
 STRAWBERRY HILL FARM
 5
 £1,250,000



SOLD
Beautifully refurbished house overlooking Lyme Bay
 ROUSDON, DEVON
 5
 £995,000



SOLD
Dartmoor in moorland setting
 HEXWORTHY, DEVON
 4
 £595,000



SOLD
Former vicarage close to Jurassic Coast
 BRANSCOMBE, DEVON
 5
 £1,100,000



SOLD
Queen Anne splendor in heart of South Hams
 SOUTH MILTON, DEVON
 9
 £3,500,000



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