



Local View ²⁰¹⁵

Cheltenham

Welcome to Local View

Welcome to the latest edition of Local View, our seasonal update on the property markets that matter to you. In here we highlight why we love Cheltenham as well as showcase some of our favourite sales from last year and look forward to 2015. Please contact your local team for more information and to find out what other opportunities we can offer.

On average we achieved **97%** of the guide price on sales in the past 12 months

We receive, on average, **13** new sales instructions every month

We sold over **£66m** worth of property in past 12 months

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Nick Chivers, Office Head
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Specialism: Town property
Years of experience: 19

Cheltenham is the most complete Regency town in Britain and one of the few English towns in which traditional and contemporary architecture complement each other. It has been a holiday spa town since the mineral springs were discovered here in 1716 and the town still offers something for all ages and tastes, from a mix of traditional and modern culture, to the eye-catching splendour of the towns architecture, it is easy to see why Cheltenham was voted the best town in the country to raise a family.



Cheltenham is an excellent Cotswold base offering the perfect lifestyle for anyone seeking an active and cultured town. All of this combined with a mixture of top class schooling, its many award winning festivals and an impressive range of period architecture makes Cheltenham a town that far exceeds most people's expectations.



Harry Bethell
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Specialism: Town property
Years of experience: 6



For me, Cheltenham has the perfect combination of beautiful property, a diverse cultural offering and a genuine love of the town from the people who live here. It constantly looks to improve what it can offer and the schooling, events, architecture and stunning Cotswold countryside makes it a quality destination.



Sue Healey
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Specialism: Town and country houses
Years of experience: 24



Following nearly nine years of working in the Cheltenham property market, the diversity of housing that we have the pleasure of seeing is something I've come to love. Feeling most at ease in the villages and rural hamlets between the Cotswolds and across the Severn Vale, I also thoroughly enjoy the livelier pace of the town market.



Tom Banwell
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Specialism: Country houses
Years of experience: 8



The Cheltenham area has it all! A beautiful and thriving town with excellent schools, superb communication links, world famous racing and stunning Cotswold countryside. The area really does cater for all needs and is geographically ideal for north, east, south and west. The villages surrounding Cheltenham are exceptional and the views from the escarpment are staggering!



Peter Edwards
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Specialism: Country houses and estates
Years of experience: 10



The town is at its best when it is overflowing with people during one of our famous festivals! However, day to day we have fantastic shopping along the Promenade with stylish boutiques in the Suffolk's and Montpellier, combined with bustling wine bars, coffee shops and a choice of excellent restaurants; all of this with the stunning Cotswold countryside on our doorstep!



Hayley Wilks
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Specialism: Apartments
Years of experience: 5



I have always loved visiting Cheltenham! From my first visit as a child to the wishing fish clock in Regents Arcade to more recent visits for a day at the races or a quiet walk in the nearby countryside - Cheltenham has something to offer everyone.



Eve Morgan
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Specialism: Finance
Years of experience: 10

2015 Forecast

2014 saw another steady rise in property values in the UK outside of London, yet the price differential between those and properties in the capital remains at a record level meaning that the country is great value for those looking to trade up and out. However, uncertainty as a result of the upcoming General Election means that the market is undoubtedly going to differ this year. In spite of this, we expect demand will continue to increase, particularly in light of recent tax changes, especially for properties valued below £1m.

Property prices for houses in the country have been rising for seven consecutive quarters, the longest period of sustained quarterly price growth since 2007.

Rising confidence among buyers as a result of more positive economic news, the ripple effect from London and growing demand for family homes has resulted in improved conditions in the market in 2014, helping to release some of the pent-up demand that had built up following the downturn.

Figures released by the Land Registry confirm this. Over the year to September 2014, the number of homes sold for over £500,000 in England and Wales was 42% higher than at the same time last year and 74% higher than the corresponding period in 2010.

Properties in the southeast, within commutable range of a city and close to good schools have sold well. Continued low interest rates and attractive mortgage offers have also encouraged buyers to act.

London have grown by 74% and are 32% above their previous peak, making the country good value for those wishing to trade up and out.

But there are signs that the momentum seen during the first half of the year has eased. Uncertainty over the outcome of the general election, an impending interest rate rise and tighter mortgage lending have all cooled demand during the second half of the year.

There is some positive news however. Reforms to property taxation announced by the Chancellor during the Autumn Statement mean that the majority of home purchasers will pay lower levels of stamp duty when buying a house. As a result of the changes those buying homes worth up to £937,500 will see their tax bills reduced. Additionally, there is an anomaly between £1,000,001 and £1,124,990 where less tax is payable under the new system.

The proposals are likely to be welcomed by buyers, ultimately increasing transaction levels below the £937,500 threshold. That is likely to have a knock on positive impact on consumer sentiment.

Against this backdrop, we are forecasting price growth of 2% across the country market in 2015, with outperformance in some locations driven by increased demand and, in some cases, improvements to infrastructure.

Homes located in town and city markets will see above average price growth driven by demand from those relocating from London and downsizers. Markets within commutable distance of the capital will also outperform. We are forecasting that price growth for family homes in the South East, South West and East of England will outpace local mainstream markets as values are boosted further by the "ripple effect" from London.

Agents report that demand has been bolstered by an increase in the number of buyers looking to take advantage of the gap between urban and rural values, particularly those moving from London. Prices in the country look good value on a historical basis having experienced several years of static or modest growth since the end of the financial crisis.

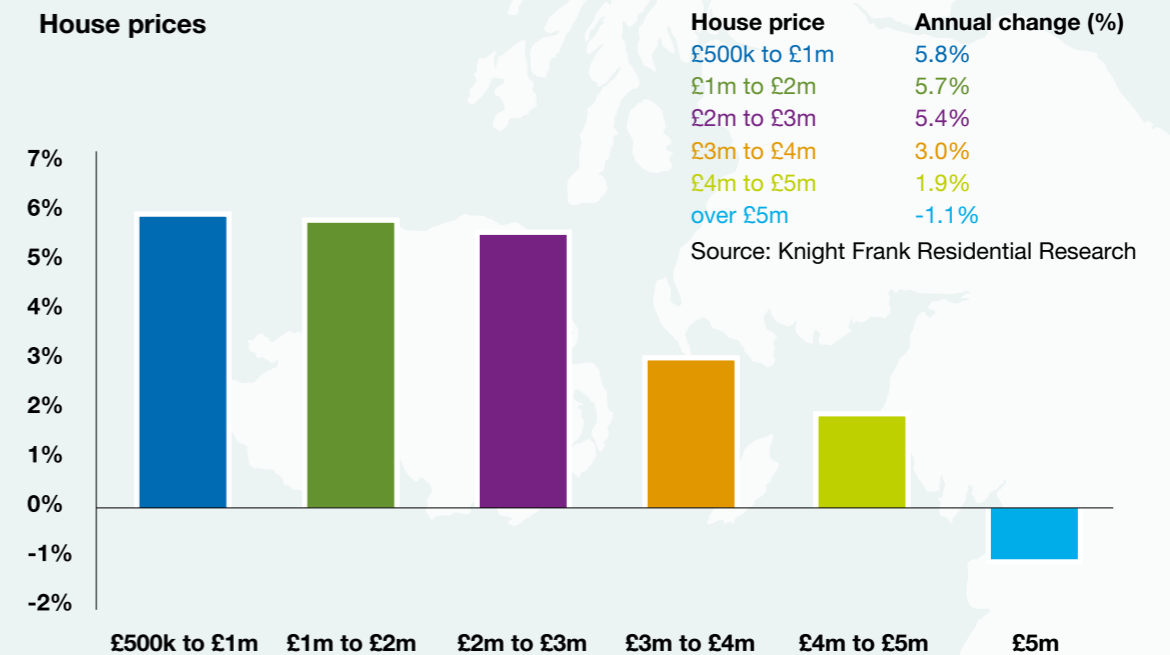
To illustrate this point, houses in the country have risen in value by 5.6% since the market low in 2009 and currently sit 16% below the previous market peak. In contrast, house prices in prime central

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Registered voters

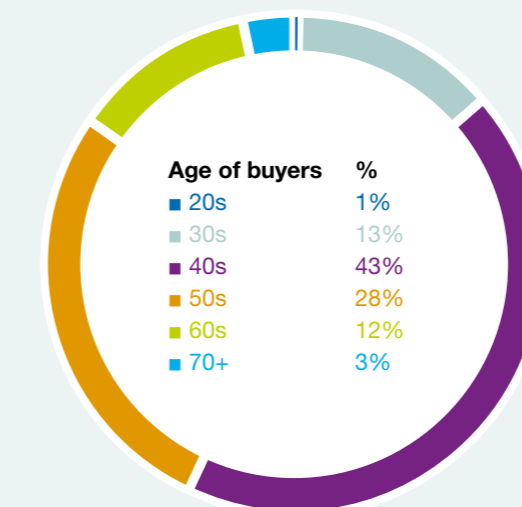
In 2010 there were **45,597,461** registered voters, **3.1%** more than in 2005

House prices



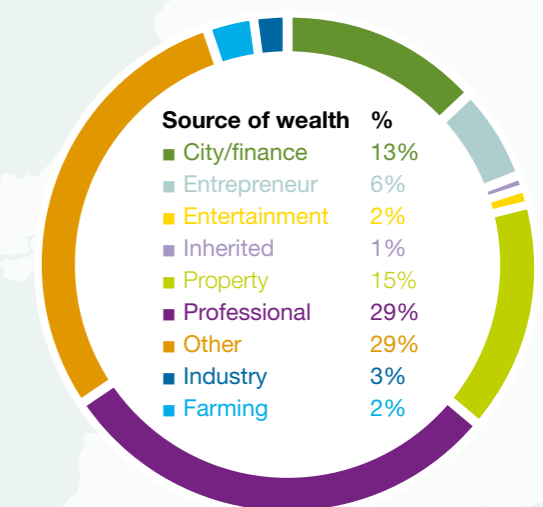
For all sales less than or equal to £2m

Age of buyers



Source: Knight Frank Residential Research

Source of wealth



Source: Knight Frank Residential Research

Highlights of 2014

Here we highlight our top 10 properties sold last year.



01

Hasfield, Gloucestershire
SOLD | GUIDE PRICE £1,250,000

Following a prolonged period of marketing, this country house with stunning views sold competitively during the summer.



03

Cheltenham, Gloucestershire
SOLD | GUIDE PRICE £595,000

Within this landmark building in Montpellier this apartment achieved one of the highest sq ft prices so far achieved at £420 per sq ft.



02

Cheltenham, Gloucestershire
SOLD | GUIDE PRICE £450,000

This totally unique home requiring significant updating but in the heart of Cheltenham, on the edge of a town park achieved in excess of 20% of the guide price.



04

West Barn manages to mix Grade II listed charm with cutting edge sustainability including a ground source heat pump, solar panels and rain water harvesting.

Tewkesbury, Gloucestershire
SOLD | GUIDE PRICE £775,000



05

This classic early Victorian townhouse never reached the open market, selling to one of our many 'ready to proceed' registered buyers at the full guide price.

Cheltenham, Gloucestershire
SOLD | GUIDE PRICE £750,000



An interesting Victorian home with large garden sold to a buyer with the vision to build a second dwelling to the rear.

Cheltenham, Gloucestershire
SOLD | GUIDE PRICE £895,000



06



07

Coming to the market for the first time since being built over 40 years ago, this detached home within the private estate of Battledown achieved significantly over the guide price after a process of competitive bidding.

Charlton Kings, Gloucestershire | **SOLD | GUIDE PRICE £850,000**



08

Situated in the picturesque Cotswold Village of Withington, The Pump House has been sold twice in 10 months, selling before reaching the open market on both occasions.

Withington, Gloucestershire | **SOLD | GUIDE PRICE £950,000**



09



Royal Parade has the classic architecture, which Cheltenham is well recognised for; this home with dressed stone frontage represents one of the stunning examples sold this year.

Cheltenham, Gloucestershire
SOLD | GUIDE PRICE £1,675,000



10



Imperial House was sold without any open marketing to buyers registered on our database and it represents one of the finest town homes sold in Cheltenham this year.

Cheltenham, Gloucestershire
SOLD | GUIDE PRICE £2,000,000

London Expansion

The London property market has always driven activity outside of the capital, as Londoners sell or let their homes and seek greater value for money in different parts of the UK.

Outside of Prime Central London, we have seen growth in traditionally affordable areas, with sales price increases of up to 14% in parts of zone two over the last 12 months. These increases see those sellers in North West London and along the River Thames achieving record prices for their homes.

At Knight Frank, our team of experienced analysts are continually looking for the next hotspots in order to embrace the increased demand in these areas. We were therefore delighted to open four new offices in London in 2014. The addition of these offices in Barnes, Clapham, King's Cross and Chiswick means our London network now totals 24, and there are plans for further expansion this year.

This increased catchment area means we are better placed than ever to drive cash buyers to our country properties. In addition, the considerable growth of our lettings division has meant that we can assist those clients who are not yet looking to cash in their investment, but still wish to move out of London. The lettings team work closely with our relocations team to place international corporate tenants, often for up to three years, to ensure buyers from London still have the steady stream of income needed to facilitate a move.

With the net widening it is vital that any agent with a London presence covers the key growth areas. A move to the country is no longer the leap it might once have been considered by many hardened city dwellers, as what are described as "London's villages" are becoming increasingly prevalent. Moving to one of these areas first is becoming the preference amongst many families, with them acting as a stepping stone to the countryside further out of London. James Williams, head of Knight Frank Barnes says:

"It is fantastic to now have a shop front in such a wonderful location. It is such a friendly environment to work in". With the fashion being a two-stage move, we can now nurture long-term relationships with our clients. So whether they are looking for a different pace altogether or a move to a smaller town or city, we are able to put them in touch with a Knight Frank agent for every step they wish to take.

If you have a property that might be of interest to one of our London buyers, please call your local Knight Frank office for a complimentary market appraisal.



"A move to the country is no longer the leap it once might have been considered by many hardened city dwellers"

About Us

In 2014, throughout the UK, Knight Frank sold:

2,740 swimming pools

68 shoots 4,336 new developments

1,166 listed buildings

2,852 properties with concierge 2,678 gyms

14 golf courses

604 tennis courts

1,127 properties with equestrian facilities

131 fishing facilities 1,719 properties by the water

207 farms and estates 1 houseboat

150 development plots

518 penthouses

For more information on the services we provide visit KnightFrank.co.uk

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first-mover advantage

If selling a property is one of your plans for 2015, now is the time to speak to an expert. Whilst others are waiting on the outcome of the forthcoming election, we are anticipating a busy start to the year.

So, at a time when staying one step ahead has never been more important, will you be one of the first movers in 2015?

For your complimentary market appraisal, call us today on: **+44 1242 279087**