RESIDENTIAL RESEARCH BATH CITY INDEX



Key facts Q4 2014

Prime property prices in Bath rose 5% in 2014, outperforming the wider prime country market

Prices rose by 1.2% between October and December 2014

Some 22% of all sales in 2014 were to buyers from London, up from 14% the previous year

Property values in Lansdown rose by 5.8% year-on-year



OLIVER KNIGHT Residential Research

"The upturn in house prices has for the most part been driven by an increase in demand for properties in the city from both local buyers and those from further afield."

Follow Oliver at @oliverknightkf

For the latest news, views and analysis on the world of prime property, visit <u>Global Briefing</u> or <u>@kfglobalbrief</u>

RISING DEMAND BOOSTS BATH PROPERTY PRICES

Strong demand underpinned house price growth in Bath in 2014. Oliver Knight examines the latest figures.

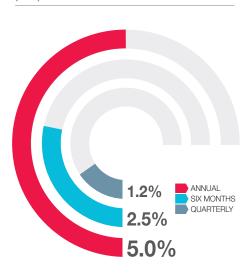
Prime property prices in Bath increased by 1.2% in the final three months of 2014, taking the annual change in prices for the year to 5%.

This compares to annual growth of 3.4% for the <u>wider prime market in the UK</u>, where the countdown to the 2015 general election, tighter mortgage lending and the prospect of an interest rate rise put a brake on growth in the second half. Outperformance in Bath suggests that the city property market has proven to be resilient in the face of such concerns.

Price growth in the city has been driven for the most part by an increase in demand for properties from both local buyers and those from further afield. This is highlighted by a 7.4% rise in the number of sales completed in 2014 compared to the previous year.

The market for properties valued between $\pounds 600,000$ and $\pounds 1.8m$ was particularly strong, accounting for 60% of all sales in the last quarter and nearly two thirds of all sales in 2014.

FIGURE 1 Change in prime prices in Bath (2014)



Source: Knight Frank Residential Research

Buyers already living in Bath or the South West accounted for nearly 60% of purchasers over the last 12 months, but demand has also been supported by an increase in the number of buyers from London many of whom are looking to take advantage of the disparity between house prices in the capital and in Bath. Buyers coming directly from London made up 22% of all sales in 2014, rising from 14% of purchasers the previous year.

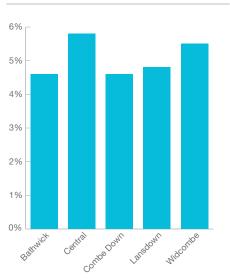
Agents also report dealing with a growing number of second-steppers who are moving from larger country houses in the surrounding area and are drawn to Bath's amenities and city lifestyle, its transport links and good schools.

Locations including Lansdown and central Bath are seeing more interest from potential buyers and the performance of prices here has reflected this with increases of 1.8% and 1.1% respectively in the fourth quarter and of 4.8% and 5.8% over the last year.

South of the city centre, in Bathwick and Widcombe annual price growth of 4.6% and 5.5% has been reported.

FIGURE 2

Bath: Annual price growth by area 2014

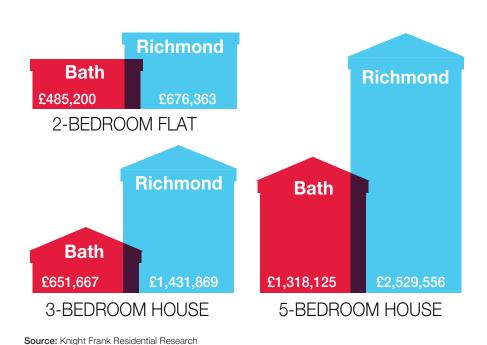


Source: Knight Frank Residential Research

FIGURE 3

London v country price differential

Average cost of property in 2014, based on Knight Frank sales



"The market for properties valued between £600,000 and £1.8m was particularly strong, accounting for 60% of sales in Q4 2014."



RESIDENTIAL RESEARCH

Oliver Knight Residential Research +44 20 7861 5134 oliver.knight@knightfrank.com

Gráinne Gilmore

Head of UK Residential Research +44 20 7861 5102 grainne.gilmore@knightfrank.com

PRESS OFFICE

Lizzie Copestake +44 20 7861 1033 lizzie.copestake@knightfrank.com



© Knight Frank LLP 2015 - This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

RECENT MARKET-LEADING RESEARCH PUBLICATIONS



The Wealth Report 2014



Edinburgh City Index Q4 2014



Prime Country House Index Q4 2014



Bristol City Index Q4 2014

Knight Frank Research Reports are available at KnightFrank.com/Research



Prime Country Review Winter 2014



Cheltenham City Index Q4 2014

markit	Knigh Frank
Relight Track, Markit House Price Sectionary Inde	
	and future house prices moderates
 Replaced interact (1995) Reacting in all reports method by the antitude (second second second second second Arbitrary) 	Nati han nan Parlan miniti utila 1 PA spontati fahi tina para ta titi u mategi di Muntae Spru 1, titi barry anataka manaka mantika mategina tean atawa ta
 Appendix to Low price practical task across the URL interact, and an addition landing is seen top. 	Any figure and Milindrawa the price are range and the higher the figure, the chapter the increase day figure below to induce other price are fulfing.
 Underson apportations for fease price generationer the next schemetric tracin active) 	The HTML accuracy general distance of hand for manual the accurate half of 2014 (Specie), landary backing at 2014, the instant is in teaching waters control accurate half and a site of the second
 Same CPL of M. Incadulate plan to log a ansatta in the next bit methy. 	everage marking for last year of the A
theory is a construct house prime. Headbook provide the fractions of the house much characy, a country to the theory by destinant states (1995) then height have and Month Association	In spike of the most three most of the transmission of the spike of the most by the latter spike of the prime may be serving birthy bandware (0.1) and the spike of the factor that the spike of the transmission of the factor that the spike of the spike of the spike of the spike of the spike of the most of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike of the spike o
Some 21 PL of the LNR Incode difficulty of each of the local sectors.	
Ny 9 thangs in carried and below value of pro-	(art) (10%)
-	m
- the	Som -
~	

House Price Sentiment Index (HPSI) Jan 15



Oxford City Index Q4 2014