



News Release

Date: 19 April 2010

Country house prices continue to increase, according to the latest figures from Knight Frank

Quarter 1 results from the Knight Frank Prime Country House Index

Key Highlights:

- **Prime country house prices rose on average by 2.0% in the first quarter of the year and are now 4.3% higher than they were 12 months ago**
- **Prices have now increased on an annual basis in every Knight Frank region, except Scotland**
- **The Home Counties continue to lead the country house market with Q1 growth of 2.9% and annual growth of 9.1%**
- **A significant imbalance between supply and demand is helping to push prices upwards, but more stock could come to the market after the General Election**

Andrew Shirley, Knight Frank's head of rural property research commented:

"The price of prime country properties continues to increase across the UK with a shortage of quality houses for sale. The strongest growth, however, is clearly being seen in the Home Counties around London where prices are now over 9% higher than they were 12 months ago.

"A shortage of property for sale and a resurgence in demand is helping to boost prices in most parts of the UK. Compared with this time last year Knight Frank has seen instructions drop by 30%, while sales have increased by the same amount. This has led to a dwindling pool of really good houses for buyers to choose from.



“Around London, this general imbalance between supply and demand has been exacerbated by the ripple effect of the substantial increase in the number of overseas buyers looking for prime property in the capital. Last year, Knight Frank sold London houses to 49 different nationalities and country properties to people from 38 different countries.

“Price rises have been less dramatic further from London, but annual growth of around 5% in south-west and central England is still very healthy. In the north, prices have started to recover more recently, but are still up over 3% on the year. The prime Scottish market has just hit the bottom of the cycle and should see a return to positive growth over the next three months.

“The big question now is whether prices can continue to rise during the rest of the year as the fiscal austerity needed to cope with the UK’s budget deficit starts to bite, especially if, as expected, more people decide to put their houses up for sale after the General Election.

“Our feeling is that unless there is a real glut of houses, which seems unlikely, prices will remain steady, even if growth is much flatter. Sterling also looks likely to remain weak for the rest of the year and this should continue to encourage more overseas buyers in and around London.”

Rupert Sweeting, Knight Frank’s head of country department said:

“Demand for the best country properties remains very strong and we are seeing a lot of interest from overseas buyers whose spending power has been boosted by the weakness of Sterling. Most of them are looking in the counties around London, but some are starting to venture further afield into the west of England.

“Stock is currently very low, but more properties should come to the market after the typical lull that generally occurs around a General Election.

“Provided that the economy does not have to suffer the uncertainty of a hung parliament, the remainder of 2010 offers a great window of opportunity for buyers and sellers to secure a deal before a possible rise in interest rates and an increase in stamp duty from 4% to 5% in 2011 for properties worth over £1m.”

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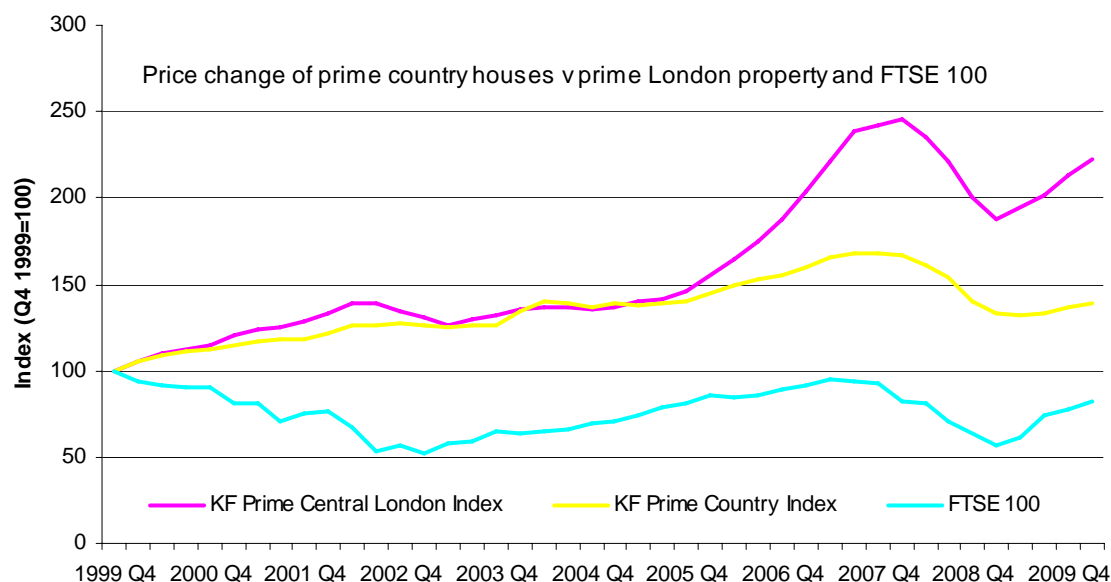


Prime country property performance by sector

Property Type	Quarter 1 price change %	Annual price change %	Average value
Cottage	1.9	4.8	£0.46m
Farmhouse	2.5	6.4	£1.5m
Manor House	1.7	1.9	£2.6m
Unweighted average	2.0	4.3	£1.4m

Prime country property performance (all types) by Knight Frank region

Region	Quarter 1 price change %	Six-month change %	Annual change %
Home Counties	2.9	6.0	9.1
South West	2.2	5.1	5.0
Central England	1.8	4.1	4.5
North	1.7	4.1	3.2
Scotland	0.0	0.0	-6.6



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Notes to Editors

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