



# News Release

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Date: 12 July 2010

## **Country house prices increase for the fourth quarter in a row, according to the latest figures from Knight Frank.**

### **Quarter 2 results from the Knight Frank Prime Country House Index**

#### **Key Highlights:**

- The value of English prime country house prices rose on average by 2.5% in the second quarter of the year and is now almost 8% higher than 12 months ago
- Prices have now increased during every quarter of the past 12 months
- Quarterly growth was highest in the southwest (3.3%), but on an annual basis the Home Counties have seen the biggest rise (10.7%)
- The market is becoming increasingly polarised

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

"The price of prime country properties rose by 2.5% in the second quarter of the year taking total growth for 2010 to 4.6%. The latest quarterly increase means prices have now been rising for 12 months, but they are still almost 15% down from the peak of the market in autumn 2007.

"A continued shortage of property for sale and a resurgence in demand is helping to boost prices in most parts of the UK, but the austerity measures proposed by the Chancellor in his emergency budget means prices are unlikely to rise at the same pace during the rest of the year and some of our offices are reporting that values have already started to flatten out.



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"Areas around London such as Henley and Tunbridge Wells with quarterly price growth of 6.6% and 7.9%, respectively, continue to perform strongly, but are predicting that this upwards trend will slow over the coming year."

## **Rupert Sweeting, Knight Frank's head of country department said:**

"The first half of 2010 has been a very stop-start six months for the property market. We had the heavy snow at the beginning of the year, a General Election and then to round it off an emergency budget. All in all there have been plenty of reasons for people to delay the buying or selling of houses.

"But now the landscape is pretty clear and people are starting to get on with things again. The volume of pages we are taking in Country Life, which is a good barometer of the health of the market, is up by around 15% this year. The economic outlook is admittedly looking tough following the emergency budget's wave of cost cutting, but at least we know where we stand in relation to taxation, in particular Capital Gains Tax, which was not increased by as much as many expected. Interest rates also look set to remain low for some time.

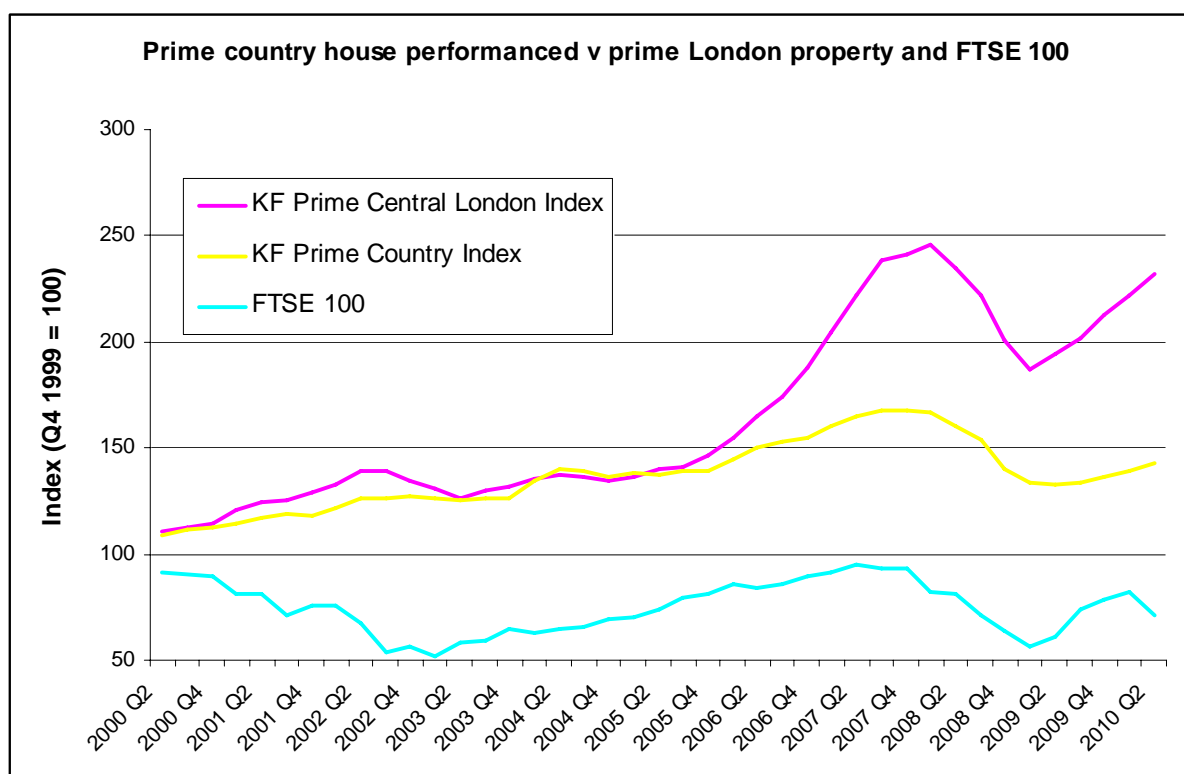
"The prime country house market is likely to continue into the usually quiet summer months, but what we are seeing is an increasing polarisation between the really good houses and those that are over priced or not quite scoring top marks for location and quality. We recently sold two wonderful houses in the Cotswolds for a 20% premium, while others have struggled to make their guide prices."

## **Prime country property performance by sector**

Property Type	Quarter 2 price change %	Annual price change %	Average value
Cottage	2.4	7.7	£0.47m
Farmhouse	1.9	8.6	£1.2m
Manor House	3.2	7.2	£2.7m
Unweighted average	2.5	7.9	£1.4m

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

Region	Quarter 2 price change %	Six-month change %	Annual change %
Home Counties	2.3	5.2	10.7
South West	3.3	5.6	9.2
Central England	2.8	4.6	7.7
North	0.6	2.3	4.7



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**Notes to Editors**

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## **About the Knight Frank Prime Country House Index**

The Knight Frank Country House Index is a valuation-based index, compiled quarterly from valuations prepared by professional staff in every Knight Frank Country House office in the UK. The index is based on the valuation of a comprehensive basket of properties throughout all UK regions based on actual sales evidence.

Knight Frank tracks the performance of three country house categories; cottages, farmhouses and manor houses. A typical manor house comprises a large property standing in its own, usually extensive, grounds with a private drive. A typical farmhouse has between five and six bedrooms, several acres of land including garden, paddock and barns. A typical cottage has about one acre of land, is detached and has three/four bedrooms. Detailed definitions of the three property types are available on request together with current case studies of properties being marketed.

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