



How has the property market in the Test Valley been performing this year? Where do buyers tend to come from? Is the slight downward price trend in the country house market likely to continue? Andrew Rome, head of Knight Frank's Winchester office, answers the important questions on the summer market.

How has your market performed so far this year?

It has been a stop-start market this year. Winter was relatively slow due to the snow, but was followed by wonderful weather in spring, triggering renewed optimism and attracting a greater number of sellers and buyers. As summer approached, however, the economy began to cause greater concern. A gap has appeared, with buyers wanting and indeed expecting prices to come down, while average asking prices have actually risen by 12%. This will need to become more balanced if we are to prevent the market from stagnating.

Where do your buyers tend to come from?

As seen on figure 1, 41% of our buyers are from out of the area. We continue to attract buyers from the central London market, where prices have reached an all-time-high, as well as buyers in the Home Counties close to London, where the market is also performing well and provides a steady stream of buyers wishing to move a little further out.

How is your local market affected by the prime central London market?

The central London market is being very strongly driven by buyers from overseas. With prices having risen more significantly in central London than the country house market, those living in central London have increased spending power and many are deciding to move slightly further out to take advantage of this. The fact that we have offices in all prime locations, both in London and outside it means we are ideally placed to take advantage of this 'ripple effect'.

What changes have you noticed with buyer behaviour since the recession?

I do believe that buyers are becoming more cautious about running costs. Easy access to their workplace is also becoming increasingly important.

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

Start to prepare and plan as early as possible. This affords far greater flexibility and reduces unnecessary stress and pressure.

“WE CONTINUE TO ATTRACT BUYERS FROM THE CENTRAL LONDON MARKET AS WELL AS BUYERS IN THE HOMES COUNTIES.”

What makes the Test Valley area special?

The combination of beautiful countryside, great transport and a range of truly outstanding schools.

Prime country house prices have dipped slightly. What do you expect to see happen in the coming months?

Our research indicates that prime country house prices fell by 0.7% in the second quarter this year, resulting in an overall drop of 1.4% over the last year. I do not believe we will see any significant growth in the short term. At best, as uncertainty in the economy remains, I expect prices will hold steady. But while economic uncertainty is dampening activity in the mainstream UK housing market, there is a silver lining for mortgage borrowers who are enjoying low interest rates and will continue to do so for some time yet.



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Test Valley sales market at a glance

Figure 1
Where do our buyers come from?
 Applicants currently searching in the Test Valley

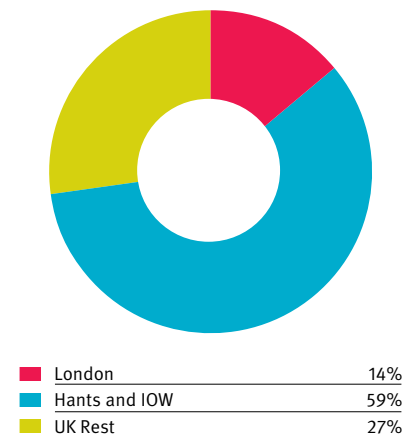
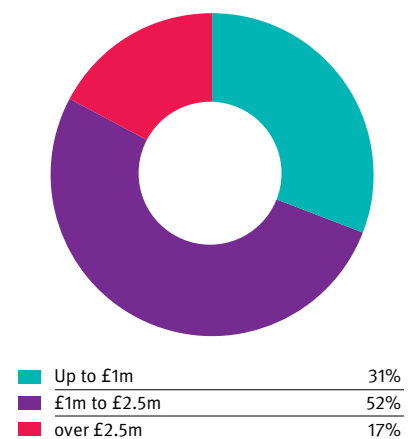


Figure 2
What do our applicants want to spend?
 Applicants currently searching in the Test Valley





Charting the Test Valley market



Figure 3
Properties available by price band
 Test Valley properties currently available

Up to £1m	16%
£1m to £2.5m	42%
over £2.5m	42%



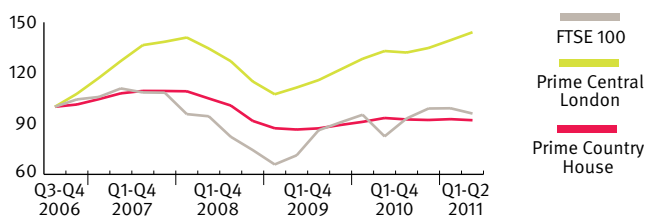
Figure 4
Properties sold by price band
 Test Valley properties sold in the past 24 months

Up to £1m	55%
£1m to £2.5m	25%
over £2.5m	20%

Figure 5
Market activity
 Year-on-year change (12-month comparison)

New applicants	↑ 3.2%
New instructions	↓ -13%
Viewings	↓ -5.6%
Average asking price	↑ 12%

Figure 6
Market performance
 Prime London and country property (sale prices) vs FTSE 100, past 5 Years



Test Valley properties and the Knight Frank team

FOR SALE
Views over the valley
 WINTON LODGE,
 STOCKBRIDGE
 🏠 5/6
 £1.35m



FOR SALE
Conversion in heart of the village
 THE OLD CHAPEL,
 GOODWORTH CLATFORD
 🏠 4/5
 £700,000



SOLD
Classic Grade II listed house
 RINGWOLD HOUSE,
 NETHER WALLOP
 🏠 5
 Sold privately



SOLD
Listed mill conversion
 MILL HOUSE,
 ROMSEY
 🏠 5/6
 £1.15m



FOR SALE
Country house with two-acre garden
 FAIR GAME HOUSE,
 OVER WALLOP
 🏠 6
 £799,000



FOR SALE
Village manor in delightful setting
 THE MANOR,
 NETHER WALLOP
 🏠 5/6
 £2.45m



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