



Despite the long and bitterly harsh winter, the farmhouse market has withstood the continuing economic malaise with values across the country holding firm in the six months from September 2012 to the end of March 2013

Farmhouse Index

Spring 2013

Prepared by Catherine Penman, Head of Research

Two thirds of all Carter Jonas offices reported no change in value over the last six months, reinforcing the resilience of the sector as the supply of good quality product has continued to remain low and demand has held broadly stable.

The average price of a farmhouse across our network remains at £1.45 million. This is in sharp contrast to the decline in values observed in the six months prior (March –September 2012), where the 5.4% fall in values was attributed to the increasing caution within the UK housing market and the effective halting of the exodus of young families from London.

Regional variations inevitably continue to exist, with the South West and Central regions witnessing an encouraging 4.0% and 1.7% growth in values respectively over the last six months. Values in

Somerset, Wiltshire and Northamptonshire rose most sharply across the regions due to a small although consequential increase in stock levels which resulted in increased transactional activity and duly placed upward pressure on values. Despite the relatively low levels of stock across these regions, trading activity has remained relatively good, particularly during Q1 2013.

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Active purchasers, with funding in place and who are able to move promptly, continue to increase in number within both the Western and Central regions, and values for good quality product are projected to continue

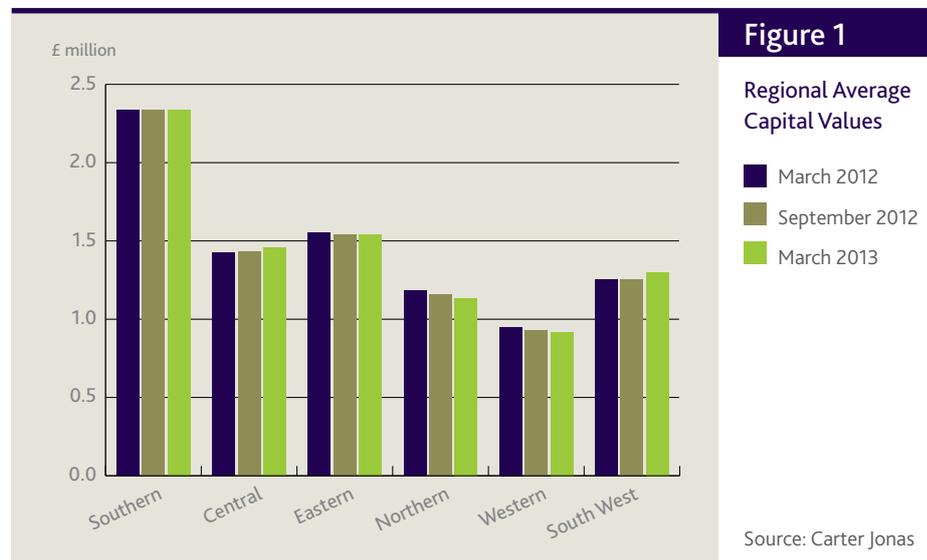


Figure 1

Regional Average Capital Values

- March 2012
- September 2012
- March 2013

Source: Carter Jonas



The notional property has five bedrooms, stables, a three-bay garage, range of domestic outbuildings and approximately five acres of land. It is located within a five mile radius of one of the 24 Carter Jonas offices located throughout the UK.

WESTON COLEVILLE, CAMBRIDGESHIRE
 GUIDE PRICE £1,650,000
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“... we are now truly experiencing the new version of a ‘normal’ housing market.”



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by the end of 2013. That said, in some instances given the acutely low levels of availability, a pricing mismatch persists between purchaser and vendor and continues to hamper activity across the market.

Values in the Southern and Eastern region stabilised over the last six months, and have remained at £2.3 million and £1.5 million over the last year respectively. The Northern region witnessed a 1.7% decline in values of the last six months to end of March due to notable falls in York and Kendal of 3.8% and 4.0% respectively as stock levels continue to increase and market conditions have become increasingly challenging during the winter months with demand abating.

The notional farmhouse which totals 5,000 sq ft and comprises five bedrooms, stables, a range of domestic outbuildings and approximately five acres falls below the £2 million threshold of the Annual Tax on Enveloped Dwellings and therefore the introduction of the new tax has had no tangible effect on the sector.

The Spring 2013 Farmhouse Index is indicative of the general realisation that, with another two years of Osborne austerity in the pipeline, we are now truly experiencing the new version of a ‘normal’ housing market. Low stock levels are predicted to continue over the medium-term and as a result, increasing numbers of motivated, and funded, buyers have emerged in recent weeks due to the favourable negotiating power of the purchaser given the overall tentative nature of the market.

Whilst the number of families leaving London is more of a trickle than an exodus, activity in recent weeks has tended to be driven by local occupiers although demand from the international market continues in the most expensive regions across the UK.

Average values across the farmhouse market are expected to creep up by between 2-4% by the end of 2013 although much depends on local market conditions. General market sentiment is unlikely to significantly alter and it appears that the new ‘normal’ conditions will continue for the foreseeable future.