

REAL ESTATE

UK country properties bouncing back after Brexit

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Felbrig Estate in Norfolk, England

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After a three-quarter-long price drop in United Kingdom country properties, the market is stabilizing and experiencing a comeback with increasing prices during the first quarter of 2017, according to a Knight Frank report.

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Knight Frank's Prime Country House Index Q1 2017 is showing a 0.6 percent increase in prices within the first quarter, after three consecutive quarters of price declines. However, while the market is very active, there is a persistent shortage of stock.

"The slight pick-up in prices an increase of 0.6 percent - in the first three months of 2017 is an indication that prime markets are starting to stabilize following three consecutive quarters of price falls which were due to uncertainty surrounding Brexit, and predominantly the impact of added stamp duty," said Oliver Knight, research associate at [Knight Frank](#), London.

Country housing market

The original drop in values was likely in relation to fears over Brexit, but now that the climate has settled, prices are rising.

However, the market as a whole is still extremely unstable, especially higher priced properties. For instance, homes priced over 1.5 million euros, or \$1.8 million at current exchange, have decreased annually by 1.5 percent.

When looking at annual numbers, prices have fallen 0.1 percent.



Property types such as manor homes are seeing the most declines in price with 1.7 percent drop. Property taxes are one of the biggest driving factors in regard to the decrease.

In contrast, homes valued more than \$1.8 million have seen 2.3 percent growth.

New buyer interest is on the rise as well with an increase of 3 percent in new buyer enquiries. Viewings are also increasing with growth of 11 percent.

However, fewer deals have been completed this year.

Additional insights

Lake Como saw the greatest real estate price increases of Italy's property markets, according to another report.

Knight Frank's first Italian Prime Residential Index found mixed results, with the difference between the strongest and worst performing real estate markets in Italy varying by more than 14 percentage points. Despite geopolitical upheaval, including Brexit and the Italian prime minister stepping down in December, Italian real estate generally saw improvement last year, but 2017 may hold more challenges for the market ([see more](#)).

Also, Canada's Vancouver topped Knight Frank's rankings of the prime global cities with the greatest increase in real estate prices.

From the third quarter of 2015 to the same period of 2016, Vancouver's real estate prices grew 31.6 percent, coming in ahead of second place Shanghai's 23.4 percent. The overall Prime Global Cities Index rose 3.8 percent in a year, however about half of the cities tracked experienced a slowing in price growth into the third quarter ([see more](#)).

"The continuing shortage of stock is surprising," Knight Frank's Mr. Knight said. "Our findings show that the market is still very active with more applicants and viewings being registered but that this is not reflected in the level of stock being put on the market.

"This shortage of good prime housing stock continues to act as a barrier to further growth in sales volumes and could impact the market over the remainder of the year," he said.