

8 September 2010

- EDINBURGH HOUSE PRICE REPORT: AUGUST 2010 -

- **Average house price in Edinburgh in August stood at £229,098 following an annual rise of 11.2%.**
- **Demand remains higher for family homes with the headline rate of house price inflation pushed upwards due to the increased number of larger properties selling.**
- **The number of homes sold increased annually for the seventh consecutive month, but the rate of growth was the lowest recorded during that period.**
- **The number of properties available for sale has risen throughout 2010 due to an excess of supply over demand.**
- **The average house price, having risen during Spring and Summer, is likely to fall back to levels seen at the start of 2010 in coming months.**

The average house price in Edinburgh rose by 11.2% annually in August according to latest figures from ESPC, the market leader for property in East Central Scotland. The average selling price of a property in the Capital was £229,098 in August – up from £206,030 during the same month in 2009.

As has been the case throughout 2010 the rate of inflation was pushed upwards due to a comparatively high increase in the number of sales of larger, family homes. To the end of August this year, properties with three bedrooms or more accounted for 37% of sales recorded in Edinburgh. During the first eight months of 2009 such properties accounted for 34% of homes sold in the Capital.

David Marshall, business analyst with ESPC commented: "It's important to realise that while the headline rate of inflation may currently be high at just over 11%, this does not mean that the value of an average home has increased by such a large amount over the last year. In this instance, we have seen a rise in the proportion of larger properties selling, and this obviously has the effect of pushing the overall average house price upwards."

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“When you look at the average selling prices of properties of similar size this year compared to last, the underlying rates of inflation are much more modest. For example, the average price of a one-bedroom flat in Edinburgh has risen by 4% annually in the year-to-date whilst the average selling price of a three-bedroom house has risen by around 5%.”

The number of homes sold in Edinburgh showed an annual increase for the seventh consecutive month in August. The rise of 5.3% was the lowest recorded during that period however, with signs that demand is now starting to level off.

David Marshall explained: “Although sales have been ahead of 2009 levels each month since February these increases should be viewed in context. The number of homes selling is still around 50% below that seen in the period leading up to the ‘credit crunch’. Over the course of the year, the supply of properties to the market has exceeded the number of sales. As a result, there are now considerably more properties available for sale than there were at the start of the year and this will afford buyers more power in negotiations than they had previously.

Looking ahead, the excess of supply over demand will exert a downward pressure on prices as we head towards the end of the year meaning the recent spike in prices is likely to be short-lived. Previously we projected that prices would remain unchanged over the course of the year and we still expect this to be the case, with prices returning to levels seen at the start of 2010 in the months ahead.”

-ENDS-

Notes to editors

- ESPC is the market leader for property marketing in East Central Scotland
- 610 words
- All figures quoted are based on all residential properties handled by ESPC. Figures relate to City of Edinburgh unless otherwise stated.
- ESPC were founded in 1971 and comprise around 200 member solicitor estate agents across East Central Scotland.
- Previous press releases issued by ESPC can be viewed by visiting the Market Watch section at espc.com
- For more information or to arrange an interview contact *0131 624 8000*