

5 November 2010

## - EDINBURGH HOUSE PRICE REPORT: OCTOBER 2010 -

- **Average house price in Edinburgh in October stood at £213,718 following an annual fall of 3.7%. The drop marked the first annual decrease in Edinburgh since January.**
- **The fall in price was partly attributable to an increase in the proportion of smaller properties sold but continued excess of supply over demand means market conditions continue to favour buyers.**
- **The number of homes sold increased annually for the ninth consecutive month with sales in October up 3.2% on 2009 levels.**
- **House prices are now clearly starting to cool having risen during the first six months of the year. Likelihood remains that prices in Edinburgh will continue to ease in the months ahead bringing the average house price back to levels seen at the start of 2010.**

The average price of a property sold in Edinburgh during October stood at £213,718 according to latest figures from ESPC, the market leader for property in East Central Scotland. This marked a drop of 3.7% from the figure of £221,875 recorded in October 2009 – the first time an annual decrease had been observed since January this year.

The decrease was partially fuelled by a rise in the proportion of smaller homes selling during the month. One and two bedroom properties accounted for 63% of sales in October – up from 58% earlier in the year.

David Marshall, business analyst with ESPC explained: “The growth we saw in the house prices earlier in the year largely reflected a rise in the proportion of large homes selling which obviously inflated the average. Over the last month or two, we’ve seen sales of smaller properties increase a little which has gone some way to reverse that trend and this partially explains the decline in the average house price figure. With that said however, throughout 2010 the supply of properties to the market has consistently exceeded demand and this is also now helping to bring prices back down again.”

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The number of properties sold in the Capital showed an annual increase for the ninth consecutive month, but the increase of 3.2% was the smallest recorded during that time. Meanwhile the number of properties available on the market remained around 50% higher than at this point in 2009.

David Marshall continued: "Growth in sales continued in October but at a much slower rate than we saw earlier in the year, and it's important to note that the number of homes selling is around half that seen at the peak of the market. At the same time we have a situation where there are considerably more properties on the market than there were last year.

Earlier this week we saw some figures released by Registers of Scotland which showed the average house price in Edinburgh had reached record levels but this was based on sales earlier in the year when growth in the average was fuelled by a rise in the number of larger properties selling. Conditions now clearly favour buyers and there is no question that over the last two or three months the average has started to come down again. While the number of sales remains comparatively low there is likely to be some volatility in figures from month-to-month, but we still expect that the overall trend will be for the average house price to come back 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
- 565 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](http://espc.com)
- For more information or to arrange an interview contact 0131 624 8505