

For Immediate Release

7 July 2010

- ESPC HOUSE PRICE REPORT: Q2 2010 -

- **House prices continued to rise across East Central Scotland during the second quarter but the market is moving back in favour of buyers.**
- **There are clear differences in levels of demand across the market, with most significant price increases recorded for larger, family homes. Values of one-bedroom flats were static in most areas.**
- **The average house price in Edinburgh rose by 9.6% annually to £227,760.**
- **The number of homes sold in Edinburgh rose by over 30%. Sales are now 50% below pre-credit crunch levels.**
- **Annual growth of between 10 and 20% was recorded in other areas of the Lothians. In most cases this growth brought house prices back in line with 2008 levels.**
- **The number of homes available for sale has risen throughout 2010 meaning house price inflation should start to cool in the months ahead.**

[Regional Analysis – Edinburgh](#)

[Regional Analysis – Lothians](#)

[Regional Analysis – Fife & Kinross](#)

The latest figures from market leader ESPC reveal average house prices across East Central Scotland rose steadily in most regions during the second quarter of 2010. There were significant differences in the levels of demand for different types of property however. Larger, family houses generally saw annual inflation in the region of 10% while the values of one-bedroom flats were remained unchanged in most areas.

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Overall, the average house price across East Central Scotland rose from £191,095 during the second quarter of 2009 to £212,921 during the same period this year – an annual rise of 11.4%. The number of homes sold also showed a large increase with completed sales in East Central Scotland up almost 25% annually to over 2,100.

David Marshall, business analyst with ESPC, said: "Demand from buyers edged upwards over the last three months and this has helped to push prices upwards during that period. Despite this, the supply of properties coming to the market has increased at a faster rate and this has meant the number of homes available for sale is much higher than at the start of the year. This, coupled with the prospect of job losses in the public sector, should exert a downward pressure on prices in the months ahead meaning that the high levels of inflation we have seen recently will ease. Towards the end of 2010 we would expect prices to be in line with levels witnessed late last year.

It is also worth noting that price increases have not been uniformly observed across the board, with the most significant increases generally focussed on larger, family homes. For example, the average selling price of a one-bedroom flat rose by just 0.8% annually from £125,089 to £126,081. Four-bedroom houses saw a much larger increase in value, with an 11.7% annual rise taking the average selling price of such properties from £301,292 to £336,649. Ultimately, recovery in the market will still be a slow and steady process occurring over the longer term and while conditions are improving, sellers should not expect a return to the high demand seen over much of the last decade."

Regional Analysis - Edinburgh

The average house price in Edinburgh increased by 9.6% annually in the second quarter of 2010. The rate of annual inflation was up from the figure of 5.9% recorded during the first quarter of the year. Properties in the Capital sold for an average of £227,760 between April and June this year compared to £207,890 during the same three month period in 2009.

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The number of homes sold in Edinburgh increased sharply with a 32.7% rise taking the number of completed sales in the Capital to 1,500 – the highest level in two years. Despite this increase, sales are some 50% levels typically witnessed prior to the credit crunch.

Within the city there were clear differences in the level of demand for different types of property. The average selling price of a one-bedroom flat rose by just 1.2% annually to £132,093. Larger properties typically saw greater increases with four-bedroom houses achieving the highest annual rise in value at just over 16%.

SELLING PRICES BY PROPERTY TYPE: CITY OF EDINBURGH			
Property type	Q2 '10	Q2 '09	YOY%
1-bedroom flat	£132,093	£130,534	1.2%
2-bedroom flat	£189,790	£173,435	9.4%
3-bedroom flat	£283,395	£252,209	12.4%
2-bedroom house	£189,140	£176,029	7.4%
3-bedroom house	£275,946	£265,199	4.1%
4-bedroom house	£421,622	£355,447	18.6%

David Marshall commented: "Buyers of one-bedroom flats have been most affected by current restrictions in lending criteria as in many cases they don't have the large deposits required to get access to better mortgage rates. There has also been a reduction in demand from buy-to-let investors who were previously very active in this sector, so values of smaller properties have risen very slowly. Larger properties have seen higher rises, and there have also been certain areas within the city where demand has been very high, with places like Marchmont and Stockbridge seeing significant growth.

The months ahead should see inflation ease, with the rising number of properties on the market offering buyers greater choice meaning that they should be able to have more success in negotiations than may have been possible earlier in the year."

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Regional Analysis – The Lothians

House prices in the Lothians showed strong growth during the second quarter of the year with annual inflation of between 12% and 20% across the region. In East Lothian the average house price reached £210,521 following a year-on-year rise of 12.7%. This also marked the fourth consecutive quarter in which the average house price in the area had exceeded £200,000. In Midlothian a 15.4% rise took the average selling price to £180,884 while an increase of just over 20% took the average selling price of a property in West Lothian to £167,649.

The large rises recorded in the Lothians followed falls in price at this time last year, meaning that average house prices in East and Midlothian are now back in line with levels witnessed in 2008. Prices in West Lothian remain below the peak value of £191,775 recorded in Q2 2008 but were broadly in line with levels witnessed over the last nine months.

AVERAGE HOUSE PRICES IN THE LOTHIAN				
	Q2 '10	Q2 '09	Q2 '08	YOY%
East Lothian	£210,521	£186,860	£213,977	-1.6%
Midlothian	£180,884	£156,802	£178,080	1.6%
West Lothian	£167,649	£138,956	£191,775	-12.6%

As was the case in most areas of East Central Scotland, the number of properties being brought to the market in the Lothians exceeded the number of sales, resulting in a rise in the number of homes available for sale in the region. There are now around 1,300 properties for sale in the Lothians through ESPC, an increase of over 20% compared to this time last year.

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Regional Analysis – Fife & Kinross

The average house price in West Fife & Kinross inched up slightly in the second quarter of the year with a 2.9% annual rise taking the average house price to £141,982. In Dunfermline itself the average house price increased by just over 1% to £141,402.

Sales volumes across West Fife & Kinross rose strongly with an annual increase of almost 40% in completed sales recorded during the last three months. Selling times in the region also showed marked improvement. The average property sale recorded during the second quarter took just over three months to complete – down from an average of four months at this stage last year.

Around 70% of properties sold at Fixed Price in Fife & Kinross achieved the asking price - up from 45% in the second quarter of 2009 – reflecting the willingness of more sellers to moderate their asking price in light of market conditions.

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Notes to editors

- ESPC is the number 1 channel for marketing property in East Central Scotland
- 1,192 words
- Figures quoted are based on all residential sales recorded by ESPC in the quoted period. ESPC do not seasonally adjust figures and for this reason reference year-on-year price changes unless otherwise stated.
- ESPC was founded in 1971 and comprises 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 David Marshall on 0131 624 8000

**ESPC STATISTICS SUMMARY
QUARTER 2 2010**

City of Edinburgh				
	Property Type	2010	2009	YOY %
Average selling price	All properties	£227,760	£207,890	9.6%
Sales volume	All properties	1,500	1,130	32.7%
Total sales value	All properties	£341.6m	£234.9m	45.4%
City Centre				
City Centre	All properties	£250,915	£221,574	13.2%
Suburbs	3 bedroom semi	£268,407	£231,023	16.2%
	4 bedroom detached	£418,997	£391,575	7.0%
Marchmont/Bruntsfield	2 bedroom flats	£290,068	£252,991	14.7%
Gorgie/Dalry	1 bedroom flats	£108,225	£114,000	-5.1%
Leith Walk/Easter Road	1 bedroom flats	£110,630	£110,636	0.0%
Stockbridge/Comely Bank	2 bedroom flats	£256,039	£235,297	8.8%
Lothians				
East Lothian	All properties	£210,521	£186,860	12.7%
Midlothian	All properties	£180,884	£156,802	15.4%
West Lothian	All properties	£167,649	£138,956	20.6%
Other Areas				
Dunfermline	All properties	£141,402	£139,829	1.1%

Issued by ESPC (UK) Ltd
For further information please contact:
David Marshall

All statistics are based on all residential sales recorded through ESPC in the quoted period.
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