

*For Immediate Release*

*10 January 2011*

### **- ESPC HOUSE PRICE REPORT: Q4 2010 -**

- **House prices in East Central Scotland fell in most areas during the last three months of 2010.**
- **In Edinburgh the average house price stood at £213,685 – down 2% from £218,043 in the fourth quarter of 2009.**
- **The average price of a one-bedroom flat in Gorgie and Dalry dipped below £100,000 for the first time since the fourth quarter of 2005.**
- **The number of completed sales also fell – down 13% in Edinburgh – reflecting the cooling in demand seen at the end of the year.**
- **Midlothian was the only area in East Central Scotland to see an annual rise in the average house price – a 2.4% increase taking the average to £168,345.**
- **With demand still constrained, prices are likely to ease back further during the first half of 2011 with house values returning to levels seen in early 2010.**

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The latest figures from market leader ESPC reveal house prices in most areas across East Central Scotland fell during the last three months of 2010. An annual decline of 2% in Edinburgh took the average house price in the City to £213,685. East Lothian and West Lothian saw annual drops of 5.6% and 9.7% respectively whilst in Dunfermline a year-on-year fall of 4.2% took the average house price to £125,000. Midlothian was the only area to observe an annual increase with a 2.4% rise bringing the average to £168,345.

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The number of homes sold across East Central Scotland during the fourth quarter of 2010 was lower than during the same period in 2009. ESPC recorded a total of 1,655 from October to December – down from 1,899 the previous year. This marked the first annual fall in sales since the third quarter of 2009.

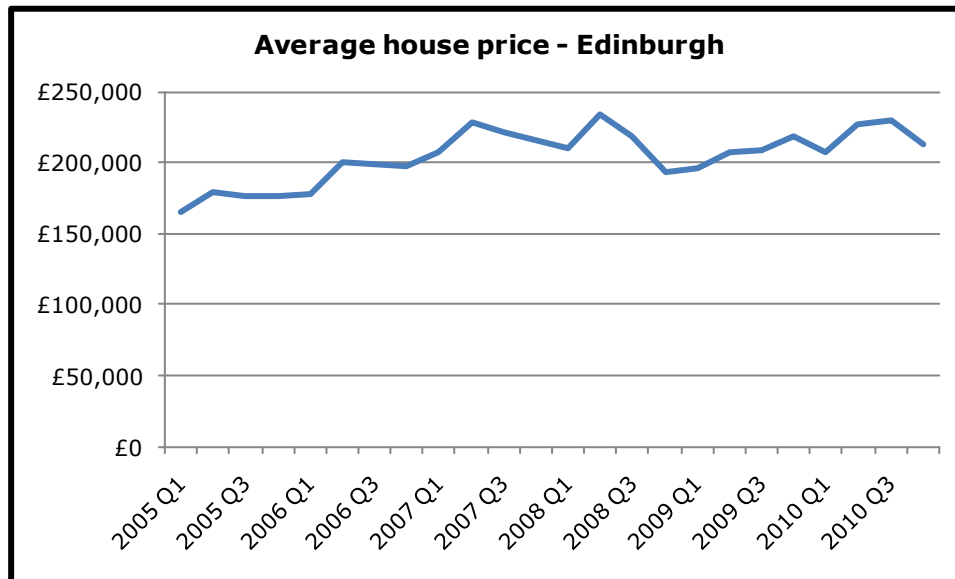
David Marshall, business analyst with ESPC, said: "Earlier in 2010 we saw the average house price rise quite sharply but much of that growth was predicated on higher demand for family housing which meant that larger homes accounted for a greater proportion of sales than in previous years. Demand for smaller properties was well below what would be considered normal levels, with first-time buyers still facing difficulties in securing mortgages and activity amongst buy-to-let investors still low.

Ultimately no area of the market can operate in complete isolation so the difficulties towards the lower end of the property market naturally have a knock-on effect further up the ladder. The number of homes available for sale is higher than would normally be seen at this time of year while the number of active buyers is still comparatively low so the market is definitely tougher for sellers than it was twelve months ago.

There is likely to be some volatility in figures from month-to-month but overall we expect the average house price in most areas to fall back to levels seen early last year during the first half of 2011. Continued low interest rates mean the number of distressed sales should remain relatively small which makes more significant falls unlikely and prices should level off later in the year. With that said, the balance of power in the market is likely to remain in favour of the buyer for much of 2011."

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**Regional Analysis - Edinburgh**



**Average house price** - **£213,685**  
**Annual change** - **-2.0%**

The average house price in Edinburgh during the fourth quarter of 2010 was £213,685, 2.0% lower than during the same period in 2009. This marked the first time since the third quarter of 2009 that an annual fall in the average house price had been observed in the Capital. The number of sales recorded in Edinburgh also showed a decline – down from 1,301 in the fourth quarter of 2009 to 1,129 in 2010.

Within the city most areas saw falls of between two and five per cent. A 3.5% drop took the average price of a one bedroom-flat in Leith Walk and Easter Road to £105,706 while the average price of a four-bedroom detached house in Edinburgh’s suburbs stood at £379,990 following a decline of 4.4%.

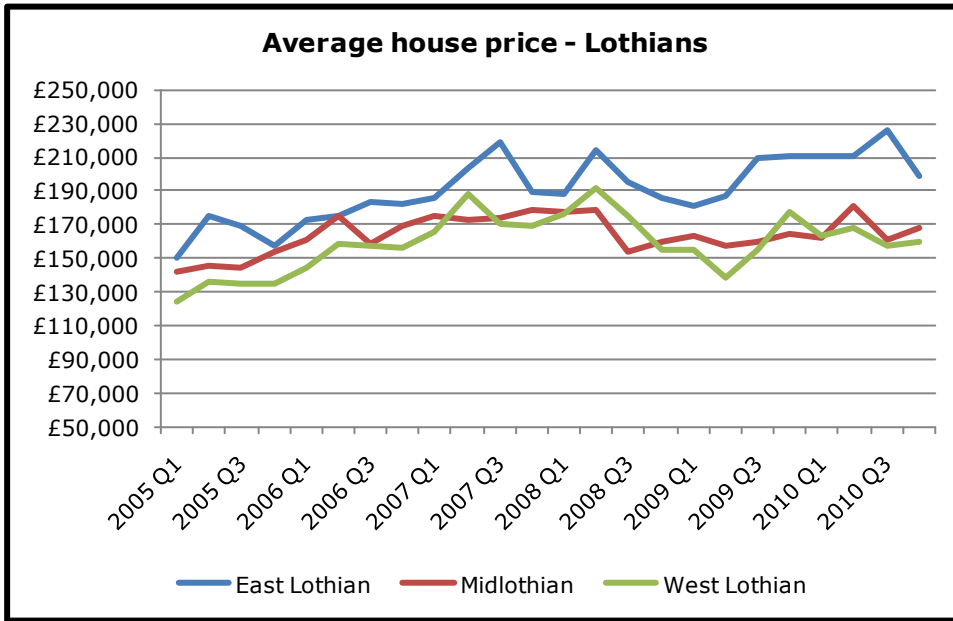
David Marshall, commented: "Earlier in 2010, although the overall average house price in Edinburgh was still rising there was a clear difference in trends in different markets within the city. The value of larger family homes was rising while smaller starter homes were seeing values decline.

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The reality is that for much of the last year we have seen supply consistently exceed demand and this is now starting to be reflected in the results across the board. It is likely to remain a buyers’ market throughout 2011 and although significant falls are unlikely we expect to see a prices ease back further in coming months before levelling off in the second half of the year.”

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**Regional Analysis – The Lothians**



	Q4 2010	Annual change (%)
East Lothian	£198,991	-5.6%
Midlothian	£168,345	2.4%
West Lothian	£160,130	-9.7%

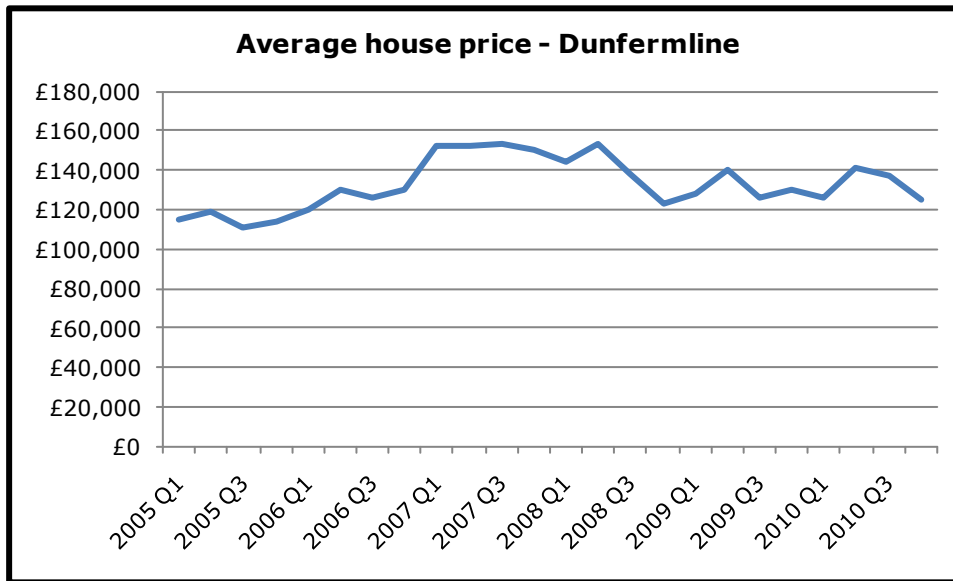
The average house price in East Lothian and West Lothian showed an annual decline in the fourth quarter of 2010 after rising during the first three quarters of the year. A 5.6% drop took the average house price in East Lothian to £198,991 – the first time the average had dipped below £200,000 since the second quarter of 2009. A sharper fall of 9.7% was recorded in West Lothian, although this followed a 14.5% rise in late 2009 with prices in the area still higher than two year’s previous.

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Midlothian was the only area to see an annual increase in the average house price, with a modest 2.4% increase taking the average in the area to £168,345.

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## Regional Analysis – West Fife & Kinross



	Q4 2010	Annual change (%)
Dunfermline	£125,000	-4.2%
West Fife & Kinross	£129,646	-5.7%

In West Fife & Kinross the average selling price of a home sold between October and December fell by 5.7% annually to £129,646. In Dunfermline a similar drop of 4.2% brought the average price of a home in the town to £125,000.

Commenting on the results David Marshall said: "As was the case in most areas in East Central Scotland, we saw the average house price in West Fife rise earlier in 2010 fuelled by comparatively high demand for family homes. This situation was always unlikely to be prolonged and we're now starting to see prices ease back towards more affordable levels."

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### Notes to editors

- ESPC is the number 1 channel for marketing property in East Central Scotland
- 1,500 words

## HOUSE PRICE REPORT: Q4 2010

- 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.
- 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 4 2010**

<b>City of Edinburgh</b>				
	<b>Property Type</b>	<b>2010</b>	<b>2009</b>	<b>YOY %</b>
Average Selling Price	All properties	£213,685	£218,043	<b>-2.0%</b>
Sales Volume	All properties	1,129	1,301	<b>-13.2%</b>
Total Sales Value	All properties	£241.2m	£283.7m	<b>-15.0%</b>
<b>City Centre</b>				
City Centre	All properties	£240,605	£245,517	<b>-2.0%</b>
Suburbs	3 bedroom semi	£231,668	£245,496	<b>-5.6%</b>
	4 bedroom detached	£379,990	£397,500	<b>-4.4%</b>
Marchmont/Bruntsfield	2 bedroom flats	£252,809	£265,565	<b>-4.8%</b>
Gorgie/Dalry	1 bedroom flats	£99,677	£107,271	<b>-7.1%</b>
Leith Walk/Easter Road	1 bedroom flats	£105,706	£109,584	<b>-3.5%</b>
Stockbridge/Comely Bank	2 bedroom flats	£210,004	£240,204	<b>-12.6%</b>
<b>Lothians</b>				
East Lothian	All properties	£198,991	£210,905	<b>-5.6%</b>
Midlothian	All properties	£168,345	£164,348	<b>2.4%</b>
West Lothian	All properties	£160,130	£177,289	<b>-9.7%</b>
<b>Other Areas</b>				
Dunfermline	All properties	£125,000	£130,440	<b>-4.2%</b>

Issued by ESPC (UK) Ltd  
 For further information please contact:  
 David Marshall  
 e: david.marshall@espc.com

All statistics are based on all residential sales recorded through ESPC in the quoted period. ESPC strive to ensure all data are compiled with due care, however we offer no guarantee as to its accuracy. Persons wishing to employ data for commercial or other purposes do so at their own risk.