

For Immediate Release

10 February 2009

- EDINBURGH HOUSE PRICE REPORT: JANUARY 2009 -

- **Modest annual fall of 1.2% takes the average price of a home in Edinburgh to £198,267**
- **Rate at which prices fell eased for the second consecutive month. A 12.0% annual fall in November was followed by a 4.1% drop in December and a decline of 1.2% in January.**
- **Number of homes selling down by 34.8% - the smallest annual fall since April 2008 – as some buyers are attracted back to the market by lower prices.**
- **The average premium achieved on properties marketed at Offers Over fell from 8.9% in December to 6.8% in January reflecting increasing realism among sellers.**
- **The number of new properties being brought to the market for sale fell by 74.6%.**

Latest ESPC figures reveal that the average house price in Edinburgh fell by just 1.2% annually in January taking the average price of a home in the Capital to £198,267. The figures marked the second month in a row in which the rate of annual decline had eased with a 12% year-on-year drop in November having been followed by a 4.1% decrease in December 2008.

Sales volumes also showed signs of recovery. 277 homes were sold in Edinburgh in January, down 34.8% on the 425 sold during January 2008, however this marked the smallest annual fall since April 2008 and followed seven consecutive months in which the rate of decline had exceeded 50%.

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Commenting on the results Ron Smith, ESPC chief executive said: "The first month of the year has seen a higher level of buyer activity than had perhaps been anticipated. Some first-time buyers have been attracted back to the market by recent reductions in prices and lower finance costs, whilst a number of opportunistic investors are seeking to take advantage of the current conditions to secure properties at a lower price than may have been possible for some time. We have seen the average premium being achieved on properties marketed at Offers Over fall to 6.8% - the lowest level on record – reflecting both the strong negotiating position of buyers as well as an increasing realism amongst sellers on the price their property will achieve. Clearly the economic situation remains downbeat at present and it would be wrong to predict a recovery in the market based on one or two month's results, but there have certainly been some signs of improvement of late."

Meanwhile, the number of homes being put up for sale fell by almost 75% following the introduction of Home Reports on December 1 2008. The drop followed a 70% reduction in the number of new homes marketed in December.

"In the week prior to the introduction of Home Reports we saw a glut of properties come onto the market, but since then supply has been constrained", continued Ron Smith. "The number of homes now available for sale in Edinburgh & Lothians now stands at around 3,800 which is around 1,000 below the peak levels observed last year. If constraints in supply were to be prolonged this could result in prices being artificially inflated for a period of time which would not be beneficial to the long term stability of the market. There was always going to be some short-term disruption with such a significant new piece of legislation and ultimately it would be much too early to draw conclusions on what the long-term impact of Home Reports will be."

Notes to editors

- **587 words**
- *Figures quoted are based on all residential sales recorded by ESPC in the quoted period. ESPC do not seasonally adjust figures so reference year-on-year price changes unless otherwise stated.*
- *ESPC were founded in 1971 and comprise over 230 member solicitor estate agents across East Central Scotland.*
- *ESPC members accounted for over 17,500 residential sales worth more than £3.5bn last year.*
- *Previous press releases issued by ESPC can be viewed by visiting the ['News'](#) section at espc.com*