

For Immediate Release

8 January 2010

- ESPC HOUSE PRICE REPORT: Q4 2009 -

- **Overall trend of incremental improvement in the housing market continues.**
- **An increase in the proportion of larger properties selling helps fuel a 12.8% annual rise in the average house price in Edinburgh. Rate of increase also higher as comparison is against market lows recorded during Q4 2008**
- **Average house price in Edinburgh increased annually during each of the last five months of 2009.**
- **Over 1,300 property sales were recorded in Edinburgh during the last three months of 2009 – an increase of 57% on the same period in 2008.**
- **45% of properties sold at Fixed Price achieved the asking price during Q4 2009 compared with 26% in Q4 2008.**
- **Prices during 2009 were supported by low interest rates and a shortage of supply of homes to the market**
- **2010 expected to see home values remain flat, whilst the number of homes selling will increase compared to 2009.**

The average house price in Edinburgh showed an annual rise of almost 13% during the last three months of 2009. A 12.8% increase took the average selling price of a property in the Capital from £193,354 to £218,043. The rate of increase was inflated due to a rise in the proportion of larger homes selling. However, looking at like-for-like sales (ie, sales of properties of similar size and type) reveals that the recent trend of modest rises in home values had continued.

The number of properties sold in the Capital showed a significant increase on the record lows recorded toward the end of 2008. Over 1,300 homes were sold in Edinburgh between October and December in 2009 – a 57% rise on the 825 sales that were completed during the same period in 2008.

Rises need to be “kept in perspective”

David Marshall, business analyst with ESPC commented: “There has been clear improvement in market conditions over recent months, but it is still important to put these headline rises – particularly the large increase in the average house price - in perspective.

In the first instance, there has been an increase in the proportion of larger properties selling. There has been a rise in the number of homes sold across the board, but the upper end of the market has shown swifter improvement. Three and four-bedroom properties accounted for 28% of sales in the fourth quarter of 2008. This year that figure rose to 32%. More large properties selling helps push the overall average upwards. It’s also worth remembering that the annual rises we are seeing now bear comparison with the low values recorded at the end of 2008.

With that said, the market has improved for sellers, particularly over the last six months. The improvement continues to be slow and steady at this stage and people should not expect a return to rapid house price rises.”

Larger properties fairing better

Within Edinburgh, the average price of a three-bedroom semi-detached property rose by 7.6% annually to £245,496 while a 4.9% increase took the average price of a four-bedroom detached house in the suburbs to £397,500. Smaller properties generally fared less well, with a 4% decline in the average price of a one-bedroom flat in Gorgie and Dalry observed over the year.

David Marshall explained: “In a market where prices are static or growing at a low rate, typically you will see in any given period some areas where larger growth is observed being offset by falls in other areas. In this case the upper end of the market has definitely shown greater improvement to this point, with the impact of tighter lending criteria generally being less marked for buyers at this end.”

Similar trends observed outside Edinburgh

Outwith Edinburgh a similar pattern of large increases fuelled by increasing sales of larger properties was observed, with an underlying trend of incremental improvement underpinned by steadily rising buyer demand.

The average house prices in East Lothian and West Lothian rose by 13.6% and 14.5% respectively, whilst a more modest increase of 2.7% was observed in Midlothian taking the average price of a home sold in the region to £164,348.

In Dunfermline a 5.9% increase took the average house price to just over £130,000 meaning prices in the town are now 15% below the peak levels witnessed in 2007.

House prices expected to “remain broadly unchanged” over 2010

Despite the recent upturn in buyer demand the market has witnessed, home values are expected to remain flat over the course of 2010.

David Marshall concluded: “On one hand, we are likely to see a continuation of increasing demand from buyers as lending restrictions are eased somewhat and confidence continues to return to the market. Offsetting this however is the prospect of a rise in unemployment during 2010 coupled with the likelihood of an increase in interest rates over the medium term. There will be some fluctuation from month-to-month, but broadly speaking the outlook is that homes values will be broadly unchanged over the next 12 months as compared to 2009 levels.”

Notes to editors

- **826 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 over 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

ESPC STATISTICS SUMMARY QUARTER 4 2009

City of Edinburgh				
	Property Type	2009	2008	YOY %
Average selling price	All properties	£218,043	£193,354	12.8%
Sales Volume	All properties	1,301	825	57.7%
Total Sales Value	All properties	£283.7m	£159.5m	77.8%
City Centre	All properties	£245,517	£221,472	10.9%
Suburbs	3 bedroom semi	£245,496	£228,261	7.6%
	4 bedroom detached	£397,500	£379,000	4.9%
Marchmont/Bruntsfield	2 bedroom flats	£265,565	£239,982	10.7%
Gorgie/Dalry	1 bedroom flats	£107,271	£108,338	-1.0%
Leith Walk/Easter Road	1 bedroom flats	£109,584	£114,567	-4.3%
Stockbridge/Comely Bank	2 bedroom flats	£240,204	£245,909	-2.3%
Lothians				
East Lothian	All properties	£210,905	£185,688	13.6%
Midlothian	All properties	£164,348	£160,084	2.7%
West Lothian	All properties	£177,289	£154,842	14.5%
Other Areas				
Dunfermline	All properties	£130,440	£123,144	5.9%
Kirkcaldy	All properties	£122,479	N/A	-

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.