

ESPC reports demand growing for flats in Edinburgh



LATEST FIGURES SHOW 56% INCREASE IN SALES OF FLATS

ESPC HOUSE PRICE REPORT: September 2013

Sales in and around Edinburgh have reached their highest level since 2007 according to a report issued today by property market leader ESPC. The ESPC House Price Report shows the total number of sales, recorded between July and September in Edinburgh, the Lothians and Fife, rose by 43.8% compared to last year's figure.

The increase in sales was particularly notable for one and two bedroom flats with rising activity from investors and first time buyers having fuelled demand. In Edinburgh there was a 53.3% annual rise in the number of two bedroom flats sold, while sales of one bedroom flats in the Capital increased by more than 56% annually.

The number of sellers coming onto the market also increased, though at the more modest rate of 11.8%. As a result market conditions have become more favourable for sellers than has been the case for a number of years.

With sellers in an improving position, the percentage of sales where the Home Report valuation is achieved has risen in most areas. In Edinburgh, 40.6% of properties sold between July and September achieved their Home Report valuation, up from 26.8% during the same period a year ago and from 23.4% in 2011.

David Marshall, business analyst with ESPC said:-“The market is showing encouraging signs with the return of first time buyers and investors, evident in the increase in sales of one and two bedroom flats in the Capital.

“The percentage of sales where the valuation is achieved or exceeded has been steadily rising as market conditions for sellers have improved, however the majority of properties are still selling for less than the Home Report valuation. On average, properties in the Capital are currently selling for 2.4% less than their Home Report valuation compared to 4.3% a year ago.

“For those looking to buy it’s important to note that there is a significant level of variance around this figure. Just over a quarter of properties sold over the last three months achieved a selling price higher than the valuation, while one in 10 sold for more than 10% below the valuation figure.

“As you’d expect, the likelihood of a property achieving its valuation decreases the longer it spends on the market. Generally speaking, smaller properties are less likely to achieve their valuation than larger family homes and there are also significant variances across relatively small geographical areas, so it’s well worth speaking to your solicitor estate agent who’ll be well placed to guide you on what to bid.”

Key findings from the report include:

- **The number of homes sold in Edinburgh, the Lothians and Fife during the third quarter of 2013 rose by 43.8%.**
- **Total sales during the third quarter were at their highest level since 2007.**
- **House prices showed modest annual growth in most areas.**

In Edinburgh, a 0.3% increase took the average house price to £212,429.

- There was an increase in the percentage of sales where the Home Report valuation was achieved, reflecting the improving market conditions for sellers.
- In Edinburgh 40.6% of properties sold between June and September achieved their Home Report valuation, up from 26.8% a year ago.
- The average house price in most areas showed a small annual increase.