

First time buyers and investors are back in the property market



The latest figures from Edinburgh Solicitors Property Centre ESPC have revealed the number of small properties sold in Edinburgh have risen by 75% annually in the three months to January 2014 indicating a significant rise in activity from first time buyers and buy-to-let investors.

A rise in sales of one bed flats in particular suggests the return of those most significantly affected in the wake of the 'credit crunch'.

ESPC's latest House Price Report shows sales throughout the Lothians and Fife have also continued to rise sharply with the total number of residential sales jumping by 59% year on year.

Across Edinburgh the average house price increased by 3.8% annually from £202,275 to £209,918. while in East Lothian and West Lothian house prices fell, but in both cases the declines offset sharp rises a year ago. In East Lothian a 6.7% annual decline followed a 9.2% rise last year. The 11.6% fall in West Lothian came on the back of a 29% annual rise the previous year.

David Marshall, business analyst with ESPC said:- "Buyer activity has risen sharply over the last 18 months, and it's encouraging to see such growth in the number of one bedroom homes selling, as it was this end of the market that was hit hardest by the economic downturn.

"An increase in borrower lending has played a significant role in supporting this upturn which is expected to continue as

banks begin to lend more and more.

“We are still seeing some volatility in prices at a local level but in most cases sharper rises this year are offsetting falls a year ago and vice versa.

“The last few months have also seen a notable improvement in seller activity, with the number of homes being brought to the market for sale during the last three months up by 30% annually. As we move forward this growth in supply will help to moderate house price inflation.

With activity in the local property market on the rise, sellers are also now enjoying greater success in negotiations on price. Between November 2013 and January 2014, properties sold in Edinburgh achieved an average of 97.9% of their Home Report valuation. That marks an increase from an average of 94.3% a year ago.

