

# Shortage of homes for sale is driving up prices

According to one firm of Edinburgh solicitors there is a shortage of homes for sale which is making buying house a bit of nightmare in Edinburgh.

There are only around 1000 homes listed for sale across Edinburgh, so increased competition is driving premiums up and houses are selling in next to no time.

According to Warners Solicitors and Estate Agents, this resulted in around 84% of homes sold during the first three months of the year achieving a price in excess of the Home Report valuation – a marked increase compared to 55% during the same period two years ago.



David Marshall, Operations Director with Warners, said: “The main driver for the strong seller’s market is simply a lack of properties available for sale.

“The number of homes on the market just now is less than a half of what you would typically expect at this time of year,

where you could historically count on closer to 2500 listings.

“This supply shortage has been a characteristic of the market for a number of years now, with fewer homes on the market encouraging fewer potential movers to act. This is compounded as Edinburgh’s population increases and older buyers increasingly look to downsize.

“For those who are simply looking to sell this is all great news of course. They can reasonably expect that their property will sell quickly and achieve a good price.”

Warners’ research comes as a report by The Resolution Foundation predicts that up to a third of UK millennials (those born between 1980 and 1996) face living in private rented accommodation all their lives.

First-time buyers find themselves at the sharp end of the current situation, as securing a property can mean they have to have a large deposit since lenders won’t tend to lend over the valuation. For a £130,000 one-bedroom flat selling at the average premium of 6.7% above valuation, that would require close to £9,000 up front in addition to the deposit and fees.

David added: “There are some reasons for optimism for buyers. As we look forward in 2018 there are potential headwinds facing the market which should lead to the market cooling down somewhat in the months ahead.

“In many areas of the UK, and in particular further south, the market has already begun to cool. It is reasonable to think that this will have a knock-on effect for the rest of the country in due course.

“This is unlikely to be sufficient to fully redress the current imbalance between supply and demand however and overall the market is likely to remain challenging for buyers throughout 2018.”

