

Heated capital housing market finding 'better balance'

Property hunters may no longer be left out in the cold as summer comes to a close – with the capital market continuing to find a better balance between buyers and sellers.

According to Warners Solicitors & Estate Agents, the supply of properties coming onto the market has started to improve, meaning less of a burden is being placed on buyers' purse strings when it comes to premiums.

In the three months ending July this year, the average premium paid over the Home Report valuation stood at 6.0% – down from 6.6% during the same period in 2017.



David Marshall, Operations Director with Warners, said: "Since the start of 2017 the housing market across much of Edinburgh and the Lothians has suffered from a lack of properties coming

onto the market for sale.

“Many potential sellers have delayed putting their property onto the market until they find a property that they wish to buy. This had led to a situation where the number of active buyers far exceeds the number of homes available for sale.

“Since the beginning of the summer period however we have started to see more properties coming onto the market, easing the pressure on buyers and bringing the average premium required to secure a home down.”

The dip comes as welcome news for buyers who, for the last 18 months, have seen properties sold for values that are well in excess of their Home Report valuation thanks to the imbalance between supply and demand.

David added: “Although conditions have improved for sellers it is worth putting the recent decline in premiums into perspective.

“The average premium that properties are achieving above the Home Report valuation is still very high by historical standards. Two years ago the average premium being paid was 2.7% and in 2015 the figure stood at just 2.3%.

“It is first time buyers at the sharp end of this situation. Lenders are still reluctant to lend over the valuation, leaving those looking to get onto the property ladder needing additional reserves of cash over and above their deposit and fees.

“It is still a market in which sellers hold sway but with more properties coming up for sale, we expect to continue to see better balance in the market as we head towards the end of 2018.”

Warners operates three property centres in Edinburgh and is one of the capital’s leading estate agents for property

transactions.