

2019 might be brighter for property buyers in the capital

Edinburgh buyers could be heading into the New Year on a high as the number of properties hitting the market continues to surge.

With the long-held supply shortfall of capital properties beginning to ease, so has the pressure on buyers who now have an improving negotiating position.

In the three months from August to October, Warners Solicitors & Estate Agents brought 242 properties to the market for sale – a 25% increase from the 194 properties listed during the same period last year.

David Marshall, Operations Director with Warners, believes that the good news stems from a large number of sellers taking the plunge and putting their properties up for sale during the summer months.

He said: “For most of last year and throughout the first half of 2018 there was a real shortage of homes for sale across Edinburgh and the Lothians.

“This created a situation where there was a huge excess of demand relative to supply meaning that buyers were often having to pay substantial premiums above the valuation to secure a home.

“This naturally pushed house prices up and earlier in the year annual inflation in the capital was approaching 9%.

“Thankfully, since the end of the summer we have seen more sellers willing to go ahead and get their home onto the market.

“This has helped to create a greater balance in the local market and, while most properties are still selling well, the high premiums that we were previously seeing are becoming less prevalent.”

Based on sales recorded during the three months to October 2018, the average premium paid over valuation was 5.2%. This marks a decrease from 6.6 % during the same period in 2017, and reverses a trend which had seen the average premium rise each year since 2014.

David added: “The reduction in the average premium being paid is good news for the long-term health of the market as you would not want to see house prices rising at an unsustainable rate for a prolonged period.

“We have already seen house price inflation start to ease – down from 9% earlier in the year to 6%.

“As we head into 2019 we expect to see inflation continue to ease. Supply side activity should continue to rise whilst uncertainty over Brexit may constrain growth in demand during the first quarter of the year.

“The market will continue to be bolstered by low unemployment levels and interest rates should remain low by historical standards throughout the year.

“As a result we expect house prices in Edinburgh and the Lothians to rise by 1-2% annually over the course of 2019.”

Warners Solicitors and Estate Agents is one of Edinburgh’s leading estate agents, operating three property centres throughout the city.

For more information on Warners Solicitors and Estate Agents, visit www.warnersllp.com