

Predicting a 'healthier' property market in 2019

The turn of the year should bring hope for prospective first-time buyers who have been at the sharp-end of rising prices and prohibitive premiums.

Property experts at Warners Solicitors & Estate Agents are anticipating a continuation of recent trends that, since mid-2018, have seen the number of properties on the market finally rise – easing the imbalance between supply and demand.

For most of the last two years, high competition for the comparatively small number of homes listed resulted in properties selling for well in excess of their Home Report valuation.

With lenders typically not willing to lend beyond that valuation, this had priced out many first-time buyers who were unable to find the additional funds needed on top of a deposit and expenses.

More recently, supply has improved. As one of Edinburgh's most popular estate agents, Warners also listed 137 homes for sale in Edinburgh and the Lothians between October and November 2018 – up 37% on 2017 levels and more than 50% higher than in 2016.

David Marshall, Operations Director with Warners, said: "A lack of properties for sale in Edinburgh and the Lothians has been the biggest problem facing the local market for some time.

"This meant that there were generally multiple buyers competing for each property, putting sellers in a very strong position to secure a high offer for their home.

“The upturn in property listings over the last three months therefore comes as welcome news. It has meant that the pressure on buyers has started to ease and the large premiums that were almost commonplace earlier in the year are now less common.

“Ultimately, more homes coming onto the market and a more sensible balance between supply and demand makes for a healthier market.”

With the supply of properties to the market improving, the premiums that buyers are having to pay above Home Report valuation has fallen. In the three months to November 2018, the average premium paid over valuation was 4.4% – down from 5.6% a year ago.



David added: “Moving into 2019, the biggest downside risk continues to be the potential fallout from ‘Brexit’. In times of uncertainty people tend to delay major decisions, such as moving home, so it’s likely that activity from both buyers and

sellers will be somewhat subdued during the first quarter of the year.

“Thereafter we would expect things to pick up again however, with low interest rates and comparatively high employment helping to bolster the market.”

“At this stage the expectation is that house prices in Edinburgh and the Lothians will rise by 1-2% over the course of the year.”

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