

Tram extension will bolster house prices say property experts

Tram extension to bolster house prices and spark new development

North Edinburgh is set to be transformed by a wave of investment bringing thousands of new homes, offices and shops after the announcement today that the tram network will be extended to Newhaven.

That is the prediction being made by property firm JLL, who say the additional nine stops added to the network are likely to attract new proposals for mixed use developments in underdeveloped areas to the north of the City Centre.



Image courtesy of The City of Edinburgh Council

Earlier this year JLL predicted that house prices in the capital would rise by 16.5 per cent over the next five years to 2023. Jason Hogg, director of Residential and Land Development at JLL, believes the tram extension could bolster

Edinburgh house prices further.

He said: "The extension is likely to provide a further boost to house prices in Edinburgh, particularly around Leith and Newhaven over the next five years. The impact of those house price increases will inevitably spark renewed interest from house builders and investors looking to deliver much needed housing in the north of the capital. In a city characterized by high demand for city-centre work, life, and play, we would expect to see a range of mixed use developments put forward for consideration in the next few years as a consequence of the extended network.

"The pressure of housing demand in the City Centre is already having a positive impact on the regeneration of brownfield sites in and around Leith as seen by developments under construction such as the Rope Works by S1 Homes and Waterfront Plaza by Cala Homes."

Alasdair Humphery, the firm's lead director welcomed the news, but warned that lessons must be learned to deliver the extension successfully. He said: "It is our hope that lessons have been learned from the first phase of construction, particularly when it comes to contract formats and the management of contractors."

According to JLL, Edinburgh is already set to see steady house price growth over the next five years. The average sales price of a typical two bed flat in the city centre at the end of 2018 was £285,000, a 2.5% increase compared with the same period in 2017. JLL expects both price and rental growth in Edinburgh to average 3.1% per annum, well above its UK-wide forecast of 2.2% pa price growth and 2.4% pa rental growth.