

5 August 2010

## - EDINBURGH HOUSE PRICE REPORT: JULY 2010 -

- **Average house price in Edinburgh stood at £235,772 in July following an annual increase of 11.1%.**
- **Greater demand for larger, family homes continues to drive the rise in the average house price.**
- **The number of homes sold increased by 7.5% annually but signs are that demand is starting to level off.**
- **The number of properties available on the market rose again in July as conditions continued to swing in favour of buyers.**
- **The likelihood remains that recent increases in the average house price represent a short-term spike, with prices in coming months returning to levels witnessed at the start of the year.**

Latest figures from ESPC, the market leader for residential property in East Central Scotland, reveal that the average price of a home sold in Edinburgh rose to £235,772 in July – an annual increase of 11.1%. The figures marked the sixth consecutive month in which an annual increase was observed in the Capital.

As has been the case throughout 2010, the growth in prices was predominantly driven by higher demand for family housing, with larger properties seeing significant increases whilst values of smaller homes remained broadly unchanged. The average price of a three-bedroom house rose by 8% from £250,743 in July 2009 to £271,211 this year. The average price of a one-bedroom flat rose by just 0.6% over the same period from £128,289 to £129,060.

The number of homes sold in the Capital showed a small rise in July with, 7.5% more sales completed during the month than in 2009. Sales have now risen for six straight months, but the increase in July was the smallest recorded during the period suggesting that demand may now be starting to level off. Although the number of homes coming onto the market also cooled, supply remained higher than demand with around 200 more homes available for sale in the Capital at the end of July than at the start of the month.

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Despite the growth in house prices David Marshall, business analyst said that such rises were unlikely to be prolonged: "The level of growth we've seen in prices so far this year has been somewhat unexpected, but it's important to remember that these rises are being predominantly driven by demand for larger properties. Sales are also still well below pre-credit crunch levels and with supply exceeding demand. This is likely to be a relatively short-term spike in prices. There will be some volatility from month-to-month, but in general terms prices should start to ease back as we head into 2011 and I would still expect prices to broadly unchanged over the course of 2010."

**-ENDS-**

#### **Notes to editors**

- ESPC is the market leader for property marketing in East Central Scotland
- 440 words
- All figures quoted are based on all residential properties handled by ESPC. Figures relate to City of Edinburgh unless otherwise stated.
- ESPC were founded in 1971 and comprise around 200 member solicitor estate agents across East Central Scotland.
- Previous press releases issued by ESPC can be viewed by visiting the Market Watch section at [espc.com](http://espc.com)
- For more information or to arrange an interview contact *0131 624 8000*