

For Immediate Release

3 September 2009

-EDINBURGH HOUSE PRICE REPORT: AUGUST 2009-

- **Overall picture of market stability continues in August.**
- **Average house price in Edinburgh shows an annual increase last month for the first time since July 2008. A rise of 2.2% meant the average home sold for £206,030 during August 2009.**
- **Number of homes sold in the Capital shows year-on-year increase for the second consecutive month.**
- **Over 43% of homes sold at Fixed Price achieved the asking price during August, the highest proportion since May 2008.**

Latest ESPC figures reveal that average house price in Edinburgh showed a year-on-year increase following twelve consecutive months in which prices declined. A 2.2% rise took the average price of a home in the Capital to £206,030 and marked the first annual increase in prices since July 2008.

	2009	2008	YOY%
August	£206,030	£201,517	2.2%
July	£212,174	£245,415	-13.5%
June	£214,374	£244,603	-12.4%
May	£206,138	£235,050	-12.3%
April	£201,497	£226,090	-10.9%
March	£194,683	£222,815	-12.6%
February	£194,678	£199,721	-2.5%
January	£198,267	£200,722	-1.2%

The year-on-year increase in August was the first since July 2008

August also saw an annual increase in the number of properties sold for the second consecutive month. Almost 450 homes were sold in the Capital in August, an increase of over 9% compared to the same period in 2008.

Ron Smith, ESPC chief executive commented: "During the first half of 2008 we continued to see the average price rise annually however this was primarily because of a decrease in the number of smaller properties selling as restrictions in lending hit home. Significantly, this has not been the case for the August increase. 65% of homes sold in Edinburgh last month were one or two-bedroom properties, almost unchanged on the level of 66% in August last year. That we have witnessed an annual rise here reflects the stability in prices over the last eight months. Over the remainder of the year we are likely to see a degree of fluctuation in prices from month-to-month, but broadly speaking prices are likely to be in line with those witnessed during the second half of 2008."

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Mr Smith continued: "Sellers today are generally finding the market more favourable than at this stage last year and are also showing more realism in setting their asking price. Almost 40% of homes brought to the market in June this year saw the sale completed before the end of August. This is more than double the level of 18% observed when looking at the same period in 2008."

The shift in the market was further reflected by the fact that 43.6% of homes sold at Fixed Price achieved the asking price or better. The level had previously fallen to as low as 17.7% earlier in the year.

Robin Stimpson, ESPC chairman concluded: "One of the major challenges facing the market over the coming year will be to increase the number of new properties being built. Since the onset of the credit crunch the number of new homes being built fell sharply, and from a level that was already insufficient to keep pace with the rising number of households in Edinburgh. Whilst we are unlikely to see prices rise sharply in the short term, if this shortage of supply were prolonged then as demand picked up it is likely we would see a return to rapid house price inflation that would not be to the benefit of the overall market."

-ENDS-

Notes to editors

- 532 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 over 215 member solicitor estate agents across East Central Scotland.
- ESPC members accounted for over 9,600 residential sales worth more than £1.9bn last year.
- Previous press releases issued by ESPC can be viewed by visiting the '[News](#)' section at espc.com
- For more information or to arrange an interview contact *0131 624 8000*