

For Immediate Release

9 October 2008

- EDINBURGH HOUSE PRICE REPORT: SEPTEMBER 2008 -

- **Average house price in Edinburgh falls 7.1% year-on-year in September and now stands at £205,069.**
- **Number of houses sold 56% below total recorded in September 2007.**
- **Average premium paid on properties marketed at offers over remains below 15%, down from over 27% in September 2007.**
- **Less than one in four properties sold at Fixed Price achieve the asking price as active buyers continue to take advantage of market conditions.**
- **Low consumer confidence and tightened lending criteria remain major constraints on demand for property in the Capital.**

Latest figures released today by ESPC reveal that the average house price in Edinburgh now stands at £205,069 following a 7.1% year-on-year fall in September. The drop was slightly greater than the 6.6% annual fall recorded in the Capital in August.

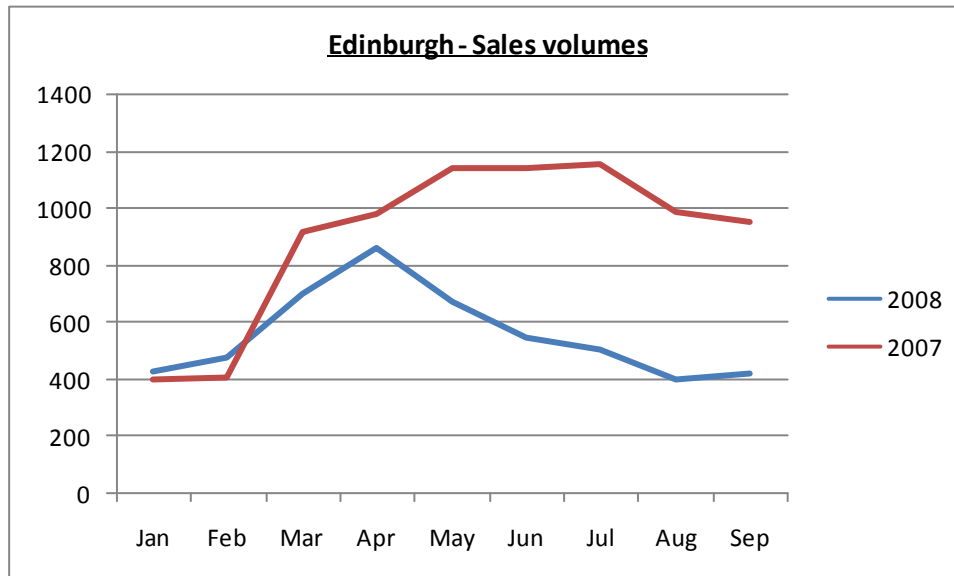
Tightened lending criteria and lower consumer confidence have reduced demand for property putting buyers in a stronger position to negotiate lower prices with sellers than has been the case for years. ESPC figures revealed the extent to which the balance of power has shifted towards buyers with less than one in four homes sold at Fixed Price achieving the seller's asking price.

Commenting on the results Ron Smith, Chief Executive said: "To put these results into some sort of historical context, during the first half of the decade around 80% of properties sold at Fixed Price achieved or exceeded the asking price. This figure has now fallen below 24%, with sellers now increasingly willing to accept lower offers from buyers. Similarly the average premium buyers have to pay to secure a property marketed at Offers Over is down from 27% to less than 15%".

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The number of sales being completed remained well below volumes witnessed last year although the rate of decline has now steadied at around 55% below 2007 levels.



Lesley Canavan of ESPC Money Management said: "Over the last year we have gone from a situation where credit was often too freely available, to the opposite extreme where banks have had to impose strict lending criteria to balance their risk portfolio. Recent moves to stabilise the financial sector should hopefully lead us to a more sustainable middle ground and this in turn will restore public confidence in the market.

What the property market requires is responsible lending based on a thorough analysis of the client's affordability of the mortgage. This will reduce the likelihood of defaults and avoid excessive house price inflation caused by consumers being able to borrow more than they can afford."

Notes to editors

- **420 words**
- Figures quoted are based on all residential sales recorded by ESPC in the quoted period. ESPC do not seasonally adjust figures so reference year-on-year price changes unless otherwise stated.
- ESPC were founded in 1971 and comprise over 230 member solicitor estate agents across East Central Scotland.
- ESPC members accounted for over 17,500 residential sales worth more than £3.5bn last year.
- Previous press releases issued by ESPC can be viewed by visiting the '[News](#)' section at [espc.com](#)