

For Immediate Release

10 November 2008

- EDINBURGH HOUSE PRICE REPORT: OCTOBER 2008 -

- **Average house price in Edinburgh falls 11.4% year-on-year in October and now stands at £192,225.**
- **Number of houses sold was 57.7% below total recorded in October 2007.**
- **Average premium paid on properties marketed at Offers Over stands at 13.8%, down from over 26.7% in October 2007.**
- **Only 24.5% of properties sold at Fixed Price in the Capital during October achieved the asking price with buyers continuing to take advantage of market conditions to negotiate better deals.**
- **The number of properties brought to the market for sale fell by 54.9% meaning the volume of homes for sale on the market has started to decline having reached record highs during the summer of 2008.**

Latest figures released today by ESPC reveal that the average house price in Edinburgh now stands at £192,225 following a 11.4% year-on-year fall in October. The results marked the third consecutive month in which an annual fall was observed, with the rate of decrease up from 7.1% in September.

The figures revealed that buyers were continuing to take advantage of their improved bargaining position in the current market by negotiating lower prices with sellers. Over 75% of properties sold at Fixed Price were secured for less than the asking price compared with just 40% in October 2007. Buyers were also having to pay lower premiums to purchase properties marketed at Offers Over. The average premium paid in October 2008 in the Capital stood at just under 14% compared with almost 27% a year ago.

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Commenting on the results Ron Smith, Chief Executive said: "There is no question that today's market favour buyers who are able to secure finance with and low consumer confidence means we still have an excess of supply over demand. Naturally, this makes things tougher for sellers, however the majority will also be looking to buy once they have secured a sale so they can look to balance any drop in the value of their current property by making savings on their new home."

The number of sales being completed remained constrained during October, down by almost 60% annually for the fourth consecutive month. Just less than 400 sales were completed in the last month compared with over 900 during the same period in 2007.

Looking ahead, the surprise 1.5% cut in interest rates provided a level of relief to some homeowners, however sellers are warned not expect this to signal a swift return to rapid house price inflation.

Lesley Canavan of ESPC Money Management explained: "This cut will only benefit homeowners and first-time buyers if lenders pass the cut onto high street interest rates, and we would hope that this would happen as swiftly as possible. A return to the levels of cheap credit available in recent years would not be desirable of course, but hopefully as we move forward we will get to a situation where we have responsible, moderate lending that ultimately allows the market to grow at sustainable levels."

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](#)