

8 April 2008

01/08

-ESPC FIRST QUARTER STATISTICS -

HOUSING MARKET COOLS AS GROWTH FALLS TO LOWEST RATE IN 15 YEARS

Latest figures released today by ESPC reveal the housing market in Edinburgh has continued to cool with annual inflation falling to its lowest level since 1993. A rise of just 1.2% took the average price in the Capital from £207,669 in the first quarter of 2007 to £210,123 during the first three months of 2008.

There was evidence however that the market should be well placed to avoid the downturn in prices projected in England and Wales, with the 6.7% reduction in sales some way below the 40% decreases being reported in many areas south of the border.

Commenting on the results, Ron Smith, ESPC chief executive said: "As expected, we are now seeing growth in the Capital fall to considerably lower levels than those witnessed in previous years. The figures within the Capital are fairly reflective of a static market, with slightly higher levels of inflation being reported in some areas, and slight falls being witnessed in others."

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"A number of factors have contributed to the cooling we are now witnessing", continued Mr Smith: "Foremost among these is a reduction in affordability, largely stemming from consistently high inflation in recent years. The credit crunch has also meant that buyers are finding mortgage deals may be more expensive than at this time last year which puts a further constraint on demand. Overall we are likely to see the current situation continue throughout 2008, with inflation in Edinburgh over the year projected to stand at around 2 to 3%. More affordable areas outwith the Capital are likely to fare slightly better, with growth across East Central Scotland expected to be in the region of 3 to 5%."

Robin Stimpson, ESPC chairman concluded: "Over the last few years consistently high levels of growth have meant some people started to consider inflation in excess of 10% to be the norm. Clearly this is not the case, and that rate of inflation simply would not be sustainable over the longer term. The credit crunch has certainly had an impact on demand, but the market was due to see a period of stability, and these figures are largely reflective of that."

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ESPC STATISTICS SUMMARY

QUARTER 1 2008



| City of Edinburgh | | | | |
|--------------------------|----------------------|-------------|-------------|--------------|
| | Property Type | 2008 | 2007 | YOY % |
| Average selling price | All properties | £210,123 | £207,669 | 1.2% |
| Sales Volume | All properties | 1,606 | 1,721 | -6.7% |
| Total Sales Value | All properties | £337.5m | £357.4m | -5.6% |
| City Centre | All properties | £249,665 | £241,667 | 3.3% |
| Suburbs | 3 bedroom semi | £255,569 | £233,580 | 9.4% |
| | 4 bedroom detached | £410,630 | £360,681 | 13.8% |
| Marchmont/Bruntsfield | 2 bedroom flats | £260,078 | £274,659 | -5.3% |
| Gorgie/Dalry | 1 bedroom flats | £127,213 | £116,791 | 8.9% |
| Leith Walk/Easter Road | 1 bedroom flats | £127,391 | £121,467 | 4.9% |
| Stockbridge/Comely Bank | 2 bedroom flats | £253,953 | £250,444 | 1.4% |

Lothians

| | | | | |
|--------------|----------------|----------|----------|-------------|
| East Lothian | All properties | £188,677 | £186,130 | 1.4% |
| Midlothian | All properties | £177,525 | £174,801 | 1.6% |
| West Lothian | All properties | £176,035 | £165,169 | 6.6% |

Other Areas

| | | | | |
|-------------|----------------|----------|----------|---------------|
| Dunfermline | All properties | £144,199 | £151,900 | -5.1% |
| Falkirk | All properties | £180,646 | £130,065 | 38.9% |
| Kirkcaldy | All properties | £105,868 | £138,059 | -23.3% |
| Stirling | All properties | £188,190 | £174,219 | 8.0% |

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All statistics are based on all residential sales recorded through ESPC in the quoted period.
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