

The index is compiled quarterly from valuations prepared by professional staff in the Knight Frank Edinburgh office and is based on actual sales evidence.



Edinburgh City Index

Q4 2019

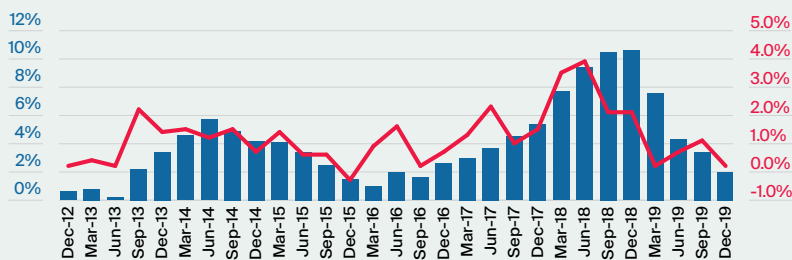
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EDINBURGH HOUSE PRICES Q4 2019

ANNUAL CHANGE	HOUSE 2.3%	FLAT 1.5%	INDEX 2.0%
INDEX	HOUSE 102.5	FLAT 122.6	INDEX 107.0

Edinburgh price change (%)

■ Annual (LHS) ■ Quarterly (RHS)

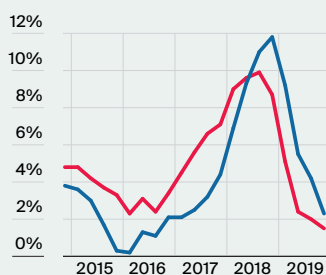


Source: Knight Frank Research

Houses outperform flats

Annual % change

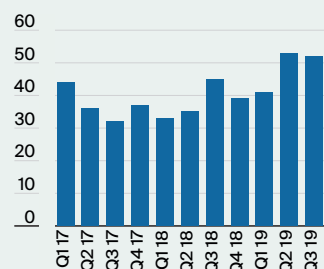
■ Flat ■ House



Source: Registers of Scotland

Edinburgh's £1 million-plus market

12 month rolling total of exchanges



Source: Knight Frank Research/
Registers of Scotland

Market update

Average property values in Edinburgh rose 2% in 2019, according to Knight Frank data. Whilst still positive, this was down from growth of more than 10% last year.

Political uncertainty has loomed over the market throughout the year, firstly as we approached the initial Brexit deadline in March and, more recently, as a result of the UK's first General Election this close to Christmas since 1923.

Undoubtedly this has been the primary factor contributing to a moderation in price growth in 2019.

That said, the market has proven resilient. Pent-up demand has built, with the number of new prospective buyers registering their interest in purchasing a property 15% higher in the second half of 2019 compared with the same period in 2018.

Meanwhile, agents still report encouraging sales activity, particularly for properties that are considered best in class.

The number of transactions for homes valued above £750,000, for example, rose 14% during the 9 months to September 2019 compared with the same period a year earlier, the latest figures from the Registers of Scotland show. Some of the most notable growth came from higher price bands, with sales above £1 million up 32% over this time.

Houses outperform flats

Despite uncertainty surrounding the political backdrop, demand for family houses in Edinburgh has been strong, particularly in inner suburbs including the Grange, Morningside and Merchiston.

Accordingly, over the last 12 months price growth for houses have outperformed, with values up 2.3% compared with 1.5% for flats.

Outperformance for larger family homes marks a reversal of the longer-term trend, with flats increasing in value by 26% on average over the last 5 years, compared with 22% growth for houses.

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Political uncertainty has loomed over the market throughout the year, as a result of both Brexit and the General Election That said, the market has proven resilient.

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OLIVER KNIGHT, ASSOCIATE

POLITICAL UNCERTAINTY TO SUBSIDE?

The UK General Election delivered a conclusive result, with the Conservative Party winning a large majority. This will, for the time being, end the uncertainty of a no-deal Brexit and pave the way for the release of some of the pent-up demand that has built in recent years.

However, in Scotland, there are likely to be increased calls for a re-run of the 2014 Independence Referendum on the back of the

SNP's high share of seats and in response to concerns about how orderly the Brexit process will be.

In the short-term, supply is expected to rise as some previously more cautious vendors are tempted back to the market on the back of anticipated stronger market conditions. The extent to which this translates into transactions will depend on the size of the pricing expectation gap between buyers and sellers.

PRIME EDINBURGH PRICE CHANGE Q4 2019

	EDINBURGH	£500K TO £1M	£1M TO £1.5M	£1.5M TO £2M	OVER £2M
3 MONTH	0.0%	0.0%	0.0%	0.0%	0.0%
6 MONTH	0.9%	1.0%	1.0%	0.9%	0.0%
1 YEAR	2.0%	1.7%	3.4%	1.9%	0.2%
3 YEARS	18.9%	15.0%	22.0%	22.1%	12.1%

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

Edinburgh Sales



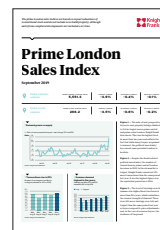
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