

Edinburgh House Price Index



2024 Q1

A bi-annual index tracking prime property prices in the city of Edinburgh

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Edinburgh's prime prices regain positive growth

► Prices in the Scottish capital are starting to recover, albeit slowly.

Prime prices across Edinburgh increased 1.2% in the six months to March 2024 and by 0.6% in the first three months of the year, suggesting buyer sentiment is improving.

As headline inflation has fallen quickly since October 2023 optimism has built with money markets pricing in five rate cuts of 0.25% in 2024. However, those expectations have cooled since January as underlying inflation persists and the current forecast is closer to three cuts.

The Edinburgh housing market is facing similar challenges to the rest

of the UK, the effects of stubborn inflation on the UK mortgage market are limiting sales as households stave off moving house and losing the security of a low fixed-rate mortgage.

But, tailwinds persist, we're seeing a higher proportion of cash sales. Data from the Land Registry reveals cash purchases in Edinburgh accounted for 32% of purchases in November 2023, up from 26% at the start of 2022.

Plus, lifestyle drivers, good schools and universities, along with the repercussions of the transition to hybrid working mean Edinburgh

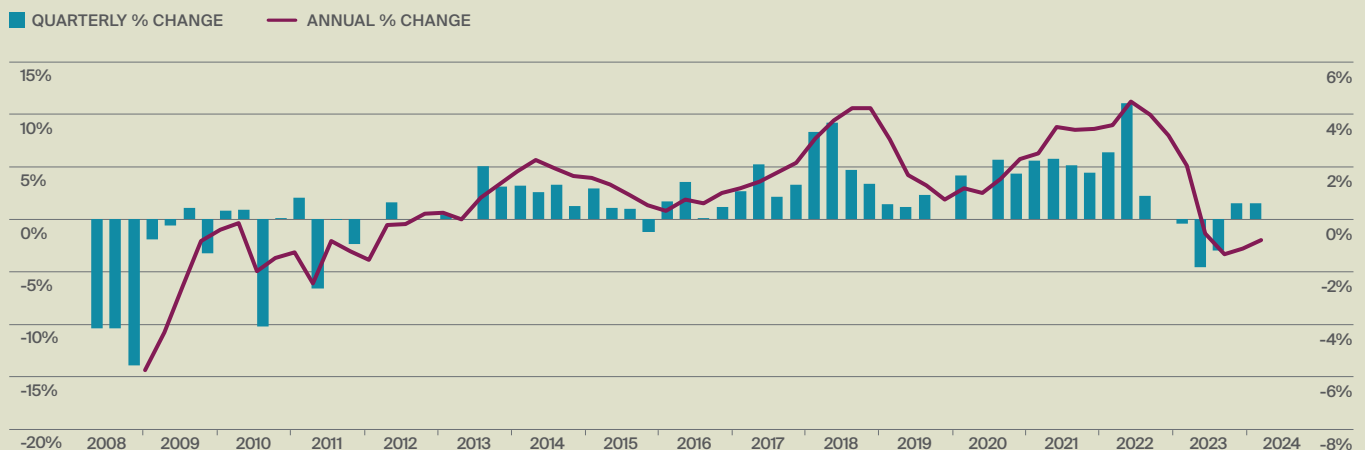
continues to attract new buyers from within and outside the UK's borders.

By property type

Analysis of the city's house versus flat property market reveals that the lead generated by the flat market a year ago is starting to wane.

Houses are now registering stronger price growth than flats over a three-month period. Houses in Edinburgh climbed 0.9% on average in the first quarter of 2024, flats registered 0.1% growth by comparison.

Edinburgh prime prices turn positive on a quarterly basis



Source: Knight Frank Research

“With interest rates at a 15-year high and stock in the New Town and West End market limited, more buyers have looked to postcodes starting with EH10 and EH12,”

Edward Douglas-Home, Head of Scotland Residential at Knight Frank.

Analysis of the data since the pandemic is more stark.

Houses have witnessed a 24% increase in value on average, flats by comparison have notched up 13% growth since Q1 2020, underlining the premium generated by houses with outdoor space during successive lockdowns.

By area

Prime prices in the West and South of the city have outperformed over the last six months, climbing 2.3% and 1.6% respectively.

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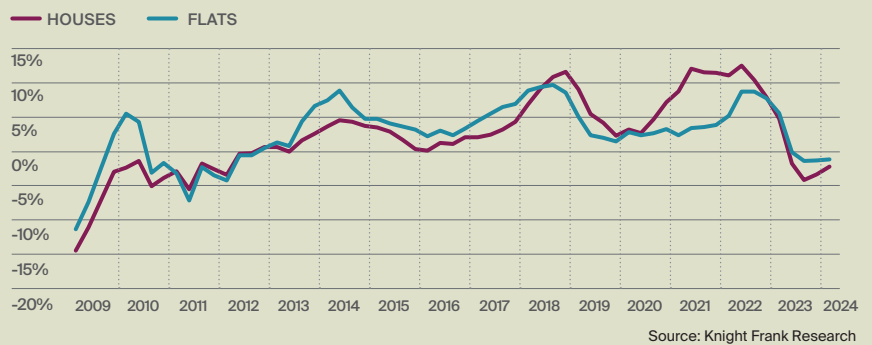
By price bracket

Although all six price brackets are now registering flat or positive price growth over a six-month period, marginally stronger growth has been evident above the £1m threshold.

Below this price band activity has softened as domestic buyers hold-off their purchasing decisions until borrowing costs start to reduce.

Houses close performance gap of flats in Q1 2024

Annual % change



Price change by prime Edinburgh submarket

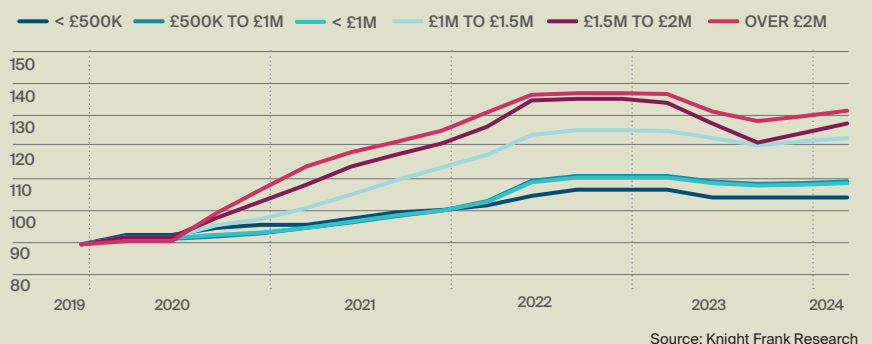
(as at Q1 2024)

	Edinburgh	New Town / West End	North	South	West
THREE-MONTH CHANGE	0.6%	0.3%	0.2%	0.8%	1.1%
SIX-MONTH CHANGE	1.2%	0.5%	0.4%	1.6%	2.3%
ANNUAL CHANGE	-1.8%	-1.9%	-2.1%	-1.9%	-1.3%
% CHANGE SINCE START OF PANDEMIC	19.6%	15.2%	17.1%	22.6%	23.3%

Source: Knight Frank Research

Performance by price band

Indexed, 100 = Q4 2019



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