

## ACTIVITY PICKS UP IN PRIME EDINBURGH MARKET

**Strong price growth during the previous quarter was driven by a pick-up in demand, which took place despite wider political uncertainty in the run up to the EU referendum.**

### Results for Q2 2016

Prime property prices rose by 1.4% in Q2 2016, the strongest quarterly uplift in prices since 2013

Annual growth across the city market currently stands at 2%

Prime sales volumes were 24% higher between April and June compared to the previous three months, according to Knight Frank data

There are indications that the prime market has started to adjust to higher levels of property taxation

Prime property prices in Edinburgh increased by 1.4% between March and the end of June, the strongest quarterly uplift in prices since 2013. Annual growth across the city market currently stands at 2%.

Price growth during the quarter was driven by a pick-up in demand, with the number of transactions completed by Knight Frank in Edinburgh 24% higher between April and June compared to the previous three months and more than 40% higher than in Q2 2015.

Viewings also increased by more than 50% between April and June versus the same period last year. This uplift in activity took place in spite of political uncertainty caused by the EU vote.

Edward Douglas-Home, Head of Edinburgh City Sales, said: "The property market in Edinburgh has had a rollercoaster last few years, with four major votes taking place since 2014 alone, culminating in the recent referendum on the UK's continued membership of the European Union.

"In spite of this, the market has been busy during the first half of 2016, especially in the prime central areas of New Town and the West End where good quality houses and flats continue to attract high levels of interest."

Higher purchase costs as a result of the introduction of Land and Buildings Transaction Tax (LBTT) remain a burden for some buyers, especially for homes valued between £700,000 and £1m, but the indication is that the prime market has started to adjust.

All eyes will now turn to the impact of the UK's vote to leave the EU on the market. There is likely to be a period of political and economic uncertainty in the short to medium term and this has the potential to impact the housing market.

However, it is important not to overstate this. The primary drivers of the city market remain unchanged and these will continue to drive turnover once the initial dust settles. We will be keeping a close watch on key market metrics in the weeks and months to come.



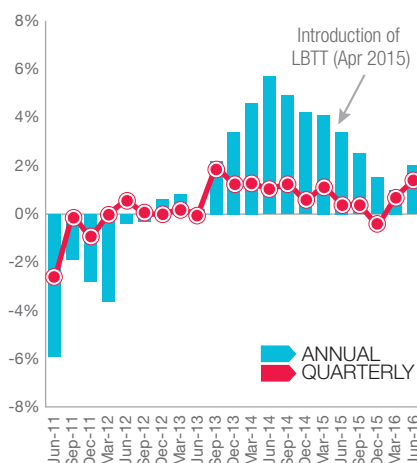
**OLIVER KNIGHT**  
Associate

"The primary drivers of the prime Edinburgh market remain unchanged and these will continue to drive turnover once the initial dust settles."

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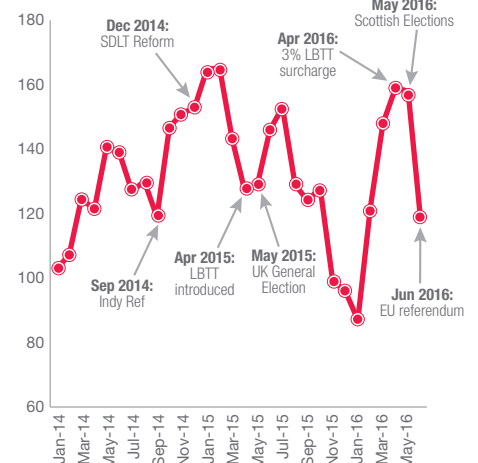
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FIGURE 1  
**Edinburgh: annual and quarterly price growth**  
Annual and quarterly price growth



Source: Knight Frank Research

FIGURE 2  
**Prime stock levels**  
Number of £750,000+ properties available for sale across Edinburgh



Source: Knight Frank Research

## Edinburgh City Index Q2 2016

	Edinburgh	New Town/ West End	North	South	West
<b>3 month</b>	1.4%	2.3%	1.5%	1.0%	0.6%
<b>6 month</b>	2.1%	3.3%	2.1%	1.6%	0.9%
<b>1 year</b>	2.0%	3.4%	2.6%	1.2%	0.6%
<b>3 years</b>	11.5%	15.6%	9.6%	11.8%	5.7%

Source: Knight Frank Research

“The market has been busy during the first half of 2016, especially in the prime central areas of New Town and the West End.”

### RESIDENTIAL RESEARCH

#### Liam Bailey

Global Head of Research

+44 20 7861 5133

liam.bailey@knightfrank.com

#### Oliver Knight

Associate

+44 20 7861 5134

oliver.knight@knightfrank.com

### EDINBURGH SALES

#### Edward Douglas-Home

+44 13 1222 9606

edward.douglas-home@knightfrank.com

### PRESS OFFICE

#### Jamie Obertelli

+44 20 7861 1104

jamie.obertelli@knightfrank.com



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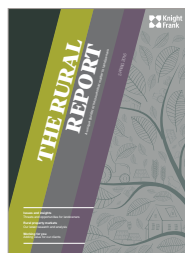
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