

Edinburgh property prices rise by 3.4%

Property prices in Edinburgh increased again during the fourth quarter, with demand and interest in sub-£1m homes driving the market. Oliver Knight examines the latest figures.

Results for Q4 2013

The average price of a home in Edinburgh increased by 1.2% in the fourth quarter of 2013

Property prices in the city centre have **increased by 3.4% annually**

The New Town and West End areas of the city have enjoyed the greatest growth, **with prices up by 2.1% in Q4 2013**

Sub-£1m properties increased in value **by 2.3% in Q4 2013**

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The average price of a home in Edinburgh increased by 1.2% in the fourth quarter of 2013. The rise means that property prices in the city have increased by 3.4% on an annual basis.

The New Town and West End areas of the city enjoyed the greatest growth over the three month period, with homes here increasing in value by 2.1%.

The rise in property prices this year is a result of the increased demand for well-located homes in the city's established residential areas. There was a 22% rise in applicant volumes in the city compared to the previous quarter, and a 13% increase in the number of property viewings over the same timeframe.

This increased demand has translated into a jump in the number of sales. The number of transactions completed in the three months to December was 47.4% higher than the previous three month period and more than double that of Q4 2012, an indication that we are seeing a return a more fully-functioning housing market in the city.

Edward Douglas-Home, Head of city sales in Knight Frank's Edinburgh office, says: "There is definitely a renewed sense of confidence

in the Edinburgh market among both buyers and vendors which translated into a significant rise in sales last year. In fact, in the final few months of 2013 we saw a return to more normal transaction levels.

"Demand is particularly strong for good quality flats in the city centre and smaller family houses worth between £300,000 and £800,000 across the popular areas of the city. Such properties in New Town and the West End are attracting much attention when they come to the market.

"Above £1m the market is a little slower. While deals are still being completed at this level, there are fewer buyers willing to commit."

A more detailed examination of the data confirms this, with wide variations in terms of price performance depending on the value of a property. Over the last three months, sub-£1m properties have increased in value by 2.3%.

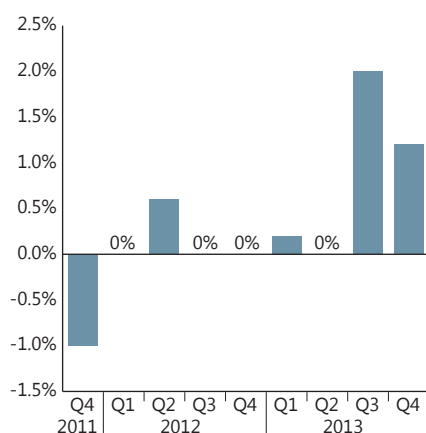
In the £1m-£1.5m price bracket, properties increased in value by 0.8% in Q4 2013. Price growth for properties in the higher price brackets has been more muted in comparison. The price of homes worth £1.5m+ were unchanged over the quarter – although activity levels remain healthy.

OLIVER KNIGHT
Residential Research

"There are wide variations in terms of price performance depending on the value of a property."

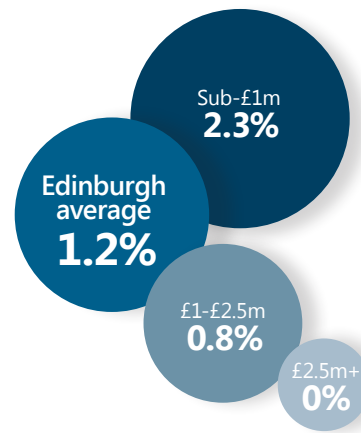
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FIGURE 1
Quarterly price growth
Quarterly change Q4 2011-Q4 2013



Source: Knight Frank Residential Research

FIGURE 2
Quarterly price growth by price bracket



Source: Knight Frank Residential Research

"The average price of a home in Edinburgh increased by 1.2% in the fourth quarter of 2013."

Knight Frank Edinburgh City Index

	Edinburgh	House	Flat
3-month change	1.2%	1.0%	2.2%
6-month change	3.3%	2.6%	5.9%
12-month change	3.4%	2.6%	6.7%
3-year change	1.1%	0.6%	3.4%

Quarterly growth by area

	New Town/West End	North	South	West
3-month change	2.1%	0.3%	1.3%	0.8%

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