



# EAST LOTHIAN MARKET FOCUS - 2017

## An imbalance between supply and demand has underpinned the market in East Lothian

Quarterly sales volumes in East Lothian reached a post-financial crisis high in the second quarter of 2017, according to data from the Registers of Scotland. Some 609 transactions took place between April and June, 9% higher than the previous post-crisis peak.

Agents note that rising transaction levels are reflective of an improving level of confidence among buyers, as well as robust demand.

This is especially the case for properties valued up to £400,000, where the tax burden is lower. Gullane, North Berwick and Haddington remain sought after locations for commuters from Edinburgh.

Indeed, East Lothian's location within Edinburgh's commuter belt makes it an attractive proposition to buyers moving out of the capital with the A1 and the City Bypass providing a fast route into most parts of the city by car. The train service from North Berwick via Drem and Longniddry takes as little as 34 minutes.

FIGURE 1  
**East Lothian: Asking Prices**  
Listings in two years to July 2017

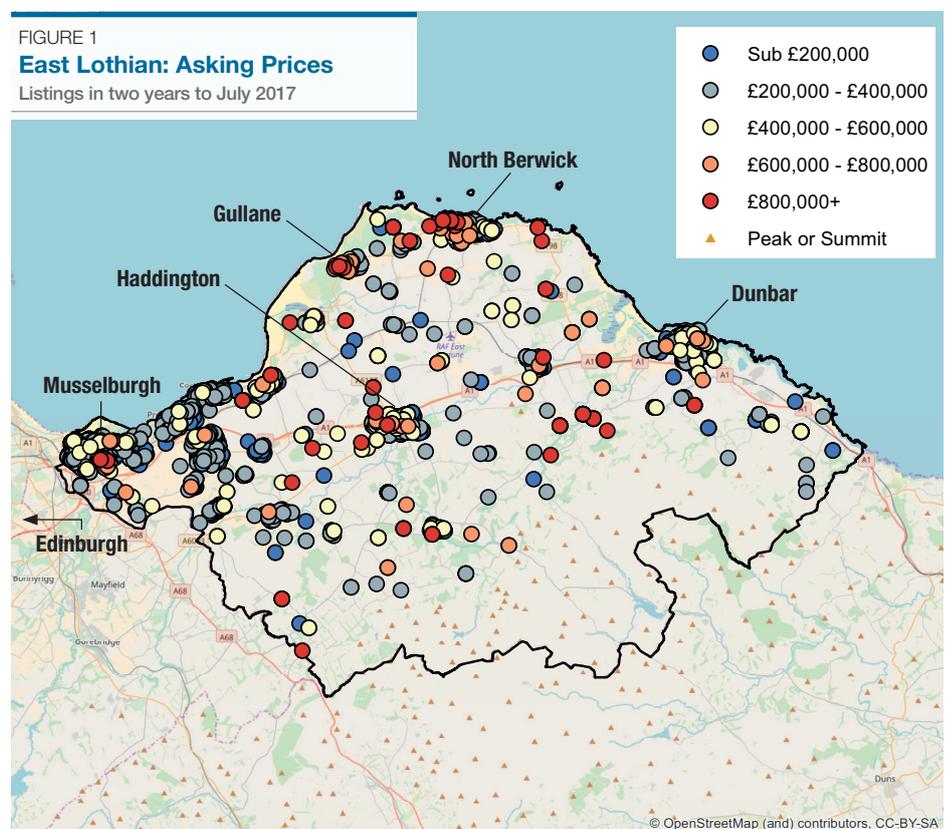
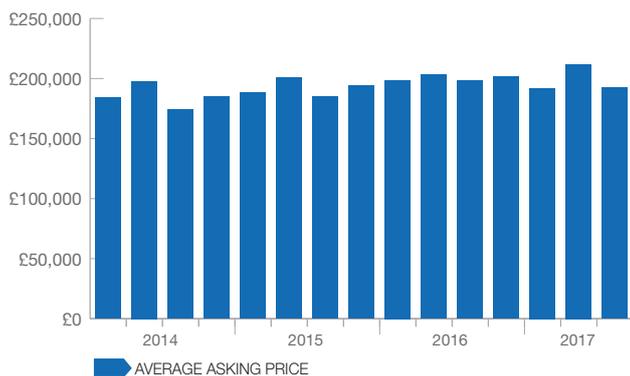
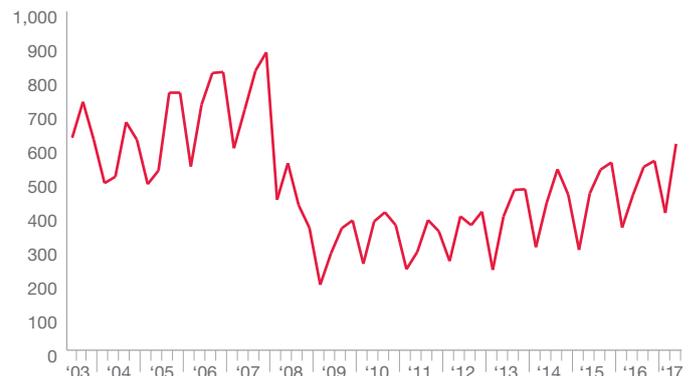


FIGURE 2  
**East Lothian: Pricing data**



Source: Twenty CI

FIGURE 3  
**East Lothian: Sales volumes (quarterly)**



Source: Registers of Scotland

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The prospect of more space, a change of lifestyle, or for schooling for children also acts as a catalyst for buyers to move to the area.

Population growth estimates for 2016 from the ONS show there has been an 11% increase in people living in East Lothian in the last decade, an estimated rise that was only surpassed by Edinburgh over this same time.

Rising demand has helped to underpin property values, which tend to be higher than most other areas of the country. Data from the Registers of Scotland suggests that the median house price in East Lothian is around 20% above the Scottish average.

However, rising demand has not been matched by an uptick in supply. Our analysis of listings data shows there were 25% fewer homes available for sale in East Lothian at the end of August 2017 compared with the same point in 2016, and 13% fewer than in 2015.

This imbalance has resulted in heightened competition for best-in-class properties, which agents note has led to some selling for above their Home Report valuations.

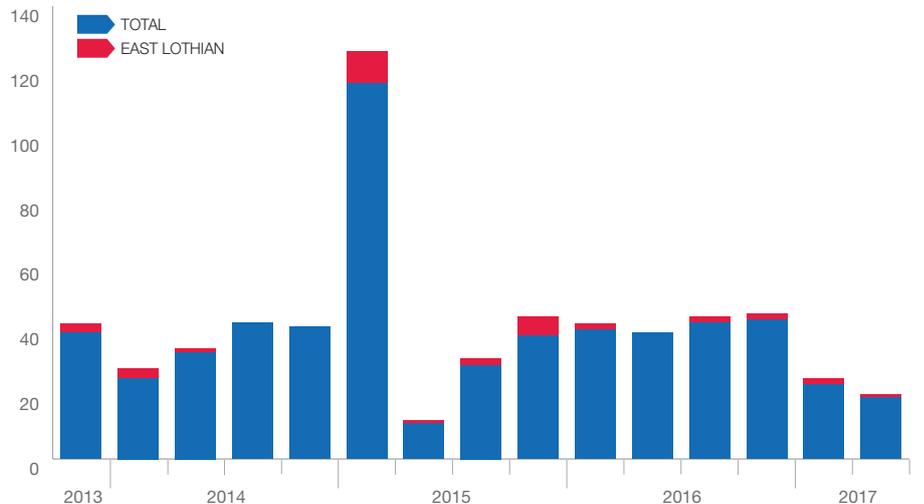
Looking forward, there remain challenges in the market, not least higher purchase costs as a result of LBTT, and uncertainty surrounding Brexit. However, the primary drivers of the market in East Lothian remain unchanged and these are expected to continue to drive turnover.

**FIGURE 4**  
**East Lothian: Number of homes for sale**



Source: Twenty CI

**FIGURE 5**  
**Scotland: £1m+ sales**



Source: Registers of Scotland

**EAST LOTHIAN SALES**



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