



Savills Edinburgh Home Truths

Tuesday 24 November 2020

Welcome and thank you for joining.

You are on mute for the duration of
the webinar.

We will begin shortly.

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Welcome

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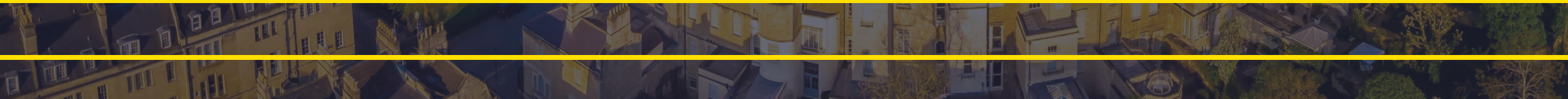
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Residential Market Outlook

Faisal Choudhry

Residential Research

What differentiates the current situation from previous downturns?

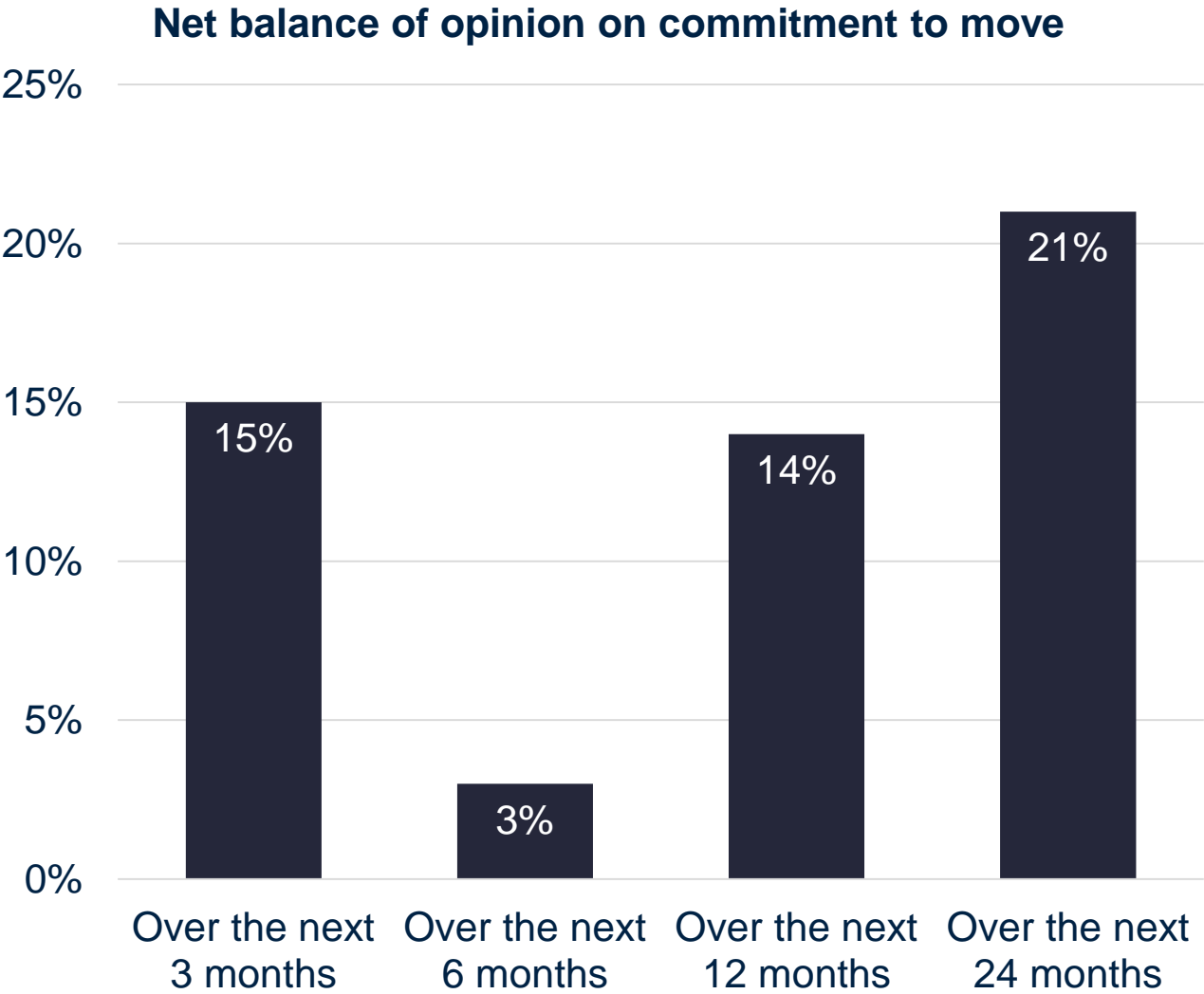
House price growth in the run up to the crisis has been modest

Interest rates are at an unprecedented low

Furlough scheme and mortgage holidays have protected homeowners and buyers

Previous downturns driven by forced sellers and high stock levels

Commitment to moving



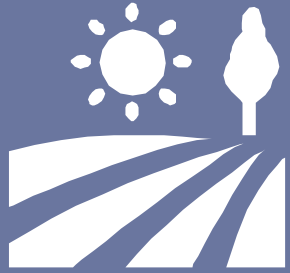
Commitment to moving	Over the next 12 months
Significantly more committed	17%
Somewhat more committed	17%
No change	47%
Somewhat less committed	11%
Significantly less committed	9%
Net balance	+14%

Changing buyer needs



66%

said the **amount of garden or outside space** had become more important



55%

more attracted to a countryside location as a result of Covid-19



35%

more inclined to **work from home** in the future



46%

said a **separate space to work from home** had become more important

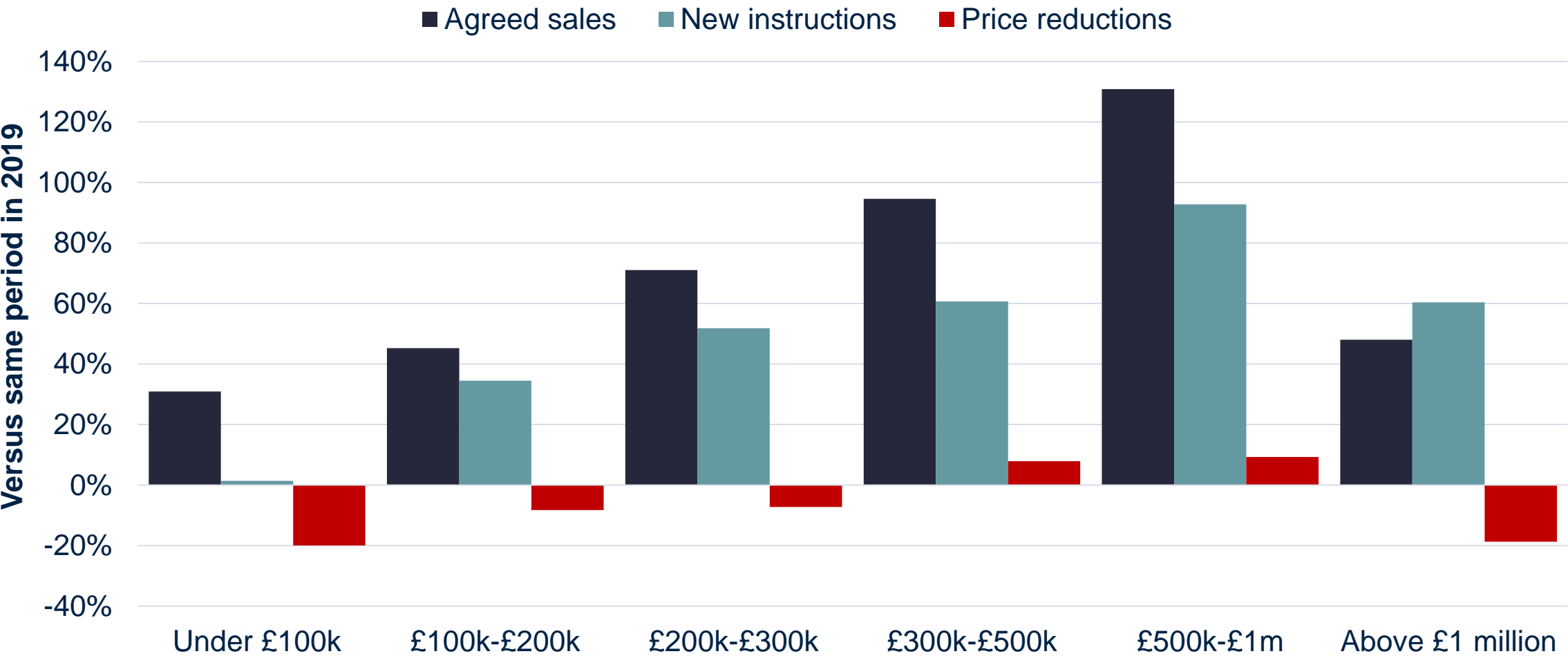


55%

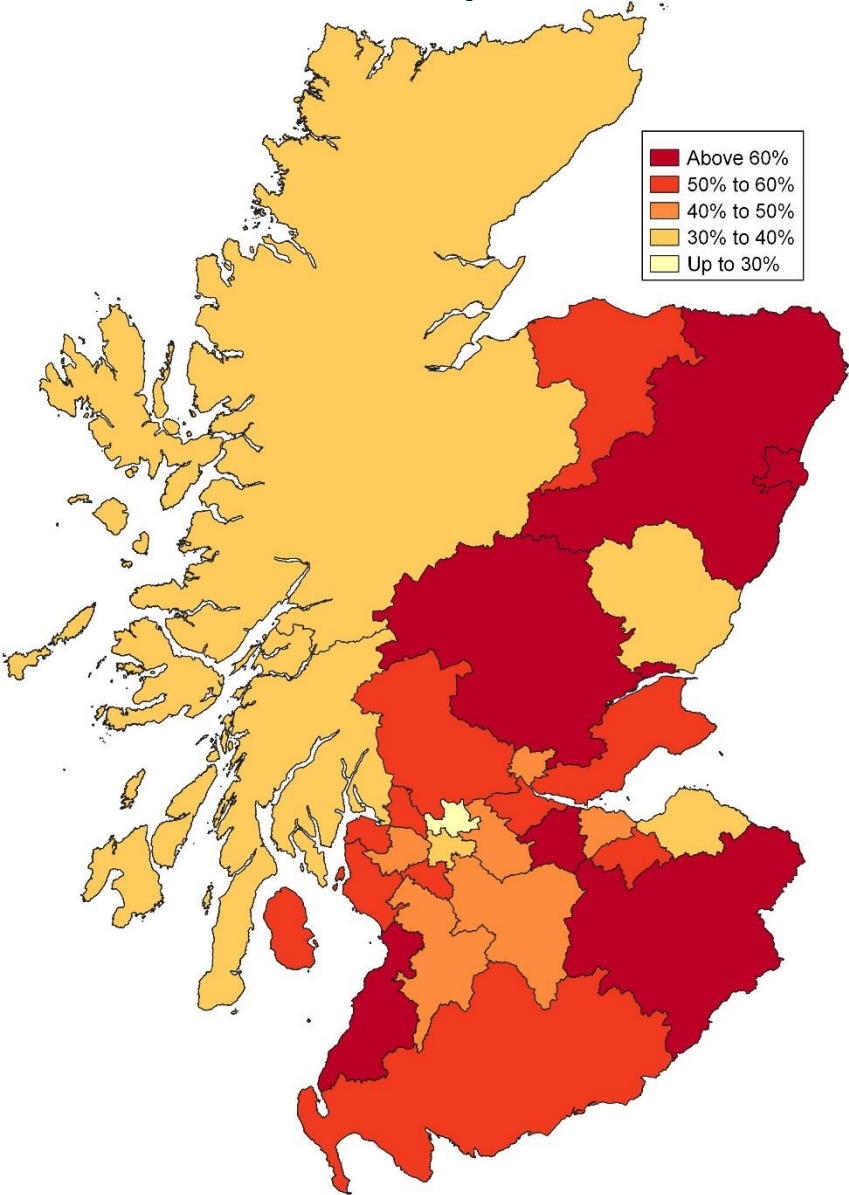
said **accessibility to Wi-Fi** had become more important

Exceptional market performance

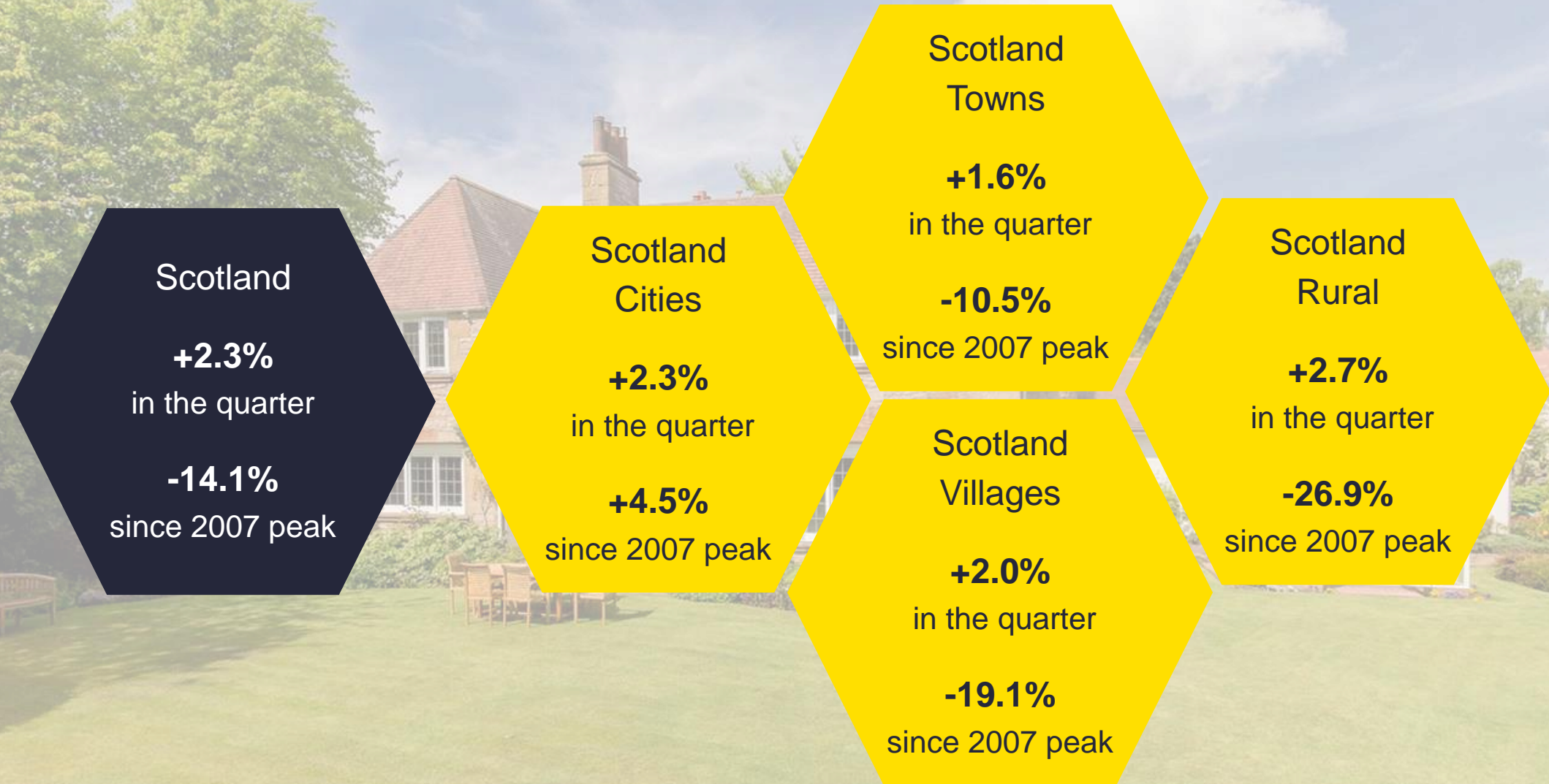
Scotland market activity between July and October 2020 compared with the same period in 2019



Sales agreed between July and October 2020
versus the same period in 2019



The impact on prime prices



New build opportunities

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Steady recovery,
mainly up to
£400,000



Supported by
policy changes
and incentives



Commitment to
moving favours
second hand market



Growing
opportunity to
attract buyers that
are missing out



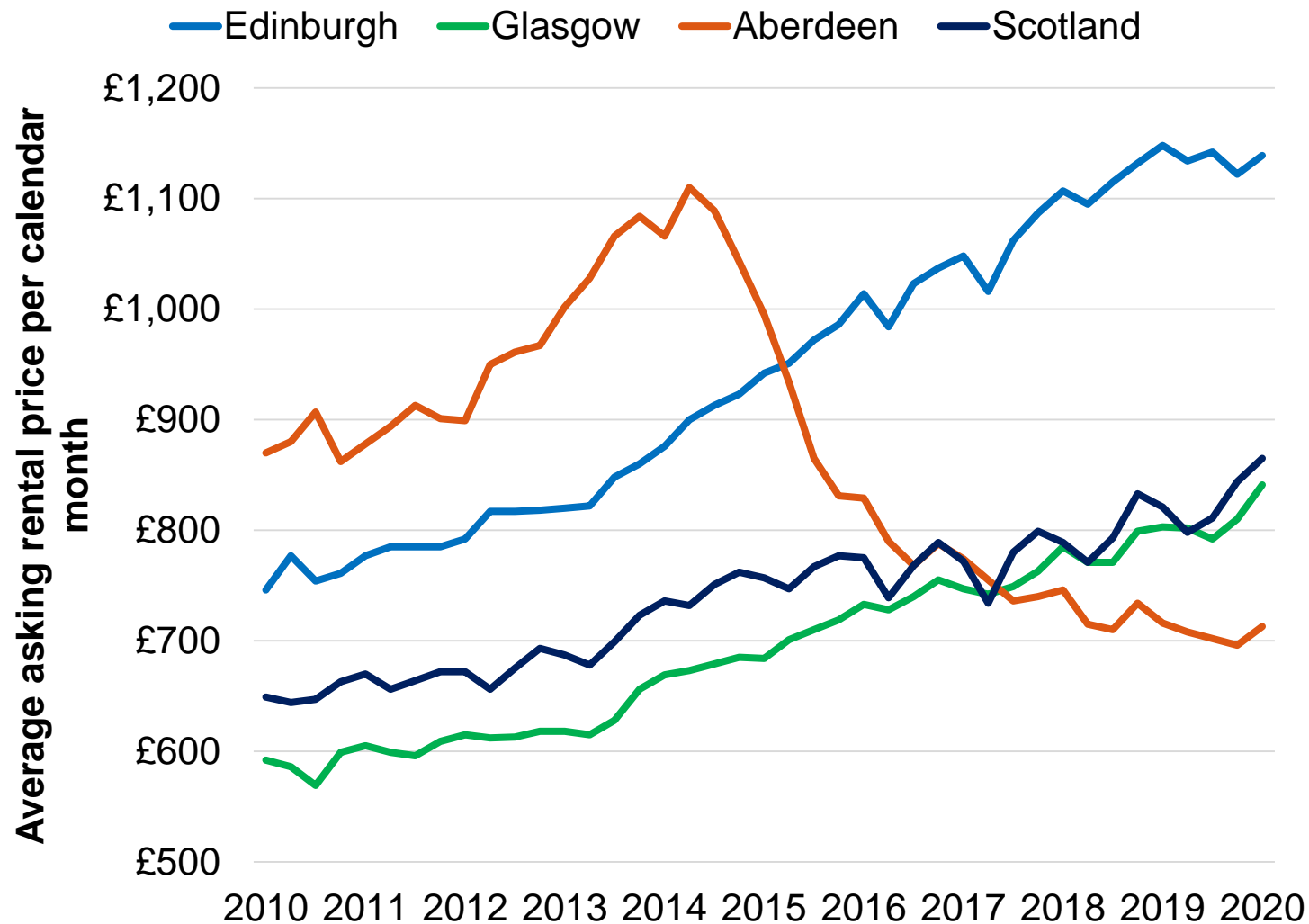
Completions
beyond 2020



Competitive
pricing remains
key





















Rental adjustments

Average rental prices per calendar month



- Price recovery led by pent-up demand and need for space
- Lockdown has affected the need and wants of tenants
- Demand for family homes
- Rise of 'try before you buy' tenants
- Economic uncertainty may put a ceiling on rental growth

Current house price forecasts

	2020	2021	2022	2023	2024	5-year compound growth
UK mainstream values	 4.0%	 0.0%	 4.0%	 6.5%	 4.5%	20.4%
UK prime regional values	 3.0%	 2.0%	 4.0%	 6.0%	 2.0%	18.1%
Scotland mainstream values	 4.0%	 0.0%	 5.5%	 8.0%	 6.0%	25.4%
Scotland prime values	 4.0%	 2.0%	 4.0%	 7.0%	 2.5%	21.0%

Source: Savills Research

N.B. These forecasts apply to average prices in the second hand market. New Build values may not move at the same rate.

Looking forward

1 Buyers and sellers will need to remain pragmatic

2 Value gap and behavioural change will underpin market growth

3 Country market revival subject to price and location

4 Suburban locations will continue to attract priced-out buyers

5 Affordability and access to green spaces driving Scottish cities

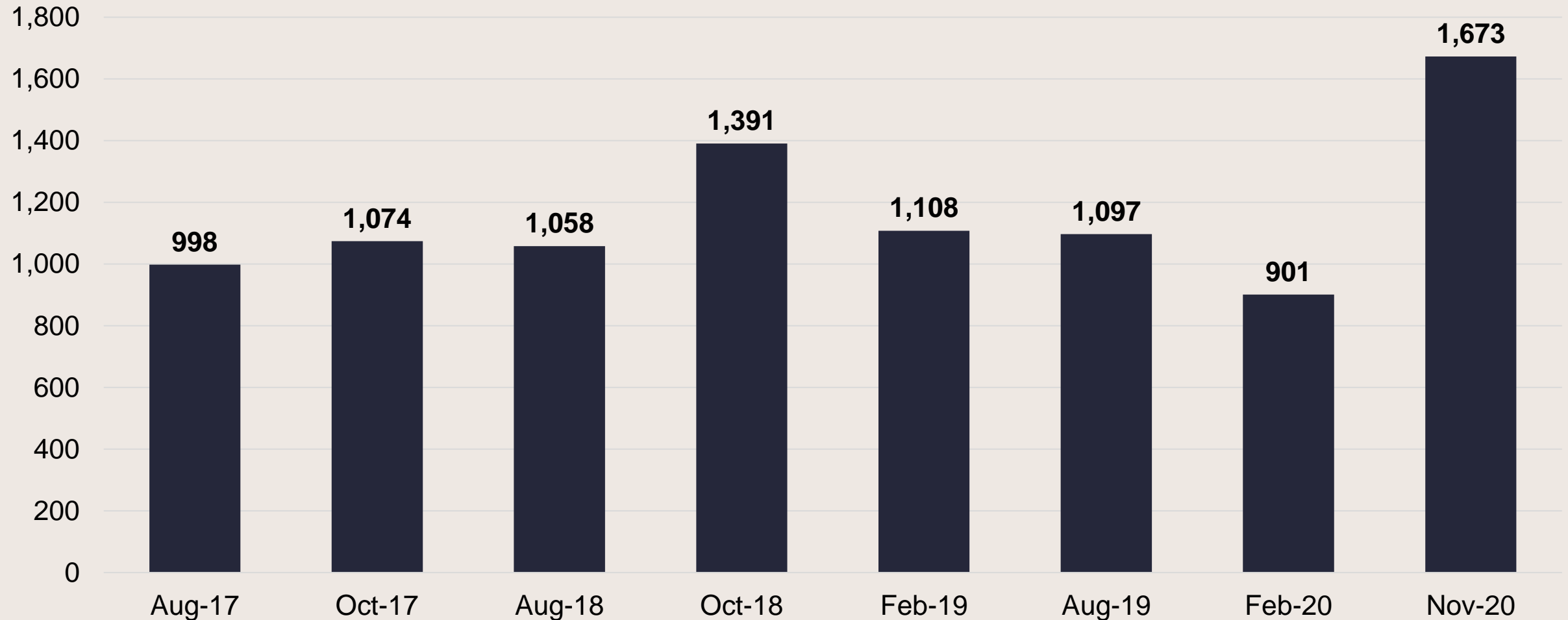
The background of the slide is a wide-angle photograph of Edinburgh Cathedral, a large Gothic-style stone building with a prominent spire, under a blue sky with scattered white clouds. In the foreground, a cobblestone street runs alongside the cathedral, lined with historic stone buildings and featuring several stone bollards. A yellow construction vehicle is visible further down the street on the right.

Local Market Update

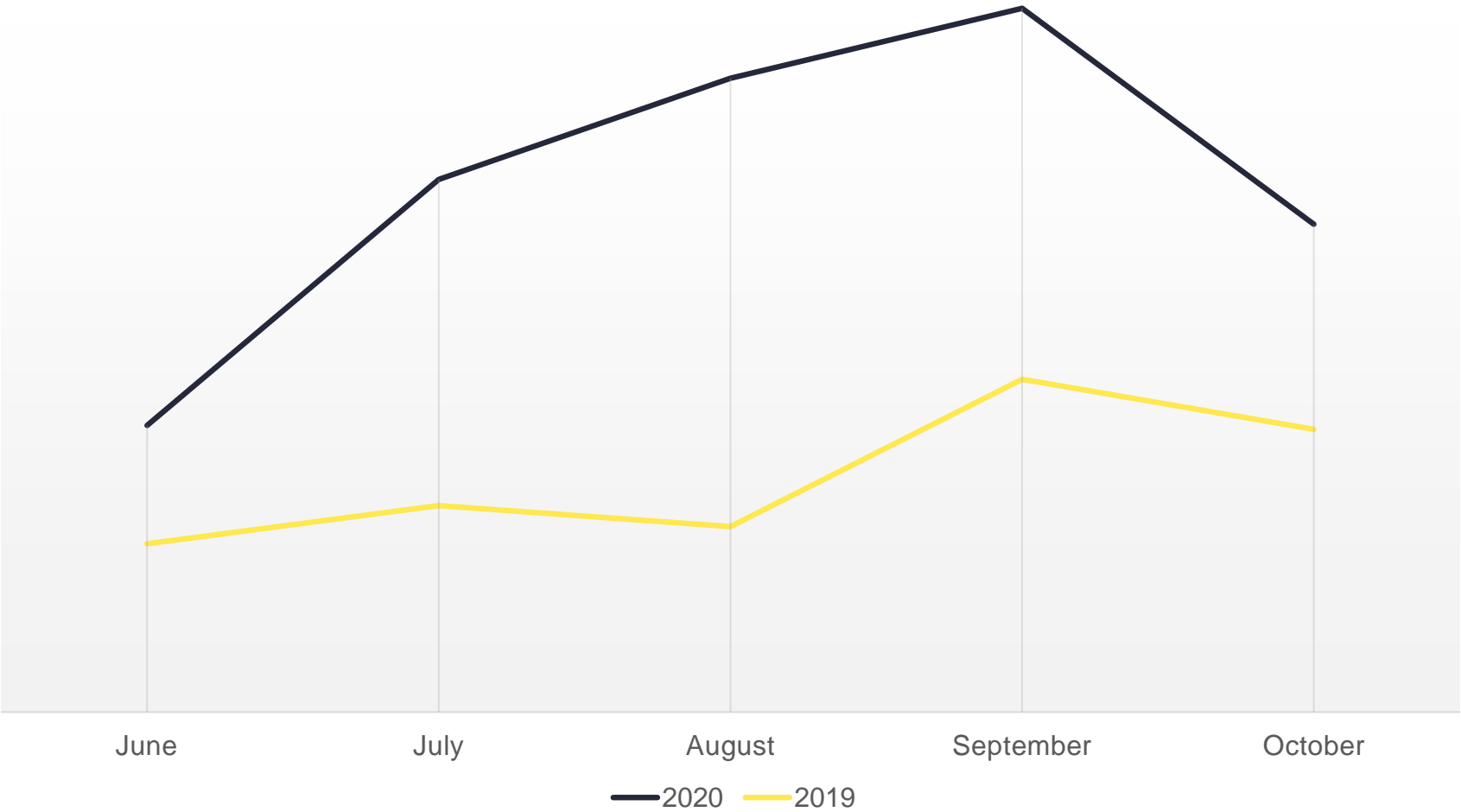
Ben Fox MRICS

Head of Edinburgh Residential

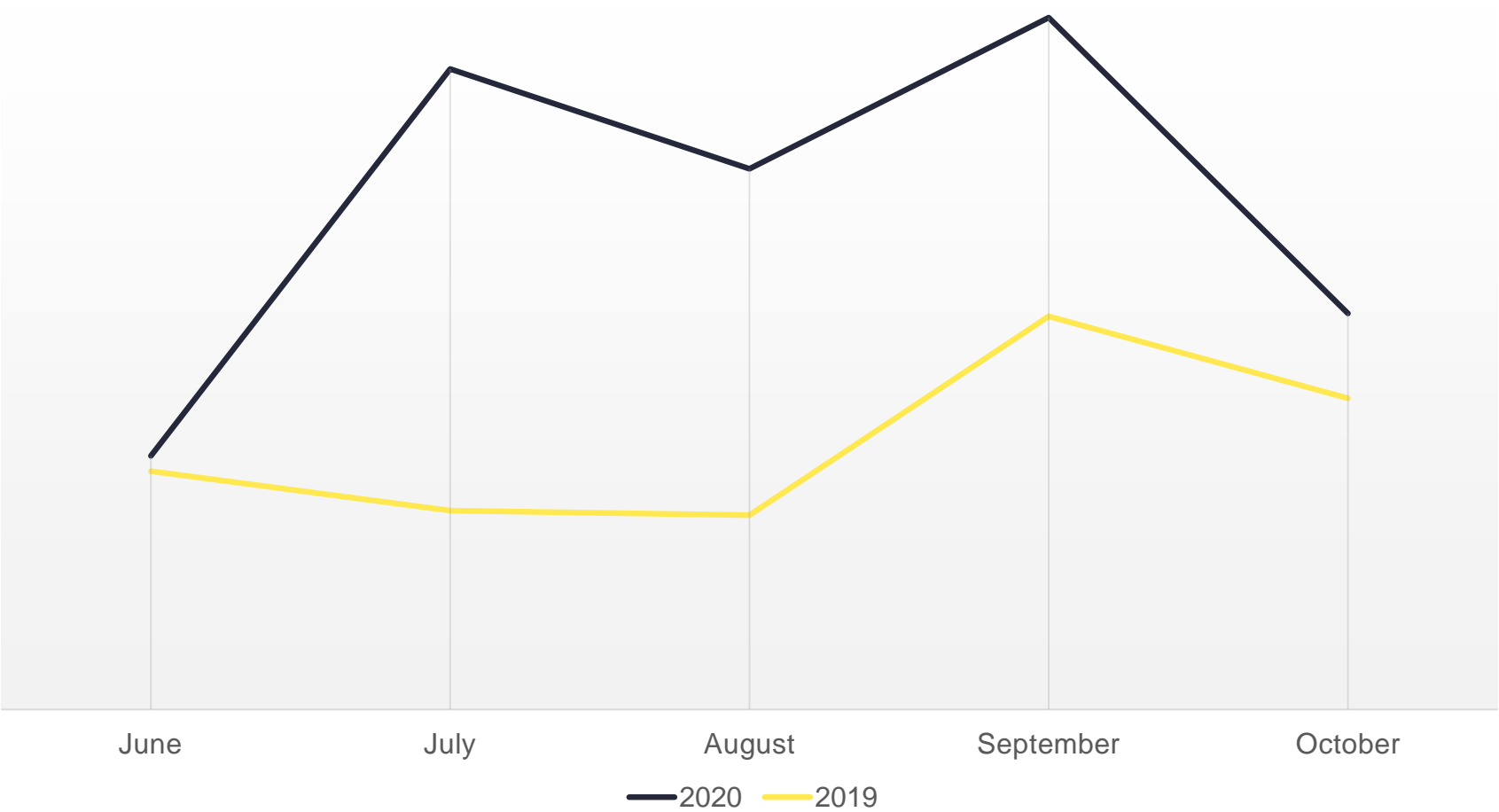
Available properties in Edinburgh on Rightmove



New Buyer Registrations

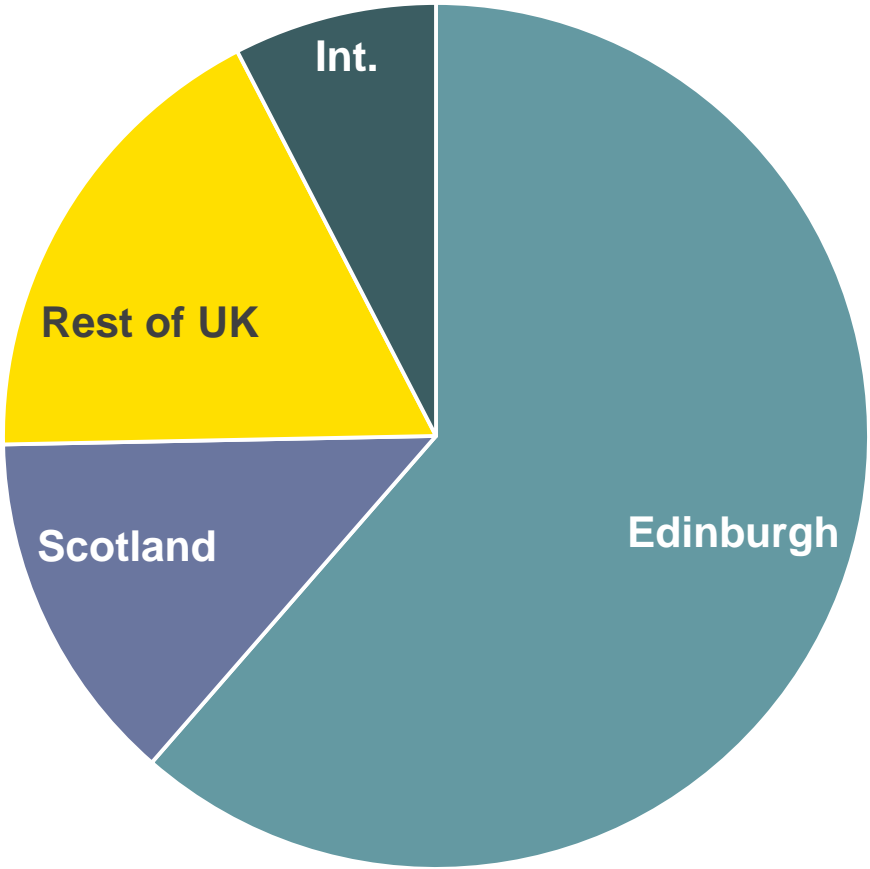


Viewings





Buyer Location



New Town

First floor drawing room flat

Price: Offers Over £645,000

PSF: £580

Buyer location: Kenya



West End

Ground and garden flat

Price: Offers Over £950,000

PSF: £520

Buyer location: Edinburgh



Inverleith

Ground and garden flat

Price: Offers Over £850,000

PSF: £495

Buyer location: Edinburgh



Morningside

End-terrace 5 bedroom house

Price: Offers Over £1.195 million

PSF: £495

Buyer location: London



Inverleith

Detached house in need of modernising

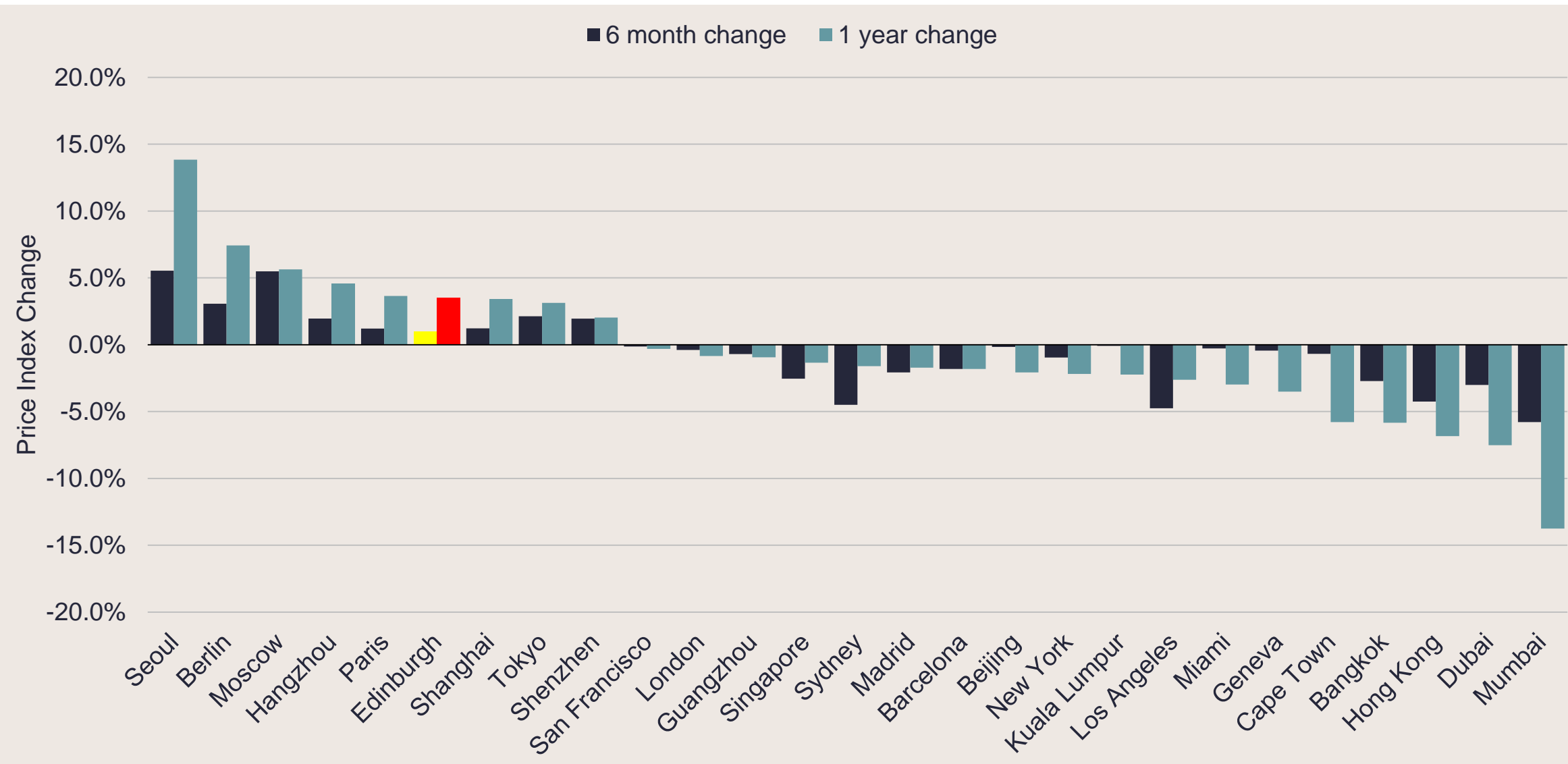
Price: Offers Over £1.7 million

PSF: £400

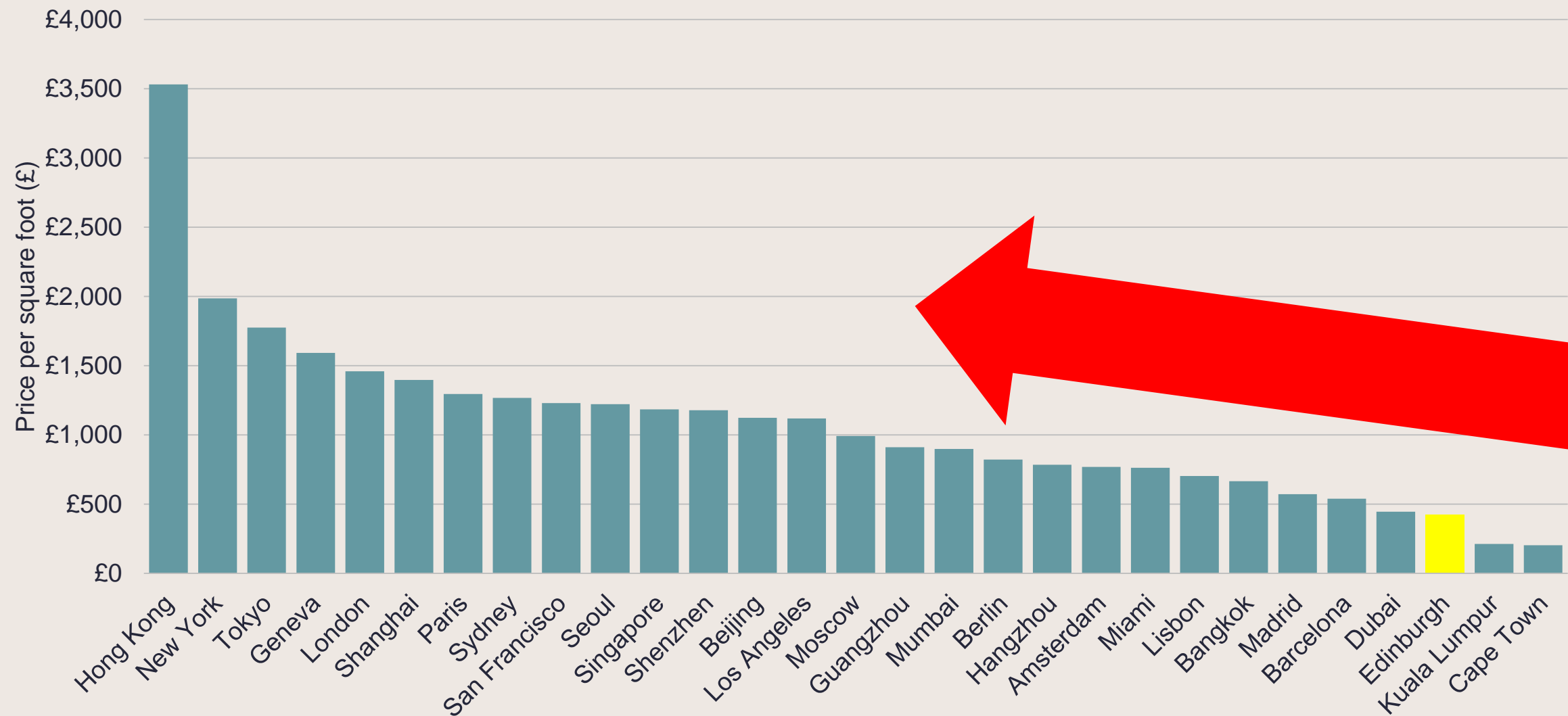
Buyer: Edinburgh



Capital value growth (June 2020)



Capital Value June 2020





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Thank you

Local Market Update

Charles McCosh

Head of Edinburgh Lettings



Edinburgh so far ...



New Tenant
registrations
+151%



Volume of
Viewings
+450%



New
tenancies
+109%



Cluny Place, Morningside

Guide Price of £2,350 pcm,
achieved in 7 days of marketing

Doune Terrace, New Town

Guide Price of £2,000pcm,
achieved in 4 days of marketing



Montgomery Street, Leith

Guide Price of £1,150pcm,
achieved in 11 days of marketing

Dundas Street, New Town

Guide Price of £1,175pcm,
achieved in 7 days of marketing



What do you get in Edinburgh for... £4,000 pcm?

Dublin Street Lane South, New Town

- Five Bedrooms
- Six Bathrooms
- 2,928 sq ft
- Private Patio Garden
- Garage and two parking spaces



Looking forward

Best in class



Stock levels



Flexibility



Pet friendly



Price is key



Registration





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Thank you

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Q&A