

Transactions at highest level for seven years

- ✓ House prices up by 3.1% in the month – largest increase since March 2015
- ✓ 22 local authorities reach record average house prices in the month – itself a record
- ✓ 29 of the 32 authorities see prices rise over month and year

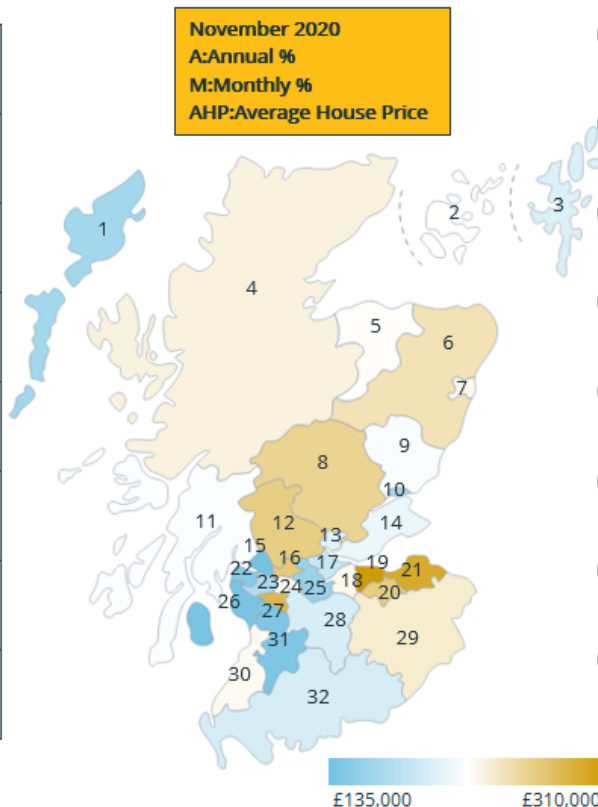
Notes:

- The *Walker Fraser Steele House Price Index (Scotland)* was formerly the *Your Move Acadata House Price Index*. Content and methodology are unchanged. Please refer to the Notes at the end for more information.
- Walker Fraser Steele is the trading name of e.surv Chartered Surveyors in Scotland.

House Price	Index	Monthly Change %	Annual Change %
£198,157	259.5	3.1	6.7

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1 Na h-Eileanan Siar A 20.3% M 14.5% AHP £150,835	2 Orkney Islands A 2.8% M 7.7% AHP £178,470
5 Moray A 5.4% M 3.1% AHP £180,495	6 Aberdeenshire A 1.9% M 2.0% AHP £215,095
9 Angus A 3.7% M 0.4% AHP £175,998	10 Dundee City A 7.6% M 0.3% AHP £152,553
13 Clackmannanshire A 10.7% M 6.8% AHP £169,456	14 Fife A 5.1% M 0.9% AHP £172,353
17 Falkirk A 6.0% M 2.7% AHP £161,835	18 West Lothian A 3.8% M 0.1% AHP £187,887
21 East Lothian A 10.7% M 4.9% AHP £286,542	22 Inverclyde A 10.1% M 13.2% AHP £142,482
25 North Lanarkshire A 5.2% M 1.5% AHP £148,158	26 North Ayrshire A 8.4% M 1.6% AHP £138,185
29 Scottish Borders A 8.5% M 3.1% AHP £202,808	30 South Ayrshire A 10.1% M -1.3% AHP £185,031



3 Shetland Islands A 10.3% M -11.2% AHP £167,687	4 Highland A 4.0% M 2.0% AHP £194,491
7 Aberdeen City A -4.9% M 4.2% AHP £186,945	8 Perth & Kinross A 14.5% M 9.0% AHP £234,008
11 Argyll & Bute A -1.0% M 3.0% AHP £176,920	12 Stirling A 11.4% M 7.4% AHP £241,289
15 West Dunbartonshire A 11.3% M -0.3% AHP £136,963	16 East Dunbartonshire A -2.4% M 2.7% AHP £246,131
19 City of Edinburgh A 7.8% M 3.8% AHP £306,793	20 Midlothian A 9.5% M 5.8% AHP £243,127
23 Renfrewshire A 4.3% M 0.1% AHP £154,535	24 Glasgow City A 14.3% M 5.0% AHP £184,234
27 East Renfrewshire A 4.2% M 1.1% AHP £269,347	28 South Lanarkshire A 0.8% M 0.1% AHP £166,240
31 East Ayrshire A 14.1% M 7.8% AHP £140,115	32 Dumfries & Galloway A 13.4% M 2.5% AHP £165,722

Table 1. Average House Prices in Scotland for the period November 2019 – November 2020
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
November	2019	£185,723	243.2	0.7	1.5
December	2019	£186,256	243.9	0.3	2.3
January	2020	£186,596	244.4	0.2	2.7
February	2020	£186,691	244.5	0.1	3.2
March	2020	£186,203	243.9	-0.3	2.0
April	2020	£185,633	243.1	-0.3	1.2
May	2020	£184,428	241.5	-0.6	0.1
June	2020	£186,610	244.4	1.2	1.1
July	2020	£187,635	245.7	0.5	1.8
August	2020	£188,397	246.7	0.4	2.6
September	2020	£188,560	247.0	0.1	2.5
October	2020	£192,291	251.8	2.0	4.3
November	2020	£198,157	259.5	3.1	6.7

Note: The Walker Fraser Steele House Price Index (Scotland) provides the “average of all prices paid for houses”, including those made with cash.

Alan Penman, business development manager at Walker Fraser Steele, comments:

“Rising house prices showed no sign of slowing down in November, with the average house price in Scotland up by 3.1% - the largest monthly increase since March 2015. The growth was felt across the board, with 29 of the 32 (91%) local authority areas seeing month-on-month price increases.

“Additionally, transactions numbers remain strong, with our data showing that October volumes surpassed the monthly totals of the previous six years. The busy market reflects an increase in the demand for homes and confirms widespread price growth, rather than for a small number of purchases at the top end of the market.

“Despite the monthly growth, the activity pause in the first lockdown caused overall transaction numbers from January to October 2020 to be down 27% from the same period last year.”

Commentary: John Tindale, Acadata Senior Housing Analyst

The November housing market

The November monthly statistics from the Registers of Scotland (RoS) have recently been published and have proven to be somewhat remarkable. The average house price in Scotland has continued to climb at a pace, while transactions (in October) exceeded the monthly levels achieved over the last seven years.

In November, the two major cities of Glasgow and Edinburgh have both experienced rising monthly price growth of 5.0% and 3.8% respectively, which accounts for nearly 40% of the monthly rise in Scotland's house price growth of £5,866, or 3.1%. But at the same time, there has been an almost country-wide increase in demand for mid- to higher-priced properties, which has resulted in 29 of the 32 Local Authority areas recording price increases over the last month, as well as the last twelve months.

Indeed, Scotland's monthly price increase of 3.1% in November is the highest recorded rate since March 2015, which was the month prior to the introduction of the pre-announced Land and Buildings Transaction Tax - replacing the former UK wide Stamp Duty Land Tax - with higher rates of tax being charged on properties having a value greater than £254k.

The LBTT tax, or the temporary holiday for some from having to pay it, is similarly having an effect on the behaviour of the current market. The LBTT used to start at £145,000, at a rate of 2%, but currently with the 'holiday' it now starts at £250,000, hence saving the purchaser up to £2,100 in tax. Monthly transactions have increased by an overall 42% since the introduction of the LBTT holiday in July, although part of this increase is to do with seasonal factors. Within this overall increase, the price range from £145,000 to £250,000 has seen a 45% increase in the number of properties sold. But the highest increase in market share, subsequent to the introduction of the LBTT holiday, has occurred in the price range from £250,000 to £350,000, with a 64% increase in transactions in this particular sector.

As well as the LBTT holiday there are two other main factors driving the market to its current record levels:-

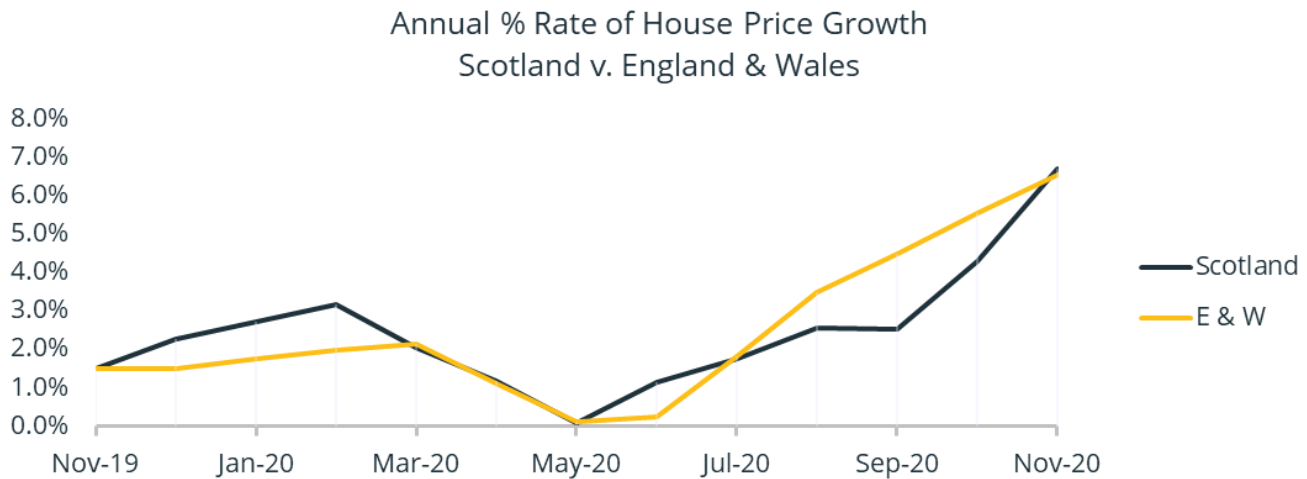
i) "Lifestyle changes", and the lockdown. During the first phase of the pandemic, all who could were instructed to work from home, which led many to the realisation that with modern communications this could become a potentially permanent feature. Hence for some it was no longer necessary to be within commuting distance of a city. Features of the 'ideal' property changed to include homes with study areas, gardens, and proximity to open and possibly less crowded spaces. An appetite for larger homes had thus been created.

The up-market estate agents in London were also reporting that a number of their clients were preparing to move away from the Capital, with many selecting Scotland as their preferred destination.

ii) "Low Interest rates". Interest rates are currently close to an historic low. This has a two-fold effect on the demand for housing. Firstly, the long-term cost of owning a property is reduced, with interest payments being less of an outgoing for a given price. Secondly, because the interest earned on spare cash is minimal, there are many who are tempted to purchase a property as a 'buy-to-let' investment opportunity, as the rental yield is currently higher than leaving the cash in the bank.

All of these factors are then reflected in Figure 1 below, which shows an initial fall in the rate of annual house price growth during the first lockdown from March to May 2020, followed by a release of pent-up demand, as the housing market re-opened in June 2020.

Figure 1. The annual % rate of House Price Growth in Scotland and England and Wales, for the period November 2019 to November 2020 ([Link to source Excel](#))



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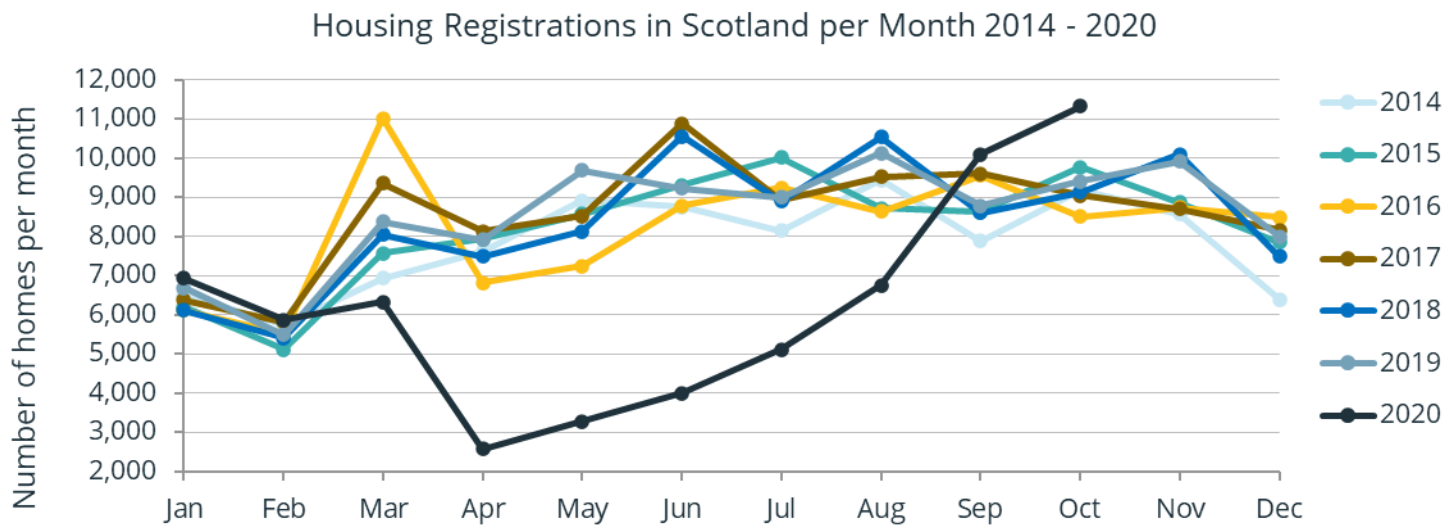
Transactions analysis

Monthly transaction counts

Figure 2 below shows the monthly transaction count for purchases during the period January 2014 to October 2020, based on RoS (Registers of Scotland) figures for the Date of Entry. The fall in the number of transactions for the period April 2020 to August 2020 is clearly visible. However, as the graph shows, the number of sales in October 2020 has surpassed all the monthly totals of the previous six years. We anticipate that the November 2020 total will similarly match or exceed the previous year's figures. The number of transactions in October indicates a widespread increase in the demand for homes, and shows that the market is not only being powered by a small number of purchases at the top end of the market.

Comparing the first ten months of 2020 with the same period in 2019, Scotland's 2020 sales are running at 73% of their 2019 total. The equivalent figure for England and Wales combined for the same period shows that sales are running at 52% of the 2019 totals.

Figure 2. The number of sales per month recorded by Registers of Scotland based on entry date, for the period 2014 - 2020 (Source: Registers of Scotland.) ([Link to source Excel](#))



Edinburgh transactions of £750k or higher

Table 2. The number of transactions by month in Edinburgh greater than or equal to £750k, January 2016 - November 2020 ([Link to source Excel](#))

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2016	11	12	25	20	12	28	19	25	27	31	15	13	238
2017	6	6	13	15	16	20	35	43	24	22	22	23	245
2018	18	33	16	11	12	23	27	37	44	35	33	20	309
2019	24	12	23	20	38	32	37	32	36	28	32	27	341
2020	29	17	17	11	9	19	20	19	33	49	27	-	250

Table 2 shows the number of transactions per month in Edinburgh which are equal to or greater than £750k. The threshold of £750k has been selected as it is the breakpoint at which the highest rate of LBTT becomes payable. Table 2 shows that the number of such sales from January to November 2020 totals 250. The equivalent number of sales for the first eleven months of 2019 is 314, i.e. there has been a reduction of 20% in high-value transactions. It can be noted that October 2020 was the first month since the first 'lockdown' in March 2020 when the 2020 figure is larger than the 2019 monthly total. We anticipate that the November 2020 total will match that of the month in the previous year as further data emerge from RoS.

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Local Authority Analysis

Table 3. Average House Prices in Scotland, by local authority area, comparing October 2019 and September 2020 with October 2020 ([Link to source Excel](#))

	Rank By Price	Local Authority Area	Nov-19	Oct-20	Nov-20	Month % Change	Annual % Change
1	1	City of Edinburgh	£284,573	£295,493	£306,793	3.8%	7.8%
2	2	East Lothian	£258,880	£273,274	£286,542	4.9%	10.7%
3	3	East Renfrewshire	£258,452	£266,520	£269,347	1.1%	4.2%
4	4	East Dunbartonshire	£252,090	£239,664	£246,131	2.7%	-2.4%
5	5	Midlothian	£222,119	£229,707	£243,127	5.8%	9.5%
6	6	Stirling	£216,539	£224,704	£241,289	7.4%	11.4%
8	7	Perth and Kinross	£204,303	£214,755	£234,008	9.0%	14.5%
7	8	Aberdeenshire	£211,184	£210,959	£215,095	2.0%	1.9%
11	9	Scottish Borders	£186,847	£196,724	£202,808	3.1%	8.5%
10	10	Highland	£187,091	£190,589	£194,491	2.0%	4.0%
12	11	West Lothian	£181,065	£187,628	£187,887	0.1%	3.8%
9	12	Aberdeen City	£196,488	£179,410	£186,945	4.2%	-4.9%
17	13	South Ayrshire	£168,058	£187,529	£185,031	-1.3%	10.1%
20	14	Glasgow City	£161,184	£175,439	£184,234	5.0%	14.3%
15	15	Moray	£171,302	£174,987	£180,495	3.1%	5.4%
14	16	Orkney Islands	£173,612	£165,729	£178,470	7.7%	2.8%
13	17	Argyll and Bute	£178,622	£171,739	£176,920	3.0%	-1.0%
16	18	Angus	£169,783	£175,278	£175,998	0.4%	3.7%
19	19	Fife	£163,947	£170,880	£172,353	0.9%	5.1%
21	20	Clackmannanshire	£153,013	£158,679	£169,456	6.8%	10.7%
23	21	Shetland Islands	£152,050	£188,884	£167,687	-11.2%	10.3%
18	22	South Lanarkshire	£164,888	£166,085	£166,240	0.1%	0.8%
25	23	Dumfries and Galloway	£146,125	£161,720	£165,722	2.5%	13.4%
22	24	Falkirk	£152,625	£157,534	£161,835	2.7%	6.0%
24	25	Renfrewshire	£148,208	£154,388	£154,535	0.1%	4.3%
26	26	Dundee City	£141,760	£152,037	£152,553	0.3%	7.6%
30	27	Na h-Eileanan Siar	£125,431	£131,788	£150,835	14.5%	20.3%
27	28	North Lanarkshire	£140,806	£145,991	£148,158	1.5%	5.2%
28	29	Inverclyde	£129,465	£125,839	£142,482	13.2%	10.1%
32	30	East Ayrshire	£122,853	£129,938	£140,115	7.8%	14.1%
29	31	North Ayrshire	£127,481	£135,955	£138,185	1.6%	8.4%
31	32	West Dunbartonshire	£123,104	£137,308	£136,963	-0.3%	11.3%
All Scotland			£185,723	£192,291	£198,157	3.1%	6.7%

Table 3 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for November 2019 and October and November 2020, calculated on a seasonal- and mix-adjusted basis.

Annual change

The average house price in Scotland at the end of November has increased by some £12,425, or 6.7%, over the last twelve months. This annual rate is +2.4% higher than the revised rate of 4.3% seen in October 2020. In November, 29 of the 32 local authority areas in Scotland have seen house prices rise over the year, which is up by 3 on the number seen in October 2020.

In November 2020, the highest annual increase in prices of the 32 local authority areas occurred in Na h-Eileanan Siar at 20.3%: however, areas which have low transaction numbers tend to have volatile movements in their average house prices, particularly when expressed in percentage terms. Na h-Eileanan Siar is a case in point - here only 15 transactions have taken place in November. Perth and Kinross is in second place, with a price increase over the last twelve months of 14.5%.

Sales in Perth and Kinross in November included the area's two most expensive detached properties of the calendar year, the first being a splendid home near to Acharn, with waterside access to Loch Tay, purchased for £1.9 million, with one of its many features specifically mentioned in the brochure as being "superfast broadband", and the second having 5 bedrooms, a swimming pool, games room and home cinema, located close to Perth, which sold for £1.4 million.

In November, on a weight-adjusted basis - which takes into account both the percentage change in prices and the number of properties sold - the cities of Glasgow and Edinburgh collectively accounted for 40% of the uplift of £12,425 in Scotland's average house price over the last twelve months. Indeed, if we add Perth and Kinross and East Lothian to these two cities, then we have explained 52% of the increase in prices that has taken place at the national level over the last year.

In both Glasgow and Edinburgh, it is the price of flats that has had the largest influence on prices over the last twelve months, with Glasgow flats up from an average £141k in November 2019 to an average £161k this November, while in Edinburgh the equivalent figures are up from £252k to £270k.

In East Lothian, all property types have seen an increase in prices over the year, with detached homes having the highest increase in prices, while terraced properties and flats vie for second place. Semi-detached homes have had the lowest increase in prices over the year, at an average increase of just £330. The statistics for properties in East Lothian in November include the purchase of the third most expensive detached home of the calendar year for £1.3 million. The property is located in Gullane, overlooking the Firth of Forth. The nearest station to Gullane is Drem, with a 30-minute commute to Edinburgh Waverley Station.

Monthly change

In November 2020, average house prices in Scotland have risen by some £5,865, or +3.1%, from their level in October, and now stand at £198,157. The November 2020 average house price sets another record level for Scotland, for the sixth month in succession.

In November, 29 local area authorities saw prices rise in the month, with just 3 seeing price falls. This was an increase of four local authorities having a positive movement in house prices, compared to October.

The area on the mainland with the highest increase in prices in the month was Inverclyde, up by 13.2%. Inverclyde's housing statistics for November include the sale of the highest-priced detached and semi-detached homes of the calendar year, for £1.3 million and £500k respectively. By coincidence, both of these properties happen to be located on the same street, being the Bridge of Weir Road in Kilmacolm: however, this is quite a long road, so the homes are not in fact neighbouring properties. Kilmacolm is located approximately 15 miles to the West North-West of Glasgow. It used to have a railway station, but the line was closed in 1983. Following this closure, the nearest main station to Kilmacolm is Port Glasgow, with a 30-minute commute to Glasgow Central, but Port Glasgow is 4 miles distant, so most commuters use the M8 motorway which is only 6 miles away, again with a 30-minute drive into Glasgow.

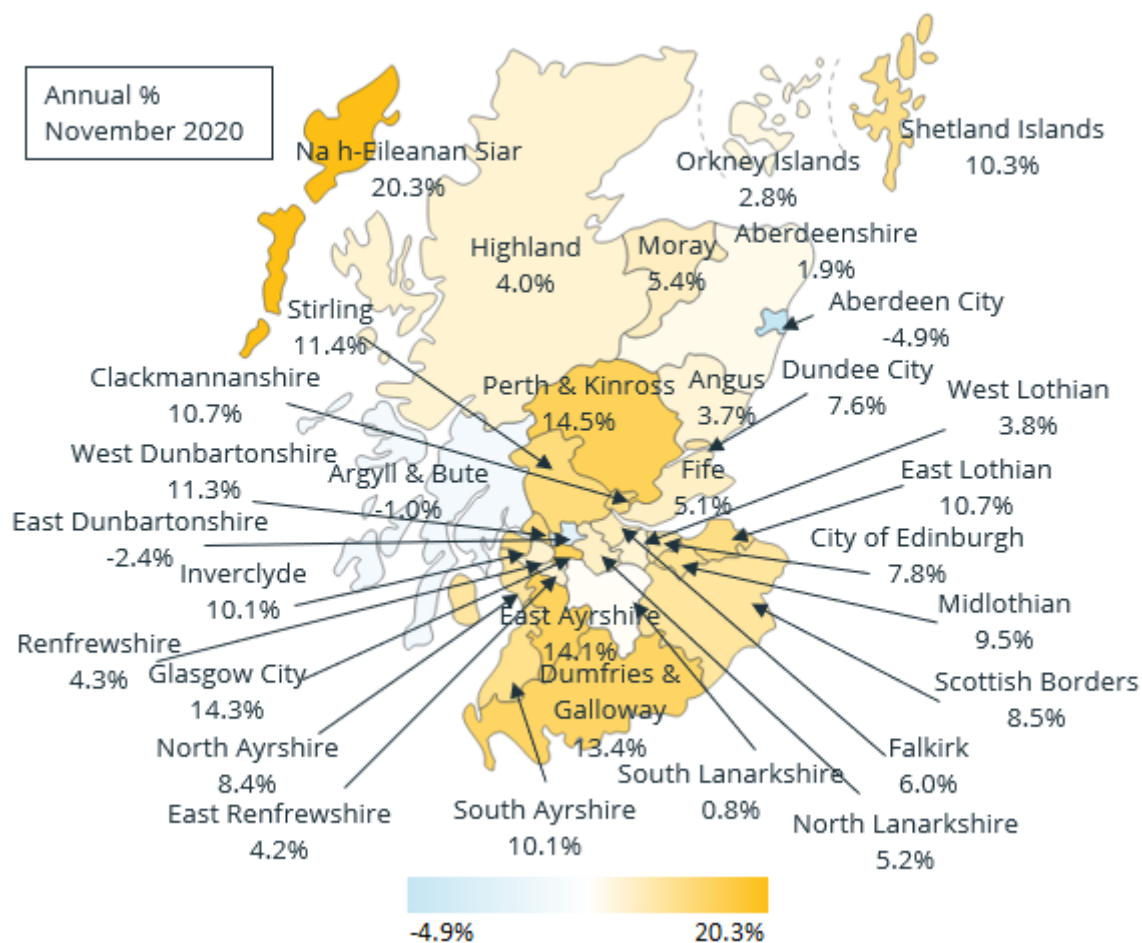
Peak Prices

Each month, in Table 3 above, we highlight in light blue the local authority areas which have reached a new record in their average house prices. In November there are 21 such authorities, up from 13 in October. This is the highest number of local authorities with record prices in a month since January 2005, at the commencement of our database.

As we noted last month, it is perhaps not so surprising that so many authorities are currently witnessing their highest-ever average prices for properties purchased in a month. At the end of 2019, Scotland had reached a new high in its average house prices, and subsequently there has been considerable competition from buyers to purchase the largest homes on the market, which need to have space available for a home office, plus recreational areas outdoors. The strength of demand for such premises keeps their prices high.

Heat Map

The heat map below shows the annual rate of house price growth for the 12 months ending November 2020.



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Comparisons with Scotland

Figure 3. Scotland house prices, compared with England and Wales, Wales, North East and North West for the period January 2005–November 2020 ([Link to source Excel](#))

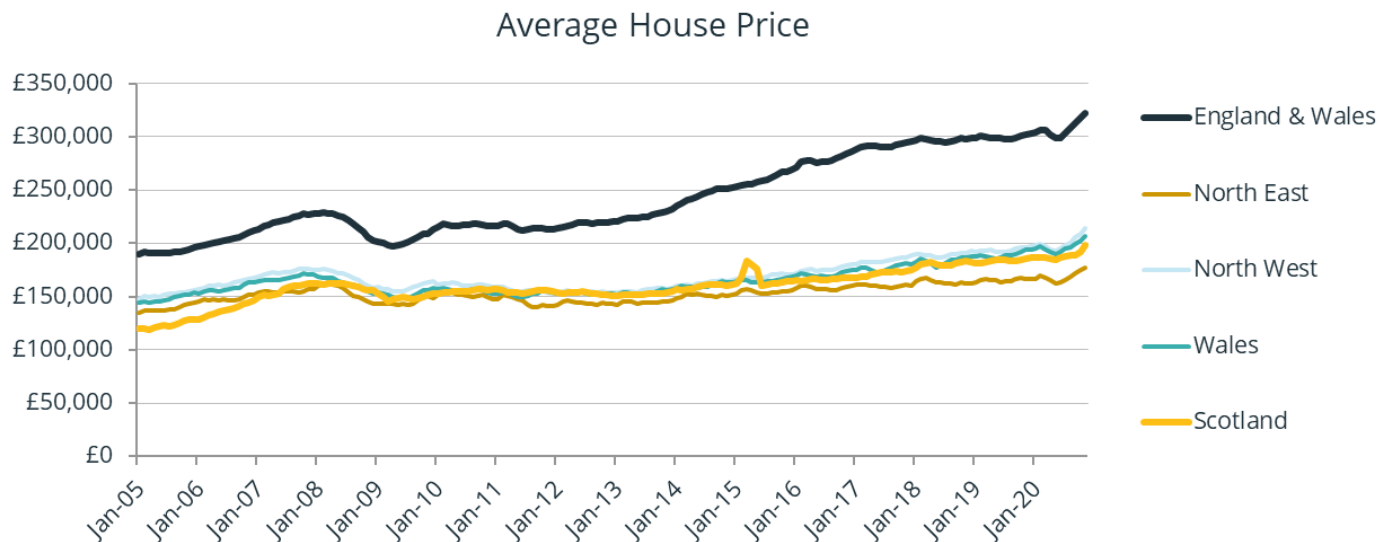
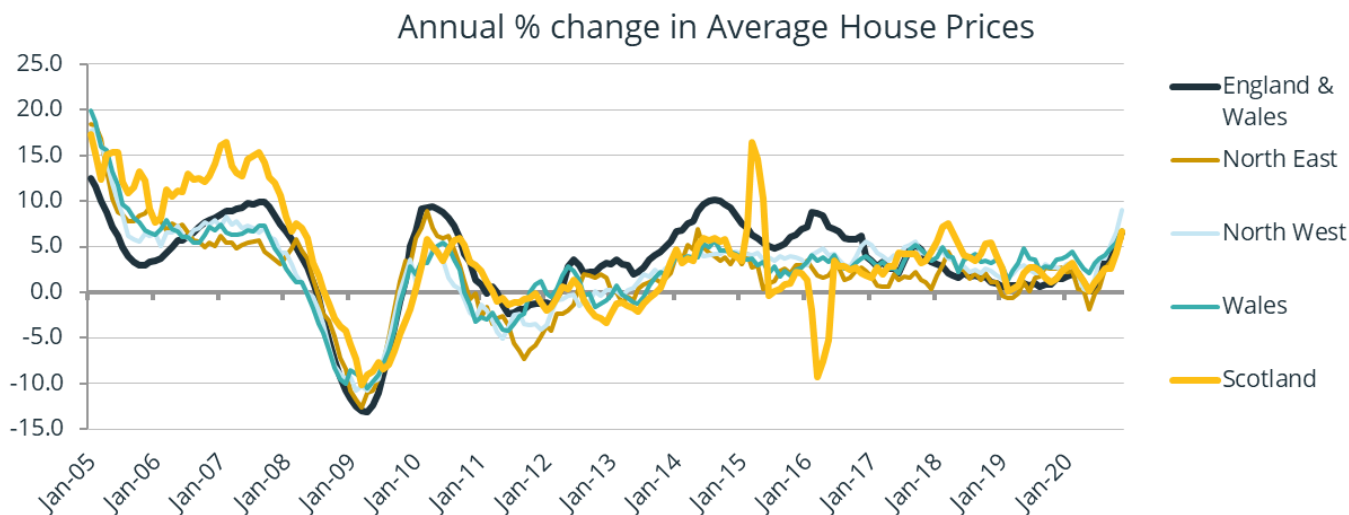


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005–November 2020 ([Link to source Excel](#))



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Scotland's Seven Cities

Figure 5. Average house prices for Scotland's seven cities from September 2019–November 2020 ([Link to source Excel](#))

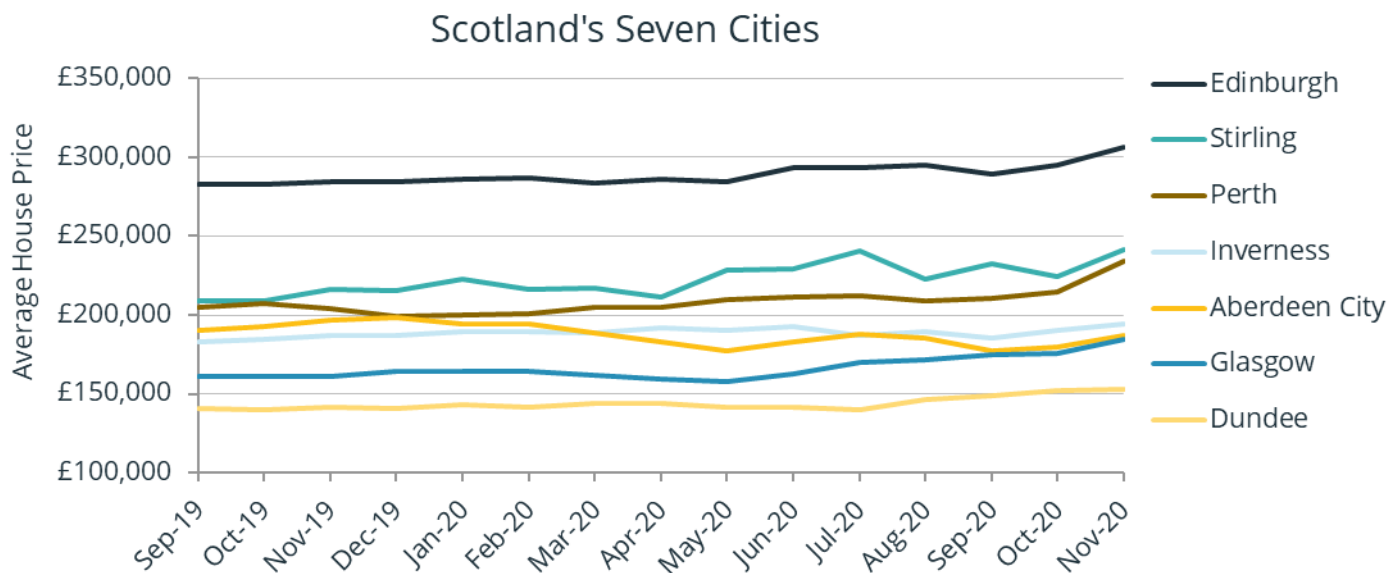
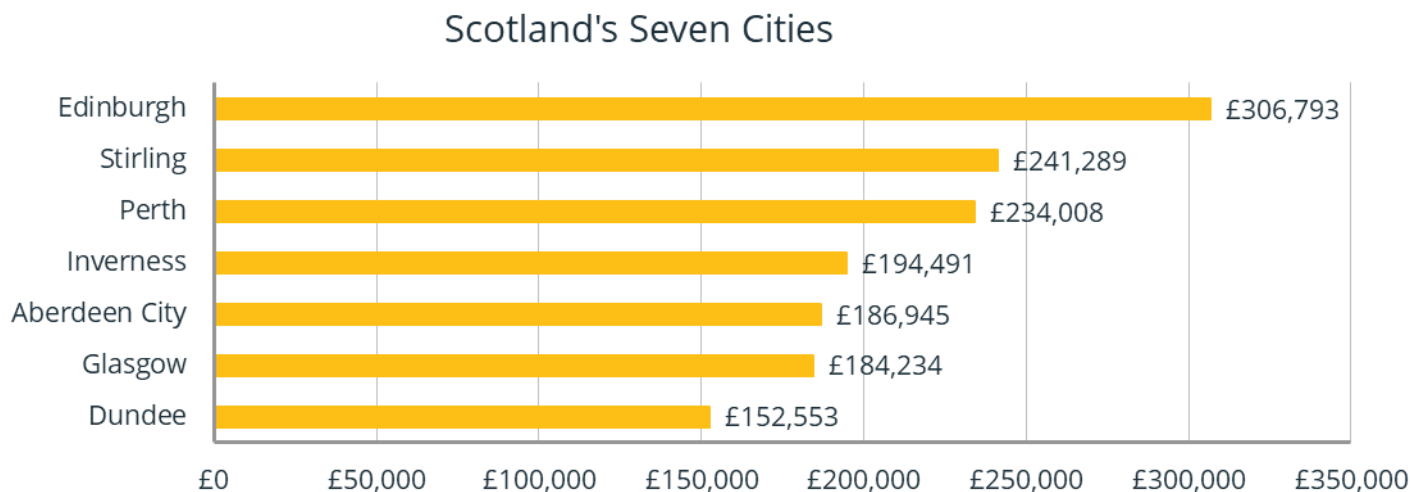


Figure 6. Average house prices for Scotland's seven cities November 2020 ([Link to source Excel](#))



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Notes

The *Walker Fraser Steele House Price Index* was formerly the *Your Move Acadata House Price Index* and is produced by Acadata. Content and methodology are unchanged.

1. The Walker Fraser Steele HPI (Scotland) is a price series as opposed to a value series and uses:
 - the actual prices at which every residential property in Scotland was transacted, including prices for properties bought with cash, using the data provided by Registers of Scotland as opposed to valuation estimates or asking prices
 - the price of every single relevant transaction, as opposed to prices based upon samples
2. The current month Walker Fraser Steele HPI (Scotland) is not forecast, unlike the e.surv HPI (England and Wales) but is based on achieved prices. The first release of the Scotland results lag the first release of those for England and Wales by one month, as the former index does not use estimates of market prices.
3. While the Walker Fraser Steele HPI (Scotland), like the e.surv HPI (England and Wales), comprises a smoothed average of three months' prices, the Walker Fraser Steele HPI (Scotland) average reflects the average price at the month of the index and the prior two months' prices and is ascribed to the month of the index i.e. it is "end month smoothed" (ems) and not "centre month smoothed" (cms) as applied to the e.surv HPI (England and Wales). Since we provide only a national England and Wales average price in our current month e.surv HPI (England and Wales) and prices at region and lower levels are lagged one month, this procedure means that the Walker Fraser Steele HPI (Scotland) prices are contemporaneous with the prices published for the equivalent month for England and Wales and the regions. All Walker Fraser Steele HPI (Scotland) results are subject to change following receipt of updated data from Registers of Scotland.
4. The Acadata website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.
5. Walker Fraser Steele HPI (Scotland) may not be used for commercial purposes without written permission from Acadata. Specifically it may not be used to measure the performance of investments or to determine the price at which investments may be bought or sold or for collateral valuation concerning which enquiries should be directed to MIAC Acadametrics.
6. Acadata is an independent privately owned consultancy specialising in house price data. Our associated company MIAC Acadametrics Limited is an independent asset valuation service provider, specialising in behavioural modelling, stress testing and collateral valuation for the financial services industry

For further footnotes and a description of the methodology used in the Walker Fraser Steele HPI (Scotland) please click [here](#).

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About Walker Fraser Steele

Walker Fraser Steele is one of the longest established Chartered Surveyor brands in Scotland. We're proud of our Scottish heritage and reputation, which has allowed us to stay at the forefront of the residential property market in Scotland for well over a century.

In June 2013, the business joined forces with [e.surv Chartered Surveyors](#) (part of [LSL Property Services plc](#)). e.surv is the UK's leading provider of residential valuation and surveying services and brings technical expertise and award-winning know-how to complement our in-depth knowledge of local markets. This is a unique formula that adds huge value for our clients and customers.

We provide Home Reports, Mortgage Valuations and Energy Reports to Scottish homeowners, and valuations and property risk advice to a large proportion of UK lenders.

For further information, please visit our website: www.walkerfrasersteele.co.uk

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