

Annual price growth reaches 9.6%

- ✓ Monthly sales volumes exceed those of the last six years
- ✓ 30 of the 32 local authority areas have seen prices increase over the last twelve months
- ✓ Average prices in Glasgow now exceed Aberdeen

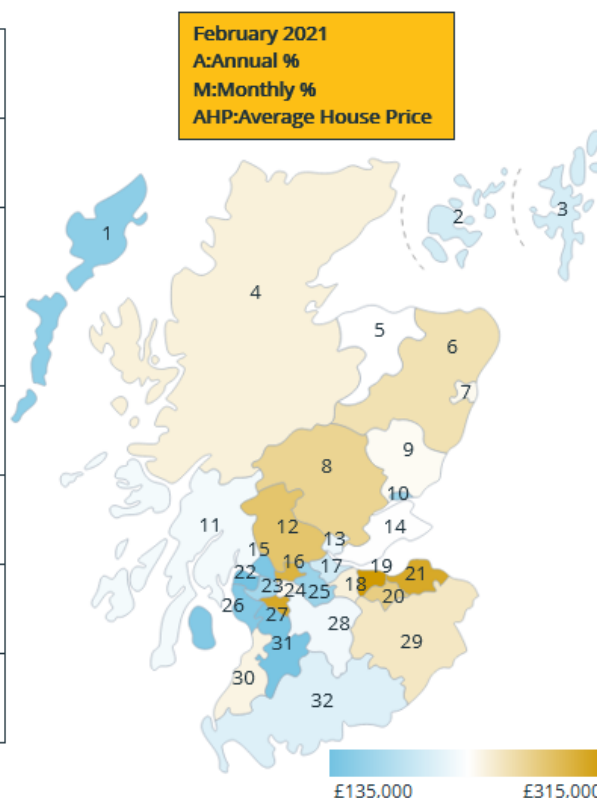
Notes:

- The *Walker Fraser Steele Acadata House Price Index (Scotland)* was formerly named 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 %
£204,782	268.2	1.1	9.6

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1 Na h-Eileanan Siar A 11.0% M -5.8% AHP £145,895	2 Orkney Islands A 9.2% M 0.1% AHP £168,298
5 Moray A 7.4% M 1.0% AHP £182,677	6 Aberdeenshire A 9.3% M 1.2% AHP £221,412
9 Angus A 13.7% M 4.3% AHP £188,553	10 Dundee City A 7.1% M -0.4% AHP £150,722
13 Clackmannanshire A 15.3% M 6.8% AHP £176,787	14 Fife A 9.5% M 1.4% AHP £182,238
17 Falkirk A 6.2% M 0.4% AHP £168,134	18 West Lothian A 13.4% M 1.7% AHP £201,587
21 East Lothian A 12.6% M -0.2% AHP £291,368	22 Inverclyde A 9.9% M -3.2% AHP £137,612
25 North Lanarkshire A 4.5% M 0.6% AHP £149,922	26 North Ayrshire A 9.3% M -0.2% AHP £142,500
29 Scottish Borders A 12.2% M 1.1% AHP £213,270	30 South Ayrshire A 22.5% M 3.3% AHP £196,773



3 Shetland Islands A 9.7% M 3.7% AHP £169,068	4 Highland A 6.2% M 0.8% AHP £201,183
7 Aberdeen City A -1.8% M -2.1% AHP £190,895	8 Perth & Kinross A 18.6% M 2.5% AHP £237,904
11 Argyll & Bute A 4.9% M -4.8% AHP £178,743	12 Stirling A 18.8% M 5.8% AHP £256,923
15 West Dunbartonshire A 8.0% M 0.7% AHP £140,852	16 East Dunbartonshire A -2.6% M 3.9% AHP £278,590
19 City of Edinburgh A 8.1% M 1.1% AHP £310,357	20 Midlothian A 6.4% M 1.6% AHP £246,048
23 Renfrewshire A 2.9% M -2.8% AHP £153,340	24 Glasgow City A 16.5% M 1.7% AHP £191,396
27 East Renfrewshire A 10.3% M -0.9% AHP £291,960	28 South Lanarkshire A 11.0% M 4.0% AHP £178,528
31 East Ayrshire A 14.5% M 0.8% AHP £139,270	32 Dumfries & Galloway A 13.1% M 0.9% AHP £171,809

Table 1. Average House Prices in Scotland for the period February 2020 – February 2021
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
February	2020	£186,816	244.7	0.1	3.3
March	2020	£186,231	243.9	-0.3	2.1
April	2020	£185,625	243.1	-0.3	1.2
May	2020	£184,404	241.5	-0.7	0.1
June	2020	£186,631	244.4	1.2	1.1
July	2020	£187,609	245.7	0.5	1.7
August	2020	£188,290	246.6	0.4	2.5
September	2020	£188,245	246.5	0.0	2.4
October	2020	£191,700	251.1	1.8	4.0
November	2020	£197,104	258.1	2.8	6.1
December	2020	£200,973	263.2	2.0	7.9
January	2021	£202,461	265.2	0.7	8.5
February	2021	£204,782	268.2	1.1	9.6

Note: The Walker Fraser Steele Acadata 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:

“This month’s report is a very clear statement about the resilience of the Scottish housing market. The average house price in Scotland at the end of February 2021 stands at £204,782. This is some £18,000, or 9.6%, higher than at the end of February 2020. This level of sustained price growth underlines how well the property market continues to perform in comparison to other areas of the economy.

“To understand why Scotland has enjoyed such a period of growth, we need to acknowledge the impact of the monetary, fiscal, public health and political actions of recent times. Demand, which had been suppressed by Brexit, has been injected into a market of historically low interest rates. This has supported buyers’ affordability since 2008. Lockdowns have fuelled people’s willingness to make lifestyle and life-stage changes and the injection of fiscal support, in the form of the Land and Buildings Transaction Tax (LBTT) holiday, has further supported buyers’ ability and desire to move home. We now also have the return of higher Loan-To-Value lending and an increasingly competitive mortgage market which will in the coming months offer more welcome support to the market.

“It will be interesting to see if Holyrood’s decision to end the LBTT holiday on 1st April this year negatively impacts the market compared to the rest of the UK where an extension to stamp duty has been granted until after the summer. With its support, we have seen the market in Scotland perform well.”

Commentary: John Tindale, Acadata Senior Housing Analyst

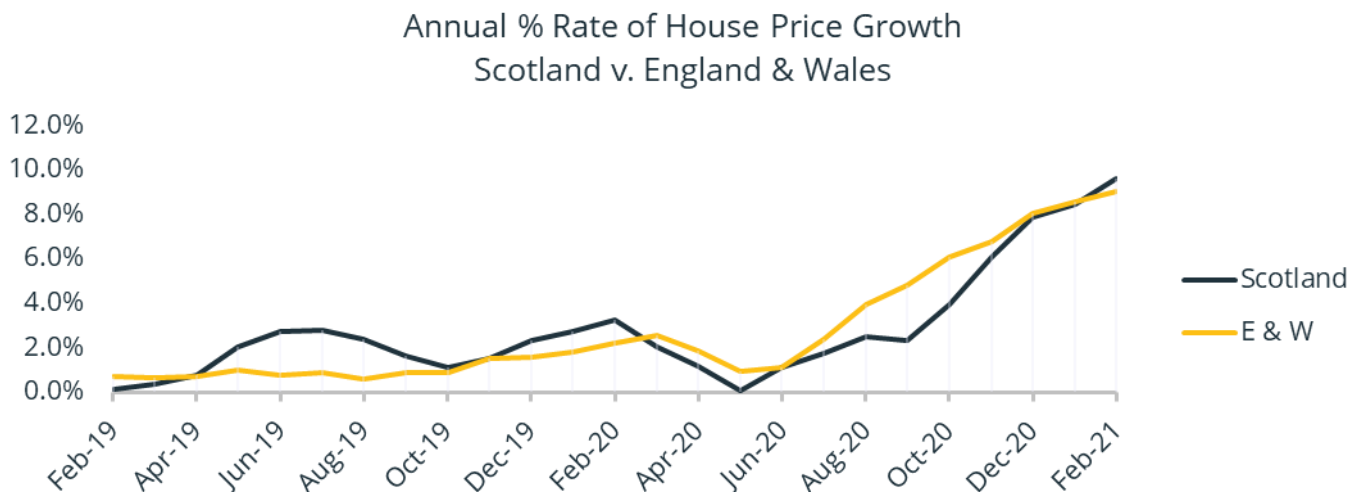
The February housing market

Figure 1 below compares the annual rate of house price growth in Scotland with that of England and Wales combined over the last two years. It can be seen that, in broad terms, the two series are similar, although they do have some subtle differences. During the period from February 2019 to March 2020, the growth rate in England and Wales was relatively flat, indicating that the rise in prices continued at a steady pace. In Scotland, prices over this same period displayed a slightly more cyclical pattern, but this is perhaps to be expected given the different sizes of the two markets.

In March 2020 - at the start of the first lockdown - we can see the rate of growth in house prices beginning to fall, with this slowdown in price growth continuing until May in Scotland and until June in England and Wales. Prices since June 2020 have been climbing for both series: at a steady pace in England and Wales, but with perhaps a small degree of hesitation in Scotland, around August and September 2020. Both series have seen almost identical rates of growth from December 2020 through to February 2021, with Scotland finishing just marginally ahead of England and Wales at 9.6%, compared to 9.1%.

One might ordinarily consider house price growth of 9.6% to be extremely high, but looking at the 11 GOR areas in Great Britain, we find that Scotland would be ranked eighth in terms of growth, behind the South West (14.8%) and the North West (12.6%), but ahead of the South East (8.4%), the East of England (7.6%) and Greater London (3.7%).

Figure 1. The average house price in Scotland, for the period February 2019 to February 2021 ([Link to source Excel](#))



So why are house prices racing ahead in almost all areas of Great Britain? Our list of possible reasons include the following:- the pent-up demand for housing developed in late 2019 due to the prolonged Brexit negotiations, the historically low interest rates which have made homes more affordable, the savings accumulated in lockdown, the lifestyle changes associated with a move to more spacious premises and of course the temporary stamp duty holiday. To this we can add the fact that in Scotland there has been a shift to a higher proportion of detached properties being sold, which has raised the average price being paid for a home in most local authority areas.

We wait with considerable interest to see whether the ending of the stamp duty holiday in Scotland at the end of March, but not in England and Wales, will make any noticeable difference to the current demand for homes.

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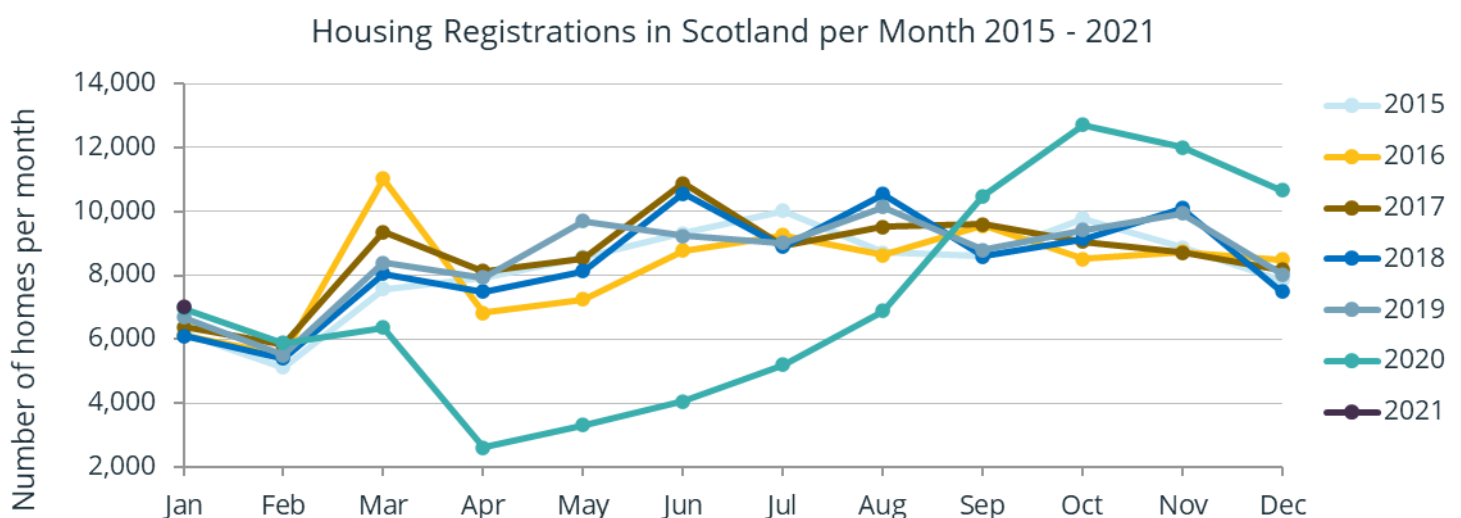
Transactions analysis

Monthly transaction counts

Figure 2 below shows the monthly transaction count for purchases during the period January 2015 to January 2021 (the January 2021 entry being a single black dot on the y-axis), based on RoS (Registers of Scotland) figures for the Date of Entry. The fall in the number of transactions for the period March 2020 to August 2020 is clearly visible. However, what is also clearly demonstrated is that the number of sales for each month from September 2020 to December 2020 has surpassed that of the same month in the previous six years, as well as the entry for January 2021 being just ahead of the pack. We anticipate that the February 2021 total will similarly match or exceed the previous year's figures. The number of transactions in the last four months of 2020 indicates a widespread increase in the demand for homes, and shows that the housing market is not being powered solely by a small number of purchases at the top end of the price spectrum.

Comparing the total sales that occurred in 2020 with that of 2019, there has been a 15% fall in the overall size of the market. However, looking at the last quarter of each year, transactions in Q4 2020 have exceeded those of Q4 2019 by 29%. For January of the latest two years, the number of sales in 2021 is currently 1% above 2020, but we anticipate this number will show an increase as further sales are processed by RoS over the next few months.

Figure 2. The number of sales per month recorded by Registers of Scotland based on entry date, for the period 2014 - 2021 (Source: Registers of Scotland.) ([Link to source Excel](#))



Scotland transactions of £750k or higher

Table 2. The number of transactions by month in Scotland greater than or equal to £750k, January 2015 – February 2021 ([Link to source Excel](#))

Sales of £750k+							
Month	2015	2016	2017	2018	2019	2020	2021
1	33	27	19	35	43	49	62
2	42	20	15	52	26	33	41
3	231	57	25	34	35	28	
4	2	27	29	24	36	11	
5	14	20	31	32	54	16	
6	26	47	43	40	60	34	
7	15	36	55	44	61	40	
8	41	54	62	60	61	39	
9	46	44	56	70	59	67	
10	23	52	48	55	40	112	
11	48	38	37	58	58	106	
12	34	23	40	31	49	103	
Total	555	445	460	535	582	638	103

Table 2 shows the number of transactions per month in Scotland 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 December 2020 totals 638, which is the largest total of the last six years, despite the pandemic having had a dampening effect on the market during the first half of 2020.

As can be seen, the number of high-value transactions started to pick up in September 2020, and the sales in each month of the last quarter of 2020 exceeded the levels reached in all but one month of the previous five years. The one exception was March 2015, being the month preceding the introduction of the LBTT in April 2015, when hundreds of purchases were brought forward into March, to avoid paying the higher rates of stamp duty that became payable on high-value properties from April 2015 onwards.

The LBTT holiday, announced in July 2020, may well have incentivised many to purchase more expensive homes, spurred on by the desire to relocate to larger homes with more space. As mentioned above, it will be interesting to see whether the ending of the LBTT holiday in Scotland, at the end of March 2021, will affect the number of high-value sales that take place during the summer of 2021.

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Local Authority Analysis

Table 3. Average House Prices in Scotland, by local authority area, comparing February 2020 with January and February 2021 ([Link to source Excel](#))

Prior Year Rank	Rank By Price	Local Authority Area	Feb-20	Jan-21	Feb-21	Month % Change	Annual % Change
1	1	City of Edinburgh	£287,095	£307,052	£310,357	1.1%	8.1%
3	2	East Renfrewshire	£264,602	£294,523	£291,960	-0.9%	10.3%
4	3	East Lothian	£258,708	£292,064	£291,368	-0.2%	12.6%
2	4	East Dunbartonshire	£286,037	£268,238	£278,590	3.9%	-2.6%
6	5	Stirling	£216,320	£242,741	£256,923	5.8%	18.8%
5	6	Midlothian	£231,192	£242,248	£246,048	1.6%	6.4%
8	7	Perth and Kinross	£200,627	£232,090	£237,904	2.5%	18.6%
7	8	Aberdeenshire	£202,576	£218,779	£221,412	1.2%	9.3%
10	9	Scottish Borders	£190,034	£210,888	£213,270	1.1%	12.2%
12	10	West Lothian	£177,795	£198,292	£201,587	1.7%	13.4%
11	11	Highland	£189,526	£199,537	£201,183	0.8%	6.2%
19	12	South Ayrshire	£160,667	£190,529	£196,773	3.3%	22.5%
17	13	Glasgow City	£164,326	£188,120	£191,396	1.7%	16.5%
9	14	Aberdeen City	£194,430	£195,085	£190,895	-2.1%	-1.8%
16	15	Angus	£165,805	£180,735	£188,553	4.3%	13.7%
14	16	Moray	£170,018	£180,834	£182,677	1.0%	7.4%
15	17	Fife	£166,464	£179,763	£182,238	1.4%	9.5%
13	18	Argyll and Bute	£170,426	£187,815	£178,743	-4.8%	4.9%
18	19	South Lanarkshire	£160,836	£171,650	£178,528	4.0%	11.0%
23	20	Clackmannanshire	£153,350	£165,480	£176,787	6.8%	15.3%
24	21	Dumfries and Galloway	£151,933	£170,326	£171,809	0.9%	13.1%
22	22	Shetland Islands	£154,089	£163,100	£169,068	3.7%	9.7%
21	23	Orkney Islands	£154,138	£168,121	£168,298	0.1%	9.2%
20	24	Falkirk	£158,247	£167,482	£168,134	0.4%	6.2%
25	25	Renfrewshire	£148,973	£157,685	£153,340	-2.8%	2.9%
27	26	Dundee City	£140,702	£151,388	£150,722	-0.4%	7.1%
26	27	North Lanarkshire	£143,420	£148,982	£149,922	0.6%	4.5%
28	28	Na h-Eileanan Siar	£131,412	£154,922	£145,895	-5.8%	11.0%
30	29	North Ayrshire	£130,336	£142,749	£142,500	-0.2%	9.3%
29	30	West Dunbartonshire	£130,397	£139,886	£140,852	0.7%	8.0%
32	31	East Ayrshire	£121,655	£138,192	£139,270	0.8%	14.5%
31	32	Inverclyde	£125,218	£142,145	£137,612	-3.2%	9.9%
All Scotland			£186,816	£202,461	£204,782	1.1%	9.6%

Table 3 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for February 2020, as well as for January and February 2021, calculated on a seasonal- and mix-adjusted basis. The ranking in Table 3 is based on the local authority area's average house price for February 2021.

Annual change

The average house price in Scotland at the end of February 2021 stands at £204,782. This is some £18,000, or 9.6%, higher than at the end of February 2020. This annual rate is 1.1% higher than the rate of 8.5% recorded in January 2021 and represents the highest rate seen in Scotland since December 2007, ignoring the exceptional three months ahead of the introduction of the LBTT in April 2015. In February, 30 of the 32 local authority areas in Scotland had higher average house prices than twelve months earlier, which represents one more area than the number seen in January 2021.

In February 2021, the highest annual increase in prices of the 32 local authority areas, ignoring South Ayrshire where a mistake has occurred, was in Stirling at 18.8%. The increase in prices in Stirling in February was helped by the purchase of a stunning detached home in the Bridge of Allan, close to the University of Stirling, for £1.7 million – the highest price paid for a property in Stirling over the last twelve months. Although we don't know the circumstances relating to the purchase of this particular property, it is representative of a number of such purchases taking place in the current market, of large detached properties with substantial grounds at the top end of the price spectrum.

In February, 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 31% of the uplift in Scotland's average house price over the last twelve months. Indeed, if we add South Lanarkshire, Perth and Kinross, and Fife to these two cities, then we have explained 50% 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 £142k in February 2020 to an average £167k this February, while in Edinburgh the equivalent figures are up from £241k to £261k.

At the other end of the scale, the two local authorities with price falls over the last twelve months are Aberdeen City, down -1.8%, and East Dunbartonshire, down -2.6%. In Aberdeen City it is the price of detached homes that has taken the largest fall, down from an average £387k in February 2020 to £350k in February 2021. In Figure 6 on page 10 we compare the average house prices of Scotland's seven cities. In February 2021, it can be seen that the average house price in Glasgow is now above that in Aberdeen - this is the first time this has happened since April 2006.

In East Dunbartonshire it is also the price of detached homes that has seen the largest fall over the last twelve months, down from £495k in February 2020 to £420k in February 2021. However, in this example it was the 2020 average price that was exceptionally high, assisted by the purchase of a £1.2 million home – the second-highest priced detached home in the area of the last twelve months. With no similarly priced homes selling in 2021, the average price in this latest year has fallen.

Monthly change

In February 2021, average house prices in Scotland have risen by some £2,320, or +1.1%, from their level in January. The February 2021 average price of £204,782 sets another record level for Scotland, for the fifth month in succession.

In February, 23 local authority areas saw prices rise in the month, with 9 having price falls. This means there were two more local authority areas in the month with a positive movement in their house prices, compared to January, indicating that - despite prices having increased in each of the last five months - considerable momentum still remains in the market.

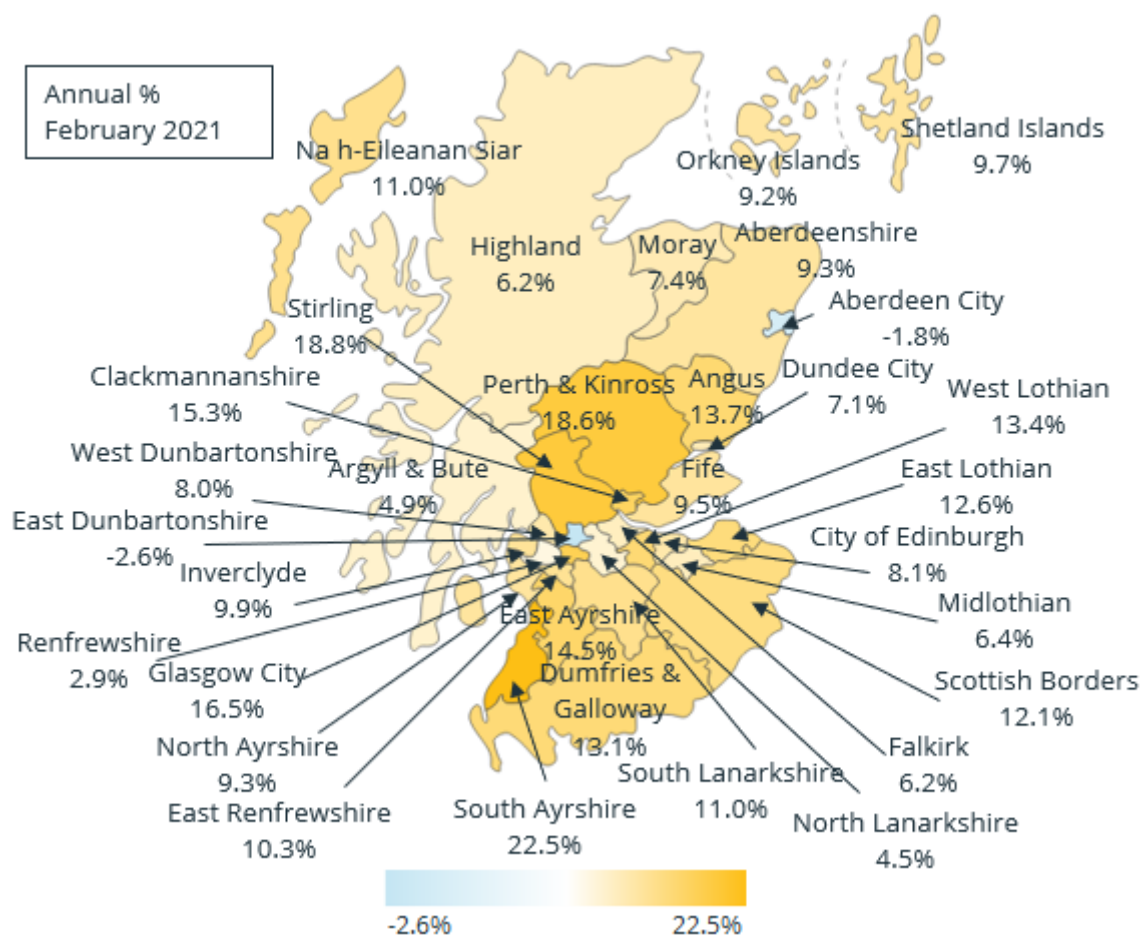
The area with the highest increase in prices in the month was Clackmannanshire, up by 6.8%. The housing statistics for Clackmannanshire in February include the second-most expensive detached home of the last twelve months, being a 5-bedroom property currently let out for self-catering holidays, renting out for £1,500 per week - it sold for £900k.

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 February, there are 16 such authorities, down from 17 in January. It is interesting to observe that none of the top four areas by value, and none of the offshore Island groups are currently at a peak price.

Heat Map

The heat map below shows the rate of house price growth for the 12 months ending February 2021. There are just two areas shaded in blue, indicating falling prices, being Aberdeen City and East Dunbartonshire.



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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-February 2021 ([Link to source Excel](#))

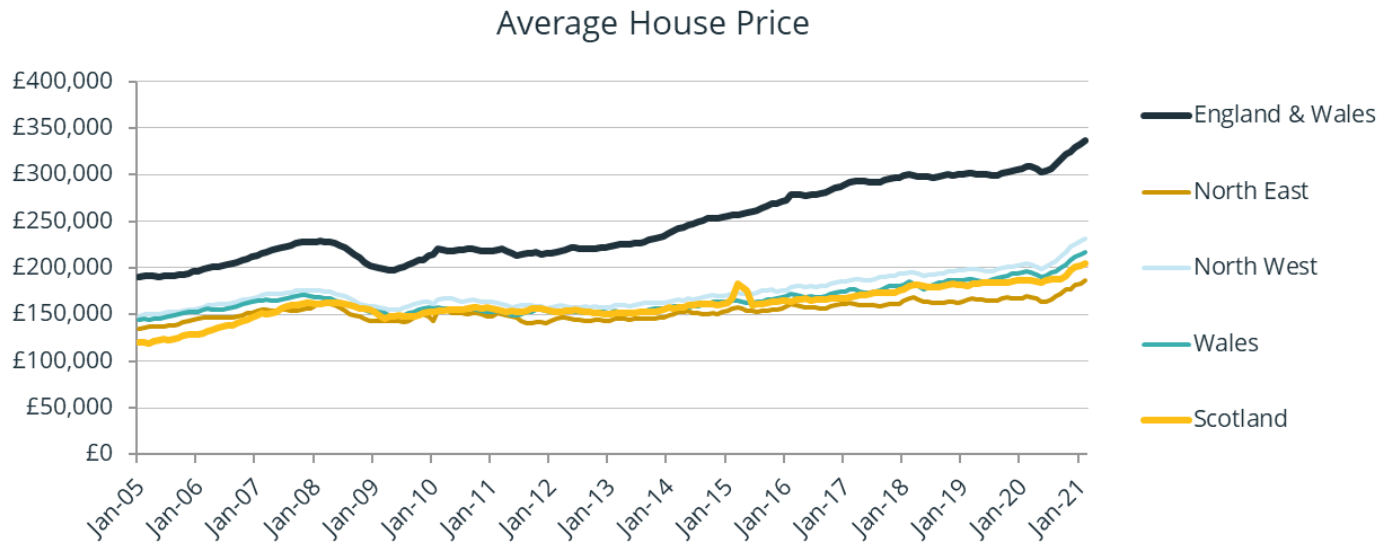
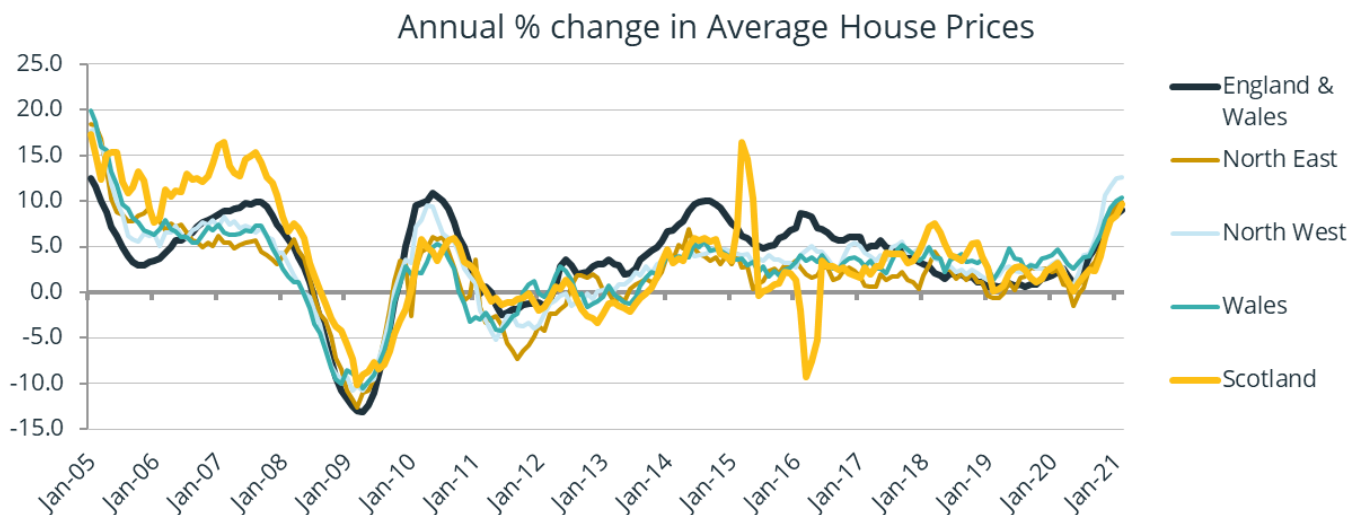


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005-February 2021 ([Link to source Excel](#))



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Scotland's Seven Cities

Figure 5. Average house prices for Scotland's seven cities from December 2019–February 2021 ([Link to source Excel](#))

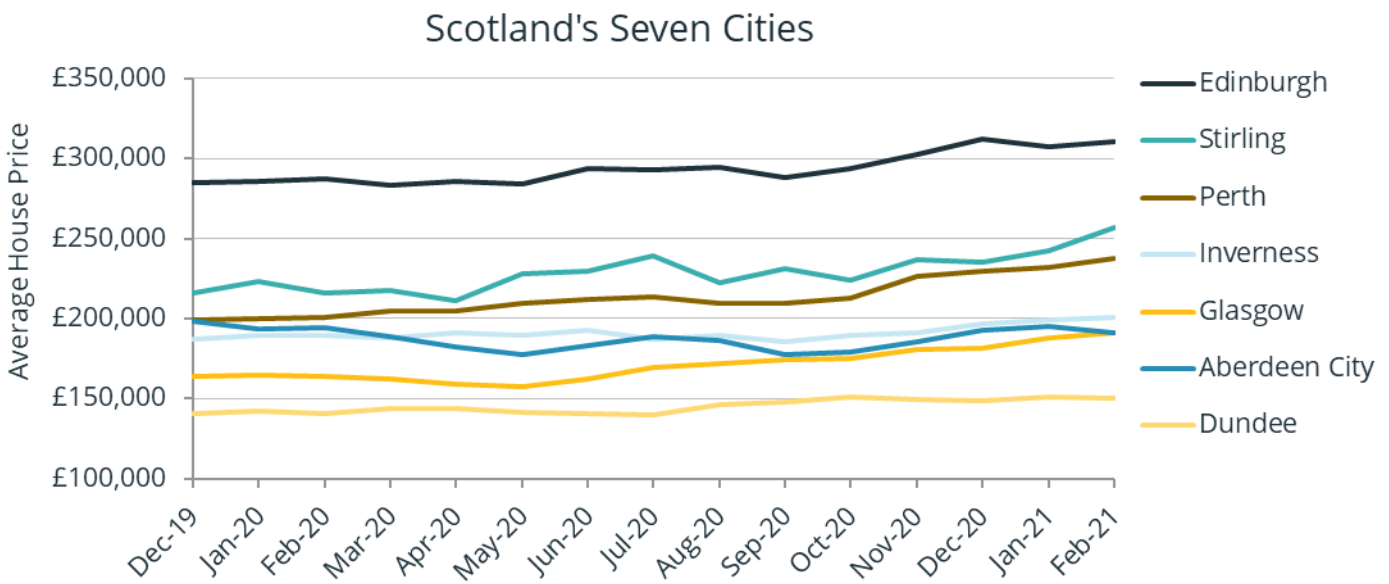
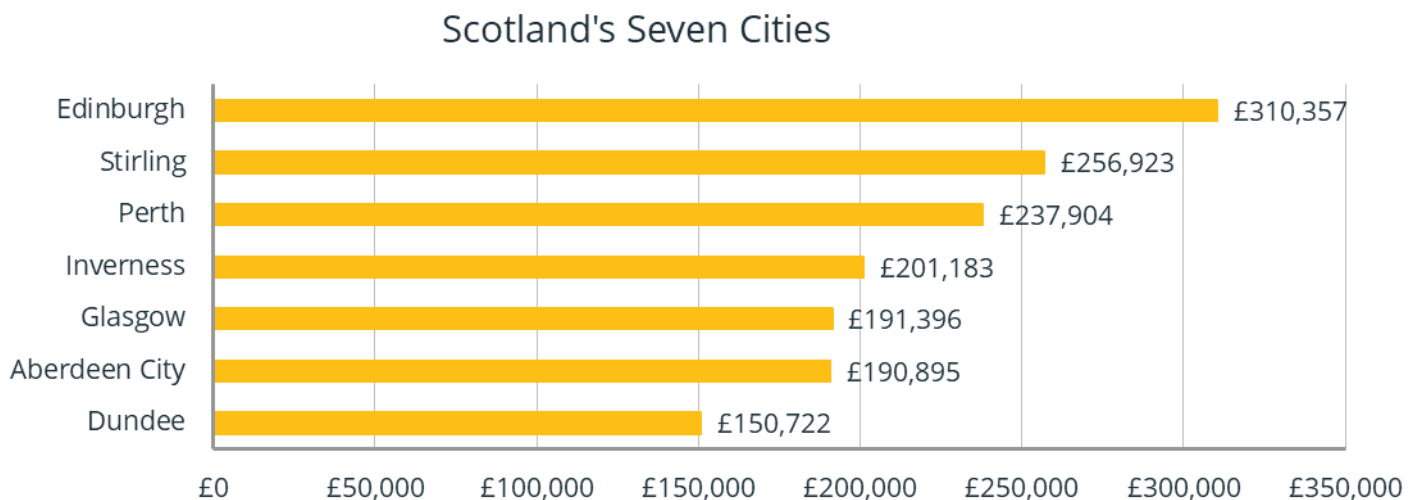


Figure 6. Average house prices for Scotland's seven cities February 2021 ([Link to source Excel](#))



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Notes

The *Walker Fraser Steele Acadata 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 Acadata 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 Acadata HPI (Scotland) is not forecast, unlike the e.surv Acadata 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 Acadata HPI (Scotland), like the e.surv Acadata HPI (England and Wales), comprises a smoothed average of three months' prices, the Walker Fraser Steele Acadata 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 Acadata HPI (England and Wales). Since we provide only a national England and Wales average price in our current month e.surv Acadata HPI (England and Wales) and prices at region and lower levels are lagged one month, this procedure means that the Walker Fraser Steele Acadata HPI (Scotland) prices are contemporaneous with the prices published for the equivalent month for England and Wales and the regions. All Walker Fraser Steele Acadata 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 Acadata 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 Acadata HPI (Scotland) please click [here](#). [Back to top](#)

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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