

House prices rise by 13.2% in Scotland

- ✓ 30 of the 32 local authority areas continue to see prices rise over the year
- ✓ Monthly growth rates are softening
- ✓ Top 5 local authority areas by value all set new record average price levels

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 %
£212,832	278.7	1.0	13.2

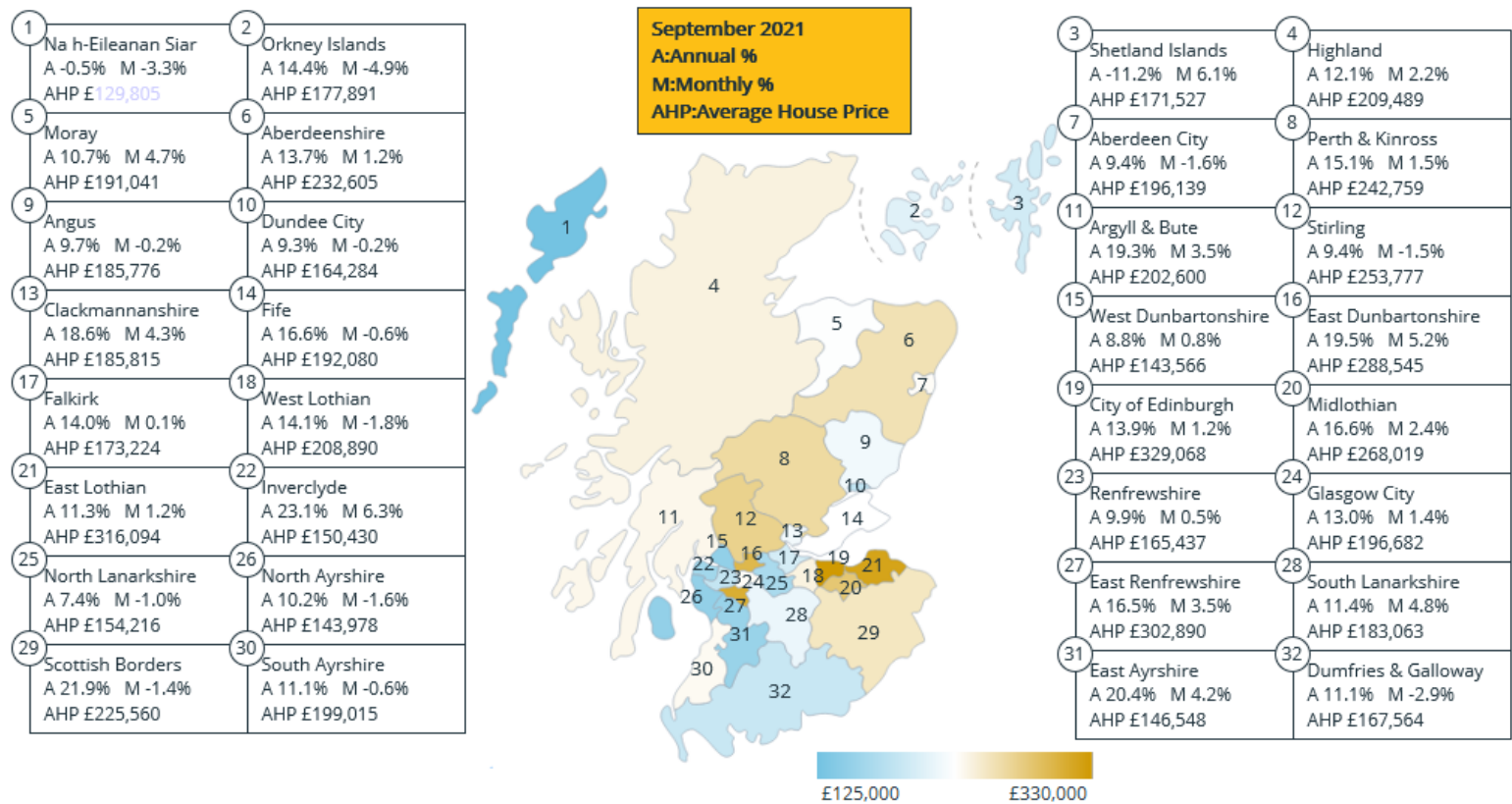


Table 1. Average House Prices in Scotland for the period September 2020 – September 2021
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
September	2020	£188,002	246.2	-0.1	2.3
October	2020	£190,736	249.8	1.5	3.8
November	2020	£195,034	255.4	2.3	5.8
December	2020	£198,397	259.8	1.7	7.5
January	2021	£200,184	262.2	0.9	8.0
February	2021	£202,145	264.7	1.0	8.8
March	2021	£206,358	270.3	2.1	11.4
April	2021	£204,023	267.2	-1.1	10.7
May	2021	£203,947	267.1	0.0	11.2
June	2021	£201,659	264.1	-1.1	8.4
July	2021	£207,105	271.2	2.7	10.6
August	2021	£210,623	275.9	1.7	11.9
September	2021	£212,832	278.7	1.0	13.2

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:

“At the end of August we reported that the average Scottish house price stood at £211,029 – at that point a new record high. This September we have seen the upward momentum continue. Scotland’s average house price at the end of September stands at £212,832, which sets yet another record, having risen by some £2,200 - or 1.0% - in the month. Five local authority areas in September were responsible for 58% of the positive movement in Scotland’s average house price. The five areas concerned, in order of influence, were South Lanarkshire, the City of Edinburgh, Glasgow City, East Dunbartonshire and Highland.

“More generally prices rose in 19 of the 32 Local Authority areas in Scotland. The largest increase in average prices, of 6.3%, was in Inverclyde. In second place on the mainland was East Dunbartonshire, with an increase in prices of 5.2%. There were plenty of high-value sales in East Dunbartonshire, with a number of detached sales taking place in Bearsden – located approximately six miles to the North West of Glasgow – the most expensive being on the Roman Road, priced at £1.3 million.

“This underlines how property at the top-end continues to underpin this growth as people opt for more space and continue to embrace working from home. September often provides momentum to the market too as it is not untypical for families to reassess their needs as the new school year gets underway.”

Commentary: John Tindale, Acadata Senior Housing Analyst

The September housing market

Scotland's average house price at the end of September stood at £212,832, which sets yet another record, having risen by some £2,200 - or 1.0% - in the month. The 1.0% growth rate represents a slight softening from the 1.7% seen in August.

On an annual basis, average house prices have increased by close to £25,000 - or 13.2% - over the last twelve months. This is the highest rate of all four nations, and nine regions in the United Kingdom.

It doesn't come as too much of a surprise to learn that house prices rose in September. Looking at the last seventeen years, house prices in Scotland have increased on thirteen occasions in September. Estate Agents frequently mention that housing activity picks up towards the end of the school holidays, as families potentially reassess their housing needs at the start of the new school year.

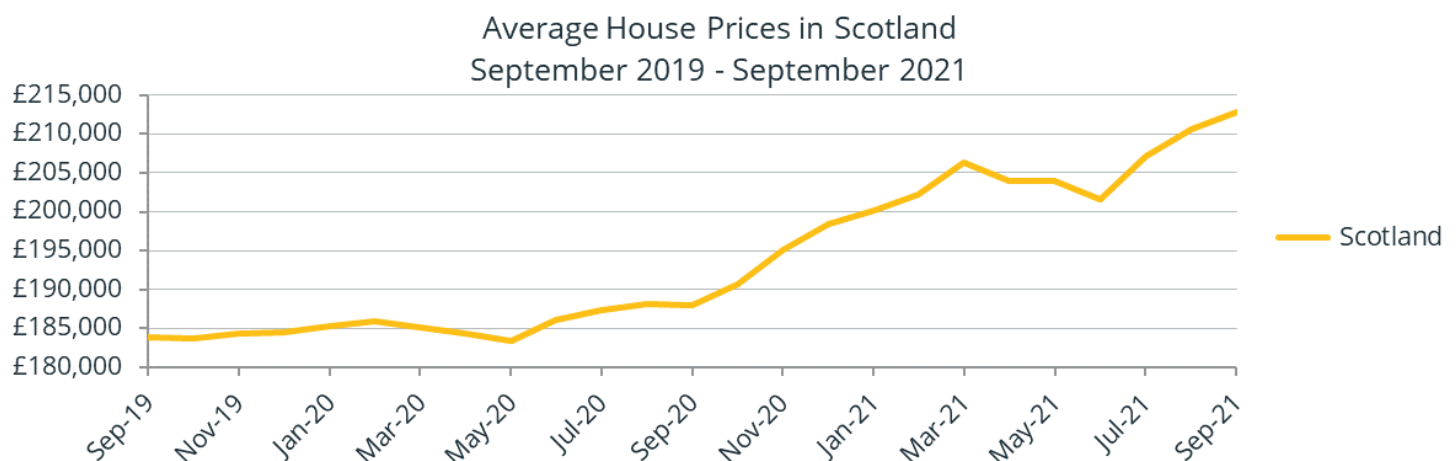
In addition, this year we also have the added impetus of the lifestyle changes associated with the pandemic and "working from home", which has brought about a shift in housing preferences for larger properties, with space for home-working becoming a prime requirement.

The demand for larger premises has continued throughout September, and for some includes moving to Scotland from London, or from other major cities in the UK and beyond. However, the supply of larger homes coming to the market currently remains relatively low, which results in strong competition for those properties that do become available, hence keeping prices high.

Looking at Figure 1 below - which tracks the average house price in Scotland - we can see that prices reached a mini-peak in March 2021, immediately prior to the ending of the LBTT tax holiday on 1 April 2021. Average prices then started to fall, as buyers of high-value properties reduced in number (see Table 2). However, the reduction in high-value sales only continued through April and May, with June, July and August seeing a return of the higher-value transactions.

In July, August and September 2021, we can see that prices once again regained their earlier momentum seen during the second half of 2020, despite the savings arising from the LBTT tax holiday no longer being available.

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



Transactions analysis

Monthly transaction counts

Figure 2 below shows the monthly transaction count for purchases during the period January 2015 to August 2021, based on RoS (Registers of Scotland) figures for the Date of Entry. (The Entry Date figure for September 2021 is not currently available). 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 March 2021 has surpassed that of the same month in the previous six years.

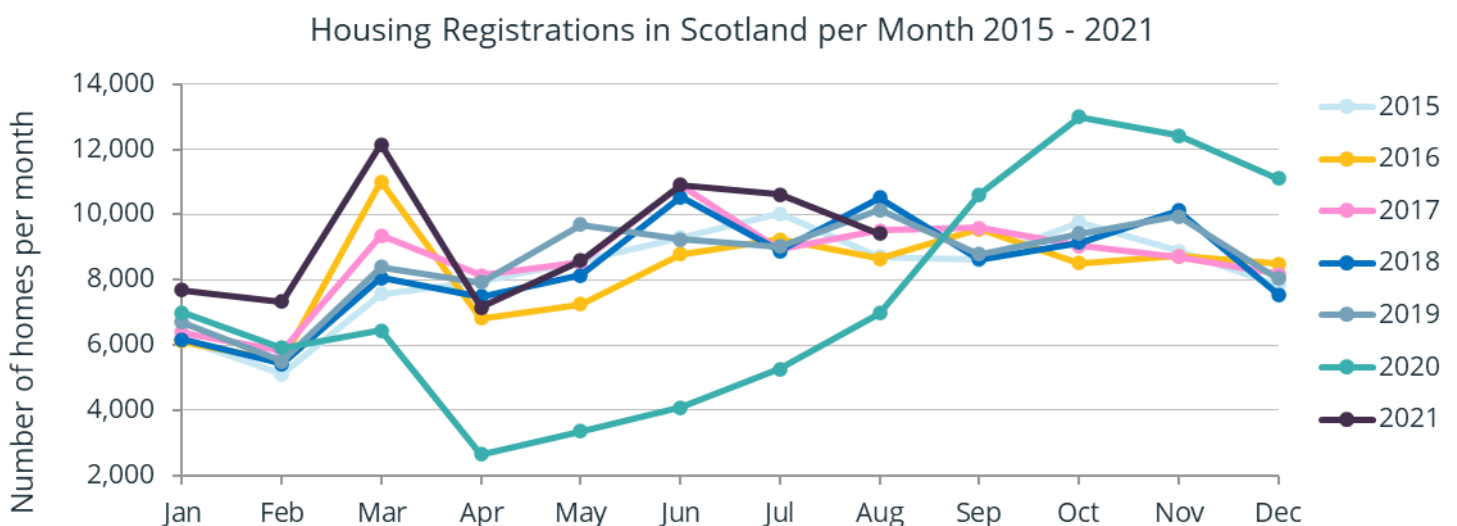
In addition, the spike in sales that took place in March 2021 - as the tax holiday expiry date approached - is plain, although this total was exceeded by the volume of sales in October and November 2020, when monthly sales during the pandemic reached their peak. Also clear is the fall in sales in April 2021, to levels below those in all previous years except for 2016 and 2020, indicating the extent to which buyers had managed to bring forward their purchases into March 2021 to take advantage of the tax holiday.

For the record, the peak in sales in March 2016 was also tax-related, and came one month ahead of the introduction of the then 3% LBTT surcharge (now 4%) on second homes and buy-to-let properties, which tax was pre-announced to commence from April 2016.

Sales volumes in April and May 2021 remained lower than the equivalent months in 2017 and 2019, and appear to have been roughly on a par with the levels seen in 2018. However, in July 2021 the number of properties sold once again appears to have been higher than the same months in the previous six years, although sales in August 2021 returned to 2017 levels.

Comparing total sales in 2020 with those of 2019, there was a 14% fall in the overall size of the market. However, looking at the number of transactions for the first eight months of 2021, and comparing with the same period in 2019 (2020 figures are distorted by the lockdown in the early stages of the pandemic), sales are up by 11%, although this does include the spike in March 2021, which will have enhanced the 2021 figures.

Figure 2. The number of sales per month recorded by RoS based on entry date, for the period 2015 - 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 – September 2021 ([Link to source Excel](#))

Sales of £750k+							
Month	2015	2016	2017	2018	2019	2020	2021
1	33	27	19	35	43	49	65
2	42	20	15	52	26	33	62
3	231	57	25	34	35	29	115
4	2	27	29	24	36	11	45
5	14	20	31	32	53	16	62
6	26	47	43	41	60	36	117
7	15	36	55	44	61	41	115
8	41	54	62	60	61	40	99
9	46	44	56	70	59	66	87
10	23	52	48	55	40	114	
11	48	38	37	59	58	108	
12	34	23	40	31	49	104	
Total	555	445	460	537	581	647	767

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 there have been 767 sales in excess of £750k during the first nine months of 2021, and we anticipate there will be a further 30 additional sales in September 2021 not yet recorded by the Registers of Scotland and hence not included in the above total. Sales of high-value properties to the end of September 2021 therefore total approximately 150% of the first nine months of 2020.

We can also note that each month in 2021 has exceeded the number of high-value sales seen in the same month of each of the previous six years, except for March 2015 – which was one month ahead of the introduction of the LBTT tax on 1st April 2015.

The reasons for this dramatic increase in top-end sales in 2021 are, as previously discussed, partly to do with the change in preference for larger properties. Home movers were thus encouraged to move to premises which better suited their updated needs. But additionally, we should mention the record low interest rates, which made the purchase of a top-end property more affordable, as well as the tax savings associated with the LBTT holiday, up to the end of March 2021. This encouraged the whole market to be more adventurous in its outlook.

As reported last month, we should also point out that one tends to get more “bang for one’s buck” in Scotland than in England. For example, the detached property we discuss in Inverclyde on page 7 - purchased for £850k - includes four double bedrooms, panoramic views of the Firth of Clyde, manicured garden grounds and a gross internal area of 250 m². In Ealing, which is ranked 17th of the 33 London boroughs in terms of its average house prices, for £850k a three bedroomed Victorian terrace, with a gross internal area of 120 m² can be bought. It is therefore little wonder that some Londoners are looking to move to Scotland, if the workplace allows.

Local Authority Analysis

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

Prior Year Rank	Rank By Price	Local Authority Area	Sep-20	Aug-21	Sep-21	Month % Change	Annual % Change
1	1	City of Edinburgh	£288,835	£325,153	£329,068	1.2%	13.9%
2	2	East Lothian	£283,974	£312,409	£316,094	1.2%	11.3%
3	3	East Renfrewshire	£260,009	£292,650	£302,890	3.5%	16.5%
4	4	East Dunbartonshire	£241,414	£274,306	£288,545	5.2%	19.5%
6	5	Midlothian	£229,881	£261,678	£268,019	2.4%	16.6%
5	6	Stirling	£232,059	£257,739	£253,777	-1.5%	9.4%
7	7	Perth and Kinross	£210,950	£239,080	£242,759	1.5%	15.1%
8	8	Aberdeenshire	£204,561	£229,844	£232,605	1.2%	13.7%
11	9	Scottish Borders	£185,067	£228,649	£225,560	-1.4%	21.9%
10	10	Highland	£186,854	£205,027	£209,489	2.2%	12.1%
12	11	West Lothian	£183,132	£212,772	£208,890	-1.8%	14.1%
17	12	Argyll and Bute	£169,793	£195,725	£202,600	3.5%	19.3%
14	13	South Ayrshire	£179,160	£200,217	£199,015	-0.6%	11.1%
15	14	Glasgow City	£174,105	£194,025	£196,682	1.4%	13.0%
13	15	Aberdeen City	£179,259	£199,319	£196,139	-1.6%	9.4%
19	16	Fife	£164,749	£193,204	£192,080	-0.6%	16.6%
16	17	Moray	£172,649	£182,410	£191,041	4.7%	10.7%
21	18	Clackmannanshire	£156,644	£178,197	£185,815	4.3%	18.6%
18	19	Angus	£169,321	£186,213	£185,776	-0.2%	9.7%
20	20	South Lanarkshire	£164,291	£174,729	£183,063	4.8%	11.4%
22	21	Orkney Islands	£155,904	£187,150	£177,891	-4.9%	14.1%
23	22	Falkirk	£151,952	£173,075	£173,224	0.1%	14.0%
9	23	Shetland Islands	£193,094	£161,599	£171,527	6.1%	-11.2%
24	24	Dumfries and Galloway	£150,805	£172,611	£167,564	-2.9%	11.1%
25	25	Renfrewshire	£150,513	£164,558	£165,437	0.5%	9.9%
26	26	Dundee City	£150,287	£164,554	£164,284	-0.2%	9.3%
27	27	North Lanarkshire	£143,609	£155,737	£154,216	-1.0%	7.4%
31	28	Inverclyde	£122,154	£141,553	£150,430	6.3%	23.1%
32	29	East Ayrshire	£121,702	£140,619	£146,548	4.2%	20.4%
29	30	North Ayrshire	£130,684	£146,361	£143,978	-1.6%	10.2%
28	31	West Dunbartonshire	£132,003	£142,489	£143,566	0.8%	8.8%
30	32	Na h-Eileanan Siar	£130,500	£134,238	£129,805	-3.3%	-0.5%
All Scotland			£188,002	£210,623	£212,832	1.0%	13.2%

Table 3 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for September 2020, as well as for August and September 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 September 2021.

Annual change

The average house price in Scotland has increased by some £25,000 - or 13.2% - over the last twelve months, to the end of September. This is the highest annual increase seen since March 2015, at the time of the introduction of the LBTT - which replaced the UK Stamp Duty Land Tax in Scotland.

In September 2021, 30 of the 32 local authority areas in Scotland saw their average prices rise over the previous twelve months. The two areas with price falls compared to one year earlier were the Shetland Islands and Na h-Eileanan Siar – but low transaction counts on both Island groups often cause unexpected results due to the volatility in the price of the small number of sales.

The area with the highest annual increase in average house prices in September was Inverclyde, where average prices have risen by 23.1% over the year. Inverclyde frequently appears in our listing of areas with a high percentage change in price. This is mainly due to Inverclyde having a high proportion of relatively low-priced flats in its housing stock (54%), so that when a high-value detached property does get sold in the area, it has a significant impact on the average price. This is true of Inverclyde in September, when a four-bedroom detached property in Gourrock, with stunning views over the Firth of Clyde, was sold for £850,000.

Monthly change

In September 2021, Scotland's average house price rose by some £2,200, or 1.0%, and now stands at £212,832. This rise is smaller than the £3,500 increase seen in the previous month of August, indicating a continuing softening in the rate of price growth over the summer.

Prices rose during September 2021 in 19 of the 32 Local Authority areas in Scotland, down from the 24 areas which saw prices increase in August. The largest increase in average prices in September, of 6.3%, was also in Inverclyde as described above. In second place on the mainland was East Dunbartonshire, with an increase in prices of 5.2%. Looking at the data, there were plenty of high-value sales in East Dunbartonshire, with a number of detached sales taking place in Bearsden – located approximately six miles to the North West of Glasgow – the most expensive being on the Roman Road, priced at £1.3 million.

On a weight-adjusted basis, which takes into account both the increase in average price and the number of transactions involved, 5 local authority areas in September were responsible for 58% of the positive movement in Scotland's average house price. The five areas concerned, in order of influence, were South Lanarkshire, the City of Edinburgh, Glasgow City, East Dunbartonshire and Highland.

The price of all property types in Glasgow have increased over the year, but the highest price increase has been in flats, up by £21k from an average £150k in September 2020 to £175k one year later, although this has been helped this month by the purchase of a flat in Park Circus, Kelvinbridge for £1.2 million – the third-highest priced flat to be sold in Glasgow over the last twelve months. In Edinburgh there is a similar story, with flats also seeing the highest increase in prices over the year, but up from an average £255k in September 2020 to £275k twelve months later. The average price this month has been assisted by the purchase of a flat for £1.3 million in Heriot Row, in what is known as New Town, Edinburgh, even though it was constructed in the early 1800s.

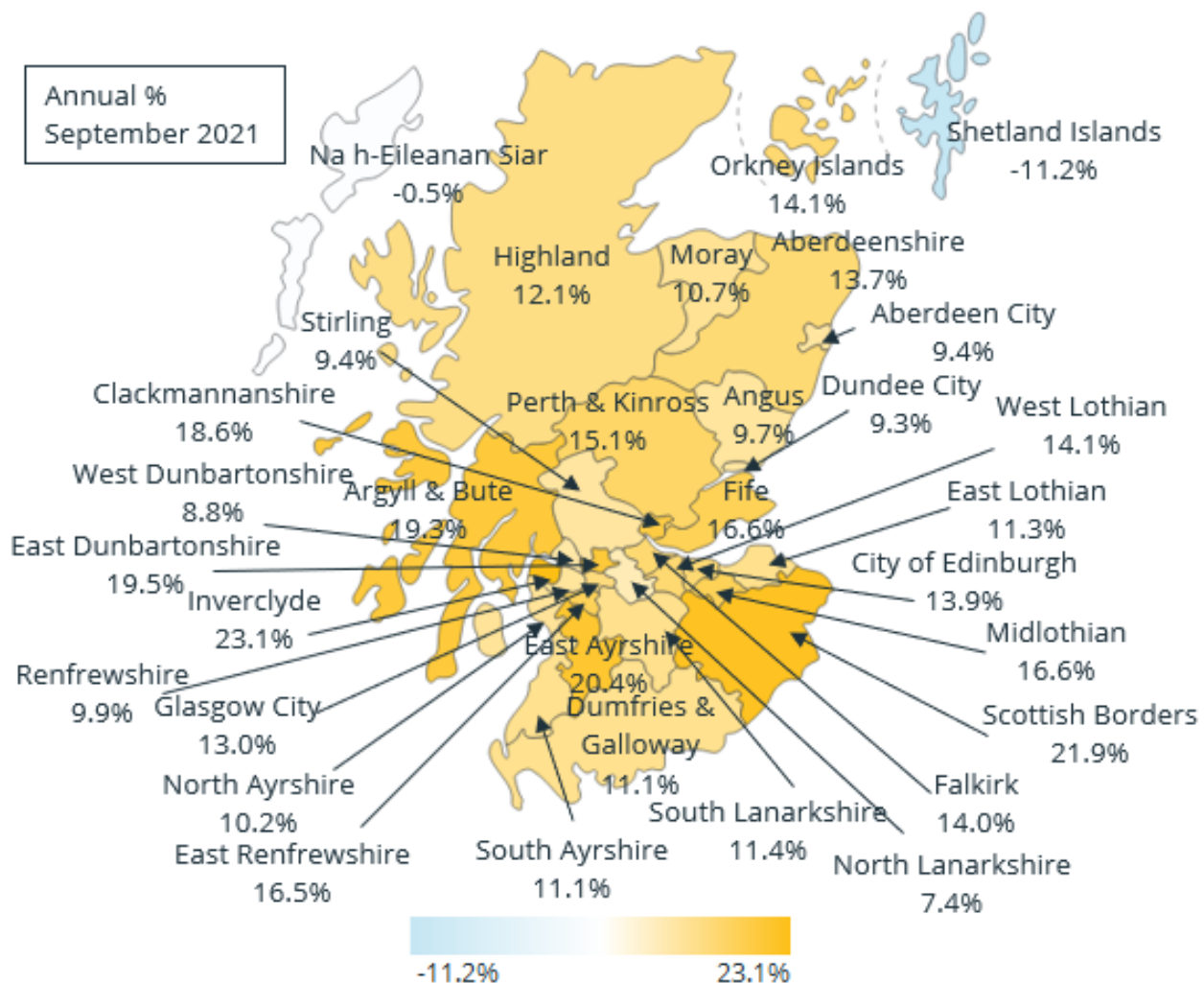
Peak Prices

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 September there are 15 such authorities, down from 16 in August. It is very noticeable in Table 3 that the top five local authority areas ranked by price have reached new peaks, reinforcing the proposition that the main drivers of the current price increases in Scotland are associated with the price competition being experienced at the top-end of the housing market.

We can note that, in September 2021, Scotland's overall average house price has itself also reached a new record level.

Heat Map

The heat map below shows the rate of house price growth for the 12 months ending September 2021. As reported above, all but 2 of the 32 local authority areas in Scotland are reporting an increase in their housing values over the last year. The two areas with negative growth are the Island groups of the Shetland Islands (-11.2%) and Na h-Eileanan Siar (-0.5%). The highest increase over the twelve months to September 2021 was in Inverclyde at 23.1%.



Comparisons with Scotland

Figure 3. Scotland house prices, compared with England and Wales, Wales, North East and North West for the period January 2005-September 2021 ([Link to source Excel](#))

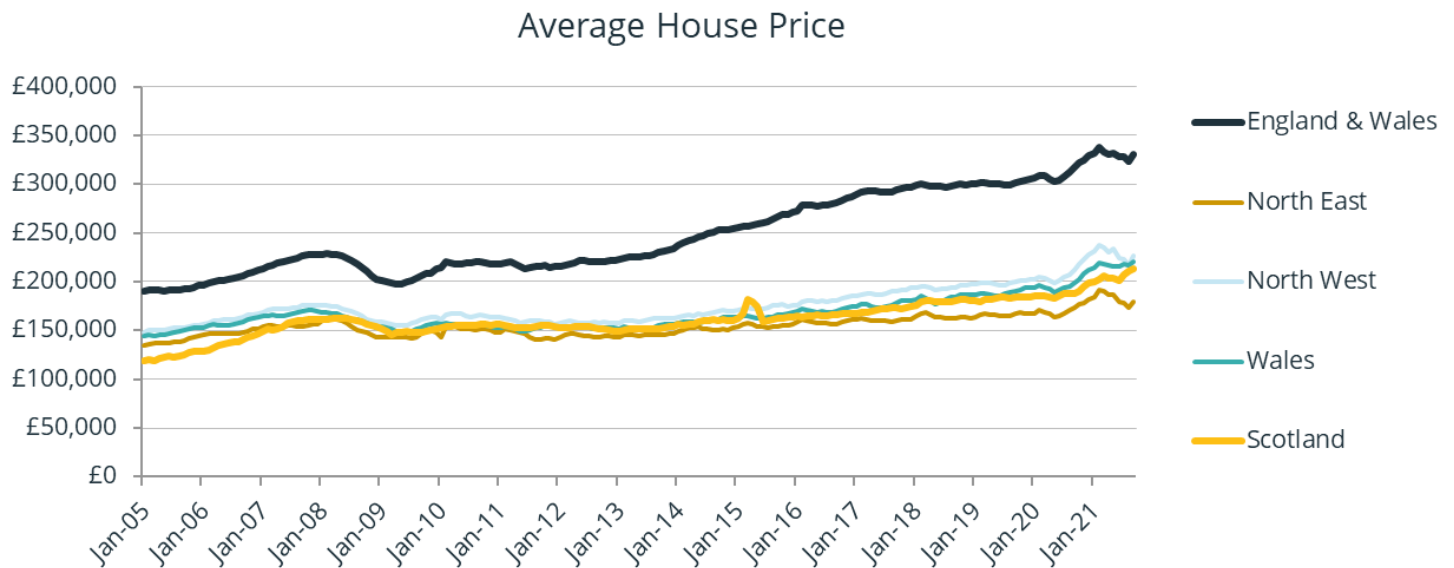
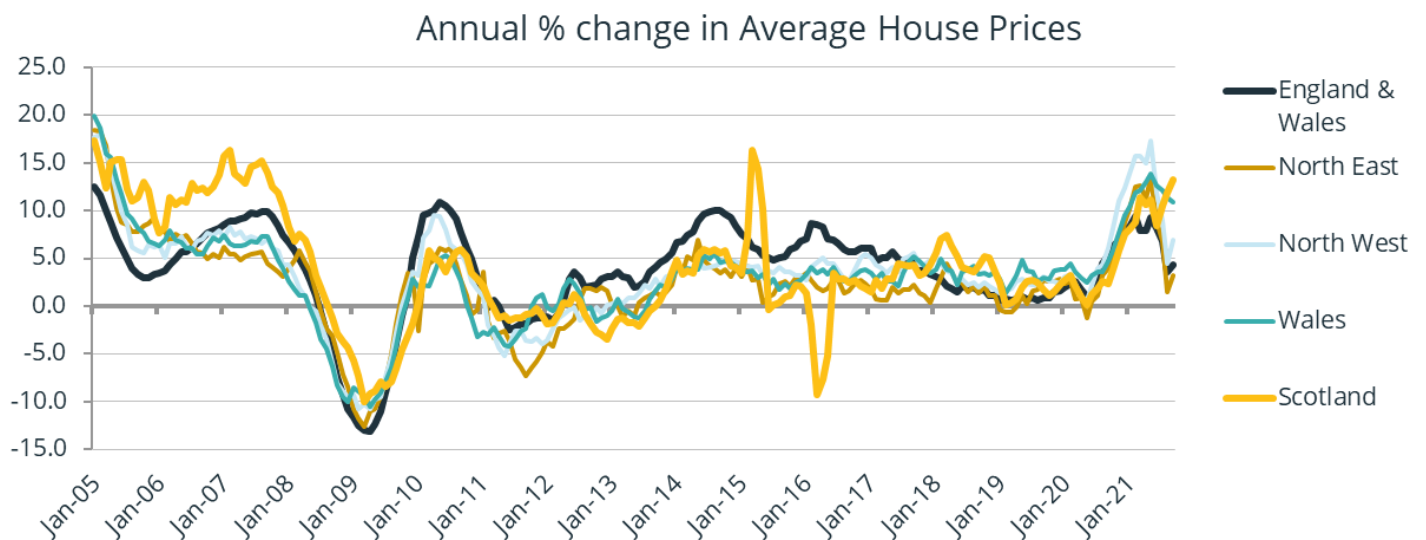


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005-September 2021 ([Link to source Excel](#))



Scotland's Seven Cities

Figure 5. Average house prices for Scotland's seven cities from July 2020–September 2021 ([Link to source Excel](#))

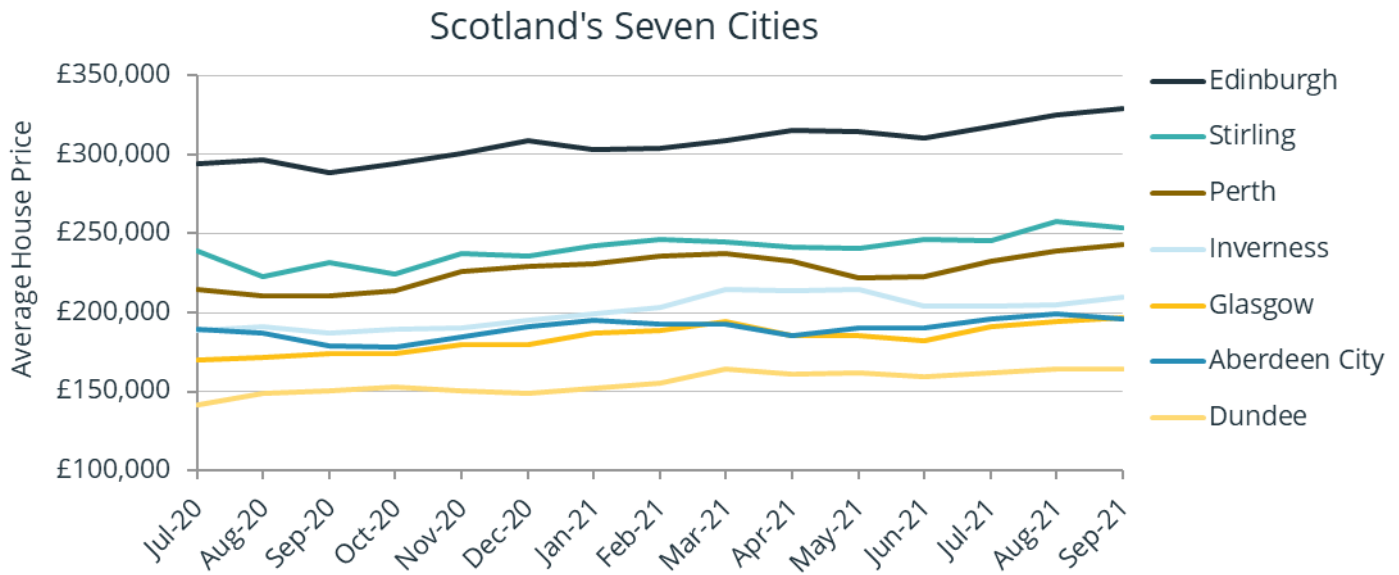
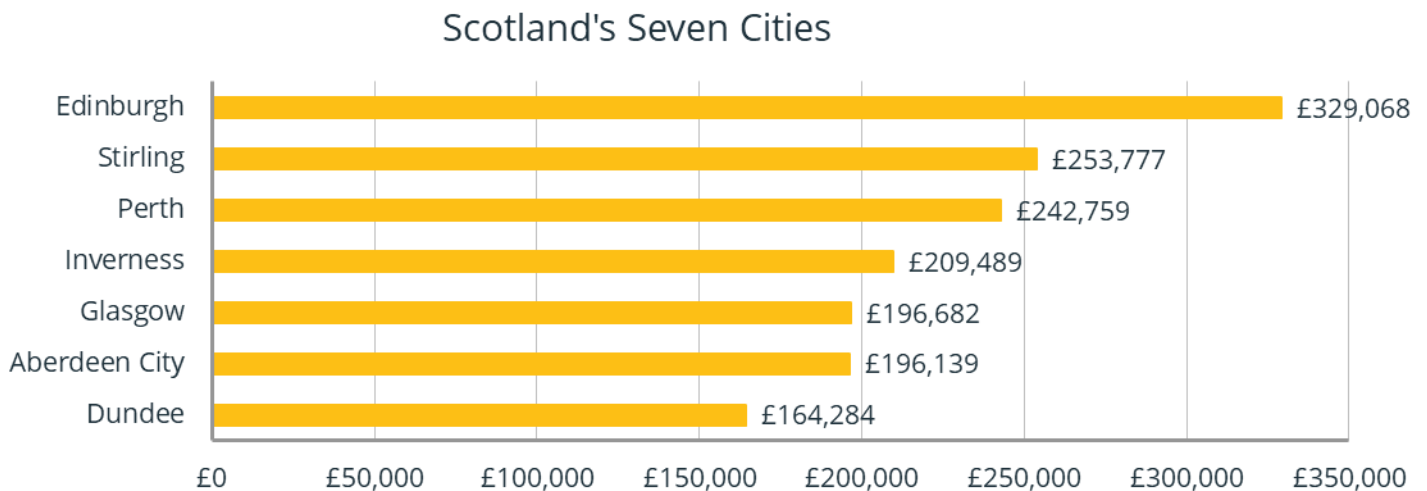


Figure 6. Average house prices for Scotland's seven cities September 2021 ([Link to source Excel](#))



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](#).

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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