

At least 872 sales in excess of £750k in 1st 10 months of 2021

- ✓ Average house price in Scotland up by 11.4% over last 12 months...
- ✓ ...but monthly growth rates starting to soften
- ✓ 31 of 32 Local Authorities have rising average prices over year to end October

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 %
£212,551	278.4	0.0	11.4

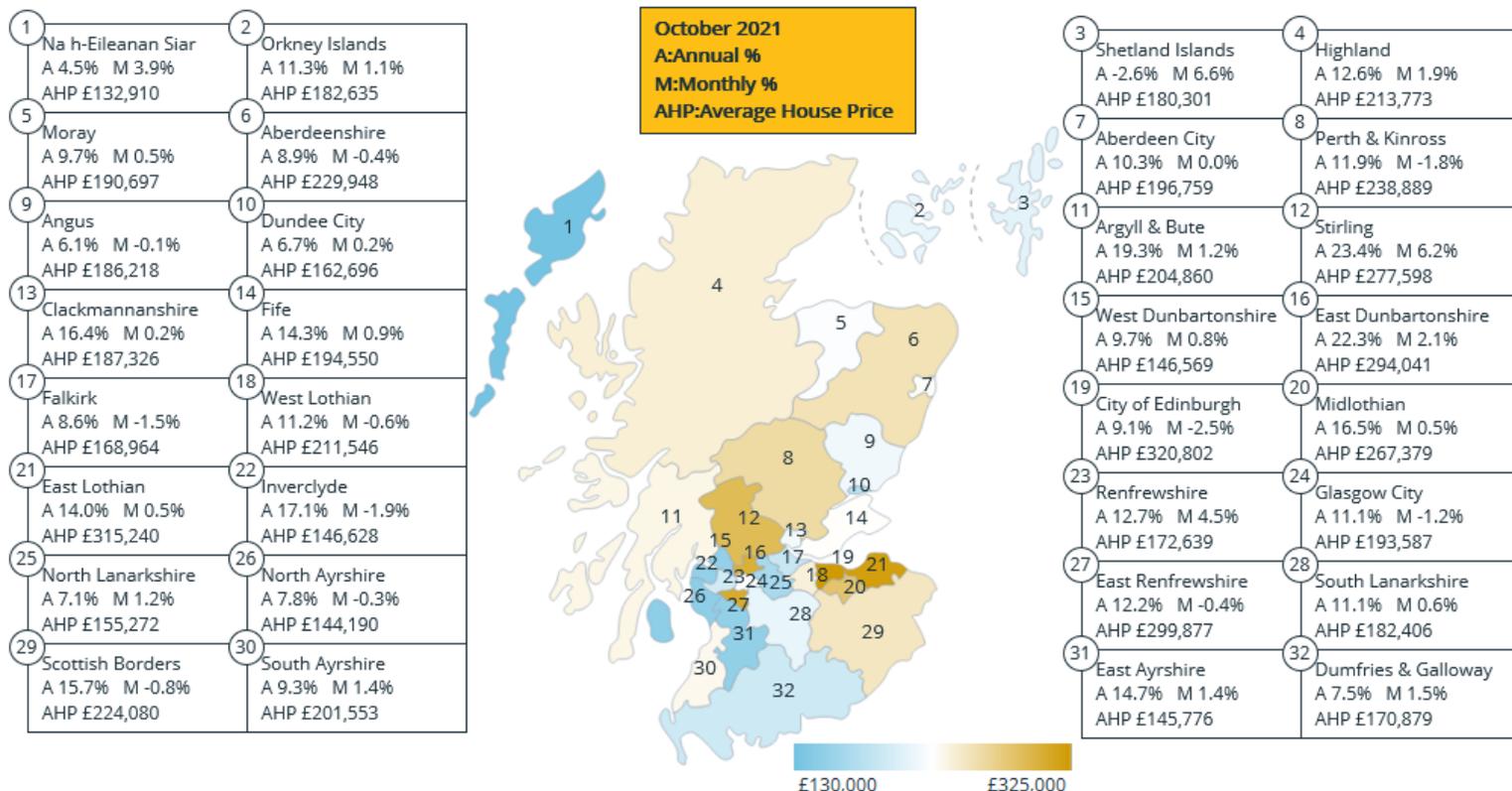


Table 1. Average House Prices in Scotland for the period October 2020 – October 2021
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
October	2020	£190,726	249.8	1.5	3.8
November	2020	£195,026	255.4	2.3	5.8
December	2020	£198,383	259.8	1.7	7.5
January	2021	£200,164	262.2	0.9	8.0
February	2021	£202,088	264.7	1.0	8.7
March	2021	£206,302	270.2	2.1	11.4
April	2021	£203,922	267.1	-1.2	10.6
May	2021	£203,861	267.0	0.0	11.1
June	2021	£201,627	264.1	-1.1	8.4
July	2021	£207,015	271.1	2.7	10.5
August	2021	£210,475	275.7	1.7	11.9
September	2021	£212,621	278.5	1.0	13.1
October	2021	£212,551	278.4	0.0	11.4

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:

“The continued story of Scotland’s successful year for higher priced properties continues. The average house price in Scotland has increased by some £21,800 over the last 12 months but our data shows there have been 872 sales over £750k (the point at which the highest rate of Land and Buildings Transaction Tax (LBTT) is applied) during the first ten months of 2021. We expect up to 30 additional sales in October 2021, not yet recorded by the Registers of Scotland and so not included in the above total. This would mean sales of these higher-value properties to the end of October 2021 would likely be double in number to those of the first ten months of 2020.

“What we are seeing is the impact of the cut in LBTT earlier in the year, the continuation of low interest rates and cheaper mortgage finance, and the desire of many purchasers during the pandemic to buy bigger properties in the race for space. These factors have meant higher-end properties have played a significant part in the overall growth figure.

“Sales volumes from May to October 2021 are only slightly ahead of previous years, and suggest that the market has now returned to pre-pandemic transaction levels. Nevertheless, the continuing strong performance in October means Scotland had the highest annual rate of house price growth of the four home nations with annual growth at 11.4%, followed by Northern Ireland at 10% (Ulster University Index), Wales at 9.6% and England, without Wales, at 3.9%.”

Commentary: John Tindale, Acadata Senior Housing Analyst

The October housing market

Scotland's October housing market is starting to show some signs of slowing in terms of price growth, but it's necessary to look quite hard for the evidence. We provide four possible indicators:-

Firstly, we can point to an actual reduction in the average house price in October, with the value now standing at £212,551 – but this is only £70 lower than the previous month. However, it does bring to an end a three-month run from July to September 2021, in which average prices rose by an overall £11,000.

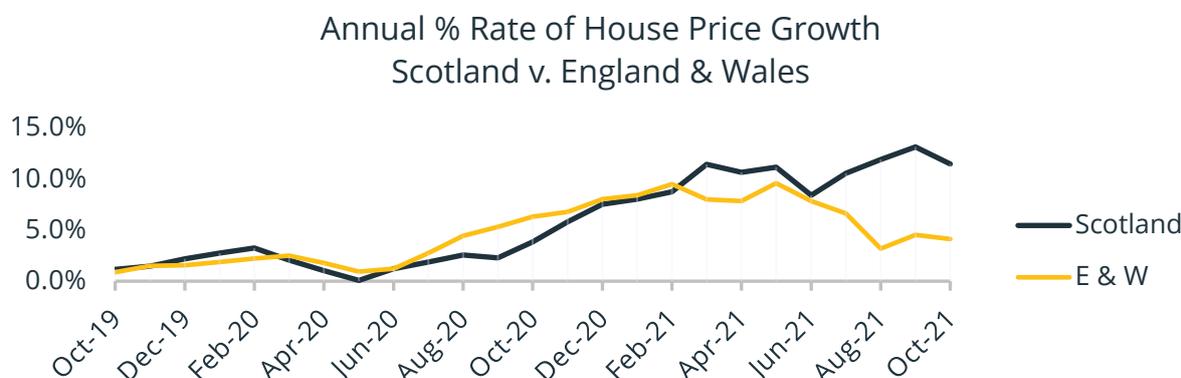
Secondly, we can show that in October only some 90 homes in Scotland were sold at a price in excess of £750k, compared to 120 in September. Nevertheless, we could point out that - if we looked at the monthly totals prior to October 2020, ie one year earlier - then 90 sales in a single month having a value over £750k would have set a new record at that time.

Thirdly, the average house price in both Edinburgh and Glasgow fell in October, with the two cities collectively accounting for approximately 25% of all property sales in Scotland. But we could also point out that the same happened in both October 2017 and October 2019, with Scotland's average house price for those two years showing continued positive growth.

Lastly, and perhaps the most compelling argument is that England and Wales have seen their house price growth start to fall. Figure 1 below compares Scotland's annual rate of growth, which was at 11.4% in October, with that of England and Wales combined, where rates have fallen to 4.1%. In fact, eight of the nine regions in England saw their annual rates of growth fall in October. (For a comparative Table go to Figure 4 and follow the link.)

In October, Scotland had the highest annual rate of house price growth of the four United Kingdom countries, at 11.4%, with Northern Ireland in second place at 10% (Ulster University Index), followed by Wales at 9.6% and England, without Wales, at 3.9%. England has started to see a reduction in the number of high-value detached properties being sold – perhaps due to a shortage in the level of available stock – resulting in average prices beginning to fall.

Figure 1. The annual rate of house price growth, comparing Scotland with England and Wales over the period October 2019 to October 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 October 2021, based on RoS (Registers of Scotland) figures for the Date of Entry. (October 2021 figures are based on RoS Application dates.)

The fall in the number of transactions at the onset of the pandemic in March/April 2020 is clearly visible – the March 2020 property sales that actually took place would largely have been agreed prior to the commencement of the first lockdown in Scotland on 24 March 2020. However, what is also clear is the recovery in sales during the summer of 2020, followed by an acceleration from August 2020 to a peak of 13,019 transactions in October 2020 – the highest number in a single month since November 2007.

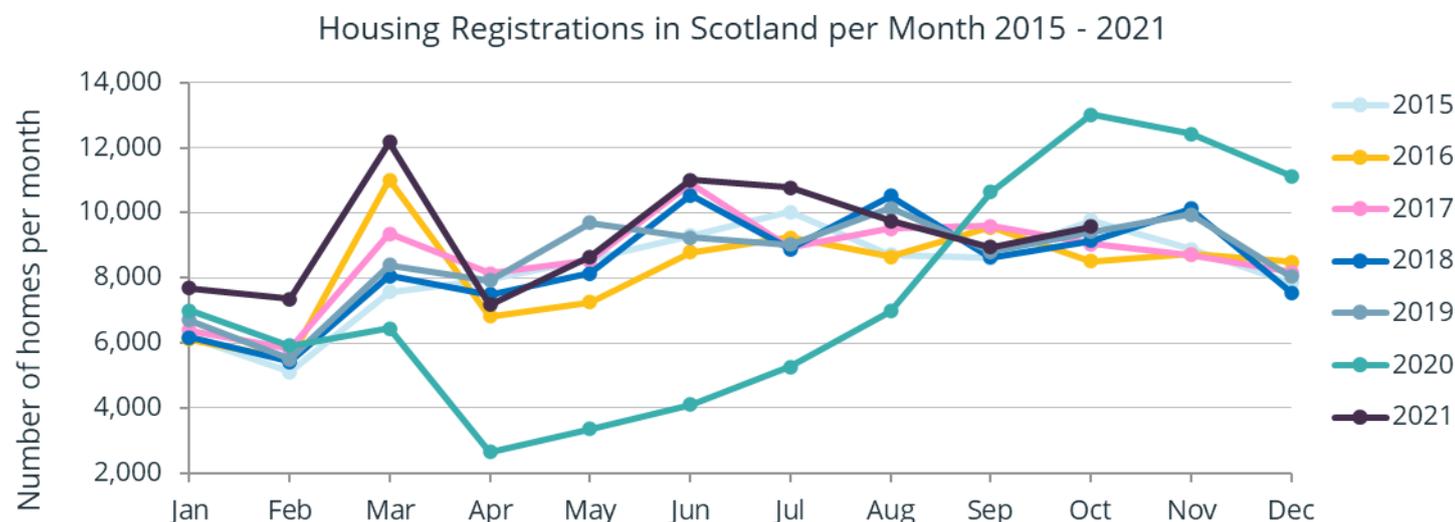
One can also see that sales per month from September 2020 to March 2021 were at higher levels than the previous five years, as the market played ‘catch-up’ with the lost transactions during the spring and early summer months, and also took advantage of the LBTT tax reductions which were in effect from 15 July 2020 to 31 March 2021 (inclusive).

Also noteworthy is the spike in sales in March 2021 - as the tax reduction expiry date approached – as is the fall in sales in April 2021, indicating the extent to which buyers had managed to bring forward their purchases into March 2021 to take advantage of the tax savings.

Sales volumes from May to October 2021 look roughly on par with, or slightly ahead of, previous years perhaps suggesting that the market has now returned to its pre-pandemic transaction 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 ten 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 10%, although this does include the spike in March 2021, which will have enhanced the 2021 totals.

Figure 2. The number of sales per month recorded by RoS based on entry date (RoS applications date for October), 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 – October 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	54	16	63
6	26	47	43	41	60	36	118
7	15	36	55	44	61	41	119
8	41	54	62	60	61	40	101
9	46	44	56	70	59	66	121
10	23	52	48	55	40	114	63
11	48	38	37	59	58	108	
12	34	23	40	31	49	104	
Total	555	445	460	537	582	647	872

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 872 sales in excess of £750k during the first ten months of 2021, and we anticipate there will be 30 additional sales in October 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 October 2021 will therefore likely be double in number to those of the first ten months of 2020.

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 look for 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, available up to the end of March 2021. This encouraged the whole market to be more adventurous in its outlook.

However, even with the additional 30 as yet unrecorded sales being taken into account, October 2021 becomes the first month since August 2020 in which the number of homes purchased having a value of £750k or higher will be lower than that recorded in the same month of the previous year. Is this one of the first signs that a slackening in the demand for high-value homes has begun, as suggested earlier?

Local Authority Analysis

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

Prior Year Rank	Rank By Price	Local Authority Area	Oct-20	Sep-21	Oct-21	Month % Change	Annual % Change
1	1	City of Edinburgh	£293,953	£328,971	£320,802	-2.5%	9.1%
2	2	East Lothian	£276,595	£313,720	£315,240	0.5%	14.0%
3	3	East Renfrewshire	£267,241	£301,092	£299,877	-0.4%	12.2%
4	4	East Dunbartonshire	£240,396	£288,036	£294,041	2.1%	22.3%
6	5	Stirling	£224,870	£261,398	£277,598	6.2%	23.4%
5	6	Midlothian	£229,439	£266,099	£267,379	0.5%	16.5%
7	7	Perth and Kinross	£213,525	£243,307	£238,889	-1.8%	11.9%
8	8	Aberdeenshire	£211,168	£230,958	£229,948	-0.4%	8.9%
9	9	Scottish Borders	£193,648	£225,826	£224,080	-0.8%	15.7%
11	10	Highland	£189,804	£209,799	£213,773	1.9%	12.6%
10	11	West Lothian	£190,163	£212,844	£211,546	-0.6%	11.2%
18	12	Argyll and Bute	£171,725	£202,419	£204,860	1.2%	19.3%
13	13	South Ayrshire	£184,437	£198,822	£201,553	1.4%	9.3%
14	14	Aberdeen City	£178,313	£196,826	£196,759	0.0%	10.3%
19	15	Fife	£170,259	£192,835	£194,550	0.9%	14.3%
16	16	Glasgow City	£174,257	£195,930	£193,587	-1.2%	11.1%
17	17	Moray	£173,757	£189,785	£190,697	0.5%	9.7%
22	18	Clackmannanshire	£160,873	£186,908	£187,326	0.2%	16.4%
15	19	Angus	£175,520	£186,349	£186,218	-0.1%	6.1%
21	20	Orkney Islands	£164,131	£180,564	£182,635	1.1%	11.3%
20	21	South Lanarkshire	£164,236	£181,339	£182,406	0.6%	11.1%
12	22	Shetland Islands	£185,135	£169,197	£180,301	6.6%	-2.6%
25	23	Renfrewshire	£153,158	£165,137	£172,639	4.5%	12.7%
23	24	Dumfries and Galloway	£158,966	£168,419	£170,879	1.5%	7.5%
24	25	Falkirk	£155,571	£171,559	£168,964	-1.5%	8.6%
26	26	Dundee City	£152,498	£162,391	£162,696	0.2%	6.7%
27	27	North Lanarkshire	£144,937	£153,468	£155,272	1.2%	7.1%
32	28	Inverclyde	£125,179	£149,403	£146,628	-1.9%	17.1%
29	29	West Dunbartonshire	£133,581	£145,405	£146,569	0.8%	9.7%
31	30	East Ayrshire	£127,050	£143,776	£145,776	1.4%	14.7%
28	31	North Ayrshire	£133,698	£144,668	£144,190	-0.3%	7.8%
30	32	Na h-Eileanan Siar	£127,165	£127,895	£132,910	3.9%	4.5%
All Scotland			£190,726	£212,621	£212,551	0.0%	11.4%

Table 3 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for October 2020, as well as for September and October 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 October 2021. Local Authority areas shaded in blue experienced record average house prices in October.

Annual change

The average house price in Scotland has increased by some £21,800 - or 11.4% - over the last twelve months, to the end of October. This is a reduction from the £24,600 growth seen to the end of September 2021, but in percentage terms it still represents the highest annual price growth of the four countries in the UK and the nine GOR regions in England.

In October 2021, 31 of the 32 local authority areas in Scotland saw their average prices rise over the previous twelve months. The one area with a price fall compared to one year earlier was the Shetland Islands - but low transaction counts on the Islands often cause unexpected results due to the volatility in the price of the small number of sales - there were just 20 transactions in the Shetlands in October, compared to 750 in Edinburgh.

The area with the highest annual increase in average house prices in October was Stirling, where average prices have risen by 23.4% over the year and by 6.2% in the month. It is quite unusual for prices to rise in Stirling in October, as normally prices tend to fall in the month - and have done so in nine of the last ten years - we ascribe this phenomenon to the start of the University year, with lecturers and students tending to buy properties earlier in the summer. However, this year in Stirling all property types have seen prices rise in value in October, but particularly so in detached homes, with the months statistics including two magnificent dwellings priced at over £2 million each, which will have helped to elevate the average detached price in the area.

Monthly change

In October 2021, Scotland's average house price fell by a very modest £70, or 0.0%, and now stands at £212,551. This is the first fall in prices since June 2021, although on that occasion the fall amounted to a more substantial £2,250.

Despite the overall fall in prices in October, 20 Local Authority areas in Scotland experienced rising prices, with only 12 areas seeing prices decline. The largest increase in average prices in October, of 6.6%, was seen in the Shetland Islands, despite it being the only area with a negative movement in prices over the previous twelve months (see above). The next biggest increase in prices was in Stirling at 6.2% (also see above).

The largest fall in the month was in Edinburgh, where prices fell by -2.5%. Looking at the detail, all Edinburgh's property types saw a reduction in average values in the month, with the largest fall being seen in terraces, but this was mainly due to the highest-valued property of the last eighteen months in the whole of Scotland dropping out of Edinburgh's statistics in October - the property in question being a terrace in Moray Place, which had sold for £4.7 million.

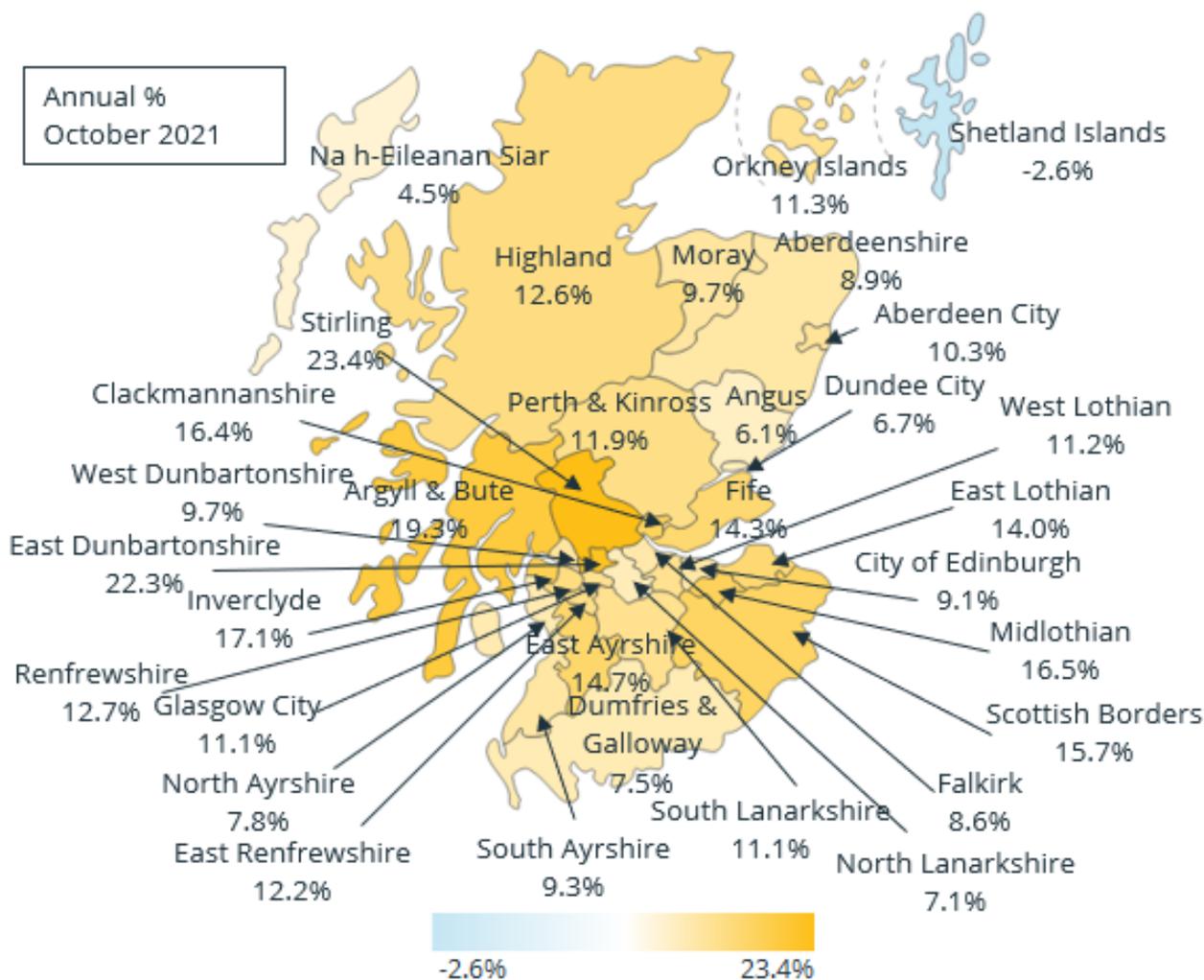
On a weight-adjusted basis, which takes into account both the increase in average price and the number of transactions involved, four local authority areas in October were responsible for 56% of the positive movement in Scotland's average house price, being, in order of influence, Renfrewshire, Stirling, Highland and Fife. At the opposite end of the scale there were two authorities responsible for 57% of the fall in prices, being Edinburgh and Glasgow, with the overall fall in prices outweighing the increases by £70.

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 October there are 12 such authorities, down from 15 in September. It is noticeable in Table 3 that four of the top six 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 still associated with the price competition being experienced at the top-end of the housing market.

Heat Map

The heat map below shows the rate of house price growth for the 12 months ending October 2021. As reported above, all but one of the 32 local authority areas in Scotland are reporting an increase in their housing values over the last year. The one area with negative growth is the Shetland Islands where prices over the year have fallen by -2.6%. The highest increase over the twelve months to October 2021 was in Stirling at 23.4%, with neighbouring East Dunbartonshire being in second place at 22.3%.



Comparisons with Scotland

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

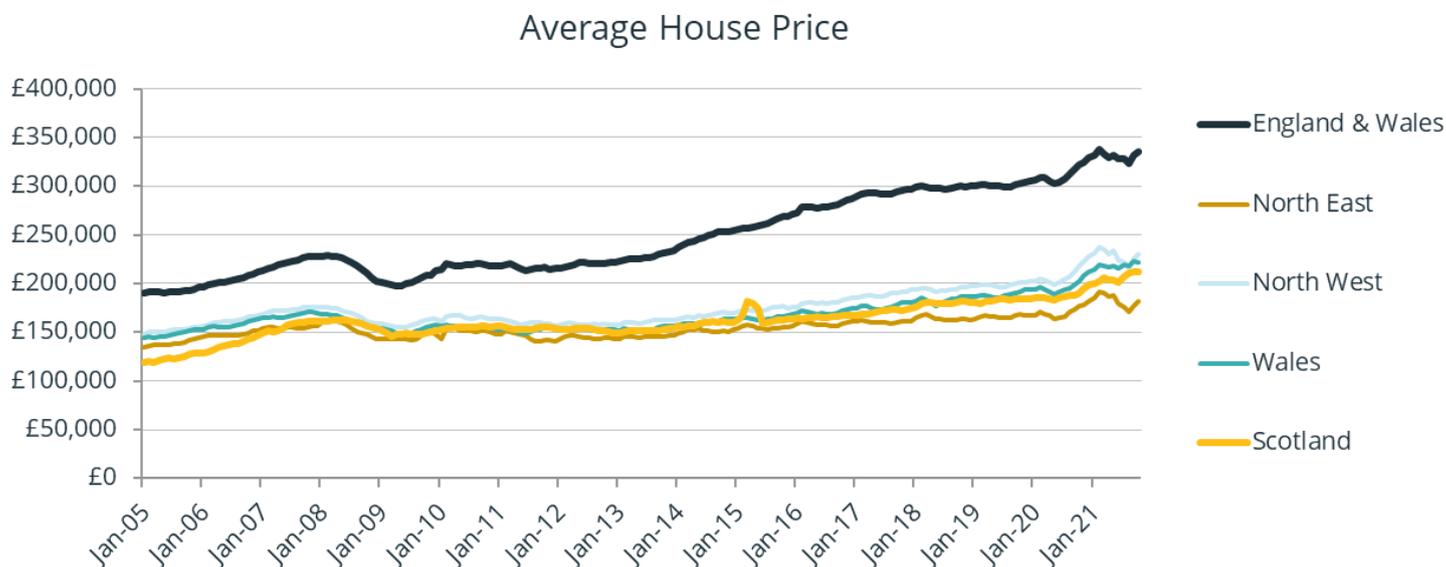
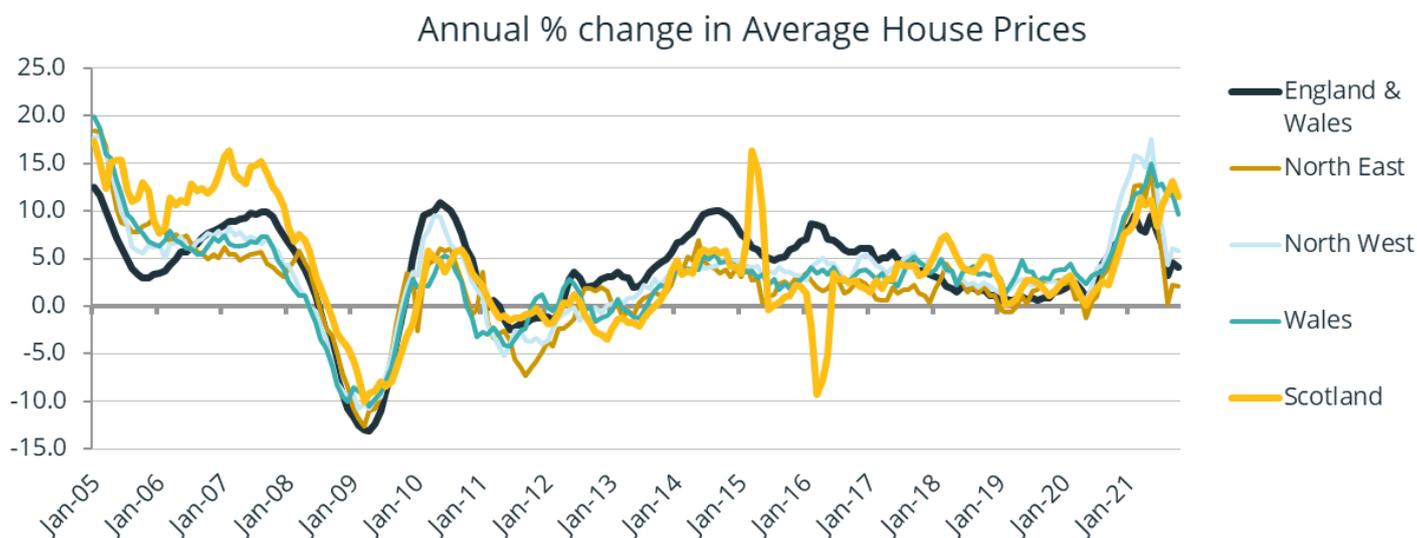


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005–October 2021 ([Link to source Excel](#))



Scotland's Seven Cities

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

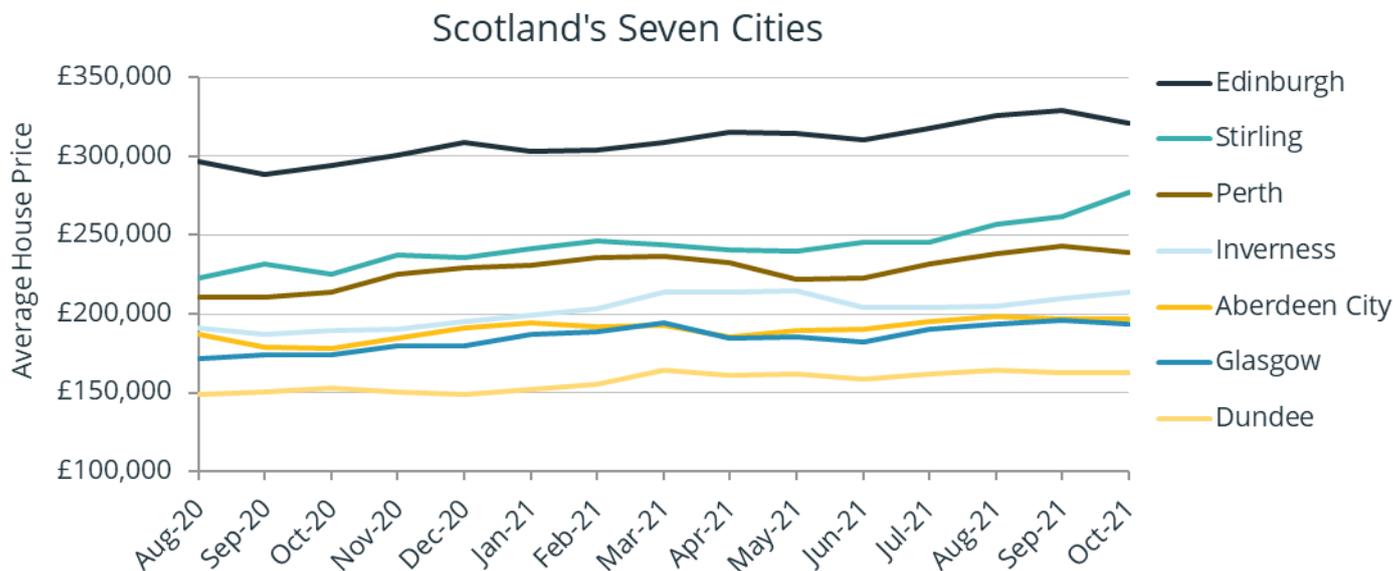


Figure 6. Average house prices for Scotland's seven cities October 2021 ([Link to source Excel](#))



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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