

### Sales in excess of £750k likely to be double those in 2018

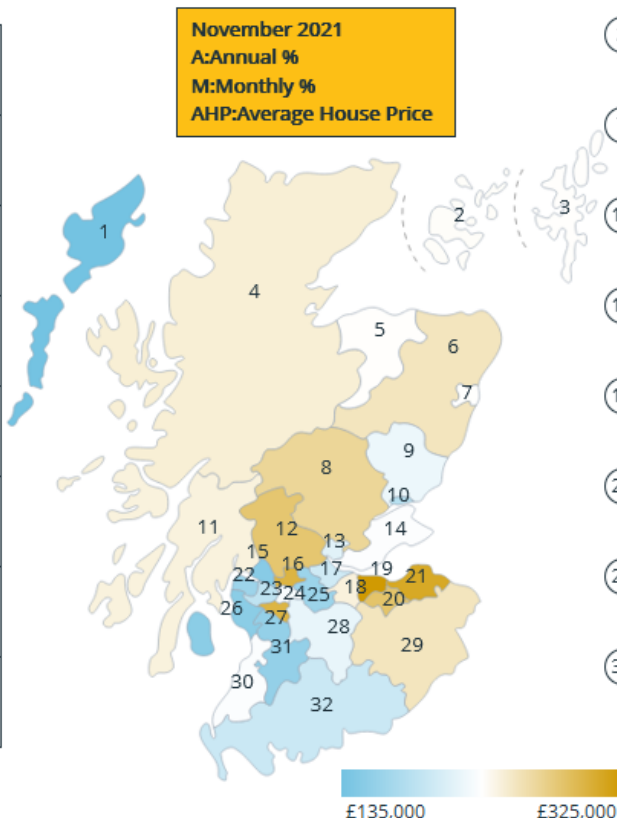
- ✓ Average house price in Scotland grows by 9.3% over last 12 months...
- ✓ ...transactions up by 11% on 2019 levels
- ✓ 31 of 32 Local Authorities continue to see rising average prices over year to end November

#### 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 %
£213,109	279.1	0.2	9.3

1 Na h-Eileanan Siar A -4.6% M 3.8% AHP £137,310	2 Orkney Islands A 16.2% M 7.0% AHP £199,022
5 Moray A 11.3% M 4.1% AHP £197,660	6 Aberdeenshire A 6.7% M -0.4% AHP £228,084
9 Angus A 6.1% M 0.6% AHP £188,047	10 Dundee City A 10.0% M 2.2% AHP £165,695
13 Clackmannanshire A 8.5% M -1.5% AHP £183,212	14 Fife A 12.6% M -0.2% AHP £194,732
17 Falkirk A 9.1% M 2.8% AHP £175,975	18 West Lothian A 12.2% M 0.6% AHP £213,447
21 East Lothian A 5.8% M -3.0% AHP £303,014	22 Inverclyde A 12.8% M 4.6% AHP £154,684
25 North Lanarkshire A 5.0% M -0.4% AHP £154,456	26 North Ayrshire A 10.6% M 1.9% AHP £147,267
29 Scottish Borders A 11.7% M 1.5% AHP £228,205	30 South Ayrshire A 6.1% M -4.3% AHP £194,238



3 Shetland Islands A 14.9% M 10.2% AHP £197,637	4 Highland A 14.1% M 1.5% AHP £216,726
7 Aberdeen City A 6.7% M 0.1% AHP £196,849	8 Perth & Kinross A 9.4% M 2.1% AHP £246,719
11 Argyll & Bute A 17.8% M 4.6% AHP £212,631	12 Stirling A 12.4% M -0.7% AHP £266,665
15 West Dunbartonshire A 8.2% M -0.7% AHP £145,859	16 East Dunbartonshire A 16.3% M -1.0% AHP £289,143
19 City of Edinburgh A 6.6% M -0.7% AHP £320,664	20 Midlothian A 12.4% M 1.8% AHP £269,700
23 Renfrewshire A 9.7% M -1.0% AHP £169,048	24 Glasgow City A 7.4% M 0.1% AHP £192,670
27 East Renfrewshire A 6.6% M -4.9% AHP £288,430	28 South Lanarkshire A 12.9% M 1.6% AHP £186,284
31 East Ayrshire A 13.7% M 4.0% AHP £150,913	32 Dumfries & Galloway A 7.7% M 0.8% AHP £173,902

Table 1. Average House Prices in Scotland for the period November 2020 – November 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 %
November	2020	£195,040	255.4	2.3	5.8
December	2020	£198,390	259.8	1.7	7.5
January	2021	£200,177	262.2	0.9	8.0
February	2021	£202,089	264.7	1.0	8.7
March	2021	£206,303	270.2	2.1	11.4
April	2021	£203,911	267.1	-1.2	10.6
May	2021	£203,865	267.0	0.0	11.2
June	2021	£201,558	264.0	-1.1	8.4
July	2021	£207,015	271.1	2.7	10.5
August	2021	£210,468	275.6	1.7	11.9
September	2021	£212,629	278.5	1.0	13.1
October	2021	£212,625	278.5	0.0	11.5
November	2021	£213,109	279.1	0.2	9.3

**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 national growth rate in house prices of 9.3% remains exceptionally high. The ongoing ‘race for space’ continues to support demand for properties that offer the room to live and work in a pandemic environment. Working from home has changed where people want to live and the type of property they want to own.

“The subsequent increase in top-end sales last year has been a result of home movers seeking out properties better suited to their updated needs. Additional support was provided through the tax savings from the Land and Buildings Transaction Tax holiday that was available up to the end of March 2021. This encouraged the whole market to be more adventurous. Even now, competition among purchasers, a lack of suitable stock, and the continued very low interest rates supporting affordable mortgage debt means that there is currently plenty of good headwind to sustain prices.

“So while rates of growth in house prices may be stabilising in Scotland, the housing market in November still saw an increase in the average house price of £484, which is 0.2% higher than in October.

“Sales volumes from May to November 2021 look roughly on a par with, or slightly ahead of, previous years, perhaps suggesting that the market has now returned to its pre-pandemic transaction levels, but in summary it is fair to say Scottish house prices have enjoyed another strong year often outperforming the UK average.”

## Commentary: John Tindale, Acadata Senior Housing Analyst

### The November housing market

Last month we indicated that Scotland's rate of house price growth was starting to slow, as the annual rate reduced from 13.1% in September to a (revised) rate of 11.5% in October. This month (November), the rate of annual growth continues to reduce - to 9.3% - which represents a modest quickening in the rate of decline from October.

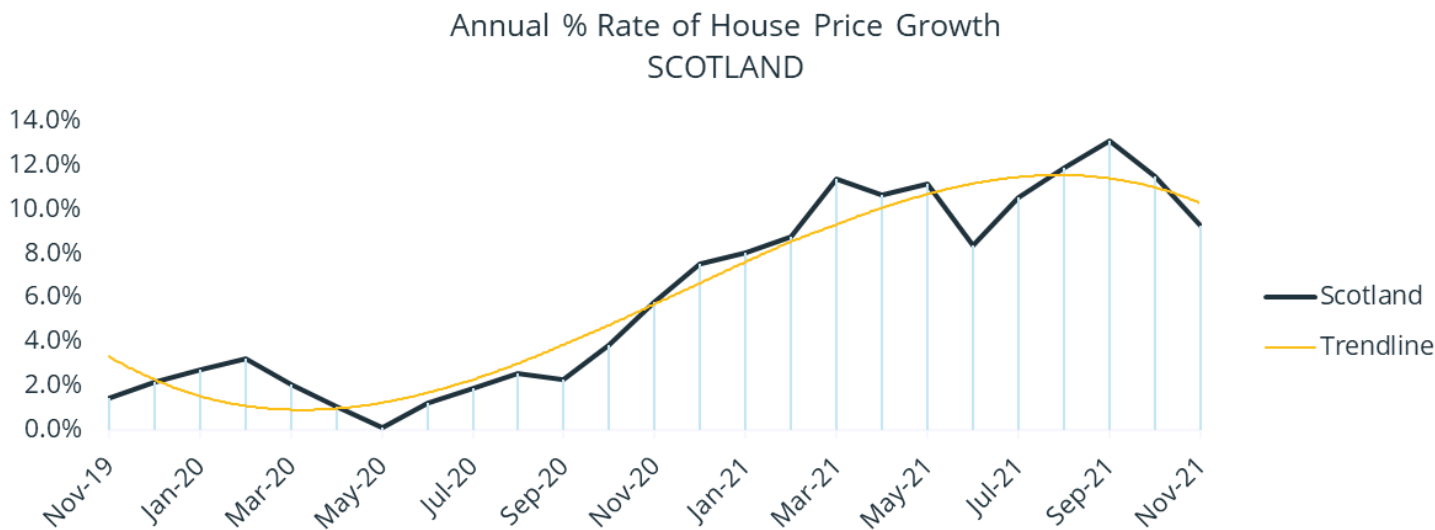
We would point out, however, that a national growth rate in house prices of 9.3% is exceptionally high, and does not occur particularly frequently. For example, in the 166 months since January 2008, the national growth rate in house prices in Scotland has only exceeded a rate of 9.3% on 10 occasions, with 7 of those occurring during the pandemic in 2021. Historic records would therefore tend to suggest that price growth will slow.

However, demand for properties with more space remains high. Rightmove reported that on Boxing Day 2021, property searches on their website set new record levels, with Glasgow featuring as the fifth most searched-for location in 2021, while Edinburgh stood in ninth position. Competition among prospective buyers for properties remains strong, which is helping to maintain current asking prices. In addition, interest rates remain low on a historic perspective, even if the Bank of England has been dropping hints that rates are likely to move up in the near future.

In Scotland's housing market in November, there has been an increase in the average house price of £484 in the month, which is 0.2% higher than in October. The reason for the fall in the annual rate of price growth this month arises from the strong performance in the market twelve months previously, when prices rose in the month of November 2020 by 2.3% - an increase of only 0.2% in November 2021 hence pales into insignificance by comparison.

Figure 1 below shows the movement in annual growth rates over the last 2 years. Although the trendline has a downward track over the final three months of the graph, it ends at a higher level than is currently seen. The answer to the question concerning the direction of travel in house prices in Scotland consequently remains too evenly balanced for a definitive conclusion to be reached.

Figure 1. The annual rate of house price growth in Scotland over the period November 2019 to November 2021 with trendline ([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 November 2021, based on RoS (Registers of Scotland) figures for the Date of Entry. (November 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 13,022 transactions in October 2020 – the highest number in a single month since November 2007.

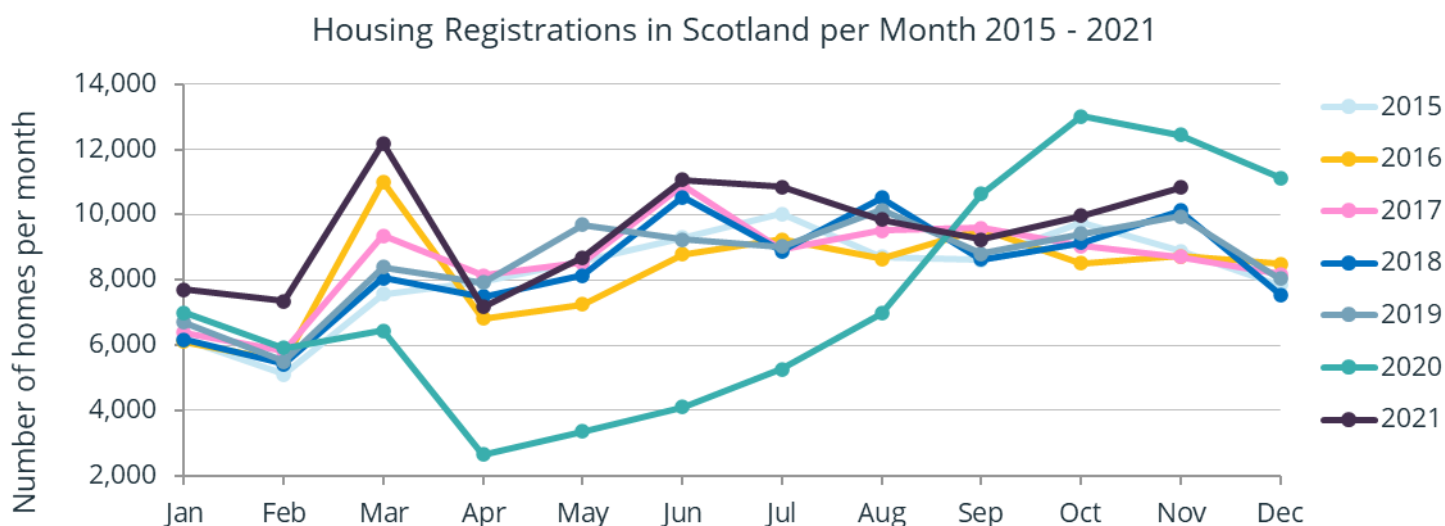
It can be seen too that sales per month from September 2020 to March 2021 were at higher levels than the previous five years, as the market played ‘catch-up’ with the lost transactions during the spring and early summer months, and also took advantage of the LBTT tax reductions which were on offer from 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 LBTT tax savings.

Sales volumes from May to November 2021 look roughly on a 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 eleven 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 totals.

Figure 2. The number of sales per month recorded by RoS based on entry date (RoS applications date for November), 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 – November 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	117
7	15	36	55	44	61	41	120
8	41	54	62	60	61	40	102
9	46	44	56	70	59	67	125
10	23	52	48	55	40	114	99
11	48	38	37	59	58	108	64
12	34	23	40	31	49	104	
<b>Total</b>	<b>555</b>	<b>445</b>	<b>460</b>	<b>537</b>	<b>582</b>	<b>648</b>	<b>977</b>

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 977 sales in excess of £750k during the first eleven months of 2021, and we anticipate there will be at least 23 additional sales in November 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 November 2021 will therefore likely reach 1,000 in number by the end of the month and approach 1,100 by the end of the year. Hence annual transactions of £750k or higher in 2021 will likely double those seen in 2018.

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 23 as yet unrecorded sales being taken into account, November 2021 becomes the second month in a row 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.

## Local Authority Analysis

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

Prior Year Rank	Rank By Price	Local Authority Area	Nov-20	Oct-21	Nov-21	Month % Change	Annual % Change
1	1	City of Edinburgh	£300,749	£323,047	£320,664	-0.7%	6.6%
2	2	East Lothian	£286,394	£312,396	£303,014	-3.0%	5.8%
4	3	East Dunbartonshire	£248,568	£292,121	£289,143	-1.0%	16.3%
3	4	East Renfrewshire	£270,669	£303,390	£288,430	-4.9%	6.6%
5	5	Midlothian	£239,948	£265,016	£269,700	1.8%	12.4%
6	6	Stirling	£237,286	£268,632	£266,665	-0.7%	12.4%
7	7	Perth and Kinross	£225,481	£241,586	£246,719	2.1%	9.4%
9	8	Scottish Borders	£204,298	£224,759	£228,205	1.5%	11.7%
8	9	Aberdeenshire	£213,725	£229,027	£228,084	-0.4%	6.7%
11	10	Highland	£189,955	£213,560	£216,726	1.5%	14.1%
10	11	West Lothian	£190,249	£212,100	£213,447	0.6%	12.2%
14	12	Argyll and Bute	£180,497	£203,280	£212,631	4.6%	17.8%
20	13	Orkney Islands	£171,281	£185,983	£199,022	7.0%	16.2%
16	14	Moray	£177,665	£189,919	£197,660	4.1%	11.3%
19	15	Shetland Islands	£171,992	£179,281	£197,637	10.2%	14.9%
12	16	Aberdeen City	£184,438	£196,599	£196,849	0.1%	6.7%
18	17	Fife	£173,013	£195,196	£194,732	-0.2%	12.6%
13	18	South Ayrshire	£183,014	£202,877	£194,238	-4.3%	6.1%
15	19	Glasgow City	£179,466	£192,438	£192,670	0.1%	7.4%
17	20	Angus	£177,176	£186,932	£188,047	0.6%	6.1%
22	21	South Lanarkshire	£165,039	£183,423	£186,284	1.6%	12.9%
21	22	Clackmannanshire	£168,783	£186,040	£183,212	-1.5%	8.5%
24	23	Falkirk	£161,353	£171,213	£175,975	2.8%	9.1%
23	24	Dumfries and Galloway	£161,538	£172,525	£173,902	0.8%	7.7%
25	25	Renfrewshire	£154,156	£170,694	£169,048	-1.0%	9.7%
26	26	Dundee City	£150,695	£162,066	£165,695	2.2%	10.0%
29	27	Inverclyde	£137,119	£147,855	£154,684	4.6%	12.8%
27	28	North Lanarkshire	£147,160	£155,029	£154,456	-0.4%	5.0%
32	29	East Ayrshire	£132,779	£145,136	£150,913	4.0%	13.7%
31	30	North Ayrshire	£133,113	£144,526	£147,267	1.9%	10.6%
30	31	West Dunbartonshire	£134,794	£146,928	£145,859	-0.7%	8.2%
28	32	Na h-Eileanan Siar	£143,874	£132,220	£137,310	3.8%	-4.6%
<b>All Scotland</b>			<b>£195,040</b>	<b>£212,625</b>	<b>£213,109</b>	<b>0.2%</b>	<b>9.3%</b>

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

## Annual change

The average house price in Scotland has increased by some £18,000 - or 9.3% - over the last twelve months, to the end of November. This is a reduction from the £21,800 growth seen to the end of October 2021, and is the second month in succession in which the annual rate of house price growth has slowed, having reached an annual rate of 13.1% in September 2021. In November, Scotland's growth rate trails Wales' 9.4% by 0.1%, but in percentage terms is still higher than the nine GOR regions in England.

In November 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 Na h-Eileanan Siar – 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 25 transactions in Na h-Eileanan Siar in November, compared to over 700 in both Edinburgh and Glasgow.

The area with the highest annual increase in average house prices in November was Argyll and Bute, where average prices have risen by 17.8% over the year and by 4.6% in the month. Statistics for the month include the sale of the Ferry Inn House on the Rosneath Peninsula. The Ferry Inn House was once owned by Princess Louise, the daughter of Queen Victoria. It sold for just under £1 million. The data for Argyll and Bute in November also includes the sale of a further £1 million detached property on the outskirts of Oban, with 11 bedrooms, 5 bathrooms and 17 acres of land. With these two properties having been sold in the month, it is little wonder that average prices in the area have seen such rapid escalation.

## Monthly change

In November 2021, Scotland's average house price in the month rose by some £500, or 0.2%, compared to a fall of £70 in October. The average price of a home in Scotland now stands at £213,109, which sets a new record level for the nation for the eighth time in the last twelve months.

In November, 20 Local Authority areas in Scotland experienced rising prices in the month, with only 12 seeing prices decline. The largest increase in average prices in November, of 10.2%, was in the Shetland Islands, followed by the Orkney Islands at 7.0%, but as indicated above, Scotland's Island groups tend to see volatile price movements, due to the low number of sales each month.

On the mainland, Inverclyde saw the largest increase in prices in the month, of 4.6%. This increase in average price was helped this month by the sale of a modern detached home, overlooking the Firth of Clyde, in Gourock, for £650k.

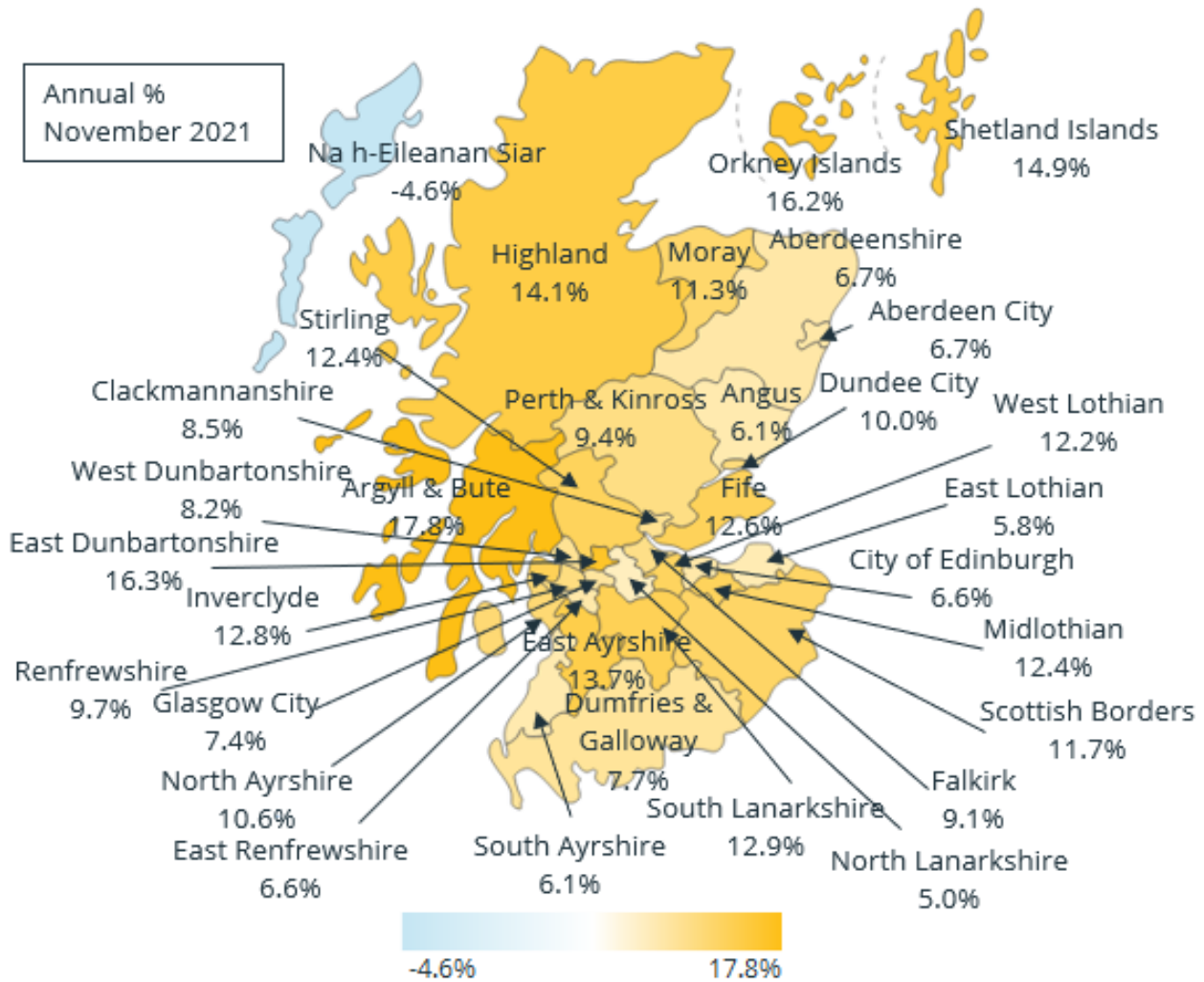
On a weight-adjusted basis, which takes into account both the increase in average price and the number of transactions involved, six local authority areas in November were responsible for 54% of the positive movement in Scotland's average house price. These were, in order of influence, South Lanarkshire, Argyll and Bute, Perth and Kinross, Highland, Falkirk and Moray. At the opposite end of the scale three authorities were responsible for 60% of the fall in prices in the month, being the City of Edinburgh, East Renfrewshire and East Lothian, with the overall rise in prices outweighing the falls by £484.

### 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 14 such authorities, up from 12 in October. In October, it was noticeable in Table 3 that four of the top six local authority areas ranked by price had reached new record levels: however, in November almost the opposite applies, with only one of the top six areas by value having established a new record price. Prices in the other five areas all fell in the month, with semi-detached homes in these areas tending to see the largest falls in average values.

### Heat Map

The heat map below shows the rate of house price growth for the 12 months ending November 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 Na h-Eileanan Siar, where prices over the year have fallen by -4.6%. The highest increase over the twelve months to November 2021 was in Argyll and Bute at 17.8%, with near neighbour East Dunbartonshire being in second place at 16.3%.





## Comparisons with Scotland

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

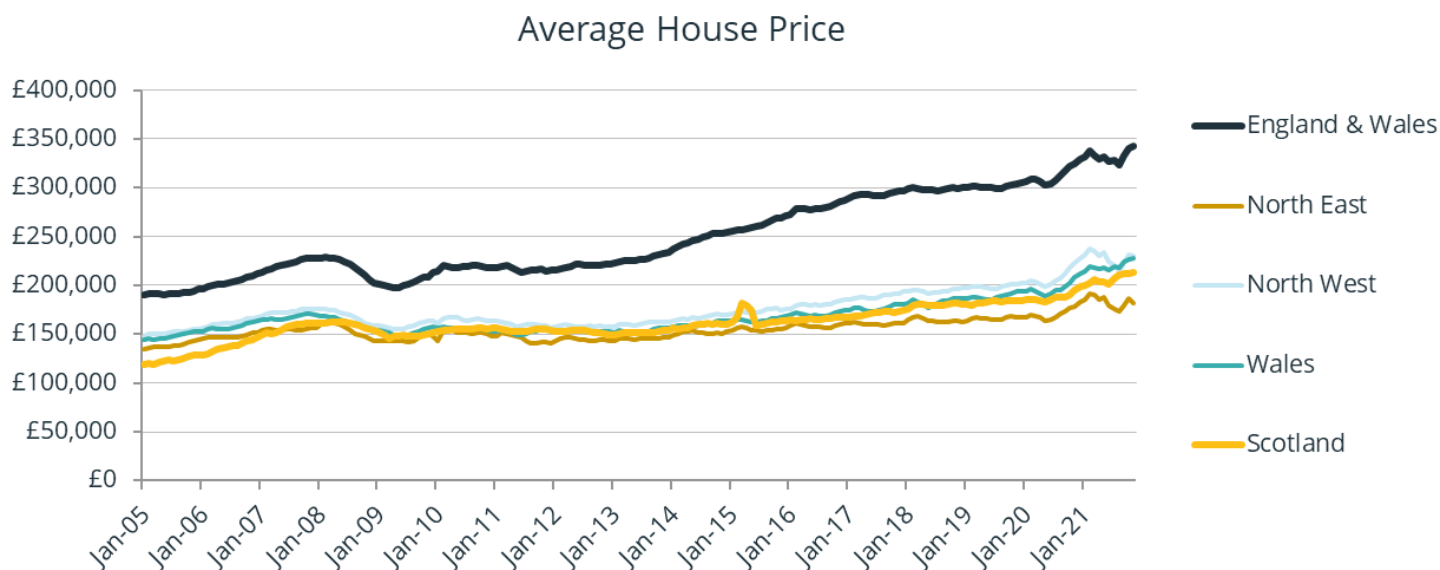
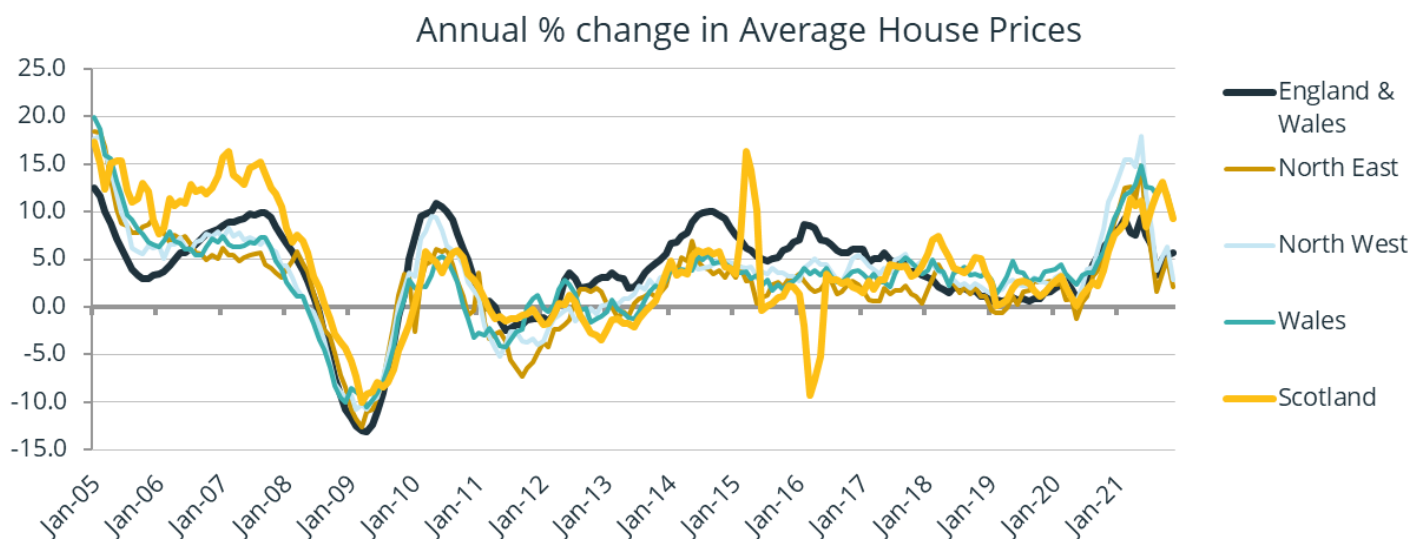


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005-November 2021 ([Link to source Excel](#))



## Scotland's Seven Cities

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

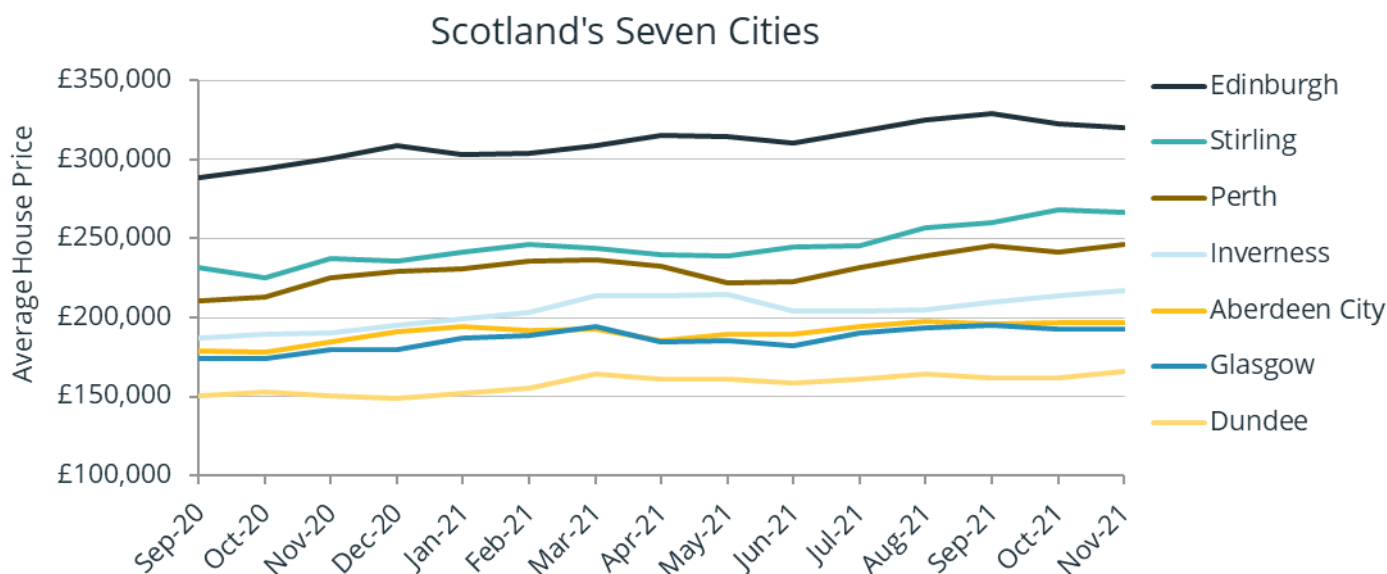
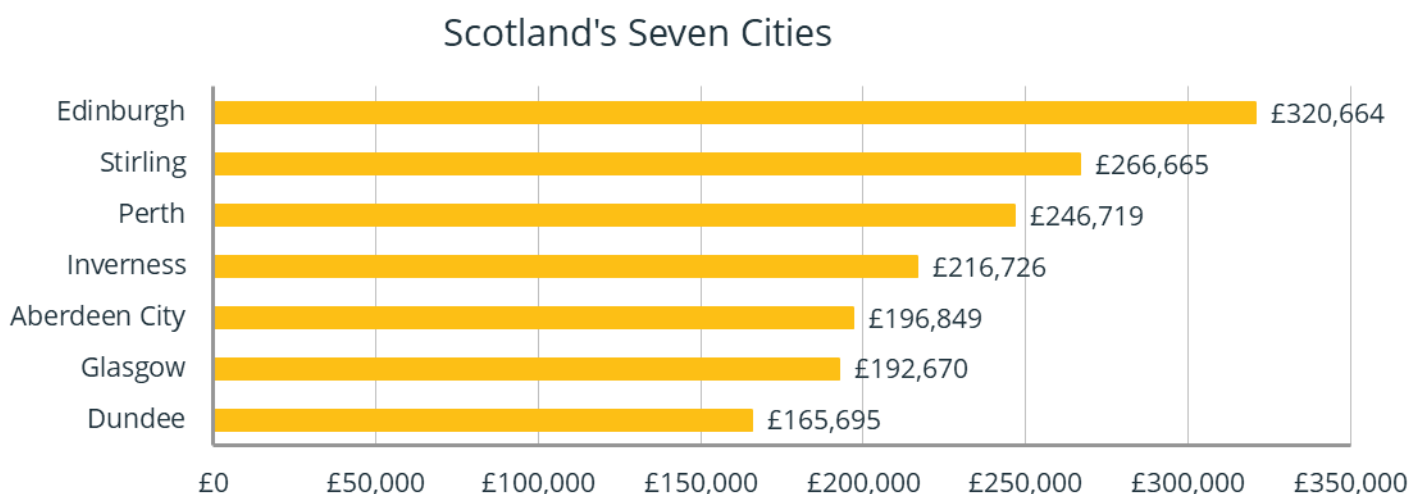


Figure 6. Average house prices for Scotland's seven cities November 2021 ([Link to source Excel](#))



## 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](http://www.walkerfrasersteele.co.uk)

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