

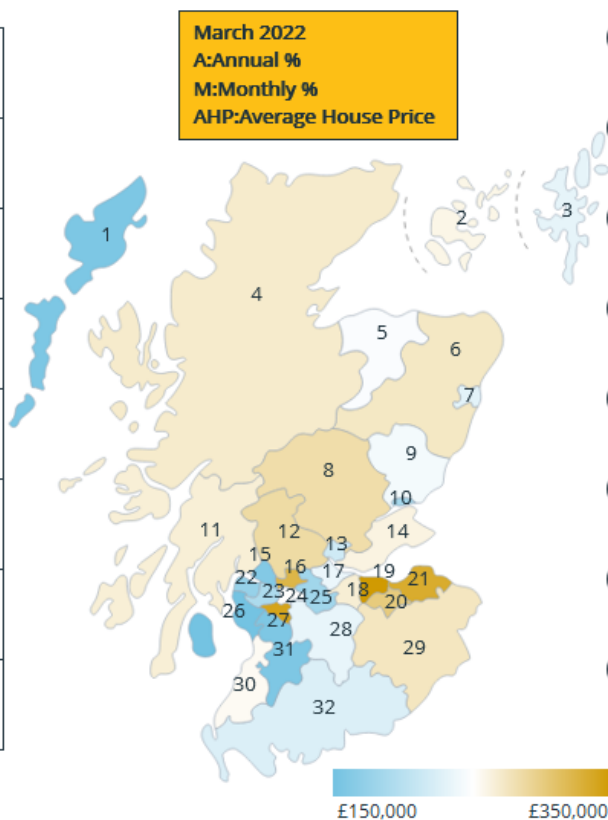
Annual house price growth at 6.2%

- ✓ Competition for high-value homes persisting
- ✓ 31 of 32 Local Authority Areas continue to see price increases over last twelve months

- The *Walker Fraser Steele Acadata House Price Index (Scotland)*. Please refer to the Notes at the end for information on content and methodology.
- Walker Fraser Steele is the trading name of e.surv Chartered Surveyors in Scotland.

House Price	Index	Monthly Change %	Annual Change %
£218,992	286.8	0.5	6.2

1 Na h-Eileanan Siar A 11.7% M -5.1% AHP £153,431	2 Orkney Islands A 14.0% M -4.0% AHP £209,466
5 Moray A 4.3% M 2.3% AHP £194,384	6 Aberdeenshire A 1.3% M 0.5% AHP £228,495
9 Angus A 0.1% M -0.7% AHP £192,146	10 Dundee City A 1.6% M 2.4% AHP £166,923
13 Clackmannanshire A 5.7% M 3.1% AHP £180,252	14 Fife A 15.9% M 1.2% AHP £212,679
17 Falkirk A 12.0% M 2.9% AHP £189,660	18 West Lothian A 8.0% M -1.8% AHP £219,566
21 East Lothian A 7.4% M -2.2% AHP £310,021	22 Inverclyde A 9.6% M 3.6% AHP £161,524
25 North Lanarkshire A 8.3% M 2.0% AHP £165,218	26 North Ayrshire A 1.7% M -2.2% AHP £150,140
29 Scottish Borders A 10.8% M -1.3% AHP £230,735	30 South Ayrshire A 8.3% M -0.5% AHP £202,824



3 Shetland Islands A 9.3% M 8.2% AHP £187,994	4 Highland A 4.6% M 1.4% AHP £224,173
7 Aberdeen City A -2.9% M -2.3% AHP £186,824	8 Perth & Kinross A 2.5% M -0.5% AHP £242,644
11 Argyll & Bute A 15.3% M 3.9% AHP £218,535	12 Stirling A 0.5% M -3.8% AHP £245,870
15 West Dunbartonshire A 7.0% M 0.6% AHP £155,326	16 East Dunbartonshire A 2.8% M -0.3% AHP £295,970
19 City of Edinburgh A 7.9% M 3.3% AHP £333,632	20 Midlothian A 6.3% M 1.1% AHP £266,889
23 Renfrewshire A 6.9% M -2.8% AHP £169,059	24 Glasgow City A 1.8% M -1.8% AHP £197,458
27 East Renfrewshire A 9.5% M 2.2% AHP £320,332	28 South Lanarkshire A 6.1% M 0.7% AHP £188,595
31 East Ayrshire A 11.1% M 0.1% AHP £153,715	32 Dumfries & Galloway A 4.3% M 0.8% AHP £184,253

Table 1. Average House Prices in Scotland for the period March 2021 – March 2022
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
March	2021	£206,301	270.2	2.1	11.3
April	2021	£203,952	267.1	-1.1	10.6
May	2021	£203,851	267.0	0.0	11.1
June	2021	£201,515	263.9	-1.1	8.3
July	2021	£206,857	270.9	2.7	10.5
August	2021	£210,301	275.4	1.7	11.8
September	2021	£212,382	278.2	1.0	13.0
October	2021	£212,296	278.0	0.0	11.3
November	2021	£212,302	278.1	0.0	8.8
December	2021	£212,422	278.2	0.1	7.1
January	2022	£215,318	282.0	1.4	7.6
February	2022	£217,870	285.3	1.2	7.8
March	2022	£218,992	286.8	0.5	6.2

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

Scott Jack, Regional Development Director at Walker Fraser Steele, comments:

“Our data this month shows Scottish house prices continue to edge upwards. Modestly positive increases across the board continue to be the trend. The average house price in Scotland has increased by some £12,700 - or 6.2% - over the last twelve months, to the end of March. The average price paid, £218,992, sets another record and is the seventh time that this has happened in the last twelve months. On a monthly basis, prices in March 2022 rose by 0.5%, or close to £1,120. This monthly increase is lower than the revised 1.2% recorded in February, but surpasses the 0.1% that was seen in December 2021, three months earlier.

“It appears that the lack of good stock coming onto the market continues to support prices. This is in the face of some significant cost-of-living challenges too. We cannot know what that means for future performance, but we do know that high inflation makes property an attractive asset for investors when other assets do not offer such great returns. While you might think the future is uncertain, regional markets will perform differently for very specific reasons (think Aberdeen and oil) driving national averages.

“In our data, 31 of the 32 local authority areas in Scotland saw their average prices rise over the previous twelve months, one more than in February. On a monthly basis, on the mainland, the largest increase in prices was in Argyll and Bute, where values rose across all property types except for flats.”

Commentary: John Tindale, Acadata Senior Housing Analyst

The March housing market

The average price paid for a house in Scotland in March 2022 was £218,992, setting yet another record price for the country – the seventh occasion that this has happened in the last twelve months.

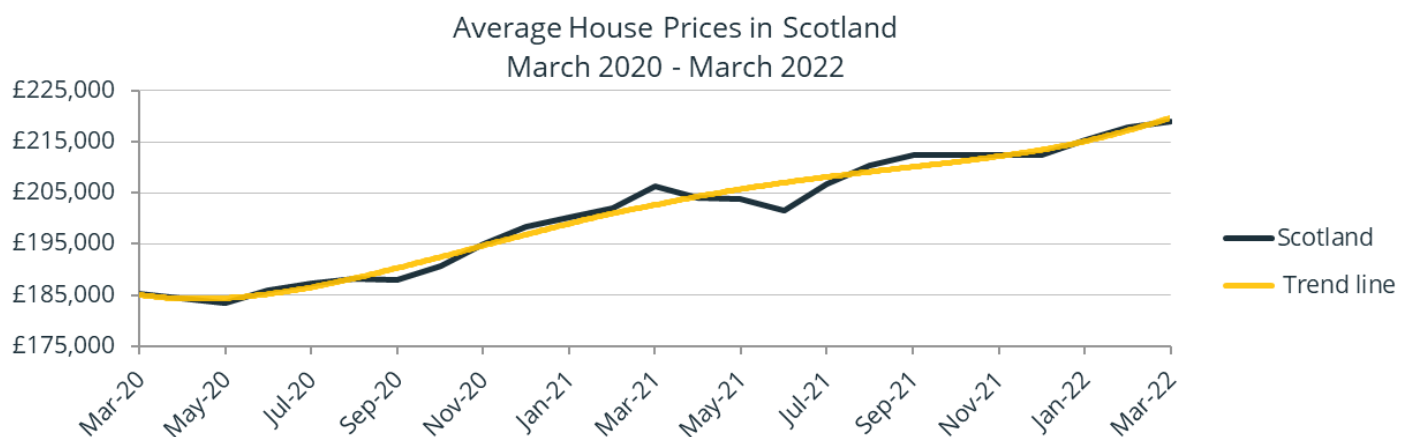
This price is some £12,700 higher than that seen in March 2021, meaning that prices have risen by 6.2% on an annual basis. This increase is 1.6% lower than the revised 7.8% seen in February 2022, and is in fact the lowest annual rate recorded since November 2020 – some 16 months earlier.

On a monthly basis, prices in March 2022 rose by 0.5%, or close to £1,120. Again, this monthly increase is lower than the revised 1.2% recorded in February, but surpasses the 0.1% that was seen in December 2021, three months earlier.

The housing market growth rates would therefore appear to be slowing in March, although as Figure 1 below shows, house prices are continuing to climb, with the slowdown in rates being almost imperceptible. It should also be borne in mind that house prices in March 2021 had an upward blip, (see Figure 1), being one month ahead of the termination of the LBTT tax holiday in Scotland on 1st April 2021.

The ending of the tax holiday in April 2021 prompted an increase in the number of transactions that took place in March 2021 (Figure 2 below), as well as an increase in the number of high-value properties sold in the month (Table 2 below). This followed as buyers brought forward their actual purchases into March 2021 - or even earlier - to take advantage of the tax savings available. It can therefore be concluded that the cause of the slowdown in annual rates in March 2022 is due to the higher-than-normal values that were current in March 2021, distorting the annual comparison.

Figure 1. The average house price in Scotland over the period March 2020 to March 2022 with trendline (Link to source Excel)



Looking at the England and Wales housing markets, we find that all regions showed an average increase of +2.3% in house price growth in March 2022, compared to Scotland's fall of -1.6%. However, also relevant is the fact that the ending of the equivalent LBTT stamp duty tax holiday in Wales didn't occur until June 2021, whilst in England the tax holiday continued up to the end of September 2021.

England and Wales did not therefore experience the same upward movement in prices in March 2021, as was seen in Scotland, and hence comparisons in March 2022 across the three countries can be misleading.

We anticipate, other things being equal, that annual rates of house price growth in Scotland will bounce back in April 2022, as the effect of the March 2021 blip begins to decline.

Transactions analysis

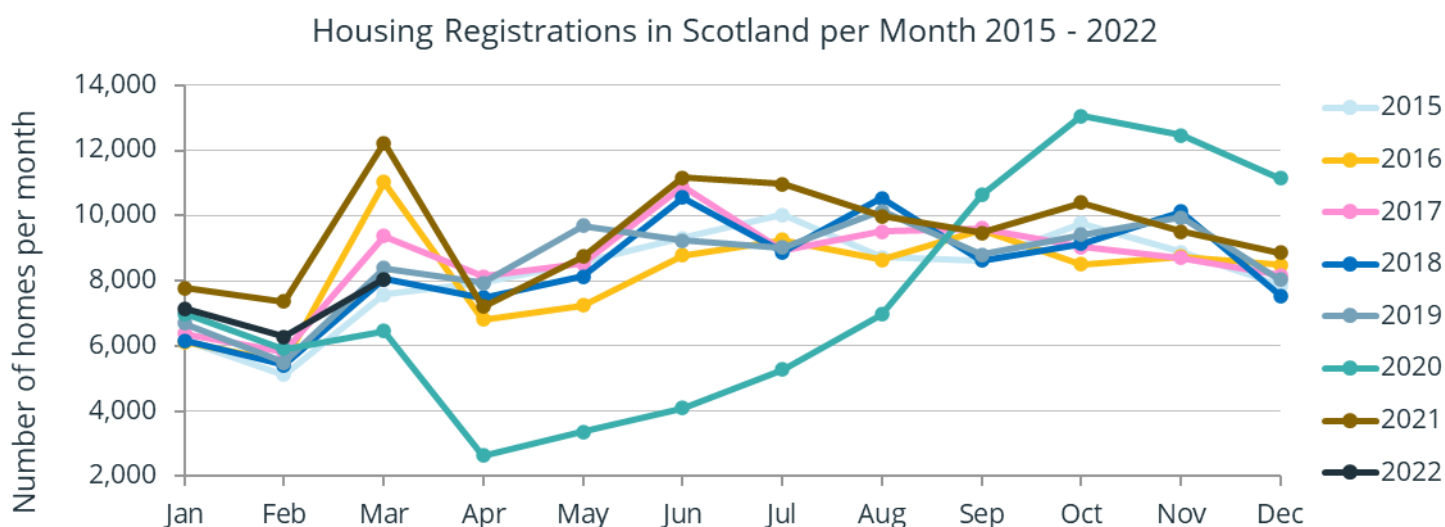
Figure 2 below shows the monthly transaction count for purchases during the period January 2015 to March 2022, based on RoS (Registers of Scotland) figures for the Date of Entry. (March 2022 figures are based on RoS Application dates.) The graph shows that sales volumes generally pick up in March of each year, especially when compared to February, which is generally the quietest month of the year for house sales.

The March 2021 transaction total, at 12,237 sales, is the highest of the eight years shown, for the reasons discussed on page 3 i.e. they were LBTT-related. The second-highest March occurred in 2016, with 11,017 sales. This occurred as the result of a pre-announced 3% additional charge to be added to the LBTT - on second homes and buy-to-let properties - which came into force on 1st April 2016.

If we remove the pandemic-related years 2020 – 2022 from the calculations, then the average number of sales in March for the seven years 2013 – 2019 amounts to 8,241 transactions, compared to August, which has the maximum number of sales of any month at an average 9,368 transactions. The March 2022 transaction total of 8,046 sales is therefore close to average, although it is based on RoS Application Dates, as opposed to the Date of Entry, which we use for all our transaction counts, except for the latest month.

Looking at the first three months of each year, then 2022 is currently the fourth highest of the eight years charted.

Figure 2. The number of sales per month recorded by RoS based on entry date (RoS applications date for March 2022), for the period 2015 – 2022. (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 – March 2022 ([Link to source Excel](#))

Sales of £750k+								
Month	2015	2016	2017	2018	2019	2020	2021	2022
1	33	27	19	35	43	49	65	84
2	42	20	15	52	26	33	63	67
3	231	57	25	34	35	30	115	43
4	2	27	29	24	36	11	46	
5	14	20	31	32	54	16	63	
6	26	47	43	41	60	36	118	
7	15	36	55	44	61	41	120	
8	41	54	62	60	61	40	102	
9	46	44	56	70	59	67	127	
10	23	52	48	55	40	114	101	
11	48	38	37	59	58	109	99	
12	34	23	40	31	49	105	79	
Total	555	445	460	537	582	651	1098	194

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 were 43 sales in excess of £750k during March 2022, and we anticipate that this number will increase as further sales for the month are processed by the Registers of Scotland. However, it is extremely unlikely that the March 2022 total will exceed that of March 2021, as the latter total of 115 sales was enhanced due to it being the final month in which purchasers could take advantage of the LBTT tax holiday, which came into existence on 15th July 2020.

The total for March 2015 was also exaggerated, as it was the final month before Scotland's LBTT tax scheme started, at rates higher than the SDLT charges (for high-value properties) which had previously applied to the whole of the UK.

If we exclude these two exceptional events, then the total number of high-value sales during the first three months of 2022 is the highest of the last eight years. This is an indication that the "lifestyle changes" associated with the pandemic arising from "working from home" and the "need for space" are still strong features of the current housing market. This in turn has resulted in strong competition for the properties that meet these requirements, with substantial price rises being seen at the top-end of the market.

The six authorities with the largest number of the 194 high-value sales that have been recorded to date in 2022 are: Edinburgh (94); Glasgow City (14); Fife (14); East Renfrewshire (10); East Lothian (9); and finally East Dunbartonshire (7).

Local Authority Analysis

Table 3. Average House Prices in Scotland, by local authority area, comparing March 2021, February 2022 and March 2022 ([Link to source Excel](#))

Prior Year Rank	Rank By Price	Local Authority Area	Mar-21	Feb-22	Mar-22	Month % Change	Annual % Change
1	1	City of Edinburgh	£309,344	£323,044	£333,632	3.3%	7.9%
2	2	East Renfrewshire	£292,451	£313,549	£320,332	2.2%	9.5%
3	3	East Lothian	£288,738	£317,031	£310,021	-2.2%	7.4%
4	4	East Dunbartonshire	£287,811	£296,966	£295,970	-0.3%	2.8%
5	5	Midlothian	£250,961	£264,088	£266,889	1.1%	6.3%
6	6	Stirling	£244,607	£255,471	£245,870	-3.8%	0.5%
7	7	Perth and Kinross	£236,725	£243,831	£242,644	-0.5%	2.5%
10	8	Scottish Borders	£208,197	£233,787	£230,735	-1.3%	10.8%
8	9	Aberdeenshire	£225,524	£227,424	£228,495	0.5%	1.3%
9	10	Highland	£214,312	£221,120	£224,173	1.4%	4.6%
11	11	West Lothian	£203,273	£223,548	£219,566	-1.8%	8.0%
15	12	Argyll and Bute	£189,492	£210,376	£218,535	3.9%	15.3%
19	13	Fife	£183,478	£210,176	£212,679	1.2%	15.9%
18	14	Orkney Islands	£183,813	£218,137	£209,466	-4.0%	14.0%
16	15	South Ayrshire	£187,245	£203,885	£202,824	-0.5%	8.3%
12	16	Glasgow City	£193,911	£201,077	£197,458	-1.8%	1.8%
17	17	Moray	£186,414	£190,102	£194,384	2.3%	4.3%
14	18	Angus	£191,979	£193,473	£192,146	-0.7%	0.1%
24	19	Falkirk	£169,365	£184,243	£189,660	2.9%	12.0%
20	20	South Lanarkshire	£177,821	£187,318	£188,595	0.7%	6.1%
22	21	Shetland Islands	£172,052	£173,727	£187,994	8.2%	9.3%
13	22	Aberdeen City	£192,433	£191,241	£186,824	-2.3%	-2.9%
21	23	Dumfries and Galloway	£176,740	£182,783	£184,253	0.8%	4.3%
23	24	Clackmannanshire	£170,604	£174,910	£180,252	3.1%	5.7%
26	25	Renfrewshire	£158,207	£173,890	£169,059	-2.8%	6.9%
25	26	Dundee City	£164,370	£162,961	£166,923	2.4%	1.6%
27	27	North Lanarkshire	£152,597	£161,913	£165,218	2.0%	8.3%
29	28	Inverclyde	£147,344	£155,965	£161,524	3.6%	9.6%
30	29	West Dunbartonshire	£145,120	£154,348	£155,326	0.6%	7.0%
31	30	East Ayrshire	£138,399	£153,602	£153,715	0.1%	11.1%
32	31	Na h-Eileanan Siar	£137,298	£161,594	£153,431	-5.1%	11.7%
28	32	North Ayrshire	£147,639	£153,521	£150,140	-2.2%	1.7%
All Scotland			£206,301	£217,870	£218,992	0.5%	6.2%

Table 3 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for March 2021, as well as for February and March 2022, 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 March 2022. Local Authority areas shaded in blue experienced record average house prices in March 2022.

Annual change

The average house price in Scotland has increased by some £12,700 - or 6.2% - over the last twelve months, to the end of March. This is a £3,100 decrease over the revised £15,800 growth in prices seen in the twelve months to the end of February 2022.

In March 2022, 31 of the 32 local authority areas in Scotland saw their average prices rise over the previous twelve months, one more than in February. The one area experiencing a price fall in March was Aberdeen City, down by 2.9% over the year. In Aberdeen City, it is the average price of terraces and flats that have seen a fall over the last twelve months. However, in Aberdeen, as we suggested last month, there is a strong correlation between house prices and the price of crude oil: we are hence anticipating that property values will begin to increase relatively soon, following the recent dramatic rise in the price of oil.

The area with the highest annual increase in average house prices in March 2022 was Fife, where values have risen by 15.9% over the year. The average price paid for a property in Fife in March 2022 has been elevated by the sale of an apartment at the Hamilton Grand complex for £2 million. This is the sixth apartment at the Hamilton Grand to be sold in the last twelve months. One of the many features of the Hamilton Grand is that it overlooks the final hole of the Old Course at St Andrews - which must be one of the best places in the world to live if you are a golf fan.

Monthly change

In March 2022, Scotland's average house price in the month rose by some £1,125, or 0.5%, which is less than half of the £2,500 increase seen in February. The average price of a home in Scotland now stands at £218,992, which sets a new record level for the nation for the seventh time in the last twelve months.

In March 2022, 18 of the 32 Local Authority areas in Scotland experienced rising prices in the month, three fewer than one month earlier. The largest increase in average prices in March - of 8.2% - was in the Shetland Islands, where the average price of detached homes increased from £170k in February to £205k in March.

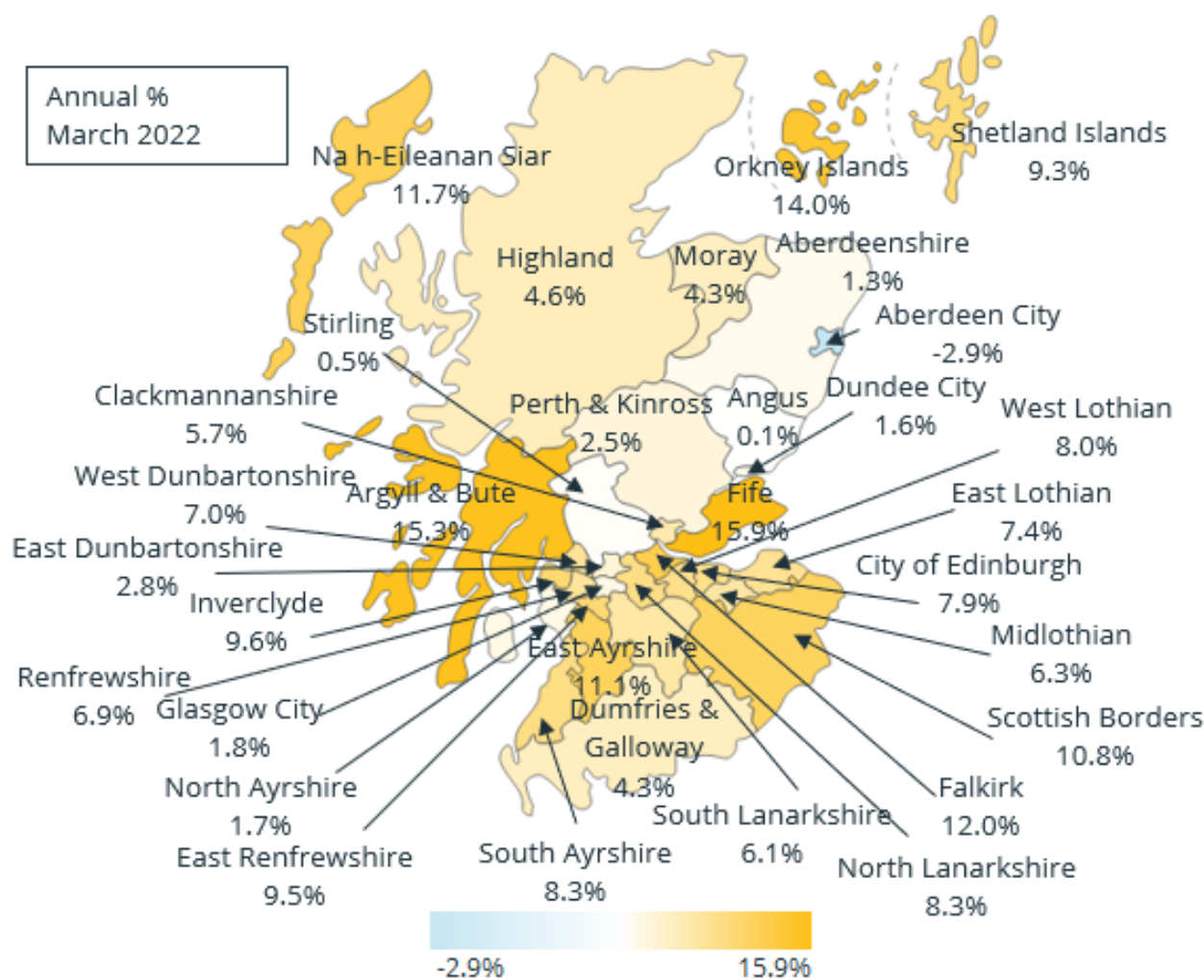
On the mainland, the largest increase in prices was in Argyll and Bute, where values rose across all property types except for flats. Perhaps the most interesting sale in Argyll and Bute in March was Tervine House, a five-bedroom detached home, located in Kilchrenan, with its own private jetty and fishing rights to Loch Awe. To reach Kilchrenan, it is necessary to drive down a seven-mile-long minor road, which comes to its end in the village. The property was originally put on the market for £575k but sold for £802k, being indicative of the strong competition that exists for homes that match the pandemic "lifestyle change" needs, of wide-open spaces in scenic locations.

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 March there are 13 such authorities, five fewer than in February. We can also add that Scotland itself has set a record average price in March 2022 - the third of the year.

Heat Map

The heat map below shows the rate of house price growth for the 12 months ending March 2022. As reported above, all but one of the 32 local authority areas in Scotland are reporting an increase in their house values over the last year. The area with negative growth is Aberdeen City, where prices over the year have fallen by -2.9%. The highest increase over the twelve months to March 2022 was in Fife at 15.9%, followed by Argyll and Bute at 15.3%.



Comparisons with Scotland

Figure 3. Scotland house prices, compared with England and Wales, Wales, North East and North West for the period January 2005-March 2022 ([Link to source Excel](#))

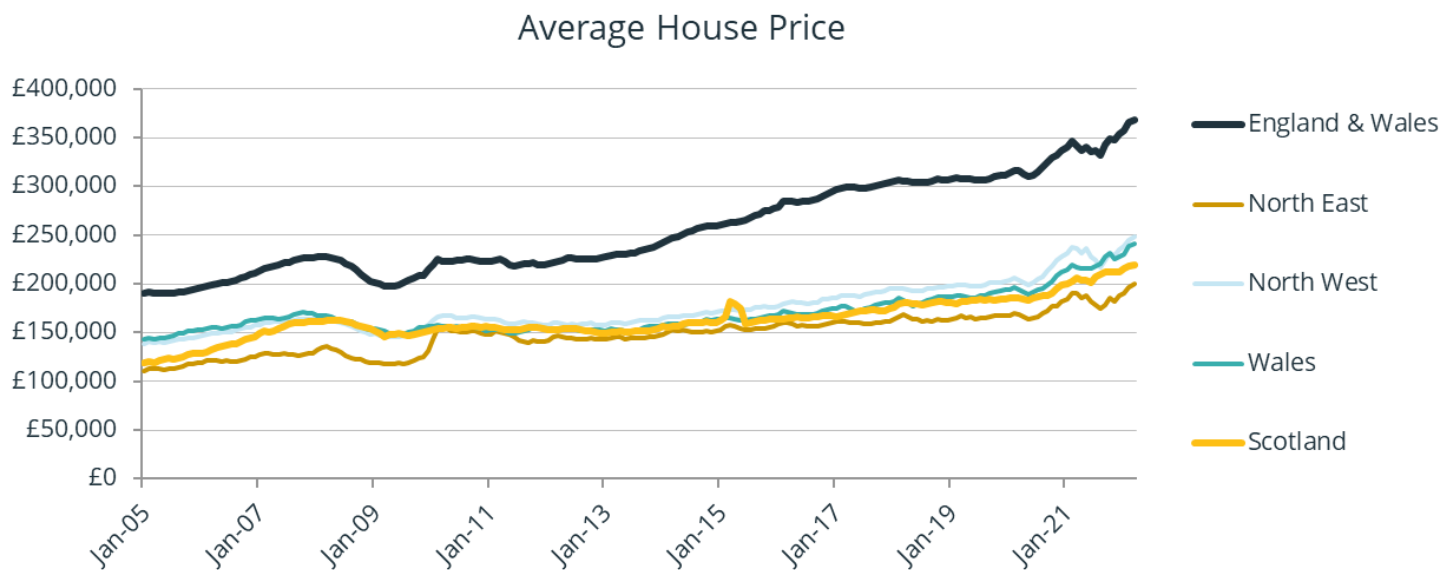
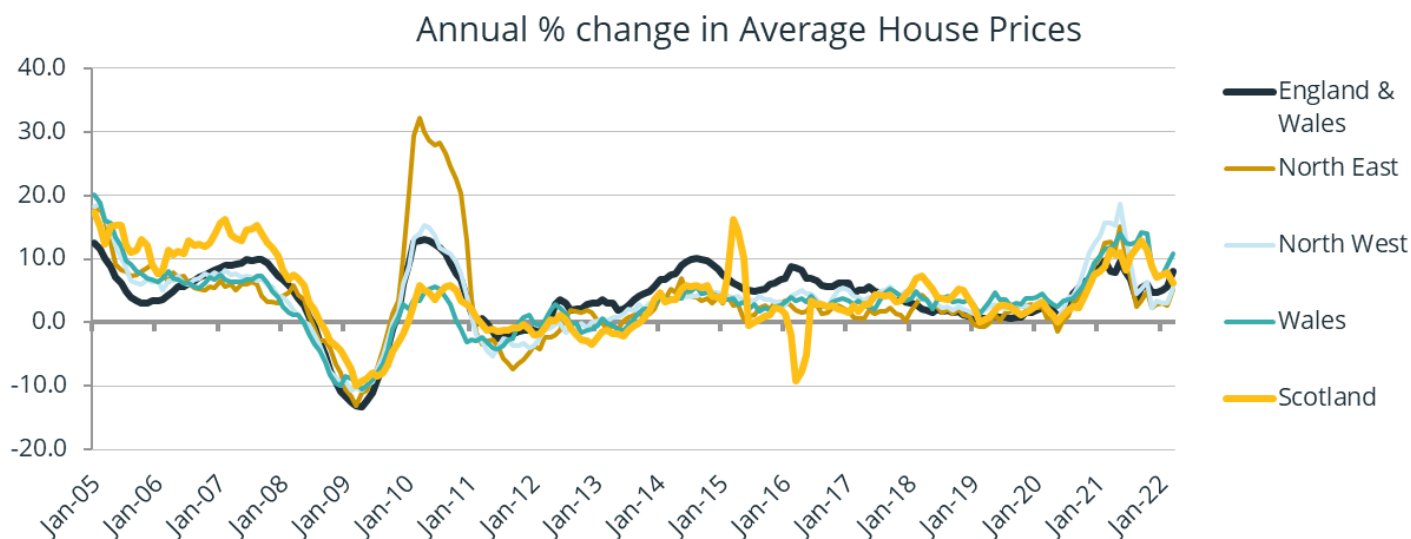


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005-March 2022 ([Link to source Excel](#))



Scotland's Seven Cities

Figure 5. Average house prices for Scotland's seven cities from January 2021–March 2022 ([Link to source Excel](#))

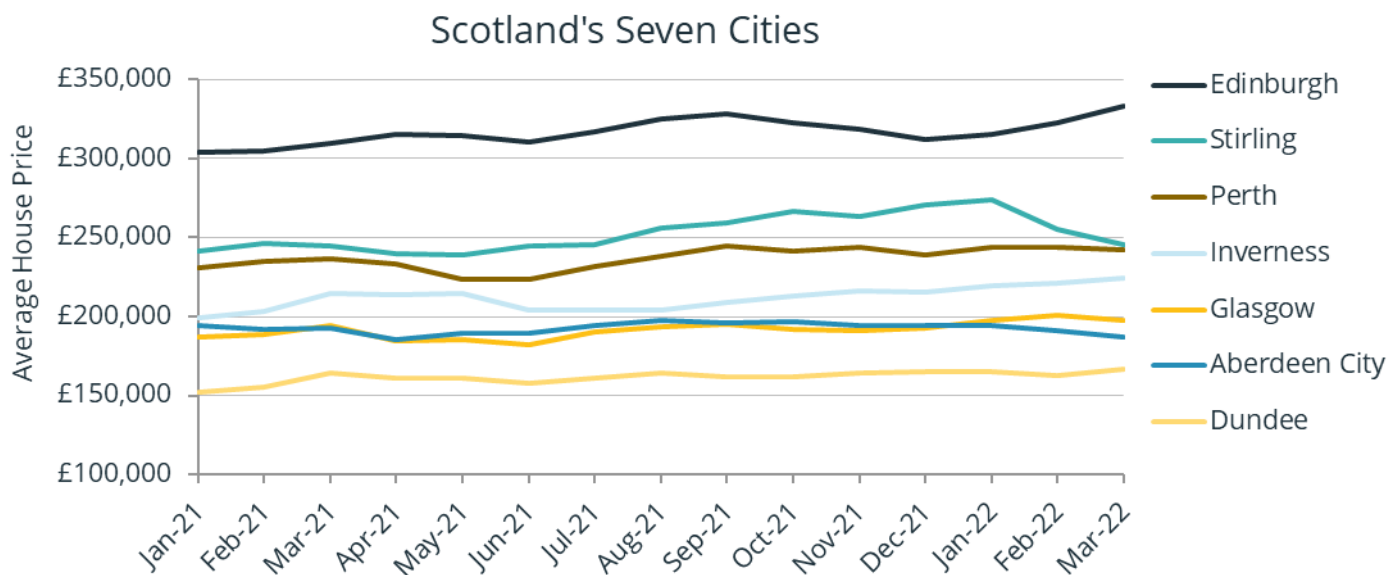
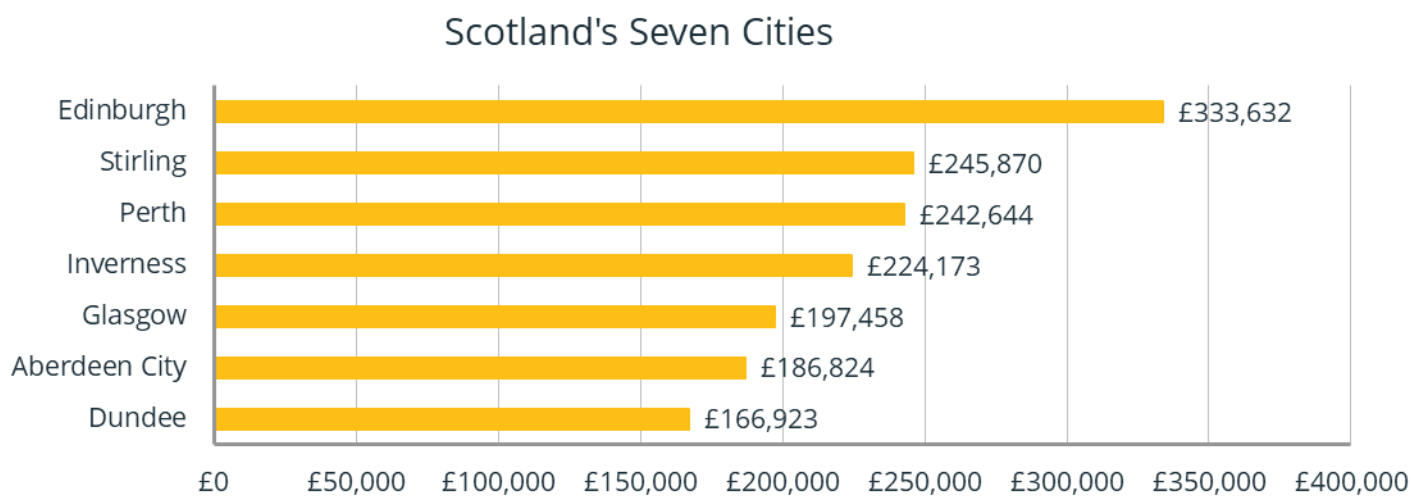


Figure 6. Average house prices for Scotland's seven cities March 2022 ([Link to source Excel](#))



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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