

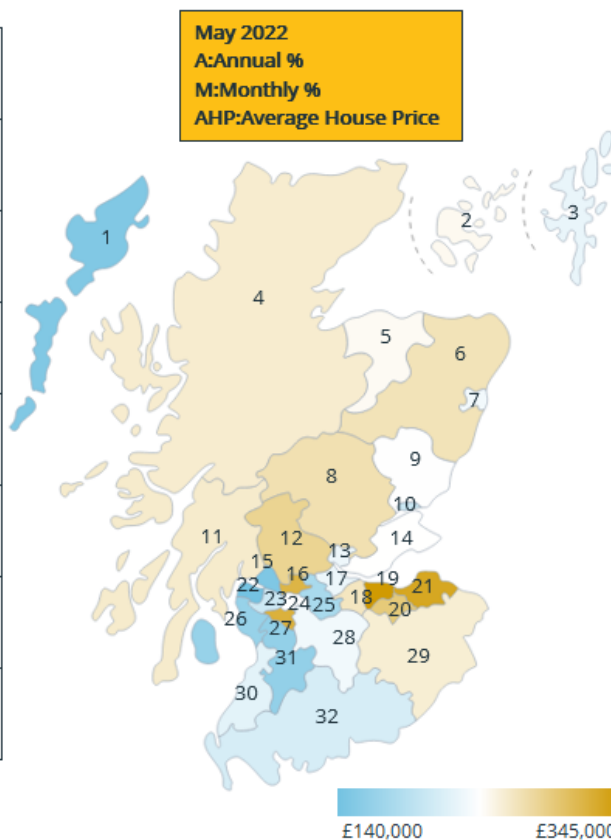
Annual house price growth now 8.4% - highest in 2022

- ✓ Second-highest number of May transactions in last 10 years
- ✓ 21 of 32 Local Authorities had rising prices in the month - same as in April
- ✓ Largest annual increase at 22.6% in Argyll & Bute
- ✓ 17 Local Authorities reached peak prices - 3 more than in April

- 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 %
£220,870	289.3	1.0	8.4

1 Na h-Eileanan Siar A 4.0% M -0.9% AHP £145,786	2 Orkney Islands A 15.0% M -10.3% AHP £206,853
5 Moray A 9.8% M 1.4% AHP £205,062	6 Aberdeenshire A 5.3% M 2.1% AHP £238,661
9 Angus A 9.8% M 3.9% AHP £197,408	10 Dundee City A 8.4% M 1.7% AHP £176,609
13 Clackmannanshire A 17.8% M 4.6% AHP £190,783	14 Fife A 11.2% M -1.6% AHP £198,523
17 Falkirk A 13.2% M 0.6% AHP £190,427	18 West Lothian A 11.3% M 4.8% AHP £233,585
21 East Lothian A 8.4% M 5.0% AHP £323,572	22 Inverclyde A 3.1% M -1.9% AHP £140,239
25 North Lanarkshire A 9.2% M 2.5% AHP £162,310	26 North Ayrshire A 7.6% M 1.5% AHP £154,740
29 Scottish Borders A 8.5% M -3.2% AHP £223,070	30 South Ayrshire A 5.0% M -4.3% AHP £186,588



3 Shetland Islands A 4.1% M 5.5% AHP £188,739	4 Highland A 4.7% M 0.1% AHP £225,233
7 Aberdeen City A 1.1% M 0.5% AHP £192,726	8 Perth & Kinross A 8.6% M 1.5% AHP £242,612
11 Argyll & Bute A 22.6% M 4.1% AHP £227,213	12 Stirling A 9.2% M 9.6% AHP £259,865
15 West Dunbartonshire A -0.1% M -3.2% AHP £144,801	16 East Dunbartonshire A 6.8% M -0.9% AHP £303,137
19 City of Edinburgh A 8.1% M 0.5% AHP £341,488	20 Midlothian A 7.7% M 1.4% AHP £274,446
23 Renfrewshire A 8.2% M 3.3% AHP £177,489	24 Glasgow City A 6.6% M 0.8% AHP £198,148
27 East Renfrewshire A 9.6% M -3.0% AHP £309,054	28 South Lanarkshire A 10.1% M 4.2% AHP £192,302
31 East Ayrshire A 16.5% M -0.8% AHP £153,147	32 Dumfries & Galloway A 11.8% M -2.9% AHP £180,982

Table 1. Average House Prices in Scotland for the period May 2021 – May 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 %
May	2021	£203,775	266.9	0.4	11.3
June	2021	£200,815	263.0	-1.5	8.4
July	2021	£205,356	269.0	2.3	10.4
August	2021	£208,198	272.7	1.4	11.7
September	2021	£210,032	275.1	0.9	12.8
October	2021	£210,173	275.3	0.1	11.1
November	2021	£210,284	275.4	0.1	8.7
December	2021	£210,481	275.7	0.1	6.9
January	2022	£212,821	278.7	1.1	7.4
February	2022	£214,404	280.8	0.7	7.5
March	2022	£217,259	284.5	1.3	6.4
April	2022	£218,578	286.3	0.6	7.7
May	2022	£220,870	289.3	1.0	8.4

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

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

“One would never claim any market is bullet proof but on the current evidence Scotland’s property market remains at the very least in robust form. The rise in interest rates and the increase in the cost-of-living are not yet having a marked impact on house price growth.

“The average price paid for a house in Scotland in May 2022 according to our data is £220,870, establishing yet another record price for the country – the eleventh occasion that this has happened in the last twelve months. This price is some £17,100 higher than that seen in May 2021, meaning that prices have risen by 8.4% on an annual basis. This annual growth rate is the highest recorded to date in 2022.

“The market transaction data too is robust - defying any expectations of a slow-down on this evidence. The provisional figure for May 2022 is 9,092 transactions, which is the second highest May figure of the last ten years – the highest having taken place in 2019, being the year before the pandemic struck.

“Ultimately demand is strong, but the supply of desirable stock remains low. Property prices are therefore seemingly more resilient in the face of rising borrowing costs.

“Over and above homebuyers, property remains attractive to investors too as it continues to out-perform other assets such as equities, which are affected more acutely by higher borrowing costs.”

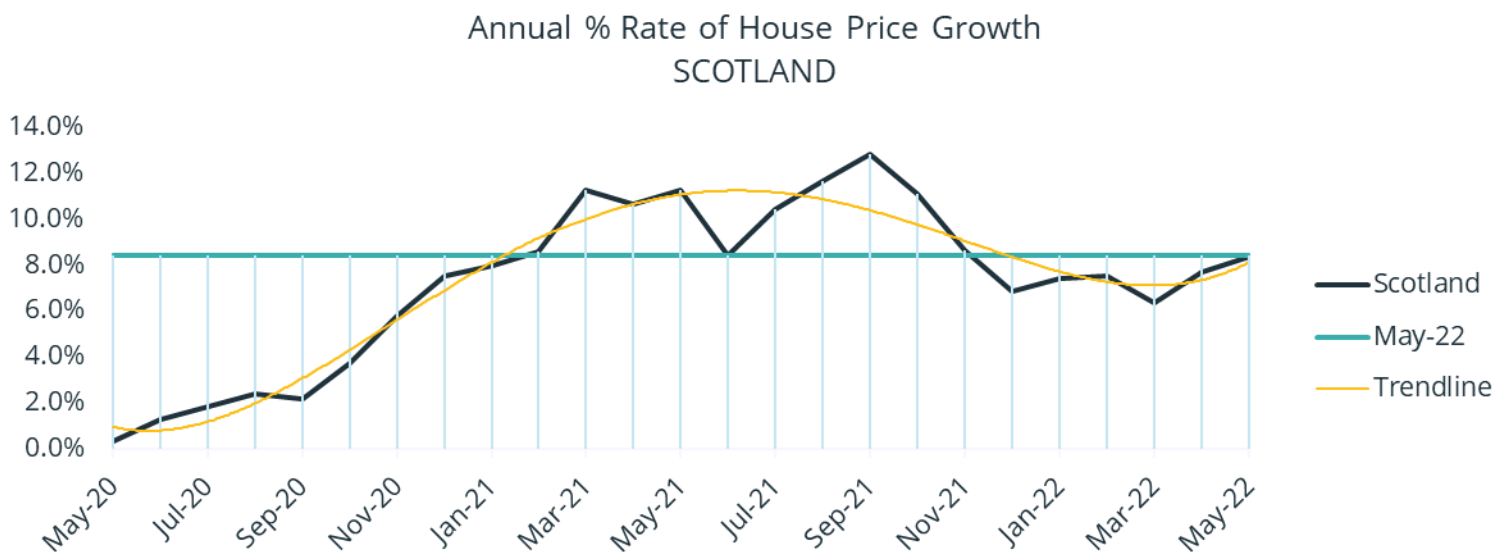
Commentary: John Tindale, Acadata Senior Housing Analyst

The May housing market

The average price paid for a house in Scotland in May 2022 is £220,870, establishing yet another record price for the country – the eleventh occasion that this has happened in the last twelve months.

This price is some £17,100 higher than that seen in May 2021, meaning that prices have risen by 8.4% on an annual basis. This annual growth rate is the highest recorded to date in 2022, although rates for the ten months from February 2021 to November 2021 inclusive were at the same level or higher - see Figure 1 below - with the blue horizontal line highlighting May's growth rate of 8.4%.

Figure 1. The annual rate of house price growth in Scotland over the period May 2020 to May 2022 with trendline ([Link to source Excel](#))



On a monthly basis, prices in May 2022 rose by 1.0%, or close to £2,300. This monthly increase is almost double that recorded in April (0.6%), with rates currently oscillating on a monthly basis from December 2021 onward.

As we show on page 4, transactions remain relatively strong, with April sales being at a ten-year high for the month. Data for May sales have not yet fully emerged from the Registers of Scotland, but preliminary figures suggest that the total for the month will also prove to be amongst the highest of the last ten years.

We show on page 5 that high-value transactions are, in general, continuing to occur at record levels in 2022, compared to the previous seven years, with Edinburgh accounting for 50% of all sales in Scotland having a value of £750k or higher.

Transactions analysis

Figure 2 below shows the monthly transaction count for purchases during the period January 2015 to May 2022, based on RoS (Registers of Scotland) figures for the Date of Entry. (May 2022 totals are based on RoS Application dates.)

During the month of May, RoS has been processing further registrations with an entry date of April 2022, which provides us with an update on the number of transactions that took place in the month. The latest total for Scotland during April 2022 is now 8,232 sales, which is the highest number in the month of the last ten years. This suggests that the housing market in Scotland remains resilient, despite the potential headwinds of interest rate rises and the cost-of-living increases, which have been widely publicised in the press.

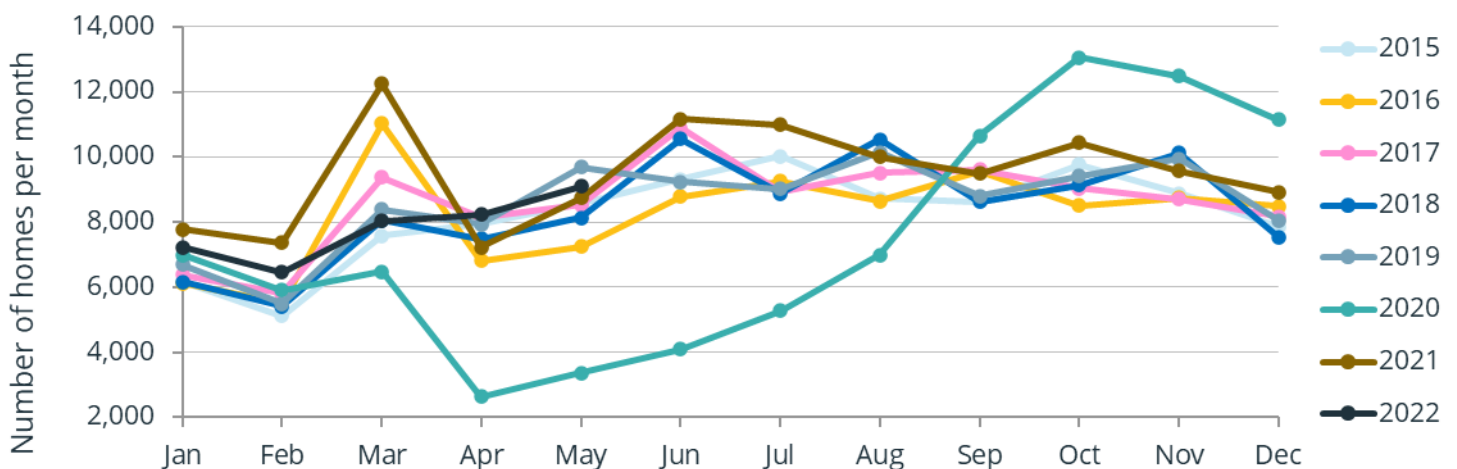
The provisional figure for May 2022 is 9,092 transactions, which is the second highest May figure of the last ten years – the highest having taken place in 2019, being the year before the pandemic struck.

In general, the peak month for sales in Scotland is August, with an average 9,350 transactions, so we can anticipate reporting on a slow build in the number of properties being sold over the next three months.

RICS (Royal Institution of Chartered Surveyors) in its May Residential Market Survey, is reporting that buyer enquiries are currently negative in Scotland, indicating there is less demand for homes this month, compared to a positive score seen over the last three months. However, RICS also notes that new vendor instructions are similarly lower this month, compared to the previous three months. On balance, RICS believes these two indicators are likely to balance each other out, leaving little change in house prices.

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

Housing Registrations in Scotland per Month 2015 - 2022



Scotland transactions of £750k or higher

Table 2. The number of transactions by month in Scotland greater than or equal to £750k, January 2015 – May 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	87
2	42	20	15	52	26	33	63	67
3	231	57	25	34	35	30	115	78
4	2	27	29	24	36	11	46	65
5	14	20	31	32	54	16	63	58
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	355

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 58 sales in excess of £750k during May 2022, and we anticipate that this number will increase as further sales for the month are processed by the Registers of Scotland. It is therefore quite likely that, excluding March 2021, we can report that in every month in 2022 there has been an increase in the number of properties sold in excess of £750k, compared to the same month from 2016 onward. The reason that March 2021 is excluded from the analysis is that it was exceptional, with sales being enhanced since it was the final month in which purchasers could take advantage of the LBTT tax holiday.

The rise in the number of high-value homes being purchased in 2022 is an indication that the “lifestyle changes” associated with the pandemic - “working from home” and the “race for space” - are still strong features of the current housing market. This, as we discuss on page 7, 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 five authorities with the largest number of the 355 high-value sales that have been recorded to date in 2022 are: Edinburgh (179); Fife (21); Glasgow City (21); East Lothian (20); and finally East Renfrewshire (15). It can be seen from these figures that in 2022, Edinburgh accounts for just over half of this sector of the housing market.

Local Authority Analysis

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

Prior Year Rank	Rank By Price	Local Authority Area	May-21	Apr-22	May-22	Month % Change	Annual % Change
1	1	City of Edinburgh	£315,920	£339,891	£341,488	0.5%	8.1%
2	2	East Lothian	£298,498	£308,074	£323,572	5.0%	8.4%
4	3	East Renfrewshire	£281,947	£318,673	£309,054	-3.0%	9.6%
3	4	East Dunbartonshire	£283,799	£305,786	£303,137	-0.9%	6.8%
5	5	Midlothian	£254,802	£270,617	£274,446	1.4%	7.7%
6	6	Stirling	£238,052	£237,050	£259,865	9.6%	9.2%
8	7	Perth and Kinross	£223,420	£239,049	£242,612	1.5%	8.6%
7	8	Aberdeenshire	£226,551	£233,733	£238,661	2.1%	5.3%
10	9	West Lothian	£209,904	£222,989	£233,585	4.8%	11.3%
15	10	Argyll and Bute	£185,285	£218,240	£227,213	4.1%	22.6%
9	11	Highland	£215,213	£225,074	£225,233	0.1%	4.7%
11	12	Scottish Borders	£205,650	£230,340	£223,070	-3.2%	8.5%
17	13	Orkney Islands	£179,814	£230,715	£206,853	-10.3%	15.0%
13	14	Moray	£186,728	£202,144	£205,062	1.4%	9.8%
19	15	Fife	£178,485	£201,781	£198,523	-1.6%	11.2%
14	16	Glasgow City	£185,844	£196,646	£198,148	0.8%	6.6%
18	17	Angus	£179,754	£189,979	£197,408	3.9%	9.8%
12	18	Aberdeen City	£190,684	£191,768	£192,726	0.5%	1.1%
21	19	South Lanarkshire	£174,632	£184,576	£192,302	4.2%	10.1%
25	20	Clackmannanshire	£162,014	£182,462	£190,783	4.6%	17.8%
22	21	Falkirk	£168,218	£189,245	£190,427	0.6%	13.2%
16	22	Shetland Islands	£181,335	£178,971	£188,739	5.5%	4.1%
20	23	South Ayrshire	£177,635	£194,947	£186,588	-4.3%	5.0%
26	24	Dumfries and Galloway	£161,887	£186,426	£180,982	-2.9%	11.8%
23	25	Renfrewshire	£164,066	£171,815	£177,489	3.3%	8.2%
24	26	Dundee City	£162,864	£173,694	£176,609	1.7%	8.4%
27	27	North Lanarkshire	£148,568	£158,350	£162,310	2.5%	9.2%
29	28	North Ayrshire	£143,852	£152,435	£154,740	1.5%	7.6%
32	29	East Ayrshire	£131,493	£154,317	£153,147	-0.8%	16.5%
30	30	Na h-Eileanan Siar	£140,176	£147,125	£145,786	-0.9%	4.0%
28	31	West Dunbartonshire	£144,890	£149,522	£144,801	-3.2%	-0.1%
31	32	Inverclyde	£136,076	£142,951	£140,239	-1.9%	3.1%
All Scotland			£203,775	£218,578	£220,870	1.0%	8.4%

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

Annual change

The average house price in Scotland has increased by some £17,100 - or 8.4% - over the last twelve months, to the end of May. This is a £1,500 increase over the £15,600 growth in prices seen in the twelve months to the end of April 2022.

In May 2022, 31 of the 32 local authority areas in Scotland saw their average prices rise over the levels seen twelve months earlier – the one exception being West Dunbartonshire, where prices fell by -0.1%. In West Dunbartonshire, it was the average price of terraced properties that saw the most significant fall, from an average £130k in May 2021 to £120k twelve months later.

The area with the highest annual increase in average house prices in May 2022 was Argyll and Bute, where values have risen by 22.6% over the year. Last month we reported on the sale of a 5-bedroom detached home, located just outside Oban, in Argyll and Bute, having an asking price of £485,000, but selling for £600,000. This month there is a further example, with a five-bedroom detached property in Colintrave, overlooking Loch Riddon, having a guide price of £550,000, but being sold for £650,000. Two examples, in the same area, of the way in which competition for homes in remote beauty spots can result in a noticeable increase in average house prices.

On a weight-adjusted basis, which employs both the change in prices and the number of transactions involved, there are five local authority areas in May that account for 44% of the £17,100 increase in Scotland's average house price over the year. The five areas in descending order of influence are: – Edinburgh (16%), Glasgow (8%); Fife (8%); South Lanarkshire (7%); and Argyll and Bute (5%).

Monthly change

In May 2022, Scotland's average house price in the month rose by some £2,300, or 1.0%, which is near double the 0.6% increase seen in April. The average price in Scotland now stands at £220,870, which sets a record level for the nation for the eleventh month in succession.

In May 2022, 21 of the 32 Local Authority areas in Scotland experienced rising prices in the month, the same number as in April. The largest increase in average prices in May, of 9.6%, was in Stirling, where the average price of detached homes increased from £377k in April to £417k in May. The average price for detached homes was elevated in the month by the sale of a five-bedroom detached Victorian villa in the King's Park area of Stirling, for £875k, the third-most expensive property of the calendar year.

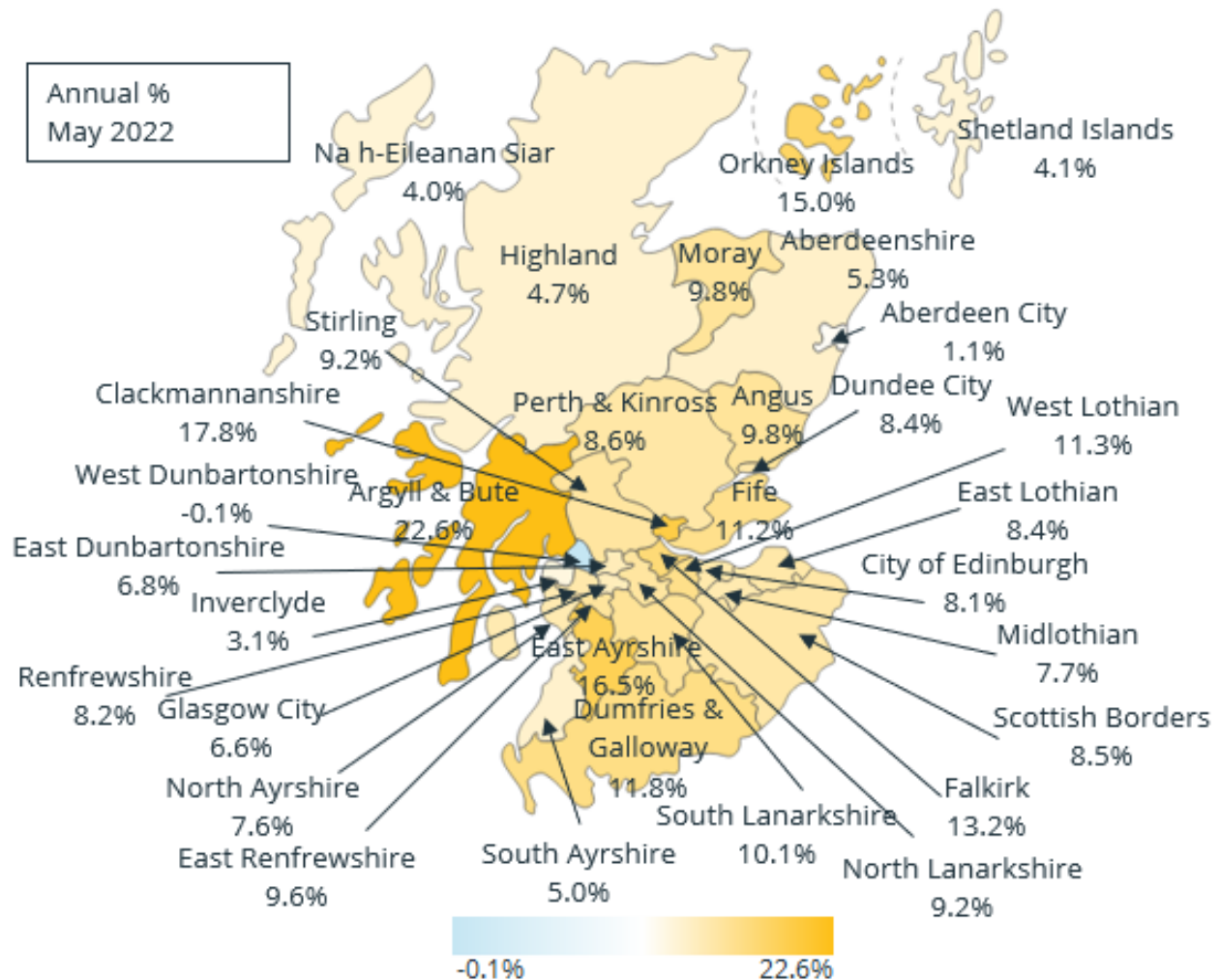
It is interesting to observe that the bottom four authorities in Table 3 above, which represent the four lowest priced areas in Scotland, have all seen price falls in the month – perhaps suggesting that the competition between buyers for homes is not so intense at the lower end of the price spectrum.

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 May, there are 17 such authorities, three more than in April. We can also add that Scotland itself has set a record average price in May 2022 - the fifth of this calendar year.

Heat Map

The heat map below shows the rate of house price growth for the 12 months ending May 2022. As reported above, 31 local authority areas in Scotland have seen a rise in their average property values over the last year, the one exception being West Dunbartonshire. The highest increase over the twelve months to May 2022 was in Argyll and Bute at 22.6%.



Comparisons with Scotland

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

Average House Price

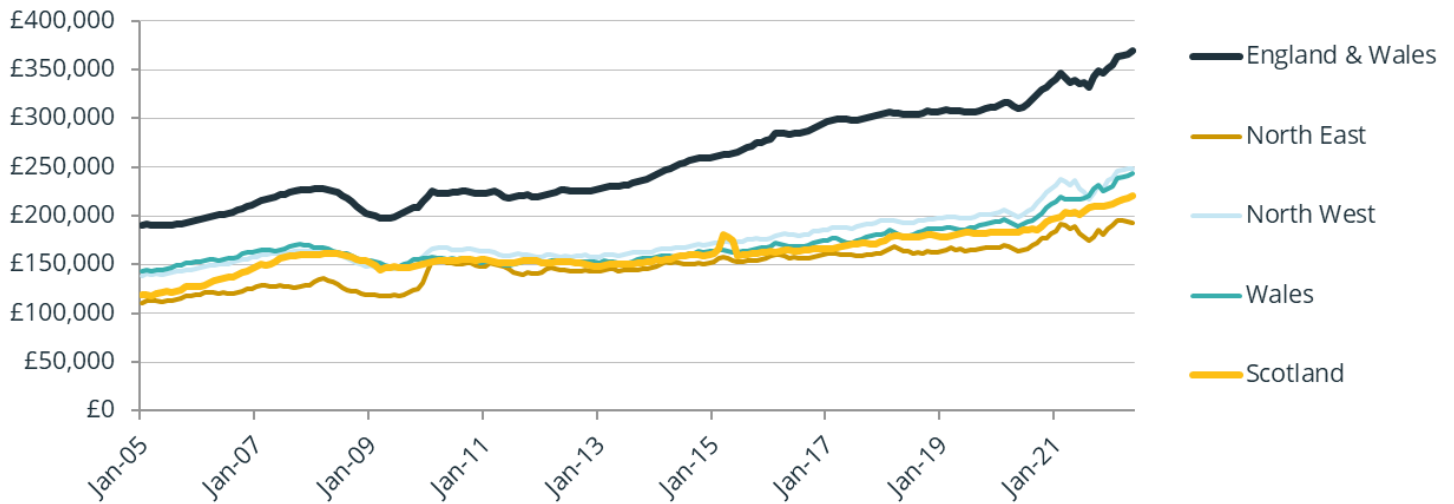
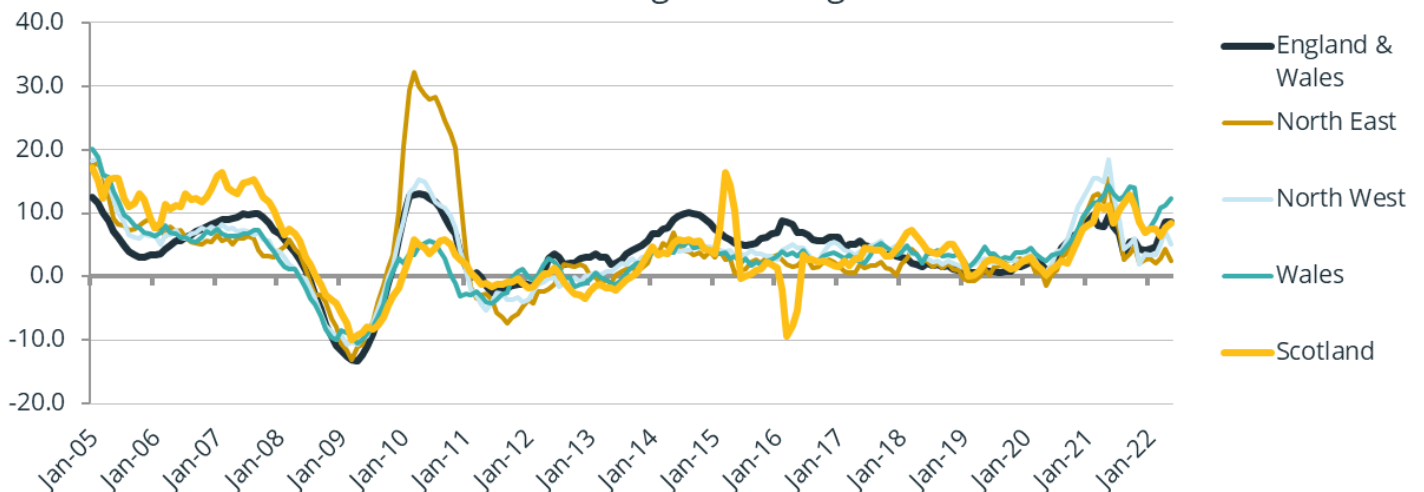


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005-May 2022 ([Link to source Excel](#))

Annual % change in Average House Prices



Scotland's Eight Cities

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

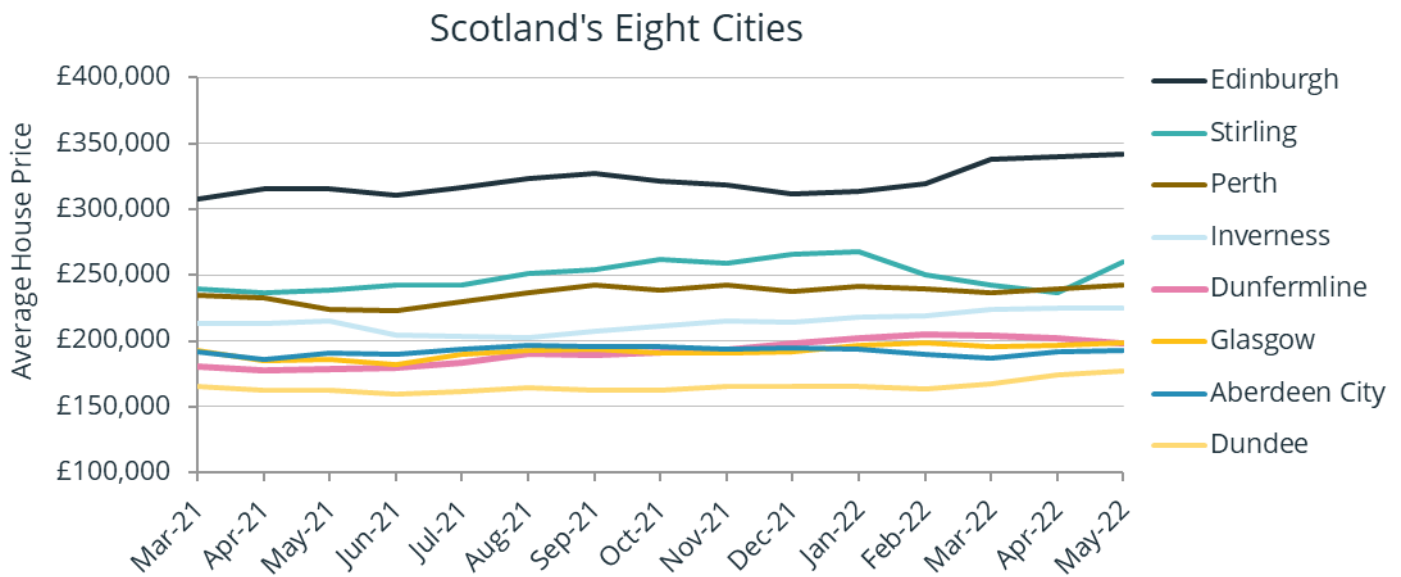
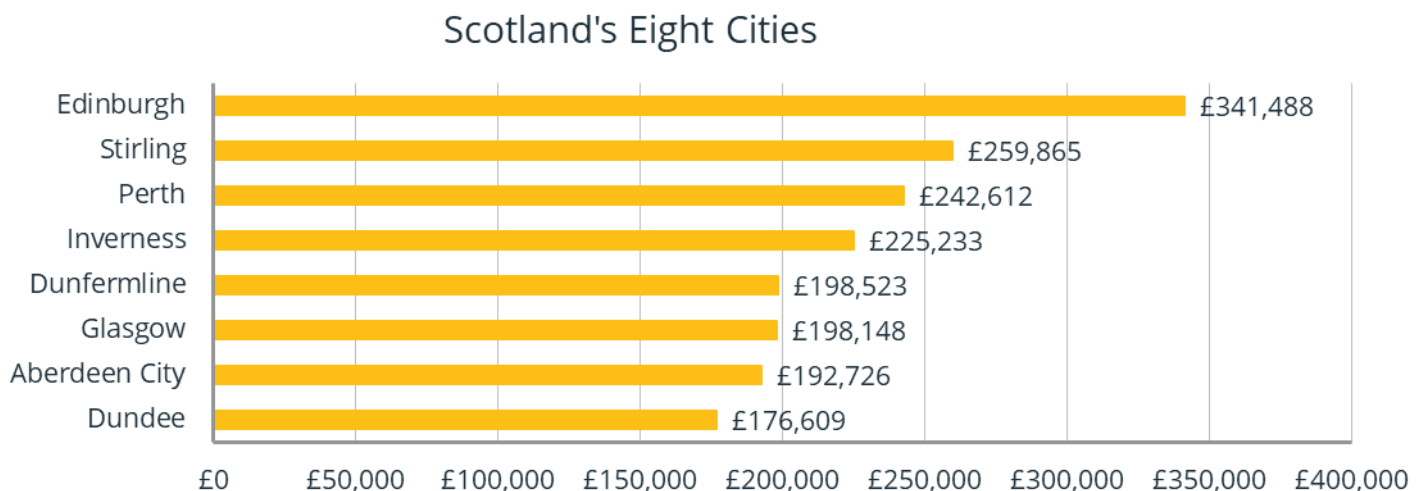


Figure 6. Average house prices for Scotland's eight cities May 2022 ([Link to source Excel](#))



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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