

## Scotland's average house price falls for second month in a row

...but prices rise in 29 Local Authorities over the year

- ✓ East Ayrshire has highest annual growth on the mainland at 15.3%
- ✓ 16 Local Authorities have rising prices in the month
- ✓ Sales volumes 6% down on pre-Covid levels

- 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 %
£223,604	292.9	-0.2	6.3

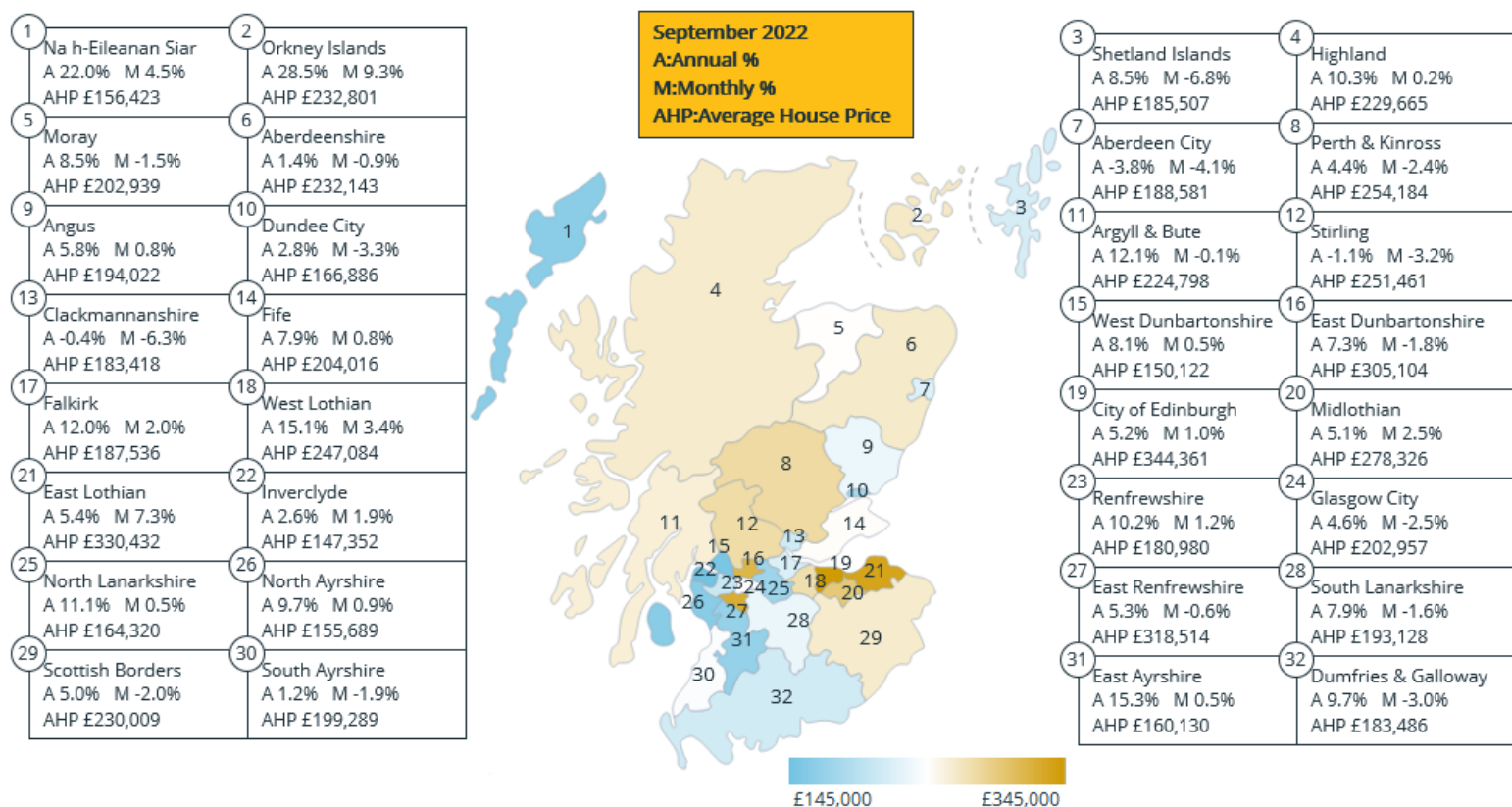


Table 1. Average House Prices in Scotland for the period September 2021 – September 2022  
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
September	2021	£210,265	275.4	0.8	12.8
October	2021	£210,467	275.6	0.1	11.2
November	2021	£210,552	275.8	0.0	8.7
December	2021	£210,700	276.0	0.1	6.9
January	2022	£212,970	278.9	1.1	7.4
February	2022	£214,508	280.9	0.7	7.4
March	2022	£217,585	285.0	1.4	6.4
April	2022	£218,807	286.6	0.6	7.6
May	2022	£221,327	289.9	1.2	8.4
June	2022	£222,242	291.1	0.4	10.4
July	2022	£224,247	293.7	0.9	9.1
August	2022	£224,089	293.5	-0.1	7.5
September	2022	£223,604	292.9	-0.2	6.3

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

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

“As the principal drivers underpinning much of the house price growth in the Scottish house market over the last couple of years (the pandemic, record low interest rates and the fiscal stimulus of the Stamp Duty holiday) become a distant memory, it’s no surprise that the housing market reflects this. This is not only happening here in Scotland but is reflected across the broader UK housing market.

“The average price paid for a house in Scotland in September 2022 was £223,604 which represents a reduction of £485, or -0.2%, from the price seen in August. It is the second fall in a row for Scotland’s monthly average house price, but this follows 13 months of successive gains.

“If we take stock for a minute of the longer-term performance, we can see that while the average price has fallen in the month, it remains some £13,300, or 6.3%, higher on an annual basis than it was twelve months earlier.

“Clearly, we should not be surprised if this annual rate of price growth slows for the reasons I have outlined. But things to keep an eye on include the budget this week, the expectation that inflation is easing, and that mortgage rates and affordability will improve in the first quarter of next year, and the lack of supply that has always supported higher prices. These may all mean this reduction in house prices is less short-lived than many suspect.”

## Commentary: John Tindale, Acadata Senior Housing Analyst

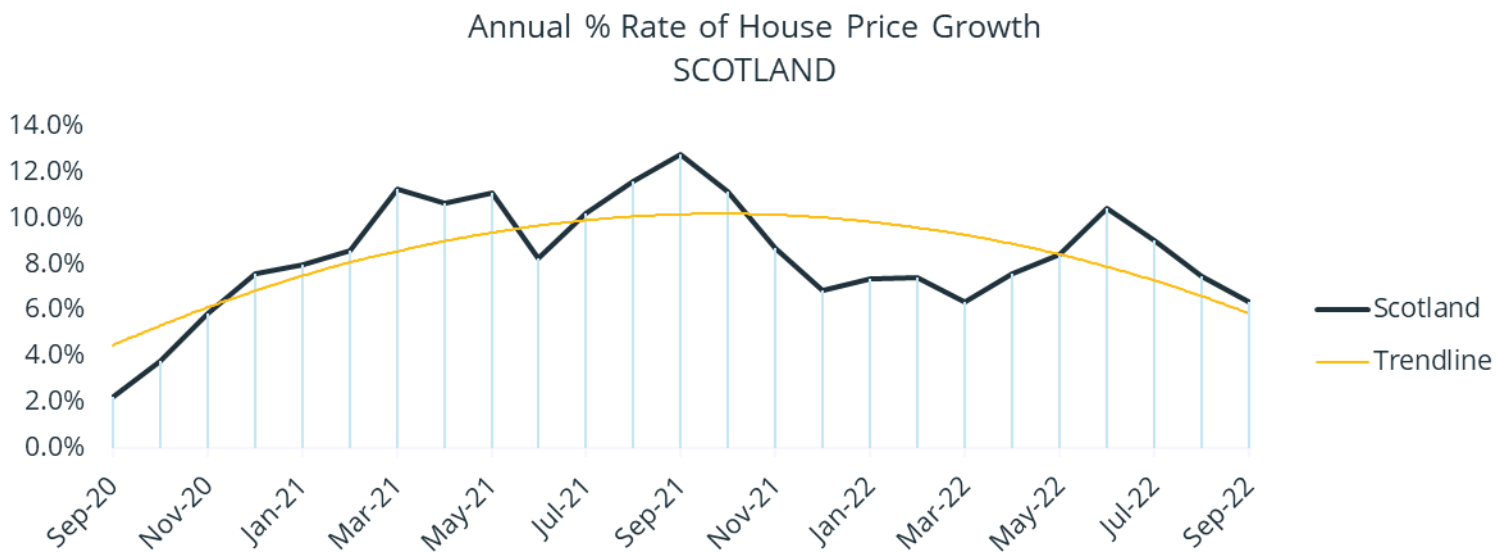
### The September housing market

The average price paid for a house in Scotland in September 2022 was £223,604. This represents a fall of £485, or -0.2%, from the price seen in August, and is the second fall in a row for Scotland's monthly average house price, following 13 months of successive gains.

Despite the average price having fallen in the month, the price is still some £13,300, or 6.3%, higher on an annual basis than it was twelve months earlier. However, the annual rate of price growth is slowing - having nearly halved over the last three months - from the 10.4% growth in June, to September's rate of 6.3%.

Figure 1 below gives a sense of the direction of travel in the annual price growth over the past two years. As can be seen, the peak in growth rates occurred in September 2021 at 12.8%. This was then followed by a period of slowing rates, which had fallen to 6.4% by March 2022, but regained traction during the early summer months of 2022 as demand for homes increased, against a backdrop of a reduced supply of properties coming to the market, with annual rates reaching a high of 10.4% in June 2022. The slowing in rates after the June peak can then be seen, to September's figure of 6.3% - the lowest rate since the 5.9% of November 2020.

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



The RICS Residential Market Survey for September suggests that the home sales market continued to lose momentum amid deteriorating macro conditions, with indicators on new instructions and agreed sales remaining negative. As we discuss in the analysis of transactions on page 4, there is some evidence that the number of sales taking place in Scotland is currently below that of the pre-Covid years, but at present the reduction is relatively slight, at -6%. In addition, the reduction does not appear to apply to all sectors of the market at the same rate.

As is shown in Table 2 on page 5, sales of high-value properties in the first nine months of 2022 are at a record high, with few indications that the pace of such sales is diminishing. Edinburgh continues to dominate the high-end market, with half of all sales over £750k taking place in the capital. Edinburgh and the three Lothians have all set new record average house prices in September.

## Transactions analysis

Figure 2 below shows the monthly transaction count for purchases during the period from January 2007 to September 2022, based on RoS (Registers of Scotland) figures for the Date of Entry (September 2022 totals are based on RoS Application dates).

The graph starts in 2007, which was something of an exception, with close to 150,000 domestic property sales taking place in the calendar year. The 2007 sales total is the largest seen during the last 18 years, although the period from 2004 to 2006 came close, with an average 139,000 sales on an annual basis.

However, during 2008 the banking industry began to suffer from its credit crisis, with home loans becoming difficult to obtain, especially for first time buyers, with the number of housing transactions falling to approximately 70,000 per year over the period from 2009 to 2012.

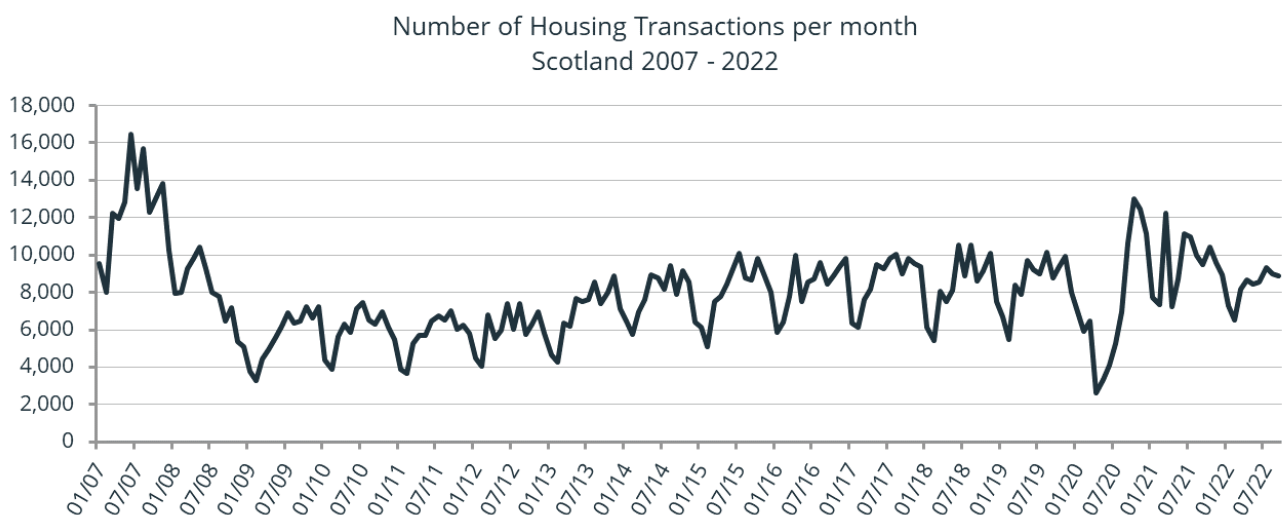
Normality was slowly restored from 2013, with sales rising to a yearly average of 87,500 over the period from 2013 to 2015, rising to an average 102,000 sales per annum from 2016 to 2019. This level was still some 25% below the levels seen during the period 2004 to 2006 - it was generally believed there had been a shift in the housing market, away from owner occupation to rental premises.

The effect of the Covid pandemic - which started in March 2020 - can be clearly seen on the graph. Housing transactions in April 2020 plummeted with the arrival of the pandemic, to be followed by a slow rise in sales as confidence began to return. Then followed a period when sales exceeded previous levels, from September 2020, as lifestyle changes and the LBTT tax-holiday pushed up demand - especially for properties with space to allow for working from home.

The March 2021 peak is also visible, which coincided with the last month of the LBTT tax-holiday. The final month typically creates a peak in transactions, as purchasers rush to take advantage of the tax-holiday before the end of the month, after which time the tax savings come to an abrupt halt.

However, what can also be seen is that in 2022 sales volumes appear to be at the lower end of the period from 2016 to 2019; for example the average level in 2022 from March to August was 8,700 sales per month, compared to 9,250 per month in 2017 - a 6% reduction in sales.

Figure 2. The number of sales per month recorded by RoS based on entry date (RoS applications date for September 2022), for the period 2007 - 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 – September 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	62	66
3	231	57	25	34	35	30	115	79
4	2	27	29	24	36	11	46	70
5	14	20	31	32	54	16	63	88
6	26	47	43	41	60	36	119	110
7	15	36	55	44	61	41	120	131
8	41	54	62	60	61	40	102	120
9	46	44	56	70	59	67	127	77
10	23	52	48	55	40	114	101	
11	48	38	37	59	58	109	100	
12	34	23	40	31	49	105	79	
<b>Total</b>	<b>555</b>	<b>445</b>	<b>460</b>	<b>537</b>	<b>582</b>	<b>651</b>	<b>1099</b>	<b>828</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 were 77 sales in excess of £750k during September 2022, and we anticipate that this total will increase by another thirty-plus in number, as further sales for the month are processed by the Registers of Scotland (RoS). However, even if this does prove to be the case, September 2021 will still have recorded a higher total than one year later, leading to the conclusion that just six of the nine months in 2022 will have seen a larger number of high-value sales than in 2021, although this was ahead of all previous years. Certainly, looking at the first nine months of 2021, for comparative purposes, there were 819 sales above £750k, which have been exceeded by the 828 sales in 2022.

These statistics suggest that the “lifestyle changes” associated with the pandemic, of “working from home” and the “race for space”, continue to be important features of the current housing market, even if the prominence of the Covid restrictions are beginning to wane. This “race for space” still results in strong competition for high-value homes, which are in relatively short supply, resulting in prices continuing to creep upwards at the top-end of the market.

The six authorities with the largest number of the 828 high-value sales that have been recorded to date in 2022 are: Edinburgh (418); Glasgow City (52); East Lothian (46); Fife (45); and finally in joint fifth position East Dunbartonshire (27) and East Renfrewshire (27). From these figures it can be seen that in 2022, the City of 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 September 2021, August and September 2022 (Link to source Excel)

Prior Year Rank	Rank By Price	Local Authority Area	Sep-21	Aug-22	Sep-22	Month % Change	Annual % Change
1	1	City of Edinburgh	£327,403	£340,828	£344,361	1.0%	5.2%
2	2	East Lothian	£313,450	£307,881	£330,432	7.3%	5.4%
3	3	East Renfrewshire	£302,413	£320,405	£318,514	-0.6%	5.3%
4	4	East Dunbartonshire	£284,240	£310,657	£305,104	-1.8%	7.3%
5	5	Midlothian	£264,796	£271,607	£278,326	2.5%	5.1%
7	6	Perth and Kinross	£243,384	£260,397	£254,184	-2.4%	4.4%
6	7	Stirling	£254,167	£259,675	£251,461	-3.2%	-1.1%
10	8	West Lothian	£214,682	£238,897	£247,084	3.4%	15.1%
20	9	Orkney Islands	£181,191	£213,058	£232,801	9.3%	28.5%
8	10	Aberdeenshire	£228,966	£234,337	£232,143	-0.9%	1.4%
9	11	Scottish Borders	£219,048	£234,770	£230,009	-2.0%	5.0%
11	12	Highland	£208,151	£229,108	£229,665	0.2%	10.3%
12	13	Argyll and Bute	£200,493	£225,063	£224,798	-0.1%	12.1%
16	14	Fife	£189,007	£202,446	£204,016	0.8%	7.9%
15	15	Glasgow City	£194,006	£208,082	£202,957	-2.5%	4.6%
17	16	Moray	£187,069	£206,119	£202,939	-1.5%	8.5%
13	17	South Ayrshire	£196,983	£203,171	£199,289	-1.9%	1.2%
19	18	Angus	£183,350	£192,440	£194,022	0.8%	5.8%
21	19	South Lanarkshire	£178,915	£196,215	£193,128	-1.6%	7.9%
14	20	Aberdeen City	£195,978	£196,590	£188,581	-4.1%	-3.8%
23	21	Falkirk	£167,447	£183,825	£187,536	2.0%	12.0%
22	22	Shetland Islands	£170,925	£199,070	£185,507	-6.8%	8.5%
24	23	Dumfries and Galloway	£167,252	£189,082	£183,486	-3.0%	9.7%
18	24	Clackmannanshire	£184,085	£195,818	£183,418	-6.3%	-0.4%
25	25	Renfrewshire	£164,199	£178,786	£180,980	1.2%	10.2%
26	26	Dundee City	£162,310	£172,566	£166,886	-3.3%	2.8%
27	27	North Lanarkshire	£147,881	£163,526	£164,320	0.5%	11.1%
31	28	East Ayrshire	£138,825	£159,304	£160,130	0.5%	15.3%
32	29	Na h-Eileanan Siar	£128,197	£149,686	£156,423	4.5%	22.0%
29	30	North Ayrshire	£141,902	£154,369	£155,689	0.9%	9.7%
30	31	West Dunbartonshire	£138,934	£149,336	£150,122	0.5%	8.1%
28	32	Inverclyde	£143,650	£144,659	£147,352	1.9%	2.6%
<b>All Scotland</b>			<b>£210,265</b>	<b>£224,089</b>	<b>£223,604</b>	<b>-0.2%</b>	<b>6.3%</b>

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

## Annual change

The average house price in Scotland in September 2022 has increased by some £13,300 - or 6.3% - over the last twelve months. Although prices have continued to increase on an annual basis, the rate of growth has reduced, with September 2022 being the third month in a row in which the increase in prices on an annual basis has slowed.

In September 2022, 29 of the 32 local authority areas in Scotland saw their average prices rise over the levels seen twelve months earlier, two fewer than in August. The three areas that saw values fall over the year were, in descending order, Aberdeen City (-3.8%), Sterling (-1.1%) and Clackmannanshire (-0.4%). In Aberdeen City, detached homes had the largest fall, from an average £400k in September 2021 to £355k one year later.

The area with the highest annual increase in average house prices in September 2022 was the Orkney Islands, where values have risen by 28.5% over the year. However, as regular readers of our reports will know, the Islands frequently have the largest movement in average house prices due to the small number of transactions that take place each month, with just 16 sales taking place in the Orkney Islands in September. On the mainland, the authority with the highest increase over the year was East Ayrshire, at 15.3%. The rise in prices in East Ayrshire in September will have been assisted by the sale of a 4-bedroom farm house with equestrian facilities for £540k, located within a half-hour drive of Glasgow, as well as the sale of a nearby semi-detached home in Fenwick for a similar price. It was the second most expensive semi-detached property sold in East Ayrshire of the last two years.

On a weight-adjusted basis, which incorporates both the change in prices and the number of transactions involved, there are six local authority areas in August which accounted for 49% of the £13,300 increase in Scotland's average house price over the year. The six areas in descending order of influence are: - Edinburgh (13%); West Lothian (7%); Glasgow (7%); Fife (7%); South Lanarkshire (7%); and Highland (7%).

## Monthly change

In September 2022, Scotland's average house price in the month fell by £485, or -0.2%. This is three times the size of the £158 fall seen in August, with these two months being the first falls experienced in Scotland's average house price since June 2021.

In September 2022, 16 of the 32 Local Authority areas in Scotland experienced rising prices in the month, which is four fewer than in August - another indication that the rise in house prices is slowing.

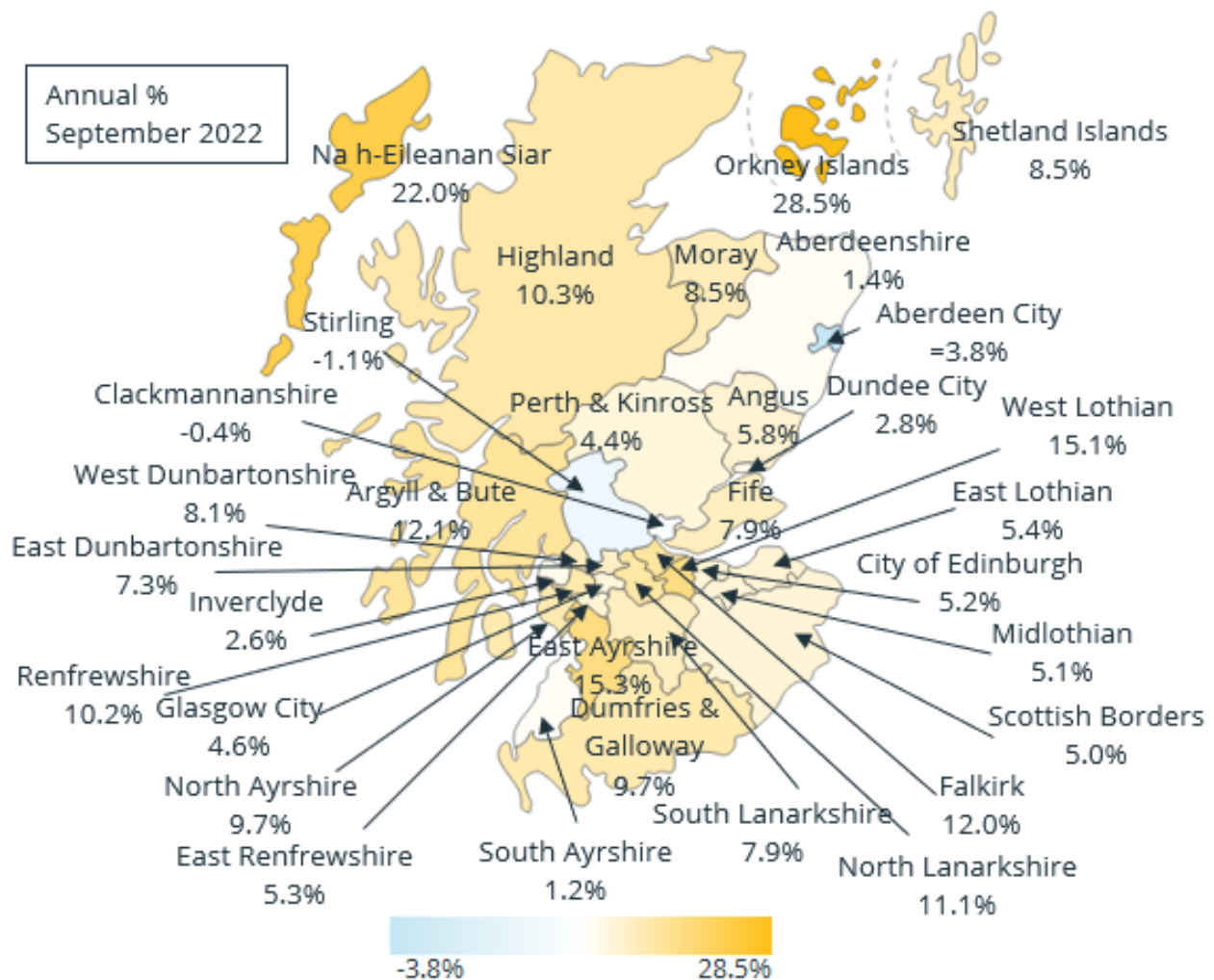
The largest increase in average prices on the mainland in September was in East Lothian, up by 7.3%. This increase in the average price was very much aided by the sale of a six-bedroom new-build property, which directly overlooks the 13th hole of The Renaissance Club, Dirleton, with the Firth of Forth and Fife in the background. The Golf Course is home to the Scottish Open for the next 5 years, and is part of the DP World Tour. And the price it sold for? - you may well ask - £3.4 million.

## Peak Prices

Each month, in Table 3 above, we highlight in light blue the local authority areas which have reached a new record in their average house prices. In September there are 8 such authorities, up from the 7 in August. With average prices in Scotland continuing to fall in September, we should advise that Scotland itself is not at a record price, the second time this has occurred this year.

## Heat Map

The heat map below shows the rate of house price growth for the 12 months ending September 2022. As reported above, 29 of the 32 local authority areas in Scotland have seen a rise in their average property values over the last year, the three exceptions being Aberdeen City, Clackmannanshire and Stirling. The highest increase on the mainland over the twelve months to September 2022 was in East Ayrshire at 15.3%. 9 of the 32 local authority areas had price growth in excess of 10.0% - five fewer than in August 2022.





## Comparisons with Scotland

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

### Average House Price

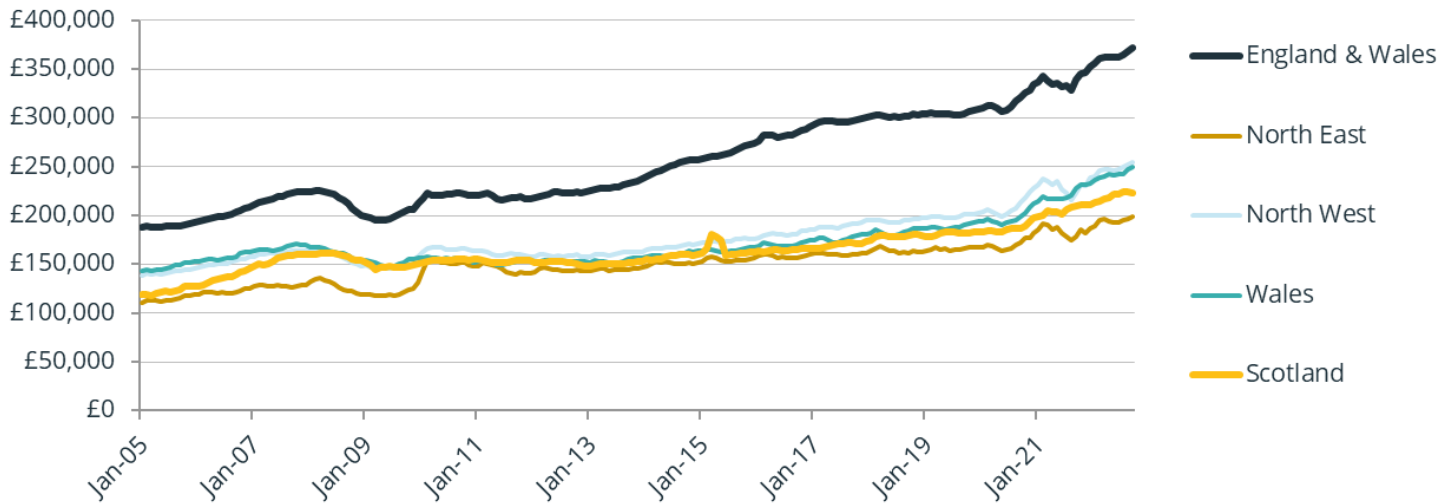
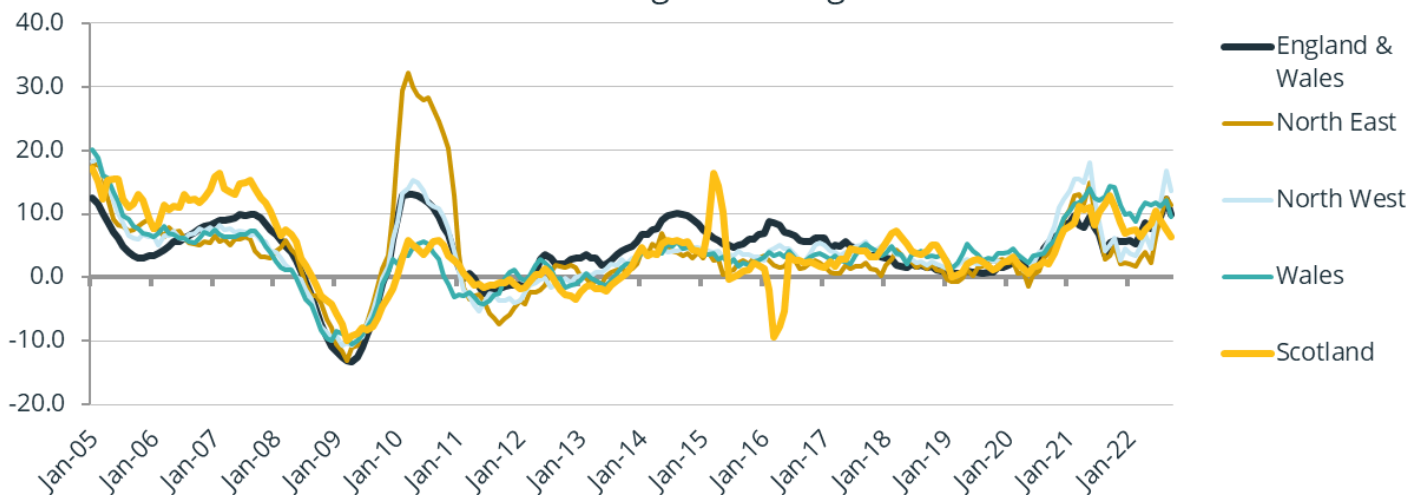


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005-September 2022 ([Link to source Excel](#))

### Annual % change in Average House Prices



## Scotland's Eight Cities

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

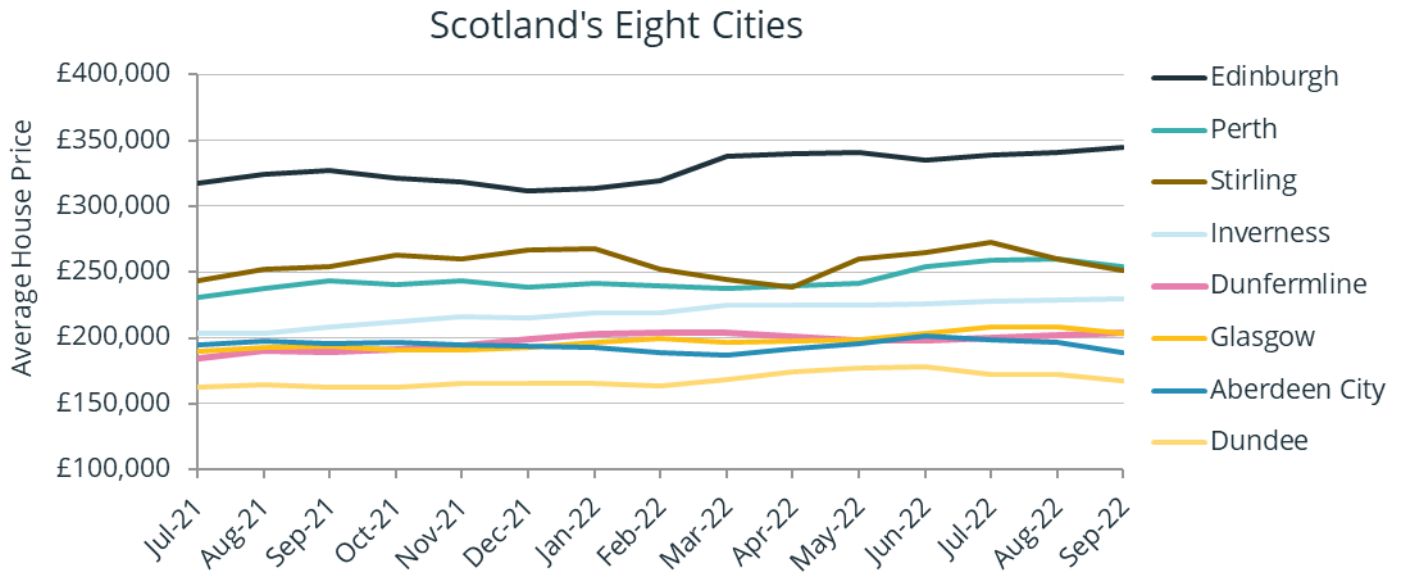
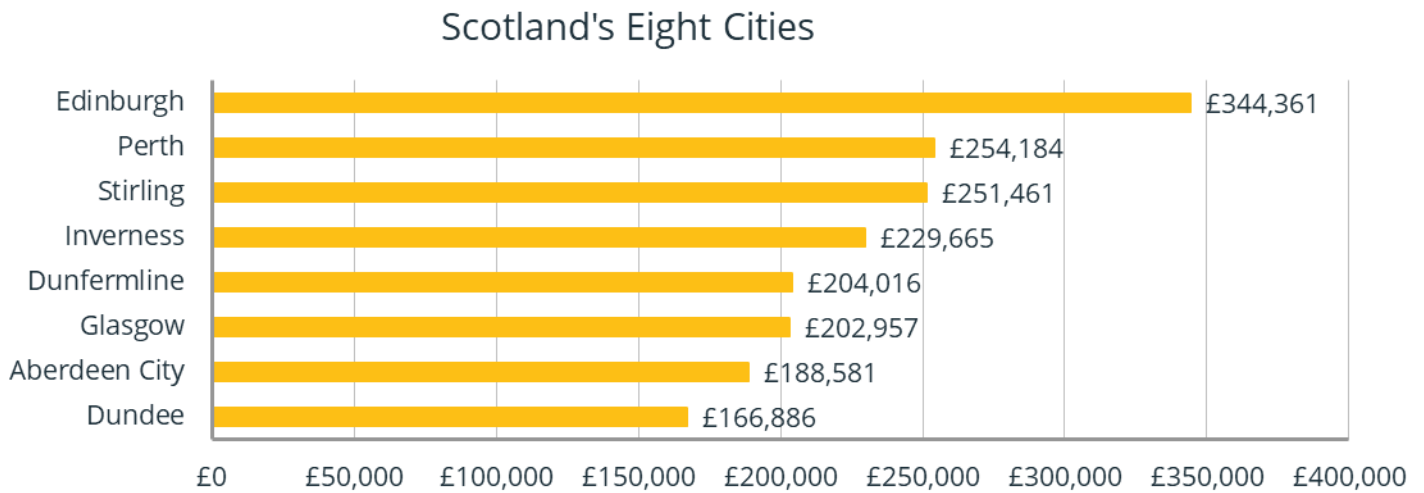


Figure 6. Average house prices for Scotland's eight cities September 2022 ([Link to source Excel](#))



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

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