

## Competitive pressures and short supply continue to push Scotland's average house price up

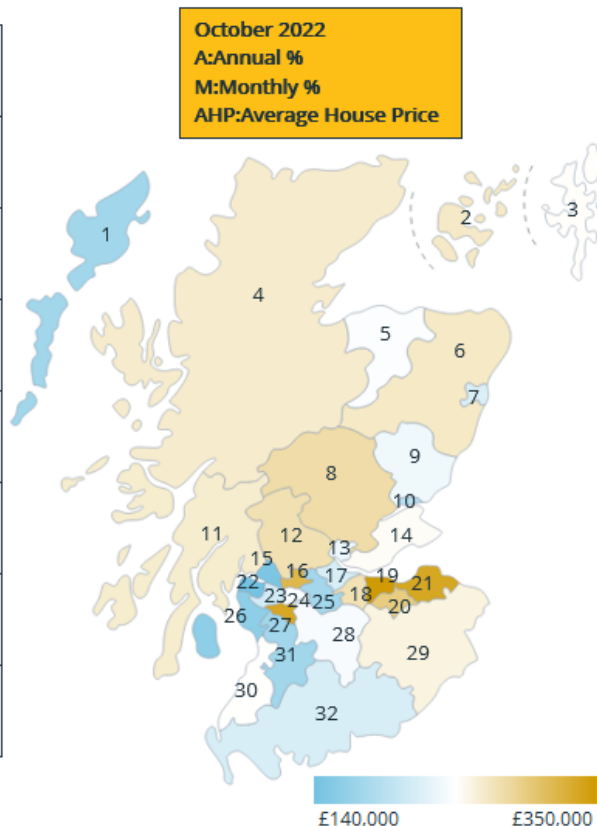
...with prices rising in 29 Local Authorities over the year

- ✓ East Ayrshire has largest annual growth on the mainland at 14.9%
- ✓ record prices in 10 high-value areas
- ✓ 2022 likely to see greatest number of sales in excess of £750k

- 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 %
£224,593	294.1	0.3	6.7

1 Na h-Eileanan Siar A 22.3% M 3.2% AHP £160,977	2 Orkney Islands A 24.9% M 1.7% AHP £234,989
5 Moray A 5.7% M -3.6% AHP £200,310	6 Aberdeenshire A 3.3% M 0.7% AHP £235,139
9 Angus A 5.7% M -0.4% AHP £195,147	10 Dundee City A 5.7% M 3.1% AHP £171,798
13 Clackmannanshire A 6.7% M 5.4% AHP £194,633	14 Fife A 7.8% M 1.8% AHP £206,670
17 Falkirk A 9.5% M -0.8% AHP £184,669	18 West Lothian A 14.7% M 1.0% AHP £246,053
21 East Lothian A 6.8% M 3.4% AHP £331,184	22 Inverclyde A -0.2% M -6.5% AHP £141,153
25 North Lanarkshire A 8.6% M -0.9% AHP £162,188	26 North Ayrshire A 7.1% M -3.3% AHP £152,522
29 Scottish Borders A 0.9% M -4.2% AHP £220,800	30 South Ayrshire A 1.8% M 0.1% AHP £203,177



3 Shetland Islands A 13.6% M 7.8% AHP £204,772	4 Highland A 8.9% M 1.5% AHP £231,182
7 Aberdeen City A -5.1% M -1.4% AHP £186,263	8 Perth & Kinross A 5.1% M -0.6% AHP £253,158
11 Argyll & Bute A 14.4% M 1.5% AHP £230,944	12 Stirling A -5.8% M -2.6% AHP £247,369
15 West Dunbartonshire A 2.3% M -3.9% AHP £144,653	16 East Dunbartonshire A 5.9% M 0.1% AHP £306,997
19 City of Edinburgh A 8.6% M 1.8% AHP £349,442	20 Midlothian A 4.3% M -1.6% AHP £275,709
23 Renfrewshire A 7.6% M 1.3% AHP £182,604	24 Glasgow City A 5.0% M -1.9% AHP £200,554
27 East Renfrewshire A 10.3% M 3.6% AHP £330,830	28 South Lanarkshire A 9.5% M 1.6% AHP £198,388
31 East Ayrshire A 14.9% M -1.7% AHP £161,206	32 Dumfries & Galloway A 8.0% M 0.5% AHP £185,051

Table 1. Average House Prices in Scotland for the period October 2021 – October 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 %
October	2021	£210,471	275.7	0.1	11.2
November	2021	£210,560	275.8	0.0	8.7
December	2021	£210,716	276.0	0.1	6.9
January	2022	£212,971	278.9	1.1	7.4
February	2022	£214,475	280.9	0.7	7.4
March	2022	£217,548	284.9	1.4	6.4
April	2022	£218,765	286.5	0.6	7.6
May	2022	£221,269	289.8	1.1	8.4
June	2022	£222,165	291.0	0.4	10.4
July	2022	£224,230	293.7	0.9	9.1
August	2022	£223,993	293.4	-0.1	7.4
September	2022	£223,892	293.2	0.0	6.5
October	2022	£224,593	294.1	0.3	6.7

**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:

“The housing market across the UK has endured a tumultuous time over the past couple of months and yet – notwithstanding the stresses it has been under - our data reveals that average house prices in Scotland in October rose by some £700, or by 0.3%.

“We think two things have influenced this figure. Firstly, the lack of supply of the right kind of properties, those with more space for working and living from home, persists which supports the average price in general. This continued demand has to a degree provided some protection from the more challenging economic turmoil in September.

“But there is another factor to consider. Current buyers who secured finance before the financial markets’ turbulence in September stayed the course to see through their purchases. Our sales data from the property purchases recorded by the Office for National Statistics uses the date that a purchaser takes ownership – so decisions to buy made in August and early September, for example, may be coming through in October. We can be confident that many buyers were keen to continue with a purchase agreed before September’s financial chaos, as they almost certainly had been offered favourable mortgage rates by lenders.

“These two elements in concert have supported demand for properties with the average house price in Scotland rising to £224,593, establishing a new record level. Over the twelve months to the end of October, prices have risen by some £14,100, or 6.7%.”

## Commentary: John Tindale, Acadata Senior Housing Analyst

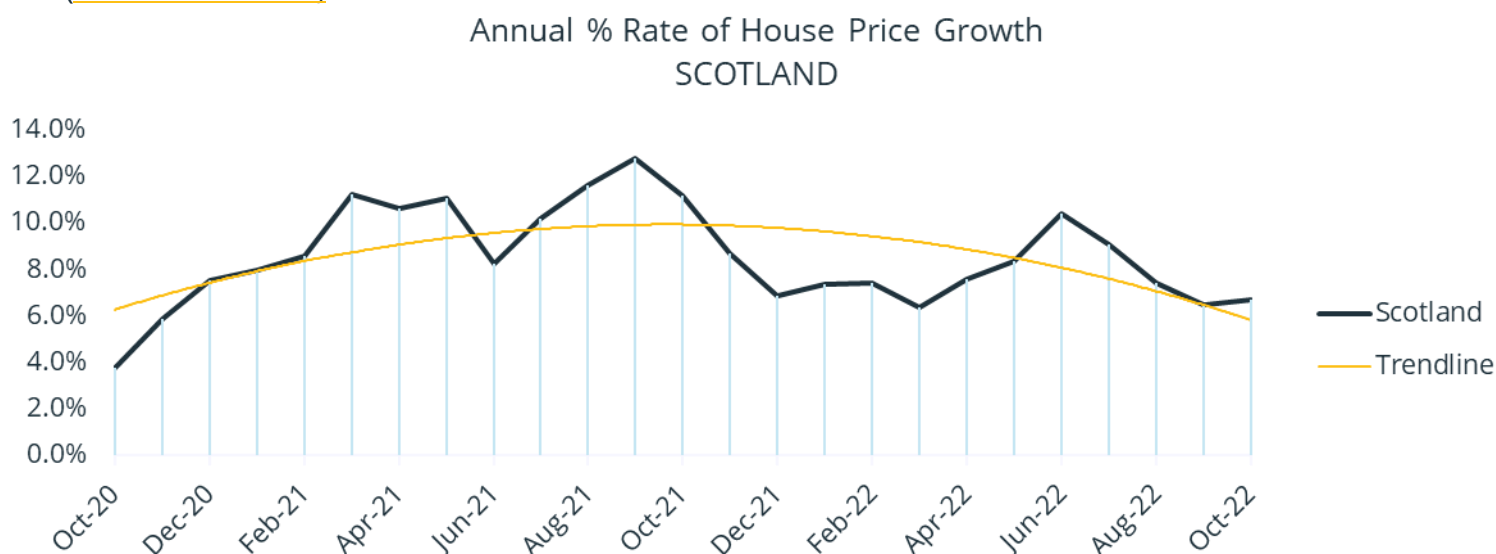
### The October housing market

September and October 2022 proved to be a somewhat tumultuous period in UK politics. There was the arrival of Liz Truss as Prime Minister on 6th September 2022, followed shortly thereafter by the death of Her Majesty Queen Elizabeth on 8th September at Balmoral. Politics were then put on hold for the period of national mourning, culminating in the Queen's funeral on 19th September at Westminster and Windsor Castle. This was then followed by the mini-budget, put together by Liz Truss and Kwasi Kwarteng, and delivered on 23rd September - this resulted in Sterling crashing to a new low, with inflation rates rising to levels not seen for forty years. Kwasi Kwarteng was sacked as chancellor on 6th October, to be replaced by Jeremy Hunt - with Liz Truss departing her post as Prime Minister on 20th October, to be replaced by Rishi Sunak.

It is therefore somewhat surprising to discover that, amid all these unsettling events, average house prices in Scotland in October rose by some £700, or by 0.3%. There are perhaps some clarifying factors that might explain this increase in prices. Firstly, the matter of timing. The purchase of a property will typically take a few months to complete, from the initial decision to buy, to the official date of entry into one's chosen home. (When recording property purchases the ONS and Acadata use the "date of entry" as the point of sale.) It is therefore quite possible that "October sales" are reflecting August market sentiment. Indeed, there are instances where buyers have been keen to continue with a purchase agreed before September, as the favourable mortgage rates offered by the lenders were fixed for a period of five years, providing that the property in question remained the subject of the loan.

In addition, some of the factors that resulted in the decision to purchase a home in the first instance continued, even in the changed environment - such as the desire for space, and the problem of few suitable properties being placed on the market. Demand for properties therefore remained significant, with the average house price in Scotland rising to £224,593, establishing a new record level. Over the twelve months to the end of October, prices have risen by some £14,100, or 6.7%.

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



The RICS Residential Market Survey for October suggests that the home sales market continued to lose momentum amid deteriorating macro conditions, with indicators on new instructions and agreed sales remaining negative. The report did however advise that respondents based in Scotland continued to report a reasonably firm upward trend in house prices continuing, even if the pace of growth was softer than earlier in the year. This is in line with our own findings, derived from the price data supplied by RoS, which includes all domestic transactions based on both cash and mortgage sales.

As is shown in Table 3 on page 6, sales of high-value properties in the first ten months of 2022 are at a record high, with few indications that the pace of such sales is diminishing. The three highest-value local authorities in Scotland, of Edinburgh, East Lothian and East Renfrewshire, each set a new record average house price in October (see Table 2 below).

## Local Authority Analysis

Table 2. Average House Prices in Scotland, by local authority area, comparing October 2021, September and October 2022 ([Link to source Excel](#))

Prior Year Rank	Rank By Price	Local Authority Area	Oct-21	Sep-22	Oct-22	Month % Change	Annual % Change
1	1	City of Edinburgh	£321,799	£343,429	£349,442	1.8%	8.6%
2	2	East Lothian	£310,134	£320,365	£331,184	3.4%	6.8%
3	3	East Renfrewshire	£299,899	£319,200	£330,830	3.6%	10.3%
4	4	East Dunbartonshire	£289,977	£306,748	£306,997	0.1%	5.9%
5	5	Midlothian	£264,348	£280,126	£275,709	-1.6%	4.3%
7	6	Perth and Kinross	£240,812	£254,707	£253,158	-0.6%	5.1%
6	7	Stirling	£262,516	£254,009	£247,369	-2.6%	-5.8%
10	8	West Lothian	£214,445	£243,620	£246,053	1.0%	14.7%
8	9	Aberdeenshire	£227,731	£233,559	£235,139	0.7%	3.3%
18	10	Orkney Islands	£188,073	£231,026	£234,989	1.7%	24.9%
11	11	Highland	£212,205	£227,666	£231,182	1.5%	8.9%
12	12	Argyll and Bute	£201,811	£227,452	£230,944	1.5%	14.4%
9	13	Scottish Borders	£218,749	£230,412	£220,800	-4.2%	0.9%
15	14	Fife	£191,645	£202,962	£206,670	1.8%	7.8%
22	15	Shetland Islands	£180,241	£189,905	£204,772	7.8%	13.6%
13	16	South Ayrshire	£199,579	£202,879	£203,177	0.1%	1.8%
16	17	Glasgow City	£191,068	£204,399	£200,554	-1.9%	5.0%
17	18	Moray	£189,448	£207,719	£200,310	-3.6%	5.7%
21	19	South Lanarkshire	£181,163	£195,319	£198,388	1.6%	9.5%
19	20	Angus	£184,566	£195,975	£195,147	-0.4%	5.7%
20	21	Clackmannanshire	£182,381	£184,734	£194,633	5.4%	6.7%
14	22	Aberdeen City	£196,184	£188,870	£186,263	-1.4%	-5.1%
23	23	Dumfries and Galloway	£171,295	£184,166	£185,051	0.5%	8.0%
25	24	Falkirk	£168,679	£186,083	£184,669	-0.8%	9.5%
24	25	Renfrewshire	£169,765	£180,235	£182,604	1.3%	7.6%
26	26	Dundee City	£162,594	£166,653	£171,798	3.1%	5.7%
27	27	North Lanarkshire	£149,360	£163,670	£162,188	-0.9%	8.6%

31	28	East Ayrshire	£140,354	£163,953	£161,206	-1.7%	14.9%
32	29	Na h-Eileanan Siar	£131,634	£155,936	£160,977	3.2%	22.3%
28	30	North Ayrshire	£142,417	£157,648	£152,522	-3.3%	7.1%
30	31	West Dunbartonshire	£141,354	£150,448	£144,653	-3.9%	2.3%
29	32	Inverclyde	£141,398	£150,889	£141,153	-6.5%	-0.2%
<b>All Scotland</b>			<b>£210,471</b>	<b>£223,892</b>	<b>£224,593</b>	<b>0.3%</b>	<b>6.7%</b>

Table 2 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for October 2021, as well as for September and October 2022, calculated on a seasonal- and mix-adjusted basis. The ranking in Table 2 is based on the local authority area's average house price for October 2022. Local Authority areas shaded in blue experienced record average house prices in October 2022.

## Annual change

The average house price in Scotland in October 2022 has increased by some £14,100 - or 6.7% - over the last twelve months. Although the annual rate of growth has marginally increased in October, up 0.2% on September's 6.5%, the rate of growth has reduced from June's 10.4%, which looks as though it will represent the high point of 2022. However, prices continued to climb in October, albeit at a reduced rate compared to June, with Scotland setting another record average house price, of £224,593 in the month, for the eighth time this calendar year.

In October 2022, 29 of the 32 local authority areas in Scotland saw their average prices rise over the levels seen twelve months earlier, the same number as in September. The three areas where values fell over the year were, in descending order, Stirling (-5.8%), Aberdeen City (-5.1%) and Inverclyde (-0.2%). In Stirling, detached homes had the largest fall, from an average £417k in October 2021 to £397k one year later.

The area with the highest annual increase in average house prices in October 2022 was the Orkney Islands, where values have risen by 24.9% 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 18 sales in the Orkney Islands in October. On the mainland, the authority with the highest increase over the year, for the second month running, was East Ayrshire, at 14.9%. The rise in prices in East Ayrshire in October will have been assisted by the sale of a 4-bedroom farmhouse, with 10 acres of land, suitable for equestrian use. The farmhouse is located within an hour's drive of Glasgow. It was originally put on the market for £450k, but actually sold for £590k, indicating the competitive pressures that exist for the purchase of properties that tick all the right boxes.

On a weight-adjusted basis, which incorporates both the change in prices and the number of transactions involved, there are five local authority areas in October which accounted for 49% of the £14,100 increase in Scotland's average house price over the year. The five areas in descending order of influence are: - Edinburgh (20%); South Lanarkshire (8%); Glasgow (7%); Fife (7%); and West Lothian (7%).



## Monthly change

In October 2022, Scotland's average house price in the month rose by £700, or 0.3%. This follows on from September's fall in prices of £100 and August's fall of £240. These two months were the first reductions in Scotland's average house price since June 2021.

In October 2022, 18 of the 32 Local Authority areas in Scotland experienced rising prices in the month, which is two more than the 16 seen in September. Of the 18 local authorities with price rises in the month, 12 are in the top 16 areas when ranked by price, with only 6 being in the lower half of the market. It is thus the higher-priced areas in Scotland that were more likely to see prices continue to increase in the month, with the lower-priced areas seeing house prices fall.

The largest increase in average prices on the mainland in October was in Clackmannanshire, up by 5.4%. This increase in the average price was aided by the sale of a new-build five-bedroom detached home, in Menstrie, which is located some six miles to the east of Stirling – the price being £965k.

## Peak Prices

Each month, in Table 2 above, we highlight in light blue the local authority areas which have reached a new record in their average house prices. In October there are 12 such authorities, up from the 8 in September. Perhaps not surprisingly, given our comments above, 10 of the 12 areas which are experiencing record prices are included in the top 16 areas ranked by value, with the three highest priced areas all setting new record average prices. Scotland itself has also set a new record average house price in the month.

## Scotland transactions of £750k or higher

Table 3. The number of transactions by month in Scotland greater than or equal to £750k, January 2015 – October 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	80
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	134
8	41	54	62	60	61	40	102	123
9	46	44	56	70	59	67	127	128
10	23	52	48	55	40	114	101	75
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>961</b>

Table 3 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.

There were 132 such transactions recorded by RoS during the month, with 75 relating to October 2022, 51 to September 2022 and 3 each for July and August 2022, increasing the number recorded to date in 2022 to 961. The total recorded to the end of October 2021 amounted to 920, so it is looking extremely likely that 2022 will be establishing a new high for such sales in a year – certainly there are already seven months in which the totals are higher in 2022 compared to a year earlier.

As we reported last month, 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. As we discussed on page 5, this “race for space” 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 961 high-value sales that have been recorded to date in 2022 are: Edinburgh (483); Glasgow City (59); East Lothian (56); Fife (50); East Renfrewshire (35); and finally East Dunbartonshire (32). 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.

## Transactions analysis

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

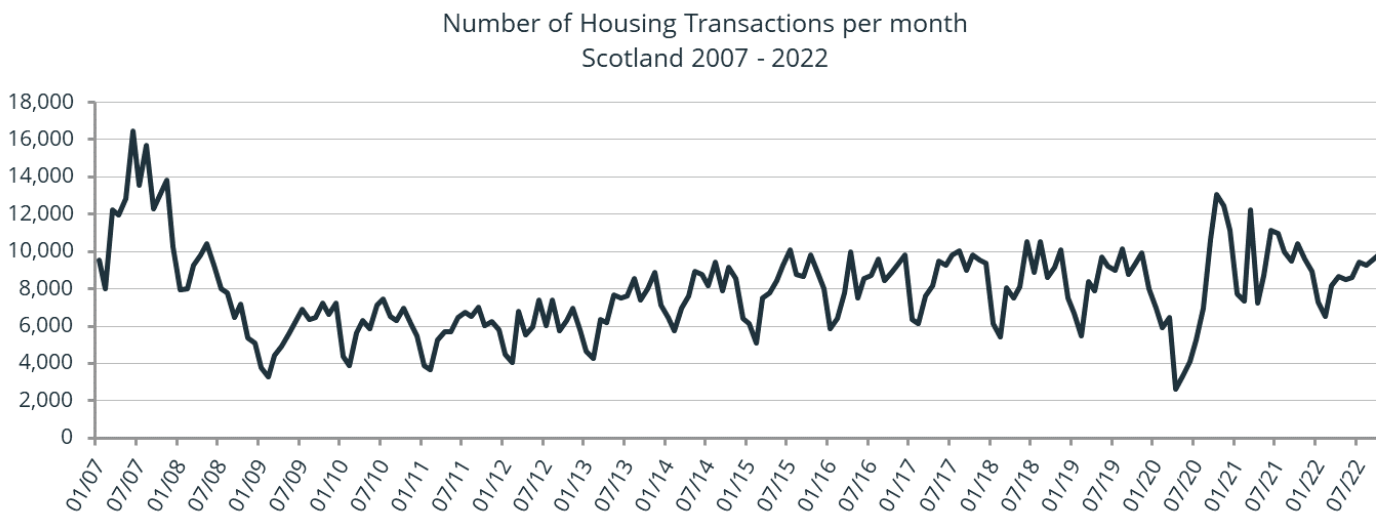
The graph starts in 2007, which was something of an exception, with close to 150,000 domestic property sales taking place in the calendar year. The 2007 sales total is the largest seen during the last 18 years, although the period from 2004 to 2006 came close, with an average 139,000 sales on an annual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

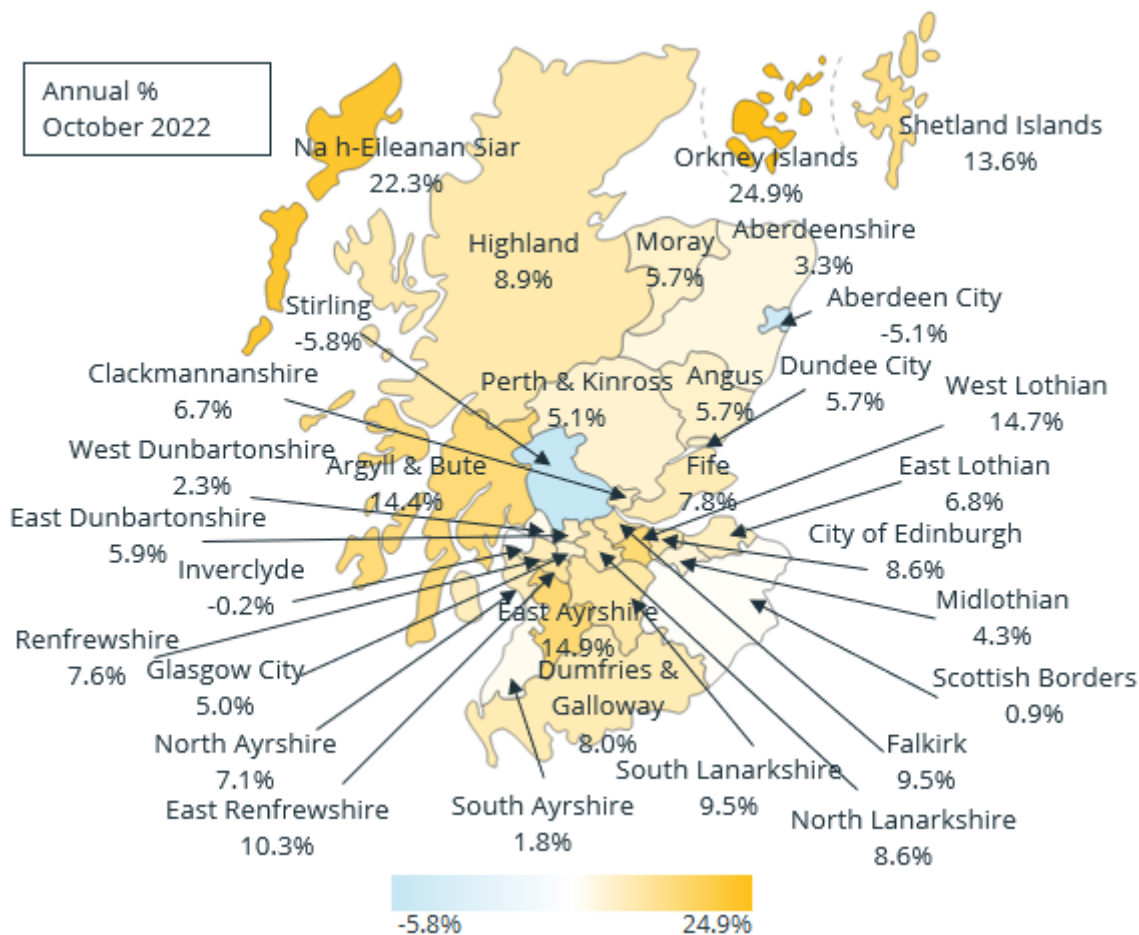
The effect of the Covid pandemic - which started in March 2020 - can be clearly seen on the graph. Housing transactions in April 2020 plummeted with the arrival of the pandemic, to be followed by a slow rise in sales as confidence began to return. Then followed a period when sales exceeded previous levels, 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.

Figure 2. The number of sales per month recorded by RoS based on entry date from 2007 - 2022. ([Link to source Excel](#))



### Heat Map

The heat map below shows the rate of house price growth for the 12 months ending October 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 Stirling, Aberdeen City and Inverclyde. The highest increase on the mainland over the twelve months to October 2022 was in East Ayrshire at 14.9%. 7 of the 32 local authority areas had price growth in excess of 10.0% - two fewer than in September 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–October 2022 ([Link to source Excel](#))

### Average House Price

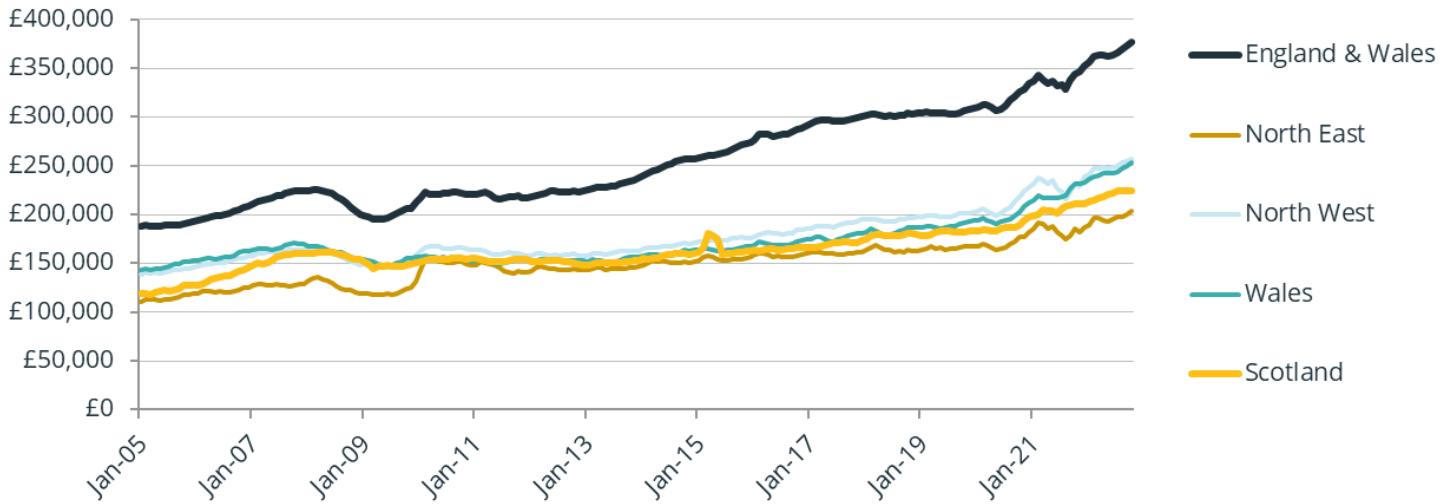
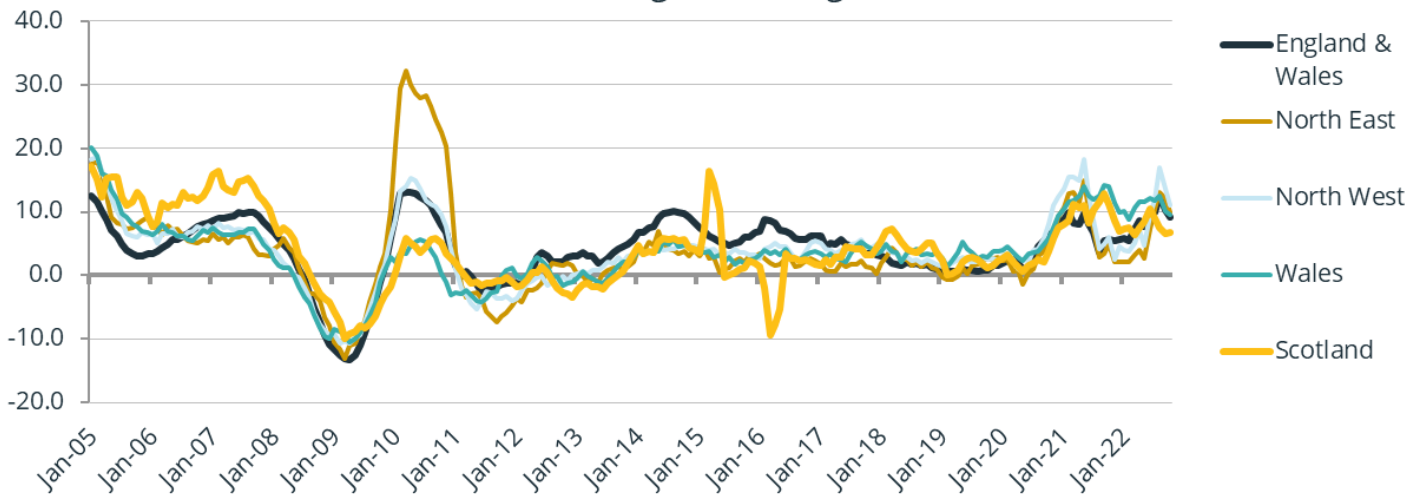


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005–October 2022 ([Link to source Excel](#))

### Annual % change in Average House Prices



## Scotland's Eight Cities

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

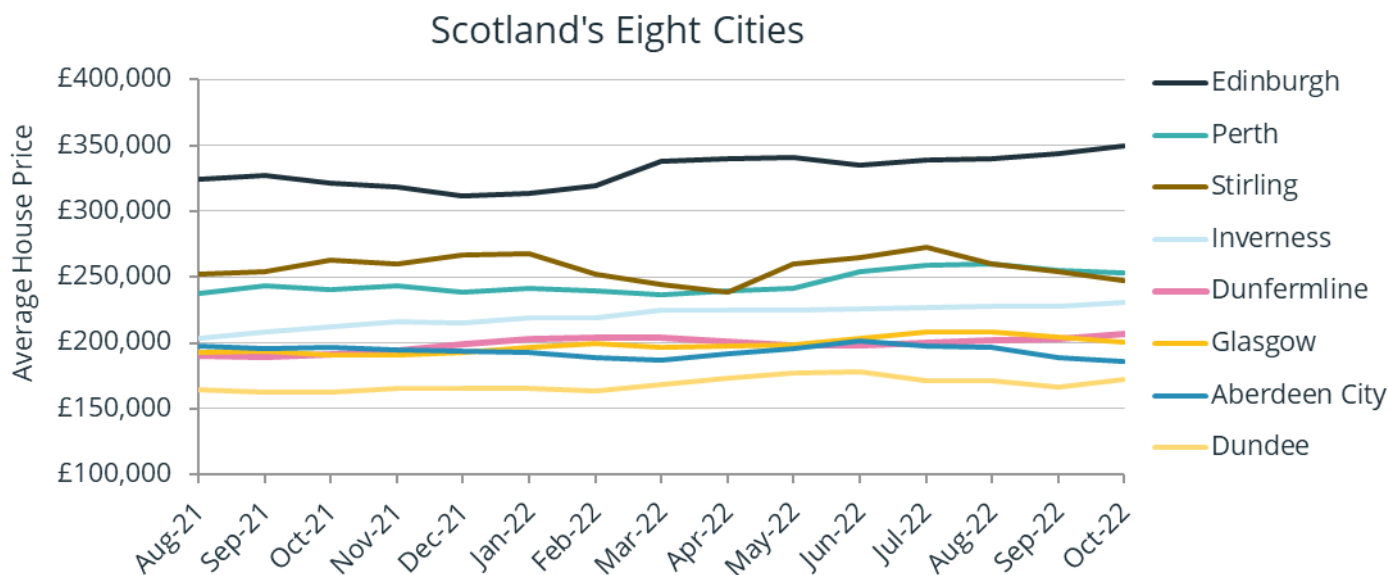
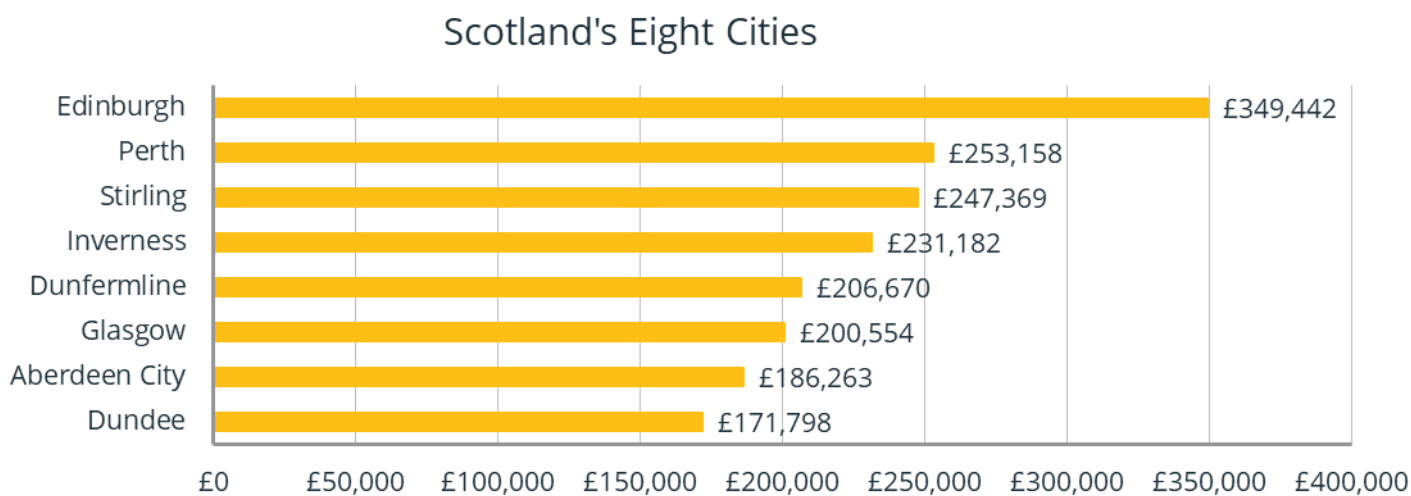


Figure 6. Average house prices for Scotland's eight cities October 2022 ([Link to source Excel](#))



## 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)

## Press contacts

Matt Beasley

Full Circle (PR agency for e.surv)

[mbeasley@fullcirclecomms.co.uk](mailto:mbeasley@fullcirclecomms.co.uk)

020 7265 7887

Emma Short

Head of Marketing Communications, Walker Fraser Steele

[emma.short@esurv.co.uk](mailto:emma.short@esurv.co.uk)

07775 544 834

Richard Sumner

Acadata

[richard.sumner@acadata.co.uk](mailto:richard.sumner@acadata.co.uk)

020 8392 9082