

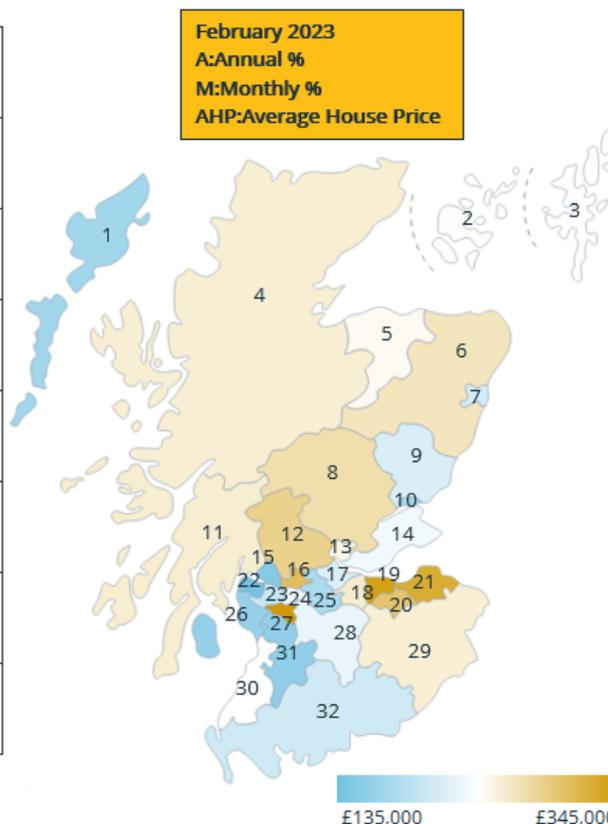
### January's downturn in prices continues into February

- ✓ Prices in 2023 experience the largest fall in fourteen years
- ✓ East Renfrewshire is authority with highest average prices...
- ✓ ...but sales volumes are low in Jan & Feb – expect higher sales in March

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

House Price	Index	Monthly Change %	Annual Change %
£220,702	289.1	-0.9	3.0

1 Na h-Eileanan Siar A -2.0% M 5.0% AHP £160,073	2 Orkney Islands A -3.0% M -4.6% AHP £207,617
5 Moray A 14.3% M 0.1% AHP £212,787	6 Aberdeenshire A 6.6% M 0.7% AHP £239,697
9 Angus A -1.2% M -5.0% AHP £187,044	10 Dundee City A -0.2% M -1.9% AHP £162,810
13 Clackmannanshire A 29.3% M 4.2% AHP £219,114	14 Fife A -2.9% M -2.4% AHP £198,334
17 Falkirk A 4.7% M 1.6% AHP £187,678	18 West Lothian A 2.7% M -0.8% AHP £231,044
21 East Lothian A 0.2% M -3.5% AHP £315,478	22 Inverclyde A -8.7% M -5.5% AHP £138,566
25 North Lanarkshire A 6.0% M -1.7% AHP £165,059	26 North Ayrshire A 3.4% M -2.0% AHP £154,935
29 Scottish Borders A -9.4% M 2.7% AHP £227,554	30 South Ayrshire A 3.1% M 0.4% AHP £205,445



3 Shetland Islands A 16.1% M -2.0% AHP £204,121	4 Highland A 4.2% M -1.1% AHP £228,335
7 Aberdeen City A -2.1% M 1.2% AHP £185,052	8 Perth & Kinross A 4.2% M -1.4% AHP £249,066
11 Argyll & Bute A 11.3% M 2.4% AHP £229,748	12 Stirling A 5.4% M 4.8% AHP £266,378
15 West Dunbartonshire A 0.1% M -4.3% AHP £147,420	16 East Dunbartonshire A 0.7% M -4.4% AHP £292,611
19 City of Edinburgh A 3.6% M -1.5% AHP £330,493	20 Midlothian A 8.4% M 3.9% AHP £283,309
23 Renfrewshire A 4.3% M -0.4% AHP £177,967	24 Glasgow City A -1.2% M -2.7% AHP £197,260
27 East Renfrewshire A 8.8% M 7.7% AHP £340,607	28 South Lanarkshire A 5.3% M -1.0% AHP £194,499
31 East Ayrshire A 2.3% M -4.8% AHP £151,919	32 Dumfries & Galloway A 2.0% M -1.8% AHP £181,934

Table 1. Average House Prices in Scotland for the period February 2022 – February 2023  
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
February	2022	£214,365	280.8	0.7	7.4
March	2022	£217,448	284.8	1.4	6.3
April	2022	£218,675	286.4	0.6	7.5
May	2022	£221,244	289.8	1.2	8.4
June	2022	£222,148	290.9	0.4	10.4
July	2022	£224,119	293.5	0.9	9.0
August	2022	£223,794	293.1	-0.1	7.3
September	2022	£223,673	292.9	-0.1	6.4
October	2022	£224,178	293.6	0.2	6.5
November	2022	£224,981	294.7	0.4	6.8
December	2022	£224,453	294.0	-0.2	6.5
January	2023	£222,727	291.7	-0.8	4.6
February	2023	£220,702	289.1	-0.9	3.0

**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:

“Far from experiencing a storm, the Scottish housing market could be said to be navigating choppy waters. This is to be expected as January and February are typically slow months for house sales – in part because of the shorter days and extended holidays over the Christmas period. However, the seasonal lull in activity has been amplified by the rise in mortgage costs as a result of the ill-conceived Truss-Kwarteng mini budget. Amazingly, notwithstanding that onslaught, the current average house price still remains some £6,300, or 3.0%, above the average price of twelve months earlier. However, through a monthly lens, our index shows that in February 2023 prices continued their descent, falling by a further £2,000 in the month, on top of the £1,750 price decrease in January.

“If we take account of both the change in prices and the number of transactions involved - Edinburgh (17%); Aberdeenshire (9%); South Lanarkshire (9%); North Lanarkshire (7%); East Renfrewshire (6%); and Clackmannanshire (6%) in February accounted for 54% of the £6,300 increase in Scotland’s average house price over the year.

“Of note in Scotland is that many estate agents have noticed an increase in the number of rental properties coming to market. Landlords raised their concerns about the legislation in response to the cost-of-living crisis some time ago. This legislation has followed a sustained period of increased letting agent regulation, higher taxes for landlords and tight rent controls to protect tenants.

“As we emerge from February, we will watch transaction volumes carefully. In each of the last eight years, March transaction totals have always exceeded those of February. We should expect higher sales volumes in next month’s data.”

## Commentary: John Tindale, Acadata Senior Housing Analyst

### The February housing market

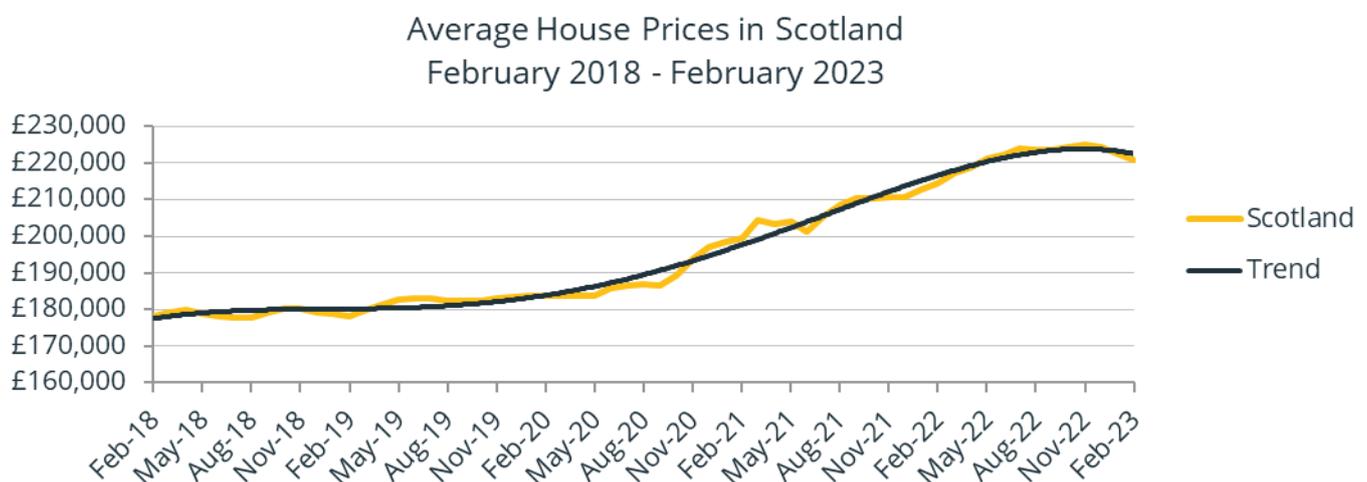
February 2023 continued the downward trend in average prices seen in January, with prices falling by a further £2,000 in the month, on top of the £1,750 price decrease in January. Prices in 2023 to the end of February have therefore dropped by £3,750. Ignoring the price movements associated with the introduction of the LBTT tax in April 2015 and the termination of the LBTT tax-holiday in April 2021, these price reductions represent the largest falls over two months since February/March 2009, some fourteen years ago. During February 2023, it was the price of flats that again fell the most, down by -1.8% in the month.

So why the price falls? As discussed last month, January and February are typically the weakest months of the year in Scotland's housing market in terms of transaction levels, which is in part to do with Christmas, when many estate agents remain closed over the holiday period. When sales levels are low, minor trends – which might otherwise have been obscured by the larger number of sales in the other months of the year – can stand out. For example, estate agents have been reporting that the number of sales of properties which have previously been in the rental market are becoming more noticeable, with the government rent cap and future regulation changes deterring investors in this sector.

Even a small exodus of private investors in buy-to-let properties will have an impact on prices in the winter months. In Edinburgh, for example, the price of an average flat fell from £286k in December 2022 to £275k in February 2023, while in Glasgow average flat prices fell from £180k to £169k over the same period – with these two cities accounting for 38% of Scotland's flat sales in February.

Despite reporting the largest monthly fall in prices of the last fourteen years, the current average house price still remains some £6,300, or 3.0%, above the average price of twelve months earlier. Indeed, as can be seen from Figure 1 below, taking a view of price movements in Scotland over the last five years, the dip in prices in January and February 2023 is barely perceptible. The average house price in February 2018 was £178,175 compared to £220,702 in February 2023 – a £42,500, or 24% rise over the period – about which the adage that past performance is no guarantee of future performance is pertinent.

Figure 1. The average house price in Scotland over the five year period February 2018 to February 2023 ([Link to source Excel](#))



## Local Authority Analysis

Table 2. Average House Prices in Scotland, by local authority area, comparing February 2022, January 2023 and February 2023 ([Link to source Excel](#))

Prior Year Rank	Rank By Price	Local Authority Area	Feb-22	Jan-23	Feb-23	Month % Change	Annual % Change
3	1	East Renfrewshire	£313,036	£316,372	£340,607	7.7%	8.8%
1	2	City of Edinburgh	£318,901	£335,450	£330,493	-1.5%	3.6%
2	3	East Lothian	£314,910	£326,998	£315,478	-3.5%	0.2%
4	4	East Dunbartonshire	£290,482	£306,193	£292,611	-4.4%	0.7%
5	5	Midlothian	£261,459	£272,622	£283,309	3.9%	8.4%
6	6	Stirling	£252,711	£254,130	£266,378	4.8%	5.4%
7	7	Perth and Kinross	£239,004	£252,534	£249,066	-1.4%	4.2%
10	8	Aberdeenshire	£224,773	£238,004	£239,697	0.7%	6.6%
9	9	West Lothian	£224,972	£232,799	£231,044	-0.8%	2.7%
13	10	Argyll and Bute	£206,495	£224,276	£229,748	2.4%	11.3%
11	11	Highland	£219,208	£230,959	£228,335	-1.1%	4.2%
8	12	Scottish Borders	£228,537	£221,628	£227,554	2.7%	-0.4%
25	13	Clackmannanshire	£169,442	£210,343	£219,114	4.2%	29.3%
19	14	Moray	£186,135	£212,493	£212,787	0.1%	14.3%
12	15	Orkney Islands	£213,993	£217,539	£207,617	-4.6%	-3.0%
16	16	South Ayrshire	£199,241	£204,719	£205,445	0.4%	3.1%
23	17	Shetland Islands	£175,802	£208,289	£204,121	-2.0%	16.1%
14	18	Fife	£204,156	£203,140	£198,334	-2.4%	-2.9%
15	19	Glasgow City	£199,738	£202,747	£197,260	-2.7%	-1.2%
20	20	South Lanarkshire	£184,761	£196,413	£194,499	-1.0%	5.3%
21	21	Falkirk	£179,327	£184,677	£187,678	1.6%	4.7%
17	22	Angus	£189,345	£196,943	£187,044	-5.0%	-1.2%
18	23	Aberdeen City	£188,976	£182,905	£185,052	1.2%	-2.1%
22	24	Dumfries and Galloway	£178,340	£185,202	£181,934	-1.8%	2.0%
24	25	Renfrewshire	£170,593	£178,739	£177,967	-0.4%	4.3%
28	26	North Lanarkshire	£155,748	£167,839	£165,059	-1.7%	6.0%
27	27	Dundee City	£163,128	£166,016	£162,810	-1.9%	-0.2%
26	28	Na h-Eileanan Siar	£163,273	£152,382	£160,073	5.0%	-2.0%
30	29	North Ayrshire	£149,856	£158,045	£154,935	-2.0%	3.4%
31	30	East Ayrshire	£148,540	£159,615	£151,919	-4.8%	2.3%
32	31	West Dunbartonshire	£147,315	£154,067	£147,420	-4.3%	0.1%
29	32	Inverclyde	£151,715	£146,618	£138,566	-5.5%	-8.7%
<b>All Scotland</b>			<b>£214,365</b>	<b>£222,727</b>	<b>£220,702</b>	<b>-0.9%</b>	<b>3.0%</b>

Table 2 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for February 2022, as well as for January and February 2023, 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 February 2023. Local Authority areas shaded in blue experienced record average house prices in February 2023.

## Annual change

The average house price in Scotland in February 2023 has increased by some £6,300 - or 3.0% - over the last twelve months. This annual rate of growth has decreased by -1.6% from January's 4.6%, which is a slightly smaller fall than the -1.9% reduction seen in January.

However, in February 2023, 23 of the 32 local authority areas in Scotland were still seeing their average prices rise above the levels of twelve months earlier, three fewer than in January. The nine areas where values fell over the year were, in descending order (with newcomers this month marked by an asterisk):- Inverclyde\* (-8.7%), Orkney Islands\* (-3.0%); Fife (-2.9%), Aberdeen City (-2.1%), Na h-Eileanan Siar (-2.0%), Glasgow City\* (-1.2%), Angus\* (-1.2%), Scottish Borders (-0.4%) and Dundee City (-0.2%).

The area with the highest annual increase in average house prices in both January and February 2023 was Clackmannanshire, up by 25.0% and 29.3% respectively over the two months. However, there were only 27 transactions in Clackmannanshire in February 2023, with a small number of transactions frequently being associated with volatile movements in average prices.

On a weight-adjusted basis - which incorporates both the change in prices and the number of transactions involved - there were six local authority areas in February which accounted for 54% of the £6,300 increase in Scotland's average house price over the year. The six areas in descending order of influence are: - Edinburgh (17%); Aberdeenshire (9%); South Lanarkshire (9%); North Lanarkshire (7%); East Renfrewshire (6%); and Clackmannanshire (6%).

## Monthly change

In February 2023, Scotland's average house price fell in the month by some -£2,000, or -0.9%. This is the largest fall in a single month since March 2009, some fourteen years ago, ignoring the rather artificial falls around the months relating to the introduction of the LBTT in April 2015, as well as the ending of the LBTT tax-holidays in April 2021.

In February 2023, 20 of the 32 Local Authority areas in Scotland experienced falling prices in the month, which is three fewer than in January 2023. Of the 20 local authorities with decreases in price, 5 out of the top 10 areas when ranked by price had price falls. Overall, it was the price of flats that saw the largest falls in the month, down by -1.8%, followed by semi-detached, down by -1.6%, with terraced properties down by -1.5%, while the average price of detached properties fell by -0.5%, with the average price of unallocated properties (on new build sites, or properties hard to classify) up by 0.5%.

On a weight-adjusted basis, there were four local authority areas in February which accounted for 51% of the -£2,000 decrease in Scotland's average house price in the month. The four areas in descending order of influence are: - Glasgow (-18%); Edinburgh (-16%); Fife (-9%); and East Lothian (-8%). It is not surprising to find Glasgow and Edinburgh in this listing, given the fall in flat prices, as they are the two authorities with the highest percentage of flats being sold each month, at 67% and 63% of their respective transaction totals. On a similar theme, Fife has the highest proportion of terraced sales of all the 32 local authorities in Scotland, at 27% - terraced properties also being popular among buy-to-let investors, who may have decided it is time to sell.

The highest increase in average prices in the month was in East Renfrewshire, where - with two detached properties selling for £1 million plus in Newton Mearns, one being a new-build on the Southfield Grange Development - the average price of detached properties in the area rose by £22k in the month. Overall, in February, the average price in East Renfrewshire increased by 7.7%, causing Edinburgh with its downward movement in prices, to fall into second place in terms of having the highest-valued average house price in Scotland.

## Peak Prices

Each month, in Table 2 above, the local authority areas which have reached a new record in their average house prices are highlighted in light blue. In February, there are 5 such authorities, up by one from 4 in January.

## Scotland transactions of £750k or higher

Table 3. The number of transactions by month in Scotland greater than or equal to £750k, January 2015 - February 2023 ([Link to source Excel](#))

Sales of £750k+									
Month	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	33	27	19	35	43	49	65	88	73
2	42	20	15	52	26	33	62	66	37
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	90	
6	26	47	43	41	60	36	119	111	
7	15	36	55	44	61	41	120	135	
8	41	54	62	60	61	40	102	124	
9	46	44	56	70	59	67	127	133	
10	23	52	48	55	40	114	102	123	
11	48	38	37	59	58	109	101	114	
12	34	23	40	31	49	105	79	81	
<b>Total</b>	<b>555</b>	<b>445</b>	<b>460</b>	<b>537</b>	<b>582</b>	<b>651</b>	<b>1101</b>	<b>1215</b>	<b>110</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 37 such transactions recorded by RoS relating to February 2023. Currently, this is the fourth-highest February total recorded to date, but there is likely to be an increase to this figure next month, as RoS process additional sales.

According to the RoS data, the highest priced property sold in Scotland in February 2023 was a £1.6 million terraced property in Edinburgh. This contrasts with three properties sold in January at £3 million plus. Although the number of such sales is small, especially in the winter months, it is perhaps an early indication of a slight slowing in sales at the top-end of the market.

## Transactions analysis

Figure 2 below shows the monthly transaction count for purchases during the period from January 2015 to January 2023, based on RoS (Registers of Scotland) figures for the Date of Entry.

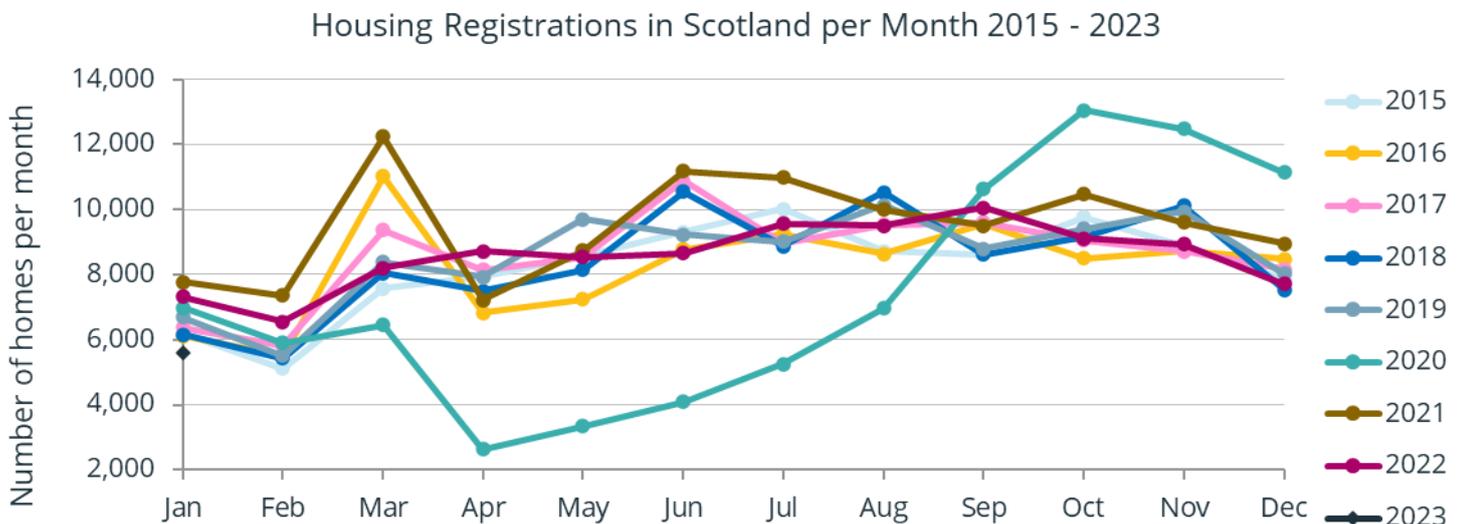
The chart shows how transactions tend to dip in February from the January totals, which in turn are lower than the totals for the year's preceding December. In six of the eight years displayed, the February sales total is the lowest of the year. The two occasions when this was not the case was in February 2020 and February 2021.

In February 2020 the Covid pandemic had yet to be identified, with the first lockdown beginning on 23rd March 2020, Phase 1 being introduced on 29th March 2020 and Phase 2 introduced on 19th June 2020. This resulted in an almost total lack of sales in April 2020 – a position clearly visible on the graph.

In 2021 the end of the LBTT tax-holiday was planned, and indeed, did end on 31st March. Consequently, sales of properties were higher than average in the final two months of the scheme – the brown line showing a peak in sales in March 2021. Sales did however slump in April 2021, as the tax-holiday came to an end. April was therefore the month with the lowest level of sales in 2021.

A close study of the eight years displayed in Figure 2 also reveals that each December is followed by a reduction in transactions in the following January, without exception.

Figure 2. The number of sales per month recorded by RoS based on entry date from 2015 – 2023 ([Link to source Excel](#))

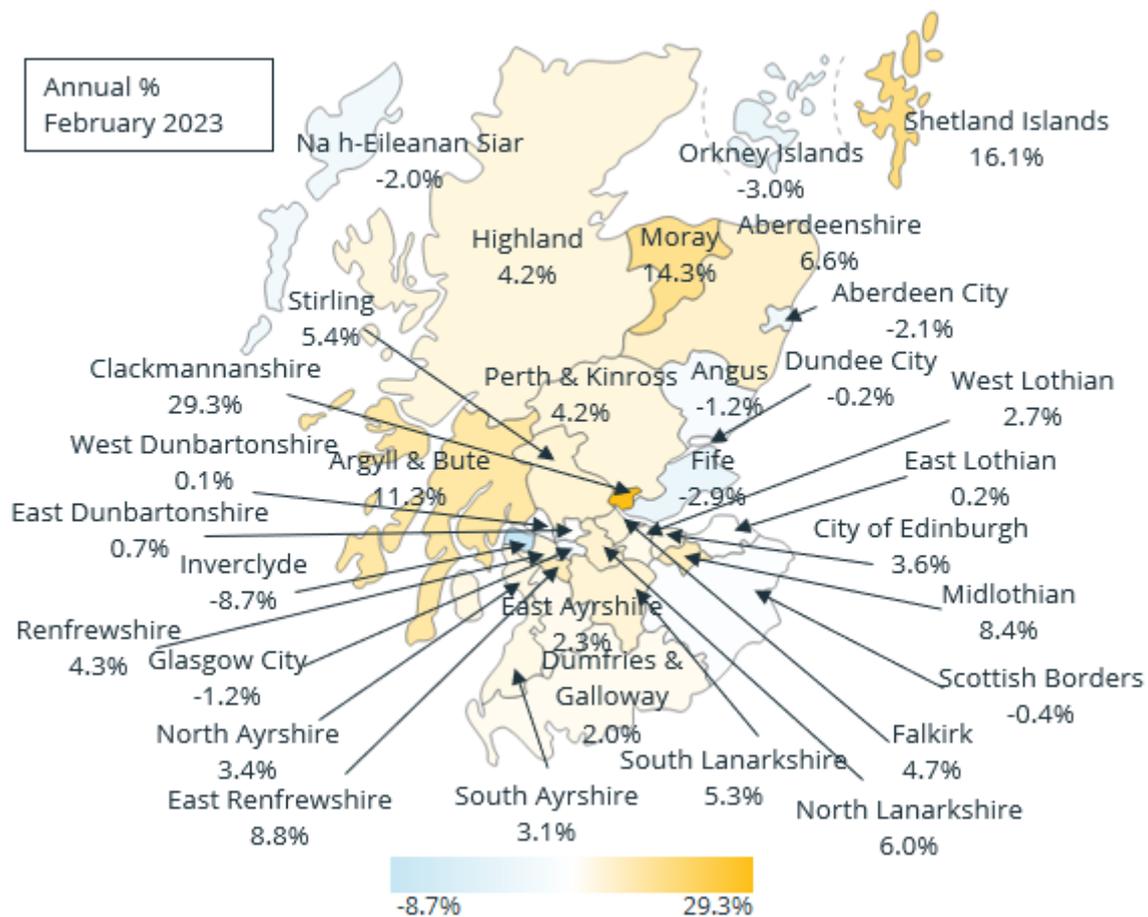


What we can also learn from Figure 2 is that one of the three months of June, July and August have seen the highest sales of the year in 4 of the 8 years displayed. Finally, in each of the eight years, March transaction totals have always exceeded those of February. One can therefore look forward to higher sales volumes with next month's data.

## Heat Map

The heat map below shows the rate of house price growth for the 12 months ending February 2023. As reported above, 23 of the 32 local authority areas in Scotland have seen a rise in their average property values over the last year, the nine exceptions being :- Inverclyde, Orkney Islands, Fife, Aberdeen City, Na h-Eileanan Siar, Glasgow City, Angus, Scottish Borders and Dundee City.

The highest increase on the mainland over the twelve months to February 2023 was in Clackmannanshire at 29.3%, although this was based on a relatively small number of sales. In second place on the mainland was Moray at 14.3%. 4 of the 32 local authority areas had price growth of 10.0% or higher – one fewer than in January 2023.



## Comparisons with Scotland

Figure 3. Scotland house prices, compared with England and Wales, North East and North West for the period January 2005-February 2023 ([Link to source Excel](#))

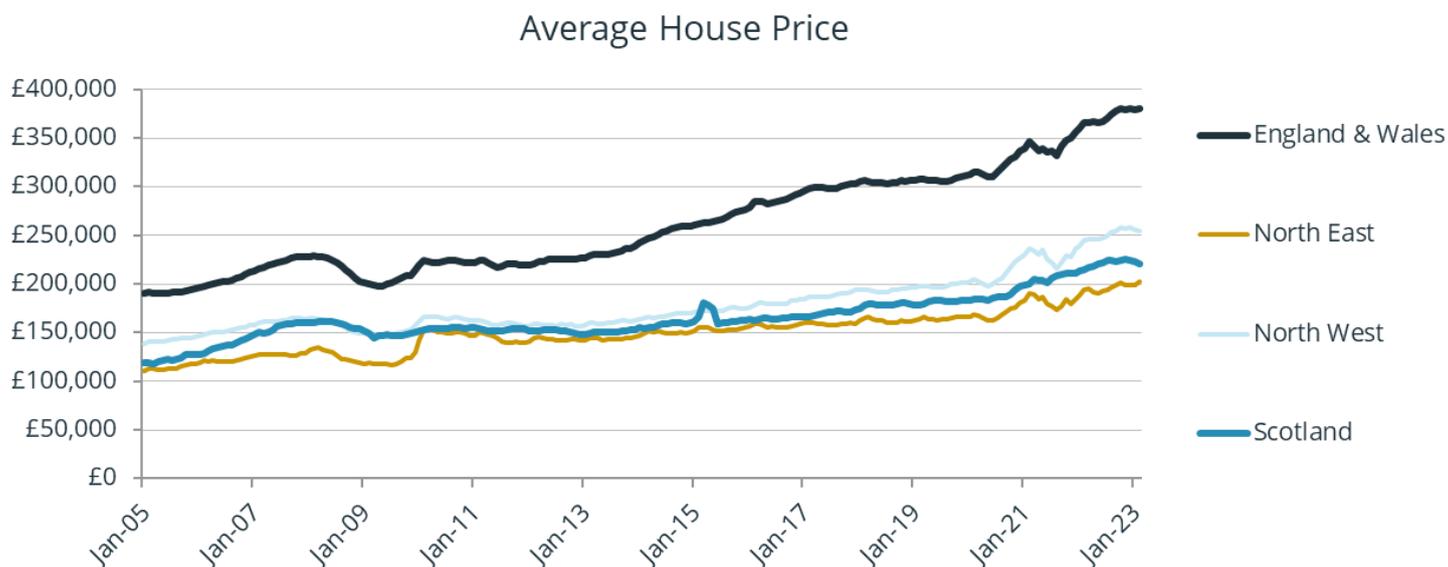
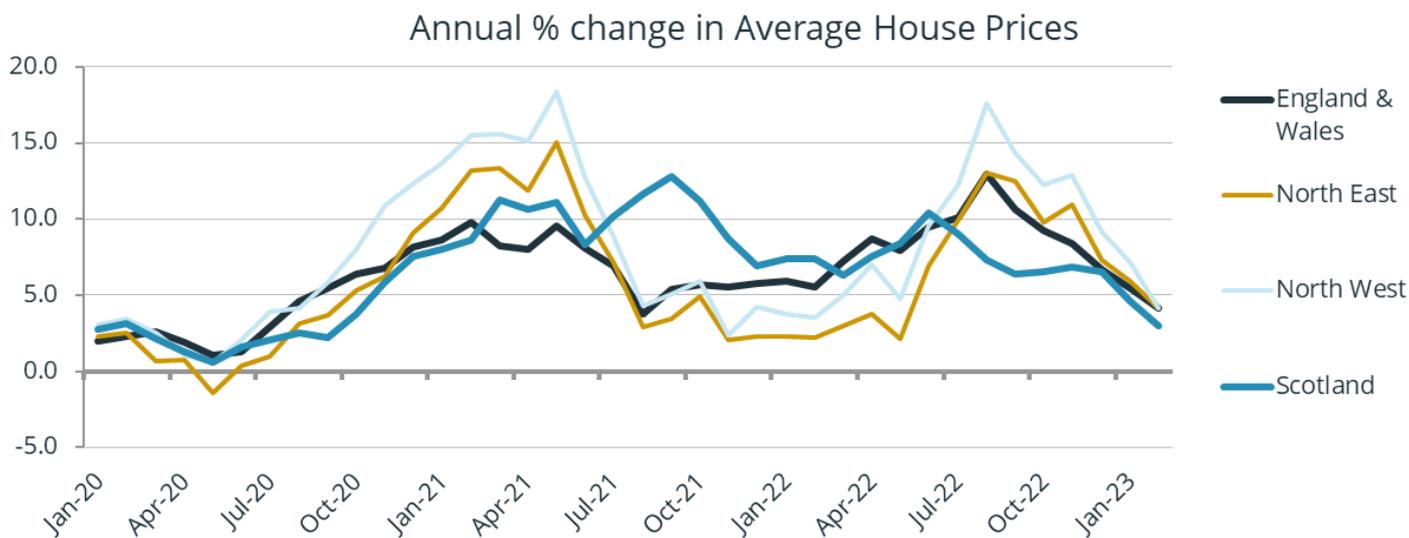


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, North East and North West for the period January 2020-February 2023 ([Link to source Excel](#))



## Scotland's Eight Cities

Figure 5. Average house prices for Scotland's eight cities from December 2021–February 2023 ([Link to source Excel](#))

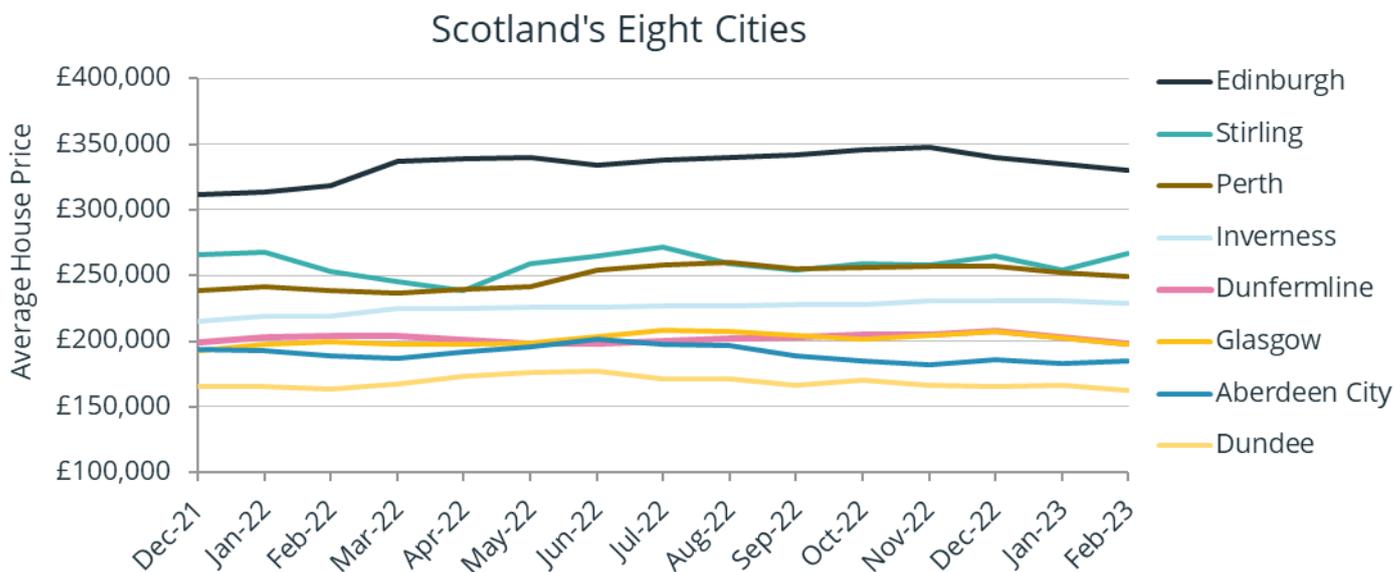
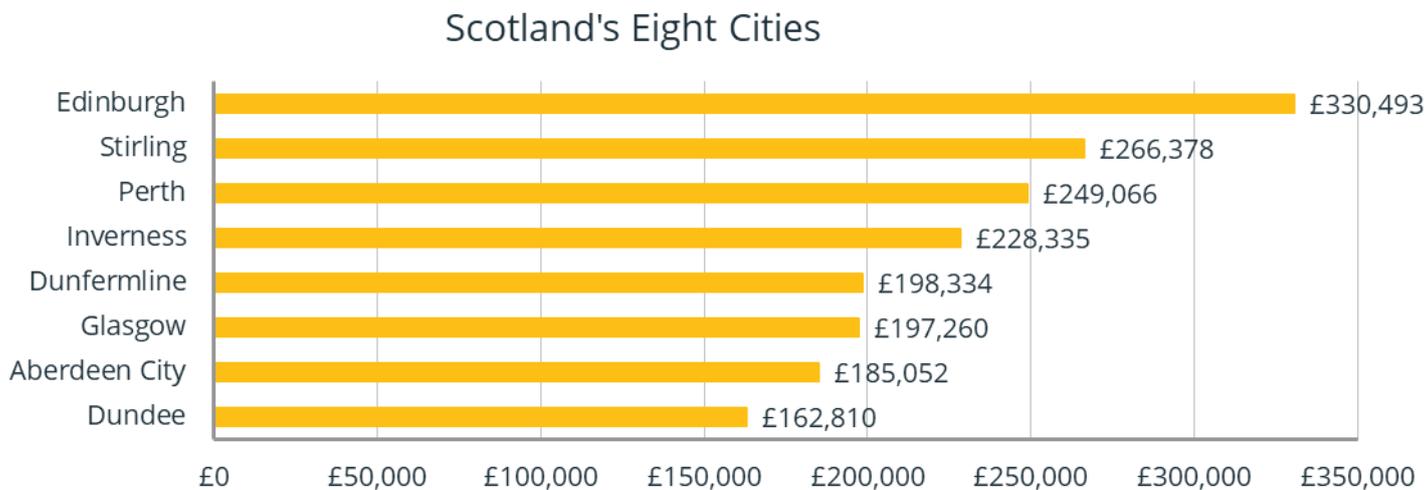


Figure 6. Average house prices for Scotland's eight cities February 2023 ([Link to source Excel](#))



## 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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