

House price change in March is static

- ✓ Transaction levels in first three months of 2023 lowest for nine years
- ✓ East Renfrewshire remains authority with highest average prices
- ✓ Edinburgh only high-value area with falling prices year-on-year

- 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 %
£220,351	288.6	0.0	1.3

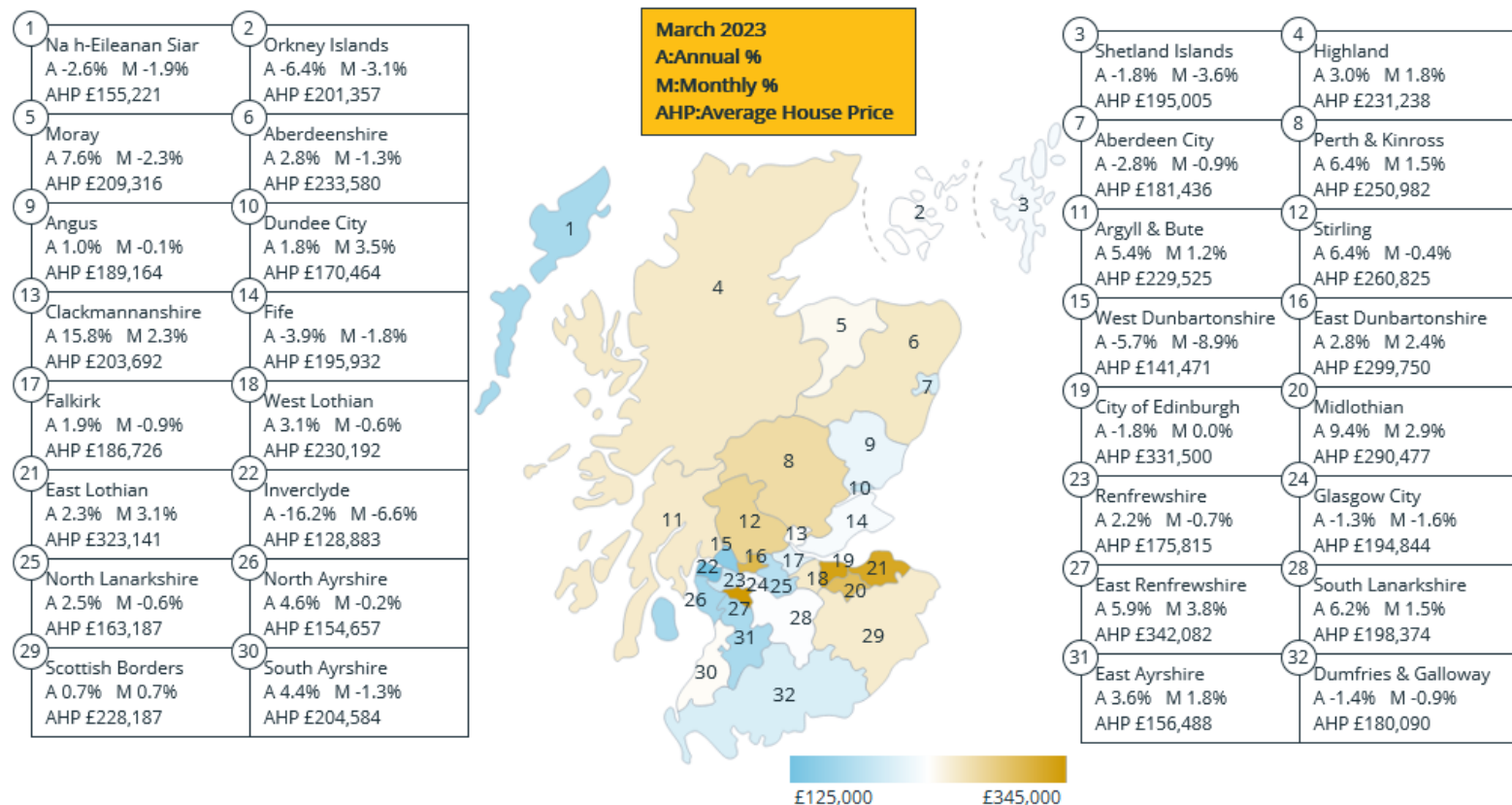


Table 1. Average House Prices in Scotland for the period March 2022 – March 2023
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
March	2022	£217,467	284.8	1.4	6.3
April	2022	£218,692	286.4	0.6	7.5
May	2022	£221,217	289.7	1.2	8.4
June	2022	£222,118	290.9	0.4	10.4
July	2022	£224,120	293.5	0.9	9.0
August	2022	£223,798	293.1	-0.1	7.3
September	2022	£223,709	293.0	0.0	6.4
October	2022	£224,196	293.6	0.2	6.5
November	2022	£224,998	294.7	0.4	6.9
December	2022	£224,527	294.1	-0.2	6.6
January	2023	£222,699	291.7	-0.8	4.6
February	2023	£220,396	288.7	-1.0	2.8
March	2023	£220,351	288.6	0.0	1.3

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:

“Given the economic headwinds facing the Scottish housing market, this month’s data is all the more remarkable. Confidence generally in the market has held up relatively well with year-on-year house prices up by 1.3%. Sales volumes too are improved on February this year and are up 36%. The subsequent increase in demand for purchases has put the brakes on the slide in house prices that started in December 2022. The average value of a home at the end of March was £220,351.

“At a regional level, this has seen East Renfrewshire enjoy the largest increase in the month up by 3.8% with Dundee City taking the next spot in March with prices up by 3.5%.

“As we have noted before, the longer days of Spring have traditionally seen growth in housing sales in March in Scotland and this year is no exception. The affordability challenges that have deterred buyers in the first quarter of the year may be easing very slightly especially for those who choose to move and take fixed rate mortgages that protect from further rises. Despite the cost of living crisis, many agents are reporting plenty of enquiries for purchases and the right kind of properties for sale are still in short supply in many areas. Notwithstanding the return to the office country and village houses remain popular and in short supply. Home movers still want access to outdoor space, which, together with the need for a home office, are among homebuyers’ most popular requirements.”

Commentary: John Tindale, Acadata Senior Housing Analyst

The March housing market

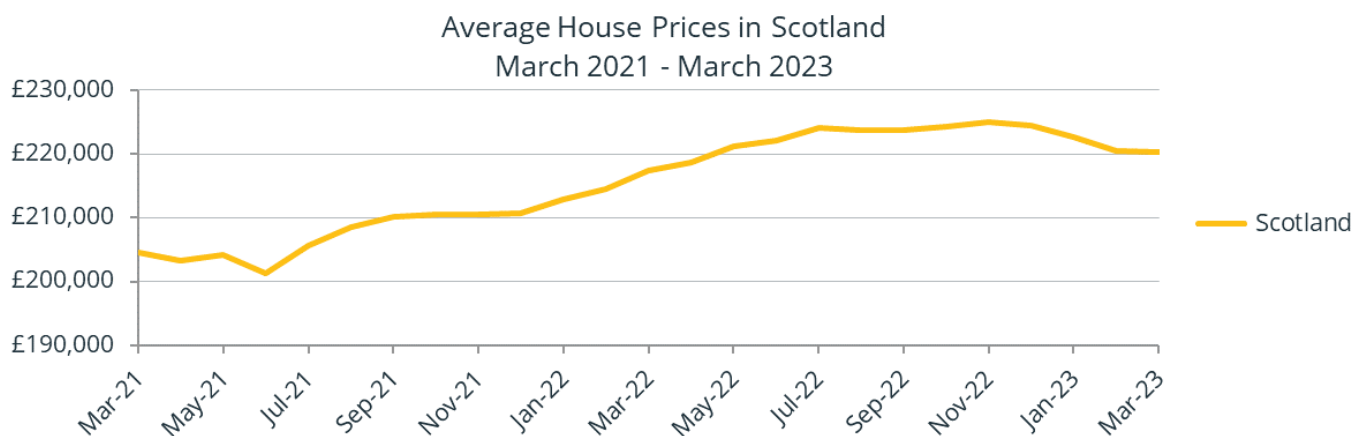
March in Scotland is usually associated with an upward bounce in housing sales and, as Figure 2 on page 7 shows, March 2023 proved to be no exception. Sales volumes in the month increased by 36% over February 2023 levels. There is thus an increase in demand for purchases in the Spring, which has halted - at least for the time being - the decline in house prices which started in December 2022. The average price of a house actually fell in March by a nominal £45=, or 0.0%, but this is an insignificant amount when compared to the average value of a home, which at the end of March stood at £220,351.

On an annual basis, prices at the end of March 2023 were £2,900, or 1.3%, higher than twelve months earlier. This annual rate has fallen from the 2.8% increase seen in February 2023 - but given that the actual price did not move in March 2023, this slowing in the annual rate has been caused by the relatively steep rise in prices (+1.4%) that took place twelve months earlier.

Looking at the annual rates of change of the individual local authority areas in Table 2 on page 4, it is interesting to note that out of the top fifteen areas ranked by average price, fourteen still have a positive movement in prices over the year. The remaining nine areas that have prices lower than twelve months earlier, are all in the lowest 17 areas by price. This would tend to suggest that first time buyers, who are more frequent purchasers of lower-value homes, are finding it less easy to buy as interest rates rise. Certainly, Figure 2 on page 7 shows an identifiable reduction in transactions from September 2022 onward, compared to previous years, as interest rates have crept upward.

The one high-value area that has seen prices fall over the last twelve months is, in fact, the City of Edinburgh, where the average prices of all property types, except terraces, are lower than one year earlier. However, looking at prices in Edinburgh in March 2022 in more detail, one realizes that the bar in that month was set particularly high, as the month included the sales of Edinburgh's highest priced semi-detached home of the calendar year at £4.0 million, the highest priced flat of the year at £2.5 million and the second highest priced detached property of the year, at £3.5 million. With no similar eye-watering prices occurring in March 2023, it is perhaps not so surprising that the average price has fallen some twelve months later.

Figure 1. The average house price in Scotland over the two year period March 2021 to March 2023 ([Link to source Excel](#))



Local Authority Analysis

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

Prior Year Rank	Rank By Price	Local Authority Area	Mar-22	Feb-23	Mar-23	Month % Change	Annual % Change
2	1	East Renfrewshire	£323,133	£329,607	£342,082	3.8%	5.9%
1	2	City of Edinburgh	£337,550	£331,601	£331,500	0.0%	-1.8%
3	3	East Lothian	£315,736	£313,528	£323,141	3.1%	2.3%
4	4	East Dunbartonshire	£291,447	£292,639	£299,750	2.4%	2.8%
5	5	Midlothian	£265,477	£282,257	£290,477	2.9%	9.4%
6	6	Stirling	£245,188	£261,768	£260,825	-0.4%	6.4%
7	7	Perth and Kinross	£235,888	£247,204	£250,982	1.5%	6.4%
8	8	Aberdeenshire	£227,282	£236,600	£233,580	-1.3%	2.8%
10	9	Highland	£224,610	£227,180	£231,238	1.8%	3.0%
11	10	West Lothian	£223,295	£231,588	£230,192	-0.6%	3.1%
12	11	Argyll and Bute	£217,792	£226,908	£229,525	1.2%	5.4%
9	12	Scottish Borders	£226,519	£226,644	£228,187	0.7%	0.7%
18	13	Moray	£194,536	£214,216	£209,316	-2.3%	7.6%
17	14	South Ayrshire	£195,906	£207,204	£204,584	-1.3%	4.4%
24	15	Clackmannanshire	£175,827	£199,115	£203,692	2.3%	15.8%
13	16	Orkney Islands	£215,075	£207,764	£201,357	-3.1%	-6.4%
20	17	South Lanarkshire	£186,854	£195,418	£198,374	1.5%	6.2%
14	18	Fife	£203,888	£199,546	£195,932	-1.8%	-3.9%
15	19	Shetland Islands	£198,631	£202,302	£195,005	-3.6%	-1.8%
16	20	Glasgow City	£197,407	£198,070	£194,844	-1.6%	-1.3%
19	21	Angus	£187,250	£189,412	£189,164	-0.1%	1.0%
22	22	Falkirk	£183,276	£188,469	£186,726	-0.9%	1.9%
21	23	Aberdeen City	£186,741	£183,033	£181,436	-0.9%	-2.8%
23	24	Dumfries and Galloway	£182,585	£181,710	£180,090	-0.9%	-1.4%
25	25	Renfrewshire	£172,105	£177,045	£175,815	-0.7%	2.2%
26	26	Dundee City	£167,426	£164,663	£170,464	3.5%	1.8%
28	27	North Lanarkshire	£159,159	£164,140	£163,187	-0.6%	2.5%
30	28	East Ayrshire	£151,026	£153,759	£156,488	1.8%	3.6%
27	29	Na h-Eileanan Siar	£159,384	£158,277	£155,221	-1.9%	-2.6%
32	30	North Ayrshire	£147,821	£154,964	£154,657	-0.2%	4.6%
31	31	West Dunbartonshire	£150,048	£155,330	£141,471	-8.9%	-5.7%
29	32	Inverclyde	£153,831	£137,941	£128,883	-6.6%	-16.2%
All Scotland			£217,467	£220,396	£220,351	0.0%	1.3%

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

Annual change

The average house price in Scotland in March 2023 has increased by some £2,900 - or 1.3% - over the last twelve months. This annual rate of growth has decreased by -1.5% from February's 2.8%, which is a slightly smaller fall than the reductions of -1.8% and -2.0% seen in January and February.

In March 2023, 22 of the 32 local authority areas in Scotland were still seeing their average prices rise above the levels of twelve months earlier, one less than in February. Interestingly, only one of the top fifteen areas ranked by value had price falls over the year, whereas in nine of the bottom seventeen areas ranked by value prices fell. It would thus appear that the areas with higher-value homes have maintained rising prices over the year. The exception is Edinburgh, being the one area in the top 15 where the average prices of all property types - except terraces - have seen a fall.

The area with the highest annual increase in average house prices in March 2023, for the third month running, was Clackmannanshire, up by 15.8%. The Clackmannanshire average values have been enhanced by the sale of a £780,000 5-bedroom detached home in Dollar. Given the low volume of transactions in Clackmannanshire - only 50 for the period from January to March 2023 - the area is frequently associated with volatile movements in its average prices. In second place is Midlothian, with an annual increase in prices of 9.4%. The gain in the Midlothian average price has been assisted this month by the sale of a detached home in the grounds of Melville Castle, with a price of £1.88 million.

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 March which accounted for 50% of the £2,900 increase in Scotland's average house price over the year. The six areas, in descending order of influence, are: - South Lanarkshire (15%); Midlothian (9%); Perth and Kinross (9%); East Renfrewshire (6%); Highland (6%) and Aberdeenshire (5%).

Monthly change

In March 2023, Scotland's average house price fell in the month by a marginal -£45, or 0.0%. This follows on from three successive months of far more substantial losses totalling -£4,600.

In March 2023, 20 of the 32 Local Authority areas in Scotland experienced falling prices in the month, the same number as in February 2023. Of the 20 local authorities with decreases in price, 3 out of the top 10 areas when ranked by price had price falls, being Edinburgh (-0.0%), Stirling (-0.4%) and Aberdeenshire (-1.3%).

The largest increase in average prices in the month was in East Renfrewshire, up by 3.8%, where for the second month running, a further new build detached property in Newton Mearns was sold for £1.1 million. The upward movement of prices in East Renfrewshire, combined with the downward movement in Edinburgh prices, again places East Renfrewshire at the top of Table 2 as the local authority area with the highest average house price in Scotland.

The area with the second-highest increase in prices in March was Dundee City, up by 3.5%. All property types in Dundee, except for terraces, saw an increase in average prices, with a newly developed four-bedroom home selling for £695k in Broughty Ferry. Formerly a prosperous fishing and whaling village, in the 19th century Broughty Ferry became a haven for wealthy jute barons, who built

their luxury villas in the suburb of Dundee. As a result, Broughty Ferry was referred to at the time as the “richest square mile in Europe”.

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 March 2023, there are 3 such authorities, down from the 5 seen in February.

Scotland transactions of £750k or higher

Table 3. The number of transactions by month in Scotland greater than or equal to £750k, January 2015 – March 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	74
2	42	20	15	52	26	33	62	68	51
3	231	57	25	34	35	30	115	80	48
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	121	135	
8	41	54	62	60	61	40	102	125	
9	46	44	56	70	59	67	127	133	
10	23	52	48	55	40	114	102	124	
11	48	38	37	59	58	109	101	114	
12	34	23	40	31	49	105	79	81	
Total	555	445	460	537	582	651	1102	1219	173

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 48 such transactions recorded by RoS relating to March 2023. Currently, this is the fifth-highest March total recorded to date, but this may well rise to fourth place as RoS processes additional sales.

Looking at the number of high-value properties sold in the first three months of each year in Table 3, 2023 is ranked in fourth place – although the March totals in 2015 and 2021 are perhaps artificially high, having been boosted by tax-related events – these were the introduction of the LBTT in place of SDLT in April 2015 and the ending of the Covid related LBTT tax-holiday in April 2021. However, there is a clear trend, in that the totals in each of the first three months of 2023 are lower than those in 2022, suggesting perhaps that some of the enthusiasm that existed in the 2022 housing market for the purchase of large manorial homes has dissipated.

Transactions analysis

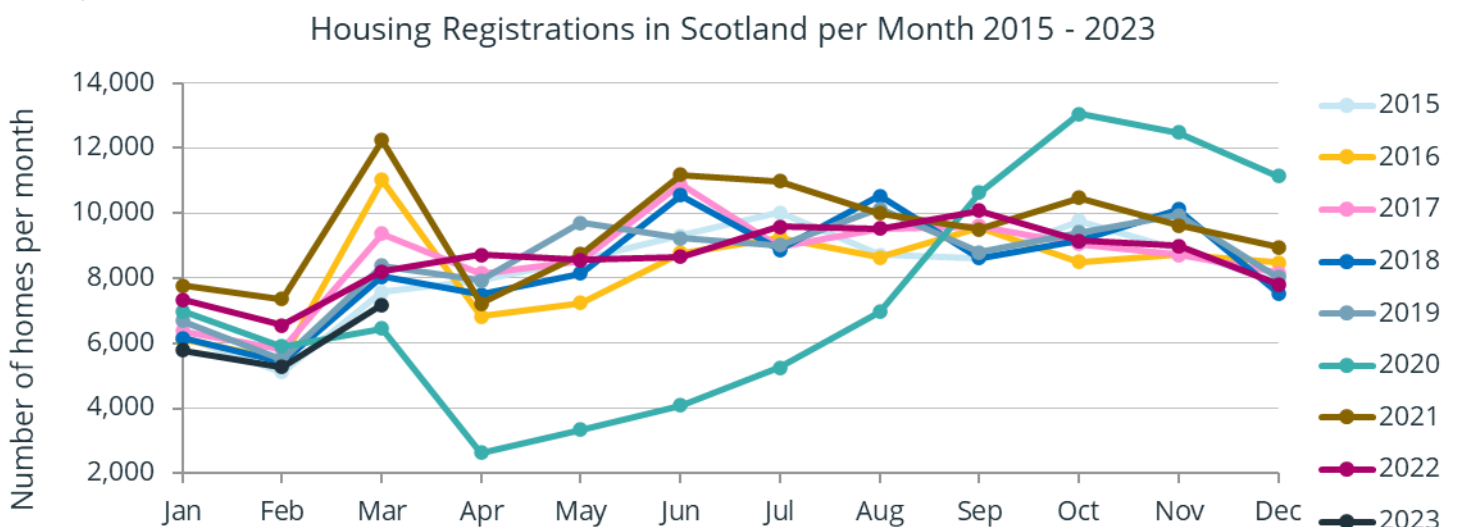
Figure 2 below shows the monthly transaction count for purchases during the period from January 2015 to March 2023, based on RoS (Registers of Scotland) figures for the Date of Entry (except for March 2023, which is based on RoS Application Dates).

The chart shows how, in general, transactions jump upwards in March from a low point in February, as would-be purchasers look to move to a new home in the Spring, with March 2023 proving to be no exception to this rule. Indeed, in the nine years illustrated in Figure 2, every March has a higher total number of sales compared to the immediately preceding February. Additionally, in eight of these years the March total is higher than January – the one exception being March 2020 at the start of the Covid pandemic.

As can be seen from the graph, March 2023 has the second-lowest total for the month of the last nine years, with March 2020 having the lowest. The fall in the current year's level of transactions compared to previous years appears to have begun from a ranking of the second-highest number of sales in September 2022, down to a ranking of being the lowest of the nine years by January 2023. The start of the reduction in sales coincided with both the arrival of Mrs Truss as Prime Minister on 6 September 2022 and the seventh increase since December 2021 of the official bank rate to 2.25%, on 22 September 2022. Liz Truss departed as Prime Minister on 25 October 2022. The bank rate was further increased on 3 November and 15 December 2022, ending the year at 3.5%.

The black line, 2023, has only seen an average of 6,077 sales per month over the period January to March 2023 – the lowest level of the last nine years – and as was recently announced, the bank rate has again been raised for the twelfth consecutive time since December 2021, to a base rate of 4.5%. It would thus appear that the increase in mortgage costs, especially since September 2022, has been having a negative effect on the number of housing sales in Scotland's housing market.

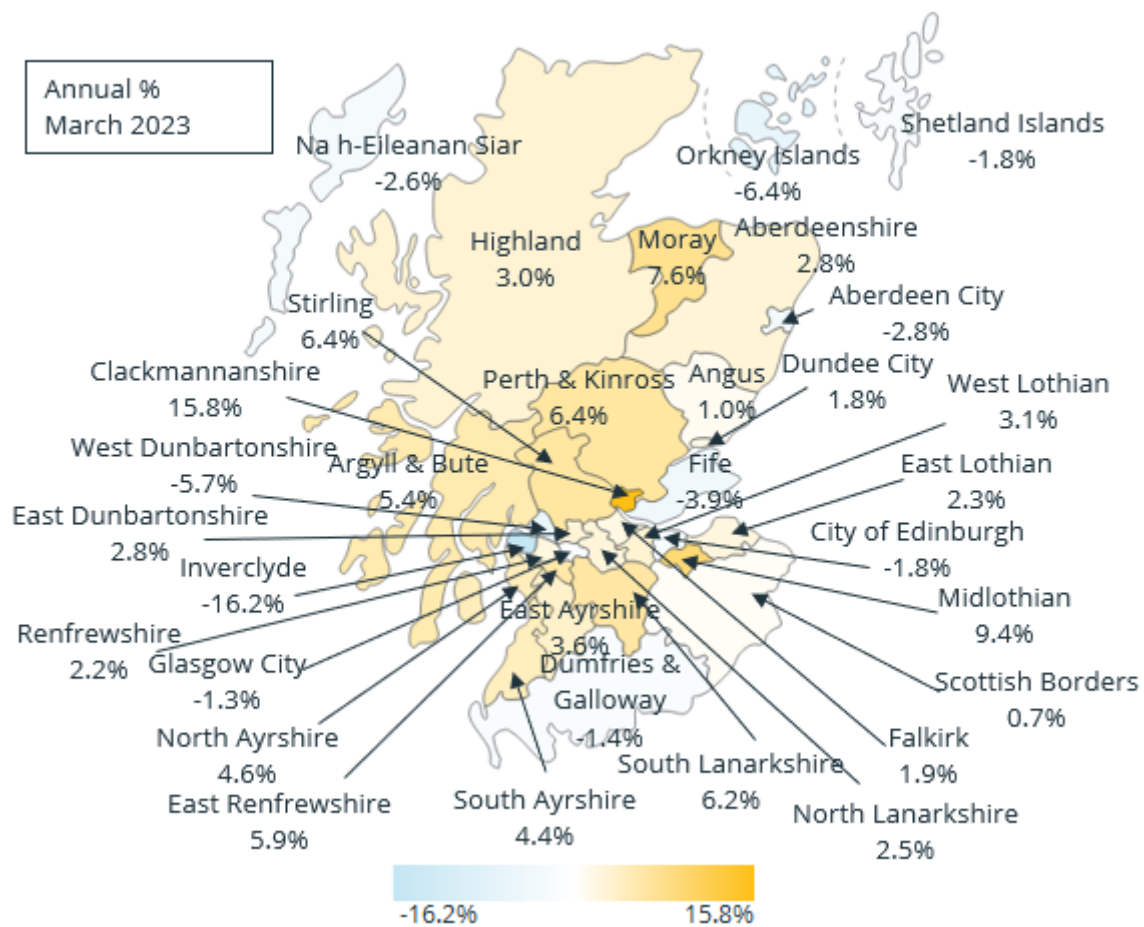
Figure 2. The number of sales per month recorded by RoS based on entry date from 2015 – 2023 ([Link to source Excel](#))



Heat Map

The heat map below shows the rate of house price growth for the 12 months ending March 2023. As reported above, 22 of the 32 local authority areas in Scotland have seen a rise in their average property values over the last year, the ten exceptions being:- Inverclyde, Orkney Islands, West Dunbartonshire, Fife, Aberdeen City, Na h-Eileanan Siar, Shetland Islands, City of Edinburgh, Dumfries and Galloway and Glasgow City.

The highest increase on the mainland over the twelve months to March 2023 was in Clackmannanshire at 15.8%, although this was based on a relatively small number of sales. In second place on the mainland was Midlothian at 9.4%. Only 1 of the 32 local authority areas had price growth of 10.0% or higher – three fewer than in February 2023.



Comparisons with Scotland

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

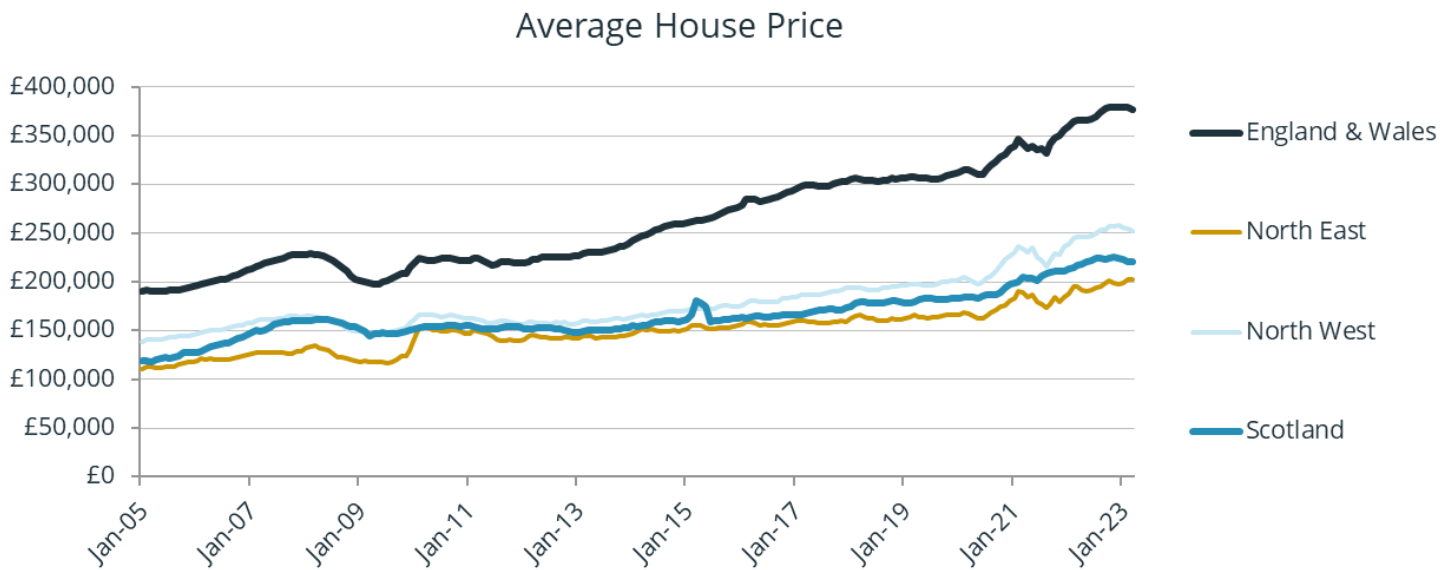
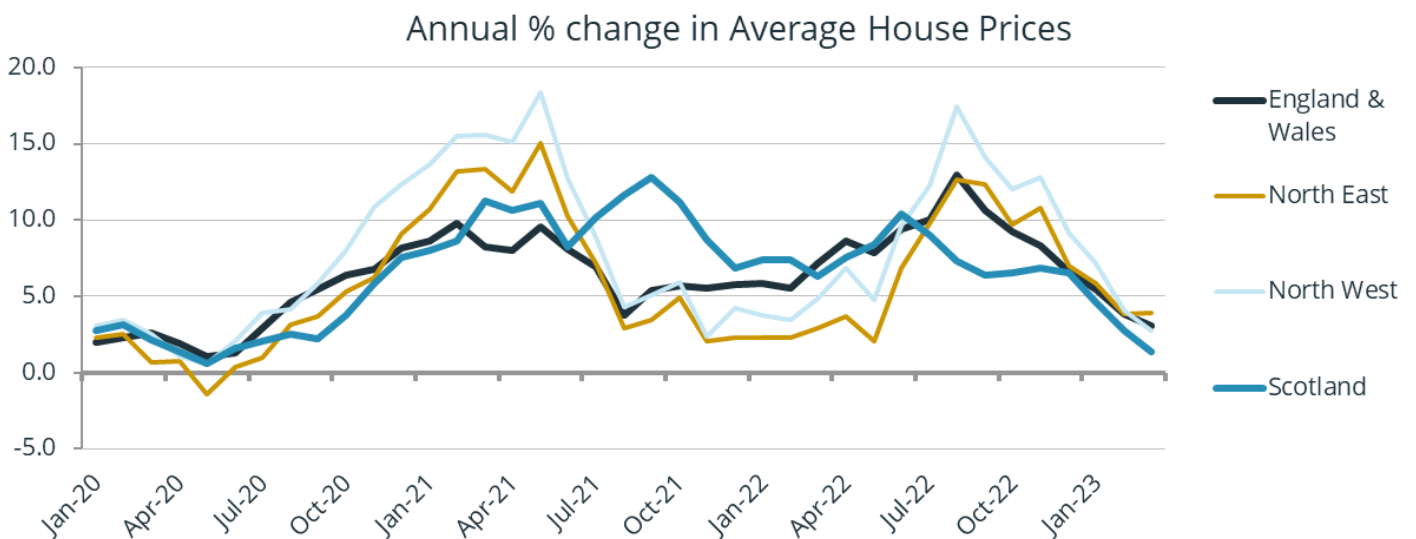


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, North East and North West for the period January 2020-March 2023 (Link to source Excel)



Scotland's Eight Cities

Figure 5. Average house prices for Scotland's eight cities from January 2022–March 2023 ([Link to source Excel](#))

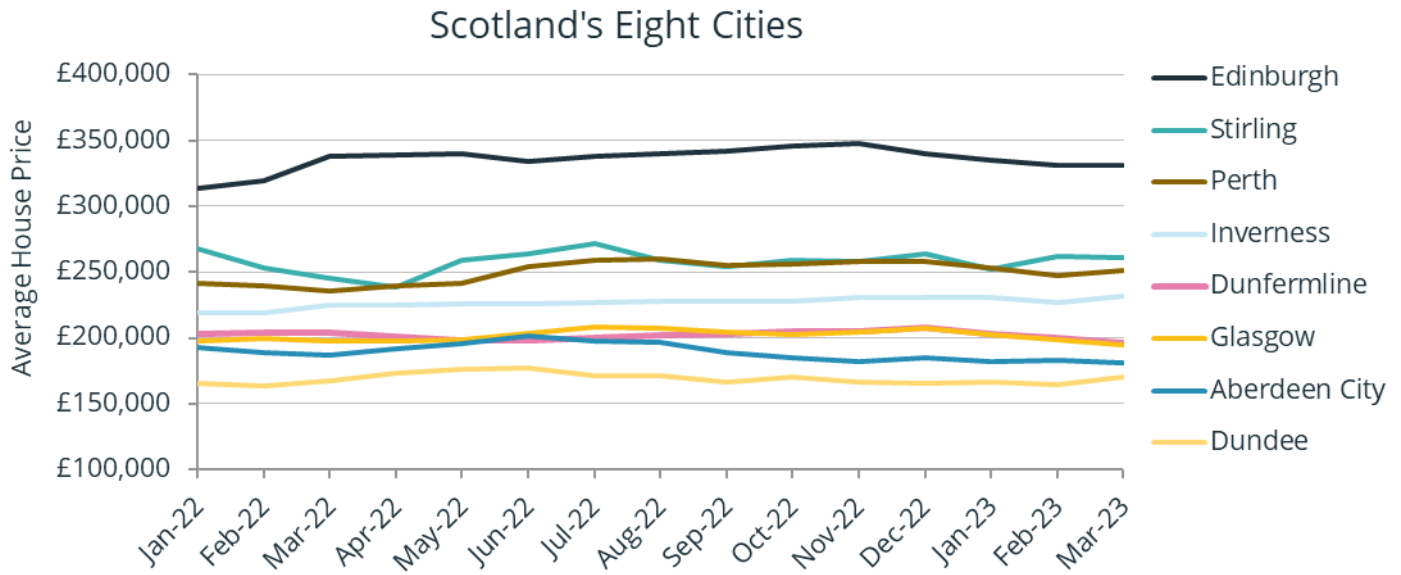
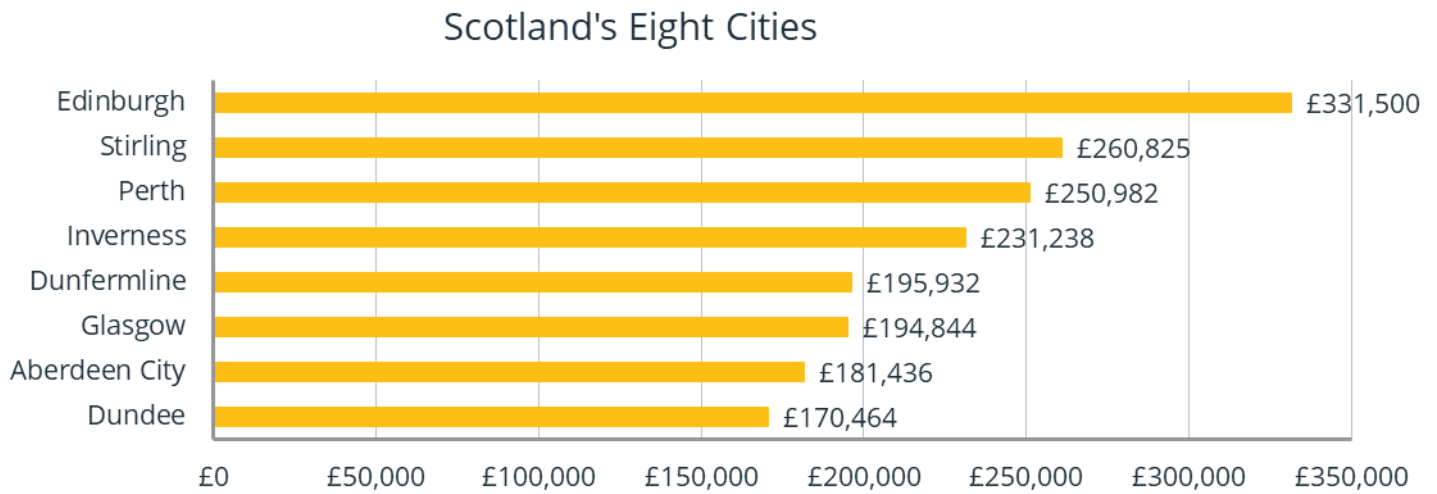


Figure 6. Average house prices for Scotland's eight cities March 2023 ([Link to source Excel](#))



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

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