

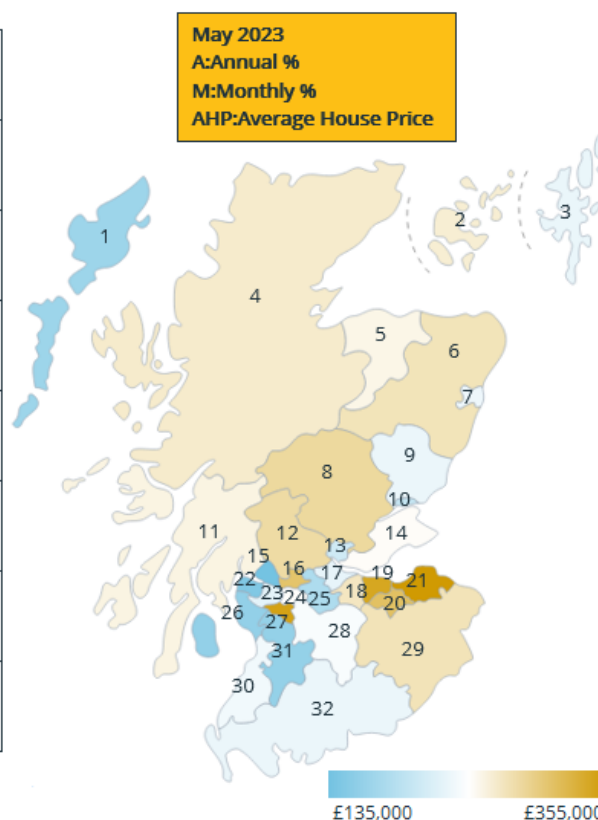
Prices rise in May for second consecutive month

- Flats see largest % price increase in the month
- East Lothian is authority with highest average price
- Transaction levels are second lowest of last ten years

- 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 %
£224,033	293.4	1.2	1.9

1 Na h-Eileanan Siar A 9.8% M 8.9% AHP £157,116	2 Orkney Islands A 3.7% M 8.7% AHP £226,073
5 Moray A 5.6% M 0.7% AHP £213,900	6 Aberdeenshire A 0.5% M 1.4% AHP £241,410
9 Angus A -3.5% M 1.5% AHP £190,353	10 Dundee City A -0.9% M 4.4% AHP £174,412
13 Clackmannanshire A -6.2% M 3.9% AHP £178,528	14 Fife A 3.9% M 1.4% AHP £203,539
17 Falkirk A 1.1% M 1.7% AHP £188,601	18 West Lothian A 2.3% M 1.1% AHP £237,012
21 East Lothian A 10.9% M 4.1% AHP £352,704	22 Inverclyde A 7.4% M 11.4% AHP £144,823
25 North Lanarkshire A 3.2% M 0.8% AHP £164,467	26 North Ayrshire A -0.8% M -1.2% AHP £152,527
29 Scottish Borders A 8.8% M 1.0% AHP £242,338	30 South Ayrshire A -0.2% M -0.5% AHP £193,124



3 Shetland Islands A -2.8% M -5.0% AHP £190,020	4 Highland A 2.2% M -1.4% AHP £230,292
7 Aberdeen City A -1.1% M 2.2% AHP £191,839	8 Perth & Kinross A 7.6% M 4.4% AHP £257,821
11 Argyll & Bute A -3.6% M -1.8% AHP £216,513	12 Stirling A -0.6% M -3.6% AHP £254,766
15 West Dunbartonshire A -2.4% M 1.8% AHP £139,202	16 East Dunbartonshire A -5.5% M 0.0% AHP £289,026
19 City of Edinburgh A -1.6% M 0.4% AHP £334,380	20 Midlothian A 7.8% M -0.9% AHP £294,175
23 Renfrewshire A 6.8% M 2.0% AHP £187,627	24 Glasgow City A 1.9% M 2.0% AHP £201,415
27 East Renfrewshire A 10.7% M -0.4% AHP £341,257	28 South Lanarkshire A 2.0% M 0.8% AHP £196,209
31 East Ayrshire A 0.3% M 2.3% AHP £153,254	32 Dumfries & Galloway A 3.0% M 2.8% AHP £190,481

Table 1. Average House Prices in Scotland for the period May 2022 – May 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 %
May	2022	£219,908	288.0	0.9	8.4
June	2022	£220,738	289.1	0.4	10.3
July	2022	£222,239	291.1	0.7	8.8
August	2022	£222,262	291.1	0.0	7.2
September	2022	£222,276	291.1	0.0	6.3
October	2022	£222,436	291.3	0.1	6.4
November	2022	£222,698	291.7	0.1	6.7
December	2022	£222,396	291.3	-0.1	6.5
January	2023	£221,068	289.5	-0.6	4.5
February	2023	£219,755	287.8	-0.6	2.9
March	2023	£219,590	287.6	-0.1	1.4
April	2023	£221,410	290.0	0.8	1.6
May	2023	£224,033	293.4	1.2	1.9

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:

“Our data shows that the Scottish housing market has seen another increase in average prices for the second month in succession.

“The average house price has risen in the month by some £2,600, or 1.2%, the largest increase since March 2022. The average house price in Scotland now stands at £224,033, which is £4,125, or 1.9%, higher than twelve months earlier.

“This strength of performance has to be seen in the context of broader market trends. Affordability has become the key issue in mortgage lending and is impacting would-be buyers. Inflation continues to loom over the UK and higher interest rates are an inevitability which makes the resilience of the Scottish market all the more remarkable. The squeeze on borrowers will continue and lenders have already sign-posted a contraction in the supply of mortgage loans over the coming months.

“We can see how affordability is impacting the market in the demand and subsequent price rises attributed to flats. Flats have increased in average price over the month by 3.8%, with semis and terraced properties both seeing a 1.5% increase. They now offer better value to buyers after months of subdued growth.”

Commentary: John Tindale, Acadata Senior Housing Analyst

The May housing market

Scotland's housing market in May has shown a further increase in average prices, despite the economic headwinds of higher interest rates, increased consumer inflation and diminishing affordability. The average house price has risen in the month by some £2,600, or 1.2%, the largest increase since March 2022. Scotland's average house price now stands at £224,033, which is £4,125, or 1.9%, higher than twelve months earlier. It also establishes a new record price for Scotland as a whole.

Figure 1. Scotland's average house price for the period from March 2020 to May 2023 ([Link to source Excel](#))

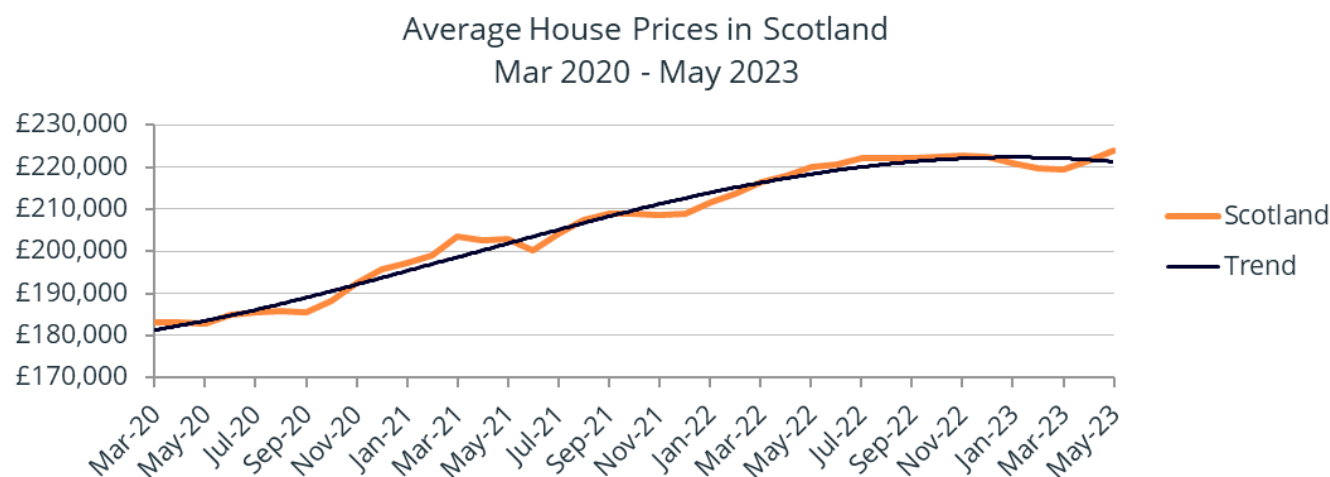


Figure 1 shows the movement in average house prices in Scotland from March 2020 - at the start of the pandemic, when the price was £183,017 - to May 2023. This amounted to an increase of £41,000, or 22.4%, over the period, and compares to an increase of 17.8% in the CPIH Index - so in real terms (after allowing for consumer price inflation) the average house price in Scotland has risen by 4.6%.

Scotland is not alone in seeing prices rise in May - the same pattern was also present in the North East of England, where prices rose by 0.9% in the month. The average house price in the North East is £202,491, which is the lowest of all the nine GOR regions in England and in Wales, with the Welsh average price now standing at £241,994. Scotland's house price is the second-lowest of all countries and regions in Great Britain.

Scotland has not been immune to the high rates of interest and the significant cost of living increases. As is shown on page 7, transaction levels in 2023 have fallen to their second-lowest since 2013. The lowest level of the last ten years was observed in 2020 at the start of the Covid pandemic.

Unlike April 2023, when the increase in prices was concentrated in the high-value local authority areas in Scotland, the increase in values in May 2023 has been spread more evenly across the country. For example, of the £2,623 increase in the average price in the month at the national level, £1,343 originates from the top 16 local authority areas by value, and £1,280 from the lowest 16 areas by value - hardly a significant difference.

There has been a change in emphasis in May between property types, which is contra to recent experience. Flats have increased in average price over the month by 3.8%, with semis and terraced properties both seeing a 1.5% increase. On the other hand, detached properties have seen a -0.4% fall in average prices. This would explain the more even price increases across the local authority areas in Scotland in May, as flats are more universally spread throughout the country.

Local Authority Analysis

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

Prior Year Rank	Rank By Price	Local Authority Area	May-22	Apr-23	May-23	Month % Change	Annual % Change
2	1	East Lothian	£318,028	£338,786	£352,704	4.1%	10.9%
3	2	East Renfrewshire	£308,303	£342,662	£341,257	-0.4%	10.7%
1	3	City of Edinburgh	£339,896	£333,177	£334,380	0.4%	-1.6%
5	4	Midlothian	£272,962	£296,739	£294,175	-0.9%	7.8%
4	5	East Dunbartonshire	£305,998	£288,899	£289,026	0.0%	-5.5%
8	6	Perth and Kinross	£239,631	£246,981	£257,821	4.4%	7.6%
6	7	Stirling	£256,331	£264,239	£254,766	-3.6%	-0.6%
12	8	Scottish Borders	£222,735	£240,017	£242,338	1.0%	8.8%
7	9	Aberdeenshire	£240,132	£238,003	£241,410	1.4%	0.5%
9	10	West Lothian	£231,713	£234,481	£237,012	1.1%	2.3%
10	11	Highland	£225,338	£233,638	£230,292	-1.4%	2.2%
13	12	Orkney Islands	£218,030	£207,893	£226,073	8.7%	3.7%
11	13	Argyll and Bute	£224,695	£220,532	£216,513	-1.8%	-3.6%
14	14	Moray	£202,548	£212,315	£213,900	0.7%	5.6%
17	15	Fife	£195,853	£200,711	£203,539	1.4%	3.9%
15	16	Glasgow City	£197,690	£197,398	£201,415	2.0%	1.9%
21	17	South Lanarkshire	£192,286	£194,652	£196,209	0.8%	2.0%
20	18	South Ayrshire	£193,560	£194,034	£193,124	-0.5%	-0.2%
19	19	Aberdeen City	£193,930	£187,754	£191,839	2.2%	-1.1%
24	20	Dumfries and Galloway	£185,016	£185,334	£190,481	2.8%	3.0%
16	21	Angus	£197,217	£187,626	£190,353	1.5%	-3.5%
18	22	Shetland Islands	£195,444	£199,935	£190,020	-5.0%	-2.8%
23	23	Falkirk	£186,505	£185,431	£188,601	1.7%	1.1%
26	24	Renfrewshire	£175,627	£183,943	£187,627	2.0%	6.8%
22	25	Clackmannanshire	£190,357	£171,776	£178,528	3.9%	-6.2%
25	26	Dundee City	£176,066	£167,088	£174,412	4.4%	-0.9%
27	27	North Lanarkshire	£159,296	£163,092	£164,467	0.8%	3.2%
30	28	Na h-Eileanan Siar	£143,078	£144,278	£157,116	8.9%	9.8%
29	29	East Ayrshire	£152,817	£149,764	£153,254	2.3%	0.3%
28	30	North Ayrshire	£153,770	£154,355	£152,527	-1.2%	-0.8%
32	31	Inverclyde	£134,799	£129,957	£144,823	11.4%	7.4%
31	32	West Dunbartonshire	£142,567	£136,683	£139,202	1.8%	-2.4%
All Scotland			£219,908	£221,410	£224,033	1.2%	1.9%

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

Annual change

The average house price in Scotland in May 2023 has increased by £4,125 - or 1.9% - over the last twelve months. This annual rate of growth has increased by 0.3% from April's 1.6%, and is the second consecutive upward movement in the annual rate of growth in 2023.

In May 2023, 20 of the 32 local authority areas in Scotland were seeing their average prices rise above the levels of twelve months earlier, one more than in April. Interestingly, only three of the top eleven areas ranked by value had price falls over the year, whereas six of the bottom eleven areas ranked by value saw prices fall. These statistics are less dramatic than in April 2023, when the numbers showed only two high-value areas and eight low-value areas with price falls. There is hence still a split between the behaviour of the high- and low-value areas, but it is less of a feature than previously experienced. For the record, the three high-value areas with price falls are East Dunbartonshire (-5.5%), Edinburgh (-1.6%) and Stirling (-0.6%).

The area with the highest annual increase in average house prices in May 2023 was - top of Table 2 - East Lothian, up by 10.9%. All property types in East Lothian, except flats, have seen an increase in their average prices over the last twelve months, with this month's overall average being enhanced by the sale of a four-bedroom detached property in Gullane, for £1.275 million. The property overlooks the six-hole Children's Golf Course - any child can play on the course at a minimal cost. Adults are also welcome to play, but they must be accompanied by a child.

On a weight-adjusted basis - which incorporates both the change in prices and the number of transactions involved - there were five local authority areas in May which accounted for 51% of the £4,125 increase in Scotland's average house price over the year. The five areas, in descending order of influence, are: - East Lothian (13%); East Renfrewshire (11%); Perth and Kinross (10%); Fife (9%); and Renfrewshire (8%). Edinburgh accounted for 38% of the price falls in May, with all property types seeing values fall over the year.

Monthly change

In May 2023, Scotland's average house price rose in the month by some £2,600, or 1.2%. The increase in the month is the highest since March 2022, some 14 months earlier. In May 2023, 24 of the 32 Local Authority areas in Scotland experienced rising prices in the month, four more than in April. Of the 24 local authorities with price increases in May, 11 are in the top half when ranked by price, and 13 in the lower half.

The largest increase in average prices in the month was in Inverclyde, up by 11.4%. However, Inverclyde has the second-lowest transaction count on the mainland, which tends to result in volatile movements in its average prices, especially when expressed in percentage terms. In second place is Dundee City, where prices have risen by 4.4% in the month. This increase was assisted by the sale of a new-build 3-bedroom detached home in Broughty Ferry for £1.2 million.

On a weight-adjusted basis, similar to that described above, the five local authorities which accounted for 47% of the increase in prices in the month were:- Glasgow (14%); Perth and Kinross (11%), East Lothian (10%) Inverclyde (6%) and Dundee City (6%). The Perth average prices are elevated this month

by the sale of Glencarse House, which the agents describe as being one of Perthshire’s finest Country Houses. It has ten bedrooms and 18.6 acres of land. It sold for £2.35 million.

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 May 2023, there are 5 such authorities, down from 7 seen in April. 3 of these 5 areas are in the bottom 10 authorities when ranked by price, with 2 in the top 10 – including East Lothian which is currently top of Table 2. Also of interest is that Scotland’s overall average price is similarly at a record price – for the first time in the last six months.

Scotland transactions of £750k or higher

Table 3. The number of transactions by month in Scotland greater than or equal to £750k, January 2015 – May 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	53
3	231	57	25	34	35	30	115	80	76
4	2	27	29	24	36	11	46	70	63
5	14	20	31	32	54	16	63	90	43
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	126	
9	46	44	56	70	59	67	127	134	
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	1221	309

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 43 such transactions recorded by RoS relating to May 2023. Currently, this is the fourth-highest May total recorded to date, but this may rise to third place as RoS continues to process additional sales.

Looking at the number of high-value properties sold in the first four 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 five months of 2023 are lower than those in 2022, suggesting that some of the enthusiasm that existed in the 2022 housing market for the purchase of large country homes has dissipated, except perhaps in Perthshire (see above).

Edinburgh accounts for 137 of the 309 high-value sales (44%) that have been recorded to date by RoS in 2023, compared to 48% in 2022. There are two local authority areas having an equal second-highest number of sales in excess of £750k in 2023 - these were Glasgow City and East Lothian, but with just 18 such sales apiece.

Transactions analysis

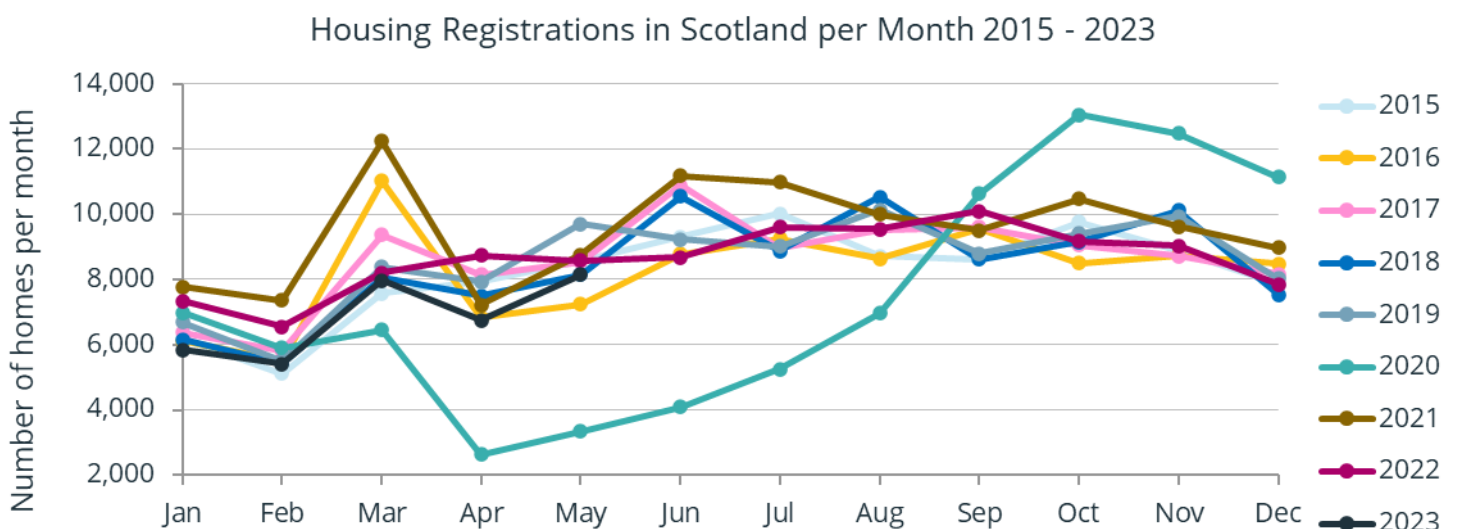
Figure 2 below shows the monthly transaction count for purchases during the period from January 2015 to May 2023, based on RoS (Registers of Scotland) figures for the Date of Entry (except for May 2023, which is based on RoS Application Dates).

The chart shows how, in general, transactions in May are higher than in April as sales climb to a summer peak, which can occur in June, July or August. In fact, in Figure 2, May is higher than April in eight of the nine years displayed – the one exception being 2022, as the country was slowly emerging from the pandemic.

2023 (the black line) has the second-lowest number of transactions for the first five months of each of the nine years shown in Figure 2, at 34,075 sales. The lowest year, at 25,324 sales, is 2020 (the teal line) – March 2020 having been the month in which the first Covid lockdown was announced. The decline in the current year's level of transactions compared to previous years appears to have begun from having the second-highest number of sales in September 2022, falling to 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 bank rate was raised again on 2 February 2023, 23 March 2023, 11 May 2023 and 22 June 2023, and now stands at 5.0%. 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 taking place each month in Scotland's housing market.

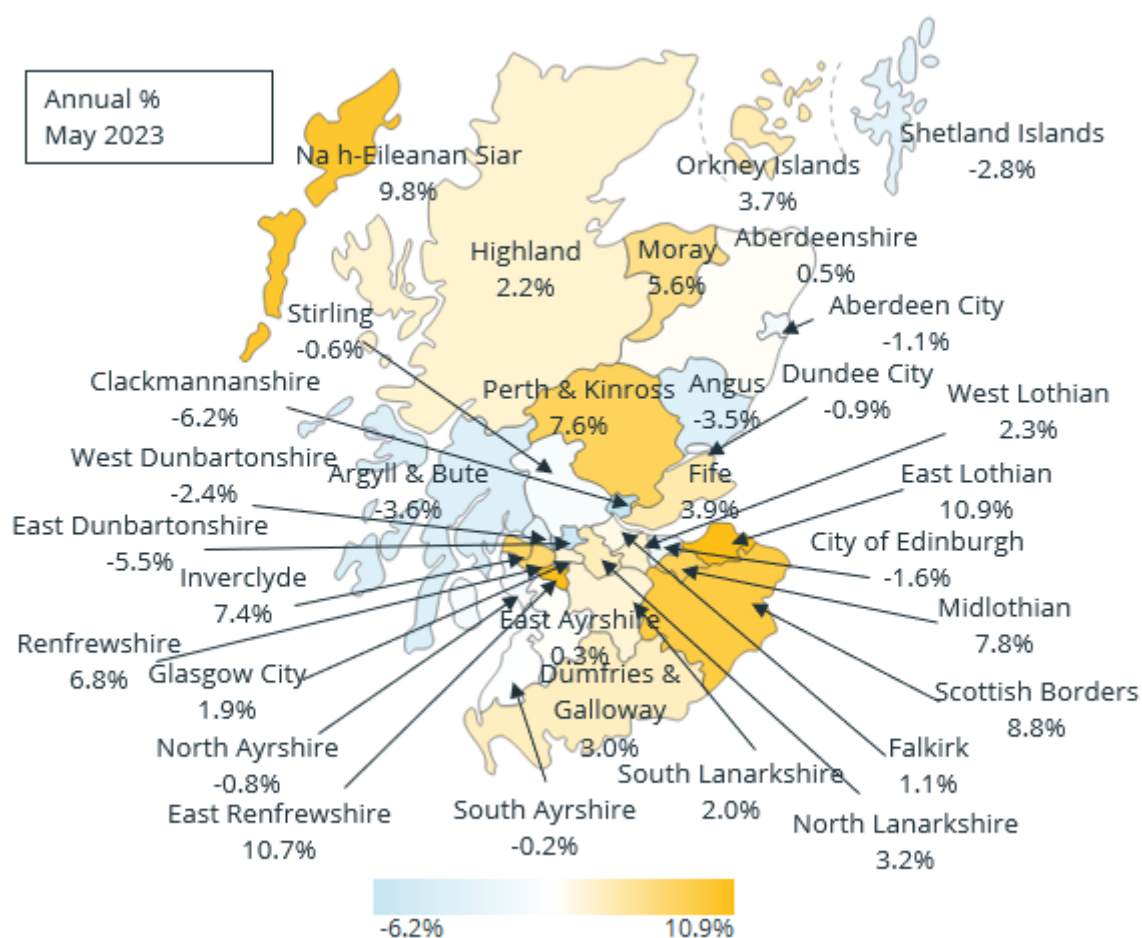
Figure 2. The number of sales per month recorded by RoS based on entry date from 2015 – 2023 ([Link to source Excel](#))



Heat Map

The heat map below shows the rate of house price growth for the 12 months ending May 2023. As reported above, 20 of the 32 local authority areas in Scotland have seen a rise in their average property values over the last year.

The highest increase on the mainland over the twelve months to May 2023 was in East Lothian, up by 10.9%, followed by East Renfrewshire at 10.7% and the Scottish Borders at 8.8%. At the other end of the scale, it was Clackmannanshire that had the largest fall in prices over the previous twelve months at -6.2%.



Comparisons with Scotland

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

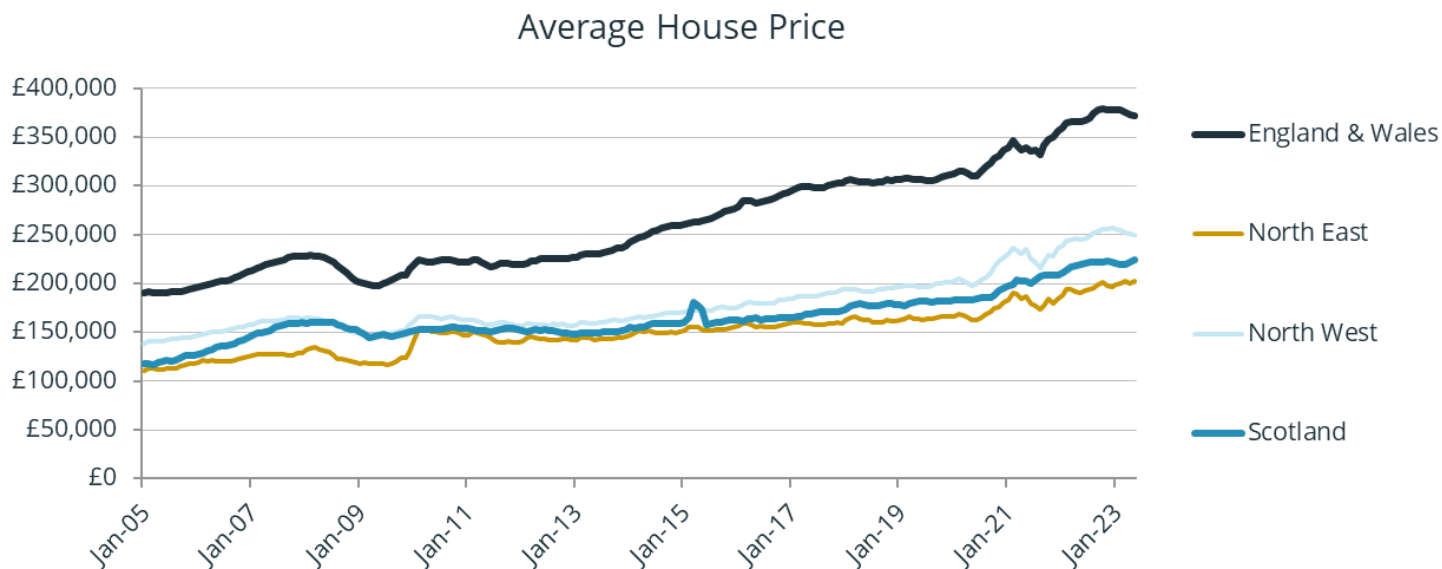
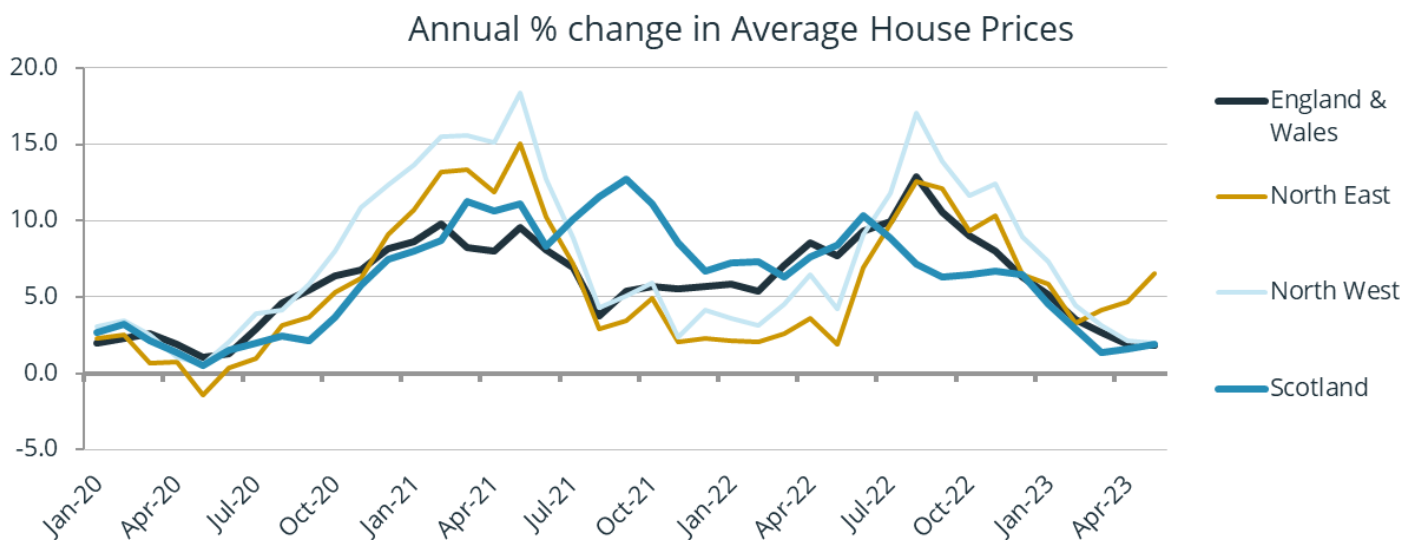


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, North East and North West for the period January 2020-May 2023 ([Link to source Excel](#))



Scotland's Eight Cities

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

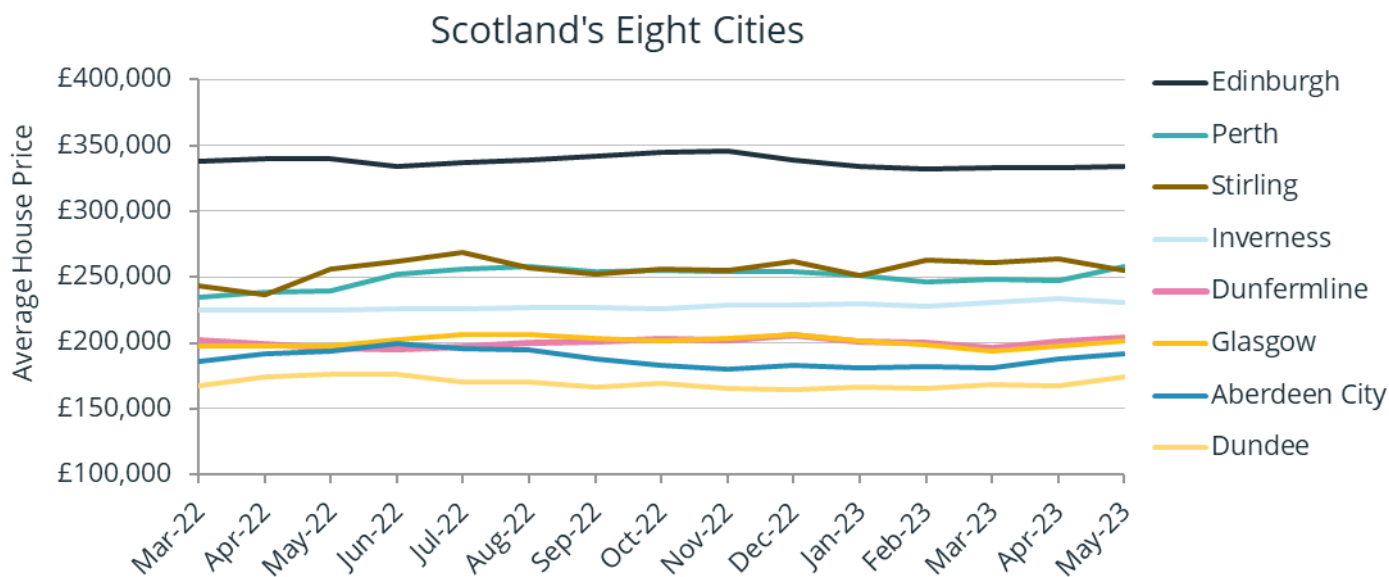
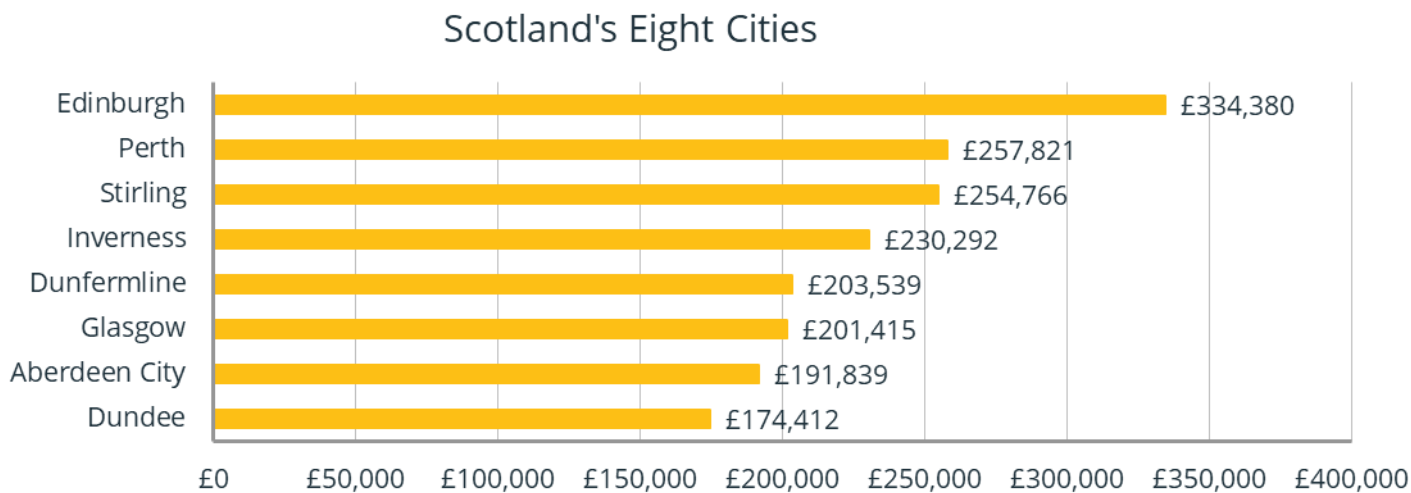


Figure 6. Average house prices for Scotland's eight cities May 2023 ([Link to source Excel](#))



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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