

Gentle market recovery builds

- Average prices in Scotland 1.9% up on a year ago
- West Lothian sees record house prices for third time this year
- Recovery in sales activity marks a welcome and significant change

House Price	Index	Monthly Change %	Annual Change %
£225,113	294.8	0.2	1.9

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

“For several months now, our data shows that average prices have been consistently 1-2% above their previous peak in September 2023. Almost all of Scotland is outperforming England and Wales. Scottish average house prices in July picked up by more than £400 (0.2%) compared with June, but have essentially held steady since the new peak reached in May.

It is testament to the resilience of the Scottish property market that prices have performed so well. Personal and property taxes are higher here in Scotland, but these does not appear to diminish the appetite of prospective buyers who sustain the increases. July looks set to have been the strongest month of the year so far for sales transactions.

We can't know what the future holds, of course but it seems likely that with interest rates expected to fall again in the coming months, and mortgage pricing with them, the market will remain in a good place. Interest rate cuts help with affordability and we can see that mortgage advances to first time buyers (who typically have smaller deposits and undergo greater affordability pressure) are rising. With a resilient jobs market and better than expected economic growth, prices in Scotland should remain strong over the coming year.”

Housing market commentary

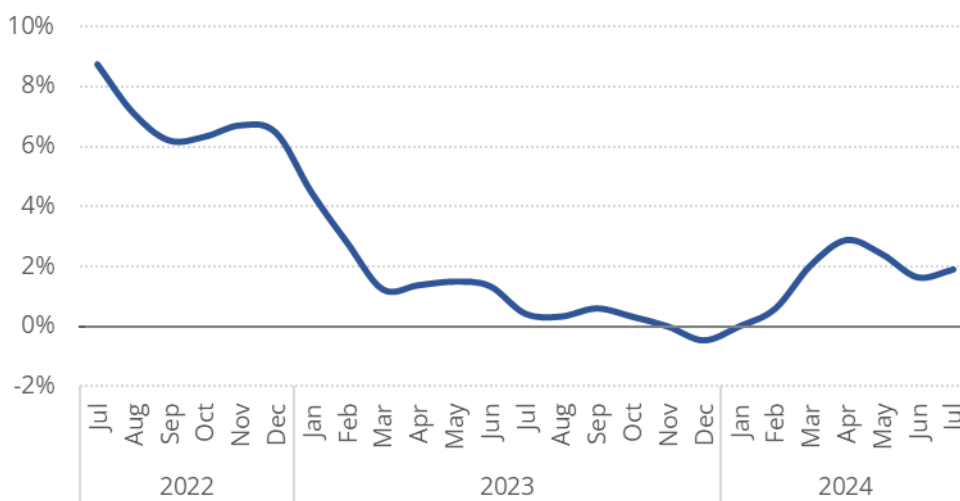
Table 1. Average prices in Scotland for July 2023 – July 2024

Month	Year	Property Price	Index	Monthly % change	Annual % change
Jul	2023	£220,927	289.3	-0.1	0.4
Aug	2023	£221,040	289.5	0.1	0.3
Sep	2023	£221,630	290.3	0.3	0.6
Oct	2023	£221,486	290.1	-0.1	0.3
Nov	2023	£221,311	289.8	-0.1	0.0
Dec	2023	£220,433	288.7	-0.4	-0.5
Jan	2024	£220,316	288.5	-0.1	0.0
Feb	2024	£220,278	288.5	0.0	0.6
Mar	2024	£222,362	291.2	0.9	2.0
Apr	2024	£225,034	294.7	1.2	2.9
May	2024	£225,567	295.4	0.2	2.4
Jun	2024	£224,677	294.3	-0.4	1.6
Jul	2024	£225,113	294.8	0.2	1.9

For several months now, average prices have been consistently 1-2% above their previous peak in September 2023, as Scotland experiences an earlier and stronger price revival than either England or Wales. Average house prices in July picked up by more than £400 (0.2%) compared with June, but have essentially held steady since the new peak reached in May.

Figure 1: Prices are consistently higher than a year ago

Scotland annual price changes, last 2 years



On an annual basis, Scotland's average house price has risen steadily but modestly for six consecutive months and stood at more than £225,000 in July, 1.9% higher than a year ago.

Local Authority prices

Table 2. How prices in July 2024 compare

Rank	Prior Year Rank	Local authority	Jul 2023	Jun 2024	Jul 2024	Monthly % chg	Annual % chg
1	(2)	East Renfrewshire	£326,142	£336,408	£350,737	4.3%	7.5%
2	(1)	City Of Edinburgh	£337,834	£336,564	£337,415	0.3%	-0.1%
3	(3)	East Lothian	£321,542	£310,100	£321,895	3.8%	0.1%
4	(4)	East Dunbartonshire	£294,059	£296,961	£299,194	0.8%	1.7%
5	(5)	Midlothian	£285,073	£304,692	£290,800	-4.6%	2.0%
6	(7)	Stirling	£247,078	£264,841	£266,977	0.8%	8.1%
7	(8)	West Lothian	£235,466	£248,177	£251,088	1.2%	6.6%
8	(6)	Perth and Kinross	£249,539	£241,443	£246,639	2.2%	-1.2%
9	(12)	Highland	£218,359	£234,769	£234,704	0.0%	7.5%
10	(9)	Aberdeenshire	£234,314	£236,820	£231,214	-2.4%	-1.3%
11	(13)	Scottish Borders	£216,412	£215,980	£224,894	4.1%	3.9%
12	(10)	Argyll and Bute	£218,804	£211,729	£220,379	4.1%	0.7%
13	(14)	Moray	£213,387	£217,171	£219,711	1.2%	3.0%
14	(11)	Orkney Islands	£218,385	£219,072	£215,792	-1.5%	-1.2%
15	(15)	Glasgow City	£208,363	£207,799	£209,627	0.9%	0.6%
16	(16)	Fife	£206,187	£207,101	£208,093	0.5%	0.9%
17	(17)	South Lanarkshire	£198,118	£204,045	£201,016	-1.5%	1.5%
18	(18)	South Ayrshire	£190,374	£196,797	£196,147	-0.3%	3.0%
19	(20)	Angus	£185,282	£195,353	£195,479	0.1%	5.5%
20	(22)	Shetland Islands	£181,440	£181,430	£192,739	6.2%	6.2%
21	(25)	Renfrewshire	£176,352	£188,972	£187,056	-1.0%	6.1%
22	(26)	Clackmannanshire	£174,387	£190,674	£186,830	-2.0%	7.1%
23	(19)	Falkirk	£187,022	£185,685	£186,749	0.6%	-0.1%
24	(23)	Dumfries and Galloway	£180,906	£184,878	£183,659	-0.7%	1.5%
25	(21)	Aberdeen City	£185,199	£185,585	£183,063	-1.4%	-1.2%
26	(28)	North Lanarkshire	£163,328	£172,425	£167,591	-2.8%	2.6%
27	(27)	Dundee City	£168,531	£166,362	£166,794	0.3%	-1.0%
28	(30)	East Ayrshire	£147,843	£165,095	£158,818	-3.8%	7.4%
29	(32)	Inverclyde	£139,989	£146,541	£155,048	5.8%	10.8%
30	(29)	North Ayrshire	£148,415	£149,317	£152,469	2.1%	2.7%
31	(31)	West Dunbartonshire	£145,316	£151,974	£150,348	-1.1%	3.5%
32	(24)	Na h-Eileanan Siar	£176,729	£148,372	£146,123	-1.5%	-17.3%
Scotland			£220,927	£224,677	£225,113	0.2%	1.9%

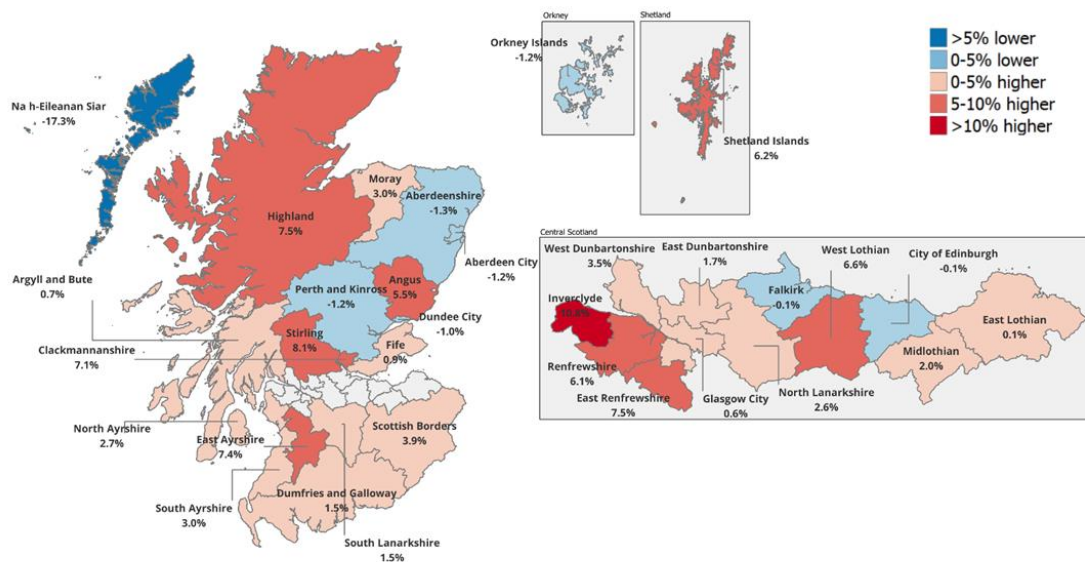
Note: Lines shaded in darker blue reflect cases where Local Authority or Scotland prices reached record highs this month.

Eighteen local authorities experienced rising prices in the month.

Prices in two local authorities – East Renfrewshire and West Lothian – hit new market highs (see Table 2). This is becoming something of a regular habit for West Lothian, as local prices have reached fresh peaks in three of the last four months.

Several other authorities - Angus, Moray and Glasgow - are within touching distance of prices setting new record highs. Uniquely, Angus has reported monthly price increases for seven consecutive months.

Figure 2. How prices have changed year to July 2024, by local authority

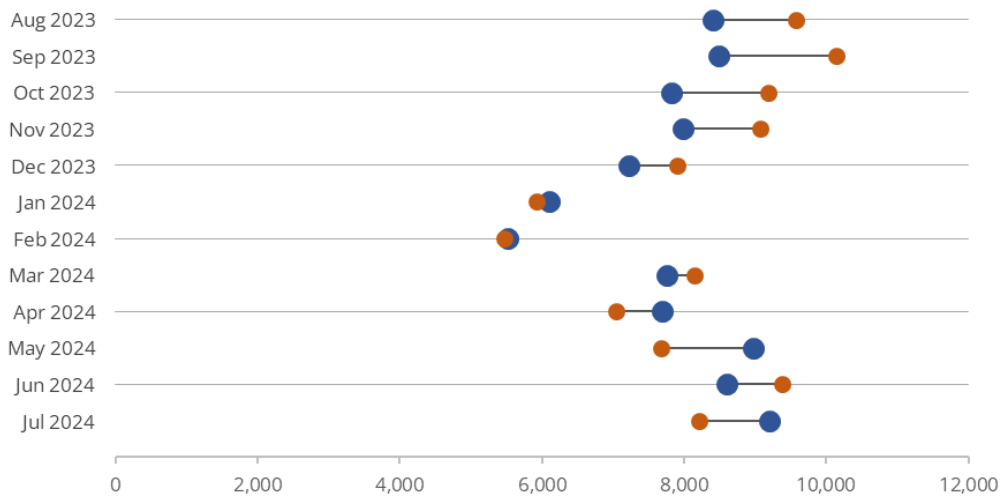


As can be seen from the heat map, in July a substantial majority of local authorities (24) reported stronger prices than a year ago. This is one of the strongest performances in recent months. July represents the sixth month in a row when there has been a positive net balance of local authorities reporting higher rather than lower prices year-on-year.

Among the “risers”, 9 reported price increases of at least 5% over the year. At the other end of the spectrum, Na h-Eileanan Siar (formerly Western Isles) shows a very weak position. Relatively low sales volumes means that price reporting can be quite volatile for Na H-Eileanan Siar. Also, it is worth noting that sharp price falls this June and July echo very sharp increases a year earlier.

Transactions analysis

Figure 3. Monthly sales over the **most recent 12 months** compared with a **year earlier**



Note: June and July 2024 figures are Acadata estimates, based on the Registers of Scotland figures for the Date of Entry

There is still some uncertainty around the final numbers for July, with sales for the month not yet fully logged by Registers of Scotland, but activity is likely to have been well above the year-earlier level (see Figure 3). In some respects, June and July appear to have been mirror images of each other. It is not clear to what extent if any home moves were influenced by the timing of the General Election.

More importantly, activity has outpaced that of a year earlier in five of the past seven months. And cumulative sales for the year to date are tracking slightly above the corresponding period of 2023.

Meanwhile, sales in the capital and sales of properties worth more than £750,000 (that is, subject to the highest rates of LBTT) continue to be comfortably ahead of their corresponding 2023 numbers.

All of this marks a significant turnaround in the housing market and a positive basis on which to see further recovery over the remainder of 2024.

Affordability pressures remain in Scotland but the interest rate shock has now peaked for buyers and with lenders continuing to bring their rates down this has given further momentum to the market. Mortgage advances to first time buyers are rising. Given the private rented sector in Scotland has grown by about 10% since 2011 there is without doubt considerable pent-up demand that will emanate from that sector. Rising rents, stable house prices and modest falls in borrowing costs will no doubt move some renters over the line into home ownership. While some 82% of households in Scotland favour rent controls any action here will probably have limited impact on this flow.

The minority government appears to have little room to assist aspiring home owners given its very tight budgetary position and we still await any detailed policy announcements by the UK government on the housing market. In all likelihood these will come with the Autumn Budget statement due at the end of October. In the meantime we can expect the market to continue its upward trajectory.

Notes

The *Walker Fraser Steele Acadata House Price Index* is produced by Acadata, a consultancy specialising in house price data

The index is based on the actual prices at which nearly every residential property in Scotland is transacted, including prices for properties bought with cash, using the data provided by Registers of Scotland. Our property prices and indices are calculated on a seasonal- and mix-adjusted basis.

Acadata has updated its transaction weights and seasonal adjustment factors this month.

All Walker Fraser Steele Acadata HPI (Scotland) results are subject to change following receipt of updated data from Registers of Scotland.

See Acadata's [website](#) for additional information about the index and longer time series for the data highlighted in this report..

About Walker Fraser Steele

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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.

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