

House Price Index

Scotland

Under embargo until 00:01

Friday 22nd September 2017

JULY | Average House Price
2017 | in Scotland

£175,877

AVERAGE MONTHLY CHANGE: **0.1%**

AVERAGE ANNUAL CHANGE: **4.7%**

Scotland powers on

- Scottish house prices continued to rise in July
- Lack of stock leads potential sellers to adopt a wait and see approach
- Scotland continues to have the most affordable housing in Great Britain
- Glasgow reaches new peak price for third month in succession

Headline findings

Scottish house prices continued to grow in July – and for the sixth consecutive month. The monthly figure edged up just 0.1%, and the annual figure, following a jump in June, climbed further to reach 4.7%.

That gives Scotland almost the highest regional growth in the Great Britain, second only to the East of England. The rise in Scottish prices persisted in spite of political uncertainty; these were the first full month of figures following the shock election result in June, which resulted in a hung Parliament.

It means the average house price in Scotland is now £175,877, up £7,829 in value in the last year.

Quick Quotes

Christine Campbell, Your Move managing director in Scotland, said: “Values continue to grow strongly within Scotland and this is particularly evident in Edinburgh and Glasgow. “This is fuelled, in part, by the ongoing strong demand for properties but also the lack of stock available. Many potential sellers want to make a move but, unable to find a property to move to, are taking a ‘wait and see’ approach and this, in turn, is creating a gridlock which is affecting the movement of properties across most price bands.”

Alan Penman, business development manager for Walker Fraser Steele, one of Scotland’s oldest firms of chartered surveyors and part of the LSL group of companies, said: “Glasgow’s been the driving force in the market for a number of months now, but it’s encouraging to see the capital growing almost as strongly. Even after a year’s solid growth, Scottish property overall still looks affordable relative to the rest of the Britain, and that should give us confidence for the coming months.”

Key Insights

House price growth in Scotland is supported by persistent low interest rates, and an economy that continues to grow, benefiting from unemployment at a 42-year low. More importantly, perhaps, relative to the rest of Great Britain, Scotland remains significantly more affordable.

The Council of Mortgage Lenders (CML) reports that in Q2 2017 the typical multiple of income to property loan for first time buyers in Scotland was 3.09, against a UK average of 3.58. For home movers, the figures were 2.83 and 3.58, respectively.

The result is strength across the market; half the country’s 32 local authority areas saw house prices grow over the month, and only four (Aberdeenshire, West Lothian, Inverclyde and West Dunbartonshire) haven’t seen growth in the last year.

The highest increase in prices on both an annual and monthly basis was in Clackmannanshire, where values were up an average £12,500, or 9.6% over the year. Relatively few sales make prices in the area volatile, however.

More significantly for the country, its biggest cities continue to perform strongly. Edinburgh overtook East Renfrewshire as the most expensive area, with price growth of 1.4% in July, to £257,676. Over the year it’s up 7.1%. Glasgow, which at 16th, sits

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Key Insights continued...

right in the middle of the league table of prices, saw 0.9% monthly growth, reaching a new peak for the third month in a row. (The only other area to see a new peak was Angus).

That means prices in Glasgow now stand at an average of £155,086, up 7.3% on the year. Flats and terraced properties are driving this growth: both of them popular with first time buyers and buy-to-let landlords, the two most active sectors in the market currently.

While transaction volumes in the two cities mean they weigh most heavily on the overall average, areas across the country and across

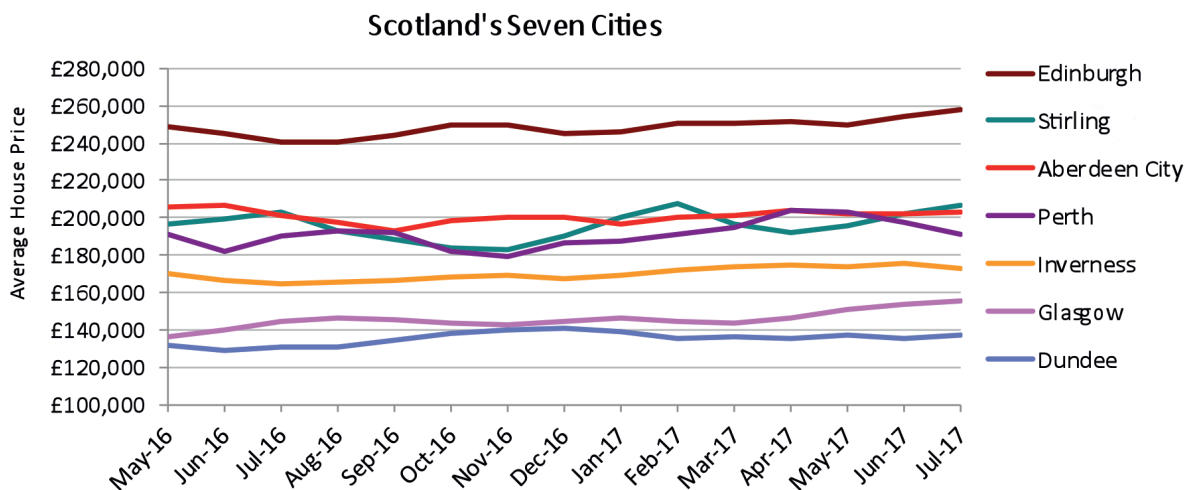
price bands have seen strong growth in the last year. East Lothian, Midlothian, Moray, Renfrewshire, the Orkney Islands, and Dumfries and Galloway all saw similar or higher growth, as well as Clackmannanshire.

The largest fall in house prices in Scotland over the year, meanwhile, is just 2.8%, in Inverclyde, which is in part due to elevated sales last year: a number of new-build detached properties were sold in Inverkip in 2016, and this hasn't been repeated in 2017.

Average House Prices in Scotland for the period July 2016 - July 2017

MONTH	YEAR	HOUSE PRICE	INDEX	MONTHLY CHANGE %	ANNUAL CHANGE %
July	2016	£168,048	220.1	-0.1	2.7
August	2016	£168,228	220.3	0.1	2.5
September	2016	£168,510	220.7	0.2	2.2
October	2016	£169,677	222.2	0.7	2.5
November	2016	£169,807	222.4	0.1	2.1
December	2016	£169,503	222.0	-0.2	1.7
January	2017	£169,399	221.9	-0.1	1.6
February	2017	£170,480	223.3	0.6	2.8
March	2017	£171,431	224.5	0.6	2.0
April	2017	£173,943	227.8	1.5	2.9
May	2017	£174,996	229.2	0.6	2.9
June	2017	£175,677	230.1	0.4	4.4
July	2017	£175,877	230.3	0.1	4.7

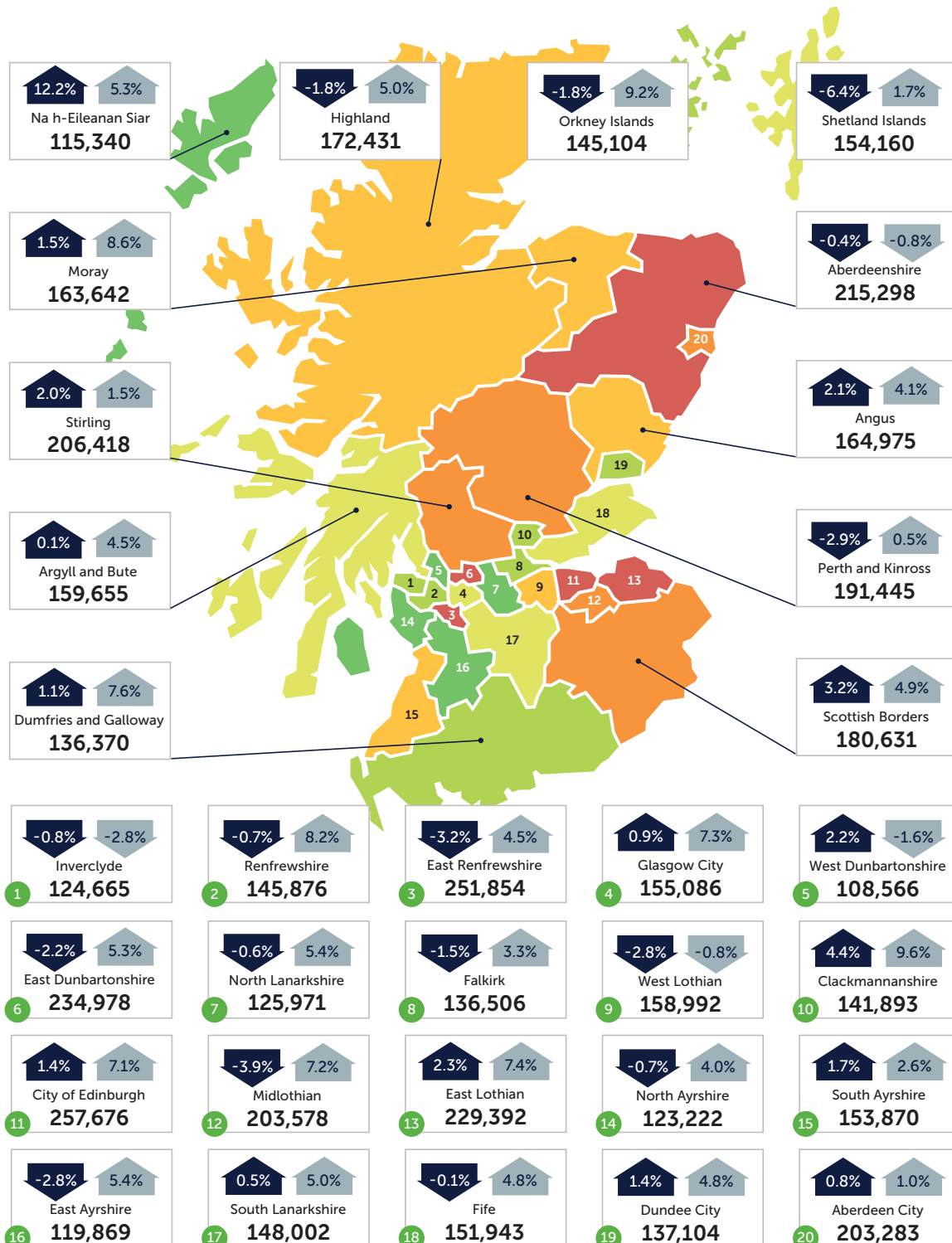
Average house prices for Scotland's seven cities from May 2016 - July 2017



Regional update

Average House Prices in Scotland, by local authority area, comparing July 2016 and June 2017 with July 2017.

 AVERAGE MONTHLY CHANGE  AVERAGE ANNUAL CHANGE



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