

House Price Index

Scotland

Under embargo until 00:01

Tuesday 23rd October 2018

AUGUST 2018 | Average House Price
in Scotland

£180,310

AVERAGE MONTHLY CHANGE: **-0.2%**AVERAGE ANNUAL CHANGE: **3.3%**

Growth in Scotland's house prices continues to moderate

- Lack of stock but good demand supporting prices
- A new peak average price for Glasgow
- Monthly prices down, but 25 of 32 authorities show annual growth
- Double digit annual price increases in Inverclyde and West Dunbartonshire

Headline news

Price rises continue to slow in Scotland, with the annual rate down to 3.3% in August, from 5.5% at the start of the year and 7.6% at its peak in March. On the month, they fell 0.2% – the fourth consecutive drop in prices since May. Price growth in Scotland is higher than that in England and Wales as a whole – which stands at 1.7%.

Nevertheless, 25 of the country's 32 authorities are still showing annual growth, and the two big centres of Edinburgh and Glasgow continue to perform strongly. The monthly drop in August was also substantially lower than that in both July (0.5%) and June (0.8%). As a result, Scotland's prices still averaged £180,310 in August, up from £174,481 a year ago.

Quick Quotes

Christine Campbell, Your Move managing director in Scotland, said: "Edinburgh and Glasgow are the foundation of the Scottish property market, and the evidence to date suggests that this foundation is strong. The problem is, however, that most homeowners seem in no hurry to put their properties onto the market, and we're seeing a significant shortage of stock. When they do come to the market, however, they sell fast so demand is still there with Leith, for example, being a real hotspot. With talks of a potential second Scottish referendum in the midst, this too could lead to even more price uncertainty as people sit tight."

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: "When properties come to market in most areas of Scotland we're still seeing strong interest."

Key Insights

Scotland is testing the limits of whether a market can be strong while inactive.

The big story in Scotland is not really the house price growth, which has significantly outstripped that of England and Wales this year, but the lack of supply, with traditional 'city' agents having to spread their coverage into the suburbs of Edinburgh. Whether it is the Brexit effect or not, there is relatively little stock coming to the market. New vendor instructions in Scotland are the lowest in the UK, after Yorkshire and the Humber, according to a RICS survey.

That in part is helping to sustain prices, but also means transactions are low. Even in the five months to May, when prices were growing more strongly, ONS data shows sales volumes 9% down on the same period in 2017, putting them at their lowest since 2013.

Where properties do find their way to market, however, they're generally finding buyers – and crucially still in Edinburgh and Glasgow, which together account for about a quarter of all Scotland's transactions.

The cities not only continue to show robust annual growth – 3.1% for Edinburgh and 5.9% for Glasgow; they also both recorded an increase in August, of 0.3% and 1.6%, respectively. Glasgow

continued on page 2>

Key Insights continued...

even set a new peak average price, of £160,435 (against £267,297 in Edinburgh, still the country's most expensive local authority area).

It was the only area that did, however. Despite the city's contribution to the market, overall average prices still fell for the month, in large part because another two of Scotland's big markets – Renfrewshire and Aberdeenshire – both saw prices fall substantially in August, by 5.2% and 1.9% respectively.

On an annual basis, however, both still showed positive growth, as do most other areas. At the top of the market, East Renfrewshire (the second most expensive area after Edinburgh)

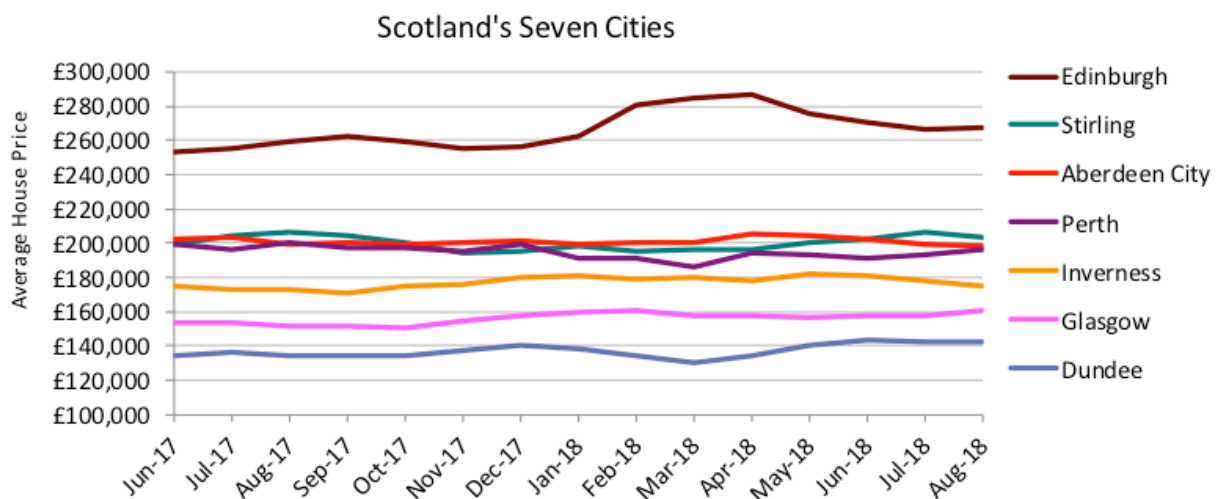
was up 5.0%, East Dunbartonshire 9.6%, East Lothian 7.2% and Midlothian 7.1%. East Dunbartonshire also saw the strongest monthly growth on the mainland (3.1%).

At the other end of the market, Inverclyde topped the growth table in the country with a 12.0% annual increase (though thanks in large part to sales in the more expensive Kilmacolm area), while West Dunbartonshire also broke double figures, at 10.4%. Again some higher priced sales (including a detached property for £595,000) helped push up the figures in that area, where average prices are just £121,891.

Average House Prices in Scotland for the period August 2017 - August 2018

MONTH	YEAR	HOUSE PRICE	MONTHLY CHANGE %	ANNUAL CHANGE %
August	2017	£174,481	0.2	4.0
September	2017	£175,095	0.4	4.1
October	2017	£175,058	0.0	3.2
November	2017	£175,596	0.3	3.4
December	2017	£176,992	0.8	4.4
January	2018	£178,569	0.9	5.5
February	2018	£181,525	1.7	7.1
March	2018	£182,993	0.8	7.6
April	2018	£183,628	0.3	6.7
May	2018	£183,026	-0.3	5.4
June	2018	£181,550	-0.8	4.1
July	2018	£180,696	-0.5	3.7
August	2018	£180,310	-0.2	3.3

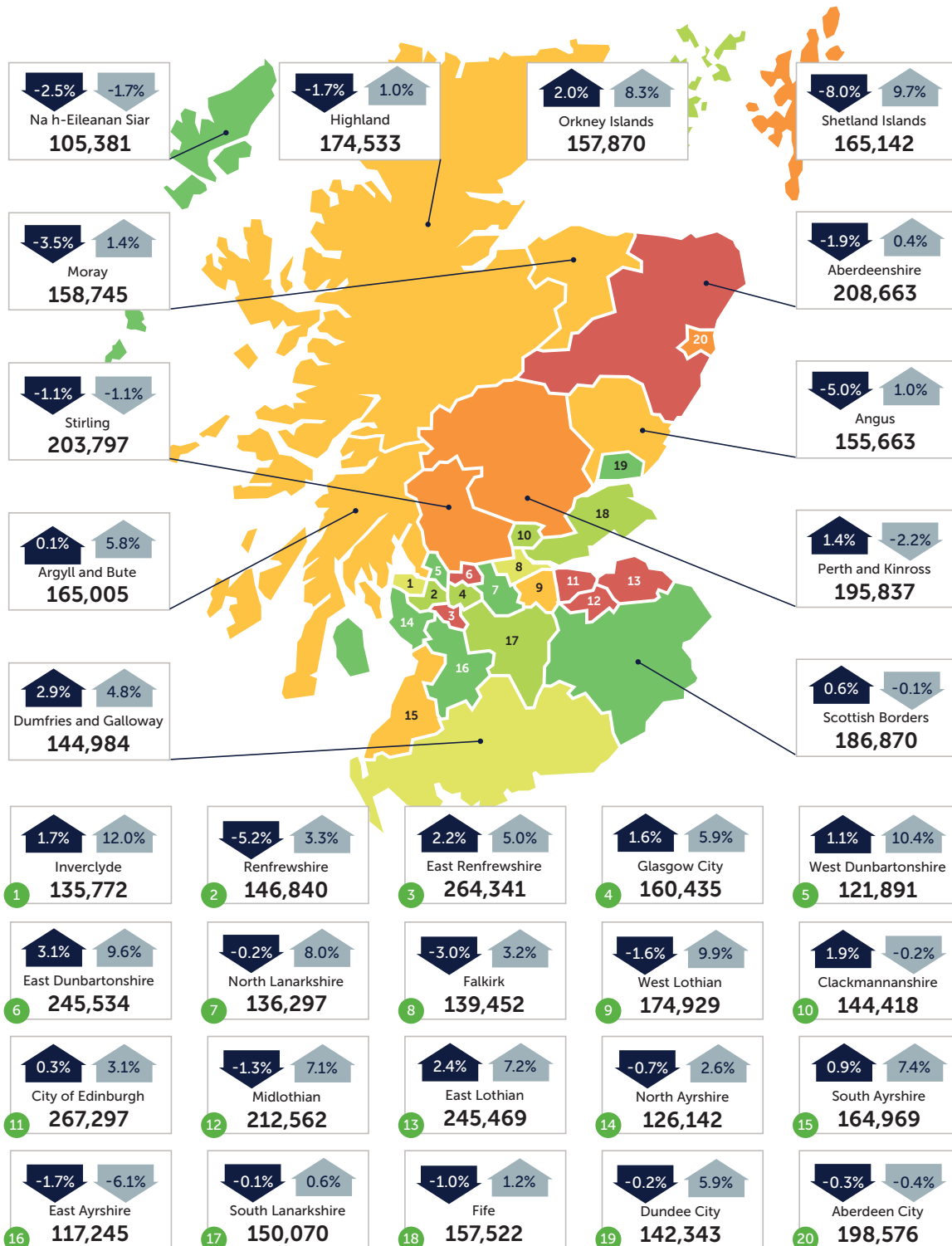
Average house prices for Scotland's seven cities from June 2017 - August 2018



Regional update

Average House Prices in Scotland, by local authority area, comparing August 2017 and July 2018 with August 2018.

 AVERAGE MONTHLY CHANGE  AVERAGE ANNUAL CHANGE



For more information please contact:

Charlotte Merlin-Jones, Rostrum Agency
 Melanie Cowell, LSL Property Services
 Richard Sumner, Acadata

020 7440 8686
 01904 698860
 020 8392 9082

c.merlin-jones@rostrum.agency
 melanie.cowell@lslps.co.uk
 richard.sumner@acadata.co.uk

For downloads see: <https://www.your-move.co.uk/media-centre>

For full report and methodology see: <http://www.acadata.co.uk/acadataHousePrices.php>