

House Price Index

Scotland

Under embargo until 00:01

Friday 18th August 2017

JUNE | Average House Price
2017 | in Scotland

£175,941

AVERAGE MONTHLY CHANGE: **0.5%**

AVERAGE ANNUAL CHANGE: **4.6%**

Scotland house price growth outpaces England & Wales

- Edinburgh, Glasgow and surrounding areas drive the market in Scotland
- Average house prices up 0.5% in the month to £175,941 and 4.6% annually
- First time buyer demand and tight supply support prices
- Transactions up 8% in June

Headline news

Average house prices in Scotland were up a respectable 0.5% in June, but annual growth jumped to 4.6%, from 2.9% last month. That's well above the 3.3% in England and Wales recorded in June. Prices in Scotland have risen for the fifth month in succession, against three months of falling prices to June in England & Wales, with widespread annual increases and nearly half of all local authority areas seeing price rises over the month.

The latest available figures in Scotland don't take account of the post-election period, but with transactions estimated to be up 8%, they show the country entered it on a strong footing.

The average house price in Scotland now stands at £175,941, up £7,779 over the year.

Quick Quotes

Christine Campbell, Your Move managing director in Scotland, said: "With strong growth in both its biggest cities, Scotland's market is on a strong footing with first time buyers contributing to this increase in activity. The increase in transactions is also encouraging, but we need to get more properties onto the market if that's going to continue."

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: "It's good to see growth at both the top of the market and in more affordable areas. There seems to be a particular hot spot around Glasgow – both the city itself and its neighbouring local authorities are all growing robustly."

Key Insights

Continued growth in Scotland is driven by the strong performance of its two biggest cities in June, Edinburgh and Glasgow, which grew 2.9% and 2.8%, respectively. Both also show solid annual growth, of 4.6% and 10.6%.

Given the difference in average prices between the two, this shows considerable strength across the market. Edinburgh's £256,737 average is second only to East Renfrewshire (£262,203 and also growing strongly, up 4.6% over the month and 7.5% annually); Glasgow City, meanwhile, ranks just below mid table, with a price of £154,666. The city itself, but also East Renfrewshire, Renfrewshire and North Lanarkshire, as well as all neighbouring areas, saw new peak prices in the month. So, too, did the Shetland Islands.

Sales in both Glasgow and Edinburgh are supported by strong interest in affordable accommodation from first time buyers. According to the CML (Council of Mortgage Lenders), the largest number of loans taken out in Q1 2017 was by first time buyers buying flats.

Prices more widely are being driven by tight supply: the latest monthly RICS (Royal Institution of Chartered Surveyors) survey shows average stocks per surveyor close to an all-time low. Surveyors reported a small increase in enquiries in June, but a decrease

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Key Insights continued...

in the number of new vendor instructions. That's likely to continue over the next few months, during the holiday period.

Across Scotland, 15 of the 32 Local Authority areas saw prices rise in June, led by East Renfrewshire (if we don't count Na h-Eileanan Siar in the Outer Hebrides, up 9.1% but on very low transactions volumes).

On an annual basis, though, strength continues right across Scotland. Only four areas haven't seen prices rise in the last year. East Lothian and the Orkney Islands lead the growth: both up 12.2%, but with

very different price points – £225,663 and £147,897, respectively. Midlothian, up 11.1% to £207,430, as well as Glasgow, has also seen double-digit growth.

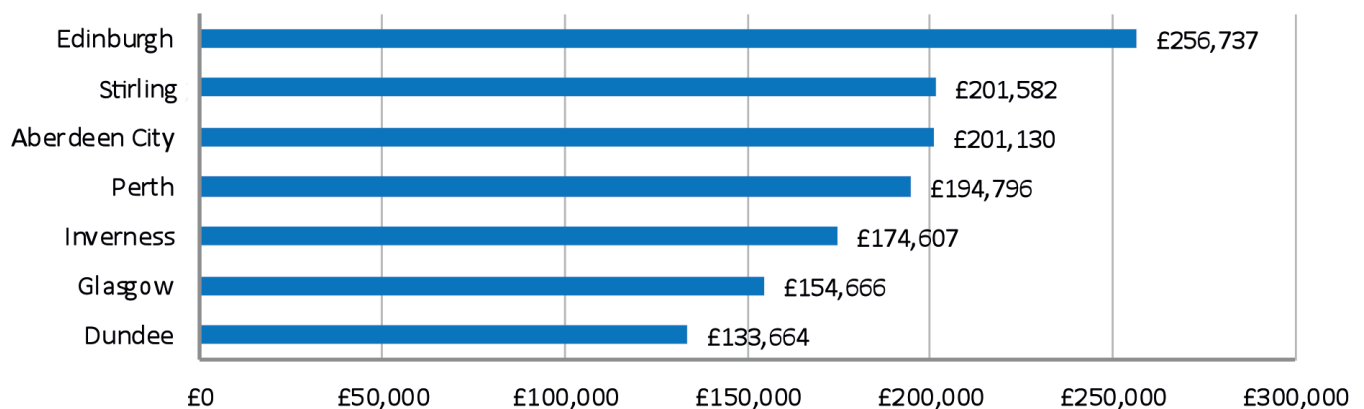
The largest fall in prices in the month on the mainland was seen in Inverclyde, down by 5.6%, and for the year it was West Dunbartonshire. Already among the cheapest areas in Scotland, prices there are down 4.1% to £108,079, although the price of flats in the area has actually risen by about £7,000 over the year, albeit that they remain under £80,000.

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

MONTH	YEAR	HOUSE PRICE	INDEX	MONTHLY CHANGE %	ANNUAL CHANGE %
June	2016	£168,162	220.2	-1.1	3.5
July	2016	£167,984	220.0	-0.1	2.7
August	2016	£168,241	220.3	0.2	2.5
September	2016	£168,533	220.7	0.2	2.2
October	2016	£169,732	222.3	0.7	2.5
November	2016	£169,857	222.5	0.1	2.1
December	2016	£169,549	222.1	-0.2	1.7
January	2017	£169,455	221.9	-0.1	1.6
February	2017	£170,561	223.4	0.7	2.8
March	2017	£171,469	224.6	0.5	2.0
April	2017	£173,937	227.8	1.4	2.9
May	2017	£174,998	229.2	0.6	2.9
June	2017	£175,941	230.4	0.5	4.6

Average house prices for Scotland's seven cities from April 2016 - June 2017

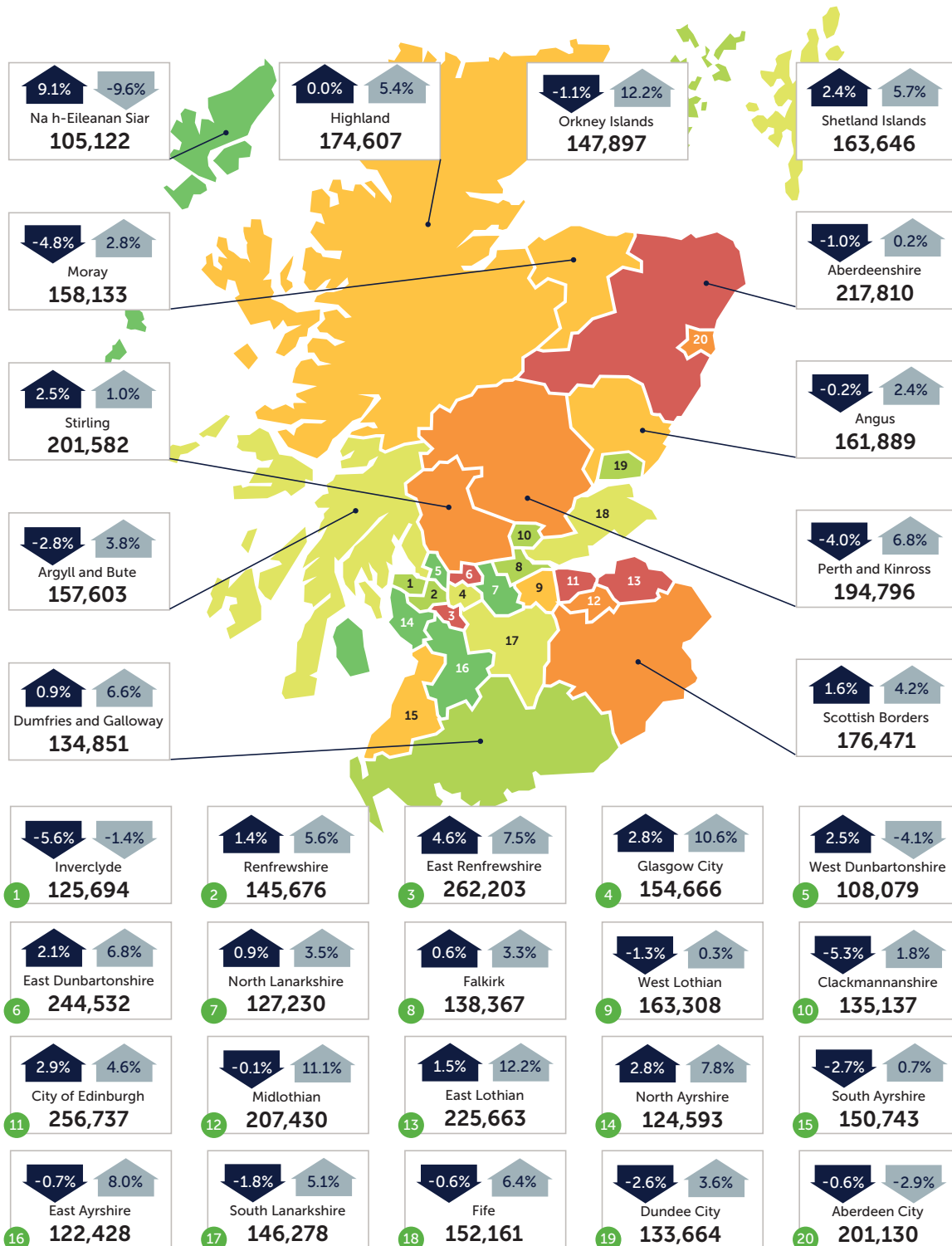
Scotland's Seven Cities



Regional update

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

 AVERAGE MONTHLY CHANGE  AVERAGE ANNUAL CHANGE



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