

## House prices fall as tax-holiday ends

- ✓ April transactions down by 35% in the month
- ✓ 25 Local Authorities see average price falls, compared to 25 with rises in March
- ✓ Average prices remain 10% higher than a year earlier

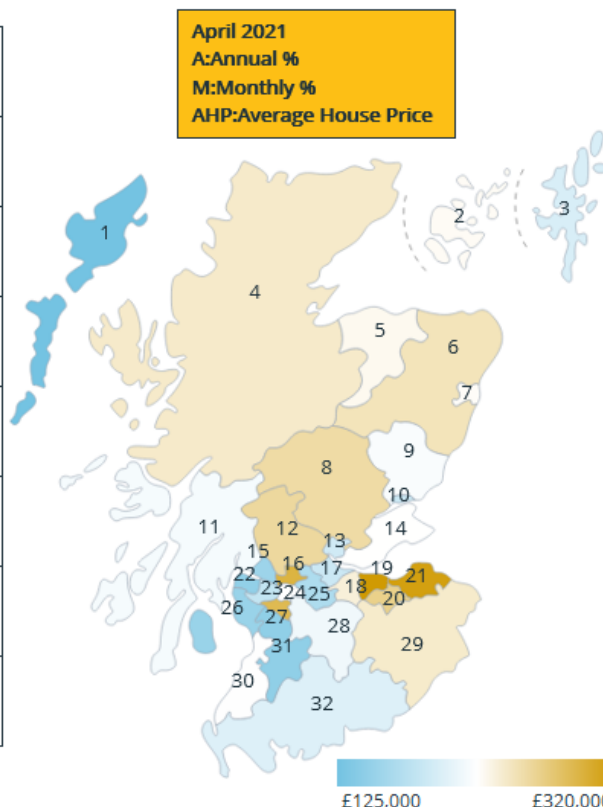
### Notes:

- The *Walker Fraser Steele Acadata House Price Index (Scotland)* was formerly named the *Your Move Acadata House Price Index*. Content and methodology are unchanged. Please refer to the Notes at the end for more information.
- Walker Fraser Steele is the trading name of e.surv Chartered Surveyors in Scotland.

House Price	Index	Monthly Change %	Annual Change %
£203,292	266.3	-1.5	10.2

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1 Na h-Eileanan Siar A -9.0% M -6.7% AHP £128,756	2 Orkney Islands A 34.9% M 1.1% AHP £186,698
5 Moray A 8.9% M 1.4% AHP £189,798	6 Aberdeenshire A 8.2% M -3.0% AHP £219,088
9 Angus A 6.9% M -6.6% AHP £179,010	10 Dundee City A 11.1% M -1.9% AHP £161,473
13 Clackmannanshire A 10.6% M -3.9% AHP £163,321	14 Fife A 8.3% M -1.1% AHP £181,857
17 Falkirk A -0.2% M -4.0% AHP £161,682	18 West Lothian A 10.7% M -0.8% AHP £202,227
21 East Lothian A 19.0% M 7.8% AHP £312,343	22 Inverclyde A 7.5% M -5.5% AHP £140,308
25 North Lanarkshire A 7.4% M -1.4% AHP £150,787	26 North Ayrshire A 16.3% M -2.8% AHP £142,754
29 Scottish Borders A 11.7% M 1.4% AHP £209,553	30 South Ayrshire A 17.6% M -3.6% AHP £180,794



3 Shetland Islands A 8.4% M -3.0% AHP £166,640	4 Highland A 9.9% M -1.7% AHP £210,066
7 Aberdeen City A 1.7% M -4.1% AHP £185,271	8 Perth & Kinross A 11.7% M -2.7% AHP £230,787
11 Argyll & Bute A 5.4% M -6.4% AHP £177,472	12 Stirling A 11.0% M -4.2% AHP £234,730
15 West Dunbartonshire A 15.8% M -1.0% AHP £144,164	16 East Dunbartonshire A 11.0% M -1.2% AHP £284,894
19 City of Edinburgh A 12.6% M 3.4% AHP £319,812	20 Midlothian A 7.9% M -2.1% AHP £245,532
23 Renfrewshire A 4.8% M 0.0% AHP £158,500	24 Glasgow City A 14.0% M -6.9% AHP £181,092
27 East Renfrewshire A 8.3% M -5.5% AHP £276,035	28 South Lanarkshire A 7.4% M -1.4% AHP £175,496
31 East Ayrshire A 11.9% M 2.5% AHP £139,525	32 Dumfries & Galloway A 11.8% M -5.1% AHP £168,378

Table 1. Average House Prices in Scotland for the period April 2020 – April 2021  
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
April	2020	£184,393	241.5	-0.5	1.1
May	2020	£183,598	240.5	-0.4	0.2
June	2020	£186,142	243.8	1.4	1.3
July	2020	£187,356	245.4	0.7	1.9
August	2020	£188,123	246.4	0.4	2.5
September	2020	£188,025	246.3	-0.1	2.3
October	2020	£190,820	249.9	1.5	3.9
November	2020	£195,202	255.7	2.3	5.9
December	2020	£198,513	260.0	1.7	7.6
January	2021	£200,362	262.4	0.9	8.1
February	2021	£202,225	264.9	0.9	8.8
March	2021	£206,451	270.4	2.1	11.5
April	2021	£203,292	266.3	-1.5	10.2

**Note:** The Walker Fraser Steele Acadata House Price Index (Scotland) provides the “average of all prices paid for houses”, including those made with cash.

## Alan Penman, Business Development Manager at Walker Fraser Steele, comments:

“When we consider this month’s findings, we should remember that average prices in Scotland remain 10% higher than this time 12 months ago. It’s an important piece of context because our report is a reminder, if any were needed, of how important fiscal support is to the performance of the housing market and how tax holidays drive behaviour and impact confidence.

“We’ve got used to prices rising almost inexorably, but we can see that in April 2021, the monthly growth rate in house prices fell by -1.5%, as a good proportion of higher-value sales had been completed in March. This left mainly lower-value sales being made in April. The downturn in the growth of average prices that occurred in April also feels significant because it contrasts starkly with the ten months of almost uninterrupted price growth that took place from May 2020 onward.

“In terms of transactions, the end of the Land and Buildings Transaction Tax holiday in March boosted sales for that month but thereafter things have cooled. What this has meant, at a regional level, is that the average value of house prices in April fell in 25 of the 32 local authority areas in Scotland, compared to just seven falls in March. This is by no means a sign of things to come but it demonstrates again the impact of the tax holiday.”

## Commentary: John Tindale, Acadata Senior Housing Analyst

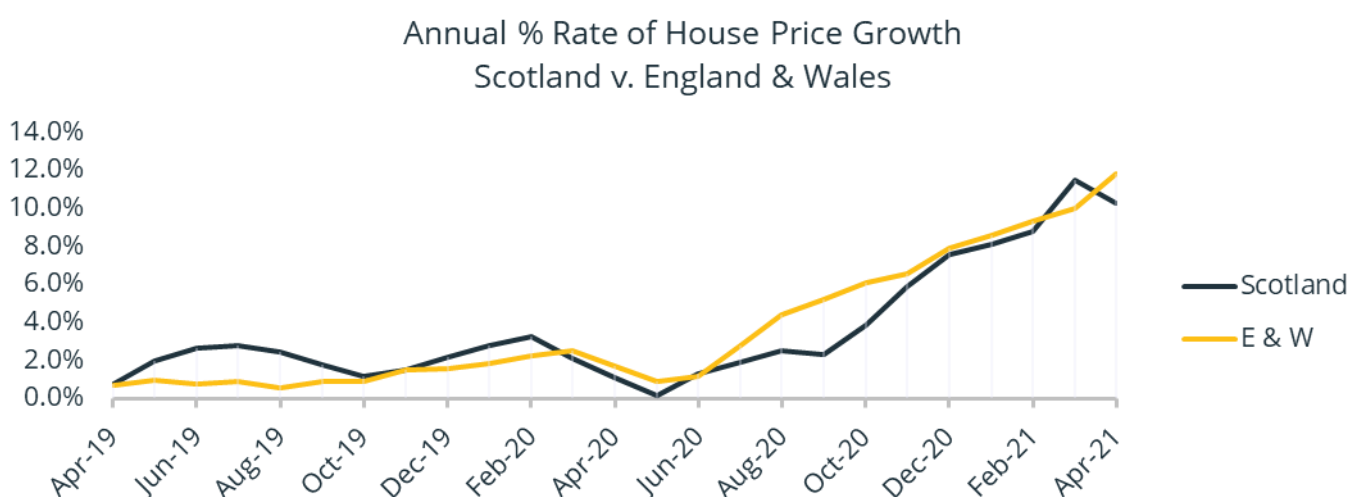
### The April housing market

When a 'stamp-duty holiday' approaches its end date, housing analysts anticipate a rush of relatively high-value sales, as purchasers seek to gain the advantage of the tax holiday before it is too late. All manner of devices are employed, such as conveyancers being instructed to sign the deal before midnight, so to ensure that contracts are completed prior to the deadline. But once the end date is reached, all goes quiet, the rush of additional high-value sales drops away, and the number of transactions returns to previous levels – or on occasions even lower. Additionally, house prices will fall as the market is mainly composed of lower-value properties, since the higher-value purchases will have been brought forward to the previous month where possible, in order to save on the amount of tax paid.

The above scenario describes Scotland's housing market in March and April 2021 to a T. Looking at Table 1 above, we can see that the monthly growth rate in house prices in March 2021 rose by 2.1%, as purchasers of higher value homes aimed to beat the tax holiday deadline. However, in April 2021, the monthly growth rate in house prices fell by -1.5%, as most of the higher-value sales had been brought forward into March, with mainly lower-value sales being made in April.

Looking at Table 3 we can see that the average value of house prices in April fell in 25 of the 32 local authority areas in Scotland, compared to just 7 falls in March. Figure 1 below shows the annual growth rate in house prices that has taken place over the last two years. The downturn in the growth of average prices that occurred in April in Scotland is clearly visible, and contrasts with the ten months of almost uninterrupted price growth that took place from May 2020 onward. It can also be seen that there is no similar dip in price growth taking place in April in England and Wales – but it can be noted that the stamp-duty holiday that ended in Scotland in April was extended for a further 3 – 6 months in both England and Wales.

Figure 1. The average house price in Scotland, for the period April 2019 to April 2021 ([Link to source Excel](#))



Our graph on the next page shows the spike in transactions that took place in Scotland in March which contrasts with the reduction in sales in April. [Back to top](#)

## Transactions analysis

### Monthly transaction counts

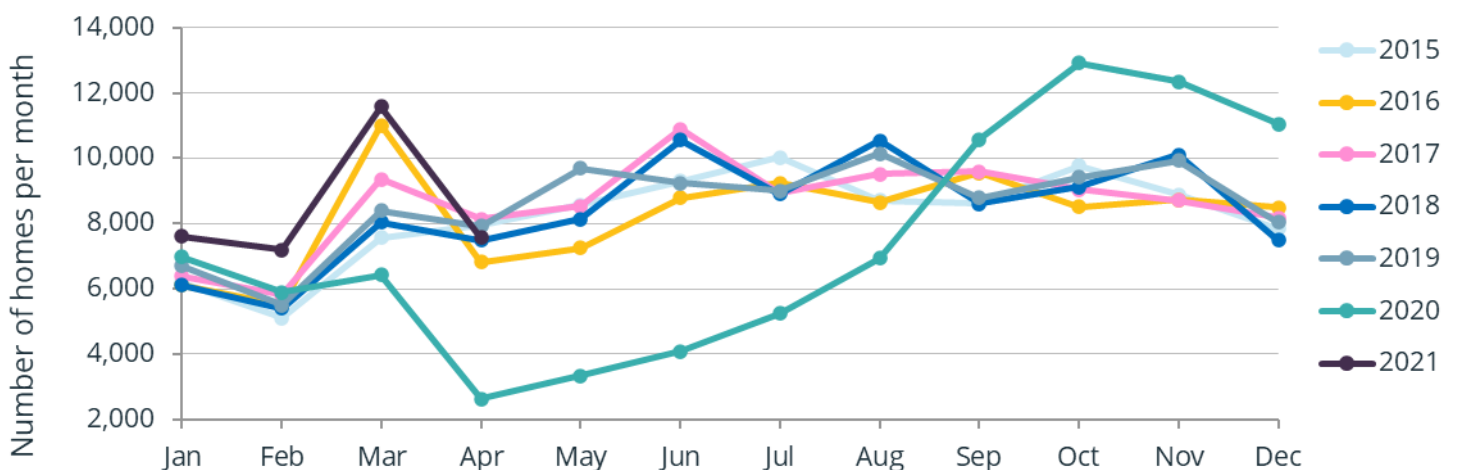
Figure 2 below shows the monthly transaction count for purchases during the period January 2015 to April 2021, based on RoS (Registers of Scotland) figures for the Date of Entry (Applications Date for April). The fall in the number of transactions for the period March 2020 to August 2020 is clearly visible. However, what is also clearly demonstrated is that the number of sales for each month from September 2020 to March 2021 has surpassed that of the same month in the previous six years.

In addition, the boost to sales that took place in March 2021 - as the tax holiday expiry date came ever present - is plain. In fact, entry date sales in March 2021 totalled 11,585 properties, which exceeded even the total sales in March 2015. This was the month immediately prior to the introduction of the LBTT in April of that year, when a similar scramble to get sales made ahead of the higher rates of tax on top-value properties took place. Also clear is the fall in sales in April 2021 to levels that only matched previous years, as opposed to the increased number of transactions that had been taking place from September 2020 onward.

Comparing the 2020 sales total sales with that of 2019, there was a 14% fall in the overall size of the market. However, looking at the number of transactions in Q1 2021 and comparing with Q1 2020, sales are up by 37%. Nevertheless, there has been a 35% reduction in transactions in April 2021 compared to March 2021. The interesting question which remains is whether transactions will return to the high numbers seen during the last four months of 2020, or will they remain at the lower level seen in April of this year?

Figure 2. The number of sales per month recorded by Registers of Scotland based on entry date, for the period 2014 - 2021. April 2021 totals are based on RoS Application numbers, as entry date totals are not yet available. (Source: Registers of Scotland.) ([Link to source Excel](#))

Housing Registrations in Scotland per Month 2015 - 2021



## Scotland transactions of £750k or higher

Table 2. The number of transactions by month in Scotland greater than or equal to £750k, January 2015 – April 2021 ([Link to source Excel](#))

Sales of £750k+							
Month	2015	2016	2017	2018	2019	2020	2021
1	33	27	19	35	43	49	65
2	42	20	15	52	26	33	61
3	231	57	25	34	35	29	110
4	2	27	29	24	36	11	23
5	14	20	31	32	54	16	
6	26	47	43	40	60	35	
7	15	36	55	44	61	40	
8	41	54	62	60	61	40	
9	46	44	56	70	59	67	
10	23	52	48	55	40	113	
11	48	38	37	58	58	108	
12	34	23	40	31	49	104	
<b>Total</b>	<b>555</b>	<b>445</b>	<b>460</b>	<b>535</b>	<b>582</b>	<b>645</b>	<b>259</b>

Table 2 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.

Table 2 indicates that the number of such sales from January to December 2020 totals 645, which is the largest total of the last six years, despite the pandemic having had a dampening effect on the market during the first half of 2020.

The Table also shows the spike in high value sales that took place in March 2021, immediately ahead of the ending of the LBTT tax holiday. The total number of sales shown in Table 2 for March 2021, at 110 transactions, will most likely increase marginally over time, as further sales are processed by RoS.

The 110 sales in the month of March 2021 has only been exceeded twice in the last six years, once in October 2020 as the number of sales of properties accelerated as lifestyle changes during the pandemic became prevalent. The other month in which transactions exceeded the March 2021 total was March 2015, being the month preceding the introduction of the LBTT in April 2015.

One can also observe the lack of high value sales that took place - or rather did not take place - in April 2021. However, the diminution in high value sales in April 2021 is not as severe as that in April 2015. Interestingly, it can be seen that in 2015 it took approximately six months for the high-value market to return to more normal levels of sales following the spike in transactions in March of that year. Will this same pattern of high-value sales similarly apply in 2021?

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## Local Authority Analysis

Table 3. Average House Prices in Scotland, by local authority area, comparing April 2020 with March and April 2021  
([Link to source Excel](#))

Prior Year Rank	Rank By Price	Local Authority Area	Apr-20	Mar-21	Apr-21	Month % Change	Annual % Change
1	1	City of Edinburgh	£283,949	£309,422	£319,812	3.4%	12.6%
2	2	East Lothian	£262,522	£289,784	£312,343	7.8%	19.0%
3	3	East Dunbartonshire	£256,719	£288,299	£284,894	-1.2%	11.0%
4	4	East Renfrewshire	£254,831	£292,224	£276,035	-5.5%	8.3%
5	5	Midlothian	£227,470	£250,729	£245,532	-2.1%	7.9%
6	6	Stirling	£211,436	£245,088	£234,730	-4.2%	11.0%
7	7	Perth and Kinross	£206,700	£237,149	£230,787	-2.7%	11.7%
8	8	Aberdeenshire	£202,438	£225,884	£219,088	-3.0%	8.2%
9	9	Highland	£191,063	£213,626	£210,066	-1.7%	9.9%
10	10	Scottish Borders	£187,678	£206,619	£209,553	1.4%	11.7%
11	11	West Lothian	£182,635	£203,844	£202,227	-0.8%	10.7%
13	12	Moray	£174,285	£187,138	£189,798	1.4%	8.9%
28	13	Orkney Islands	£138,424	£184,615	£186,698	1.1%	34.9%
12	14	Aberdeen City	£182,264	£193,280	£185,271	-4.1%	1.7%
15	15	Fife	£167,896	£183,868	£181,857	-1.1%	8.3%
19	16	Glasgow City	£158,906	£194,428	£181,092	-6.9%	14.0%
20	17	South Ayrshire	£153,800	£187,557	£180,794	-3.6%	17.6%
16	18	Angus	£167,388	£191,674	£179,010	-6.6%	6.9%
14	19	Argyll and Bute	£168,443	£189,560	£177,472	-6.4%	5.4%
17	20	South Lanarkshire	£163,474	£178,015	£175,496	-1.4%	7.4%
23	21	Dumfries and Galloway	£150,617	£177,502	£168,378	-5.1%	11.8%
21	22	Shetland Islands	£153,794	£171,760	£166,640	-3.0%	8.4%
24	23	Clackmannanshire	£147,732	£169,864	£163,321	-3.9%	10.6%
18	24	Falkirk	£162,007	£168,456	£161,682	-4.0%	-0.2%
25	25	Dundee City	£145,289	£164,572	£161,473	-1.9%	11.1%
22	26	Renfrewshire	£151,221	£158,429	£158,500	0.0%	4.8%
27	27	North Lanarkshire	£140,343	£152,949	£150,787	-1.4%	7.4%
31	28	West Dunbartonshire	£124,454	£145,660	£144,164	-1.0%	15.8%
32	29	North Ayrshire	£122,798	£146,913	£142,754	-2.8%	16.3%
29	30	Inverclyde	£130,545	£148,488	£140,308	-5.5%	7.5%
30	31	East Ayrshire	£124,722	£136,120	£139,525	2.5%	11.9%
26	32	Na h-Eileanan Siar	£141,556	£138,027	£128,756	-6.7%	-9.0%
<b>All Scotland</b>			<b>£184,393</b>	<b>£206,451</b>	<b>£203,292</b>	<b>-1.5%</b>	<b>10.2%</b>

Table 3 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for April 2020, as well as for March and April 2021, calculated on a seasonal- and mix-adjusted basis. The ranking in Table 3 is based on the local authority area's average house price for April 2021.

## Monthly change

This month we start our analysis of the Local Authority house prices with a look at the rate of change in prices for the month of April, as it provides some interesting reading. Of the 32 Scottish local authority areas in April, 25 saw house prices fall – this contrasts with the previous month when 25 areas had seen prices rise. The rate of fall in April was -1.5%, whereas in March the climb in prices had been +1.9%. The main reason for the fall in April was, as discussed earlier, the termination of the LBTT stamp-duty holiday on 31st March 2021.

In the areas that experienced a price fall, the average size of that fall amounted to some £6,500 on a weight-adjusted basis (weight adjustment allows for both the size of the fall and the number of transactions involved). The value of £6,500 contrasts with the maximum tax-saving available of £2,100 which would have been saved on properties costing £250,000 or more during the LBTT holiday. However, the fall in values in the areas concerned will not only reflect a potentially lower price being paid for a property, but also a change in the mix of properties being sold, with a movement away from the higher-value homes being sought during the lockdown experience. The question of whether this change in mix is just a short-term consequence of a change in the tax rules, or a longer-term trend, remains to be seen.

It is interesting to note that both the City of Edinburgh and East Lothian, the two local authority areas with the highest average property values in Scotland, both saw prices rise in April, and against the national trend. It is possible to argue that the £2,100 tax saving associated with the LBTT tax holiday is a smaller proportion of the average prices being paid in Edinburgh and East Lothian, compared to the rest of Scotland, and is consequently of lesser importance to potential purchasers of homes in these areas.

The local authority area with the highest increase in prices in the month of April was East Lothian. The housing statistics for East Lothian in April have been elevated by the sale of a 17th century 7-bedroom former Manse in Haddington, for £1.3 million. Haddington is the county town of East Lothian and is located some 17 miles to the east of Edinburgh. It was reportedly the fourth-largest town in Scotland during the High Middle Ages.

Conversely, the local authority area with the largest % fall in prices in April is Glasgow City, where prices have dropped by an average £13,300, or -6.9%, in the month. All property types have seen prices fall in Glasgow, but the most significant reduction is for flats, which are down by £12k, from an average £167k in March 2021 to £155k in April 2021. This is not to say that each individual flat in Glasgow has fallen by £12k, but rather it is more likely there were fewer flat sales at the top end of the price spectrum in April, compared to March, thus lowering the average price paid.

## Annual change

The average house price in Scotland at the end of April 2021 stands at £203,292. This is some £18,900, or 10.2%, higher than at the end of April 2020. This annual rate is 1.3% lower than the revised rate of 11.5% recorded in March 2021 and represents the first fall in the annual rate in the last seven months. As discussed above the fall is due to the cessation of the LBTT holiday on 31st March 2021.

In April 2021, the highest annual increase in prices of the 32 local authority areas was in the Orkney Islands at 34.9%. This April increase was assisted by the inclusion of the purchase of the Islands' most expensive and second-most expensive properties of the last twelve months, for £501,000 and £445,000, respectively. Although we do not know the particular background to these sales, both properties would suit a purchaser looking for wide empty spaces in a life-changing location.

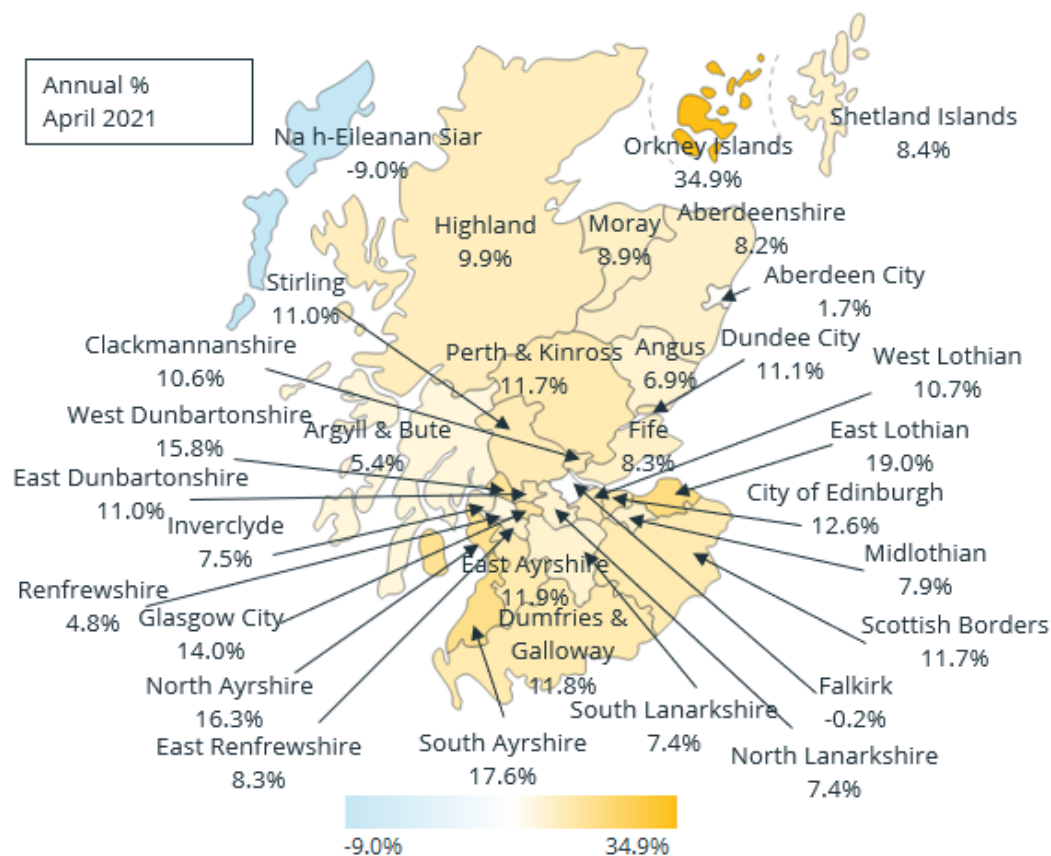
On the mainland in April, the highest annual increase in prices was in East Lothian, up by 19%. East Lothian also set the highest monthly increase in price growth, as described above.

## Peak Prices

Each month, in Table 3 above, we highlight in light blue the local authority areas which have reached a new record in their average house prices. In April there are 7 such authorities, down from 20 local authorities in March – again another indication of the change in market behaviour following the cessation of the LBTT tax holiday at the end of March.

## Heat Map

The heat map below shows the rate of house price growth for the 12 months ending April 2021. Of the 32 local authority areas only 2 are reporting a decrease in their housing values over the last year, being Falkirk (-0.2%) and Na h-Eileanan Siar (-9.0%).



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## Comparisons with Scotland

Figure 3. Scotland house prices, compared with England and Wales, Wales, North East and North West for the period January 2005-April 2021 ([Link to source Excel](#))

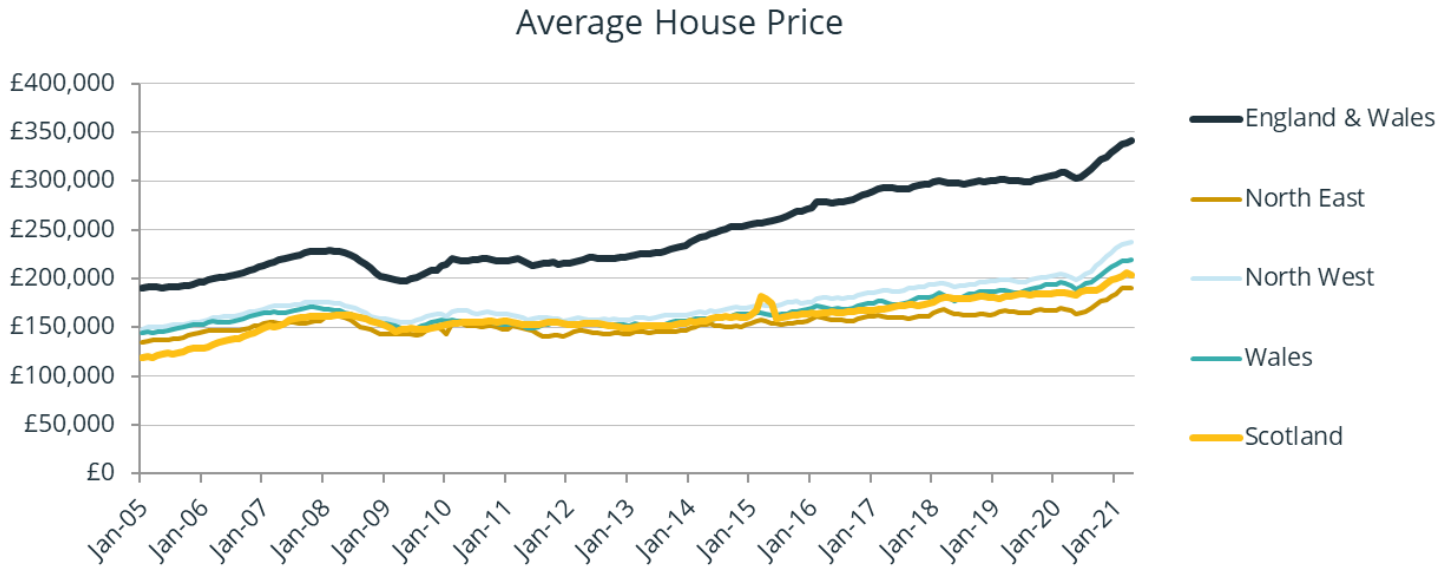
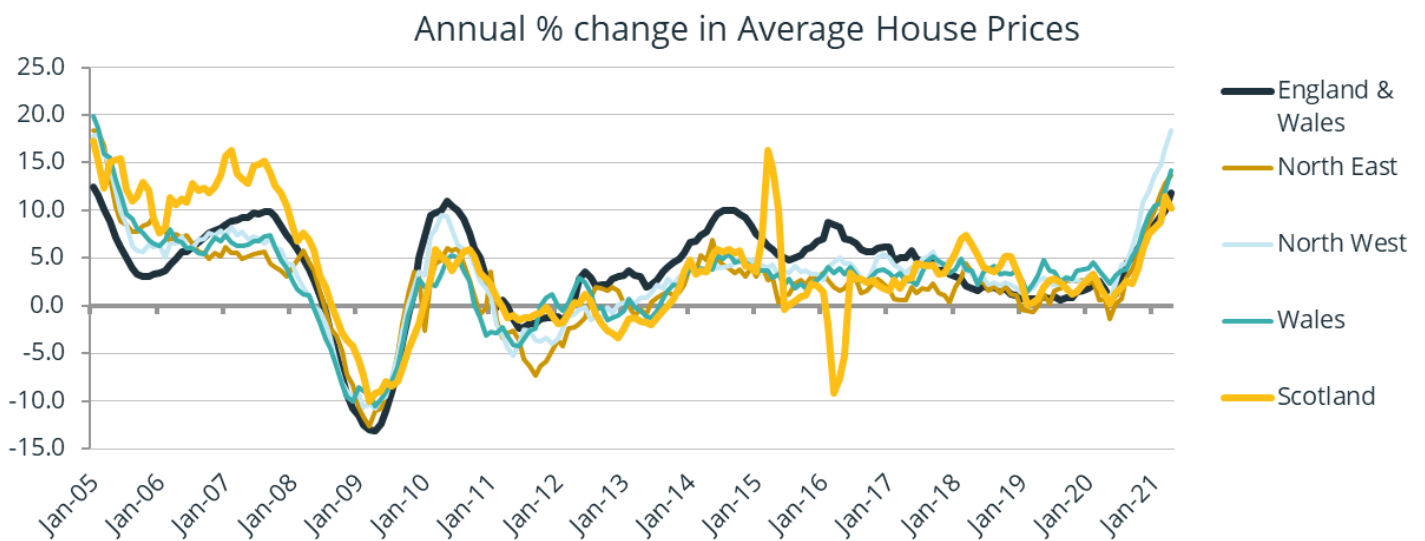


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005-April 2021 ([Link to source Excel](#))



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## Scotland's Seven Cities

Figure 5. Average house prices for Scotland's seven cities from February 2020–April 2021 ([Link to source Excel](#))

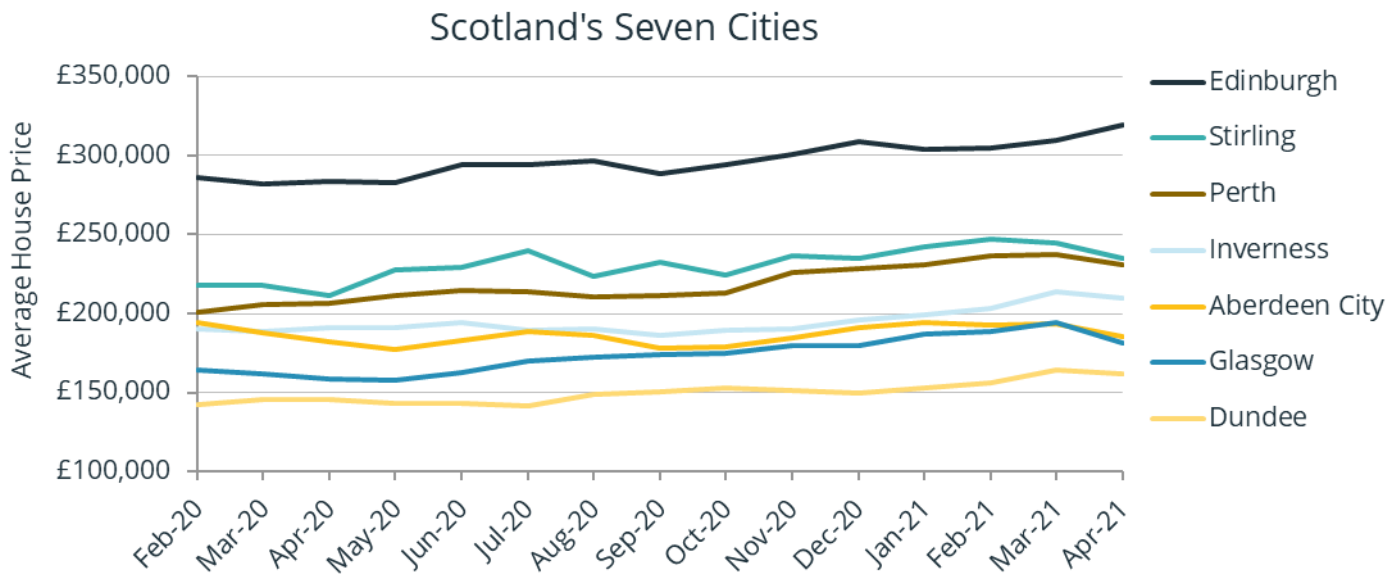
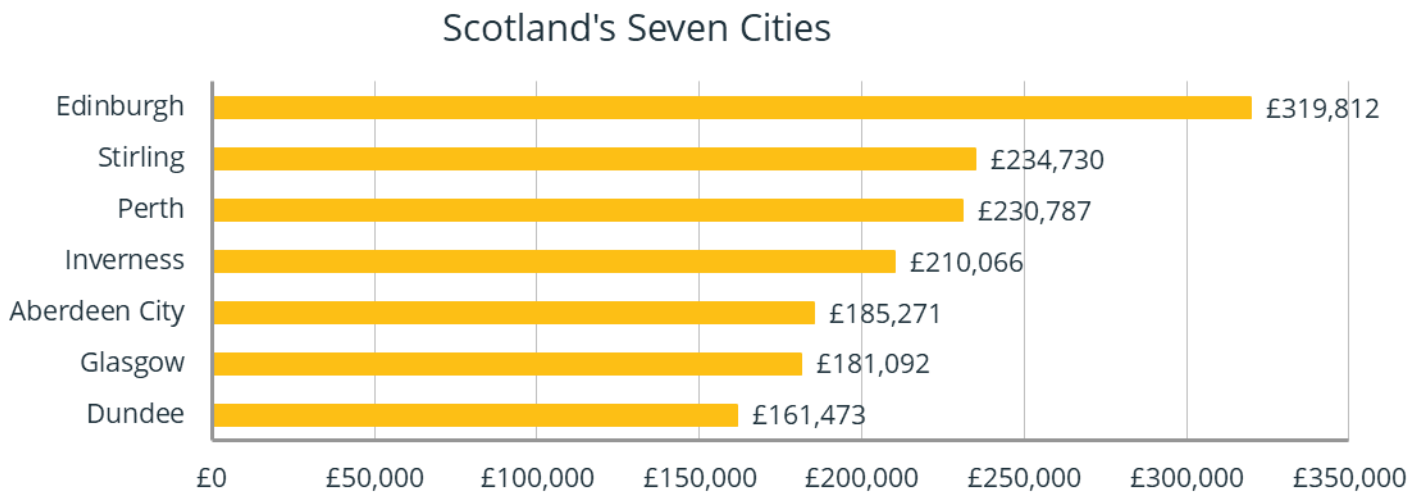


Figure 6. Average house prices for Scotland's seven cities April 2021 ([Link to source Excel](#))



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## 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](#). [Back to top](#)

## 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](http://www.walkerfrasersteele.co.uk)

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