

House Prices increase by £100 per day in October

- ✓ Scotland's HPI Index passes 250.0 for the first time
- ✓ September transactions highest for seven years
- ✓ 13 authorities set record average prices in October

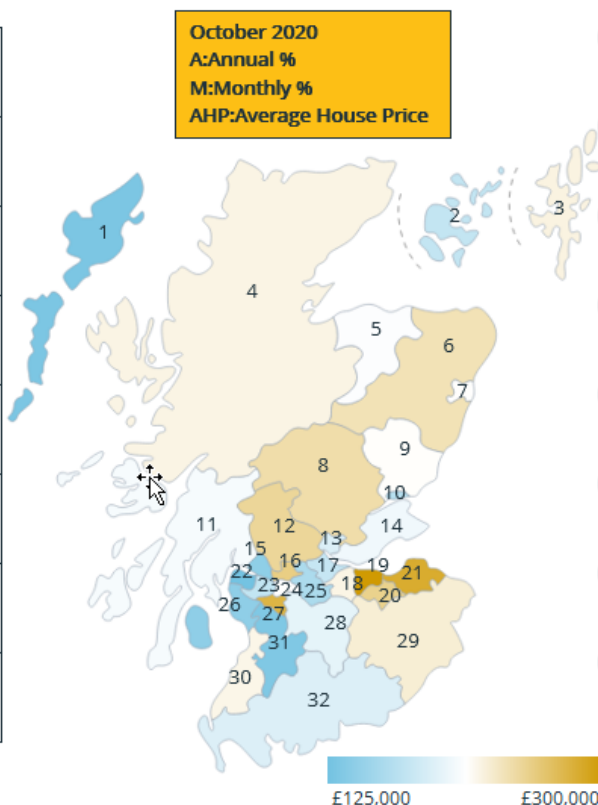
Notes:

- The *Walker Fraser Steele House Price Index (Scotland)* was formerly 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 %
£191,989	251.4	1.8	4.1

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1 Na h-Eileanan Siar A 0.1% M -3.1% AHP £129,956	2 Orkney Islands A -7.3% M 2.8% AHP £154,144
5 Moray A 3.8% M 1.4% AHP £173,505	6 Aberdeenshire A -1.9% M 2.6% AHP £210,047
9 Angus A 3.3% M 5.0% AHP £176,712	10 Dundee City A 7.6% M 0.7% AHP £150,141
13 Clackmannanshire A 3.9% M 4.4% AHP £162,451	14 Fife A 4.4% M 3.2% AHP £169,607
17 Falkirk A -0.7% M 1.4% AHP £155,052	18 West Lothian A 4.2% M 4.4% AHP £187,363
21 East Lothian A 8.2% M -2.1% AHP £276,051	22 Inverclyde A 0.7% M 4.1% AHP £126,996
25 North Lanarkshire A 4.2% M 1.3% AHP £146,254	26 North Ayrshire A 7.7% M 4.7% AHP £136,383
29 Scottish Borders A 7.6% M 5.0% AHP £195,772	30 South Ayrshire A 16.4% M 2.8% AHP £185,992



3 Shetland Islands A 22.7% M -3.2% AHP £189,096	4 Highland A 2.0% M 1.4% AHP £187,888
7 Aberdeen City A -9.0% M -1.2% AHP £175,793	8 Perth & Kinross A 4.2% M 2.2% AHP £216,200
11 Argyll & Bute A -0.3% M 0.4% AHP £171,649	12 Stirling A 7.3% M -3.8% AHP £224,530
15 West Dunbartonshire A 10.7% M 0.7% AHP £136,500	16 East Dunbartonshire A -5.8% M -2.0% AHP £234,584
19 City of Edinburgh A 5.1% M 2.5% AHP £297,626	20 Midlothian A 1.8% M 1.4% AHP £230,300
23 Renfrewshire A 6.3% M 2.5% AHP £153,925	24 Glasgow City A 9.0% M 0.6% AHP £175,380
27 East Renfrewshire A 5.1% M 2.6% AHP £265,403	28 South Lanarkshire A 1.5% M -0.2% AHP £165,878
31 East Ayrshire A 6.0% M 7.7% AHP £131,141	32 Dumfries & Galloway A 12.5% M 7.0% AHP £162,532

Table 1. Average House Prices in Scotland for the period October 2019 – October 2020
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
October	2019	£184,356	241.5	0.2	1.1
November	2019	£185,733	243.3	0.7	1.5
December	2019	£186,260	243.9	0.3	2.3
January	2020	£186,611	244.4	0.2	2.7
February	2020	£186,682	244.5	0.0	3.2
March	2020	£186,192	243.9	-0.3	2.0
April	2020	£185,571	243.0	-0.3	1.2
May	2020	£184,386	241.5	-0.6	0.1
June	2020	£186,588	244.4	1.2	1.1
July	2020	£187,715	245.8	0.6	1.8
August	2020	£188,409	246.8	0.4	2.6
September	2020	£188,683	247.1	0.1	2.6
October	2020	£191,989	251.4	1.8	4.1

Note: The Walker Fraser Steele 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:

“The release of pent-up demand from earlier in the year saw average house prices in Scotland increase again in October, up 1.8% on September’s figure and up 4.1% on October 2019. This rising tide has affected most of Scotland: 26 of the 32 local authority areas saw year-on-year price increases in October.

“Transaction data confirms that September was an exceptional month, with the number of property transactions increasing to an unusually high level. Though this uptick later in the year hasn’t quite compensated for the unusually low levels of activity we saw during the lockdown between March and August. Statistics for the first nine months of 2020 show that this year’s sales are at just 67% of the average levels seen during the same period in 2019.

“This uneven distribution of transactions, combined with the vital safety measures made necessary by Covid-19, have slowed property purchase times at points with some Scottish buyers having faced delays. Despite this, the fact that prices continue to grow and that transactions have continued at these levels, is a clear indicator of the strength and durability of the Scottish housing market.”

Commentary: John Tindale, Acadata Senior Housing Analyst

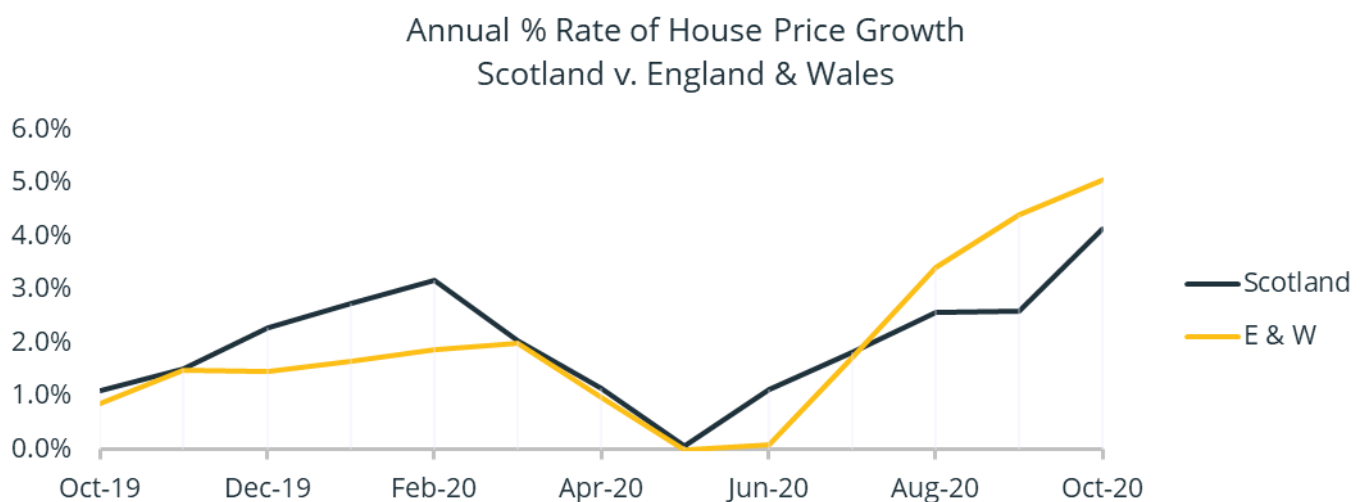
The October housing market

House prices continued to climb in Scotland's October Housing Market, with the monthly rate reaching 1.8% - the highest level since February 2018 - and the annual rate increasing to 4.1% from its level of 2.6% in September. There are three main factors which continue to keep prices high:-

- i) "Lifestyle changes" and the lockdown. During the first phase of the pandemic, all who could were instructed to work from home, which led many to the realisation that with modern communications in place, this could become a potentially permanent feature, and that hence for some it was no longer necessary to be in commuting distance of a city. Features of the 'ideal' property changed to include homes with study areas, gardens, and proximity to open and possibly less crowded spaces. An appetite for larger homes had thus been created.
- ii) "The LBTT holiday". Overnight, house purchase costs suddenly became cheaper as the LBTT holiday was introduced, with the threshold being raised to £250,000 from its previous level of £145,000. At Acadata we estimate the temporary threshold will exempt some 78% of all purchases of homes in Scotland from the tax, based on 2020 transactions, compared to 44% if the old threshold level were to apply.
- iii) "Low Interest rates". Interest rates are currently close to historic lows. This has a two-fold effect on the demand for housing. Firstly, the long-term cost of owning a property is reduced, with interest payments being less of an outgoing for a given price. Secondly, because the interest earned on spare cash is minimal, there are many who are tempted to purchase a property as a 'buy-to-let' investment opportunity, as the rental yield is likely to be higher than leaving the cash in the bank.

All of these factors are then reflected in Figure 1 below, which shows an initial fall in the rate of annual house price growth during the first lockdown from March to May 2020, followed by a release of pent-up demand, as the housing market re-opened in June 2020.

Figure 1. The annual % rate of House Price Growth in Scotland and England and Wales, for the period October 2019 to October 2020 ([Link to source Excel](#))



One other newsworthy event took place in October 2020. Our Scotland HPI Index went through 250.0 for the first time – indicating that average prices have increased 2.5 times since January 2000. We discuss this in more detail on pages 7 and 8. [Back to top](#)

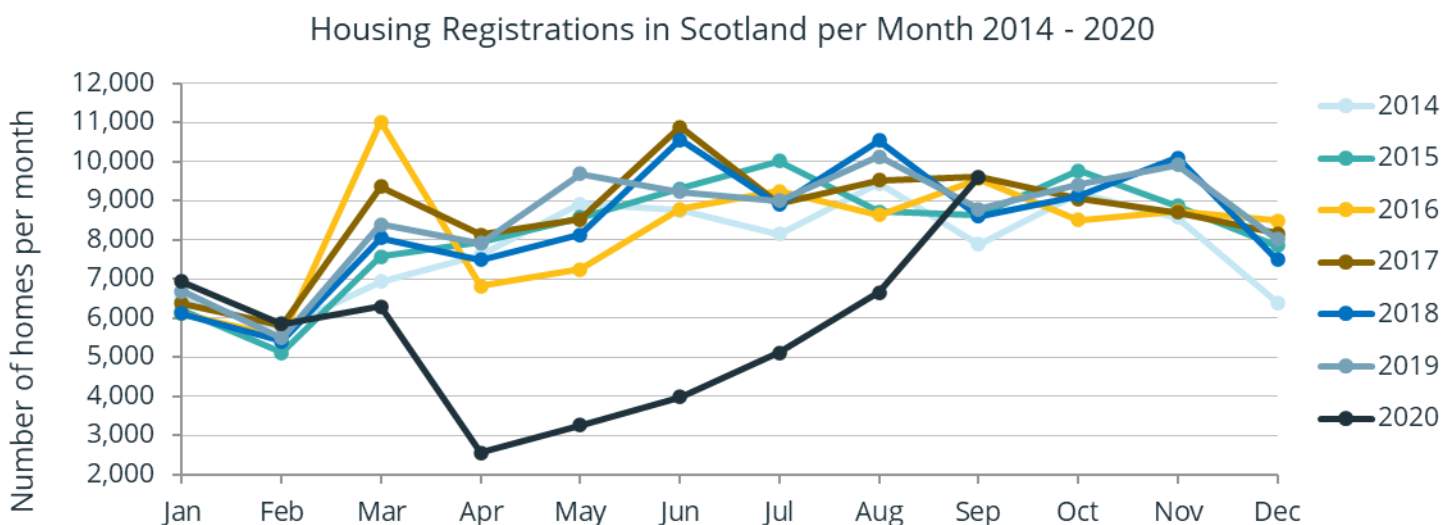
Transactions analysis

Monthly transaction counts

Figure 2 below shows the monthly transaction count for purchases during the period January 2014 to September 2020, based on RoS (Registers of Scotland) figures for the Date of Entry. The fall in the number of transactions for the period April 2020 to August 2020 is clearly visible. However, as the graph shows, the number of sales in September 2020 has surpassed the totals of the previous six years. We anticipate that the October 2020 total will similarly match or exceed the previous year's figures. The number of transactions in September and October indicates a widespread increase in the demand for homes, and shows that the market is not just being powered by a small number of purchases at the top end of the market.

Comparing the first nine months of 2020 with the same period in 2019, Scotland's 2020 sales are running at 67% of their 2019 total. The equivalent figure for England and Wales combined for the same period shows that sales are running at 70% of the 2019 totals.

Figure 2. The number of sales per month recorded by Registers of Scotland based on entry date, for the period 2014 - 2020 (Source: Registers of Scotland.) ([Link to source Excel](#))



Edinburgh transactions of £750k or higher

Table 2. The number of transactions by month in Edinburgh greater than or equal to £750k, January 2016 - October 2020 ([Link to source Excel](#))

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2016	11	12	25	20	12	28	19	25	27	31	15	13	238
2017	6	6	13	15	16	20	35	43	24	22	22	23	245
2018	18	33	16	11	12	23	27	37	44	35	33	20	309
2019	24	12	23	20	38	32	37	32	36	28	32	27	341
2020	29	17	17	11	9	19	21	18	32	31			204

Table 2 shows the number of transactions per month in Edinburgh 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 shows the number of such sales from January to October 2020 totals 204. The equivalent number of sales for the first ten months of 2019 is 282, i.e. there has been a reduction of 28% in high-value transactions. One can note that October 2020 is the first month since the first 'lockdown' in March 2020 where the 2020 figure is larger than the 2019 monthly total.

Local Authority Analysis

Table 3. Average House Prices in Scotland, by local authority area, comparing October 2019 and September 2020 with October 2020 ([Link to source Excel](#))

	Rank By Price	Local Authority Area	Oct-19	Sep-20	Oct-20	Month % Change	Annual % Change
1	1	City of Edinburgh	£283,132	£290,318	£297,626	2.5%	5.1%
2	2	East Lothian	£255,141	£281,897	£276,051	-2.1%	8.2%
3	3	East Renfrewshire	£252,544	£258,799	£265,403	2.6%	5.1%
4	4	East Dunbartonshire	£248,911	£239,342	£234,584	-2.0%	-5.8%
5	5	Midlothian	£226,321	£227,047	£230,300	1.4%	1.8%
7	6	Stirling	£209,323	£233,490	£224,530	-3.8%	7.3%
8	7	Perth and Kinross	£207,431	£211,467	£216,200	2.2%	4.2%
6	8	Aberdeenshire	£214,204	£204,628	£210,047	2.6%	-1.9%
11	9	Scottish Borders	£182,009	£186,454	£195,772	5.0%	7.6%
23	10	Shetland Islands	£154,136	£195,290	£189,096	-3.2%	22.7%
10	11	Highland	£184,278	£185,257	£187,888	1.4%	2.0%
12	12	West Lothian	£179,750	£179,463	£187,363	4.4%	4.2%
20	13	South Ayrshire	£159,819	£180,861	£185,992	2.8%	16.4%
14	14	Angus	£170,984	£168,252	£176,712	5.0%	3.3%
9	15	Aberdeen City	£193,091	£177,960	£175,793	-1.2%	-9.0%
19	16	Glasgow City	£160,879	£174,331	£175,380	0.6%	9.0%
15	17	Moray	£167,132	£171,075	£173,505	1.4%	3.8%
13	18	Argyll and Bute	£172,157	£170,917	£171,649	0.4%	-0.3%
18	19	Fife	£162,535	£164,324	£169,607	3.2%	4.4%
17	20	South Lanarkshire	£163,495	£166,281	£165,878	-0.2%	1.5%
25	21	Dumfries and Galloway	£144,484	£151,946	£162,532	7.0%	12.5%
21	22	Clackmannanshire	£156,304	£155,657	£162,451	4.4%	3.9%
22	23	Falkirk	£156,191	£152,860	£155,052	1.4%	-0.7%
16	24	Orkney Islands	£166,345	£149,924	£154,144	2.8%	-7.3%
24	25	Renfrewshire	£144,788	£150,229	£153,925	2.5%	6.3%
27	26	Dundee City	£139,571	£149,145	£150,141	0.7%	7.6%
26	27	North Lanarkshire	£140,404	£144,432	£146,254	1.3%	4.2%
32	28	West Dunbartonshire	£123,348	£135,500	£136,500	0.7%	10.7%
29	29	North Ayrshire	£126,618	£130,277	£136,383	4.7%	7.7%
31	30	East Ayrshire	£123,700	£121,794	£131,141	7.7%	6.0%
28	31	Na h-Eileanan Siar	£129,854	£134,115	£129,956	-3.1%	0.1%
30	32	Inverclyde	£126,123	£121,982	£126,996	4.1%	0.7%
All Scotland			£184,356	£188,683	£191,989	1.8%	4.1%

Table 3 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for October 2019 and September and October 2020, calculated on a seasonal- and mix-adjusted basis.

Annual change

The average house price in Scotland at the end of October showed an increase of some £7,630, or 4.1%, over the last twelve months. This annual rate is +1.5% higher than the revised rate of 2.6% seen in September 2020. In October, 26 of the 32 local authority areas in Scotland have seen house prices rise over the year, which is up by 4 on the number seen in September 2020.

In October 2020, the highest annual increase in prices of the 32 local authority areas occurred in the Shetland Islands at 22.7%: however, areas which have low transaction numbers tend to have volatile movements in their average house prices, particularly when expressed in percentage terms. The Shetland Islands is a case in point - here only 23 transactions have taken place in October. South Ayrshire is in second place, with a price increase over the year of 16.4%.

Sales in South Ayrshire in October included the area's most expensive detached and semi-detached properties of the calendar year, the former being a splendid 7-bedroom home in Troon, purchased for £1.7 million, with views over the Firth of Forth, and the latter having 6 bedrooms, being part of a larger Georgian mansion located in central Ayr and sold for £600k.

In October, on a weight-adjusted basis - which takes into account both the percentage change in prices and the number of properties sold - the cities of Edinburgh and Glasgow collectively accounted for 38% of the uplift of £7,630 in Scotland's average house price. Indeed, if we add South Ayrshire and Fife to these two cities, then we have explained 50% of the increase in prices that has taken place at the national level over the last twelve months.

In both Edinburgh and Glasgow, it is the price of flats that has had the largest influence on prices over the last twelve months, with Glasgow flats up from an average £140k in October 2019 to an average £157k this October, while in Edinburgh the equivalent figures are up from £250k to £265k.

In Fife, all property types have had an increase in prices over the year, with almost equal gains being seen in detached, semi-detached and terraced properties. The statistics for properties in Fife in October have been assisted by the sale of a 7-bedroom Victorian terrace in St Andrews, for £1.6 million. It is located close to the University and the town centre, and represents the second most expensive terrace sold in Fife in the calendar year.

Monthly change

In October 2020, average house prices in Scotland have risen by £3,300, or +1.8%, from their level in September, and now stand at £191,989. This price sets another record level for Scotland for the fifth month in a row, as prices climb back from the dip which occurred during the early months of the COVID-19 lockdown, from March to May 2020.

In October, 25 local area authorities saw prices rise in the month, with just 7 having price falls. This contrasts with the previous month when 17 areas saw price rises and 15 had price falls. Of the 7 areas which saw falling prices in October, 3 had reached record prices in September, assisted by the

purchase of high-value properties in that month. With no similar high-priced properties being purchased in October, average prices in these areas have fallen back to more normal levels.

Looking at the area with the highest change in prices during the month, East Ayrshire takes the top place, with 7.7% growth. The month's statistics include the purchase of the highest-priced terraced home in East Ayrshire during the calendar year. The property is located in High Chapeltoun, near Stewarton, and sold for £930k – this compares with an average price of £92k for a terraced property in East Ayrshire, suggesting the Chapeltoun property must be something rather special.

Peak Prices

Each month, in Table 3 above, we highlight the local authority areas which have reached a new record in their average house prices. In October there are 13 such authorities, compared to 8 in September. The common feature of the 13 authorities in October, as with the previous month, is that they have all seen the purchase of the highest-priced property of this calendar year for one of the four property types which we monitor (detached, semi-detached, terraced and flats). Indeed, for several authorities there is more than one property type reaching a new record price in the month. For example, in Clackmannanshire the highest-priced detached property of the year was purchased in Dollar in October for £990k. Additionally, in October, the highest-priced semi-detached of the year was also purchased in Dollar for £385k.

As we noted last month, it is not surprising that so many authorities are currently witnessing their highest ever average prices for properties purchased in a month. In the current pandemic, there is considerable competition from buyers to purchase the largest homes on the market, which need to have space available for a home office, plus recreational areas outdoors. The strength of demand for such premises keeps their prices high.

Scotland HPI Index

As mentioned on page 3, our HPI Index for Scotland, which we publish each month, now stands at 251.4. The Index was based at 100.0 in January 2000 with a base average price of £76,354. October 2020 marks the first time that the Index has exceeded 250.0, indicating that the average house price has increased 2.5 times since its base date, ie over the last twenty years (less two months).

On the next page – to mark this event – we show the growth in the average house price for each local authority area since January 2000. (Note the full RoS register didn't come into existence until April 2003, so we have back estimated data for the period Jan 2000 – April 2003, based on our National figures for that period.)

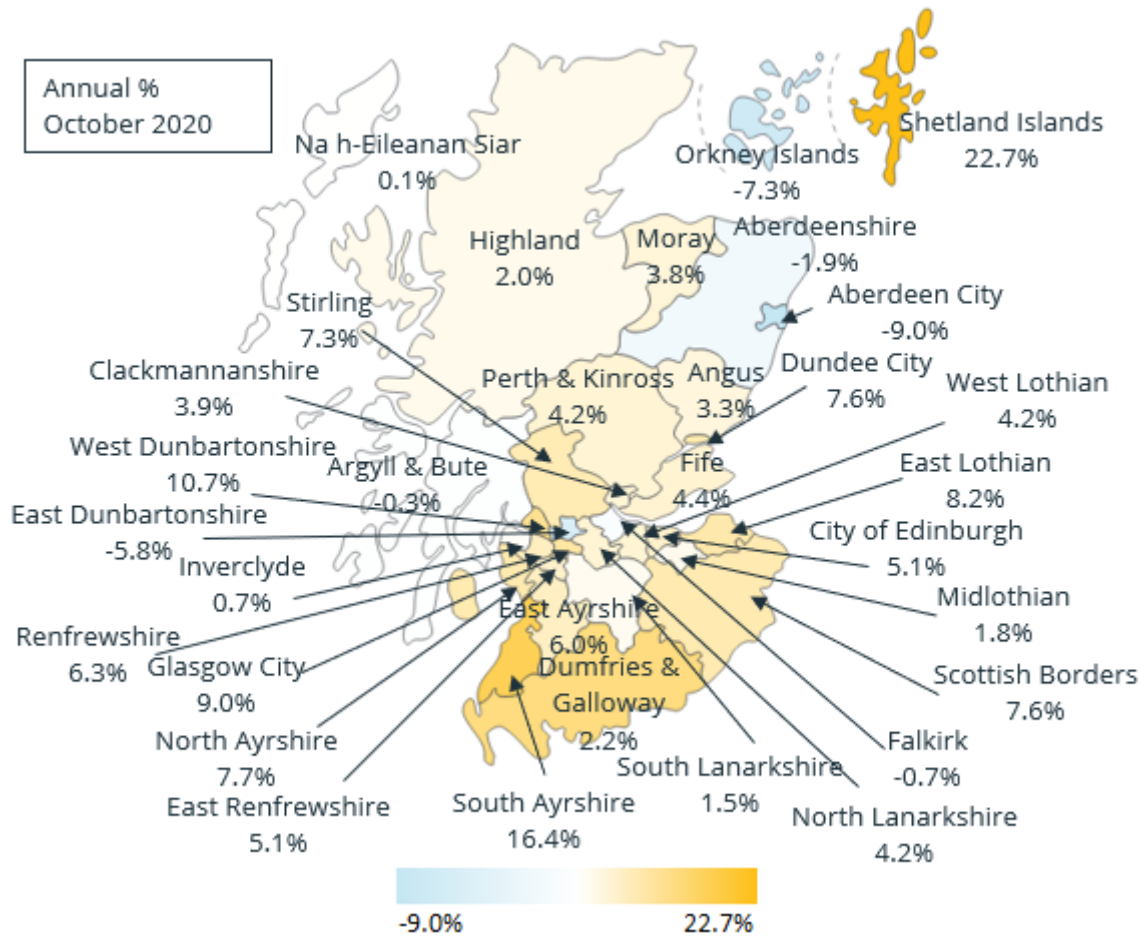
The area with the highest growth over the 20 years is the Shetland Islands, with Na h-Eileanan Siar and the Orkney Islands in second and fourth positions, sandwiching Moray in third position. The two authorities with the lowest growth in prices over the twenty years are Glasgow and Inverclyde.

Table 4. Twenty-Year Average House Price growth in Scotland, by local authority area, comparing January 2000 and October 2020 ([Link to source Excel](#))

Rank by 20 Year Growth	LOCAL AUTHORITY AREA	Jan 2000	Oct 2020	20 Year Index Change
1	Shetland Islands	£49,805	£189,096	379.7
2	Na h-Eileanan Siar	£40,610	£129,956	320.0
3	Moray	£55,006	£173,505	315.4
4	Orkney Islands	£49,268	£154,144	312.9
5	East Lothian	£91,587	£276,051	301.4
6	Dundee City	£53,398	£150,141	281.2
7	Midlothian	£82,014	£230,300	280.8
8	Highland	£69,544	£187,888	270.2
9	Clackmannanshire	£60,503	£162,451	268.5
10	Aberdeenshire	£78,244	£210,047	268.5
11	Falkirk	£57,975	£155,052	267.4
12	Renfrewshire	£57,740	£153,925	266.6
13	North Lanarkshire	£54,940	£146,254	266.2
14	West Lothian	£71,494	£187,363	262.1
15	Perth and Kinross	£82,531	£216,200	262.0
16	Fife	£65,510	£169,607	258.9
17	Angus	£68,886	£176,712	256.5
18	South Ayrshire	£72,612	£185,992	256.1
19	Stirling	£87,718	£224,530	256.0
20	Aberdeen City	£69,173	£175,793	254.1
21	Argyll and Bute	£68,261	£171,649	251.5
22	Scottish Borders	£79,062	£195,772	247.6
23	City of Edinburgh	£120,315	£297,626	247.4
24	Dumfries and Galloway	£66,454	£162,532	244.6
25	South Lanarkshire	£68,616	£165,878	241.7
26	East Renfrewshire	£113,764	£265,403	233.3
27	North Ayrshire	£58,751	£136,383	232.1
28	East Dunbartonshire	£102,728	£234,584	228.4
29	East Ayrshire	£57,629	£131,141	227.6
30	West Dunbartonshire	£61,352	£136,500	222.5
31	Glasgow City	£79,609	£175,380	220.3
32	Inverclyde	£68,191	£126,996	186.2
	All Scotland	£76,354	£191,989	251.4

Heat Map

The heat map below shows the annual rate of house price growth for the 12 months ending October 2020.



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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–October 2020 ([Link to source Excel](#))

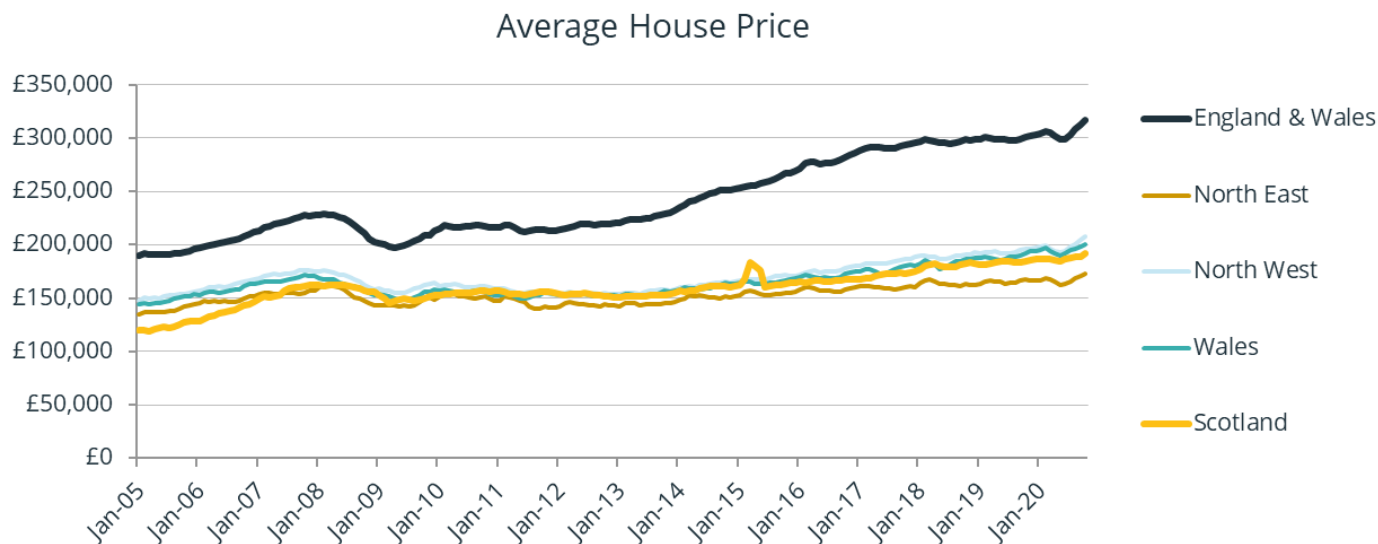
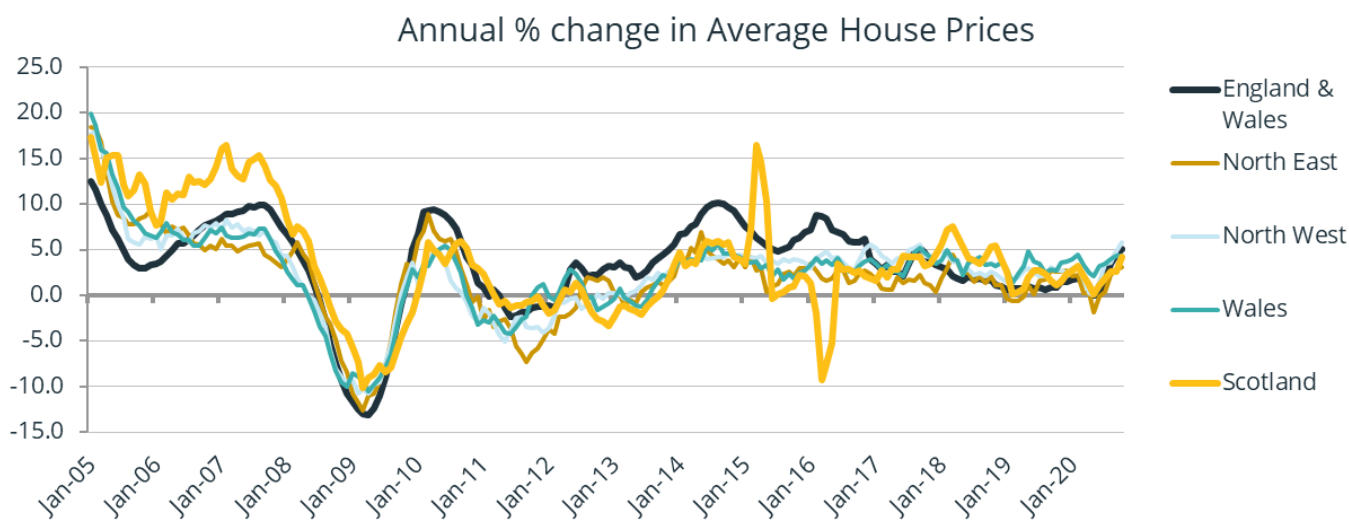


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005–October 2020 ([Link to source Excel](#))



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Scotland's Seven Cities

Figure 5. Average house prices for Scotland's seven cities from August 2019–October 2020 ([Link to source Excel](#))

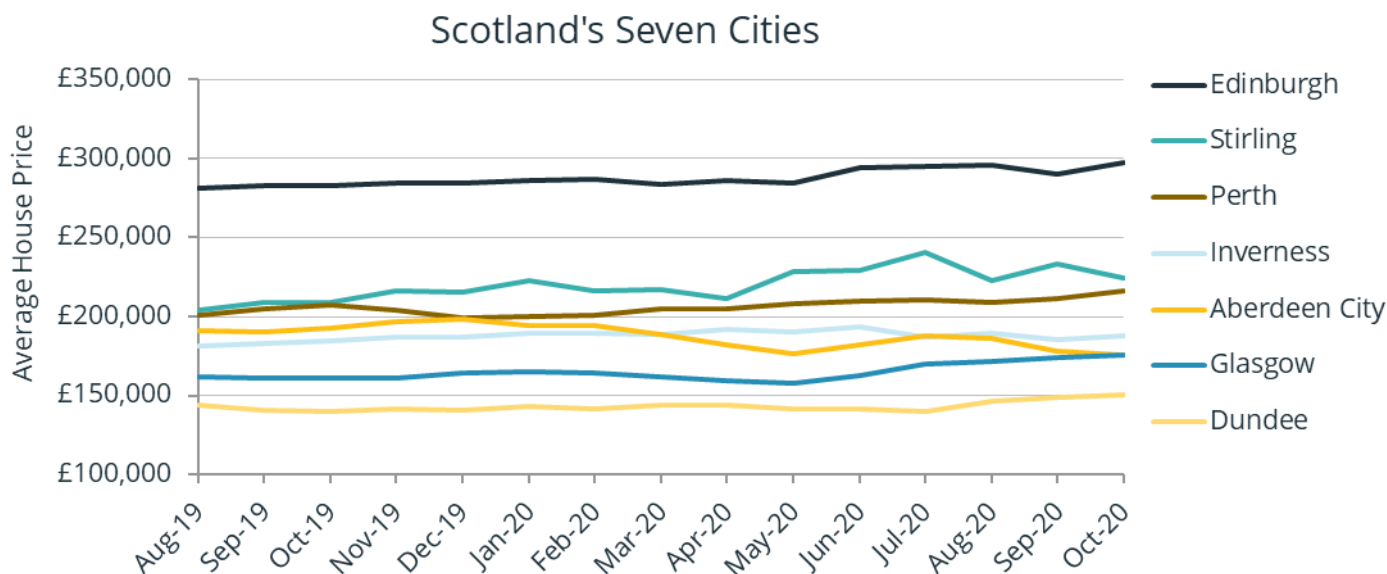
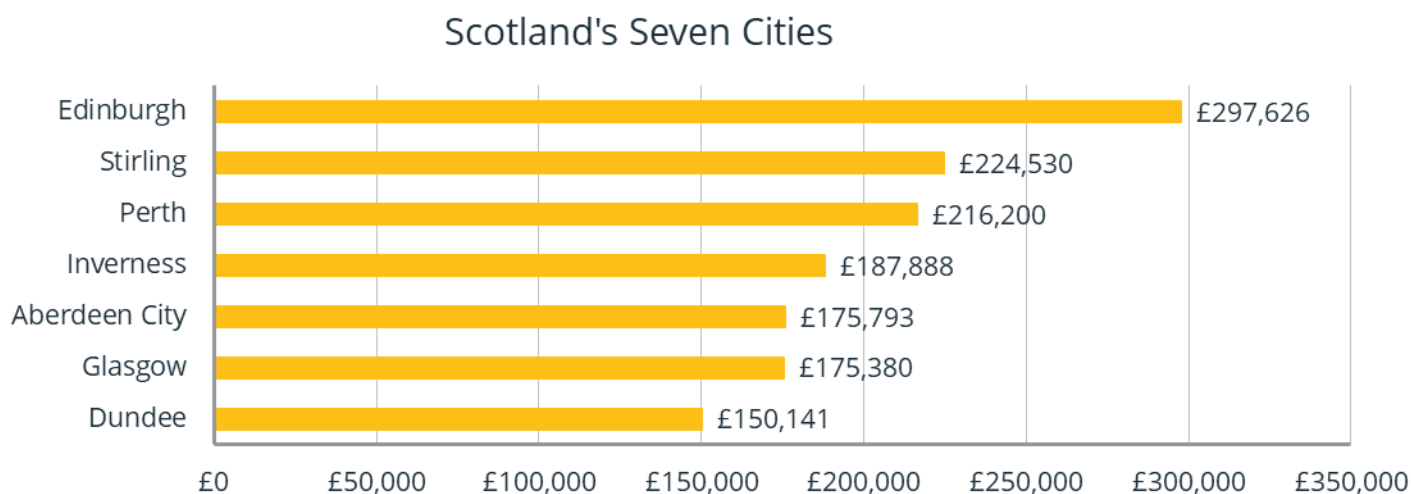


Figure 6. Average house prices for Scotland's seven cities October 2020 ([Link to source Excel](#))



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Notes

The *Walker Fraser Steele 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 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 HPI (Scotland) is not forecast, unlike the e.surv 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 HPI (Scotland), like the e.surv HPI (England and Wales), comprises a smoothed average of three months' prices, the Walker Fraser Steele 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 HPI (England and Wales). Since we provide only a national England and Wales average price in our current month e.surv HPI (England and Wales) and prices at region and lower levels are lagged one month, this procedure means that the Walker Fraser Steele HPI (Scotland) prices are contemporaneous with the prices published for the equivalent month for England and Wales and the regions. All Walker Fraser Steele 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 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 HPI (Scotland) please click [here](#).

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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

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