

House prices continue to rise in September

- ✓ Lockdown-inspired 'lifestyles' influencing buyers' choice
- ✓ Stirling has highest annual growth on the mainland, at 14.1%

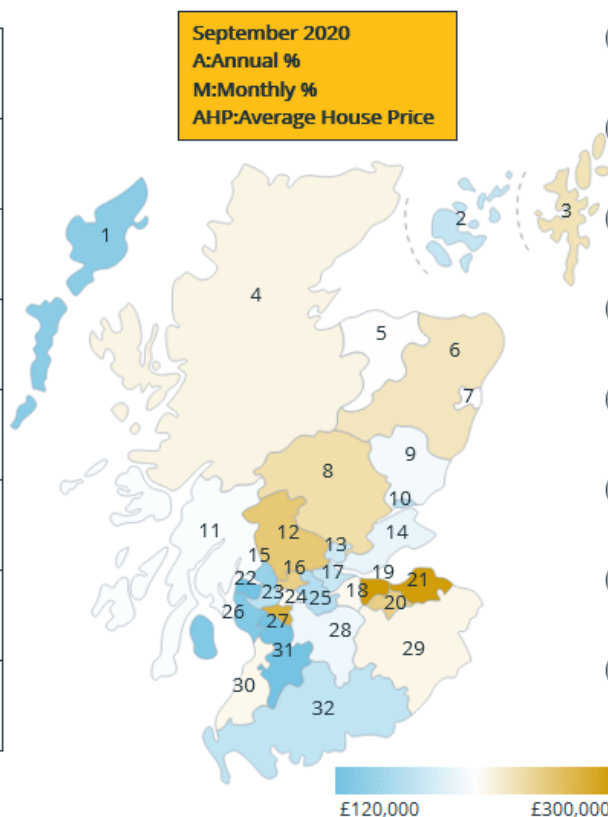
Notes:

- 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 %
£189,452	248.1	0.2	3.0

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1 Na h-Eileanan Siar A 2.6% M 2.5% AHP £130,118	2 Orkney Islands A -7.5% M -7.5% AHP £150,775
5 Moray A 6.4% M 2.1% AHP £174,224	6 Aberdeenshire A -3.5% M -3.7% AHP £203,863
9 Angus A -0.1% M 5.5% AHP £168,712	10 Dundee City A 6.0% M 1.8% AHP £149,532
13 Clackmannanshire A -0.9% M -2.5% AHP £155,367	14 Fife A -0.1% M -0.8% AHP £164,658
17 Falkirk A 0.3% M -0.3% AHP £152,735	18 West Lothian A 0.4% M -1.6% AHP £180,157
21 East Lothian A 11.2% M 3.9% AHP £290,242	22 Inverclyde A -6.1% M -2.1% AHP £122,067
25 North Lanarkshire A 6.3% M 1.6% AHP £145,528	26 North Ayrshire A 0.0% M -1.8% AHP £127,194
29 Scottish Borders A 3.8% M 2.3% AHP £184,389	30 South Ayrshire A 13.4% M 0.7% AHP £181,720



3 Shetland Islands A 28.4% M 25.0% AHP £206,815	4 Highland A 1.3% M -1.8% AHP £185,684
7 Aberdeen City A -8.3% M -6.6% AHP £174,117	8 Perth & Kinross A 3.7% M 1.1% AHP £212,503
11 Argyll & Bute A -0.2% M 2.0% AHP £171,068	12 Stirling A 14.1% M 7.2% AHP £238,294
15 West Dunbartonshire A 10.9% M -1.2% AHP £134,956	16 East Dunbartonshire A -7.5% M -1.7% AHP £230,568
19 City of Edinburgh A 3.5% M -2.0% AHP £292,766	20 Midlothian A 1.3% M 3.3% AHP £230,569
23 Renfrewshire A 0.2% M -0.4% AHP £148,125	24 Glasgow City A 10.4% M 2.4% AHP £177,495
27 East Renfrewshire A 2.3% M 6.3% AHP £265,394	28 South Lanarkshire A 3.7% M 1.8% AHP £166,545
31 East Ayrshire A -1.9% M -2.6% AHP £121,880	32 Dumfries & Galloway A 2.2% M 4.2% AHP £149,917

Table 1. Average House Prices in Scotland for the period September 2019 – September 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 %
September	2019	£183,920	240.9	0.1	1.7
October	2019	£184,370	241.5	0.2	1.1
November	2019	£185,751	243.3	0.7	1.5
December	2019	£186,279	244.0	0.3	2.3
January	2020	£186,610	244.4	0.2	2.7
February	2020	£186,593	244.4	0.0	3.1
March	2020	£186,032	243.6	-0.3	1.9
April	2020	£185,506	243.0	-0.3	1.1
May	2020	£184,591	241.8	-0.5	0.2
June	2020	£187,105	245.1	1.4	1.4
July	2020	£188,323	246.6	0.7	2.1
August	2020	£189,061	247.6	0.4	2.9
September	2020	£189,452	248.1	0.2	3.0

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:

“September proved to be another booming month for Scottish house prices, with average figures rising again month on month to a level 3% higher than the previous year. Largely this has come as a result of changing demand from buyers, many of whom have opted for larger, more expensive, houses with bigger gardens and more space for working from home.

“While market activity remains healthy, especially given the extraordinary circumstances, the coronavirus has meant that the Scottish property industry has not operated as normal and we might not see the full effects of this until we return to a more ‘normal’ state of play. In the meantime, the priority for all involved rightly continues to be the safety and wellbeing of everyone involved in the process and the wider Scottish public.”

Commentary: John Tindale, Acadata Senior Housing Analyst

The September housing market

Scotland's Housing Market in September was very similar to that of August. In fact, if there was a term known as "Groundhog Month", as opposed to "Groundhog Day", we would be using it! September's annual house price growth of 3.0% was just +0.1% higher than the August rate of 2.9%, and the monthly rate of +0.2% was only marginally lower than the +0.4% seen in that month. Additionally, the main driver of price growth in September remained the same as in August, with a desire by many purchasers to combat the feeling of being confined in their existing home during the Lockdown by moving to larger premises - with extra space for a home study, and preferably a decent-sized garden. And if such a move could be achieved with the additional benefit of a saving in Land and Buildings Transaction Tax, plus a mortgage at historically low interest rates, then so much the better.

Turning now to an historical perspective, we look at the annual % growth rate in Scotland's housing market over the last year, and compare this to the rates seen in England and Wales (combined) over the same period.

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

Annual % Rate of House Price Growth
Scotland v. England & Wales

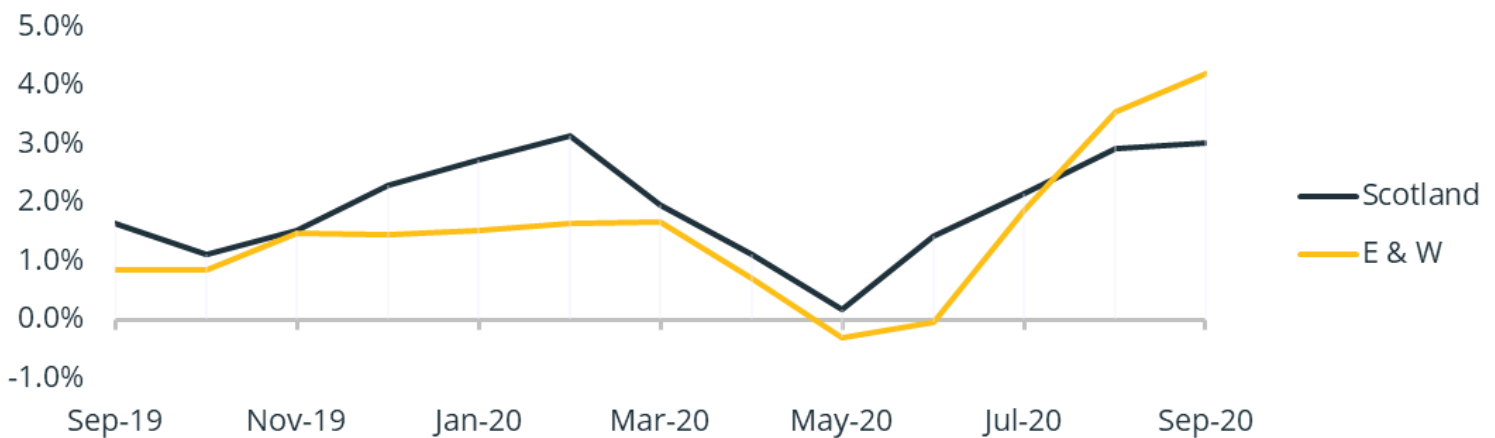


Figure 1 shows the annual rate of % house price growth climbing from 1.1% in October 2019 to 3.1% in February 2020, partly reflecting the low interest rates being offered by the mortgage companies. This was making owning a home more affordable for many, with first time buyers taking a higher share of the overall market than a year earlier. However, we can see that from March 2019 to May 2020, during the early stages of the COVID-19 pandemic, house price growth began to fall, with demand for the purchase of homes dwindling, largely due to the physical inability of potential purchasers to view properties during the first Lockdown. However, when the Lockdown restrictions were lifted in May, viewings restarted and demand for the purchase of properties strengthened, with house price growth climbing back to within touching distance of its pre-pandemic level.

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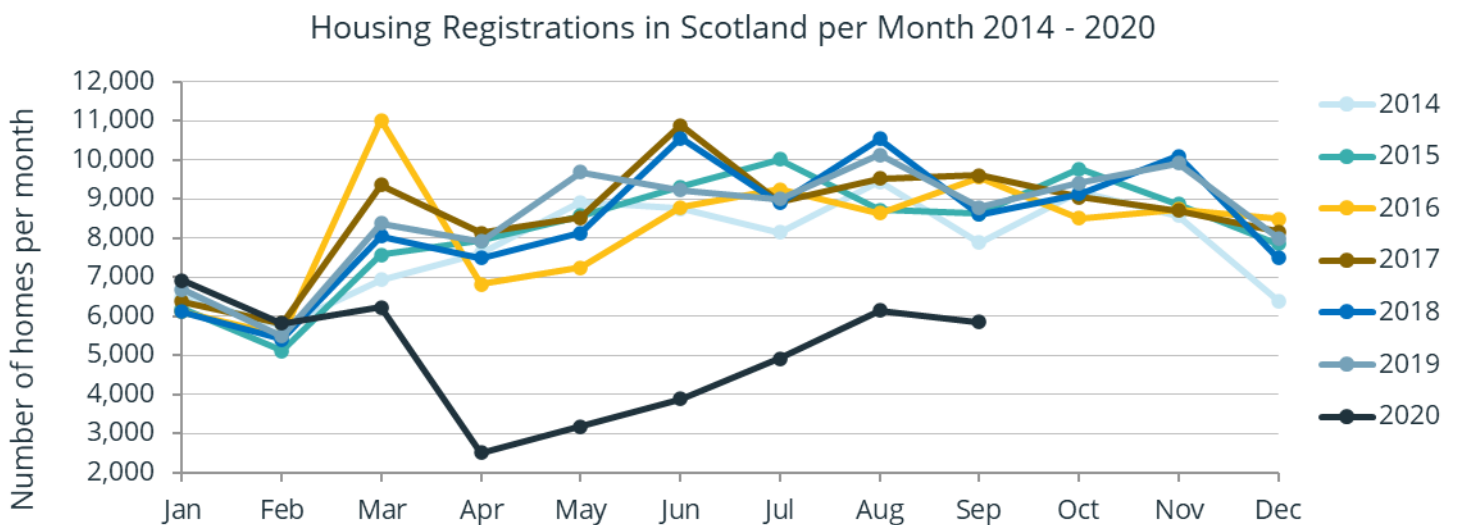
Transactions analysis

Monthly transaction counts

Figure 2 below shows the monthly transaction count for the period January 2014 to September 2020, based on RoS (Registers of Scotland) figures for the Date of Entry. The fall in purchases for the period April 2020 to September 2020 is clearly visible.

Comparing the five months April – August 2020 with the same five months in 2019, Scotland's 2020 sales are running at 45% of their 2019 total. The equivalent figure for England and Wales combined for the same period shows that sales are running at 51% 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 – September 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	16	11	9	19	21	16	20				158

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 in 2020 from January to September totals 158. The equivalent number of sales for the first nine months of 2019 totals 254, ie there has been a reduction of 38% in high-value transactions. If we take just the Q3 figures for 2019 and 2020, then sales have reduced from 105 in Q3 2019 to 57 in Q3 2020, ie a fall of 46%,

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Local Authority Analysis

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

	Rank By Price	Local Authority Area	Sep-19	Aug-20	Sep-20	Month % Change	Annual % Change
1	1	City of Edinburgh	£282,751	£298,600	£292,766	-2.0%	3.5%
2	2	East Lothian	£260,943	£279,367	£290,242	3.9%	11.2%
3	3	East Renfrewshire	£259,362	£249,596	£265,394	6.3%	2.3%
7	4	Stirling	£208,901	£222,334	£238,294	7.2%	14.1%
5	5	Midlothian	£227,586	£223,096	£230,569	3.3%	1.3%
4	6	East Dunbartonshire	£249,243	£234,452	£230,568	-1.7%	-7.5%
8	7	Perth and Kinross	£204,826	£210,093	£212,503	1.1%	3.7%
18	8	Shetland Islands	£161,108	£165,478	£206,815	25.0%	28.4%
6	9	Aberdeenshire	£211,290	£211,797	£203,863	-3.7%	-3.5%
10	10	Highland	£183,300	£189,170	£185,684	-1.8%	1.3%
12	11	Scottish Borders	£177,622	£180,237	£184,389	2.3%	3.8%
21	12	South Ayrshire	£160,315	£180,408	£181,720	0.7%	13.4%
11	13	West Lothian	£179,443	£183,073	£180,157	-1.6%	0.4%
19	14	Glasgow City	£160,812	£173,285	£177,495	2.4%	10.4%
16	15	Moray	£163,788	£170,722	£174,224	2.1%	6.4%
9	16	Aberdeen City	£189,958	£186,380	£174,117	-6.6%	-8.3%
13	17	Argyll and Bute	£171,495	£167,766	£171,068	2.0%	-0.2%
14	18	Angus	£168,826	£159,860	£168,712	5.5%	-0.1%
20	19	South Lanarkshire	£160,636	£163,600	£166,545	1.8%	3.7%
15	20	Fife	£164,751	£165,906	£164,658	-0.8%	-0.1%
22	21	Clackmannanshire	£156,820	£159,391	£155,367	-2.5%	-0.9%
23	22	Falkirk	£152,314	£153,144	£152,735	-0.3%	0.3%
17	23	Orkney Islands	£163,065	£162,971	£150,775	-7.5%	-7.5%
25	24	Dumfries and Galloway	£146,740	£143,937	£149,917	4.2%	2.2%
26	25	Dundee City	£141,004	£146,824	£149,532	1.8%	6.0%
24	26	Renfrewshire	£147,756	£148,664	£148,125	-0.4%	0.2%
27	27	North Lanarkshire	£136,933	£143,243	£145,528	1.6%	6.3%
32	28	West Dunbartonshire	£121,651	£136,617	£134,956	-1.2%	10.9%
30	29	Na h-Eileanan Siar	£126,780	£126,899	£130,118	2.5%	2.6%
29	30	North Ayrshire	£127,145	£129,496	£127,194	-1.8%	0.0%
28	31	Inverclyde	£130,031	£124,649	£122,067	-2.1%	-6.1%
31	32	East Ayrshire	£124,242	£125,179	£121,880	-2.6%	-1.9%
All Scotland			£183,920	£189,061	£189,452	0.2%	3.0%

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

Annual change

The average house price in Scotland at the end of September showed an increase of some £5,530, or 3.0%, over the last twelve months. This annual rate is +0.1% higher than the rate seen in August 2020. In September, 22 of the 32 local authority areas in Scotland have seen house prices rise over the year, which is up by 3 on the number seen in August 2020.

In September 2020, the highest annual increase in prices of the 32 local authority areas occurred in the Shetland Islands at 28.4%, but we find that areas which have low transaction numbers tend to have volatile movements in their average house prices, particularly when expressed in percentage terms, with the Shetland Islands being a case in point - here only 11 transactions have taken place in September. In second place is Stirling, where prices over the year have increased by 14.1%. The September statistics for Stirling include the second- and third-most expensive detached properties for the area over the calendar year, with both homes being on the same street in Strathblane, and priced at £900k and £880k. Similarly, the most expensive flat of the year, selling for £430k in September, is located in the Bridge of Allan, within one mile of the University.

In September, on a weight-adjusted basis - which takes into account both the percentage change in prices and the number of properties sold - the cities of Glasgow and Edinburgh collectively accounted for 43% of the uplift of £5,530 in Scotland's average house price. Indeed, if we add East Lothian to these two, then we have explained over 52% of the increase in prices that has taken place at the national level over the last twelve months.

In both Glasgow and Edinburgh, 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 £142k in September 2019 to an average £157k this September, while in Edinburgh the equivalent figures are up from £245k to £267k. Edinburgh's sales in the month also included a magnificent seven-bedroom terraced property, purchased for £1.75 million, in Regent Terrace on the eastern fringe of Edinburgh Old Town.

Monthly change

In September 2020, average house prices in Scotland have risen by £390, or +0.2%, from their level in August, and now stand at £189,452. This price sets another record level for Scotland for the fourth 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.

Table 3 above ranks the 32 local authority areas in Scotland by their average house prices, with the highest average price being at the top of the Table (City of Edinburgh) and the lowest average price at the bottom (East Ayrshire). Looking at the monthly change in prices we find that four of the five top areas have had a positive movement in prices, while at the bottom of the table the converse is true, with four of the five lowest-priced areas having a negative change in the month - indicating that price growth is generally being seen at the high-value end of the market.

Looking at the areas with the highest change in prices during the month, the Shetland Islands and Stirling take the top two places - these two areas also had the highest annual growth rates (see above). In third place is East Renfrewshire, at +6.3% growth. East Renfrewshire's highest-priced property of the year was purchased in September in Whitecraigs, Giffnock, for £1.725 million, being a

detached home with a substantial garden area. Giffnock is an affluent suburban town approximately 10 miles south of Glasgow, as well as being the administrative centre of East Renfrewshire. South Giffnock and Lower Whitecraigs have frequently been named as the most affluent areas in Scotland.

Peak Prices

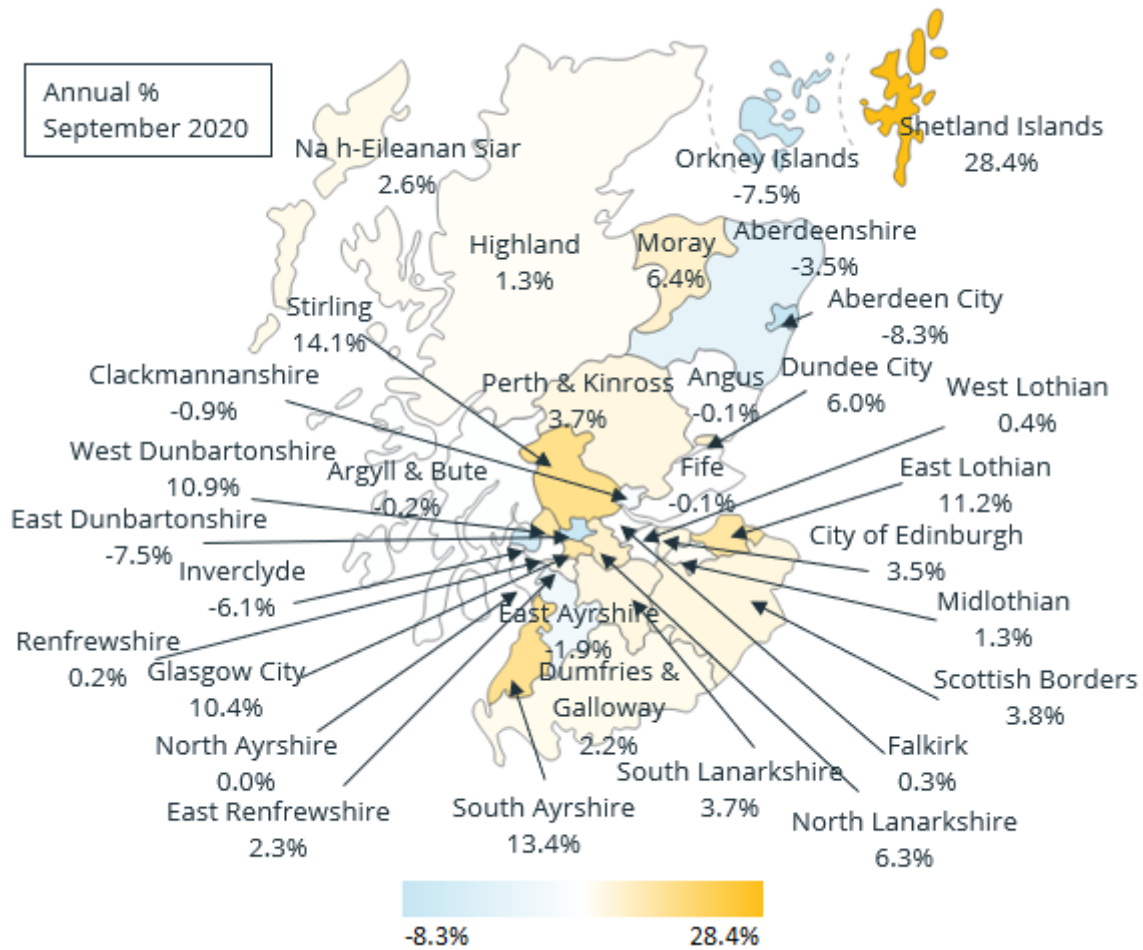
Each month, in Table 3 above, we highlight the local authority areas which have reached a new record in their average house prices. In September there are 8 such authorities, compared to 7 in August. The common feature of the 8 authorities this month is that they have all seen the purchase of the highest-priced property of this calendar year for one of the four property types which we monitor (detached, semi-detached, terraced and flats), and for several authorities there is more than one property type reaching a new record price in the month. For example, in Dundee the highest-priced detached property of the year was purchased in Broughty Ferry in September for £750k, with views overlooking the River Tay. Additionally, in September, the highest-priced flat of the year was purchased in Dundee West for £434k, similarly overlooking the River Tay.

It is perhaps not surprising that so many authorities are currently witnessing their highest ever average prices for properties purchased in a month. As we remarked at the start of this report, 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 demand for such premises keeps their prices high.

The achievement of record prices for the local authority area indicates that the demand for such properties is still in evidence – and our monitoring such phenomena acts as a ‘barometer’ measuring its presence. It is when we stop reporting ‘peak price’ events that we will know that the demand for high value properties has started to fall.

Heat Map

The heat map below shows the annual rate of house price growth for the 12 months ending September 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-September 2020 ([Link to source Excel](#))

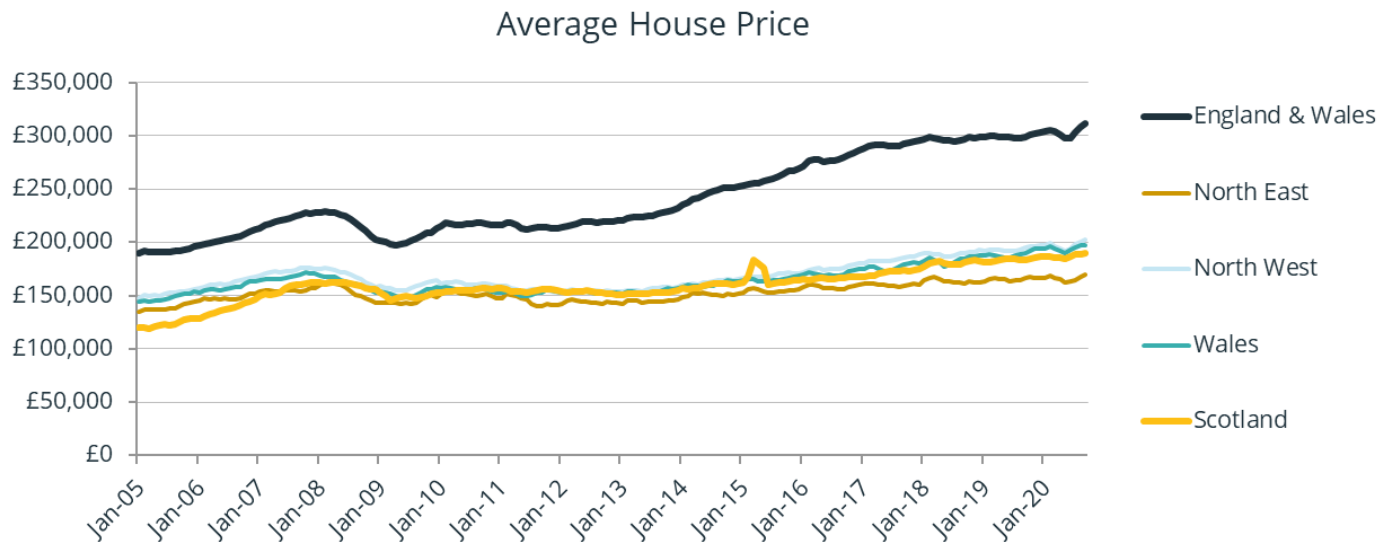
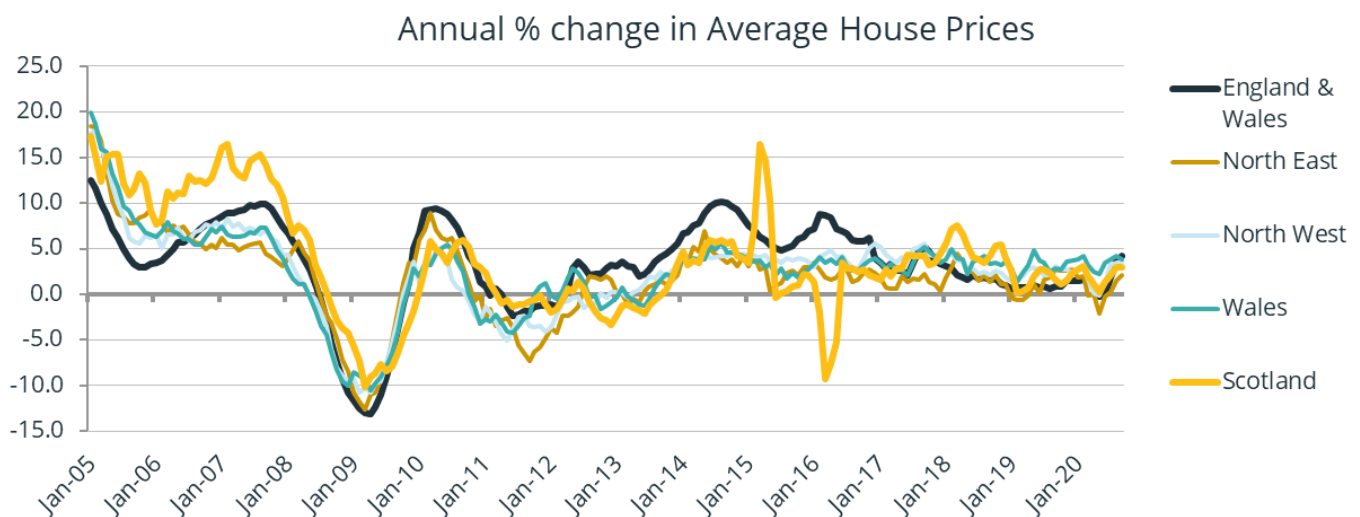


Figure 4. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005-September 2020 ([Link to source Excel](#))



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Scotland's Seven Cities

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

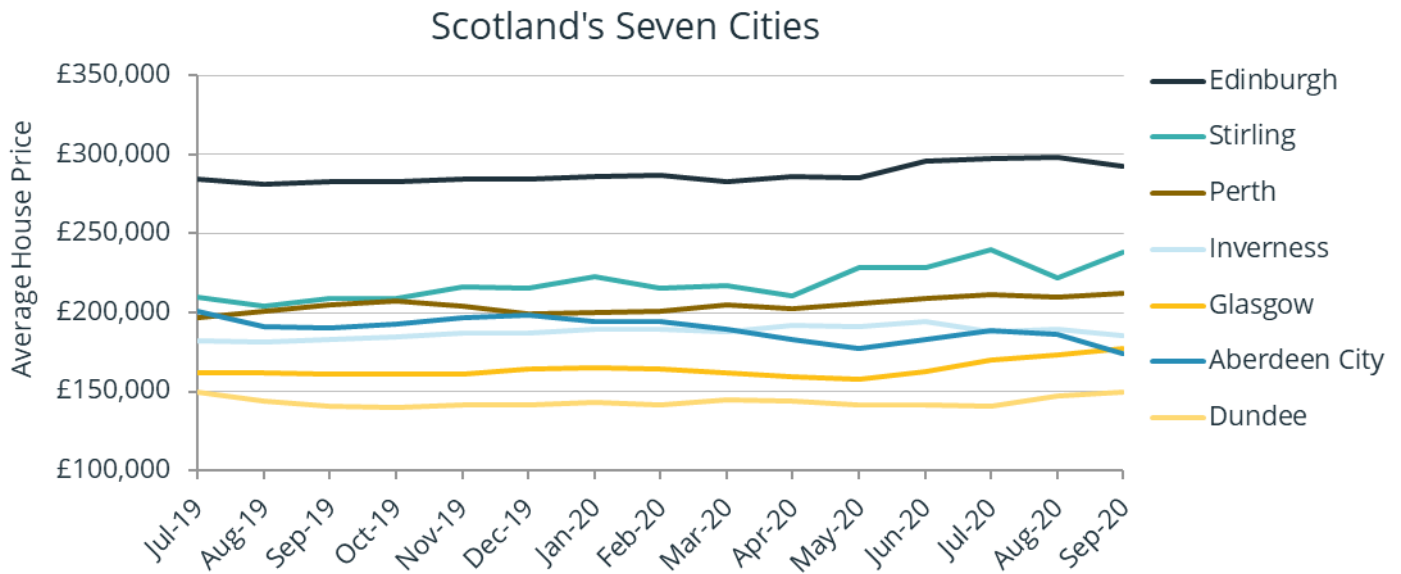
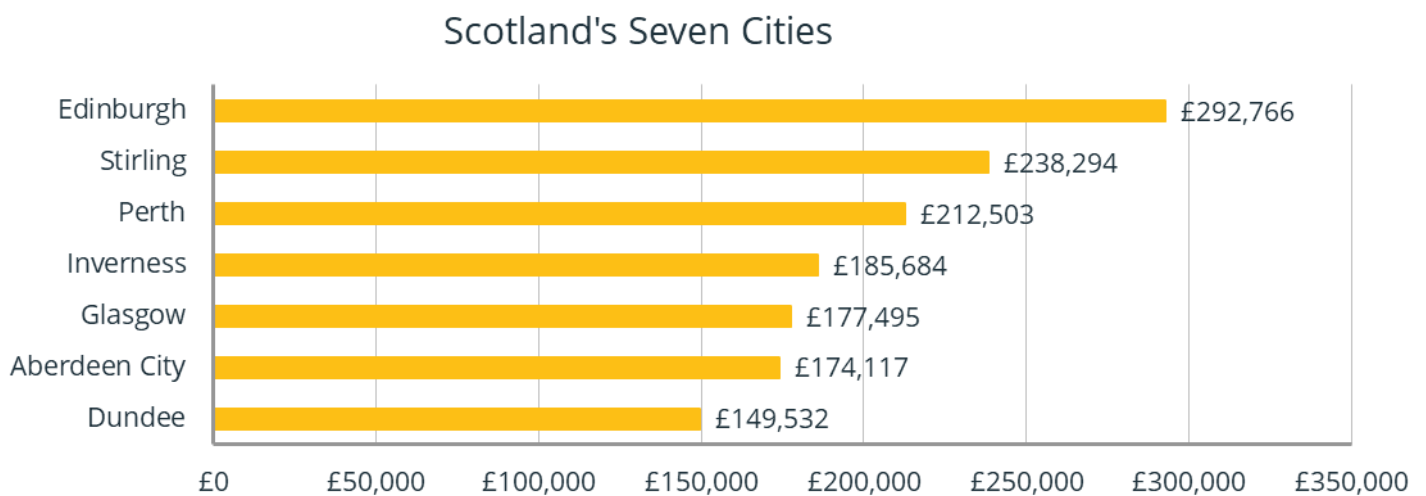


Figure 6. Average house prices for Scotland's seven cities September 2020 ([Link to source Excel](#))



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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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