

House Price Index

Scotland

Under embargo until 00:01

Friday 25th January 2019

NOVEMBER | Average House Price
2018 | in Scotland

£186,142

AVERAGE MONTHLY CHANGE:  0.7%AVERAGE ANNUAL CHANGE:  6.0%

While England flatlines, Scotland continues to grow

- Scotland's annual rate hits 6.0%
- Second new peak average price in two months
- Property still twice as affordable as south-east England
- Prices rise over the year in 29 of 32 authorities

Headline news

While annual price growth in England and Wales continues to fall, dropping under 1%, in Scotland it hit 6% in November, and set a new peak average house price. A 0.7% monthly increase took the average cost of a home in Scotland to £186,142 up from £175,541 a year before.

The Scottish market's growth dwarfs not just every region of England, but also Wales (up 3.6% annually) and even Northern Ireland (up 4.8%).

Quick Quotes

Christine Campbell, Your Move managing director in Scotland, said: "The Scottish market continues to go from strength to strength and its performance in recent months has been highly positive. When we're seeing a slowdown in house price growth south of the border, it's encouraging to see that Scotland's housing market continues to exceed expectations."

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 certainly true that the Scottish market seems to be defying gravity. Looking at its strong fundamentals, though, it's not immediately clear what's going to bring it back down to earth."

Key Insights

The rise in prices in Scotland is widespread, and average house prices in nine local authority areas hit new peaks in November.

Crucially that includes the two biggest cities, which have a significant impact on the overall average in Scotland. In Edinburgh, prices rose 3.3% in the month, accounting for half of the 0.7% increase across Scotland. That took average prices there to £295,665, up 16.0% annually, among the highest rises in the country. Only Clackmannanshire, up 18.5%, and Na h-Eileanan Siar, up 24.4% (and also hitting a new peak) did better. The latter is based on relatively few sales, though, and the former largely due to a £860k sale in November in the village of Rumbling Bridge, Kinross.

In Glasgow City, prices were up a more modest 0.1% over the month, but again it was enough to push prices to a new peak average of £165,245, up 6.7% annually. On an annual basis, the two cities account for nearly 60% of the increase in average prices.

A number of other areas across the country are performing strongly and also set records: Highland (up 6.4% annually), West Lothian (7.8%), Moray (6.1%), Angus (8.5%), the Orkney Islands (8.9%), and South Lanarkshire

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Key Insights continued...

(4.2%) all set new peak average prices. Argyll and Bute, meanwhile, didn't, with prices actually falling in the month, but it is still another area recording double digit annual growth, at 11.7%.

Overall, 29 of the 32 local authority areas recorded an increase in values over the last twelve months.

A big reason for this continued strength is that affordability in Scotland remains good. Taking the ONS definition – the median house price for an area divided by the average median earnings in that area – then Scotland is top of the 11 GOR areas

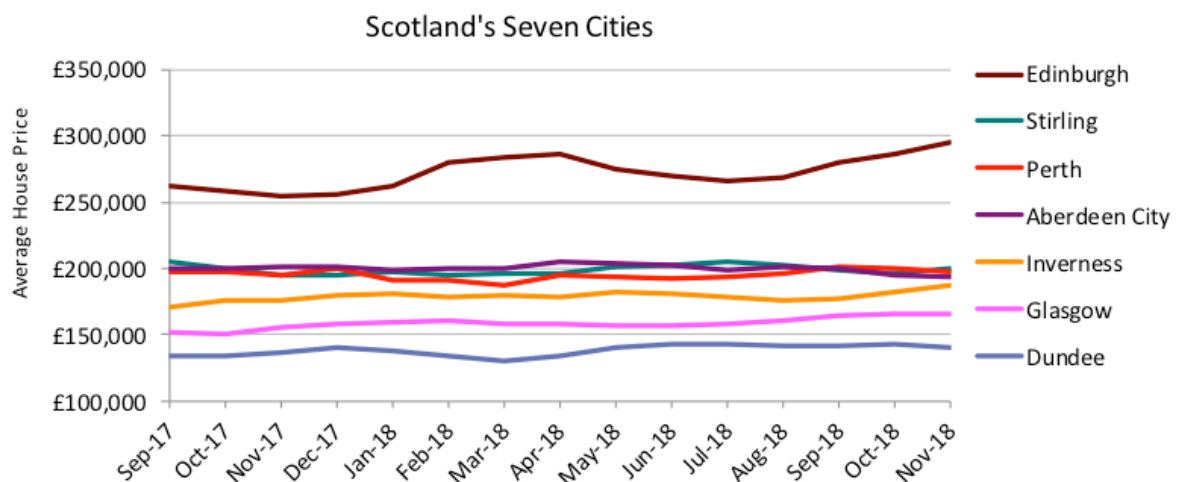
in Great Britain. Scotland's median house price in April 2018, at £149,125, was the second lowest of the 11 GOR areas, behind only the North East of England. Scotland's median earnings, meanwhile, were the third highest at £29,286, behind only London and the South East.

The one area of slight concern for Scotland is that year-to-date transactions for the first eight months of 2018 were 4% lower than in 2017. Even here, though, Scotland continues to look relatively strong –with sales still 2% higher than both 2015 and 2016.

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

MONTH	YEAR	HOUSE PRICE	MONTHLY CHANGE %	ANNUAL CHANGE %
November	2017	£175,541	0.3	3.4
December	2017	£176,964	0.8	4.4
January	2018	£178,545	0.9	5.5
February	2018	£181,478	1.6	7.0
March	2018	£182,922	0.8	7.5
April	2018	£183,512	0.3	6.6
May	2018	£182,932	-0.3	5.4
June	2018	£181,537	-0.8	4.1
July	2018	£180,673	-0.5	3.7
August	2018	£180,435	-0.1	3.4
September	2018	£182,565	1.2	4.3
October	2018	£184,787	1.2	5.6
November	2018	£186,142	0.7	6.0

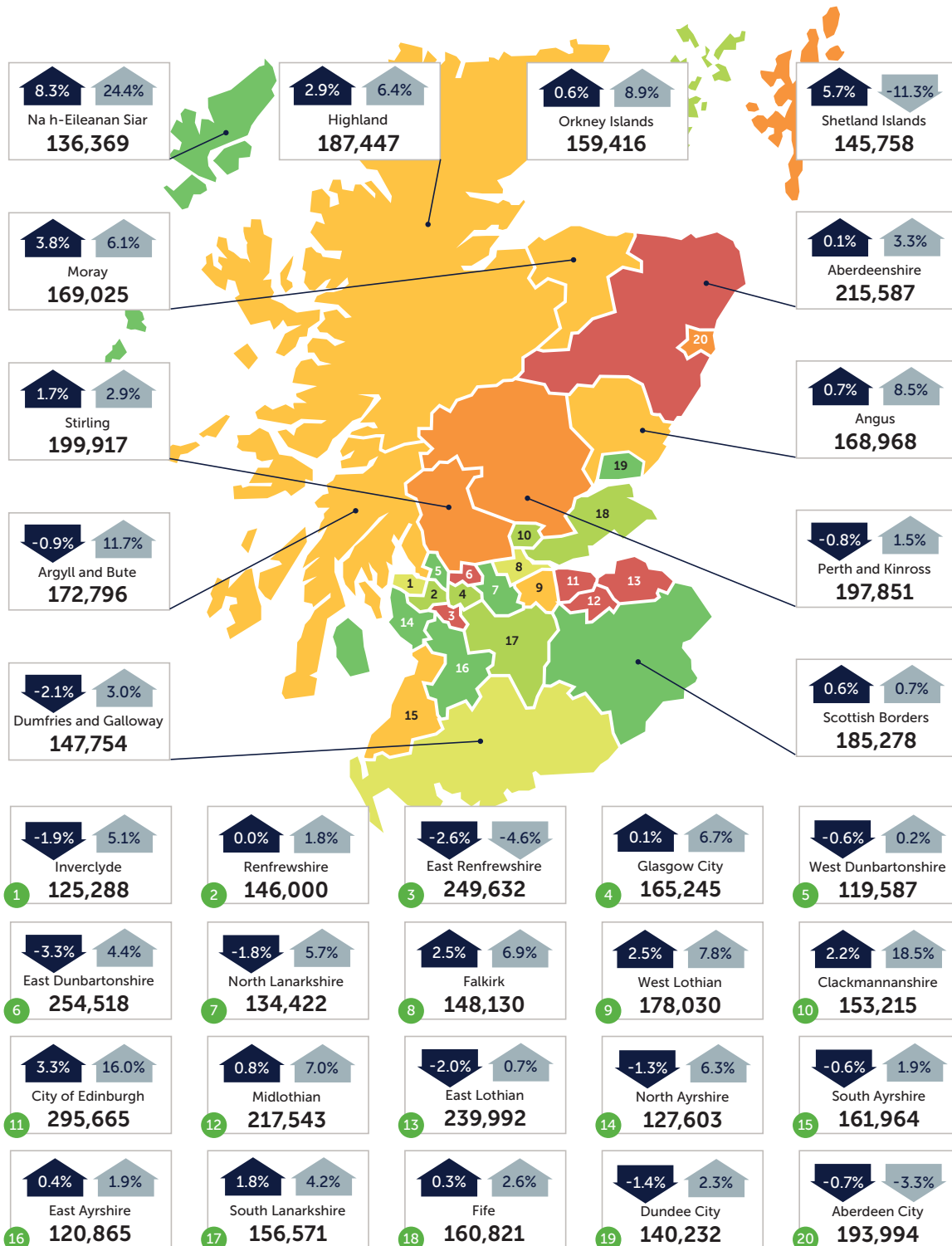
Average house prices for Scotland's seven cities from September 2017 - November 2018



Regional update

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

AVERAGE MONTHLY CHANGE AVERAGE ANNUAL CHANGE



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