



Your Move / Acadata
Scotland

House Price Index January 2020



Under embargo until 00:01 Friday 20th March 2020

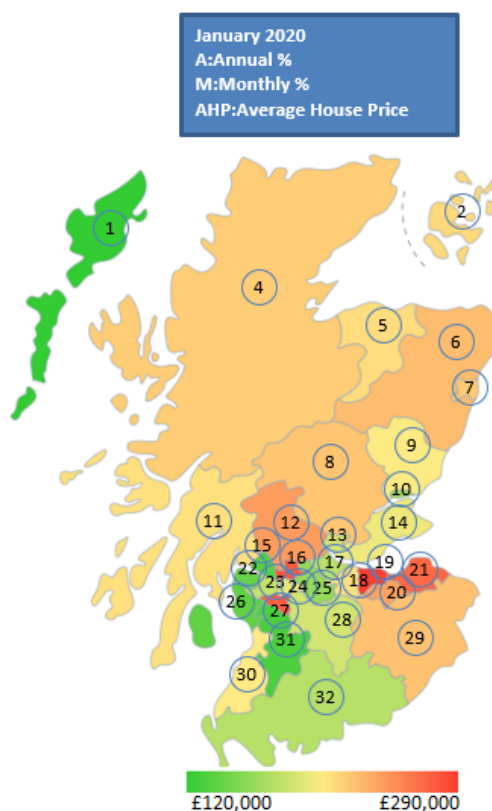
January sees modest rise in Scotland's house prices

- On a weight-adjusted basis, Glasgow accounts for the highest rise in Scotland's average price
- Housing transactions in Scotland to the end of October are up 2% on 2018
- Scottish Borders has largest both monthly and annual increase in price

House Price	Index	Monthly Change %	Annual Change %
£187,626	245.7	0.1	2.8

Quick Links		
The Housing Market	Transactions	Local Authority Areas
Notes	Comparisons with Scotland	Scotland's Seven Cities
Footnotes on Methodology		

1 Na h-Eileanan Siar A 0.4% M -5.6% AHP £116,694	2 Orkney Islands A 12.9% M 1.9% AHP £182,818
5 Moray A 5.9% M 3.2% AHP £180,528	6 Aberdeenshire A -4.2% M -4.5% AHP £201,529
9 Angus A 2.1% M -1.0% AHP £169,655	10 Dundee City A 3.5% M 0.7% AHP £145,419
13 Clackmannanshire A 6.1% M 4.3% AHP £159,327	14 Fife A 3.1% M 3.0% AHP £166,136
17 Falkirk A 1.4% M -1.4% AHP £152,893	18 West Lothian A 1.9% M 0.0% AHP £178,605
21 East Lothian A 6.1% M 0.4% AHP £258,769	22 Inverclyde A 13.7% M 2.1% AHP £130,037
25 North Lanarkshire A 4.3% M -0.4% AHP £142,613	26 North Ayrshire A 2.7% M 1.6% AHP £128,560
29 Scottish Borders A 16.4% M 5.0% AHP £198,645	30 South Ayrshire A 6.5% M 0.2% AHP £171,088



3 Shetland Islands A -12.3% M -8.8% AHP £138,826	4 Highland A 4.3% M 1.7% AHP £191,066
7 Aberdeen City A -1.9% M -4.2% AHP £192,710	8 Perth & Kinross A -3.2% M -1.4% AHP £196,563
11 Argyll & Bute A 5.9% M -1.1% AHP £178,103	12 Stirling A 8.0% M 2.7% AHP £224,346
15 West Dunbartonshire A 1.3% M -1.9% AHP £126,074	16 East Dunbartonshire A 9.3% M 2.7% AHP £268,926
19 City of Edinburgh A 1.2% M -1.7% AHP £287,474	20 Midlothian A 1.2% M -0.7% AHP £220,170
23 Renfrewshire A 7.0% M -0.6% AHP £154,855	24 Glasgow City A 5.2% M -0.5% AHP £164,037
27 East Renfrewshire A 2.1% M 3.2% AHP £265,163	28 South Lanarkshire A 1.4% M -2.0% AHP £158,955
31 East Ayrshire A 1.9% M -1.7% AHP £123,404	32 Dumfries & Galloway A -1.0% M 0.0% AHP £151,377

Table 1. Average House Prices in Scotland for the period January 2019 – January 2020
(The prices are end-month smoothed over a 3 month period)

[link to source Excel](#)

		House Price	Index	Monthly Change %	Annual Change %
January	2019	£182,523	239.0	-0.2	2.8
February	2019	£181,511	237.7	-0.6	0.2
March	2019	£182,625	239.2	0.6	0.3
April	2019	£183,733	240.6	0.6	0.7
May	2019	£184,675	241.9	0.5	2.0
June	2019	£185,188	242.5	0.3	2.7
July	2019	£184,770	242.0	-0.2	2.7
August	2019	£184,102	241.1	-0.4	2.4
September	2019	£184,417	241.5	0.2	1.6
October	2019	£185,119	242.4	0.4	1.2
November	2019	£186,649	244.5	0.8	1.6
December	2019	£187,501	245.6	0.5	2.5
January	2020	£187,626	245.7	0.1	2.8

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Further commentary by John Tindale

John Tindale, senior housing analyst for Acadata, comments:

The January housing market

The average house price in Scotland has risen by £125, or +0.1%, in January and now stands at £187,626. This sets a new record average price for Scotland as a whole, and as prices continue to climb - albeit slowly - it is also the third month in a row in which this has occurred. Over the last twelve months, prices have risen by some £5,100, or +2.8%, which represents an average increase of £425 per month, although, as we can see from Figure 1 below, the actual change in the price per month has been oscillating around the long-term trend line.

On a weight-adjusted basis - which takes into account sales volumes as well as the increase in price - the six Local Authority areas with the highest increase in prices over the twelve months to January 2020 were Glasgow City, the Scottish Borders, East Dunbartonshire, Renfrewshire, the Highlands and Fife. Together, these six areas have accounted for 51% of the increase in Scotland's average house price over the year.

House Prices in Scotland January 2015 - January 2020

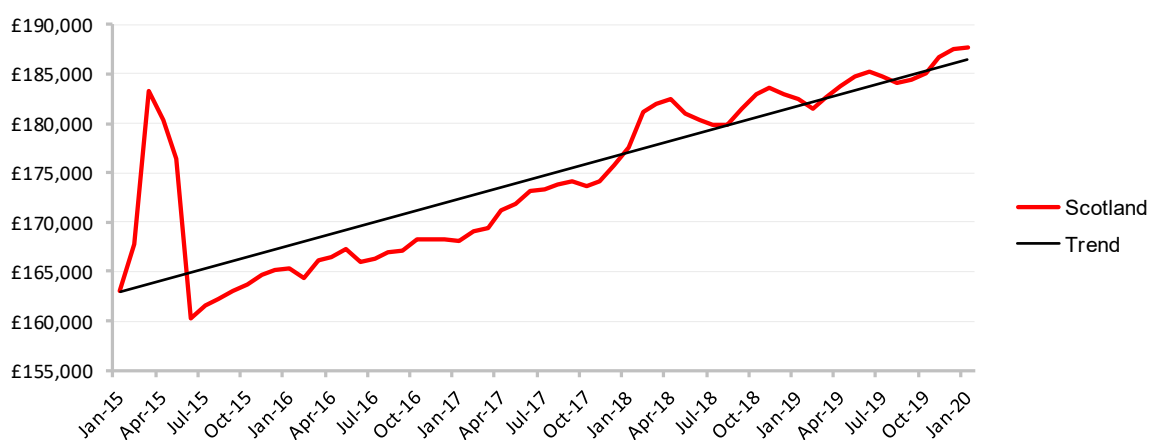


Figure 1, The Average House Price in Scotland for the period January 2015 – January 2020 (Source: LSL Acadata HPI)

[link to source Excel](#)

Figure 1 shows the movement in the average house price in Scotland over the last five years. The graph starts at the beginning of 2015, showing the spike in prices that took place in March 2015. This spike reflects the period immediately prior to the introduction of the then new LBTT (stamp-duty tax), which came into force on April 1st 2015. House purchasers in the first quarter of 2015 looked to forestall the new tax by purchasing high-value properties prior to its introduction, causing a substantial rise in average house prices in March 2015. Once the tax had come into force, average prices fell – a consequence of there being a dearth of high-value homes on the market – these having been purchased in the months prior to the LBTT being introduced. However, by October 2015 the market returned to its previous levels, with prices continuing to grow on a near-straight line basis up to December 2017. Since January 2018 there have been a series of fluctuations in the average price, but these are still following the long-term growth path, as shown in Figure 1. The long-term path is currently increasing at a rate of 2.85% per annum.

An interesting development in January 2020 has been the high degree of confidence being expressed by buyers at the top end of the market, frequently leading to the sale of the highest-priced homes of the last 12 months – or even longer. Taking Fife as an example, the highest-priced home of the last two years was sold in January 2019 for £3.25 million – the property overlooking the course at St Andrews. However, the second-highest-priced home of the last two years, a detached home with 7 bedrooms, was purchased in January 2020, for £2.5 million. Similarly, the highest-priced flat in Fife of the last 23 months was sold in January 2020 for £1.3 million. These purchases helped Fife reach a new record average price in January – one of seven local authority areas to do so in the month.

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House prices and transactions

Transactions analysis

Monthly transaction counts

In October 2019, the latest month for which the official ONS statistics are published, transactions in Scotland totalled 9,250 properties. This was 544, or 6.2%, more than the previous month, against a seasonal increase of 5% (based on the last seven years data, excluding 2016), so sales volumes were 1% up on the level which would normally be expected for the time of year. Sales volumes are similarly 1% higher in October 2019 compared to one year earlier.

Looking at the year-to-date figures (up to the end of October), transactions total some 84,292 sales and are 2% higher than the total for the first ten months of 2018. This compares to a 6% reduction in transactions in England & Wales over the same period. Clearly, sales in Scotland in 2019 are maintaining their momentum at a higher level than south of the border.

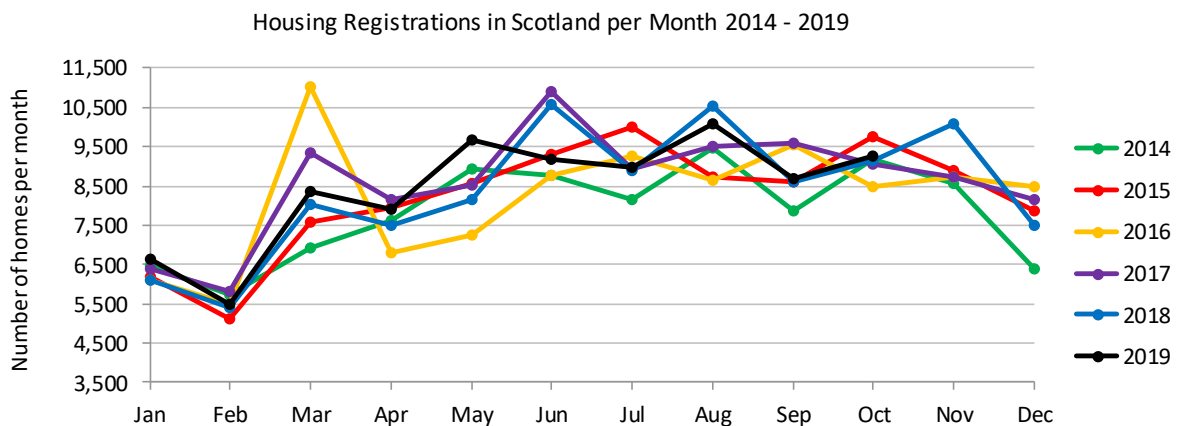


Figure 2. The number of sales per month recorded by Registers of Scotland based on entry date, for the period 2014 - 2019
Source: Office for National Statistics.

[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 – January 2020

[link to source Excel](#)

EDINBURGH - Number of properties sold for £750k or higher													
	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	20												20

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. As can be seen from Table 2, the number of such sales in 2019 has exceeded that of 2018 by some 32 transactions. However, during the last five months of the year this position reversed, with 169 sales in 2018 compared to 155 in 2019.

This position is possibly about to reverse again, as we have noticed that elsewhere in Scotland, higher prices are being paid in December 2019 and January 2020 than had been paid during the previous year. In December 2019 there were 50 sales in Scotland in excess of £750k, compared to just 31 such sales in December 2018. This is broadly in line with the Edinburgh figures, where sales over £750k in December 2019 exceeded those of December 2018 by 7. The January 2020 figures are currently lower than January 2019 – but the Registers of Scotland have yet to complete all of the January 2020 entries, so the two years are likely to end up being closer to each other than the table currently shows.

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House prices and transactions

Local Authority Analysis

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

PRIOR YR RANK	RANK BY PRICE	LOCAL AUTHORITY AREA	Jan-19	Dec-19	Jan-20	% Monthly Change	% Annual Change
1	1	City of Edinburgh	285,760	285,493	287,474	0.7%	0.6%
3	2	East Dunbartonshire	246,056	261,845	268,926	2.7%	9.3%
2	3	East Renfrewshire	259,658	257,045	265,163	3.2%	2.1%
4	4	East Lothian	243,848	257,671	258,769	0.4%	6.1%
7	5	Stirling	207,714	218,357	224,346	2.7%	8.0%
5	6	Midlothian	217,512	221,753	220,170	-0.7%	1.2%
6	7	Aberdeenshire	210,349	210,923	201,529	-4.5%	-4.2%
12	8	Scottish Borders	170,685	189,223	198,645	5.0%	16.4%
8	9	Perth and Kinross	203,007	199,312	196,563	-1.4%	-3.2%
9	10	Aberdeen City	196,409	201,179	192,710	-4.2%	-1.9%
10	11	Highland	183,126	187,803	191,066	1.7%	4.3%
16	12	Orkney Islands	161,870	179,325	182,818	1.9%	12.9%
13	13	Moray	170,416	174,916	180,528	3.2%	5.9%
11	14	West Lothian	175,263	178,681	178,605	0.0%	1.9%
14	15	Argyll and Bute	168,205	180,126	178,103	-1.1%	5.9%
18	16	South Ayrshire	160,656	170,815	171,088	0.2%	6.5%
15	17	Angus	166,089	171,388	169,655	-1.0%	2.1%
17	18	Fife	161,215	161,299	166,136	3.0%	3.1%
21	19	Glasgow City	155,868	164,797	164,037	-0.5%	5.2%
24	20	Clackmannanshire	150,143	152,786	159,327	4.3%	6.1%
20	21	South Lanarkshire	156,771	162,221	158,955	-2.0%	1.4%
25	22	Renfrewshire	144,735	155,732	154,855	-0.6%	7.0%
23	23	Falkirk	150,802	155,026	152,893	-1.4%	1.4%
22	24	Dumfries and Galloway	152,838	151,359	151,377	0.0%	-1.0%
26	25	Dundee City	140,500	144,365	145,419	0.7%	3.5%
27	26	North Lanarkshire	136,729	143,236	142,613	-0.4%	4.3%
19	27	Shetland Islands	158,248	152,274	138,826	-8.8%	-12.3%
32	28	Inverclyde	114,342	127,408	130,037	2.1%	13.7%
28	29	North Ayrshire	125,170	126,544	128,560	1.6%	2.7%
29	30	West Dunbartonshire	124,475	128,458	126,074	-1.9%	1.3%
30	31	East Ayrshire	121,066	125,595	123,404	-1.7%	1.9%
31	32	Na h-Eileanan Siar	116,244	123,644	116,694	-5.6%	0.4%
		All Scotland	182,523	187,501	187,626	0.1%	2.8%

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

Monthly change

In January 2020, average house prices in Scotland have risen by a modest £125, or 0.1%, from their level in December 2019, and now stand at £187,626. This price sets another record level for Scotland – the first for 2020. The growth of +0.1% is the lowest increase seen in a month since August 2019. Overall, 16 of the 32 local authority areas in Scotland saw prices rise in January, which is three less than the number with price rises in December. Overall, we can conclude that there has been a slowing of price growth in Scotland’s housing markets as we enter the New Year.

Looking at Table 3 above, we can see that the Authority with the highest monthly price growth is the Scottish Borders, up by 5.0%, or some £9,425, in the month. Frequently, when the average price in an area jumps by a significant amount in the month, it is the case that a particularly high-value property has changed hands, with this being especially true of a transaction in January. This example is no exception, with a 9-bedroom detached home in Melrose being sold in January for £1.35 million. Why are these events more common in January? The answer lies in the fact that January and February have the lowest number of transactions of all the months in the year, so when a high-value sale does take place in one of these months, it has a more significant impact on the average house price for the local authority area.

House prices and transactions

At the other end of the scale, the area on the mainland with the largest fall in its monthly price growth is Aberdeenshire, at -4.5%. The average price of detached homes in Aberdeenshire have fallen from £275K in the summer of 2019 to £250k over the winter months of 2019/2020.

Annual change

The average house price in Scotland at the end of January showed an increase of some £5,100, or 2.8%, over the last twelve months. This annual rate is the highest since the 2.8% recorded one year earlier in January 2019. This January, 27 of the 33 local authority areas in Scotland have seen house prices rise over the year, compared to 28 in December.

In January 2020, the highest annual, as well as monthly, increase in prices was seen in the Scottish Borders, at 16.4% – for the reasons previously mentioned. Inverclyde is in second place, with a 13.7% increase in prices over the year. As with the Scottish Borders, Inverclyde has seen two high-value sales in the month, with the highest-priced flat of the last eighteen months being sold in Gourrock, overlooking the upper Firth of Clyde, for £390k. Additionally in January, Inverclyde’s second most expensive detached home of the last twenty months was sold in Kilmacolm for £687k.

On a weight-adjusted basis, which takes into account both the percentage change in prices and the number of properties sold, the City of Glasgow has made the largest contribution to the annual upturn in Scotland’s average house price, accounting for 16% of the £5,103 increase over the year. Interestingly, as with the Scottish Borders and Inverclyde, over the last two months Glasgow has seen the highest prices of the last year paid for all its property types.

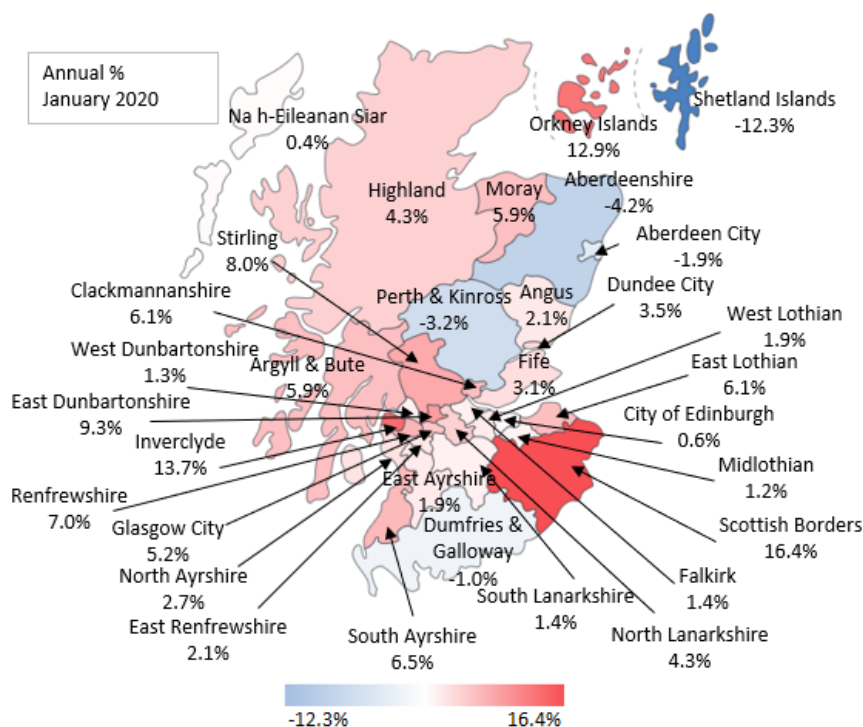
Peak prices

Each month, in Table 3 above, we highlight the local authority areas which have reached a new peak in their average house prices. In January there are 7 such authorities, compared to 6 in December. Of these 7 authorities, 6 are grouped in the top 13 authorities by average house price, i.e. it would appear that it is the higher-value properties that are seeing the larger increases in price in the month.

Heat Map

The heat map below - which shows the annual rate of house price growth for the twelve months ending January 2020 - is largely pink or red, which is indicative of the fact that 27 of the 32 local authority areas in Scotland have experienced increases in their average house prices over the year. The deeper shades of red highlight the five areas where prices have increased by 8.0% or more over the year, being the Scottish Borders, Inverclyde, the Orkney Islands, East Dunbartonshire and Stirling. We then have lighter pinks and whites for the areas with growth rates between 0.0% and 8.0%. Of the five areas shaded blue - showing a negative movement in prices - the Shetland Islands, Aberdeenshire, Aberdeen City and Perth and Kinross are to the north of the central belt, with Dumfries and Galloway to the south.

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Notes

NOTES

1. Your Move Acadata Scotland HPI 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 Your Move Acadata Scotland HPI is not forecast, unlike the LSL Acadata E&W HPI, but is based on achieved prices. The first release of the Scotland results lag the first release of those for England & Wales by one month, as the former index does not use estimates of market prices.
3. Whilst the Your Move Acadata Scotland HPI, like the LSL Acadata E&W HPI, comprises a smoothed average of three months' prices, the Your Move Acadata Scotland HPI 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 LSL Acadata E&W HPI. Since we provide only a national England & Wales average price in our current month LSL Acadata E&W HPI and prices at region and lower levels are lagged one month, this procedure means that the Your Move Acadata Scotland HPI prices are contemporaneous with the prices published for the equivalent month for England & Wales and the regions. All Your Move Acadata Scotland HPI 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. Your Move Acadata Scotland HPI 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

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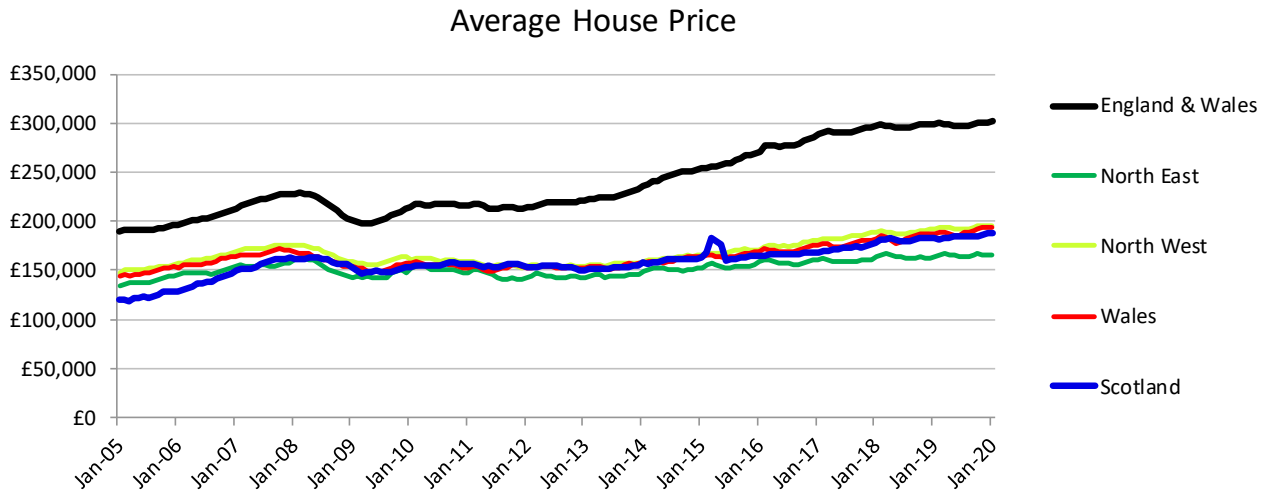


Figure 3. Scotland house prices, compared with England & Wales, Wales, North East and North West for the period January 2005-January 2020 [link to source Excel](#)

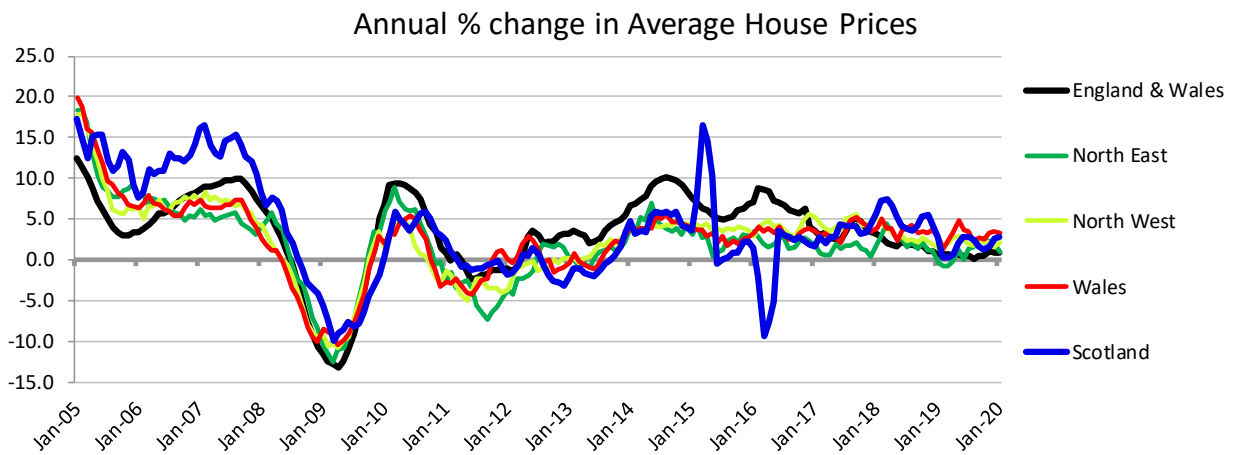


Figure 4. A comparison of the annual change in house prices in Scotland, England & Wales, Wales, North East and North West for the period January 2005-January 2020 [link to source Excel](#)

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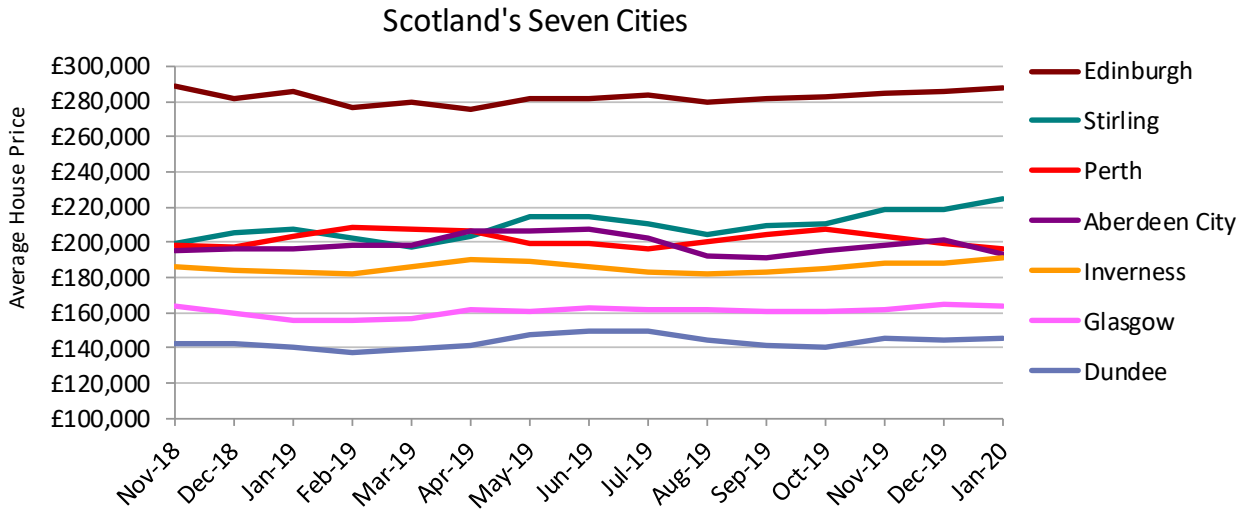


Figure 5. Average house prices for Scotland's seven cities from November 2018–January 2020

[link to source Excel](#)

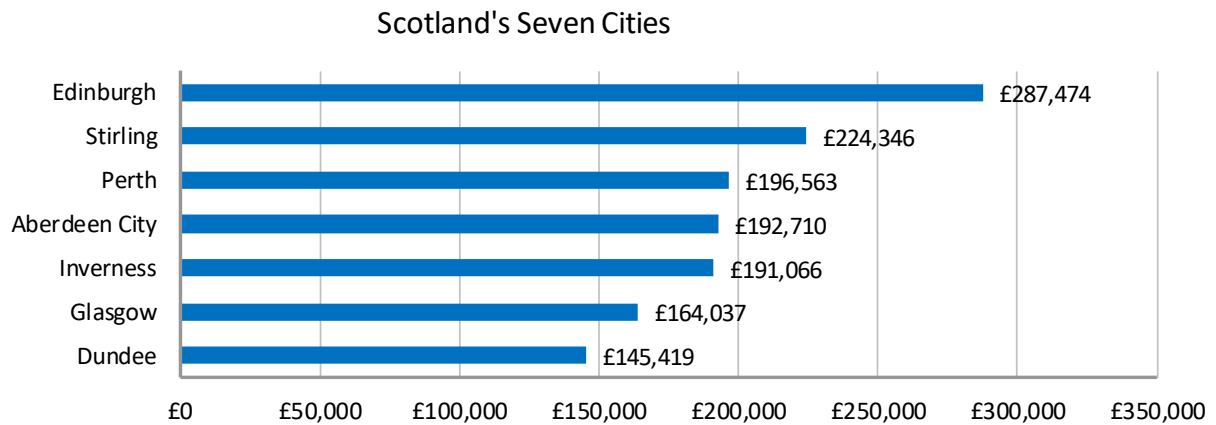


Figure 6. Average house prices for Scotland's seven cities January 2020

[link to source Excel](#)

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1. Your Move Acadata Scotland HPI is derived from Registers of Scotland (RoS) house price data, seasonally and mix adjusted by property type. © Crown copyright material reproduced with the permission of Registers of Scotland. The prices are smoothed to show underlying trends. Your Move Acadata Scotland HPI includes cash purchase prices and is based upon the complete, factual house price data for Scotland, as opposed to a sample.

2. Most indices employ data available to the provider as a result of its business; index methodologies are designed to exploit the advantages and overcome the disadvantages of each particular dataset; an asking price or an offer price series is not the same as a price series, such as Your Move Acadata Scotland HPI or ONS UK HPI; these can be prepared only when the prices at which properties have been transacted have been recorded at RoS (Your Move Acadata Scotland HPI) or when firm prices at mortgage completion have been made available by lenders (ONS HPI); asking or offer valuation series can be prepared whenever the data are available to the provider; publicity accrues to those indices which are released first; indices published at or before month end are likely to employ data for the current and prior months.

3. Whilst the Your Move Acadata Scotland HPI, like the LSL Acadata E&W HPI, comprises a smoothed average of three months' prices, the Your Move Acadata Scotland HPI average reflects prices at the month of the index and those for the prior two months and is ascribed to the month of the index i.e. the prices are "end month smoothed" (ems) and not "centre month smoothed" (cms) as applicable to the LSL Acadata E&W HPI. Please note that:

- we provide only a current month average price for England & Wales as a whole in our LSL Acadata E&W HPI, and that prices at region and lower levels are lagged one month
- RoS monthly data comprises some 98% of the transactions for the current month and c.99% for the prior month

Hence, a smoothed average price using three months data ascribed to the index month (ems) for Your Move Acadata Scotland HPI provides the equivalent price, to all intents and purposes, to the centre month smoothed (cms) price at region/county level, lagged by one month, as provided by the LSL Acadata E&W HPI. An ems procedure allows the Scotland prices to be placed alongside the contemporaneous prices for E&W as a whole and for Wales as a whole, and those for the E & W regions for comparison purposes.

4. LSL Acadata E&W HPI provides prices from January 2005. RoS national data were available only from January 2001 and the constituents of RoS data changed between then and April 2003, showing a significant step change in prices between March and April. ONS HPI quarterly data were used to construct Your Move Acadata Scotland HPI from January 2000 to April 2001 with straight line interpolations used to construct prices by month. Data for 11 local authorities were unavailable for the period January 2001 to April 2003 and were constructed by back-casting. The underlying data by property type, for months when no sales of a particular property type in a particular area were reported, were in-filled using the same procedure used in LSL Acadata E&W and, by Eurostat, in preparing seasonal data.

5. Note that Your Move Acadata Scotland HPI is unable to identify different prices according to e.g. numbers of bedrooms; the lender hedonic indices and the ONS UK HPI do so. RoS data, and hence Your Move Acadata Scotland HPI, exclude commercial and thus auction sales, and do not reflect repossession prices on the grounds that such prices do not reflect those between a willing buyer and a willing seller.

6. Your Move Acadata Scotland HPI is prepared from RoS data using a methodology designed to provide a "true measure of house price inflation"; Acadata does not guarantee the accuracy of the Your Move Acadata Scotland HPI results and neither LSL nor Acadata shall be liable for any loss or damage, whatsoever, consequential upon any error, incorrect description of or inadequacy in the data; persons using the data do so entirely at their own risk; Your Move Acadata Scotland HPI is freely provided for publication with due attribution to Acadata. Permission is required for any commercial use of the data.

7. The monthly, smoothed, average RoS prices at local authority level provided at property type, which underlie Your Move Acadata Scotland HPI, together with historic data, can be purchased from Acadata.

8. LSL Acadata E&W HPI was published under the name FTHPI from September 2003 until December 2009. Until the October 2013 LSL Acadata E&W HPI was published, it was prepared by Acadametrics as was the Your Move Acadata Scotland HPI. Acadametrics then changed its name to Acadata to reflect its new focus entirely upon house price indices and data following its agreement to sell its 50% holding in MIAC Acadametrics to MIAC Analytics over a 4 year period.

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LSL PROPERTY SERVICES PLC

LSL is one of the leading residential property services companies in the UK and provides a broad range of services to a wide range of customers including mortgage lenders together with buyers and sellers of residential properties.

LSL's operations cover four key areas; surveying; estate agency; corporate services; financial services.

Surveying

LSL's [surveying](#) business operates under the e.surv Chartered Surveyors brand, and the Walker Fraser Steele brand in Scotland. e.surv is one of the largest employers of residential Chartered Surveyors in the UK and is the largest distributor and manager of mortgage valuations and private surveys.

Estate Agency

LSL's [estate agency](#) business operates under the Your Move, Reeds Rains, Intercounty and several independent brands.

In January 2010 the acquisition of the Halifax Estate Agency (HEA) business from Lloyd Banking Group saw LSL increase in size to become the second largest UK estate agency network - with around 570 branches. It is also the largest letting agency in the UK.

Corporate Services

LSL Corporate Client Services was launched in 2008 to provide asset management and lettings property portfolio management services to corporate clients. This business has grown through the addition of St Trinity Asset Management - which previously operated as HEA Corporate Services - and Templeton LPA, which LSL acquired in February 2010.

Financial Services

LSL offers financial services across its entire branch network. In May 2010 LSL acquired over 450 advisers from leading financial services network Home of Choice - these advisers now operate under the brand of First Complete.

In October 2010 LSL also announced the acquisition of mortgage distribution company, Advance Mortgage Funding Limited (trading as Pink Home Loans) and its subsidiary business BDS Mortgage Group Limited, (together known as Pink), from Skipton Building Society. It further confirmed LSL's position as one of the largest mortgage advisory businesses in the UK today.

For further information see www.lslps.co.uk