

House Price Index

Scotland

Under embargo until 00:01

Friday 16th February 2018

DEC 2017 | Average House Price
in Scotland

£177,161

AVERAGE MONTHLY CHANGE:  0.8%AVERAGE ANNUAL CHANGE:  4.5%

Scottish house prices grow by 4.5% over 2017 - faster than any region in Britain

- Average Scottish House Price stands at £177,161, £7,582 higher than a year ago
- Demand for property remains with lack of stock driving prices up
- Main price rises seen in Glasgow and along the Central Belt and among the Highlands and Islands

Headline news

Average house prices in Scotland grew 4.5% in 2017, the fastest rate since May 2015 and faster than any other region in Britain. While prices in three British regions fell over the year, the average house in Scotland increased by £7,582 in value. The market continues to benefit from historically low interest rates, below average unemployment and – despite the increases in the last year – comparatively affordable property, with the average price now £177,161. Scotland's affordability ratio – comparing median full-time earnings to median house prices – is the lowest of all British regions, at 4.7, against 7.8 for England.

Quick Quotes

Christine Campbell, Your Move Managing Director in Scotland said: “The combination of low interest rates, an unemployment rate lower than that of Great Britain and a number of schemes to assist buyers has contributed to ongoing demand for property. The problem remains, however, that there are not enough properties coming to market to sell - nor homes being built - which, in turn, is driving prices up. It's important that, in the months to come, more emphasis should be placed on building homes – particularly those that are more affordable – to ensure that the market remains active and that any potential slowdown is avoided.”

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: “Glasgow has been the big success story in Scotland in the last year, and it is driving price growth in the country. We're seeing impressive growth not just in the city itself, where prices remain below average for Scotland, but also in its more affluent suburbs, with some of the most expensive property in the country.”

Key Insights

By contrast, Scotland's prime real estate continues to put on value: East Dunbartonshire (which takes in many of Glasgow's suburbs) saw prices rise by 12.2% over the year, giving it now the most expensive average property price in the nation, at £259,566, ahead of East Renfrewshire (£256,966). It has also overtaken Edinburgh (£254,552). Both areas continued to see growth in 2017, though, of 4.1% and 3.9%, respectively.

Even excluding London and the South East, though, Scotland's growth rate is double the rest of Britain's, and easily faster than any other region. That's the product of, on the one hand, median full time wages higher than anywhere outside London and the South East in a region with median house prices the lowest in Britain; and, on the other, the same tight supply of houses as elsewhere in the UK.

The result is price increases across the country. In fact, only six out of Scotland's 32 local authority

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Key Insights continued...

areas saw prices fall in 2017, with the biggest drop in Clackmannanshire (-5.3%). Eight ended the year at a new peak average price, meanwhile: East Dunbartonshire, Highland, Shetland Islands, Renfrewshire, Dundee City, Falkirk, North Lanarkshire and Glasgow.

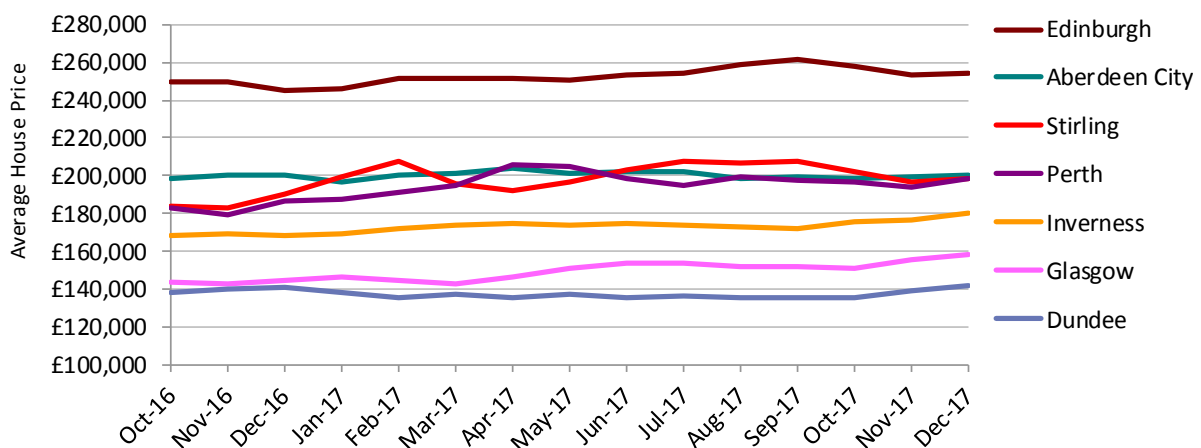
While price rises are broad-based, the last of these accounts for a significant amount of the overall increase in average prices nationally. Glasgow's impressive 9.7% growth over

the year to £158,551 is matched by a busy market, and on a weight-adjusted basis, the city accounts for more than a fifth (21%) of the £7,582 increase we've seen in Scotland. Add in Edinburgh (15%), Fife (8%) and East Dunbartonshire, the Highlands and South Lanarkshire (all contributing 7%), and six local authority areas are responsible for two-thirds (65%) of the increase in prices we've seen over 2017.

Average House Prices in Scotland for the period December 2016 - December 2017

MONTH	YEAR	HOUSE PRICE	MONTHLY CHANGE %	ANNUAL CHANGE %
December	2016	£169,579	-0.2	1.7
January	2017	£169,470	-0.1	1.6
February	2017	£170,527	0.6	2.9
March	2017	£171,556	0.6	2.1
April	2017	£174,058	1.5	3.0
May	2017	£174,894	0.5	2.9
June	2017	£175,309	0.2	4.2
July	2017	£174,858	-0.3	4.0
August	2017	£175,006	0.1	4.0
September	2017	£175,713	0.4	4.2
October	2017	£175,246	-0.3	3.2
November	2017	£175,718	0.3	3.5
December	2017	£177,161	0.8	4.5

Average house prices for Scotland's seven cities from October 2016 - December 2017

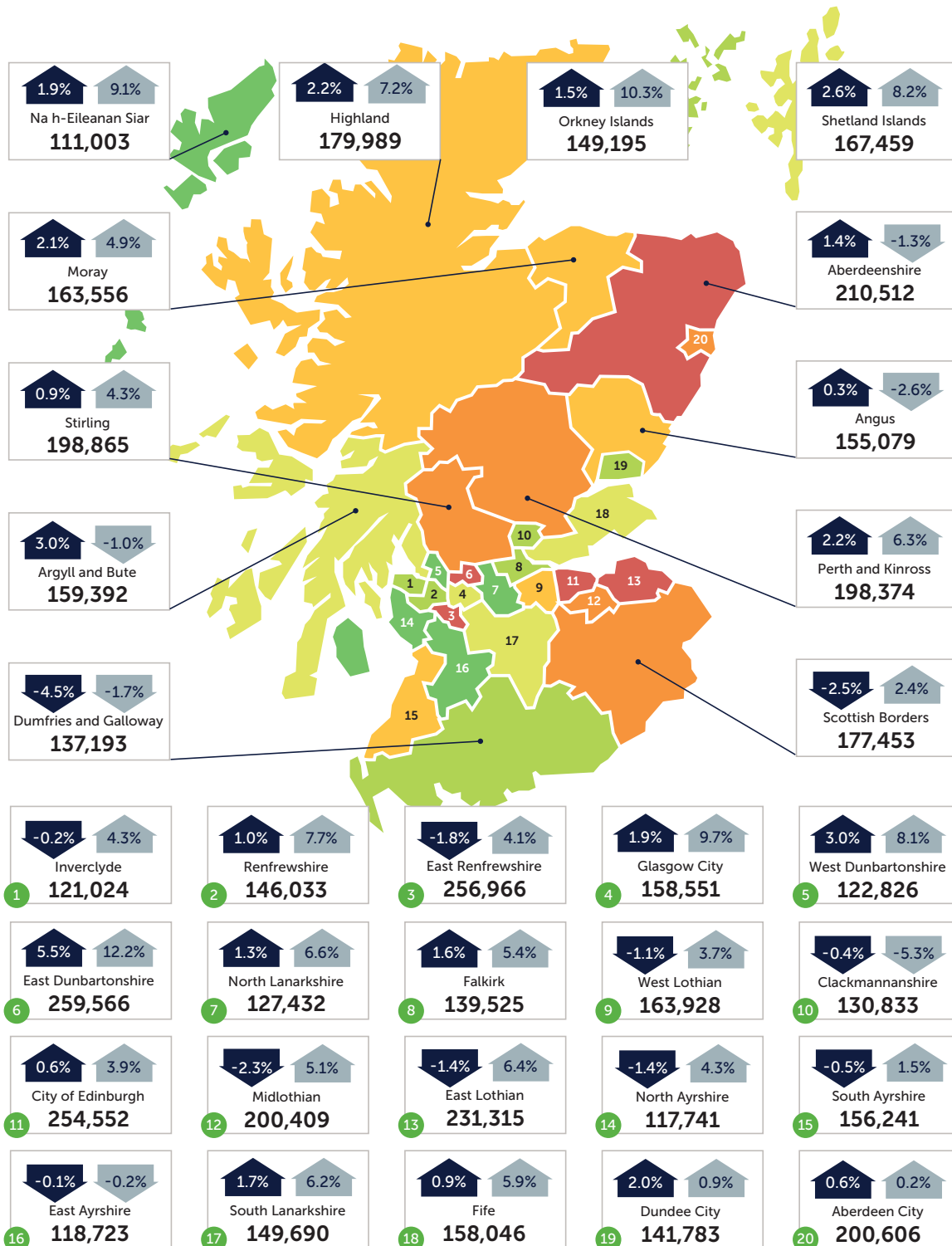


Please note that the Registers of Scotland (RoS) who supply monthly housing data for this Index has experienced technical problems which has had an impact on the methodology and the information provided. Full details can be found at <http://www.acadata.co.uk/acadataHousePrices.php>

Regional update

Average House Prices in Scotland, by local authority area, comparing December 2016 and November 2017 with December 2017.

 AVERAGE MONTHLY CHANGE  AVERAGE ANNUAL CHANGE



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For downloads see: <https://www.your-move.co.uk/media-centre>
 For full report and methodology see: <http://www.acadata.co.uk/acadataHousePrices.php>