

House Price Index

Scotland

Under embargo until 00:01

Friday 22nd December 2017

OCT 2017 | Average House Price
in Scotland

£175,722

AVERAGE MONTHLY CHANGE: -0.2%

AVERAGE ANNUAL CHANGE: 3.5%

Scotland's annual house price growth second highest of Britain's regions

- Scotland's annual price growth slows to 3.5% but remains second highest of Britain's regions
- Lack of supply and strong demand drive price increases across the country
- Midlothian and Stirling lead growth supported by sales of new builds
- Four out of the five local authorities seeing prices decline are on the East Coast

Headline findings

House prices in Scotland dipped marginally in October, falling 0.2%, with the average property value dropping £276. The rate of annual growth also fell, with prices at the end of October 3.5% higher than a year before, against 4.4% last month.

Annual growth in Scotland remains stronger than most other UK regions, however. It's well above the average for England and Wales as a whole in October, which stood at just 1.3%, and only the South West of England has grown faster (up 4.3% annually). At £175,722 the average price in Scotland is almost £6,000 higher than a year ago.

Quick Quotes

Christine Campbell, Your Move managing director in Scotland, said: "Despite a slowdown in annual growth, both the strength and consistency of the Scottish market continue to be impressive. With demand strong and property still affordable, Scotland looks like it will finish 2017 in good shape."

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: "So far Scotland's shrugged off the malaise that's affected many other UK regions. With unemployment edging up and the rate of growth slowing, though, the impact of the provisions in December's draft budget will be critical in determining whether that continues."

Key Insights

The resilience of the housing market in Scotland continues to rest on strong demand on the one hand and tight supply on the other.

The first is fuelled by historically low interest rates, a relatively strong economy and affordable property, with median full-time earnings that are the third highest in the UK (at £547.30 a week or £28,460 a year) and a median house price (of £135,000) that's the lowest. Scotland's "affordability ratio" is therefore 4.7 – the lowest of the UK. The equivalent figure for England is 7.8.

When it comes to supply, meanwhile, October's Royal Institution of Chartered Surveyors Residential Market Survey identifies Scotland as having the fourth-lowest number of new vendor instructions in the UK.

Both Scotland's affordability ratio and annual price growth benefit from a capital city market that continues to be strong. Annual growth in Edinburgh, at 3.4%, is close to the national trend, in contrast to the price falls seen in London that pull the average down for England and Wales. Prices in Scotland's first city, at an average of £258,426, also remain much closer to the rest of the UK, being only slightly less than 50% of London prices, which are closer to double the average in England and Wales.

continued on page 2>

Key Insights continued...

Scotland's strength is broad-based, though. Only five of its 32 local authority areas haven't seen prices grow over the 12 months to October 2017. Of those, four are on the East Coast, starting at Aberdeenshire (down 1.1%) in the north, and working down as far as Dundee City (down 1.8%) in the south. The biggest fall has been in Clackmannanshire, however, where prices are 5.3% lower than last year.

By contrast, there's been good performance from areas throughout Scotland from Highland (up 4.6% annually) to the Scottish Borders (4.5%). A number have performed particularly strongly: Midlothian,

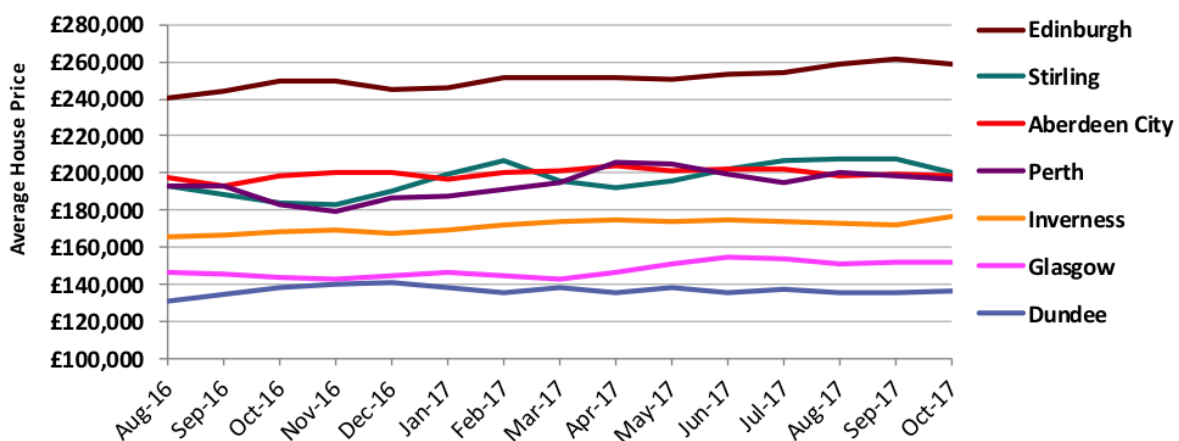
which set a new peak for the third time this year in October and has prices up 8.7% annually, bolstered by 140 new-build homes sold in Dalkeith; East Dunbartonshire, which saw the biggest monthly uplift on the mainland (5.3%) and has seen an annual increase of 6.9%; and East Renfrewshire and Fife, which have both seen annual prices increase 6%.

The biggest annual increase for the second month running, however, was recorded in Stirling: the average property values there are up £16,582, or 9.0% over the year, to £200,555. Again, new-build properties, this time in the Bridge of Allan area, have helped bolster the prices achieved.

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

MONTH	YEAR	HOUSE PRICE	MONTHLY CHANGE %	ANNUAL CHANGE %
October	2016	£169,756	0.7	2.5
November	2016	£169,873	0.1	2.1
December	2016	£169,551	-0.2	1.7
January	2017	£169,448	-0.1	1.6
February	2017	£170,476	0.6	2.8
March	2017	£171,554	0.6	2.1
April	2017	£174,053	1.5	3.0
May	2017	£174,982	0.5	2.9
June	2017	£175,395	0.2	4.3
July	2017	£174,926	-0.3	4.1
August	2017	£175,127	0.1	4.0
September	2017	£175,998	0.5	4.4
October	2017	£175,722	-0.2	3.5

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

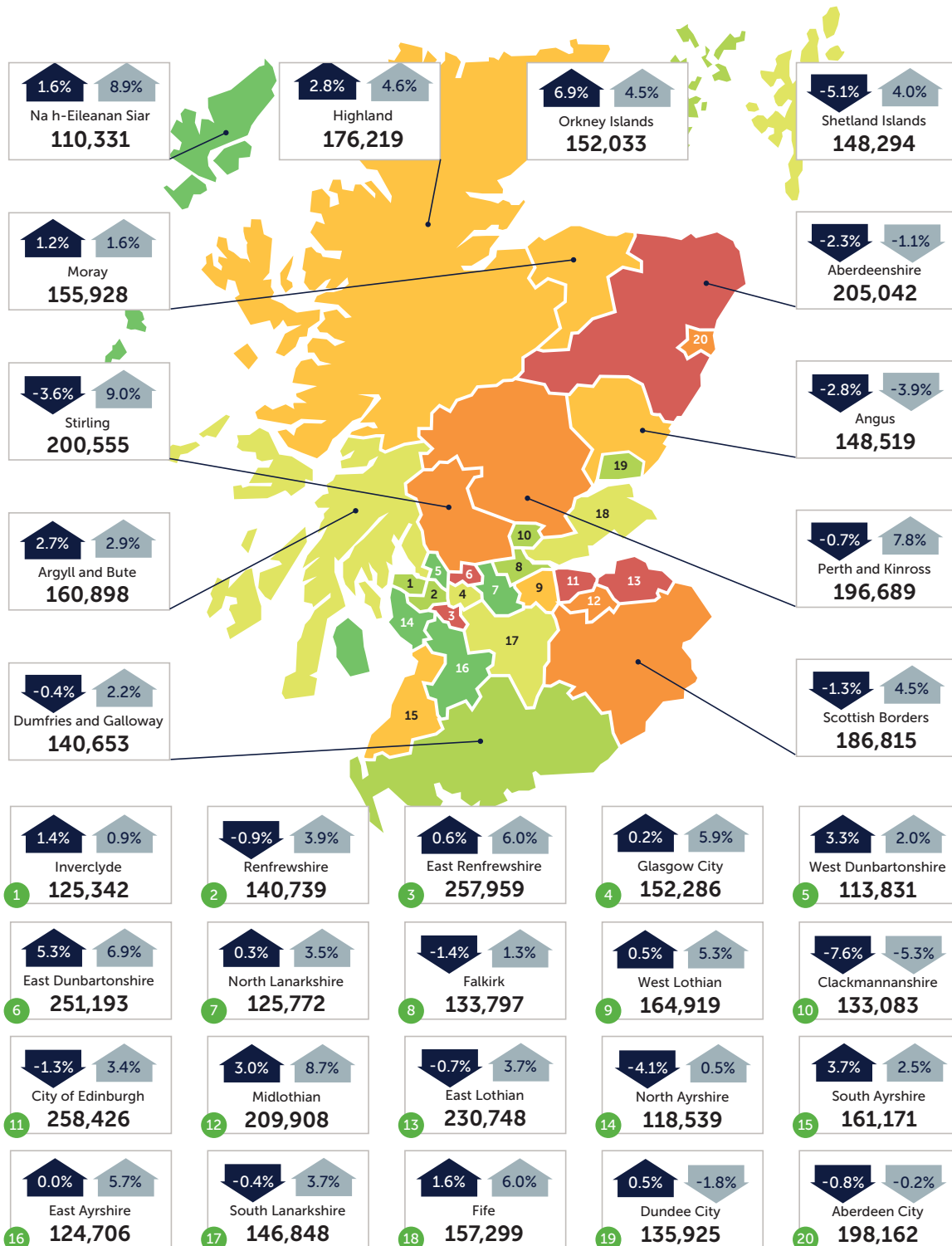


Please note that the Registers of Scotland (RoS) who supply monthly housing data for this Index has experienced technical problems which has had an impact on the methodology and the information provided. Full details can be found at <http://www.acadata.co.uk/acadataHousePrices.php>

Regional update

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

AVERAGE MONTHLY CHANGE AVERAGE ANNUAL CHANGE



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 For full report and methodology see: <http://www.acadata.co.uk/acadataHousePrices.php>