

Scotland's March House Prices reach double digit increase

- ✓ Average house prices rise by £20,800 over last year
- ✓ All 32 local authority areas have seen prices rise over the last twelve months
- ✓ Transactions in Q1 2021 are 19% higher than Q1 2020

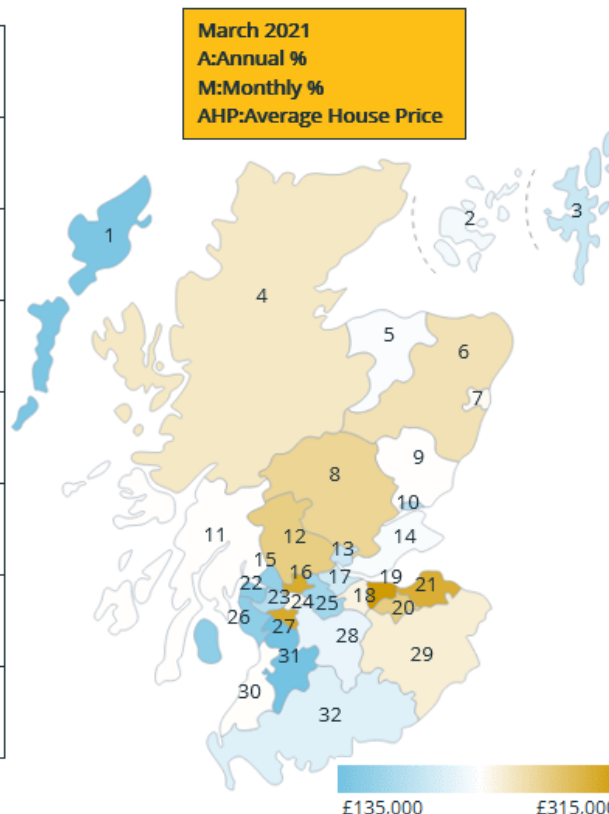
Notes:

- The *Walker Fraser Steele Acadata House Price Index (Scotland)* was formerly named 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 %
£207,083	271.2	1.9	11.2

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1 Na h-Eileanan Siar A 16.4% M -1.6% AHP £141,033	2 Orkney Islands A 25.7% M 7.2% AHP £182,319
5 Moray A 8.8% M 1.2% AHP £184,334	6 Aberdeenshire A 9.7% M 2.3% AHP £223,264
9 Angus A 11.6% M 0.0% AHP £187,620	10 Dundee City A 12.5% M 4.9% AHP £161,557
13 Clackmannanshire A 8.6% M -2.7% AHP £168,106	14 Fife A 9.0% M 2.2% AHP £183,887
17 Falkirk A 5.8% M 1.9% AHP £170,127	18 West Lothian A 11.5% M 0.3% AHP £200,940
21 East Lothian A 15.2% M 0.1% AHP £286,861	22 Inverclyde A 16.6% M 6.1% AHP £146,800
25 North Lanarkshire A 7.8% M 1.8% AHP £154,064	26 North Ayrshire A 13.7% M 2.6% AHP £147,296
29 Scottish Borders A 8.1% M 1.3% AHP £207,720	30 South Ayrshire A 16.6% M -0.9% AHP £188,150



3 Shetland Islands A 8.4% M -0.1% AHP £167,603	4 Highland A 14.2% M 6.2% AHP £214,837
7 Aberdeen City A 2.2% M -0.1% AHP £192,655	8 Perth & Kinross A 16.4% M 0.8% AHP £238,629
11 Argyll & Bute A 10.1% M 3.3% AHP £187,808	12 Stirling A 13.9% M 0.6% AHP £247,479
15 West Dunbartonshire A 14.6% M 3.9% AHP £149,094	16 East Dunbartonshire A 5.0% M 5.4% AHP £289,986
19 City of Edinburgh A 9.8% M 1.8% AHP £311,174	20 Midlothian A 6.0% M 2.6% AHP £248,908
23 Renfrewshire A 7.7% M 2.0% AHP £159,826	24 Glasgow City A 19.8% M 2.5% AHP £194,099
27 East Renfrewshire A 7.5% M -1.1% AHP £291,561	28 South Lanarkshire A 9.7% M 1.5% AHP £178,601
31 East Ayrshire A 12.7% M -0.2% AHP £137,966	32 Dumfries & Galloway A 16.3% M 1.3% AHP £175,231

Table 1. Average House Prices in Scotland for the period March 2020 – March 2021
(The prices are end-month smoothed over a 3 month period) ([Link to source Excel](#))

Month	Year	House Price	Index	Monthly Change %	Annual Change %
March	2020	£186,277	244.0	-0.3	2.1
April	2020	£185,717	243.2	-0.3	1.2
May	2020	£184,485	241.6	-0.7	0.1
June	2020	£186,722	244.5	1.2	1.2
July	2020	£187,590	245.7	0.5	1.7
August	2020	£188,274	246.6	0.4	2.5
September	2020	£188,073	246.3	-0.1	2.2
October	2020	£191,470	250.8	1.8	3.8
November	2020	£196,837	257.8	2.8	6.0
December	2020	£200,658	262.8	1.9	7.7
January	2021	£201,983	264.5	0.7	8.2
February	2021	£203,242	266.2	0.6	8.8
March	2021	£207,083	271.2	1.9	11.2

Note: The Walker Fraser Steele Acadata 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:

“The Scottish housing market is showing that even in a pandemic it can turn in the kind of performance that makes other asset groups pale in comparison. Our survey shows that the average house price in Scotland at the end of March 2021 stands at £207,083. This is £20,800, or 11.2%, higher than at the end of March 2020.

“Scotland’s annual rate of house price growth has reached double digits for the first time since December 2007 and, in March 2021, all 32 of the local authority areas in Scotland have seen an increase in prices over the last twelve months.

“The Scottish residential market has thrived during the pandemic, and the outlook has been a brighter one for prices since the beginning of the year. Low interest rates and pent-up demand have helped demand but the growth we see here is in some part due to the speed of the vaccination programme and the relaxing of social distancing measures on both sides of the Border. The market has benefitted too from government support for jobs.

“It’s important to remember though that while 11.2% might ordinarily be considered extremely high, by comparison to the other regions in Great Britain, Scotland would be ranked eighth in terms of growth which says a lot about the general strength of demand across the entire UK.”

Commentary: John Tindale, Acadata Senior Housing Analyst

The March housing market

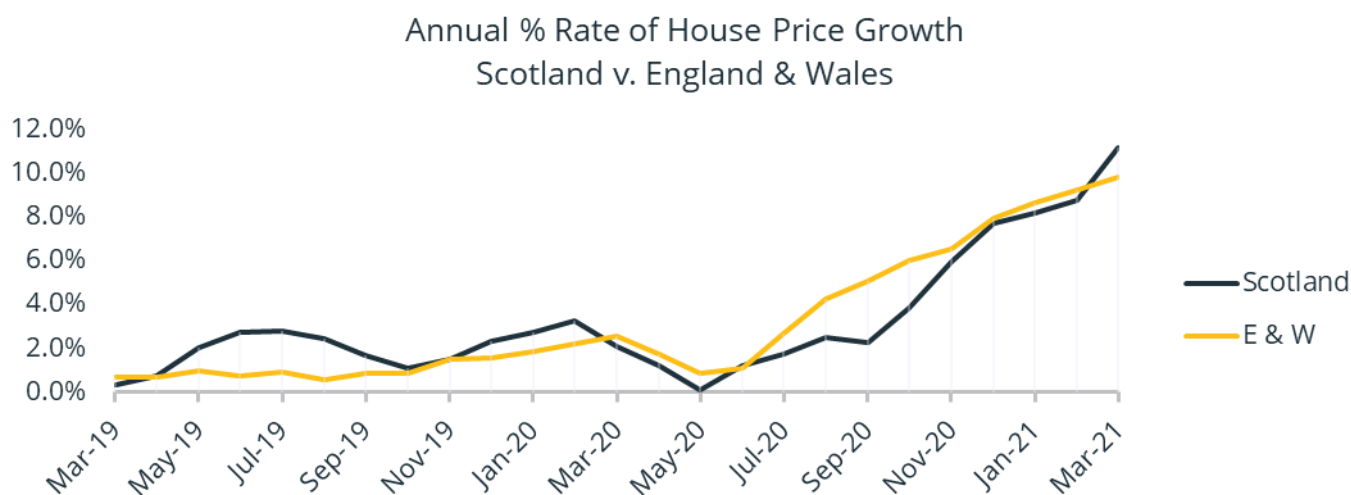
The average house price in Scotland at the end of March 2021 stands at £207,083. This is £20,800, or 11.2%, higher than at the end of March 2020. This is the first time that Scotland's annual rate of house price growth has been in double digits since December 2007 (ignoring the exceptional three months ahead of the introduction of the LBTT in April 2015). In March 2021, all 32 of the local authority areas in Scotland have seen an increase in prices over the last twelve months – again, not observed since 2007.

Figure 1 below compares the annual rate of house price growth in Scotland with that of England and Wales combined over the last two years. It can be seen that, in broad terms, the two series are similar, although they do have some subtle differences.

In March 2020 - at the start of the first lockdown - we can see the rate of growth in house prices beginning to fall, with this slowdown in price growth continuing until May in Scotland, and until June in England and Wales. Prices since June 2020 have been climbing for both series: at a steady pace in England and Wales, but with perhaps a small degree of hesitation in Scotland, around August and September 2020. Both series have seen almost identical rates of growth from December 2020 through to February 2021, with Scotland climbing in March 2021 with rates of 11.2%, to finish ahead of England and Wales at 9.8%.

One might ordinarily consider house price growth of 11.2% to be extremely high, but looking at the 11 GOR areas in Great Britain, Scotland would be ranked eighth in terms of growth, behind the North West (15.7%), the North East (12.6%), plus five others, but ahead of the East of England (8.7%), the South East (7.6%) and Greater London (3.3%).

Figure 1. The average house price in Scotland, for the period March 2019 to March 2021 ([Link to source Excel](#))



So why are house prices racing ahead in almost all areas of Great Britain? Our list of possible reasons include the following:- the pent-up demand for housing developed in late 2019 due to the prolonged Brexit negotiations, the historically low interest rates which have made homes more affordable, the savings accumulated in lockdown, the lifestyle changes associated with a move to more spacious premises and of course the temporary stamp duty holiday. To this we can add the fact that in

Scotland there has been a shift to a higher proportion of detached properties being sold, which has raised the average price being paid for a home in most local authority areas.

Figure 2. The annual % change in the average house price in Scotland, for the period March 2019 to March 2021, by property type ([Link to source Excel](#))

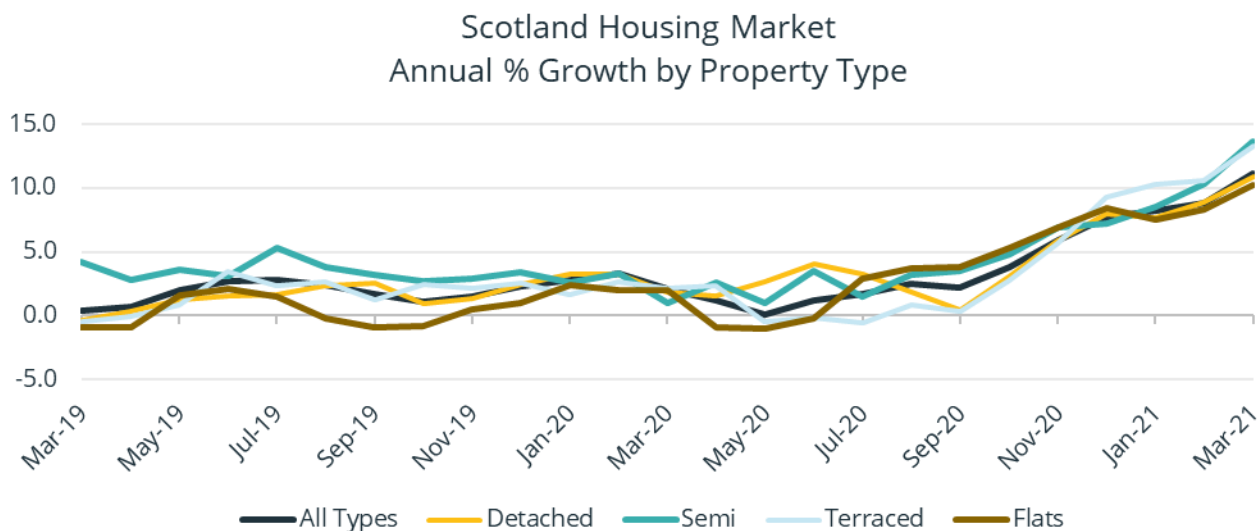


Figure 2 shows the annual change in prices in Scotland by property type over the last two years. Again, in general terms it can be seen that all property types have experienced a broadly similar pattern of growth – unlike in England and Wales, where flat prices have been lagging behind the growth of the other property types. The largest fall in flat prices has taken place in London, where demand for such properties has diminished, largely due to the lifestyle choice to live in larger homes with plenty of open space. There has also been a reduction in the number of flats being sold due to mortgage lenders requiring EWS1 certificates to verify that buildings conform to safety standards.

In Scotland, post September 2020, it is possible to conclude from Figure 2 that terraces have seen a steeper growth in prices compared to other property types, with semi-detached and terraced properties achieving the highest rates of growth in March 2021, ahead of detached homes and flats.

Figure 3 Box Plot Frequency Distribution Curve of Scotland's Q1 2021 Transactions

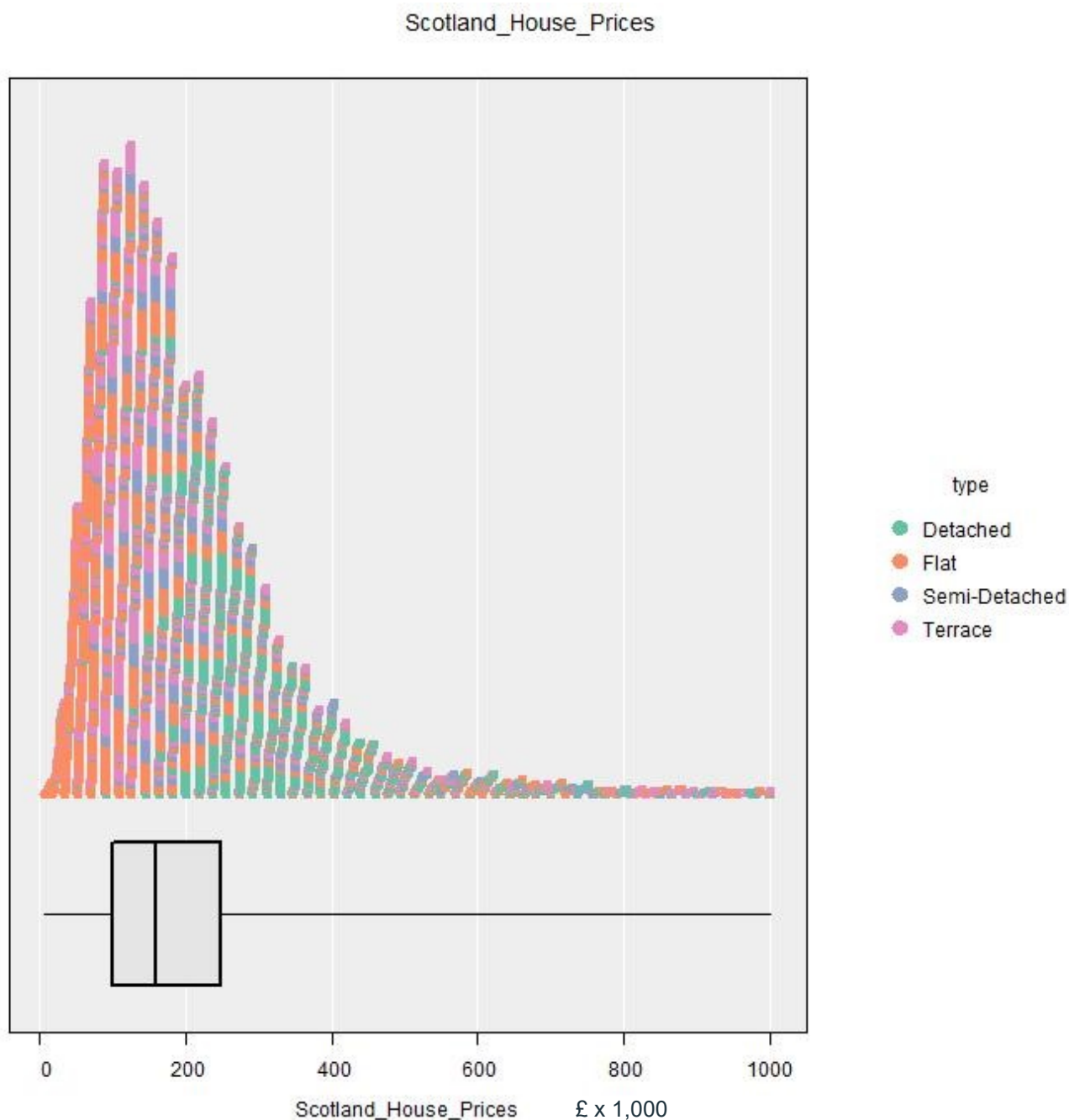


Figure 3 shows the frequency distribution of Scotland's Q1 2021 transactions, categorised by price and property type. As expected, flats and terraces are at the lower end of the price spectrum, with semi-detached and detached properties being priced towards the middle and higher end of the market – although interestingly, a number of flats and terraces appear among the properties priced above £750k. The “Box” at the bottom of the graph marks the positions of the 25%, 50% and 75% quartiles. The 25% quartile is centred at £100k, indicating that 25% of the properties sold in Q1 cost less than £100k. The 50% quartile (the median) is positioned at £160k and the 75% quartile is at £248k. With the LBTT tax holiday in Q1 2021 applying to all properties below £250k, this indicates that just over 75% of the properties sold in Scotland in the first quarter were exempt from paying any stamp duty. It will be interesting to see how the market changes during Q2 2021 when the stamp duty holiday no longer applies.

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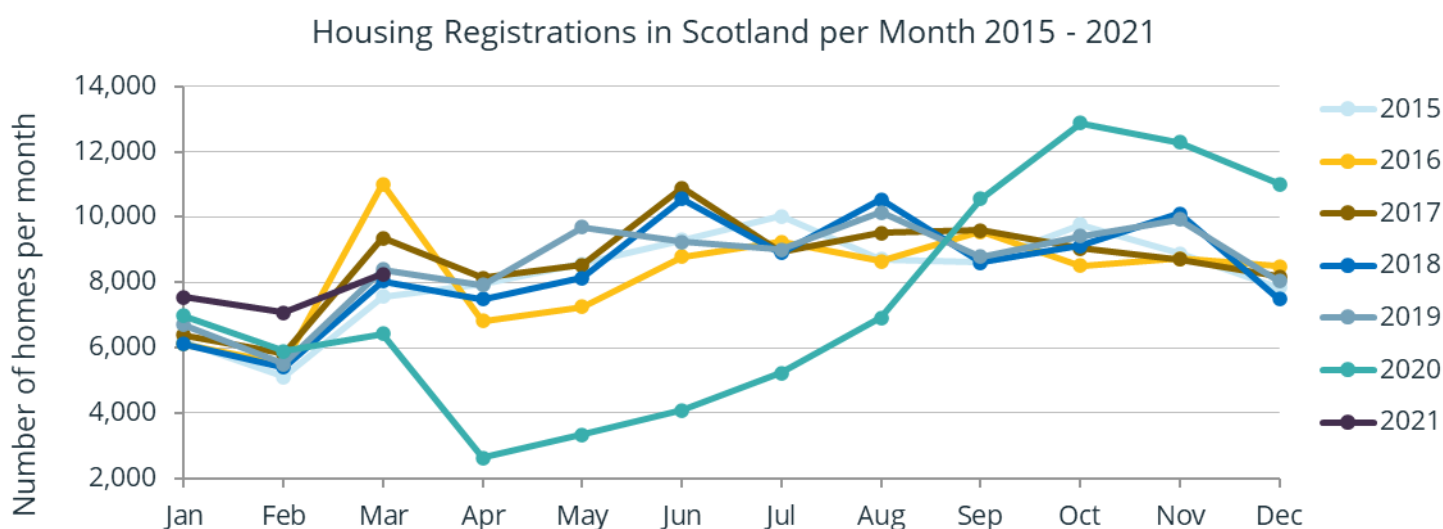
Transactions analysis

Monthly transaction counts

Figure 4 below shows the monthly transaction count for purchases during the period January 2015 to March 2021, based on RoS (Registers of Scotland) figures for the Date of Entry. The fall in the number of transactions for the period March 2020 to August 2020 is clearly visible. However, what is also clearly demonstrated is that the number of sales for each month from September 2020 to February 2021 has surpassed that of the same month in the previous six years - and we anticipate that the entry for March 2021 will similarly match or exceed the previous year's figures. The number of transactions since September 2020 shows a widespread increase in the demand for homes, and indicates that the housing market is not being powered solely by a small number of purchases at the top end of the price spectrum.

Comparing the 2020 sales total sales with that of 2019, there was a 14% fall in the overall size of the market. However, looking at the number of transactions in Q1 2021 and comparing with Q1 2020, sales are already up by 19%, and we anticipate that they will exceed this level as further registrations for February and March 2021 are processed by RoS over the next few months.

Figure 4. The number of sales per month recorded by Registers of Scotland based on entry date, for the period 2014 - 2021 (Source: Registers of Scotland.) ([Link to source Excel](#))



Scotland transactions of £750k or higher

Table 2. The number of transactions by month in Scotland greater than or equal to £750k, January 2015 – March 2021 ([Link to source Excel](#))

Sales of £750k+							
Month	2015	2016	2017	2018	2019	2020	2021
1	33	27	19	35	43	49	65
2	42	20	15	52	26	33	61
3	231	57	25	34	35	29	84
4	2	27	29	24	36	11	
5	14	20	31	32	54	16	
6	26	47	43	40	60	35	
7	15	36	55	44	61	40	
8	41	54	62	60	61	40	
9	46	44	56	70	59	67	
10	23	52	48	55	40	113	
11	48	38	37	58	58	108	
12	34	23	40	31	49	104	
Total	555	445	460	535	582	645	210

Table 2 shows the number of transactions per month in Scotland 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 that the number of such sales from January to December 2020 totals 645, which is the largest total of the last six years, despite the pandemic having had a dampening effect on the market during the first half of 2020.

As can be seen, the number of high-value transactions started to pick up in September 2020, and the sales in each month of the last quarter of 2020 exceeded the levels reached in all but one month of the previous five years. The one exception was March 2015, being the month preceding the introduction of the LBTT in April 2015. At this time, hundreds of purchases were brought forward into March, to avoid payment of the higher rates of stamp duty that became due on high-value properties from April 2015 onwards.

The more recent LBTT holiday, announced in July 2020, may well have incentivised many to purchase more expensive homes, spurred on by the desire to relocate to larger homes with more space. There were 210 sales in Scotland in Q1 2021 equal to or in excess of £750k, which almost doubles the number that took place in each of the prior six years, with the exception of 2015, which as discussed above was distorted by the introduction of the LBTT in Scotland's housing market.

It will be interesting to see whether the ending of the more recent LBTT holiday in Scotland - at the end of March 2021 - will affect the number of high-value sales that take place during the summer of 2021.

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Local Authority Analysis

Table 3. Average House Prices in Scotland, by local authority area, comparing March 2020 with February and March 2021 (Link to source Excel)

Prior Year Rank	Rank By Price	Local Authority Area	Mar-20	Feb-21	Mar-21	Month % Change	Annual % Change
1	1	City of Edinburgh	£283,391	£305,792	£311,174	1.8%	9.8%
3	2	East Renfrewshire	£271,266	£294,695	£291,561	-1.1%	7.5%
2	3	East Dunbartonshire	£276,127	£275,049	£289,986	5.4%	5.0%
4	4	East Lothian	£248,908	£286,579	£286,861	0.1%	15.2%
5	5	Midlothian	£234,899	£242,676	£248,908	2.6%	6.0%
6	6	Stirling	£217,323	£246,061	£247,479	0.6%	13.9%
7	7	Perth and Kinross	£205,055	£236,703	£238,629	0.8%	16.4%
8	8	Aberdeenshire	£203,593	£218,150	£223,264	2.3%	9.7%
11	9	Highland	£188,136	£202,245	£214,837	6.2%	14.2%
9	10	Scottish Borders	£192,137	£205,002	£207,720	1.3%	8.1%
12	11	West Lothian	£180,263	£200,425	£200,940	0.3%	11.5%
18	12	Glasgow City	£162,022	£189,407	£194,099	2.5%	19.8%
10	13	Aberdeen City	£188,536	£192,924	£192,655	-0.1%	2.2%
19	14	South Ayrshire	£161,366	£189,854	£188,150	-0.9%	16.6%
13	15	Argyll and Bute	£170,636	£181,746	£187,808	3.3%	10.1%
16	16	Angus	£168,133	£187,613	£187,620	0.0%	11.6%
14	17	Moray	£169,375	£182,094	£184,334	1.2%	8.8%
15	18	Fife	£168,688	£179,877	£183,887	2.2%	9.0%
25	19	Orkney Islands	£145,043	£169,999	£182,319	7.2%	25.7%
17	20	South Lanarkshire	£162,793	£175,937	£178,601	1.5%	9.7%
23	21	Dumfries and Galloway	£150,705	£173,004	£175,231	1.3%	16.3%
20	22	Falkirk	£160,821	£166,999	£170,127	1.9%	5.8%
21	23	Clackmannanshire	£154,743	£172,725	£168,106	-2.7%	8.6%
22	24	Shetland Islands	£154,585	£167,774	£167,603	-0.1%	8.4%
26	25	Dundee City	£143,639	£154,071	£161,557	4.9%	12.5%
24	26	Renfrewshire	£148,458	£156,686	£159,826	2.0%	7.7%
27	27	North Lanarkshire	£142,976	£151,343	£154,064	1.8%	7.8%
28	28	West Dunbartonshire	£130,149	£143,470	£149,094	3.9%	14.6%
29	29	North Ayrshire	£129,601	£143,622	£147,296	2.6%	13.7%
30	30	Inverclyde	£125,859	£138,357	£146,800	6.1%	16.6%
32	31	Na h-Eileanan Siar	£121,140	£143,330	£141,033	-1.6%	16.4%
31	32	East Ayrshire	£122,467	£138,217	£137,966	-0.2%	12.7%
All Scotland			£186,277	£203,242	£207,083	1.9%	11.2%

Table 3 above shows the average house price and percentage change (over the last month and year) by Local Authority Area for March 2020, as well as for February and March 2021, calculated on a seasonal- and mix-adjusted basis. The ranking in Table 3 is based on the local authority area's average house price for March 2021.

Annual change

The average house price in Scotland at the end of March 2021 stands at £207,083. This is some £20,800, or 11.2%, higher than at the end of March 2020. This annual rate is 2.4% higher than the revised rate of 8.8% recorded in February 2021 and represents the highest rate seen in Scotland since December 2007, ignoring the exceptional three months ahead of the introduction of the LBTT in April 2015. In March 2021, all 32 of the local authority areas in Scotland had higher average house prices than twelve months earlier, which is also the first time that this has happened since December 2007, again ignoring the period around the introduction of the LBTT in April 2015.

In March 2021, the highest annual increase in prices of the 32 local authority areas was in the Orkney Islands at 25.7%. This increase was assisted by the purchase of the Islands' most expensive property of the last twelve months, for £445,000, being a semi-detached home with two cottages attached, which are currently used for holiday lets.

On the mainland in March, the highest annual increase in prices was in Glasgow, up by a remarkable 19.8%. All property types in Glasgow have seen price increases over the last twelve months, with the highest rise being terraced homes, with average values climbing from £175k in March 2020 to £215k one year later. The increase in terraced prices in Glasgow was assisted by the purchase of a home in Park Circus, near Kelvingrove Park, valued at £1.7 million – the second-highest price paid for a terrace in Glasgow over the last twelve months.

In March, 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 31% of the uplift in Scotland's average house price over the last twelve months. Indeed, if we add the Highlands, South Lanarkshire, Fife, and Perth and Kinross to these two cities, then we have explained 54% of the increase in prices that has taken place at the national level over the last year.

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 £140k in March 2020 to an average £167k this March, while in Edinburgh the equivalent figures are up from £241k to £262k.

At the other end of the scale, the two local authorities with the lowest price increases over the last twelve months are Aberdeen City, up 2.2%, and East Dunbartonshire, up 5.0%. In Aberdeen City it is the price of flats that has taken the largest fall, down from an average £121k in March 2020 to £115k in March 2021.

In East Dunbartonshire, the price of detached homes has seen the largest fall over the last twelve months, down from an average £464k in March 2020 to £438k in March 2021. However, in this example it was the 2020 average price that was exceptionally high, assisted by the purchase of a £1.2 million home, in Milngavie, located 6 miles to the north-west of Glasgow. It remains the third-highest priced detached home in East Dunbartonshire purchased over the last twelve months. With no similarly priced homes selling in 2021, the average price in this latest year has fallen.

Monthly change

In March 2021, average house prices in Scotland have risen by some £3,840, or +1.9, from their level in February. The March 2021 average price of £207,083 sets another record level for Scotland, for the sixth month in succession.

In March, 25 local authority areas saw prices rise in the month, with 7 having price falls. This means there were two more local authority areas in the month with a positive movement in their house prices, compared to February, indicating that - despite prices having increased in each of the last six months - considerable momentum still remains in the market.

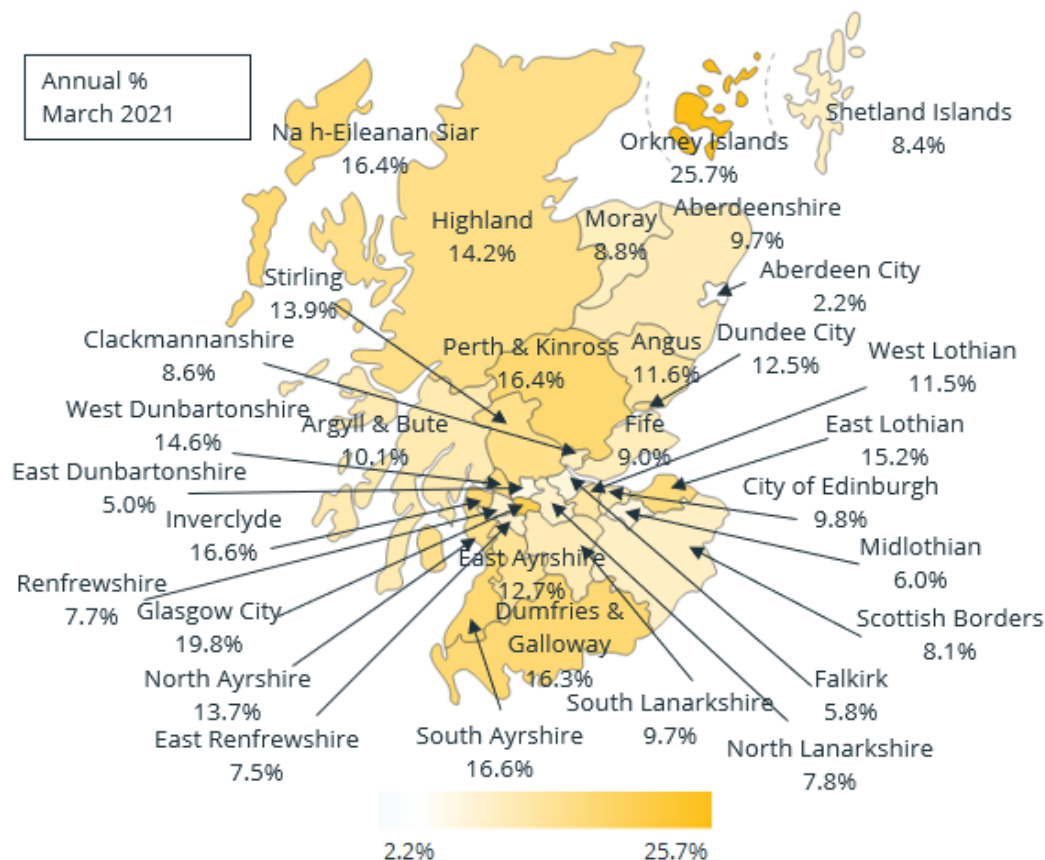
The mainland area with the highest increase in prices in the month was the Highlands, up by 6.2%. Sales in the month included a £1.0 million detached home on the banks of Loch Linnhe, near the village of Onich, some ten miles to the south of Fort William. This is the highest priced home sold in the Highlands over the last twelve months.

Peak Prices

Each month, in Table 3 above, we highlight in light blue the local authority areas which have reached a new record in their average house prices. In March, there are 20 such authorities, up from 16 in February.

Heat Map

The heat map below shows the rate of house price growth for the 12 months ending March 2021. All 32 local authority areas are reporting an increase in their housing values over the last year.



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Comparisons with Scotland

Figure 5. Scotland house prices, compared with England and Wales, Wales, North East and North West for the period January 2005-March 2021 ([Link to source Excel](#))

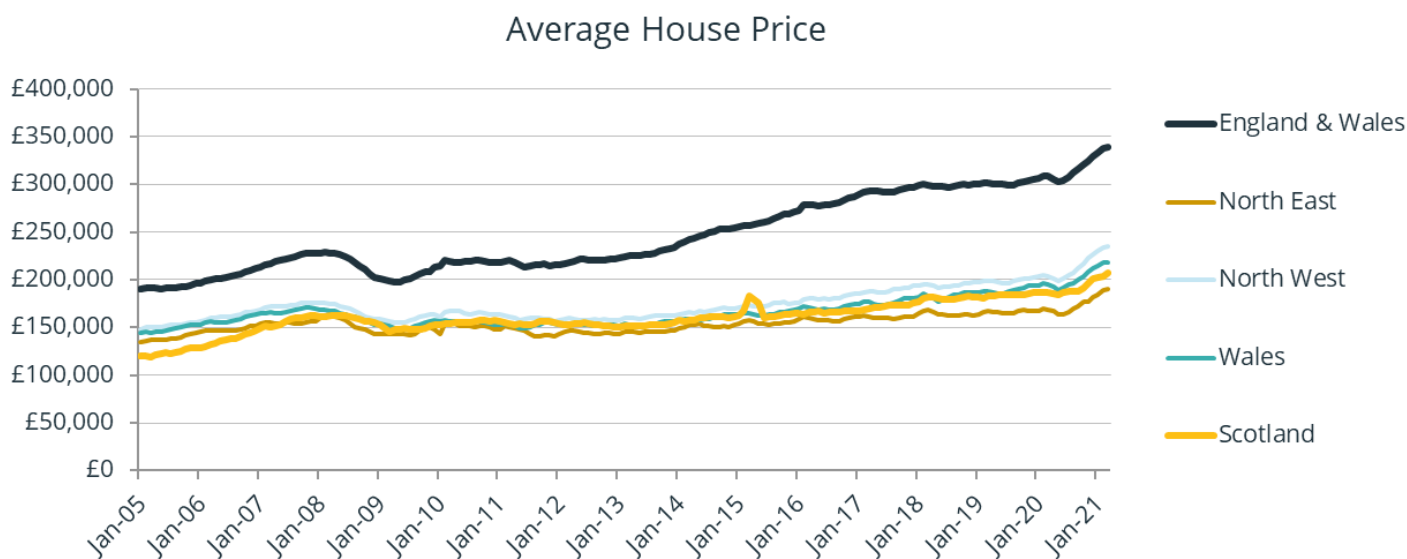
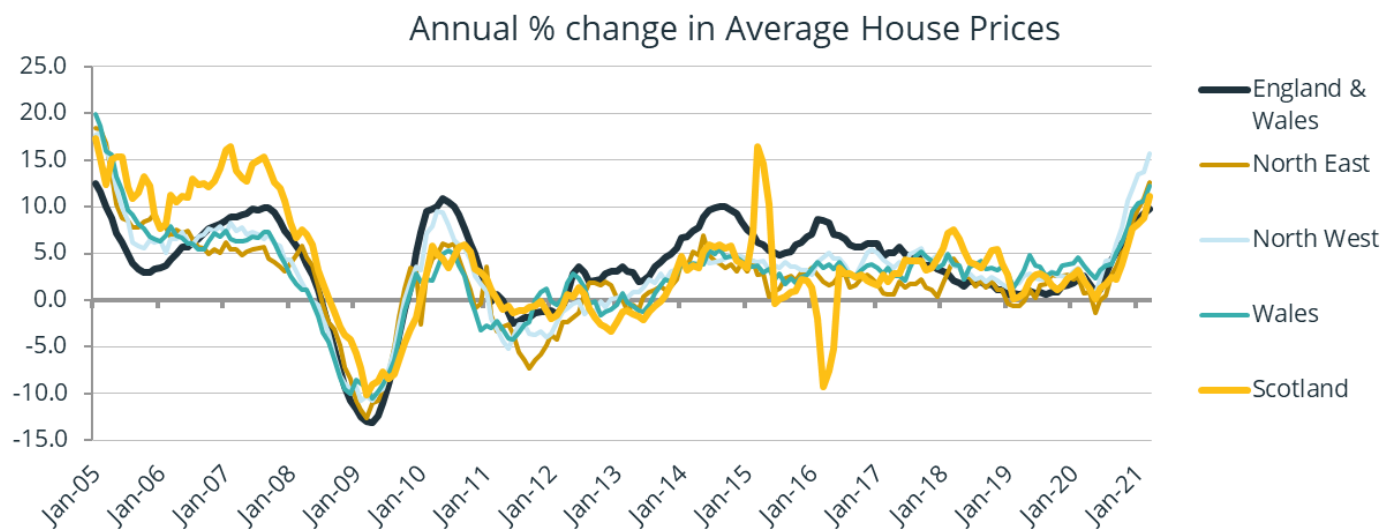


Figure 6. A comparison of the annual change in house prices in Scotland, England and Wales, Wales, North East and North West for the period January 2005-March 2021 ([Link to source Excel](#))



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Scotland's Seven Cities

Figure 7. Average house prices for Scotland's seven cities from January 2020–March 2021 ([Link to source Excel](#))

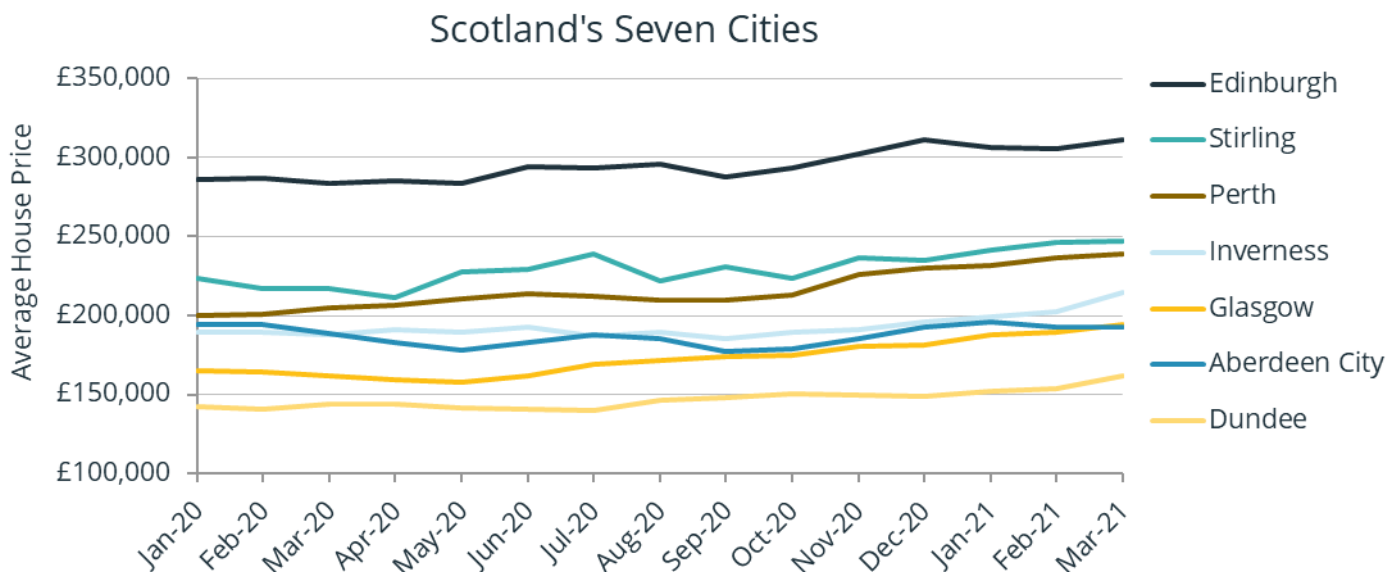
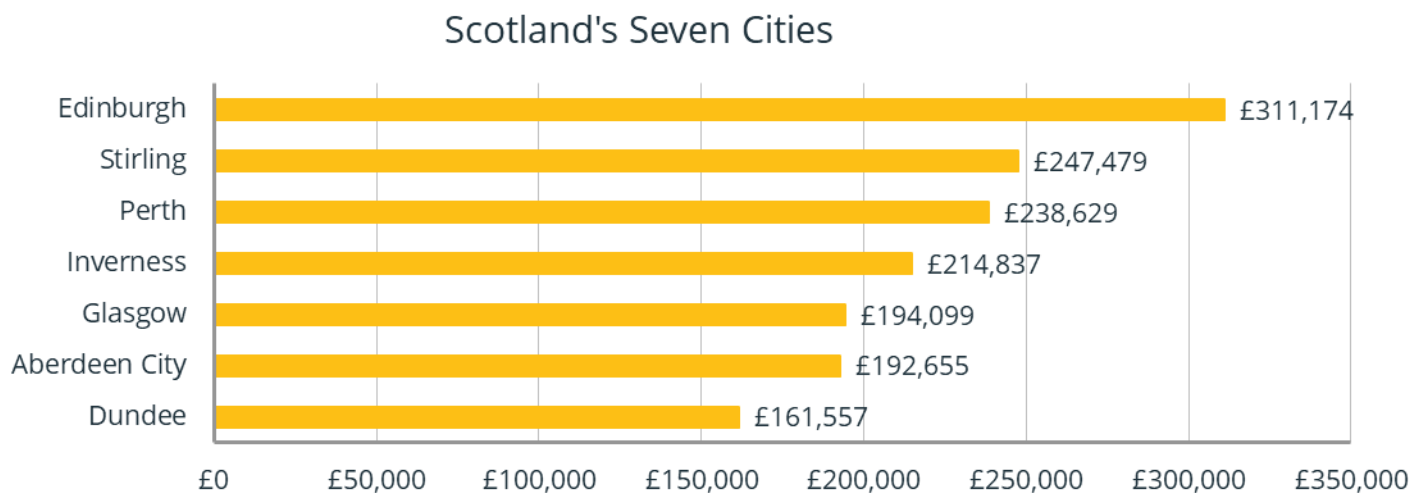


Figure 8. Average house prices for Scotland's seven cities March 2021 ([Link to source Excel](#))



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Notes

The *Walker Fraser Steele Acadata 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 Acadata 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 Acadata HPI (Scotland) is not forecast, unlike the e.surv Acadata 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 Acadata HPI (Scotland), like the e.surv Acadata HPI (England and Wales), comprises a smoothed average of three months' prices, the Walker Fraser Steele Acadata 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 Acadata HPI (England and Wales). Since we provide only a national England and Wales average price in our current month e.surv Acadata HPI (England and Wales) and prices at region and lower levels are lagged one month, this procedure means that the Walker Fraser Steele Acadata HPI (Scotland) prices are contemporaneous with the prices published for the equivalent month for England and Wales and the regions. All Walker Fraser Steele Acadata 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 Acadata 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 Acadata HPI (Scotland) please click [here](#). [Back to top](#)

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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