

House Price Index

Scotland

Under embargo until 00:01

Friday 17th March 2017

JAN 2017 | Average House Price
in Scotland

£171,407

AVERAGE MONTHLY CHANGE: **0.1%**

AVERAGE ANNUAL CHANGE: **1.5%**

Scottish house prices inching higher

- Prices edge up 0.1% in January and grow 1.5% annually
- New peak in Angus as prices grow 2.4% over the month
- Higher value properties and first time buyers drive transactions and prices
- Six months on, no sign of a Brexit effect

Headline news

Prices increased only marginally in January, up £137, or 0.1%, to make the average home in Scotland worth £171,407. Over the last 12 months, however, average prices have risen by £2,600 - equivalent to annual growth of 1.5%.

Despite concerns over the Brexit vote, there's been little impact on house prices since June, with fairly steady, but modest, increases. Annual growth is 0.5 percentage points higher than this time last year.

Across the country, Your Move found mixed results. Exactly half of the 32 local authority areas saw prices rise in January, led by Inverclyde, up 5.3%. The only area to reach a new peak, though, was Angus as buyers switched from flats to detached properties.

In contrast to elsewhere in the UK, higher priced property continues to see the strongest growth in Scotland.

Quick Quotes

Christine Campbell, Your Move managing director in Scotland, said: "Relatively slow house price growth in Scotland is proving a blessing for first-time buyers. The early indications are that they're using the opportunity to get on the ladder, helping to sustain transaction numbers."

"It will be interesting to see how talks of another Scottish referendum play out, and whether or not it has an impact on buyer and seller appetite to make a move now, or indeed, in the future."

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: "The fortunes of Scotland's premium areas highlight a striking contrast to elsewhere in Britain. Interest rate cuts last summer reinvigorated top-end sales, and higher priced areas continue to drive price growth."

Key Insights

Annual house price inflation in Scotland trails every region in Great Britain, other than the North East. At 1.5%, it's less than half the 3.9% across England and Wales as a whole.

In contrast to England and Wales, however, it's the most expensive property making the running. Eight of the 10 most expensive local authority areas in Scotland, saw increases in prices over the last 12 months. East Renfrewshire, the most expensive area in Scotland, has seen average prices grow 8.9% in the last year to £248,735.

By contrast, more than half the cheapest 10 local authorities have prices lower than they were 12 months ago, with the biggest drop in values over the year in North Ayrshire, down 11.5%. It's now the cheapest area other than Na h-Eileanan Siar. Even Inverclyde, which saw a 5.3% monthly increase in prices in January (helped by its second highest value house sale in the last year), experienced a 6.5% drop in prices over the year. High value sales – in this case two on the Isle of Eriska at over £1 million – are also responsible for the 9.7% increase in annual prices in Argyll and Bute, the biggest increase in the last 12 months. Such sales, though

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Key Insights continued...

relatively rare (with just 443 sales over £750,00 in the whole of 2016), weigh heavily in parts of the market where transaction activity is limited.

Angus experienced price increases (up 2.4% over the month) with good quality properties in Montrose and Hillside being particularly popular. This can be attributed to the Aberdeenshire market drop over recent years which resulted in more properties coming to the market in Angus as additional supply has counter-acted the slight drop in demand. Buyers also moved south from Aberdeenshire for more affordable housing.

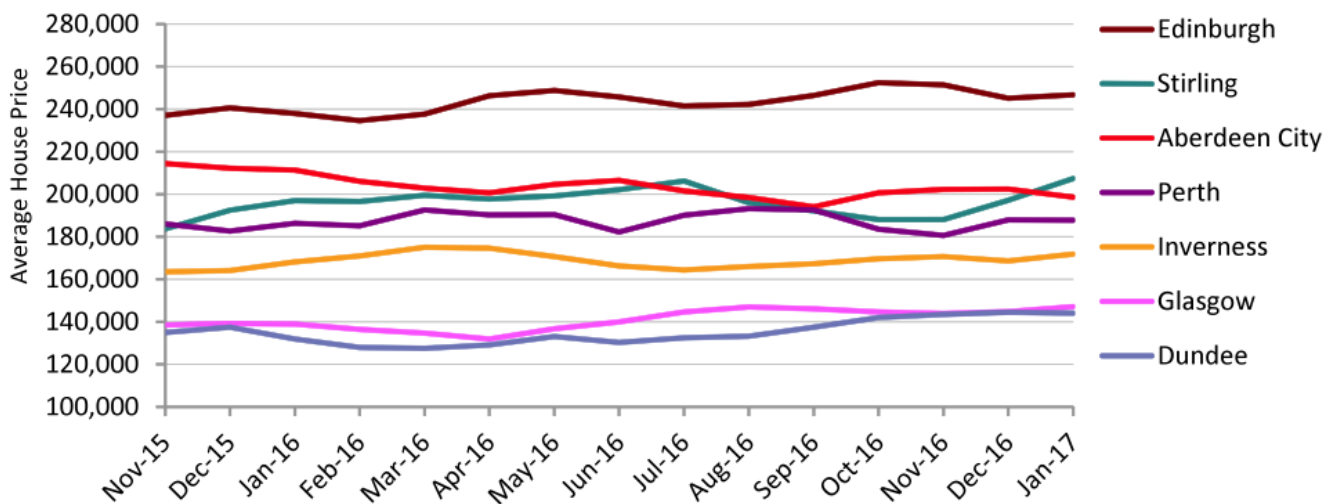
However, Buy to Let investment reduced in Angus in January due to the increased costs and changes in legislation. Ex-council houses in the area are still popular with first time buyers, which allowed sellers of these properties to upsize.

Overall, the primary characteristic of the Scottish market is resilience. The modest increase in January is in line with the annual trend and there's been no noticeable slowdown since the Brexit vote.

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

MONTH	YEAR	HOUSE PRICE	INDEX	MONTHLY CHANGE %	ANNUAL CHANGE %
January	2016	£168,814	221.1	0.2	1.0
February	2016	£168,246	220.4	-0.3	-2.3
March	2016	£170,317	223.1	1.2	-9.5
April	2016	£170,230	222.9	-0.1	-8.0
May	2016	£170,390	223.2	0.1	-5.5
June	2016	£168,788	221.1	-0.9	3.1
July	2016	£168,751	221.0	0.0	2.4
August	2016	£169,339	221.8	0.3	2.1
September	2016	£169,751	222.3	0.2	1.9
October	2016	£171,566	224.7	1.1	2.4
November	2016	£171,681	224.8	0.1	2.0
December	2016	£171,270	224.3	-0.2	1.6
January	2017	£171,407	224.5	0.1	1.5

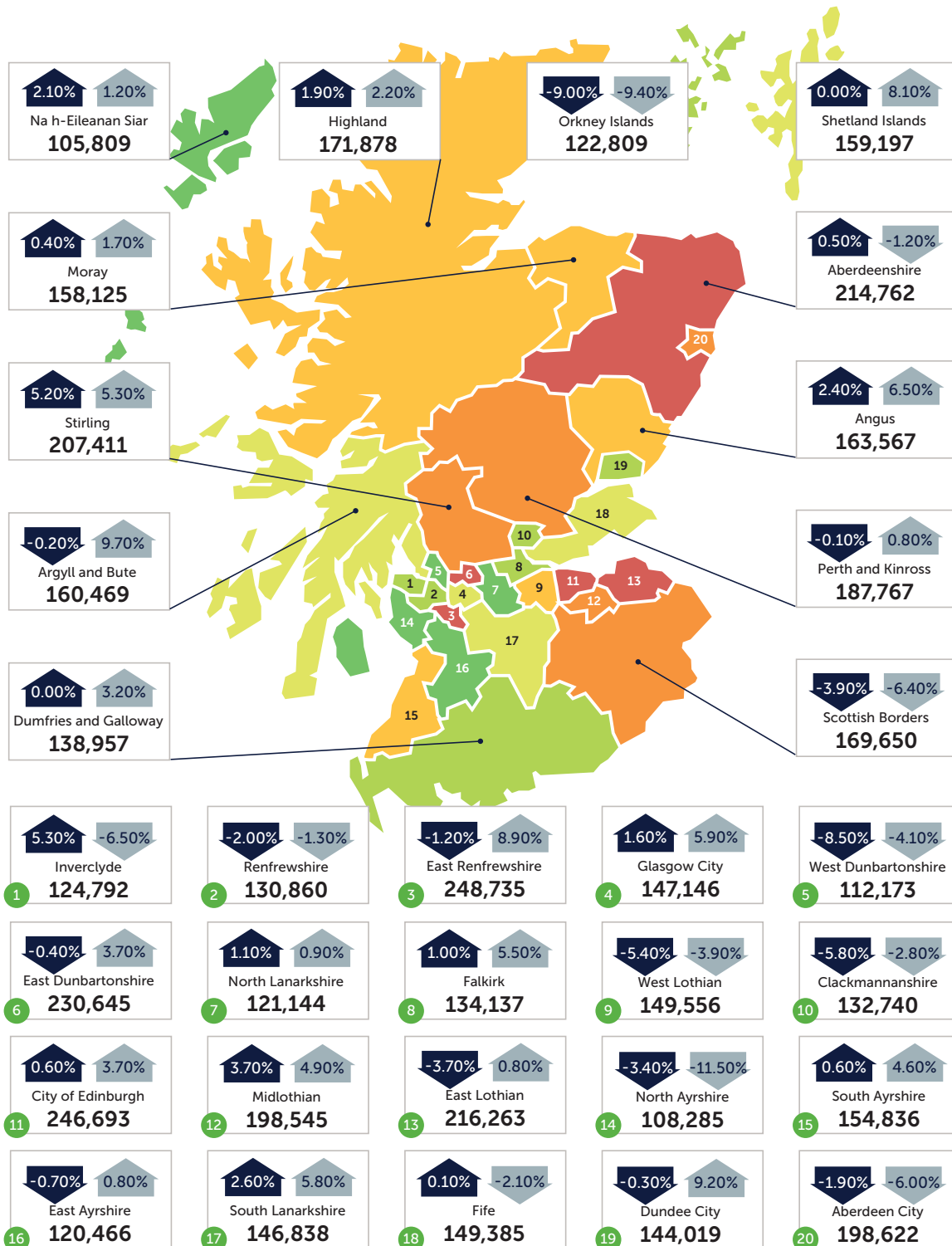
Average house prices for Scotland's seven cities from November 2015 - January 2017



Regional update

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

AVERAGE MONTHLY CHANGE AVERAGE ANNUAL CHANGE



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