

Record high house prices for third month in a row

- Scotland enjoys strongest market conditions for two years
- Nearly all authorities see higher prices
- Sales activity starts to nudge higher

House Price	Index	Monthly Change %	Annual Change %
£225,636	295.5	0.3	2.5

Scott Jack, Regional Development Director at Walker Fraser Steele, comments:

“Scotland’s residential property market gives us further cause for optimism this month as average home prices increased in May for the third month in a row. The market has remained remarkably resilient in recent years given the challenges it has faced but this month’s gain of nearly £600 (0.3%), represents the strongest performance for two years. This is a hat trick of record new house prices over the past three months.

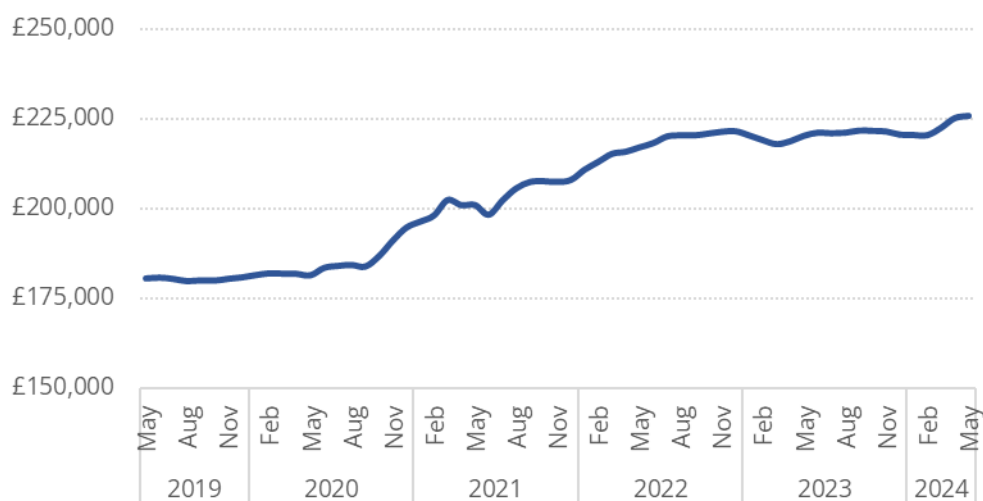
“Our data shows that Scotland’s average house price is now well in excess of £225,000 and comfortably above its earlier peak in September 2023. Clearly, Scotland is enjoying an earlier and stronger revival than across most of England and Wales.

“At a local authority level, the market saw increases in 15 areas, and, with the onset of a new government, we expect market sentiment will further improve. The new government has already said it is supportive of the existing mortgage guarantee scheme which has been used to good effect in Scotland. Confidence will likely be further buoyed as the Bank of England begins to cut its base rate in the coming months. “

Housing market commentary

Figure 1. New record high prices

Scotland prices, last 5 years



Average home prices increased in May for the third month in a row. Although the monthly gain of nearly £600 (0.3%) was not as strong as in March or April, this still represents the strongest housing market performance for two years.

Indeed, Scotland has reported new record house prices for each of the past three months. Scotland's average house price is now well in excess of £225,000 and comfortably above its earlier peak in September 2023. Clearly, Scotland is enjoying an earlier and stronger revival than across most of England and Wales.

Table 1. Average prices in Scotland for May 2023 - May 2024

Month	Year	Property Price	Index	Monthly % change	Annual % change
May	2023	£220,136	288.3	0.7	1.5
Jun	2023	£220,978	289.4	0.4	1.3
Jul	2023	£220,831	289.2	-0.1	0.4
Aug	2023	£220,983	289.4	0.1	0.3
Sep	2023	£221,561	290.2	0.3	0.6
Oct	2023	£221,486	290.1	0.0	0.3
Nov	2023	£221,318	289.9	-0.1	0.0
Dec	2023	£220,449	288.7	-0.4	-0.4
Jan	2024	£220,324	288.6	-0.1	0.0
Feb	2024	£220,318	288.5	0.0	0.6
Mar	2024	£222,361	291.2	0.9	2.1
Apr	2024	£225,044	294.7	1.2	2.9
May	2024	£225,636	295.5	0.3	2.5

Local Authority prices

Table 2. How prices in May 2024 compare

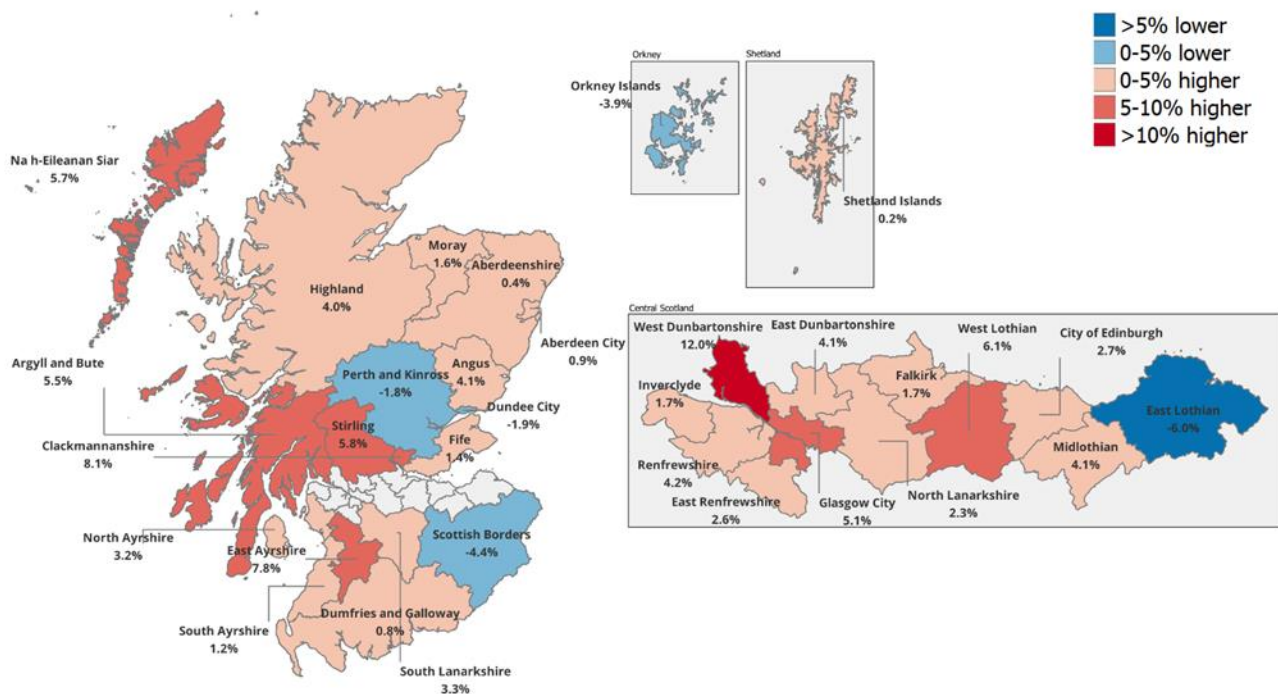
Rank	Prior Year Rank	Local authority	May 2023	Apr 2024	May 2024	Monthly % chg	Annual % chg
1	(2)	East Renfrewshire	£330,330	£331,949	£339,059	2.1%	2.6%
2	(3)	City Of Edinburgh	£329,553	£341,106	£338,565	-0.7%	2.7%
3	(1)	East Lothian	£345,327	£317,703	£324,693	2.2%	-6.0%
4	(4)	Midlothian	£292,320	£317,398	£304,373	-4.1%	4.1%
5	(5)	East Dunbartonshire	£285,956	£298,368	£297,547	-0.3%	4.1%
6	(6)	Stirling	£255,586	£252,938	£270,529	7.0%	5.8%
7	(9)	West Lothian	£233,174	£248,081	£247,397	-0.3%	6.1%
8	(7)	Perth and Kinross	£251,347	£246,872	£246,872	0.0%	-1.8%
9	(11)	Highland	£228,181	£230,784	£237,315	2.8%	4.0%
10	(8)	Aberdeenshire	£235,576	£232,804	£236,421	1.6%	0.4%
11	(14)	Argyll and Bute	£212,741	£219,985	£224,543	2.1%	5.5%
12	(10)	Scottish Borders	£229,276	£222,374	£219,092	-1.5%	-4.4%
13	(13)	Moray	£213,132	£218,782	£216,543	-1.0%	1.6%
14	(12)	Orkney Islands	£221,133	£200,587	£212,597	6.0%	-3.9%
15	(16)	Glasgow City	£200,569	£209,805	£210,723	0.4%	5.1%
16	(15)	Fife	£200,589	£204,990	£203,326	-0.8%	1.4%
17	(17)	South Lanarkshire	£194,038	£201,174	£200,517	-0.3%	3.3%
18	(21)	Angus	£185,173	£193,912	£192,734	-0.6%	4.1%
19	(19)	South Ayrshire	£189,108	£196,067	£191,459	-2.4%	1.2%
20	(18)	Shetland Islands	£190,241	£192,081	£190,679	-0.7%	0.2%
21	(25)	Clackmannanshire	£176,371	£180,453	£190,640	5.6%	8.1%
22	(24)	Renfrewshire	£182,413	£185,136	£190,127	2.7%	4.2%
23	(20)	Dumfries and Galloway	£187,828	£187,186	£189,398	1.2%	0.8%
24	(23)	Falkirk	£182,730	£190,941	£185,775	-2.7%	1.7%
25	(22)	Aberdeen City	£183,428	£182,516	£185,126	1.4%	0.9%
26	(27)	North Lanarkshire	£166,338	£173,036	£170,103	-1.7%	2.3%
27	(28)	East Ayrshire	£153,567	£159,795	£165,548	3.6%	7.8%
28	(26)	Dundee City	£166,953	£165,413	£163,826	-1.0%	-1.9%
29	(30)	Na H-Eileanan Siar	£150,331	£159,313	£158,939	-0.2%	5.7%
30	(29)	North Ayrshire	£150,481	£150,294	£155,288	3.3%	3.2%
31	(32)	West Dunbartonshire	£137,311	£150,515	£153,786	2.2%	12.0%
32	(31)	Inverclyde	£138,643	£148,816	£140,939	-5.3%	1.7%
Scotland			£220,136	£225,044	£225,636	0.3%	2.5%

Note: Lines shaded in darker blue reflect cases where Local Authority or Scotland prices reached record highs this month.

The number of local authority areas experiencing rising prices in the month (15) closely matched the number seeing decreases (16). Prices in Perth and Kinross stood still in May. The net balance was noticeably less positive than in March and April, in line with the more measured overall price gains seen across the country.

Despite this, there were still three local authorities – Highland, Renfrewshire and East Ayrshire - where prices hit new market highs (see Table 2). Meanwhile, Dumfries and Galloway and Glasgow have shown the most consistent recovery story, having increased for five straight months in a row.

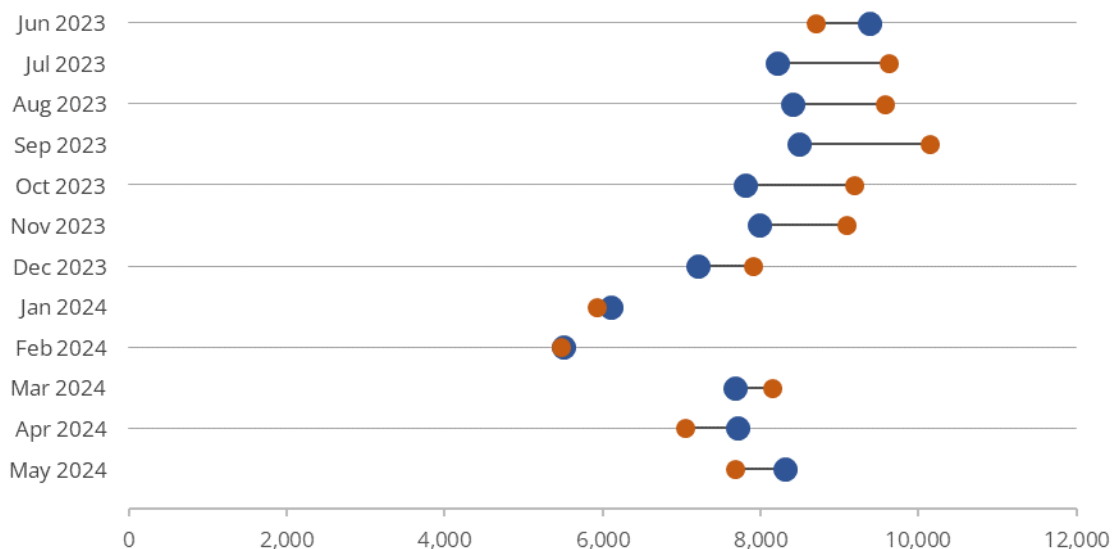
Figure 2. How prices have changed between May 2023 and May 2024, by local authority



As can be seen from the heat map, in May the vast majority of local authorities (27) reported stronger prices than a year ago. This is the highest number since early 2023 and confirms the widespread nature of the pick-up across Scotland. Among the “risers”, eight reported price increases of at least 5% over the year.

Transactions analysis

Figure 3. Monthly sales over the **most recent 12 months (blue)** compared with a **year earlier (orange)**



Note: April and May 2024 figures are Acadata estimates, based on the Registers of Scotland figures for the Date of Entry

Following a lacklustre couple of years, when activity has struggled to rise above the Covid-induced lows of 2020, we are finally seeing a modest pick-up in transactions.

As the headwinds have eased over the past few months, helped by more attractive mortgage pricing and easing cost-of-living pressures for many households, monthly sales have begun to outpace year-earlier levels (see Figure 3).

Even with sales for April not yet fully logged, activity for the month has significantly exceeded year-earlier levels and looks on track to match the April average for the five years pre-Covid. And the indications are that May will see more of the same.

Meanwhile, sales of property in the capital and of properties worth more than £750,000 (that is, subject to the highest rates of LBTT) have been ahead of their corresponding 2023 numbers since the turn of the year.

With the General Election now behind us, confidence and stability will continue to grow giving further momentum to the market and that will be added to in the months to come as the Bank of England begins to cut its base rate (probably late summer). Of course, housing is a devolved responsibility so it might take a little while to be clear as to what policies will be introduced. At UK level both main parties are supportive of continuing the mortgage guarantee scheme which has been used to good effect in Scotland.

In closing, the Registers of Scotland recently published a long-term statistical review of the housing market covering the last twenty years. This showed that median prices were up 147% over that period but transactions were 33% down while the market value of homes now exceeded £20 billion. Perhaps more surprisingly was cash purchases now represent some 36% of the market and rising (with Argyll

and Bute recording 57% of sales using cash), evidencing the pressure now on the mortgage market and not least given higher interest rates. The market continues to evolve.

Notes

The *Walker Fraser Steele Acadata House Price Index* is produced by Acadata, a consultancy specialising in house price data

The index is based on the actual prices at which nearly every residential property in Scotland is transacted, including prices for properties bought with cash, using the data provided by Registers of Scotland. Our property prices and indices are calculated on a seasonal- and mix-adjusted basis.

Acadata has updated its transaction weights and seasonal adjustment factors this month.

All Walker Fraser Steele Acadata HPI (Scotland) results are subject to change following receipt of updated data from Registers of Scotland.

See [Acadata's website](#) for additional information about the index and longer time series for the data highlighted in this report.

About Walker Fraser Steele

Walker Fraser Steele is the trading name of e.surv Chartered Surveyors in Scotland.

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.

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For further information, please visit our website: www.walkerfrasersteele.co.uk

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