

## Market catches its breath in June

- Prices and sales activity ease back after a few strong months
- Scotland's recovery continues to be ahead of England and Wales
- Angus sees annual price gains for six months in a row

| House Price | Index | Monthly Change % | Annual Change % |
|-------------|-------|------------------|-----------------|
| £223,923    | 293.3 | -0.7             | 1.3             |

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

"After three months of growth and a new record high, Scotland's house prices paused for breath in June with a slight drop of 0.7% or nearly £1,700 on average. Despite this fall, Scotland's house prices continues to out-pace those seen in England and Wales.

On an annual basis, Scotland has shown positive movement in 11 of the last 12 months, again outstripping England and Wales which have yet to record a single month of annualised positive house price movement.

Whilst the overall picture in June was down, nine local authorities still experienced rising prices in the month, and prices in three local authorities; South Lanarkshire, Angus and East Ayrshire recorded new highs.

On the flipside, the remaining 23 local authorities saw a fall in prices in the month, which is a timely reminder that whilst interest rate cuts are now likely in the pipeline, the housing market continues to face headwinds from the current high mortgage rates and continuing cost-of-living pressures.

Notable local authority price fallers included East Lothian, which fell by 4.7% in June. Coupled with Edinburgh's rise of 0.9%, saw the capital city re-take the mantle of Scotland's most expensive local authority."

## Housing market commentary

Table 1. Average prices in Scotland for June 2023 – June 2024

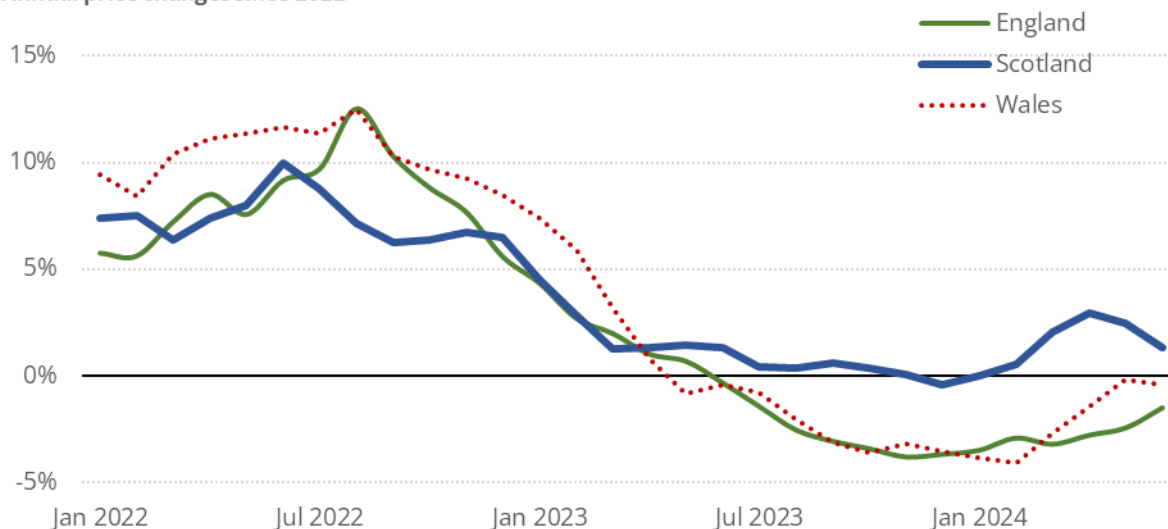
| Month | Year | Property Price | Index | Monthly % change | Annual % change |
|-------|------|----------------|-------|------------------|-----------------|
| Jun   | 2023 | £220,989       | 289.4 | 0.4              | 1.3             |
| Jul   | 2023 | £220,852       | 289.2 | -0.1             | 0.4             |
| Aug   | 2023 | £221,010       | 289.5 | 0.1              | 0.3             |
| Sep   | 2023 | £221,581       | 290.2 | 0.3              | 0.6             |
| Oct   | 2023 | £221,486       | 290.1 | 0.0              | 0.3             |
| Nov   | 2023 | £221,308       | 289.8 | -0.1             | 0.0             |
| Dec   | 2023 | £220,435       | 288.7 | -0.4             | -0.4            |
| Jan   | 2024 | £220,212       | 288.4 | -0.1             | 0.0             |
| Feb   | 2024 | £220,164       | 288.3 | 0.0              | 0.6             |
| Mar   | 2024 | £222,236       | 291.1 | 0.9              | 2.0             |
| Apr   | 2024 | £225,039       | 294.7 | 1.3              | 2.9             |
| May   | 2024 | £225,610       | 295.5 | 0.3              | 2.5             |
| Jun   | 2024 | £223,923       | 293.3 | -0.7             | 1.3             |

After setting record levels for several months, June was somewhat quieter for Scotland. Indeed, average house prices in June retreated by nearly £1,700 (0.7%) compared with May. Scotland's average house price is now just shy of £224,000. Despite giving up some of their recent gains, prices nationally remain more than 1% above their earlier peak in September 2023.

Scotland has experienced an earlier and stronger price revival than England or Wales, as Figure 1 shows. Average prices in Scotland only briefly reversed on an annual basis while prices in England and Wales have been languishing since mid-2023.

Figure 1. How Scotland compares

Annual price changes since 2022



## Local Authority prices

Table 2. How prices in June 2024 compare

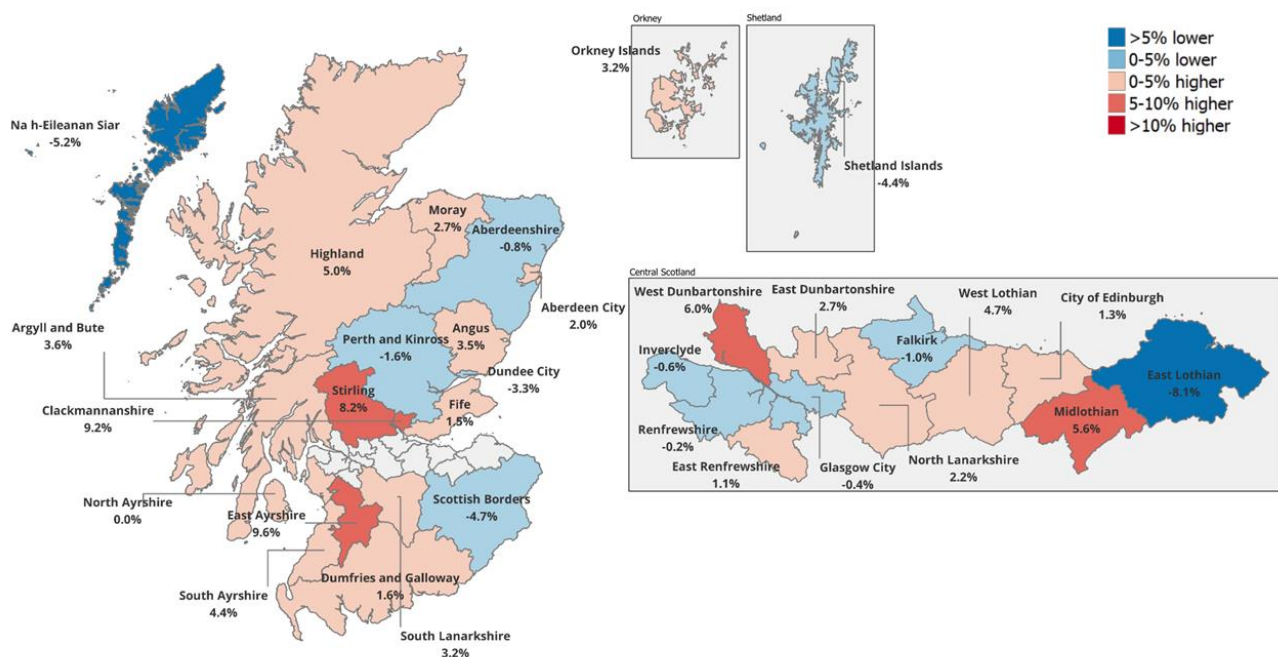
| Rank | Prior Year Rank | Local authority       | Jun 2023        | May 2024        | Jun 2024        | Monthly % chg | Annual % chg |
|------|-----------------|-----------------------|-----------------|-----------------|-----------------|---------------|--------------|
| 1    | (2)             | City Of Edinburgh     | £333,395        | £334,551        | £337,619        | 0.9%          | 1.3%         |
| 2    | (3)             | East Renfrewshire     | £327,687        | £339,082        | £331,406        | -2.3%         | 1.1%         |
| 3    | (1)             | East Lothian          | £334,294        | £322,282        | £307,109        | -4.7%         | -8.1%        |
| 4    | (5)             | Midlothian            | £287,208        | £307,768        | £303,310        | -1.4%         | 5.6%         |
| 5    | (4)             | East Dunbartonshire   | £288,746        | £301,481        | £296,663        | -1.6%         | 2.7%         |
| 6    | (6)             | Stirling              | £251,148        | £262,680        | £271,658        | 3.4%          | 8.2%         |
| 7    | (9)             | West Lothian          | £235,301        | £249,078        | £246,401        | -1.1%         | 4.7%         |
| 8    | (7)             | Perth and Kinross     | £245,063        | £247,304        | £241,028        | -2.5%         | -1.6%        |
| 9    | (8)             | Aberdeenshire         | £236,521        | £236,133        | £234,725        | -0.6%         | -0.8%        |
| 10   | (11)            | Highland              | £222,824        | £238,590        | £233,898        | -2.0%         | 5.0%         |
| 11   | (12)            | Orkney Islands        | £221,184        | £212,415        | £228,300        | 7.5%          | 3.2%         |
| 12   | (13)            | Moray                 | £211,893        | £217,874        | £217,547        | -0.1%         | 2.7%         |
| 13   | (10)            | Scottish Borders      | £227,027        | £221,836        | £216,449        | -2.4%         | -4.7%        |
| 14   | (14)            | Argyll and Bute       | £207,042        | £221,680        | £214,543        | -3.2%         | 3.6%         |
| 15   | (16)            | Fife                  | £202,799        | £207,499        | £205,766        | -0.8%         | 1.5%         |
| 16   | (15)            | Glasgow City          | £205,748        | £210,724        | £204,909        | -2.8%         | -0.4%        |
| 17   | (17)            | South Lanarkshire     | £196,996        | £200,588        | £203,291        | 1.3%          | 3.2%         |
| 18   | (18)            | Angus                 | £189,042        | £194,338        | £195,744        | 0.7%          | 3.5%         |
| 19   | (19)            | South Ayrshire        | £187,328        | £191,831        | £195,661        | 2.0%          | 4.4%         |
| 20   | (21)            | Aberdeen City         | £186,178        | £185,390        | £189,888        | 2.4%          | 2.0%         |
| 21   | (25)            | Clackmannanshire      | £173,848        | £190,800        | £189,824        | -0.5%         | 9.2%         |
| 22   | (24)            | Dumfries and Galloway | £182,973        | £186,968        | £185,852        | -0.6%         | 1.6%         |
| 23   | (22)            | Renfrewshire          | £185,689        | £188,153        | £185,282        | -1.5%         | -0.2%        |
| 24   | (20)            | Falkirk               | £186,543        | £187,254        | £184,683        | -1.4%         | -1.0%        |
| 25   | (23)            | Shetland Islands      | £185,453        | £191,782        | £177,374        | -7.5%         | -4.4%        |
| 26   | (27)            | North Lanarkshire     | £167,178        | £172,481        | £170,908        | -0.9%         | 2.2%         |
| 27   | (29)            | East Ayrshire         | £151,525        | £163,728        | £166,036        | 1.4%          | 9.6%         |
| 28   | (26)            | Dundee City           | £167,644        | £164,986        | £162,098        | -1.8%         | -3.3%        |
| 29   | (28)            | Na H-Eileanan Siar    | £162,485        | £159,993        | £154,035        | -3.7%         | -5.2%        |
| 30   | (32)            | West Dunbartonshire   | £141,555        | £153,388        | £150,097        | -2.1%         | 6.0%         |
| 31   | (30)            | North Ayrshire        | £148,389        | £153,914        | £148,453        | -3.5%         | 0.0%         |
| 32   | (31)            | Inverclyde            | £144,808        | £141,474        | £143,916        | 1.7%          | -0.6%        |
|      |                 | <b>Scotland</b>       | <b>£220,989</b> | <b>£225,610</b> | <b>£223,923</b> | <b>-0.7%</b>  | <b>1.3%</b>  |

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

Despite June’s quieter conditions, nine local authorities still experienced rising prices in the month. This was the lowest figure in three years, but this risks misrepresenting the state of the market – which is best described as more a pause for breath rather than a major reversal.

Prices in three local authorities – South Lanarkshire, Angus and East Ayrshire - hit new market highs (see Table 2). Of these, the recovery story in Angus looks the most compelling, with the authority having witnessed price increases for six straight months in a row.

Figure 2. How prices have changed year to June 2004, by local authority

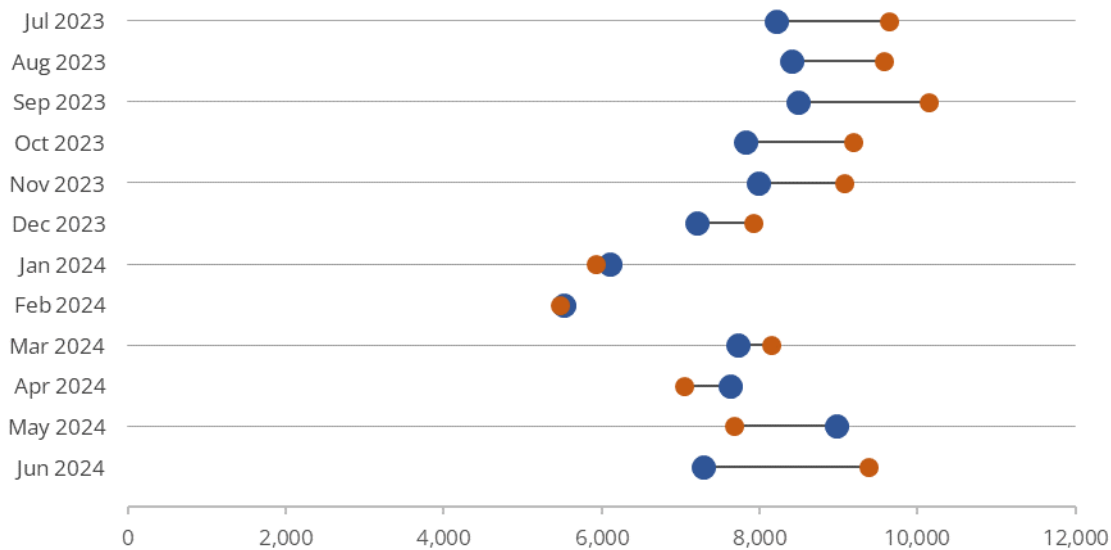


As can be seen from the heat map, in June a majority of local authorities (20) reported stronger prices than a year ago. Whilst the number is not as high as previous months, June represents the fifth month in a row when there has been a positive net balance of local authorities reporting higher rather than lower prices year-on-year.

Among the “risers”, six reported price increases of at least 5% over the year. At the other end of the spectrum, East Lothian – one of the most expensive areas of Scotland – is prominent as a significant “faller”.

## Transactions analysis

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



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

June was also a softer market for sales transactions. There is still some uncertainty around the final numbers for June, with sales for the month not yet fully logged, but it seems clear that activity fell short of the year-earlier level (see Figure 3). This provides a useful reminder that the housing market continues to face headwinds from high mortgage rates and continuing cost-of-living pressures. A quiet June may also reflect that households were reluctant to move when the General Election was in full swing and ahead of hoped-for interest rate cuts and positive housing policy interventions.

June's reversal looks to have broadly offset the year-on-year improvements seen in April and May. Even if that proves to be the case, a static picture compared with a year ago still marks a significant pick-up in the housing market and most likely a springboard for a recovery story over the remainder of 2024.

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 comfortably ahead of their corresponding 2023 numbers since the turn of the year.

Mortgage lenders have been further reducing loan pricing after the Bank of England dropped its base rate by 0.25% at the start of August. While it is unlikely the BoE will make successive rate cuts the assumption is that we have now passed the peak rate and mortgage costs will come down alongside the base rate over time. However a return to the historic lows of the last few years seems very unlikely. First-time buyers will thus remain under pressure across the UK albeit less so in Scotland compared to the other countries. The Skipton home affordability index in July highlighted this noting that "average first-time buyer house price in Scotland is around half the average price across Great Britain". This then has been reflected in the comparatively higher number of first time buyers in Scotland during the recent downturn and recovery.

## 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 purchase options 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.

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](http://www.walkerfrasersteele.co.uk)

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