



PROPERTY  
LEGAL  
FINANCIAL

# SCOTLAND'S PROPERTY MONITOR



## AUTUMN 2019

Scottish property sales remain at 11-year high despite Brexit fears.

Property prices rise in Aberdeen and Aberdeenshire despite sales drop.

Average East Dunbartonshire house price rises above £250,000.





# AUTUMN

## Introduction

Hello and welcome to the 10<sup>th</sup> edition of Scotland's *Property Monitor*, the country's most comprehensive property market research.

This autumn it shows that Scotland's property market has soared to an 11-year high ahead of Brexit.

Transactions worth more than £8billion were recorded between January and June this year – the best since 2008 thanks to a bumper second quarter.

Almost 26,000 sales concluded in that Q2 period between April and June, nearly 1,000 more than the same time last year.

The additional activity pushed the average price of a Scottish home 1.6% higher, to £172,189, despite the market stalling elsewhere in the UK.

So why are we seeing this trend amid all the warnings about Brexit? This is because bullish buyers are taking a long-term view on the market despite the current economic uncertainty.

Buying a house is not something people do with tomorrow or next year in mind. It's a considered decision which most purchasers take with a medium to long-term view – and these figures suggest

people are looking beyond the current political and economic headwinds with a degree of confidence.

Edinburgh – where the average home now costs £264,943 – remains the most expensive place to buy a home, just ahead of neighbouring East Lothian, where prices have jumped 15.2% to £260,399.

Glasgow's two most popular suburbs, East Dunbartonshire and East Renfrewshire, also recorded lofty average prices of £250,017 and £244,902 respectively.

Aberdeen celebrated its own milestone with its first rise in prices since the end of 2017. The cost of a home in the Granite City rose 1.7% to hit £202,011.

And Dundee continued its emergence as a new property hotspot with a 12.6% increase in sales during the second quarter. The average price of a home in the city rose almost 6% to an inflated yet affordable £148,790.

**Jacqueline Law**, Managing Partner

**BULLISH BUYERS ARE TAKING A LONG-TERM VIEW ON THE MARKET AMID THE CURRENT ECONOMIC UNCERTAINTY.**

“

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## Scotland's Property Monitor

# 2019 AT A GLANCE

Average price  
up 1.6%



Sale volume  
up 4.0%



Market value  
up 5.7%





# League Table

Edinburgh remains the most expensive Scottish city to live in.

The average home changed hands for £264,943 in the capital over the summer, up 1.6% on the same time last year.

Prices shot up 15.2% in neighbouring East Lothian due to a swathe of new-build activity in the region, fuelled by homeowners looking beyond the overheating city market for value.

A similar pattern is repeating in Glasgow, with price growth slowing in the city itself, but rising sharply in its suburbs. West Dunbartonshire saw prices jump 10% during the quarter. They also rose by 4.1% in East Dunbartonshire.

Average sale prices in both Aberdeen and Aberdeenshire have both risen for the first time in a number of years.

In the Granite City, this is due to fewer low-to-mid-market flats being sold, and rising levels of activity at the top end of the market.

This is positive news for homeowners in the north-east corner after almost five years of falling prices amid a reset in the oil and gas sector.

Across Scotland as a whole, average sale values rose by 1.6% to £172,189.

Ranking (Q4 2018 ranking)		Q2 2018 Average	Q2 2019 Average	Annual % Change	% above or below Scottish average
1st (1st)	Edinburgh	£260,706	£264,943	1.6%	53.9%▲
2nd (3rd)	East Lothian	£226,079	£260,399	15.2%	51.2%▲
3rd (4th)	East Dunbartonshire	£240,166	£250,017	4.1%	45.2%▲
4th (2nd)	East Renfrewshire	£254,788	£244,902	-3.9%	42.2%▲
5th (5th)	Midlothian	£218,999	£223,456	2.0%	29.8%▲
6th (6th)	Aberdeenshire	£210,601	£211,149	0.3%	22.6%▲
7th (8th)	Aberdeen	£198,713	£202,011	1.7%	17.3%▲
8th (7th)	Perth & Kinross	£186,373	£194,728	4.5%	13.1%▲
9th (9th)	Stirling	£196,403	£192,580	-1.9%	11.8%▲
10th (10th)	Highland	£177,069	£183,292	3.5%	6.4%▲
11th (19th)	Shetland Islands	£190,242	£175,105	-8.0%	1.7%▲
12th (11th)	West Lothian	£173,304	£173,372	0.0%	0.7%▲
13th (15th)	Moray	£167,867	£172,363	2.7%	0.1%▲
14th (12th)	Scottish Borders	£178,046	£167,116	-6.1%	-2.9%▼
15th (13th)	Argyll & Bute	£161,111	£164,428	2.1%	-4.5%▼
16th (14th)	Angus	£161,304	£163,693	1.5%	-4.9%▼
17th (17th)	Fife	£157,659	£159,313	1.0%	-7.5%▼
18th (18th)	Glasgow	£154,520	£159,218	3.0%	-7.5%▼
19th (22nd)	Orkney Islands	£152,030	£157,317	3.5%	-8.6%▼
20th (16th)	South Lanarkshire	£149,071	£154,397	3.6%	-10.3%▼
21st (25th)	Renfrewshire	£147,917	£149,015	0.7%	-13.5%▼
22nd (27th)	Dundee	£140,849	£148,790	5.6%	-13.6%▼
23rd (23rd)	Falkirk	£142,652	£147,875	3.7%	-14.1%▼
24th (24th)	South Ayrshire	£160,523	£146,984	-8.4%	-14.6%▼
25th (20th)	Clackmananshire	£142,144	£145,599	2.4%	-15.4%▼
26th (21st)	Dumfries & Galloway	£139,982	£141,064	0.8%	-18.1%▼
27th (26th)	North Lanarkshire	£136,644	£138,625	1.4%	-19.5%▼
28th (29th)	West Dunbartonshire	£116,846	£128,525	10.0%	-25.4%▼
29th (32nd)	Inverclyde	£135,059	£127,298	-5.7%	-26.1%▼
30th (28th)	North Ayrshire	£119,319	£126,775	6.2%	-26.4%▼
31st (30th)	Na h-Eileanan siar	£103,760	£118,008	13.7%	-31.5%▼
32nd (31st)	East Ayrshire	£121,639	£117,676	-3.3%	-31.7%▼
SCOTLAND		£169,450	£172,189	1.6%	

# 2019 AT A GLANCE

Average price up 1.6% ▲

Sale volume up 4.0% ▲

Market value up 5.7% ▲

### 2019 Price Tracker

**Q1** 2019 £166,334  
2018 £166,075

**Q2** 2019 £172,189  
2018 £169,450

**Q3** 2019 £  
2018 £174,294

**Q4** 2019 £  
2018 £174,290



# Sale Volumes

While property prices have returned to growth in Aberdeen, the number of sales recorded has declined.

Just 941 homes changed hands in the city over the summer, down 10.8% on the same time last year.

However, it is a different picture in neighbouring Aberdeenshire, where sales rose by around 10%.

Sales in Scotland's two biggest cities – Glasgow and Edinburgh – both rose by over 6%, despite many buyers turning to their suburbs for greater value.

The biggest mainland increase in sales was in North Lanarkshire, where new-build activity and affordable prices have whetted appetite for homes in the region.

Despite negative national rhetoric regarding Brexit, Scottish home sales overall rose by 4% to 25,806 during the quarter.

Region	Apr-18	May-18	Jun-18	Q2 2018 Sale Volume	Apr-19	May-19	Jun-19	Q2 2019 Sale Volume	Annual % Change
Aberdeen	332	363	360	1,055	320	332	289	941	-10.8%▼
Aberdeenshire	309	332	315	956	361	344	343	1,048	9.6%▲
Angus	137	181	188	506	182	183	175	540	6.7%▲
Argyll & Bute	120	140	144	404	151	178	142	471	16.6%▲
Clackmananshire	70	80	70	220	78	69	82	229	4.1%▲
Dumfries & Galloway	192	200	205	597	210	225	216	651	9.0%▲
Dundee	194	206	225	625	253	230	221	704	12.6%▲
East Ayrshire	179	181	149	509	180	171	172	523	2.8%▲
East Dunbartonshire	109	174	161	444	201	135	159	495	11.5%▲
East Lothian	189	195	178	562	180	201	186	567	0.9%▲
East Renfrewshire	118	136	144	398	122	148	125	395	-0.8%▼
Edinburgh	783	909	1,044	2,736	926	1,003	978	2,907	6.3%▲
Falkirk	239	281	246	766	250	256	248	754	-1.6%▼
Fife	596	569	618	1,783	651	624	527	1,802	1.1%▲
Glasgow	864	989	939	2,792	1,007	971	998	2,976	6.6%▲
Highland	331	348	402	1,081	362	341	408	1,111	2.8%▲
Inverclyde	69	103	133	305	99	122	114	335	9.8%▲
Midlothian	124	163	168	455	166	134	139	439	-3.5%▼
Moray	127	148	134	409	139	146	140	425	3.9%▲
Na h-Eileanan siar	28	35	22	85	30	34	26	90	5.9%▲
North Ayrshire	182	182	211	575	196	230	196	622	8.2%▲
North Lanarkshire	402	413	525	1,340	495	528	506	1,529	14.1%▲
Orkney Islands	40	29	34	103	44	27	34	105	1.9%▲
Perth & Kinross	256	274	264	794	238	255	259	752	-5.3%▼
Renfrewshire	275	312	359	946	308	324	365	997	5.4%▲
Scottish Borders	161	193	163	517	174	160	158	492	-4.8%▼
Shetland Islands	18	21	24	63	17	22	29	68	7.9%▲
South Ayrshire	171	159	201	531	183	187	193	563	6.0%▲
South Lanarkshire	497	553	596	1,646	566	548	568	1,682	2.2%▲
Stirling	116	153	183	452	122	125	133	380	-15.9%▼
West Dunbartonshire	109	126	113	348	116	135	123	374	7.5%▲
West Lothian	246	287	276	809	267	287	285	839	3.7%▲
<b>SCOTLAND</b>	<b>7,583</b>	<b>8,435</b>	<b>8,794</b>	<b>24,812</b>	<b>8,594</b>	<b>8,675</b>	<b>8,537</b>	<b>25,806</b>	<b>4.0%▲</b>

# 2019 AT A GLANCE

Scottish sales **up 4.0%** ▲

Aberdeen sales **down 10.8%** ▼

Edinburgh sales **up 6.3%** ▲



# Market Value

Despite Brexit concerns, the value of sales is at an 11-year-high.

After a record first three months of the year, we saw sales in the second quarter hit £4.6 billion, contributing to the highest level of sales during the first half of any year since 2008, prior to the credit crunch.

Over £8billion of sales were concluded in the first half in total, with Lothian enjoying the highest value of property sold at just over £1.1billion, a year-on-year rise of 7.5%.

Beyond the largest urban centres in Scotland, more provincial areas provided some of the most substantial growth, with the Western Isles up 20%, the highest rise for a local authority in Scotland, Dundee up 18.7% on the back of its own economic resurgence, and East Lothian moving ahead 16.3%.

As it stands, new housing developments are now a regular feature in suburban areas such as West and East Lothian, with housebuilders having identified rising demand for homes outside of the big cities.

As these projects come to fruition over the next few months and into 2020, it remains to be seen what affect, if any, Brexit will have on what is currently a fluid and active housing market.

Region	Apr-18	May-18	Jun-18	Q2 2018 Market Value	Apr-19	May-19	Jun-19	Q2 2019 Market Value	Annual % Change
Aberdeen	£65,358,308	£73,746,236	£70,602,648	£209,707,192	£64,935,990	£65,328,740	£59,630,468	£189,895,198	-9.4%▼
Aberdeenshire	£64,862,124	£67,655,423	£68,705,328	£201,222,875	£75,113,615	£71,234,346	£74,876,724	£221,224,685	9.9%▲
Angus	£21,883,426	£30,015,078	£29,769,691	£81,668,195	£31,263,679	£28,586,895	£28,540,246	£88,390,820	8.2%▲
Argyll & Bute	£18,298,545	£22,826,013	£24,163,312	£65,287,870	£24,956,734	£29,964,129	£22,673,047	£77,593,910	18.8%▲
Clackmananshire	£9,194,828	£11,626,165	£10,482,510	£31,303,503	£10,780,852	£10,548,280	£11,948,077	£33,277,209	6.3%▲
Dumfries & Galloway	£28,251,928	£28,273,722	£26,943,860	£83,469,510	£29,292,660	£31,464,929	£31,073,841	£91,831,430	10.0%▲
Dundee	£26,719,340	£29,819,614	£31,514,393	£88,053,347	£36,045,440	£32,635,898	£35,802,572	£104,483,910	18.7%▲
East Ayrshire	£20,912,394	£21,194,008	£19,518,011	£61,624,413	£21,536,878	£19,133,061	£20,896,193	£61,566,132	-0.1%▼
East Dunbartonshire	£26,392,344	£42,412,541	£37,773,202	£106,578,087	£53,644,546	£31,923,086	£39,224,433	£124,792,065	17.1%▲
East Lothian	£42,667,906	£44,069,634	£40,313,782	£127,051,322	£46,104,222	£52,755,865	£48,842,994	£147,703,081	16.3%▲
East Renfrewshire	£30,466,228	£32,979,177	£37,970,155	£101,415,560	£27,071,741	£38,208,593	£31,830,120	£97,110,454	-4.2%▼
Edinburgh	£202,514,057	£236,319,549	£275,093,940	£713,927,546	£236,410,148	£267,525,805	£266,799,844	£770,735,797	8.0%▲
Falkirk	£34,432,286	£41,640,518	£33,382,080	£109,454,884	£36,709,456	£36,735,803	£38,015,349	£111,460,608	1.8%▲
Fife	£93,751,801	£87,652,938	£99,886,273	£281,291,012	£102,843,040	£96,945,733	£86,744,174	£286,532,947	1.9%▲
Glasgow	£130,248,014	£154,887,687	£146,673,206	£431,808,907	£157,386,935	£155,142,188	£161,262,070	£473,791,193	9.7%▲
Highland	£57,372,477	£62,546,691	£71,614,393	£191,533,561	£64,519,643	£64,066,700	£74,976,516	£203,562,859	6.3%▲
Inverclyde	£8,173,444	£14,864,410	£18,940,173	£41,978,027	£11,352,593	£17,107,674	£14,477,315	£42,937,582	2.3%▲
Midlothian	£27,743,707	£34,453,339	£37,276,912	£99,473,958	£37,138,951	£29,465,719	£31,517,838	£98,122,508	-1.4%▼
Moray	£21,669,348	£24,580,332	£22,363,641	£68,613,321	£23,437,289	£25,913,634	£23,937,920	£73,288,843	6.8%▲
Na h-Eileanan siar	£2,727,600	£3,863,000	£2,276,900	£8,867,500	£3,274,217	£4,358,000	£3,034,349	£10,666,566	20.3%▲
North Ayrshire	£20,526,376	£23,129,963	£24,916,397	£68,572,736	£23,653,629	£29,940,349	£25,375,853	£78,969,831	15.2%▲
North Lanarkshire	£55,870,694	£58,269,360	£68,178,093	£182,318,147	£70,463,915	£73,748,287	£67,728,015	£211,940,217	16.2%▲
Orkney Islands	£6,027,274	£4,589,687	£5,002,851	£15,619,812	£7,019,440	£4,157,761	£5,386,564	£16,563,765	6.0%▲
Perth & Kinross	£48,745,135	£49,792,121	£49,364,246	£147,901,502	£47,317,543	£48,530,681	£50,519,048	£146,367,272	-1.0%▼
Renfrewshire	£35,874,862	£47,498,602	£57,820,311	£141,193,775	£44,848,318	£47,823,888	£56,147,692	£148,819,898	5.4%▲
Scottish Borders	£29,932,214	£32,908,689	£28,967,178	£91,808,081	£29,605,326	£26,567,902	£26,094,227	£82,267,455	-10.4%▼
Shetland Islands	£3,223,000	£3,832,500	£5,020,050	£12,075,550	£3,341,000	£3,523,684	£4,889,925	£11,754,609	-2.7%▼
South Ayrshire	£27,106,030	£24,733,761	£33,666,571	£85,506,362	£25,897,149	£27,869,143	£29,028,086	£82,794,378	-3.2%▼
South Lanarkshire	£74,537,322	£79,174,714	£91,822,968	£245,535,004	£84,655,814	£84,461,874	£90,592,555	£259,710,243	5.8%▲
Stirling	£23,100,800	£29,032,513	£36,656,444	£88,789,757	£24,089,826	£23,413,146	£25,666,012	£73,168,984	-17.6%▼
West Dunbartonshire	£13,167,171	£15,209,062	£12,320,563	£40,696,796	£15,153,590	£18,032,588	£14,927,841	£48,114,019	18.2%▲
West Lothian	£42,988,018	£47,175,876	£49,897,390	£140,061,284	£45,568,911	£49,610,944	£50,327,196	£145,507,051	3.9%▲
<b>SCOTLAND</b>	<b>£1,314,739,001</b>	<b>£1,480,772,923</b>	<b>£1,568,897,472</b>	<b>£4,364,409,396</b>	<b>£1,515,433,090</b>	<b>£1,546,725,325</b>	<b>£1,552,787,104</b>	<b>£4,614,945,519</b>	<b>5.7%▲</b>

# 2019 AT A GLANCE

Market value  
up 5.7% ▲

East Lothian value  
up 16.3% ▲

Glasgow value  
up 9.7% ▲



# Lettings Market

Deal or no deal, the prospect of either Brexit outcome continues to have no real impact on the Scottish rental market, which recorded a new record high in Q2.

The average Scottish rent increased to £833 on average per month during Q2 2019, up a significant 4.3% year-on-year (YOY), driven by strong gains in the central belt, according to data from *Citylets*.

Property to rent in Edinburgh recorded yet another all-time high during the quarter. The average property to rent in Edinburgh now stands at £1,132 per month, up 4.1% YOY.

Concerns of a slowdown noted in Q1 2019 have dissipated somewhat, but have not disappeared. The annual rate of growth has eased in recent quarters. Time to let (TTL) is again up on the previous year, at 28 days.

In the Glasgow rental market, trends were observed almost identical to those in Edinburgh. The market rose a significant 4.7% YOY to an all-time monthly high of £799, with rises increasing according to property size.

The Glasgow market overall slowed by two days to 29 days TTL with one-bed properties renting fastest at 26 days, just one day quicker than four-beds at 27 days.

62% of Glasgow rentals let within a month. The annual rise of 4.7%

represents a continued notable uptick in annual growth first observed in Q3 2018.

The TTL in Aberdeen has fallen by four days to 45, which shows an improving picture in the Granite City.

Average rents in the city fell 0.8% YOY to stand at £734 per month. On this trajectory it is reasonable to believe rents will now finally post zero or positive annual growth in the near future.

This is echoed by agents who report brisk trade for good properties in good condition, where landlords have reacted with investment in their portfolios. Three and four-bed properties recorded positive annual growth of 1% and 1.5% respectively.

One and two-bed properties recorded notable reductions in TTL, down five and seven days respectively.

Elsewhere, rents in Dundee, which rose every quarter in 2018, posted minimal negative growth of minus 0.3%, however, set against a materially quickening market eight days faster than Q2 2018.

The average property to rent in Dundee now stands at £616 per month.

# 2019 AT A GLANCE

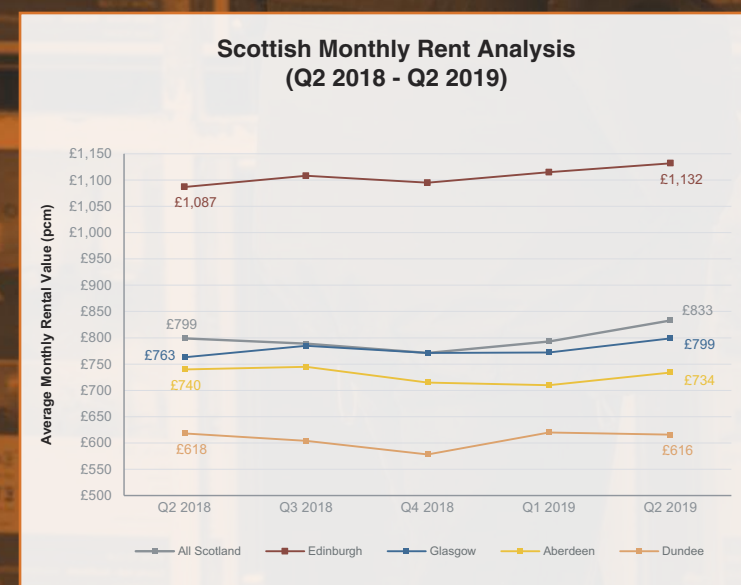
Average rents **up 4.3%**



Aberdeen rents **down 0.8%**



Edinburgh rents **up 4.1%**



# Consumer Confidence

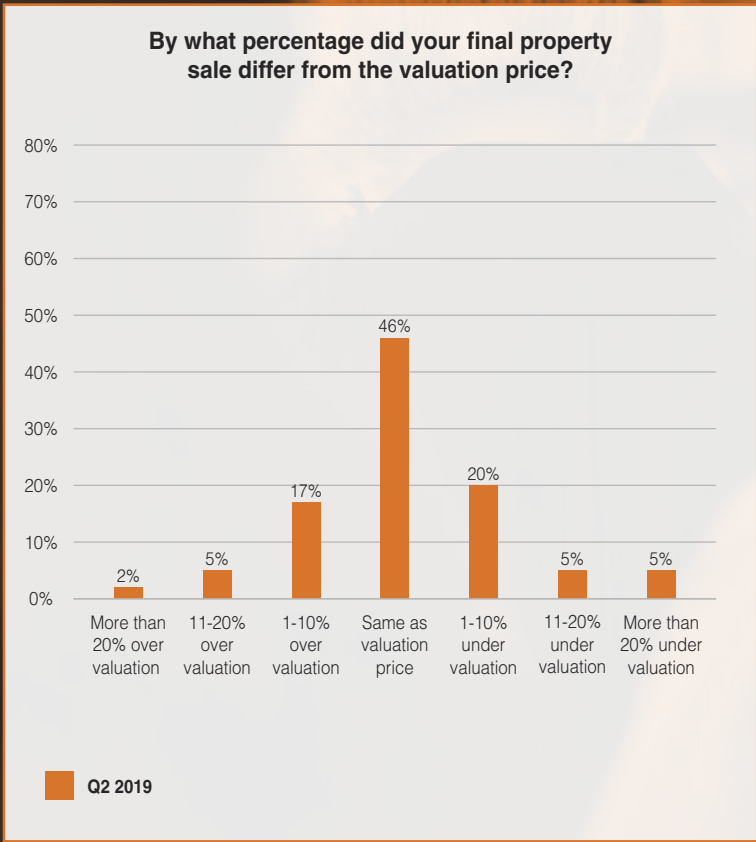
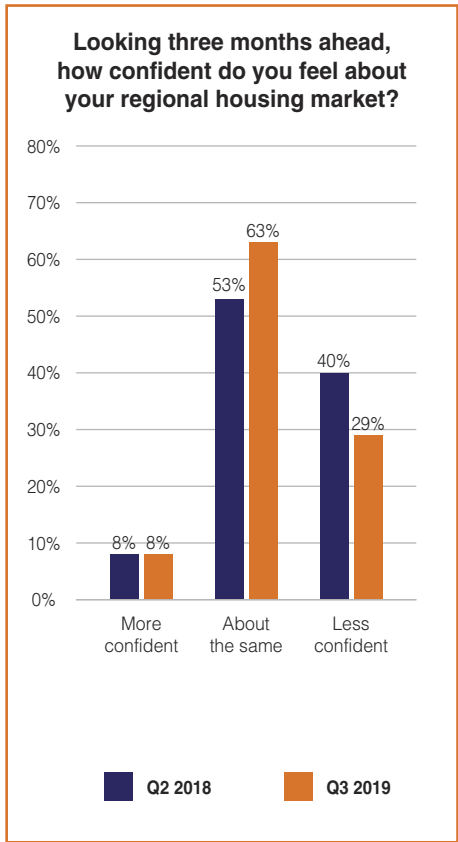
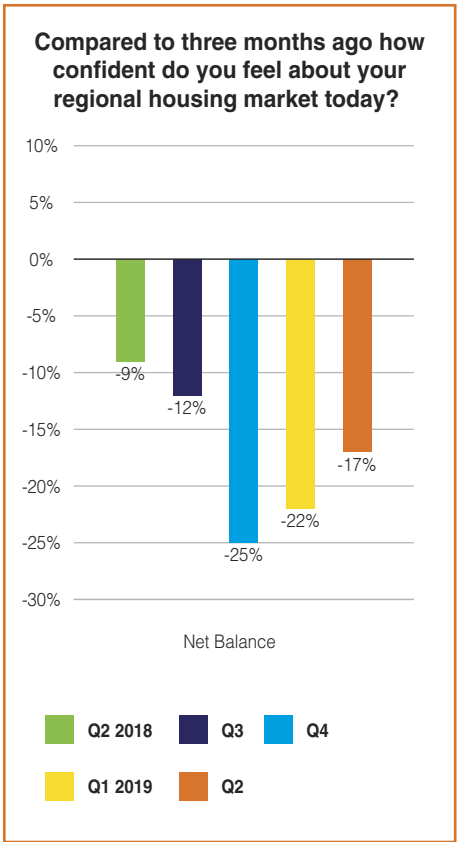
The results of our summer research reveals that the majority of Scots are feeling increasingly positive about the value of their homes.

The proportion reporting an increase in confidence (10%) is only marginally higher than last quarter (8%). In comparison to spring, the proportion of respondents reporting a decline in confidence has continued to ease slightly from 30% to 27%.

With a larger proportion of respondents reporting a decline in confidence than an improvement, the net balance score is -17% (compared to -9% in Q2 2018).

Although overall consumer confidence in the Scottish property market has suffered over the past year, the net balances suggest that confidence levels have been rising since the end of 2018.

When looking ahead three months, 29% of respondents said they are less confident about the regional housing market. But this is significantly lower than the 38% who were less confident last quarter, and the 40% who reported lower confidence a year ago.



# 2019 AT A GLANCE

- Market confidence **up 5%** 
- Paying over HR **24%** 
- Paying under HR **30%** 



# New House Build Completions

The shortage of housing and rising prices, particularly in the biggest cities, has become a significant source of opportunity for house builders.

Their willingness to embark on new developments is reflected in the number new home completions in the final quarter of 2018.

A total of 5,553 new homes were completed in the final three months of last year, the highest recorded since the third quarter of 2008.

From East Lothian, where almost 2,000 new homes have recently been announced, to West Lothian, with the 3,500 development in Winchburgh taking centre stage, commuter and suburban areas have received a great deal of attention.




Fife has been a key location for some time, with diverse areas from Lochgelly to St Andrews enjoying a rise in new builds, but historically less-popular areas are also proving their desirability.

East Dunbartonshire for example, which at one point last year became the third most expensive place to buy a home, recently saw the announcement of 400 new homes being built on three sites in the area.

Builders have also been attracted by rising demand in Dundee, which itself has been fuelled by growing economic activity, with plans for new homes at Broughty Ferry and Linlathen.

Year	Quarter	Housing completed	Private Sector completions	Public Sector / Houses Association completions
2016	Q1	4,118	3,028	1,090
2016	Q2	4,454	3,497	957
2016	Q3	3,698	2,812	886
2016	Q4	4,658	3,761	897
2017	Q1	4,388	3,362	1,026
2017	Q2	4,663	3,788	875
2017	Q3	4,343	3,288	1,055
2017	Q4	4,192	3,223	969
2018	Q1	4,524	2,829	1,695
2018	Q2	5,231	4,171	1,060
2018	Q3	4,947	3,601	1,346
2018	Q4	5,553	4,551	1,002

2019  
AT A GLANCE

- New-builds up 32% 
- Private building up 41% 
- Public housing up 3% 



## Mortgage Market

An increasing number of Scots are moving to mortgages with interest rates of 2% or below – but many are still paying too much, according to our research.

**NOW IS A GOOD TIME TO THINK ABOUT LOCKING IN TO A LOWER FIXED RATE.**

With fixed-rate mortgage offers remaining at historic lows, the number of Scots remortgaging to a better deal has reached a 10-year-high.

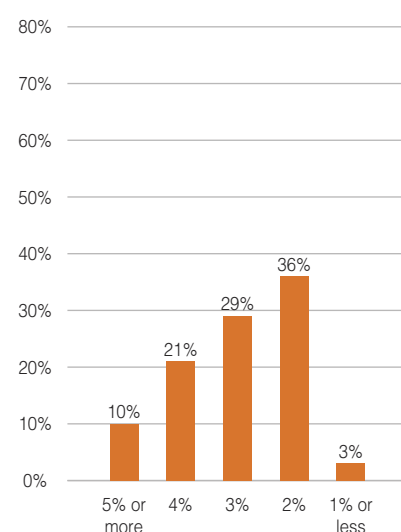
Our latest study reveals that two-fifths (40%) of respondents are paying mortgage rates of 2% or lower, what we would deem to be an acceptable rate. We also found that 10% of respondents reported paying 5% or more, slightly higher than the 4% reporting mortgage rates of 5% or more in Q2 2018.

The reality is that most people can save

money – and in many cases the annual saving is substantial, because the mortgage market is awash with brilliant fixed-rate deals at the moment.

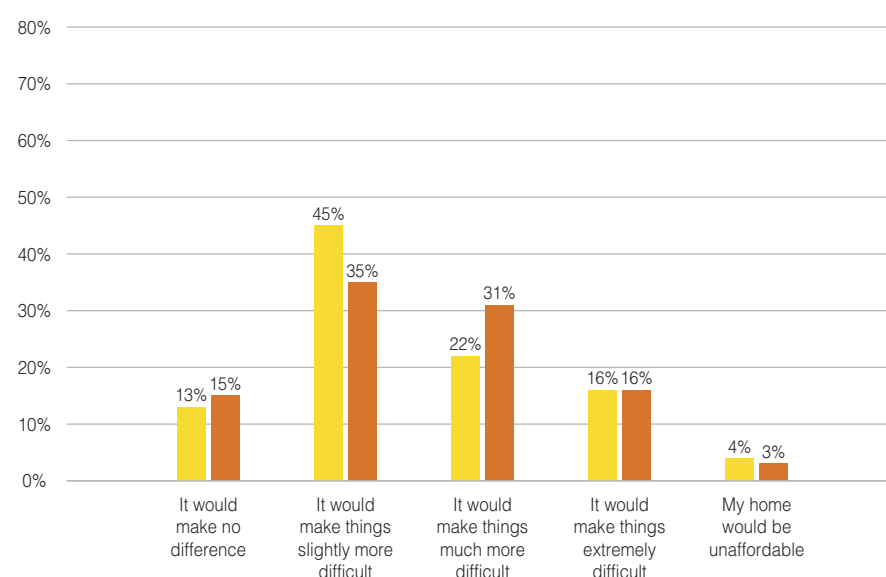
With a no-deal Brexit on the horizon, nobody knows how much longer these deals will be around for, so now is a good time to think about locking in to a lower fixed rate. The Q2 2019 results also show that 85% of people surveyed reported that it would make their finances more difficult if interest rate increases were to add £100 a month to the cost of their mortgage.

What interest rate (to the nearest whole number) do you pay on your mortgage?



Q2 2019

If interest rates were to increase the cost of your mortgage by £100, what difference would this make to your finances?



Q1 2019

Q2 2019

# 2019 AT A GLANCE

Financial fragility up 8%



High mortgage rate payers 31%



Low mortgage rate payers 39%





## Political Climate

As Brexit approaches, Scottish households appear to have become more robust in their outlook for the future.

Our prior research demonstrated that respondents generally regard Brexit as potentially having a negative impact on the value of their property.

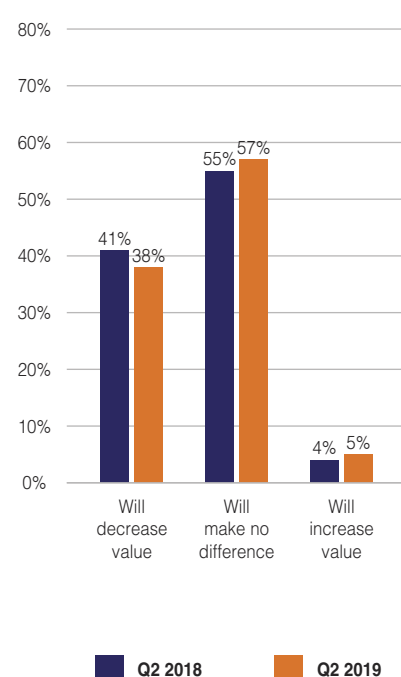
The latest results show that while this trend has continued, it has eased recently, despite what appears to be an increasing chance of the UK exiting the EU without a deal on October 31st.

In the latest survey, we have recorded the highest level of those who believe that Brexit will make no difference to their property value (57%).

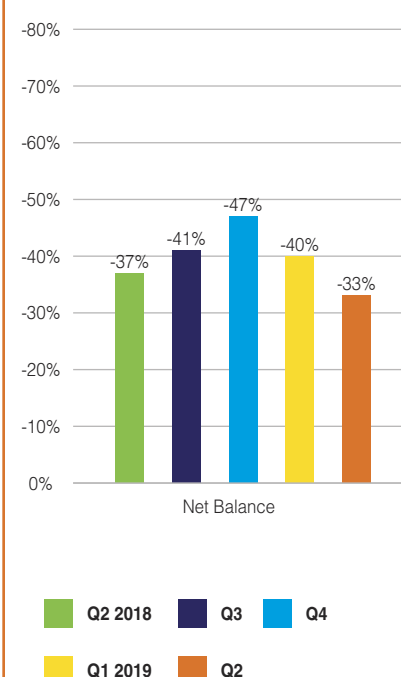
The proportion of those anticipating a decrease in value has now eased slightly from Q2 2018 (41%). Only 5% expect an increase in value, which has remained fairly consistent since we began measuring this in 2017 and is in line with the average recorded over the past two years.

Comparing the net balance results (measuring those who feel it will decrease the value of their home against those who feel it will increase), shows that expectations for Brexit have improved since the end of last year.

**What impact do you think Brexit will have on the value of your home?**



**Homeowner attitudes towards Brexit**



# 2019 AT A GLANCE

Brexit fears down 7%



Number of people who think Brexit will decrease property prices 38%





ALMOST ONE IN TEN  
SCOTS OWN MORE  
THAN ONE  
PROPERTY.

# Additional Dwelling Supplement (ADS)

Since 2017 we have asked respondents about the tax on second homes.

As of 25th January 2019, the ADS rate has changed from 3% to 4%. In the latest survey, 9% of respondents reported owning more than one property in Scotland.

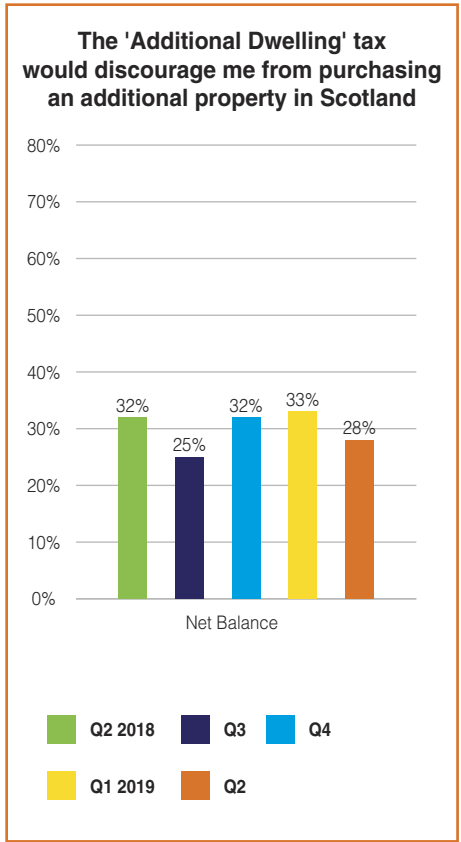
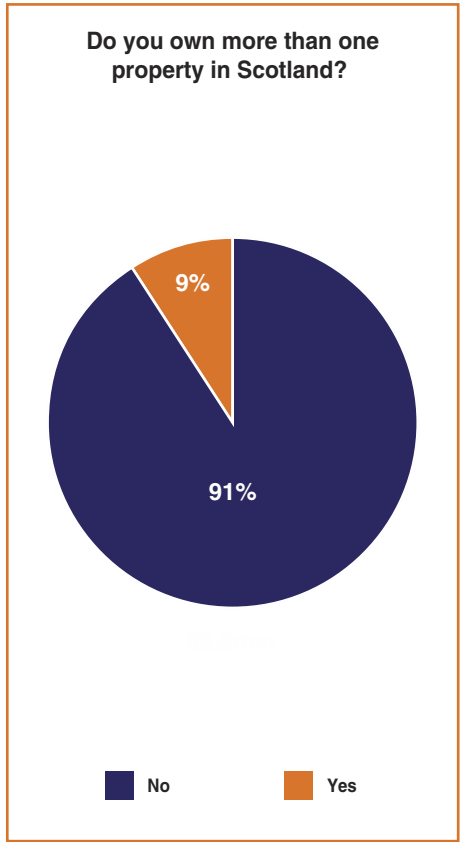
When asked if the higher ADS would discourage them from purchasing an additional property, an aggregated 50% of respondents agreed, whereas only 22% disagreed. As with previous quarters, this shows that a greater proportion of respondents would be discouraged by the ADS than wouldn't be.

Previous net balance results (measuring those who agree against those who

disagree) show that until Q4 2018 there had been a steady decline in the proportion of respondents who agreed that the ADS would discourage them from purchasing an additional property in Scotland.

However, Q4 2018 was the first quarter where we began asking about the rise to 4%.

The sentiment in the latest quarter remains relatively unchanged, with a slightly-eased net balance of 28% agreeing that ADS would discourage further property purchases, compared to 33% last quarter.



2019  
AT A GLANCE

- Put off buying by ADS **Down 5%**
- Current ADS tax rate **4%**
- Number of Scots with 1+ home **9%**



## Case Study

Alice Pridham currently lives in a two-bedroom home in Edinburgh with her flatmate, Kirsty.

She purchased the Bonnington property herself in January 2019 as a first-time buyer, having previously rented with Kirsty in a different area of Edinburgh for just under a year. Alice is originally from Fife and moved through to Edinburgh for work.

### Do you regularly monitor property price trends in your area?

I definitely do more now to see what flats similar to mine are selling for in the area. There were a couple of other flats in my block that were up for sale so I would look to see if they were the same layout and size. I would also look at their asking price and home report just to see how they compared. I'm definitely keeping an eye on properties in the area and have a bit more of an interest in it now – before buying I would never even have thought about looking.

### Do you think your property has changed in value since you purchased it?

I don't think my property will have changed in value since purchasing it in January. However, Miller Homes are building right beside me so I would imagine once they're all built and up for sale this may have an impact on the price. I think over time it will increase as Bonnington is becoming a more popular area, we're fairly close to the city centre, not far from Leith and have a fairly easy

route out of Edinburgh to the Queensferry Crossing and bypass.

### Where do you see yourself in the property market 10 years from now?

I think I would like to see myself in a different property, I couldn't tell you where that may be but I think I'd like to either be somewhere else and renting out this property or just to sell and buy another property somewhere probably in Scotland or elsewhere in the UK. It seems like a good option to have a buy-to-let property with the increasing demand, especially with the students and high levels of tourism in Edinburgh, but obviously there is higher tax involved with having a buy-to-let which would maybe be something I'm not too sure about.

### How would you describe your level of confidence in the housing market in your region? Can you tell me why that is?

I feel fairly comfortable and confident about the area. I think this time last year I was completely clueless about the property market. Now, having done it on my own, I feel like I've learnt a lot and have a better understanding, knowing roughly what you can get for your money and what is out there. I think now I would like to keep an eye out to see what is happening to property prices in this area.

### What effect do you think Brexit will have on your property price?

I think initially it may have a negative impact on property prices. However, over time I would imagine it may begin to balance out and improve after a couple of years. It is very hard to say what effect this will have, you might argue that fewer people will leave Britain and move to Europe. Or on the other hand, possibly less people from Europe may be looking to relocate to the UK.

### What other factors do you think will impact on your property price over the next two years?

I think probably just more demand for housing, there's a lot of development going on around in Bonnington. Developers are building beside me and they've also knocked a couple of buildings down further up the road so I'm always curious to see if they're going to be building more and what impact that will have on this property. Obviously with higher demand for housing there's more demand for shops and facilities for everybody in the community. There are developments going on at Ocean Terminal and Edinburgh Park so I think Edinburgh is just going to keep on growing.

## Scotland's Property Monitor

# 2019 AT A GLANCE

North-East prices up 2.0%	
Sale volume up 2.9%	
Market value up 4.0%	

### 2019 Price Tracker

Q1	2019	£172,758
	2018	£172,500
Q2	2019	£181,411
	2018	£177,867
Q3	2019	£
	2018	£180,944
Q4	2019	£
	2018	£182,067



# Highlands & Islands

The markets across the Highlands and Islands cannot always be predicted or measured in the same way as the main large towns and cities.

THE AVERAGE  
HIGHLANDS AND  
ISLANDS HOUSE  
PRICE HAS  
INCREASED  
BY 1.9%.

However, there is doubt that the island markets possesses qualities the mainland cannot match. From Shetland to the Western Isles, the residential housing markets have remained robust in the face of some tough economic circumstances and the second quarter saw it build on a reasonably-active start to the year.

A shortage of properties and rising demand have seen prices and activity rise across the region, with the Western Isles again leading some very busy markets. A 13.7% rise in average prices to £118,008 in Q2 followed a 12.5% uplift in Q1, with the area also enjoying a 20.3% increase in the value of homes sold, at £10,666,566.

The Western Isles, like other parts of Scotland is also benefiting from

government initiatives, with £223,000 being awarded from the Town Centre Fund. The funding will be prioritised for Balivanich, North Benbecula, and is intended to help the local authority to stimulate and support economic investments, services and infrastructure.

Every part of the Highlands and Islands region saw an increase in the number of properties sold, with almost 1,800 homes changing hands - an increase of around 400 on the previous quarter, and 3.3% up compared to last year.

The Highlands and Islands is a unique region with some unique industries, and a skilled workforce, all of which it may require to weather any potential bumps as Brexit approaches.

“ Every area saw an increase in the number of properties sold, with almost 1,800 homes changing hands.

”

Highland  
Moray  
Na h-Eileanan siar  
Orkney Islands  
Shetland Islands

2019  
AT A GLANCE

Average prices  
up 1.9%



Sale volumes  
up 3.3%



Market value  
up 6.4%



## 2019 Price Tracker

**Q1** 2019 £151,404  
2018 £147,501

**Q2** 2019 £161,217  
2018 £158,194

**Q3** 2019 £  
2018 £157,572

**Q4** 2019 £  
2018 £159,642



# North-East Scotland

Aberdeen and Aberdeenshire are beginning to reap the benefits of what has been a positive pipeline of good news over the last few months.

**THE AVERAGE NORTH-EAST HOUSE PRICE HAS INCREASED BY 2%.**

Average prices in the Granite City have been stagnant compared to Scotland's other biggest cities but the second three months of 2019 saw the first rise in house prices since the end of 2017.

With positive figures in terms of sale values and volumes filtering through in the last few quarters, Aberdeen has now enjoyed a 1.7% uplift in prices to £202,011. At the same time prices in the Shire have risen by 0.3% to £211,149.

With many firms in the oil sector slowly but surely increasing headcount, demand for accommodation is also rising but there is certainly evidence that the type of property and area in most demand are also changing.

In contrast to the rise in prices in Aberdeen, the number and value of properties sold has declined, with signs that buyers are now tending to look for more affordable new-build houses on the

city's fringes.

Historically, first-time buyers would be searching for flats in and around the city, but the number of properties changing hands in Aberdeenshire has seen a marked increase, up 9.6%.

The latest figures from the ASPC provide some further substance, revealing that the value of flats sold was down 2.7%, with sales of semi-detached and detached properties up 2.7% and 24.9% respectively.

Further down the east coast, Dundee continues to benefit from an economic resurgence which has been over a decade in the making. The value of homes sold rose 18.7% compared to last year, with a corresponding boost of 12.6% to sale volumes and a rise of 5.6% in prices, now sitting at £148,790.

“Aberdeen has seen the first rise in house prices since the end of 2017. Prices are also rising again in neighbouring Aberdeenshire.”

**Aberdeen  
Aberdeenshire  
Angus  
Dundee**

## 2019 AT A GLANCE

- Average prices up 2.0%
- Sale volumes up 2.9%
- Market value up 4.0%

### 2019 Price Tracker

Q1	2019	£172,758
	2018	£172,500
Q2	2019	£181,411
	2018	£177,867
Q3	2019	£
	2018	£180,944
Q4	2019	£
	2018	£182,067



**SOUTH LANARKSHIRE ENJOYED BOTH THE HIGHEST LEVEL OF SALES IN THE REGION AT £259MILLION, AS WELL AS THE LARGEST VOLUME.**

The towns of Shotts, Airdrie, Motherwell and Cumbernauld may not always be the first places that come to mind when considering the hotspots of the Scottish residential property market, but there is no doubt that North Lanarkshire has established itself as one of the country’s go-to-areas for those looking for their first or next home.

Central Scotland as a whole again registered rises across all the key categories in the second quarter, but North Lanarkshire was by far the star. Having seen a 7.6% uplift in average prices in the first quarter of 2019, activity and demand has grown further, with the region recording a 14% increase in the number of properties sold and a 16% rise in their value, at £211million. Average prices also gained 1.4% to £138,625.

South Lanarkshire enjoyed both the highest level of sales at £259million, as well as the largest volume, with 1,682 properties sold.

Value for money, ease of transport to big cities as well as an increase in new-builds are all drawing buyers to the region and, with prices again beginning to rise in Edinburgh and Glasgow as well as their closer suburbs, it appears demand will continue to see an upward trend, especially with prices well below the national average.

The early part of summer can see slower demand as individuals and families go on holiday and, whilst normally there would be a marked uplift in activity towards the beginning of the autumn, the October Brexit deadline might well have an influence.

“

**North Lanarkshire has established itself as one of the country’s go-to-areas for those looking for their first or next home.**

”

**Falkirk**

**North Lanarkshire**

**South Lanarkshire**

# 2019

## AT A GLANCE

- Average prices

**up 2.9%**
- Sale volumes

**up 5.7%**
- Market value

**up 8.5%**

### 2019 Price Tracker

Q1	2019	£144,885
	2018	£142,894
Q2	2019	£146,966
	2018	£142,789
Q3	2019	£
	2018	£146,793
Q4	2019	£
	2018	£148,934



# Mid Scotland & Fife

Following a bumper first quarter of the year, Mid Scotland and Fife has again emerged as a driving force in the residential property market in Scotland.

Perth provided much of the growth, with the Fair City maintaining its top spot as the most expensive area, with an average price rise of 4.5%, at £194,728, although it actually reached a high of £198,000 in April.

Fife has again been the main engine pushing up transaction numbers across the region, with 1,802 properties sold, up 1.1% year on year, and more than all other areas combined. The region, covering diverse areas from Dunfermline to St Andrews, is also benefiting from an increasing number of new housing developments, with firms identifying increasing demand from families who are put off by growing Edinburgh prices.

New housing projects announced for Lochgelly and Crossgates together with plans to build nearly 1,500 houses and flats near St Andrews are all contributing to what should be an upward trend over

the next few months.

Whilst Stirling remains the second most costly part of the wider region, prices and broader activity have fallen in the second quarter. Average prices dropped 1.9% at £192,580, but the most significant markers were the respective 17.6% and 15.9% falls in markets values and volume of homes sold.

Demand for semi and detached properties is outstripping supply around the city, but there is a definite shortage of buyers above the £500,000 mark. Local intelligence suggests that LBTT is a critical contributing factor, but there is also more evidence that the market below £500,000 has become more reactive than proactive. There has also been a gradual rise in first-time buyers to the area, attracted by ease of commuting to Glasgow and Edinburgh as well as comparatively lower prices for flats.

“

Fife has again been the main engine pushing up transaction numbers across the region, with 1,802 properties sold, up 1.1% year-on-year.

”

Clackmannanshire

Fife

Perth & Kinross

Stirling

## 2019 AT A GLANCE

- Average prices up 1.4%

▲
- Sale volumes up 2.7%

▲
- Market value down 1.8%

▼

### 2019 Price Tracker

Q1	2019	£172,735
	2018	£168,904
Q2	2019	£173,055
	2018	£170,645
Q3	2019	£
	2018	£178,801
Q4	2019	£
	2018	£180,880



# West Scotland

The market in West Scotland has had a busy start to the year, due largely to rising prices in Glasgow.

**THE AVERAGE WEST SCOTLAND HOUSE PRICE HAS RISEN BY 1.3%**

East Renfrewshire has traditionally been the most desirable area in the region for commuters to Glasgow, vying with Edinburgh as the most expensive place in Scotland. But the last few months saw East Dunbartonshire not only catching up, but overtaking it.

Prices in East Dunbartonshire have risen, mainly due to the quality of lifestyle buyers get for their money. Bringing with it a growing reputation for schooling, desirable addresses, excellent commuter links and growing amenities such as restaurants and shops, it has become the third most costly place to buy in Scotland, relegating East Renfrewshire to fourth.

A 4.1% uplift in average prices sees the cost of a home in the region now at £250,017 - behind only Edinburgh and East Lothian. A lack of stock of family homes in the area adds another ingredient, with sellers expecting to

achieve anything up to 20% above home report values.

Respective rises of 11.5% and 17% in East Dunbartonshire house sales and market values provide further evidence that this is the new norm.

With buyers, in particular families, now looking further afield for suitable, affordable properties, it's unsurprising that prices in towns across West Dunbartonshire gained a further 10% to £128,525, 25% below the national average, on top of a 9.4% rise in the first quarter, as well as a year-on-year rise of 18% in the value of properties sold - helping to boost the whole region by 9.3% overall, to £618million.

The summer months could well bring further activity, with the natural attributes of Argyll and Bute always popular at this time of year, and it could well build on the 18.8% increase in the value of sales it enjoyed in the last few months.

“With buyers, in particular families, now looking further afield for suitable, affordable properties, it’s unsurprising that prices across West Dunbartonshire gained a further 10%.”

Argyll & Bute  
East Dunbartonshire  
East Renfrewshire  
Inverclyde  
North Ayrshire  
Renfrewshire  
West Dunbartonshire

**2019 AT A GLANCE**

- Average prices up 1.3%
- Sale volumes up 7.9%
- Market value up 9.3%

## 2019 Price Tracker

Q1	2019	£162,203
	2018	£165,446
Q2	2019	£170,137
	2018	£167,887
Q3	2019	£
	2018	£173,850
Q4	2019	£
	2018	£168,556





# AUTUMN

## Glasgow

The market in Glasgow, particularly in terms of house-price growth, can only be described as stellar over the past three years or so, rivalling Edinburgh.

A slight price fall of 1.7% in Q1 definitely looks like a blip, with a 3% year-on-year rise in average prices in the second quarter at £159,218.

Glasgow remains a magnet for new commercial developments and offices - all of which attract employees, resulting in sustained periods of growth.

A critical shortage of Grade A office space, as well as an increase in high-profile commercial property deals and developments, are creating an environment in which the historic shortage of residential property may well drive up prices up further.

The near-completion of the Atlantic Square office development with room for 1,200 workers across 284,000sqft, along with recent announcements of new offices for Barclays and CYBG, owner of Clydesdale Bank, suggest the city and its suburbs should enjoy growing interest as employees and their families look for suitable homes.

With sales volumes and market values in

the city up 6.6% and 9.7% respectively, Brexit uncertainty doesn't appear to be a stalling demand - and sellers in most parts of the city are reaping the rewards.

From the Southside to the West End, first-time buyers are a critical group, with demand for flats growing by the day, but beyond the city boundaries sellers in Giffnock, Netherlee, Newton Mearns and Clarkston are benefiting from prices of up to 20% above home report values.

What was simply an interesting aside near the end of last year has now become a growing pattern, with sellers confident to sell where the buyer doesn't yet have their own property on the market. Confidence can be fickle, but this approach is now becoming the norm.

This increased level of buyer demand, together with a healthy appetite from mortgage lenders, suggests that anyone thinking of selling now should seriously consider having their home valued.

**THE AVERAGE GLASGOW HOUSE PRICE HAS RISEN BY ALMOST £5,000**

**Glasgow remains a magnet for new commercial developments and offices - all of which attract employees, resulting in sustained periods of growth.**

Glasgow

## 2019 AT A GLANCE

Average prices up 3.0%



Sale volumes up 6.6%



Market value up 9.7%



### 2019 Price Tracker

Q1	2019	£152,079
	2018	£154,942

Q2	2019	£159,218
	2018	£154,520

Q3	2019	£
	2018	£166,155

Q4	2019	£
	2018	£162,291





# AUTUMN

## Lothian

Only once in the last couple of years has Edinburgh lost its title as the most expensive place in Scotland to buy a home.

However, a challenger for this title is emerging just a few miles down the road.

Following a 6.2% rise in average prices in the first quarter of the year, East Lothian has now enjoyed a further 15.2% hike, with prices hitting £260,399, second only to Edinburgh at £264,943.

The value of property changing hands in the area also rose by a hefty 16.3%, contributing to an overall uplift in market values for Lothian of just over £1.16billion.

There is no doubt that builders have identified East Lothian as one of Scotland's big housing hotspots, and with demand rising, so are new developments. In the last few months alone new housing has been announced for Musselburgh, where 1,500 new homes have received approval, and Stewart Milne Homes is building over 400 houses in Pencaitland, Haddington and East Linton. Alongside this, Walker has submitted plans for over 500 new homes in Tranent.

Close neighbour West Lothian saw the market cool a little in the second quarter with prices flat year-on-year at £173,372, albeit this followed five consecutive quarters of growth. The area is certainly rivalling East Lothian in terms of attracting new developers with even more homes on the horizon. Springfield Properties announced last year it would be building nearly 2,000 homes on the south west border of Livingston, Miller Homes is building near Bellsquarry, and not forgetting the 3,500 home development in Winchburgh.

Despite its suburban cousins taking much of the property spotlight, the Capital is still delivering as Scotland's prime engine of growth when it comes to residential property. Prices bounced back 1.6% after a slight fall in the first quarter, 2,907 homes were sold, second only to Glasgow, and £770million of property changed hands, an 8% year-on-year rise. Property in the city remains at a premium, particularly flats, with the median selling time in the city 19 days.

“

Despite its suburban cousins taking much of the property spotlight, the Capital is still delivering as Scotland's prime engine of growth when it comes to residential property.

”

East Lothian  
Edinburgh  
Midlothian  
West Lothian

## 2019 AT A GLANCE

Average prices  
up 4.9%



Sale volumes  
up 4.2%



Market value  
up 7.5%



### 2019 Price Tracker

Q1	2019	£222,890
	2018	£213,942

Q2	2019	£230,543
	2018	£219,772

Q3	2019	£
	2018	£223,406

Q4	2019	£
	2018	£230,713



# South Scotland

The South Scotland area, with its fragmented population and varied range of industries, can be a difficult market to predict.

The Scottish Borders itself, one of the most popular areas for families and commuters, has experienced a few ups and downs over the last few months, with 2018 seeing two quarterly price rises and two prices falls. The first six months of this year have seen two consecutive falls, as well as a drop in sale values and numbers however, despite a 6% decline in prices the second quarter, it remains the most expensive place in the region to buy a home at £167,116.

It's likely that both activity and prices may have been affected by the significant increase in new housing developments across East and West Lothian in particular, both of which are attracting new buyers from the Capital. Despite the fall in demand, the area continues to offer value for money, especially for families, but it also attracts some of the younger generation.

For many years it has been a hotbed for the textiles industry and the recent announcement of a centre of excellence

for textiles in Hawick should go some way to increasing demand for accommodation. In addition, the Borders railway is proving a success with over four million journeys taken since it opened in 2015. There are also discussions on extending the line to Carlisle which again, if it comes to fruition, should provide further support for the region.

Across South Scotland over £318million worth of property changed hands and 2,229 homes were sold in Q2, a year-on-year increase of 3.5%. Much of the volume was driven by a 9% uplift in Dumfries and Galloway, with the same area also recording a boost of 10% to values, as well as a slight rise in prices.

Overall, the region continues to offer an attractive environment which other areas in Scotland can't, especially for young families, and it wouldn't be a surprise to see prices remain steady as the year progresses.

“ Across South Scotland over £318million worth of property changed hands and 2,229 homes were sold, a year-on-year increase of 3.5%. ”

Dumfries & Galloway  
East Ayrshire  
Scottish Borders  
South Ayrshire


## 2019 AT A GLANCE

- Average prices **down 4.6%** 
- Sale volumes **up 3.5%** 
- Market value **down 1.2%** 

### 2019 Price Tracker

Q1	2019	£142,493
	2018	£153,480
Q2	2019	£143,210
	2018	£150,047
Q3	2019	£
	2018	£158,365
Q4	2019	£
	2018	£153,858





Property sale data based on residential sales recorded by Registers of Scotland within the price range of £20,000 to £1,000,000. All rental market data is compiled and analysed by Citylets.

The research was conducted by the Research Unit at Aberdeen & Grampian Chamber of Commerce. An online survey was issued quarterly to residents of Scotland. The survey has been completed by respondents across the country (525 in Q1 2017, 549 in Q2 2017, 469 in Q3 2017, 536 in Q4 2017, 460 in Q1 2018, 723 in Q2 2018, 733 in Q3 2018, 1,102 in Q4 2018, 1,003 in Q1 2019 and 754 in Q2 2019).

'Don't know' responses have been removed from the analysis of some questions and response rates have been rebased where necessary. The sample size in this latest survey ensures a 95% confidence level (the probability that the sample reflects the attitudes of the Scottish population) with a margin of error of up to 5%, with the exception of the analysis on the question 'If interest rate increases were to increase the cost of your mortgage by £100, what difference would this make to your finances?' and 'What interest rate (to the nearest whole number) do you pay on your mortgage?' where the Q2 2019 margin of error is 6.5% and 7.5%, respectively.

Throughout the report we use net balances to indicate trends and direction of change. Net balances are calculated by subtracting the number of 'down' responses from the number of 'up' responses and discounts those who provided a 'neutral' response.

If you have any queries about the research, please contact AGCC on 01224 343900.