

10 Year Property Market Report

A statistical review of the
Scottish property market
for the decade **2007-2017**

Index



Keeper's introduction

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This 10-Year Report is compiled by Registers of Scotland using the data held in our digital land register, and provides insight and analysis to better understand trends in the Scottish property market and economy.

Data is one of the most important assets we hold, and central to the important part we play in the Scottish economy. As guardians of the land register, in which all property transactions are registered, we are ideally placed to provide a full analysis of the Scottish property market. Our series of property market reports form a key component of the Official Statistics available for this sector.

The past ten years have been an eventful period for the Scottish property market. The decade was characterised by the dramatic fall of 2008 and subsequent recovery. Whilst residential house price averages increased by 7.7 per cent during this time, the total value of the market over the decade, at £143.4 billion, represents a reduction of around £5 billion on the previous ten year period (2006-07 to 2015-16).

To better leverage the value of the comprehensive property data we hold, we are currently developing scotlis, Scotland's Land Information Service. Scheduled to launch in October 2017, scotlis will provide more easily-accessible ownership information about any piece of land or property in Scotland through a single enquiry.

It's been an eventful period for Registers of Scotland too, as we continue to progress with our commitment to complete the digital, map-based Land Register of Scotland by 2024, and also culminating in the celebration of the 400th anniversary of the Sasine Register. A completed land register will be a hugely valuable data resource on who owns Scotland, and a very exciting development to look forward to in the coming decade.

01

Executive Summary

Registers of Scotland (RoS) is pleased to present the next in our series of 10-year overviews of property price statistics for Scotland¹.

Our property price statistics are compiled using data collected as part of the land registration process. This data is comprehensive, covering transactions across the whole of Scotland for all types of property sales, in residential and non-residential markets, and with actual sale prices, not just valuations. The statistics in this report cover values, volumes and prices in the different sectors. For the housing market, the report provides an overview of trends in cash and mortgage-financed sales volumes, the market within Scotland's seven cities, sales of properties within new-build developments and trends by house type. The figures relate to financial years.

RoS is continually reviewing and developing the statistics we publish, particularly for the housing market. In June 2016, RoS began publishing data for the Scottish component of the UK House Price Index (HPI), developed through collaborative work with the Office of National Statistics, HM Land Registry and Land & Property Services Northern Ireland. An overview of HPI figures for Scotland over the 10 years has been provided in our HPI overview in Annex VII. Please note that the HPI uses different methodology to the other RoS statistics

provided in this report, so that while the trends are broadly similar, the resulting average residential house price figures reflect the different methodologies used².

We are also working to reach new audiences with our data, particularly through the development of the scotlis initiative. RoS is leading on the development of this new land information system, which uses the land register as its base, and will ultimately allow citizens, communities, professionals and business users to access comprehensive information about any piece of land or property in Scotland with a single enquiry. We will be launching the first iteration of scotlis in October 2017, but will continue to build additional layers in the coming years.

With our Land Register completion work, the breadth of data we hold on property transactions will grow steadily in the coming years. Title coverage in Scotland, via the registration of properties in the Land Register, reached 61.4 per cent at the end of December 2016. This represents 29.2 per cent of the land mass in Scotland. A total of 935km² was added to the Land Register between January and December 2016.

Main findings

In 2016-17, the overall value of the residential and non-residential markets³ covered within this report was just under £21 billion, relating to in excess of 108,000 sales. This was down by 0.2 per cent on 2015-16, when the value was just over £21 billion, while the volume of sales was up by 1.8 per cent from 106,377 sales across all categories in 2015-16.

Residential overview

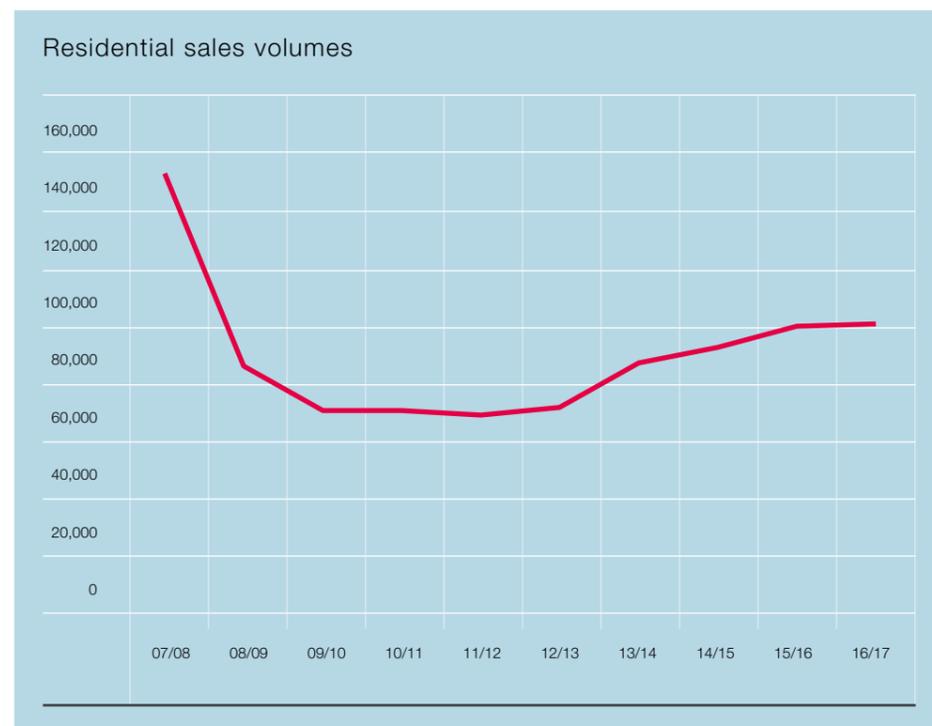
- The graphs below and on pages four and five highlight the trends in residential sales over the 10-year period between 2007-08 and 2016-17.
- The total value of the residential sales market over the decade was over £143.4 billion. In 2016-17, the value was £16.7 billion.
- Residential house price averages increased by 7.7 per cent over the decade. The average price in 2007-08 was £154,810, while in 2016-17 it was £166,681. This compares with a rise in median gross annual earnings of 15.5 per cent between 2007 and 2016⁴.

Overall, average house price levels were relatively stable between 2007-08 and 2012-13, with a year on year increase taking place between 2013-14 and 2014-15, after which prices have remained relatively steady again to 2016-17.

- The highest quarterly average price of the decade was achieved in the fourth quarter of 2014-15. The average price for a property in Scotland in this quarter was £173,732. The average price only exceeded £170k in two other quarters in the decade. This was in quarter two of 2014-15, when the average price was £170,202, and quarter two of 2016-17, when the average price was £170,391.
- The average annual volume of residential sales per year was 90,265. The volume of sales in 2016-17 was 100,291, which equates to around 3.9 per cent of the total number of homes in Scotland⁵. Over the decade, the year on year volume of sales decreased from the 10-year high of 149,145 in 2007-08 to 100,291 in 2016-17. Volumes in 2016-17 were the highest since 2007-08 and were up by 1.0 per cent when compared to 2015-16. Annual volumes

Market value of residential sales





have been increasing year on year from the 10-year low of 70,510 in 2011-12.

- The height of the market in terms of quarter on quarter volumes remained the second quarter of 2007-08, with 42,311 residential sales applications. The lowest volume of sales was 11,693 in the fourth quarter of 2008-09.
- There were 121,141 residential sales from new-build developments across the decade. New-build property sales accounted for 13.3 per cent of the all-Scotland sales in 2016-17, with a total of 12,014. This figure was down from the 2007-08 total, when there were 22,525 new-build sales.

House type overview

- Terraced properties show the biggest increase in price across the decade, increasing by 4.7 per cent⁶. Flatted dwellings represented the largest share of the market, making up 36.7 per cent of all residential sales in the last 10 years.

£1m+ residential property market overview

- When comparing 2007-08 with 2016-17, the number of residential properties

sold for over a million pounds decreased by 36.2 per cent. Over the decade 1,488 properties were sold for over a million pounds, with the City of Edinburgh local authority area holding the highest share of this market at 50.2 per cent.

City property market overview

- The average price paid for a residential property on one of Scotland's seven cities in 2016-17 was 7.8 per cent higher than the all-Scotland average price for the same year. Sales within a city accounted for 30.3 per cent of all residential property sales.

Mortgage market overview

- 69,188 residential sales were registered with a mortgage in 2016-17, a fall of 45.1 per cent when compared with 2007-08, but similar to the number of sales in 2015-16.
- In 2016-17, cash sales equated to 31.0 per cent of the residential market, as compared to 15.5 per cent in 2007-08.
- A total of 118,368 securities were registered in the Land Register in 2016-17, including securities over all property types. This is a decrease of



49.6 per cent when compared with 2007-08 and an increase of 5.0 per cent when compared with 2015-16. As context of the economic climate, the Bank of England official interest rate was 5.25 per cent in April 2007 and had decreased to 0.25 per cent by March 2017. This is the lowest rate over the period, while the highest rate was 5.75 per cent from July to December 2007.

Non-residential overview

- Non-residential sales had a total market value of £4.1 billion in 2016-17. Out of this total, 80.1 per cent were

commercial sales, 9.6 per cent related to sales of land, 7.1 per cent were agricultural sales and 3.2 per cent were forestry sales.

- Over the decade, the volume of commercial sales decreased by 18 per cent. However, there was an 8.6 per cent increase in the volume of commercial sales from 2015-16 to 2016-17. The volume of commercial leases decreased from 1,288 in 2007-08 to 953 in 2016-17.

¹ The four previous 10-year reports are available at the following link: <https://www.ros.gov.uk/property-data/property-statistics/the-10-year-report>

² An overview of the methodologies and their key differences is provided at the following link: https://www.ros.gov.uk/_data/assets/pdf_file/0003/46092/Comparison-between-HPI-and-RoS-statistics-140217.pdf

³ This value includes all residential sales, including those over £1million, commercial sales, and sales of forestry, agriculture and land. It does not include commercial leases, non market-value residential sales and sales of other types of land such as garages, etc.

⁴ Source: Selected estimates from the Annual Survey of Hours and Earnings (ASHE) series from 1997 to 2016 <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/ashe1997to2015selectedestimates>.

⁵ There were 2.56 million dwellings in Scotland in 2015, including 78,475 vacant dwellings and 27,317 second homes according to figures produced by NRS: <https://www.nrscotland.gov.uk/files/statistics/household-estimates/house-est-15/15house-est-cor.pdf>

⁶ Please note that our house price methodology means that currently it is not possible to allocate all sales to a house type, so the figures for percentage price changes by type have been calculated on a slightly smaller sub-set of the overall market.

Further details about this methodology are available at the following link: https://www.ros.gov.uk/_data/assets/pdf_file/0020/3935/House-Price-Data-Guidance-for-Website-incl-HPI-updated-130616.pdf

02

Residential Overview

This section looks at residential sales from £20,000 to £1 million¹. Sales of over £1 million are covered within the separate high value residential property market overview section. Between April 2007 and March 2017, the market value of residential property sales in Scotland totalled £143.4 billion.

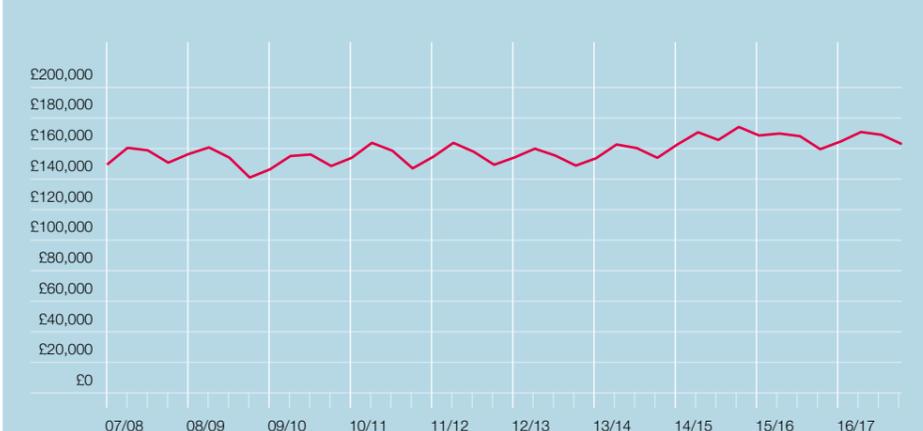
Although the total market value for Scotland decreased by 27.6 per cent when comparing 2007-08 with 2016-17, largely due to a substantial decrease in sales volumes, the value in recent years has increased. There was a year-on-year increase over the last five years from 2011-12 to the 2016-17 total of £16.7 billion, equating to an increase of 51.5 per cent when comparing 2016-17 with 2011-12. The highest value across the decade was in 2007-08 when residential sales totalled £23.1 billion. Despite the decrease in market value across Scotland in 2016-17 when compared to 2007-08, two local authorities showed an increase in the market value of residential sales over the last decade. Midlothian and East Renfrewshire² showed increases of 11.3 per cent and 2.7 per cent respectively. The biggest increases and falls over the 10-year period are shown in the table on page 10.

The decade's highest quarterly average price was £173,732, in the fourth quarter of 2014-15

Market value of residential sales 2007-2017



Residential average price 2007 - 2017



Residential volume of sales 2007 - 2017



Between April 2007 and March 2017, the average house price in Scotland went up by

+7.7%

+42.2%

Increase in volume of residential sales over 5 years since 2011-12

The total residential market value in Scotland for 2016-17, an increase of 1.0% on the previous year

£16.7 billion

The average price of a residential property in Scotland saw an increase of 7.7 per cent when compared to the average price in 2007-08, rising from £154,810 to £166,681 in 2016-17. This was an increase of 0.1 per cent when compared with 2015-16. From the lowest point in the market in 2009-10 to 2016-17, the average price rose by 10.0 per cent from £151,490 to £166,681.

East Renfrewshire had the greatest increase in average price when comparing 2015-16 with 2016-17, up 7.9 per cent from £224,044 in 2015-16 to £241,817 in 2016-17. The highest decrease was in Aberdeenshire, recording a 7.7 per cent drop from £228,030 in 2015-16 to £210,491 in 2016-17.

Over the 10 years, the highest rise in average price was also in East Renfrewshire⁴, with an increase of 17.4 per cent from £206,041 when comparing 2007-08 with 2016-17. In the same

period, the largest drop in average price was in East Ayrshire, decreasing by 7.4 per cent from £124,092 to £114,918. The City of Edinburgh held the highest average price across most of the decade, with the exception of two of the ten years. In 2013-14, both Aberdeenshire and East Renfrewshire surpassed the capital with average prices of £218,088 and £217,515 respectively, as compared with £216,936 in the City of Edinburgh. Also, in 2016-17, East Renfrewshire recorded an average price of £241,817, compared to the City of Edinburgh at £237,441.

During the course of the 10-year period, there was an overall drop in annual volumes of residential sales for all areas of Scotland⁵, with the total volume across Scotland falling by 32.8 per cent, from the decade high of 149,145 in 2007-08 to 100,291 in 2016-17. Despite this, over the five years since the 10-year low of 70,510 in 2011-12, the all-Scotland volume has risen by 42.2 per cent. Volumes in 2016-

17 were the highest since 2007-08, up by 1.0 per cent when compared to 2015-16.

Midlothian⁵ was the least affected by the fall in sales over the decade, showing a drop of just 2.6 per cent, while North Ayrshire showed the biggest decrease at 48.2 per cent. Midlothian also showed the highest increase in sales volumes over the last five years at 121.0 per cent. Glasgow City local authority area had the highest volumes across the decade, with 105,118 residential sales accounting for 11.6 per cent of the market. The City of Edinburgh was in second place with 101,117 sales.

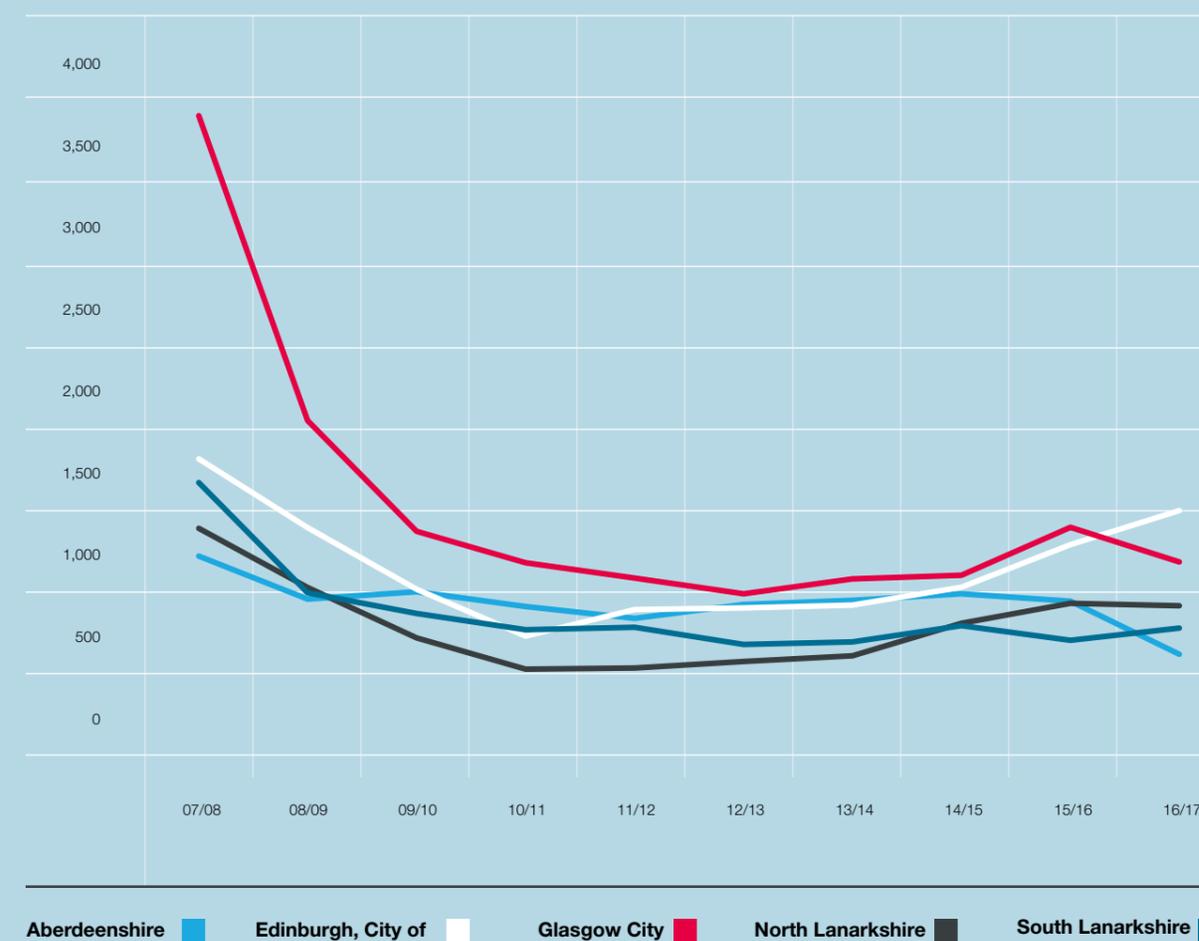
The height of the market in terms of quarterly volumes remained the second quarter of 2007-08, with 42,311 residential sales applications. The lowest quarterly volume of sales was 11,693 in the fourth quarter of 2008-09. The

highest quarterly average price of the decade was achieved in the fourth quarter of 2014-15. The average price for a property in Scotland in this quarter was £173,732. The average price only exceeded £170k in two other quarters in the decade. This was in quarter two of 2014-15, when the average price was £170,202, and quarter two of 2016-17, when the average price was £170,391.

The graphs on page seven show the average price, volumes and market value by quarter across the decade, highlighting the seasonal trends in the housing market, which have remained relatively consistent throughout the 10-year period.

See Annexes I to IV for further details of the residential market by local authority area.

Top five local authority areas for volume of new builds over 10 years



Top 10 postcodes for new build developments from 2007-08 – average price comparison with 2016-17*

Postcode**	2007-08	2016-17	% change
EH3	£349,109	£464,793	33.1%
AB24	£300,289	£347,000	15.6%
G40	£118,231	£130,000	10.0%
EH4	£147,361	£153,208	4.0%
G11	£168,050	£155,231	-7.6%
EH7	£196,701	£180,246	-8.4%
G31	£141,900	£129,027	-9.1%
EH5	£142,382	£128,150	-10.0%
G41	£133,761	£106,267	-20.6%
ML11	£160,120	£115,875	-27.6%

*Please note that when comparing the two years, prices in 2016-17 relate to a smaller volumes, as well as a different mix of properties to 2007-08 and the mix of properties sold will be different.

** The EH3, G11, EH7, G31, EH5, G41 developments only related to sales of flats, while there was a mixture of different property types within the other developments.

Top increases and decreases in residential market value over 10 years

Local authority	Market value 2007-08	Market value 2016-17	% Change
Midlothian ³	£333 million	£371 million	11.3%
East Renfrewshire	£416 million	£428 million	2.7%
North Ayrshire	£525 million	£257 million	-50.9%
East Ayrshire	£422 million	£227 million	-46.1%
West Dunbartonshire	£249 million	£143 million	-42.3%
Inverclyde	£270 million	£158 million	-41.2%
Scotland	£23.1 billion	£16.7 billion	-27.6%

New-build property sales from major builders' development titles

The figures presented in this section relate to single residential properties sold out of a major builder's development title, and do not include sales related to smaller developments or single new build properties by private or small-scale builders.

Major builders' new-build sales per annum in Scotland have decreased by 46.7 per cent between 2007-08 and 2016-17. The 10 year high was in 2007-08, when there were 22,525 new-build sales from development titles. However, since the lowest point of the market in 2011-12, when there were 9,016 new-build sales, the volume of sales has increased year on year to 12,014 sales in 2016-17, an increase of 33.3 per cent. When comparing 2015-16 with 2016-17, there was a 0.8 per cent increase in new-build sales.

Only four local authority areas showed an increase in the volume of sales, when comparing 2007-08 with 2016-17. These were East Dunbartonshire, East Renfrewshire, Midlothian and Moray. The biggest increase was in East Renfrewshire, where the volume of sales increased from 46 sales to 234 sales.

The table on previous page shows the top 10 postcode districts for new-build developments from 2007-08. The table provides the average price of new-build properties that were first bought in 2007-08 and have been re-sold in 2016-17. The Quartermile Development in EH3 has shown a significant increase with the average house price there increasing by 33.1 per cent. Only flats were sold within this development in Edinburgh's city centre.

¹ Annex VIII contains further details about our definition of a residential property sale.

² The following local authority areas also showed increases: Eilean Siar (19.5 per cent), Orkney Islands (19.1 per cent), and Shetland Islands (18.4 per cent). Local authority areas where sales volumes represent less than 1 per cent of the all-Scotland sales volume are excluded from the figures used for highlighting purposes. Please see Annex VIII for further information.

³ With the exception of Shetland Islands, which showed a 41.3 per cent increase in average price over 10 years and Orkney Islands, which showed a 21.9 per cent increase, both of which have been excluded for the reason shown in note 2 above.

⁴ With the exception of Eilean Siar, which showed a 7.9 per cent increase in volumes over 10 years. This has been excluded for the reason shown in note 2 above.

⁵ With the exception of Eilean Siar, which showed a 7.9 per cent increase in volumes over 10 years and Orkney Islands, which showed a decrease of 2.3 per cent. Both have been excluded for the reason shown in note 2 above.

⁶ Shetland, Orkney and Eilean Siar all showed higher increases across the decade, but none has been included for the reason shown in note 2 above.

The highest quarterly volume for Scotland of the decade was recorded in the second quarter of 2007-08 at 42,311 sales.

03

House Type and Price Band Overview

RoS' statistics are based on four house types. These are detached, semi-detached, terraced and flatted properties¹.

Since April 2007, flatted properties recorded the largest share of the housing market annually, with volumes taking 36.7 per cent of the total market. In 2016-17, flatted property had the highest share of the market with a 33.5 per cent share.

During the 10-year period, all property types increased in average price, with terraced properties showing the highest increase over the decade, rising by 4.7

per cent from £129,198 in 2007-08 to £135,215 in 2016-17.

By comparison, the average price for a detached house in Scotland in 2016-17 was £246,249, up 2.6 per cent on 2007-08 but down 0.8 per cent on 2015-16. The average price for a flatted property in 2016-17 was £130,575, rising by 1.6 per cent from £128,558 in 2007-08, but down by 2.1 per cent when compared

House type	Total volume over 10 years*	Market share
Detached	198,187	22.0%
Semi-detached	148,985	16.5%
Terraced	193,499	21.4%
Flatted	331,217	36.7%

*Excludes 30,759 unallocated properties, see link to methodology in [Annex VIII](#)

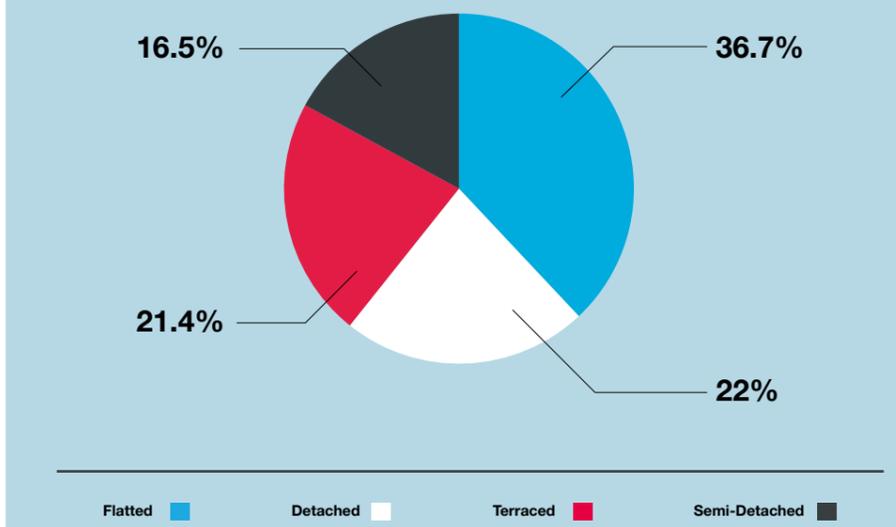
with 2015-16. Semi-detached properties increased in price by 3.8 per cent from £151,804 to £157,520 over the 10 years. Semi-detached properties were the only property type that showed an increase in average price in the last year, rising by 0.5 per cent when comparing 2016-17 with 2015-16.

Over the decade, sales volumes of all house types showed a decrease, with flatted properties recording the largest decrease at 45.1 per cent when comparing 2007-08 with 2016-17. The smallest decrease at 31.6 per cent was

for detached properties. The height of the market for all property types in relation to sales volumes was 2007-08.

All property types also showed a decrease in sales volumes when comparing 2015-16 with 2016-17, with detached properties recording the highest decrease, dropping 13.3 per cent from 23,039 to 19,983. In the last 5 years, however, all property types have risen in volume, with the largest rise being terraced properties, rising by 41.8 per cent from 15,055 to 21,342.

Market share of house types over the decade



Average price by house type



Sales by house types as a percentage of each price bracket over the decade

House type	£20k-£100k	Over £100k-£250k	Over £250k-£500k	Over £500k-£1M	Scotland Total
Detached	3.6%	25.8%	53.9%	47.1%	22.0%
Semi-detached	11.9%	21.1%	9.5%	10.0%	16.5%
Terraced	29.6%	18.6%	11.5%	17.3%	21.4%
Flatted	51.8%	31.3%	20.2%	19.9%	36.7%

Volume by price band of residential properties



Analysis of residential sales volumes by price band

Residential sales volumes by price band over the decade showed the over £100k-£250k price band had 52.6 per cent of the market share in 2016-17. This was a decrease when compared with 2006-07 when the share was 56.2 per cent.

Over the 10 years, the proportion of sales in the over £250k-£500k bracket increased by 0.9 per cent. This represents an increase from a 9.8 per cent share of the market in 2007-08 to 14.7 per cent of the market in 2016-17. By contrast, the proportion of sales falling in the under £100k price band decreased by 36.3 per cent. The proportion of sales in the

£100k-£250k and £500k-£1m brackets decreased by 37.1 per cent and 6.1 per cent respectively.

Over the 10 years, detached properties accounted for the biggest proportion of the over £250k to £500k and the over £500k to £1m price brackets, while flatted properties accounted for the biggest proportion of the £20k to £100k and over £100k to £250k price brackets.

* Further details about our house type methodology are available at the following link: https://www.ros.gov.uk/_data/assets/pdf_file/0020/3935/House-Price-Data-Guidance-for-Website-incl-HPI-updated-130616.pdf. Please note that our house type methodology means that it is not yet possible to allocate every property sale to a house type, so the volume of sales by house type presented in this section will not add up to the all-Scotland total.

Since 2007-08, the average price of a terraced property was up by

+4.7%



Since 2015-16, the volume of sales of detached properties was down by

-13.3%



36.7%

of residential properties sold in Scotland over the last 10 years were flats

All house types recorded an increase in average price over the decade

Volume by price band of residential properties

House type	£20k-£100k	Over £100k-£250k	Over £250k-£500k	Over £500k-£1M	Scotland Total
07/08	48,849	83,841	14,573	1,882	149,145
08/09	29,662	47,017	8,661	1,198	86,538
09/10	25,297	38,919	6,793	857	71,866
10/11	25,244	38,048	7,645	1,109	72,046
11/12	24,667	37,220	7,609	1,014	70,510
12/13	26,533	37,665	7,710	1,099	73,007
13/14	30,692	45,350	9,993	1,361	87,396
14/15	29,768	48,383	12,521	1,835	92,507
15/16	30,766	52,473	14,353	1,749	99,341
16/17	31,099	52,717	14,707	1,768	100,291
Total	302,577	481,633	104,565	13,872	902,647

04

High Value Residential Overview

Over the decade, the total volume of high value (£1m+) properties was 1,488, equating to a total market value in Scotland of over £2 billion. The volume of sales was down in 2016-17 when compared with 2007-08, which saw 243 high value sales. High-value volumes were also slightly down in 2016-2017 when compared to 2015-16, falling by 0.6 per cent to 155 sales. However, in the five years leading up to this, volumes rose by 36.0 per cent, from 114 in 2011-12 to 155 in 2016-17.

The City of Edinburgh's local authority area consistently held the biggest share of the £1m+ market across the decade, with 747 sales in this price bracket, just over half of the all-Scotland high-value figure. Volumes in this area have risen by 18.9 per cent in the last year from 74 to 88 £1m+ sales.

Aberdeen City was the local authority area with the next biggest share, with 122 sales over the decade.

When comparing sales volumes in 2007-08 with 2016-17, South Lanarkshire showed the biggest increase in overall share of this price bracket, rising from a 3.3 per cent share to a 7.7 per cent share, and Aberdeen City showed the biggest share decrease, falling from 5.3 per cent to 2.6 per cent.

Further details of the volumes of £1m+ sales by local authority area are contained in Annex IV.

As shown in the table on page 17, the top ten postal districts over the decade for volumes of £1m+ sales were placed in or around the three largest Scottish cities: Edinburgh, Glasgow and Aberdeen. These can be broken down into six areas in the City of Edinburgh, one in Glasgow, one in Aberdeen, as well as one in East Dunbartonshire (Bearsden) and one in South Lanarkshire (East Kilbride and Thorntonhall).

South Lanarkshire showed the largest annual percentage increase in volume of sales rising from four sales in 2015-16 to 12 sales in 2016-17, a rise of 200 per cent. East Dunbartonshire also showed a significant rise in volumes, with annual

Top ten postcodes by volume of £1m+ sales by postcode district 2007-08 to 2016-17

Postcode district	Volume	Average consideration
EH3	199	£1,397,542
EH10	124	£1,426,809
EH9	122	£1,431,826
EH4	103	£1,329,873
AB15	99	£1,388,486
EH12	71	£1,471,690
G61	42	£1,270,000
G12	39	£1,208,281
G74	35	£1,293,968
EH13	30	£1,295,321

The total market value for £1m+ properties in 2016-17 increased in the last 5 years by

+28.2%

13.4%

of £1m+ residential sales were sold in the EH3 postal district from 2007-08 to 2016-17.

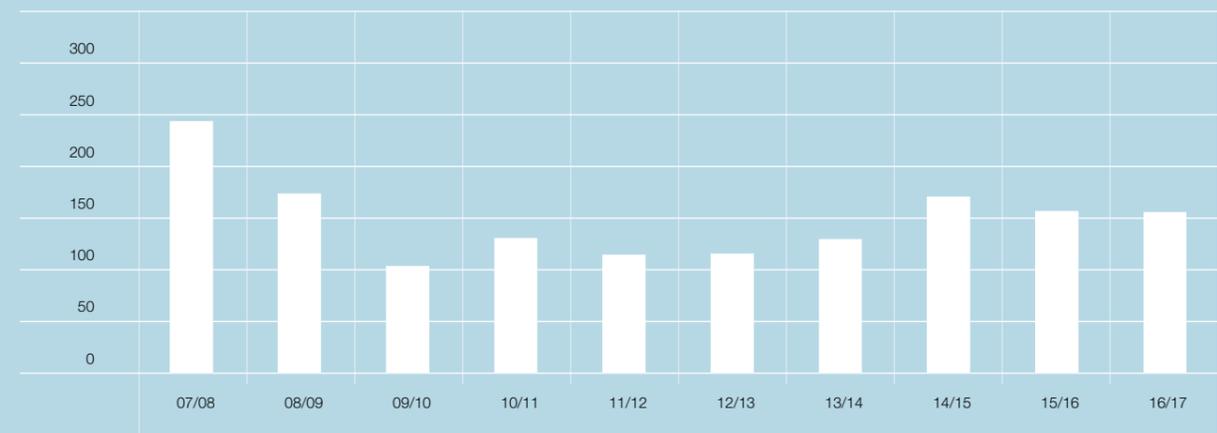
Over the decade, the City of Edinburgh's share of the £1m+ sales volumes was

50.2%

Volumes and total value of £1m+ residential sales in Scotland

Financial year	Volume	Total market value	Average price
07/08	243	£335,616,048	£1,381,136
08/09	173	£233,953,564	£1,352,333
09/10	103	£140,738,391	£1,366,392
10/11	130	£177,136,331	£1,362,587
11/12	114	£163,015,784	£1,429,963
12/13	115	£157,858,241	£1,372,680
13/14	129	£174,893,132	£1,355,761
14/15	170	£235,380,375	£1,384,590
15/16	156	£209,285,690	£1,341,575
16/17	155	£208,927,524	£1,347,920

Volumes of £1m+ residential sales



sales rising from three in 2015-16 to eight in 2016-17, a rise of 166.7 per cent.

The highest increase in average price over the 10-year period for high-value residential sales was in East Renfrewshire rising from £1.3 million in 2007-08 to £1.6 million in 2016-17, an increase of 25.6 per cent. East Renfrewshire also had the highest annual increase in average price from 2015-16 to 2016-17, increasing by 30.7 per cent.

From the height of the market in 2007-08, the total worth of the £1m+ residential market over the 10-year period has

decreased by 37.7 per cent, from £335.6 million in 2007-08 down to £208.9 million in 2016-17. The lowest point of the market was in 2009-10, when the total worth of the high value market was £140.7 million.

A property in Midlothian was the most expensive residential property to be registered between 2007-08 and 2016-17. This property sold for £4.9 million in 2007.

During the decade covered by the report, the average cost of a property in the £1m+ price bracket was £1,368,821.

£1m+ sales volumes in G74 increased significantly over the past 10 years, from 2 in 2007-08 to 8 in 2016-17, rising by **+300%**

57.3% Edinburgh's share of £2m+ sales in the last 10 years

The highest rise in average price of £1m+ residential sales in the last 5 years was in East Renfrewshire, rising by **+43.0%**

Average price by year for £1m+ residential properties



05

City Residential Property Market Overview

In Scotland during 2016-17, 30.3 per cent of all residential properties sold were located within one of Scotland's seven cities¹. In 2016-17 the average price paid for a residential property within one of Scotland's seven cities was £179,716. This was 1.4 per cent higher than 2015-16 and 7.8 per cent above the all-Scotland average price for 2016-17.

During the 10 year period of this report, there have been 288,709 residential sales within a city. This compares with 613,938 residential sales across the rest of Scotland in the same period, combining to make the all-Scotland total of 902,647 across the 10 years. The cities' share of the total residential market has shown a small decrease of 2.8 per cent from a high of 33.1 per cent in 2007-08.

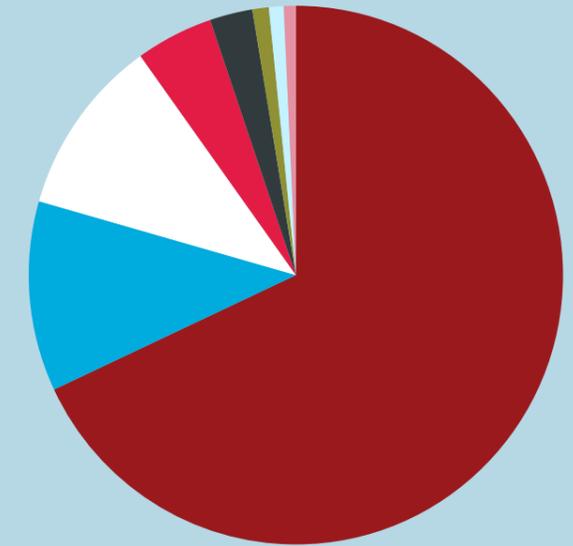
In terms of sales volumes, Glasgow and Edinburgh accounted for 73.4 per cent of all city residential properties sold in 2016-17 and 22.3 per cent of all residential sales across Scotland were within these two cities. In 2016-

17 Glasgow had the highest share of all sales within Scottish cities at 37.3 per cent, ahead of Edinburgh's 36.1. This compares with a 39.1 per cent share of sales for Glasgow in 2007-08 and a 31.1 per cent share for Edinburgh.

The market value for residential sales in all cities for 2016-17 was £5.5 billion. This was 1.1 per cent down on the previous year, but 44.4 per cent up on 2011-12 when the market was at the lowest level of the last 10 years. At the height of the market in 2007-08, the total market value for all residential sales within cities was £8.3 billion.

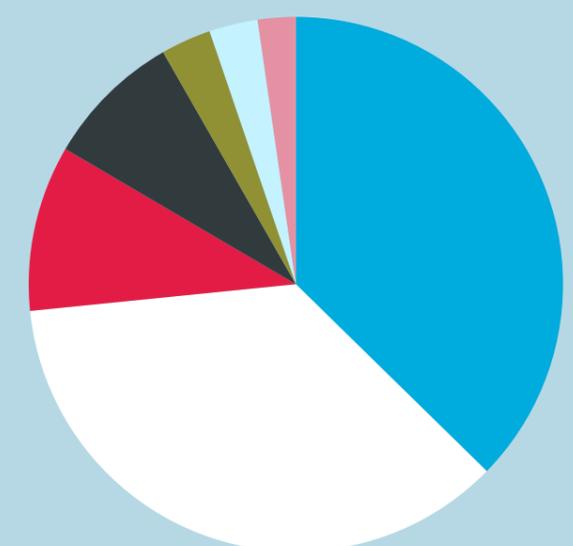
Market Share by volume of residential sales in Scotland 2007-2017

■ Aberdeen	4.7%
■ Dundee	2.6%
■ Edinburgh	10.7%
■ Glasgow	11.4%
■ Inverness	1.0%
■ Perth	0.9%
■ Stirling	0.7%
■ Rest of Scotland	68.0%



Market share by percentage of residential sales volumes in Scotland's cities 2016-2017

■ Aberdeen	10.0%
■ Dundee	8.3%
■ Edinburgh	36.1%
■ Glasgow	37.3%
■ Inverness	3.0%
■ Perth	2.9%
■ Stirling	2.3%

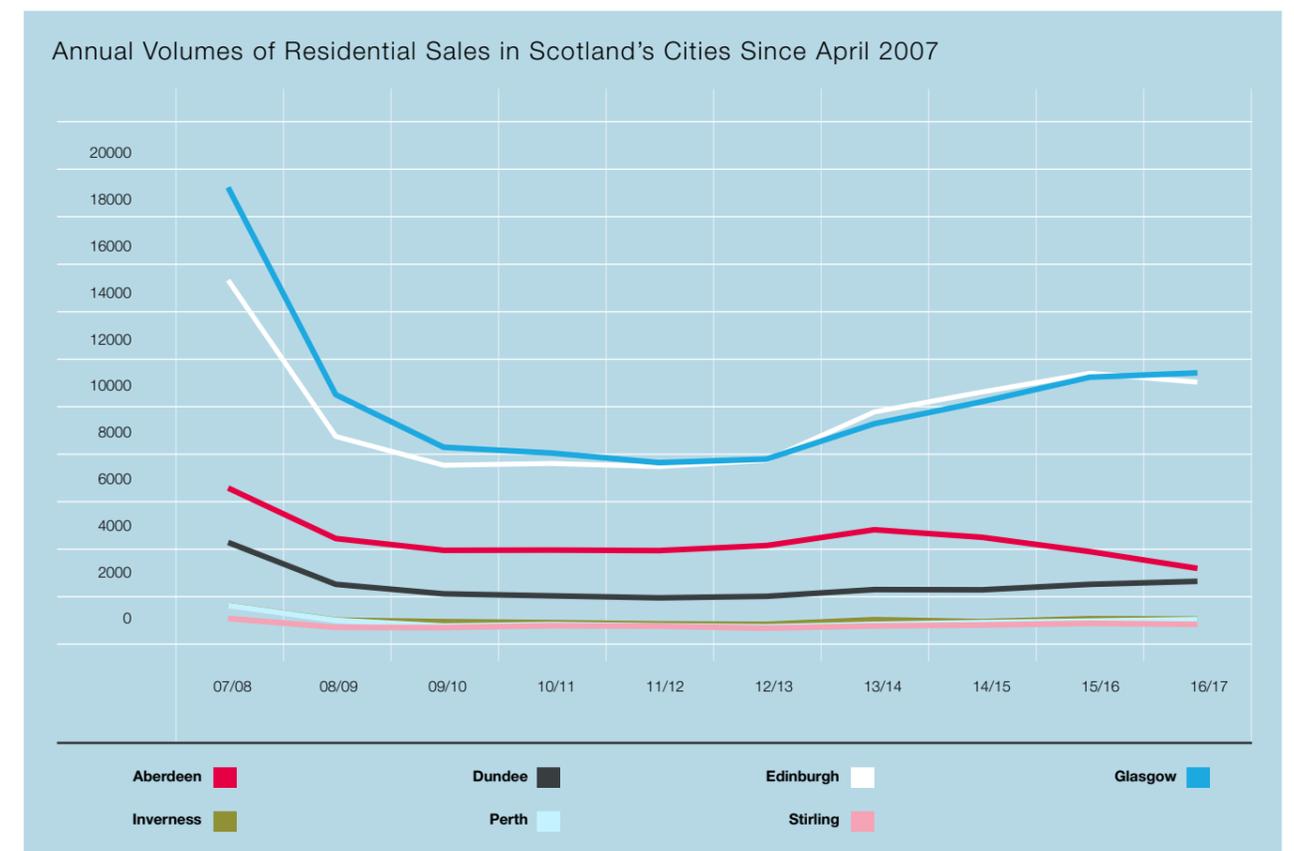


The volume of sales in Scotland's cities showed a rise in the last five years of **35.3%**

The volume of residential sales in Scotland's cities was 30,434 in 2016-17, down 2.5 per cent on 2015-16, and a reduction of 38.3 per cent compared to 2007-08. There has however been a large rise in volume of sales over the last 5 years, with this 2016-17 figure standing 35.3 per cent higher than the volume of sales in 2011-12, which was when sales volumes were at their lowest across the decade. This compares to residential sales volumes of 69,857 across the rest of Scotland in 2016-17, an increase of 2.5 per cent on the previous year, down by 30.0 per cent on 2007-08, and up by 45.5 per cent on 2011-12.

Aberdeen had the biggest reduction in volumes of sales of all the cities, both year on year for 2016-17 compared with 2015-16 and across the decade. Volumes of sales decreased by 19.0 per cent to

3,055 sales, when comparing 2016-17 with 2015-16, and were down by 53.0 per cent on 2007-08. The average price of a residential property in Aberdeen was 7.4 per cent higher in 2016-17 than it was in 2007-08, increasing to £186,642. This 7.4 per cent rise over the decade was second only to Edinburgh. However, the average price of a residential property in Aberdeen in 2016-17 was 5.2 per cent less than in 2015-16, and this was the biggest year on year reduction within Scotland's cities. Detached properties showed the biggest decrease in average price, falling by 6.9 per cent to £358,515 when comparing 2016-17 with 2007-08. Aberdeen also had the biggest fall in volumes of residential sales over the decade and year on year, decreasing by 53.0 per cent and 19.0 per cent respectively to 3,055 sales in 2016-17. Flatted properties had the biggest



During the 10 year period of this report there have been **288,709** residential sales in Scotland's cities

Edinburgh had the highest residential market value in 2016-17, equating to

£ **2.6** billion

overall fall in volume over the last 10 years, decreasing by 63.3 per cent from 4,321 sales in 2007-08 to 1,586 sales in 2016-17.

In Dundee, the average price of a residential property for 2016-17 was £130,636, up 1.6 per cent on 2015-16, but down by 0.1 per cent on the price in 2007-08, which was the height of the market in terms of average prices. Volumes of sales also increased year on year for 2016-17 compared with 2015-16, rising by 5.5 per cent on the 2015-16 figures to 2,520. This figure represents the highest volume of sales since 2007-08, but is a decrease of 39.9 per cent on the volume for that year. In 2016-17, the market value of Dundee residential properties was £329.2 million, 7.2 per cent higher than the previous year.

In 2016-17, Edinburgh had the highest residential market value of all of Scotland's cities, standing at £2.6 billion. This represents 47.2 per cent of the residential

market value for all cities and 15.5 per cent of the whole of Scotland's residential market value for 2016-17. The figure is unchanged from 2015-16 and 21.8 per cent down when compared with 2007-08. The volume of sales in Edinburgh in 2016-17 fell by 3.3 per cent to 10,979 when compared with the previous year, and was 28.3 per cent down from 10 years earlier. The average residential property price in Edinburgh was £235,261 in 2016-17. This is a 3.4 per cent price increase on the previous year and a 9.1 per cent increase on 10 years ago, giving Edinburgh the highest 10 year average price increase of the seven cities. The average price of a detached house in Edinburgh in 2016-17 was up 1.4 per cent from the previous year to £396,307. This was the highest average price of any house type across all seven cities in that year, but was down 0.2 per cent on the average price in 2007-08.

Glasgow's property market was worth £1.6 billion in 2016-17, up by 6.4 per cent when compared with 2015-16, but down

Scotland's cities residential property market in 2016-17 was worth **£ 5.5 billion**

by 41.9 per cent on 2007-08. The average price was £141,129, up by 4.7 per cent on the previous year, but down by 1.4 per cent on 2007-08. Glasgow had the largest year on year increase in average house price across the seven cities in 2016-17. Within Glasgow, detached houses had the largest average price increase year on year when compared with 2015-16, increasing by 6.2 per cent to an average of £239,157. However, over the decade, it was terraced houses that had the biggest average house price rise, 2.9 per cent higher in 2016-17 than at the height of the market in 2007-08. With 11,361 residential sales in 2016-17, Glasgow had the largest volume of sales of the seven cities, and this equates to 11.3 per cent of all 2016-17 sales. This figure represents a yearly increase of 1.6 per cent but a fall of 41.0 per cent from the highest volumes of ten years ago, when there were 19,263 sales.

Average house prices in Inverness for 2016-17 were £158,863, the third highest average house price after Edinburgh and Aberdeen. The average price for 2016-17 was 4.9 per cent down on 2015-16, which was the year Inverness recorded its highest average house price during the last decade. Volumes of sales were very similar to the previous year with 926 sales in this most recent year compared to 947 the year before, but 2016-17 volumes for Inverness were 39.6 per cent down on the height of the market in 2007-08 when there were 1,533 sales.

In 2016-17, the largest year on year increase in volume of sales of all the cities was in Perth, where the sales increased by 8.0 per cent from 829 in 2015-16 to 895 in 2016-17. This was down by 41.0 per cent on the volumes in 2007-08. The average residential property price for Perth for 2016-17 was £144,948, this was 0.4 per cent down on 2015-16's figure but 6.5 per cent up on the 2007-08 figure. The 2015-16 figure was Perth's highest average price recorded over the period of this report.

The average residential house price in Stirling in 2016-17 was £153,230, a 1.8 per cent increase on the previous year and down by 4.2 per cent on 2007-08. Stirling was one of only three cities to experience a drop in average house price over the decade – the others being Dundee and Glasgow – and of those three cities it had the largest drop, falling by 4.2 per cent from its 2007-08 average price. Volumes of sales in Stirling were down by 5.5 per cent in 2016-17, when compared with 2015-16, and by 27.6 per cent when compared with 2007-08.

See Annex V for further details about average prices and volumes by city.

¹ See Annex VIII for further information on how cities are defined.

06

Mortgage Market Overview

The number of residential purchases registered without a mortgage (cash sales) over the last decade has risen by 34.4 per cent from 23,136 in 2007-08 to 31,103 in 2016-17. During the same period, residential sales with a mortgage dropped by 45.1 per cent from 126,009 in 2007-08 to 69,188 in 2016-17.

In 2016-17, of the 100,291 residential sales in Scotland, 31.0 per cent were cash sales. This compares to 15.5 per cent in 2007-08, the lowest proportion across the decade, and 30.4 per cent in 2015-16. The highest proportion of cash sales recorded across the decade was in 2014-15, when 31.4 per cent of sales were cash sales.

While the volume of residential sales registered with an accompanying mortgage has significantly reduced since 2007-08, which was the height of the market in relation to sales with mortgages in this 10-year period, volumes have been steadily increasing since 2011-12, when the lowest volume of sales with mortgages was recorded across the decade. A total of 50,183 sales with mortgages were registered in 2011-12, increasing to 69,188 in 2016-17, a rise of 37.9 per cent. Volumes remain static when compared with 2015-16.

The highest volume of residential cash sales was recorded in 2016-17 and the lowest in 2008-09. The volumes of cash

sales have increased year on year from 2008-09 and like sales with mortgages have shown a significant increase over the past five years, rising from 20,327 in 2011-12 to 31,103 in 2016-17, an increase of 53.0 per cent.

The highest proportion of cash sales in 2016-17 was in Argyll and Bute, where just over 50.0 per cent of residential sales were cash sales. The lowest proportion was in Midlothian with cash sales accounting for 18.4 per cent of the residential sales total.

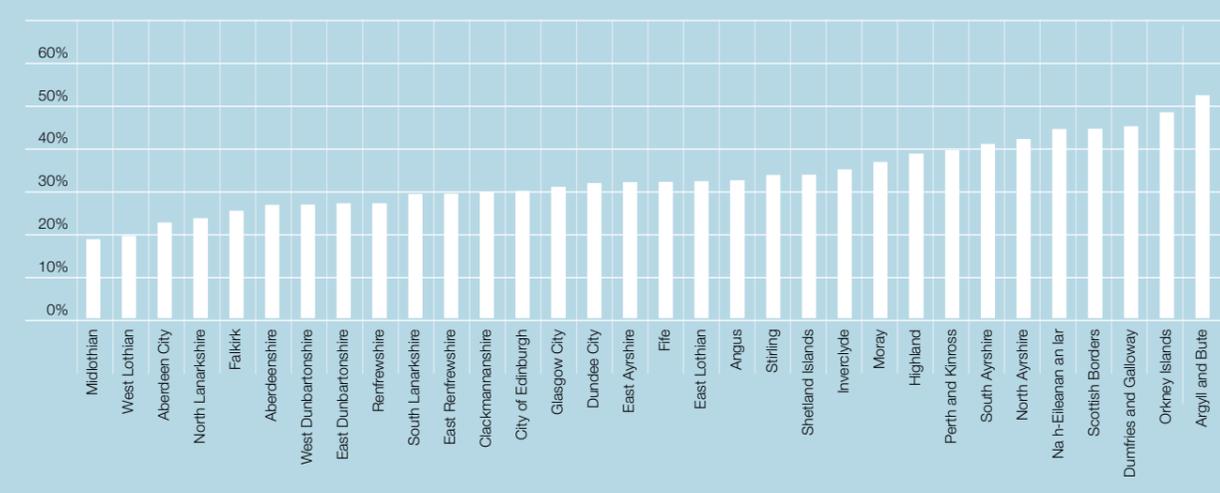
In each year of the decade, the highest volume of cash sales has been in the over £100k to £250k price bracket, with 47.6 per cent of sales across the decade. The lowest volume was in the over £500k to £1million price bracket, equating to 4,237 sales across the decade.

When comparing 2016-17 with 2007-08, the biggest fall in mortgage sales was in the £20k to £100k and over £100k to £250k price brackets, which fell by 54.9 per cent and 45.4 per cent respectively. The over £100k to £250k

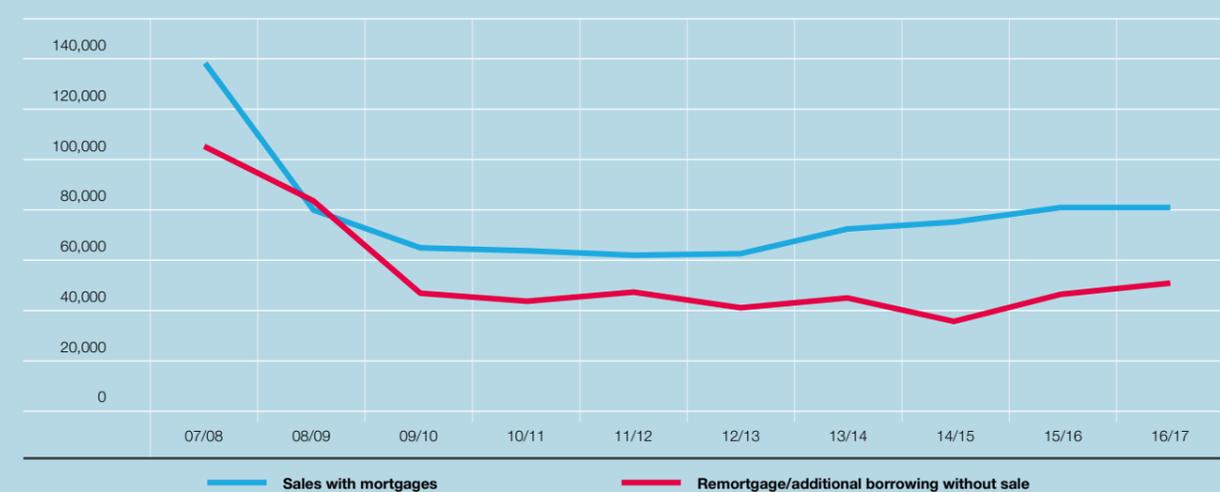
Residential sales in Scotland, broken down by cash sales and sales with mortgage

Year	Scotland total	Cash sales	Cash sales as % of Scotland total	Sale with mortgage	Mortgage sales as % of Scotland total
2007-08	149,145	23,136	15.5%	126,009	84.5%
2008-09	86,538	18,365	21.2%	68,173	78.8%
2009-10	71,866	18,799	26.2%	53,067	73.8%
2010-11	72,046	20,121	27.9%	51,925	72.1%
2011-12	70,510	20,327	28.8%	50,183	71.2%
2012-13	73,007	22,226	30.4%	50,781	69.6%
2013-14	87,396	26,749	30.6%	60,647	69.4%
2014-15	92,507	29,037	31.4%	63,470	68.6%
2015-16	99,341	30,155	30.4%	69,186	69.6%
2016-17	100,291	31,103	31.0%	69,188	69.0%
Total 2007-17	902,647	240,018	26.6%	662,629	73.4%

Proportion of residential sales in 2016-17 that were cash sales, by local authority



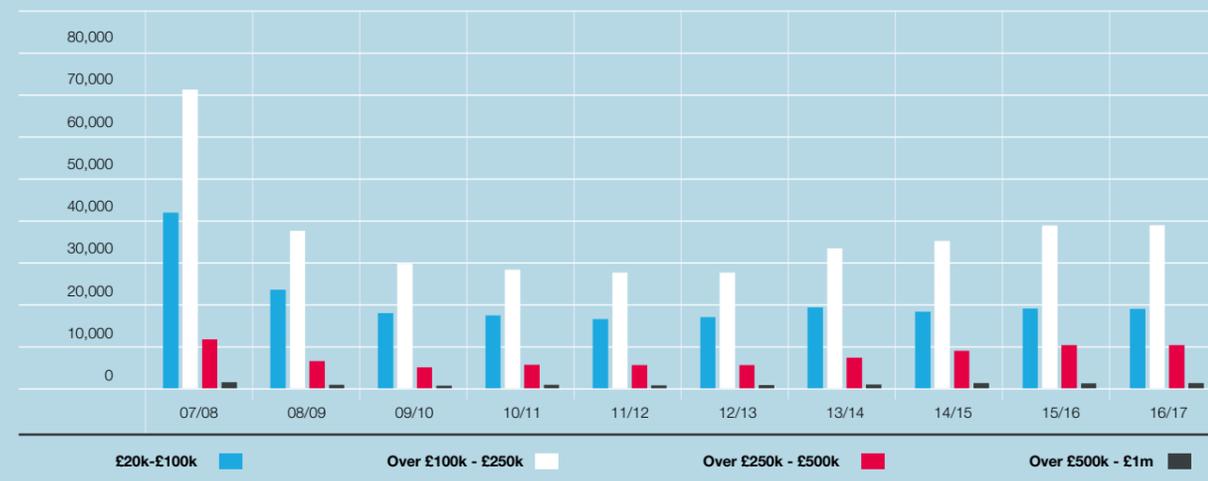
Total mortgage applications (all property types)



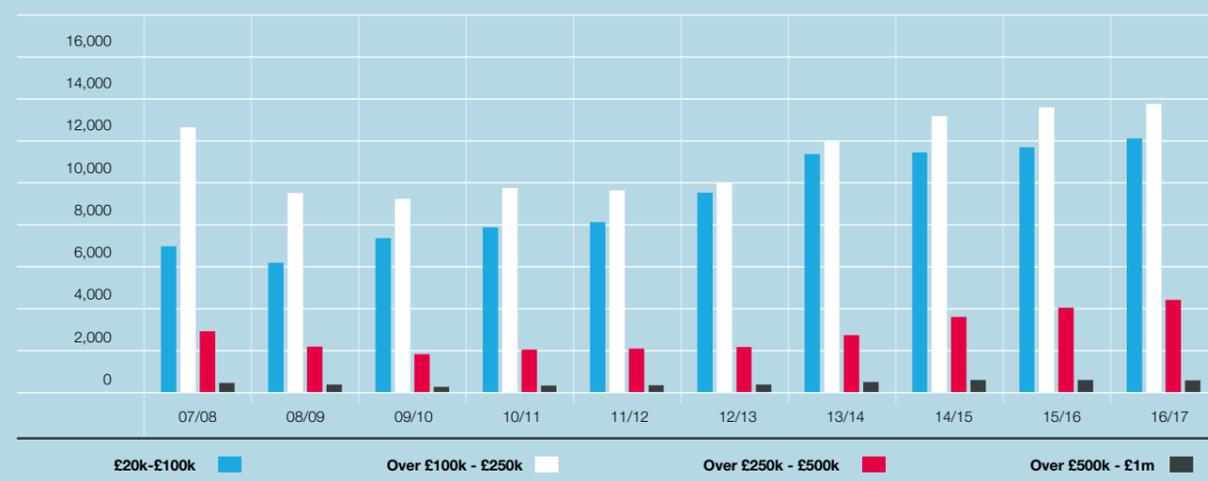
Bank of England base rates



Residential mortgage sales volumes by price range



Residential cash sales volume by price bracket



31.0%
of residential sales
were cash sales
without a mortgage
in 2016-17

Over the decade,
the volume of
registered securities
has fallen by

-49.6%

The volume of re-
mortgages/additional
lending in the last year
has increased by

+12.8%

**Residential sales
registered with a
mortgage have risen
by 37.9% between
2011-12 and 2016-
17, with cash sales
rising 53.0% over
this time period**

price bracket accounted for 55.4 per cent of all mortgage sales across the decade. Volumes of sales in this bracket have been steadily rising since 2011-12 (the lowest year in the decade in terms of mortgage sales) from 27,498 mortgage sales in 2011-12 to 38,836 in 2016-17.

Over the 10-year period, the re-mortgage/additional borrowing figures¹ over all property types, not just residential, have fallen by 58.3 per cent. The peak of the re-mortgage/additional borrowing market was in 2007-08, with 92,958 securities registered, dipping to the lowest volume of 23,588 in 2014-15. During 2016-17 the volume of securities registered for re-mortgages/additional borrowing was 38,742, an increase of 12.8 per cent compared to the 2015-16 figures of 34,343.

Overall, the volume of all mortgage securities – including both mortgage sales and additional borrowing – being registered by RoS over all property types increased by 5.0 per cent in the last year, up from 112,782 in 2015-16 to 118,368 in

2016-17. This figure is down by 49.6 per cent when compared to 2007-08, when there were 234,711 securities registered in the land register.

Over the 10-year period, the Bank of England official interest rate² was 5.25 per cent in April 2007 and had decreased to 0.25 per cent by March 2017. This is the lowest rate over the period, while the highest rate was 5.75 per cent from July to December 2007. The rate remained steady at 0.5 per cent from March 2009 to August 2016.

¹ These figures only relate to deeds registered in the Land Register and not in the older Sasine Register. The Sasine Register was closed to security deeds from 1 April 2016, but prior to that date re-mortgages/additional borrowing over properties still in the Sasine Register would have also been recorded in that register. This does not apply to sales with mortgages, because all sales will be registered in the Land Register.

² Source: <http://www.bankofengland.co.uk/boeapps/iadb/Repo.asp?Travel=NlXRx>

07

Non-Residential Market Overview

Since December 2014, when the Land Registration etc (Scotland) Act 2012 was implemented, RoS has collected relevant data on land classes covering forestry, agriculture and land¹. Our non-residential overview, therefore, covers commercial sales, commercial leases, and sales of titles that are classified as forestry, agriculture and land.

Commercial sales

Across the decade, the commercial sales market in Scotland was worth £29.2 billion. The value of the market in 2016-17 was £3.3 billion, down by 10.0 per cent on 2015-16 and 37.5 per cent down on 2007-08, which was the highest point of the market during the ten years of this report. The value of the market has shown an increase in the last five years, however, with a 75.2 per cent increase when compared with 2011-12. In 2016-17, commercial sales made up 80.1 per cent of the market value of all non-residential sales referred to in this overview.

East Lothian was the only local authority area to show an increase in commercial market value when comparing 2016-17 with 2007-08. The market value increased by 112.0 per cent over the decade, rising from £38.4 million in 2007-08 to £81.4 million in 2016-17.

The commercial market's lowest value of the decade was four years ago in 2012-13. Since then, the value has almost doubled from £1.6 billion in 2012-13 to the current £3.3 billion in 2016-17. In the same 4-year time period, the volume of sales has also increased significantly, rising by 66.0 per cent from 2,663 in 2012-13, which was the lowest point of the decade in terms of sales volumes, to 4,421 sales in 2016-17. Sales volumes have risen steadily since then, with the 2016-17 figure being the highest since the peak of the market in 2007-08.

Across the decade, the volume of sales has fallen by 18.0 per cent from 5,393 commercial sales in 2007-08 to 4,421 sales in 2016-17. The 2016-17 figure is up by 8.6 per cent when compared with 2015-16. The majority of local authority areas saw a drop in volumes over the decade, with the exception of Clackmannanshire, East Ayrshire,

Non-residential sales by land class type

Scotland 2016-17	Volume	Market value	Market value as % of non-residential total
Forestry	163	£128,862,845	3.2%
Agriculture	598	£287,692,164	7.1%
Land	2,839	£387,922,715	9.6%
Forestry, agriculture, land total	3,600	£804,477,724	19.9%
Commercial sales	4,421	£3,246,657,423	80.1%
Non-residential total	8,021	£4,051,135,147	100.0%

Commercial sales volumes and market value

Financial year	Total market value of commercial sales	Number of sales
07/08	£5,197,285,735	5,393
08/09	£3,214,253,204	3,655
09/10	£2,331,442,474	2,852
10/11	£2,356,710,881	3,037
11/12	£1,853,528,258	2,777
12/13	£1,630,479,027	2,663
13/14	£2,644,125,785	2,853
14/15	£3,120,764,431	3,794
15/16	£3,609,261,799	4,071
16/17	£3,246,657,423	4,421

Glasgow City, Highland, Moray, North Ayrshire, North Lanarkshire, Renfrewshire and Shetland Islands, which all showed an increase in sales volumes when comparing 2007-08 with 2016-17. Highland had the biggest increase in sales volumes across the decade, rising from 56 sales in 2007-08 to 254 sales in 2016-17. Fife recorded the highest volume of sales across the decade, with a total of 4,523 sales.

See Annex VI for further details of volumes of sales by local authority area.

City commercial sales

The cities² commercial market value for 2016-17 was £1.9 billion, which is almost double the market value figure of £937.2 million from 5 years ago in 2011-12. This 2016-17 total market value figure is down 10.1 per cent on the 2015-16 value and 33.3 per cent down from the highest

market value of the decade, which was £2.8 billion in 2007-08. Across the 10 years, the value of the cities commercial market equated to 56.2 per cent of the all-Scotland commercial sales total.

The overall city market value over the decade was £16.4 billion. Edinburgh and Glasgow, Scotland's two largest cities, contributed £12.7 billion between them, 77.3 per cent of the total city market value. The Edinburgh and Glasgow figure was comparable to the total market value of the commercial sales in the rest of Scotland (outside of the seven cities) over the same time period, which stands at £12.8 billion.

During the last 5 years all cities have shown a growth in the market value of commercial sales. This growth ranges widely, from Edinburgh, which has a market value in 2016-17 of over three times more than it was in 2011-12, to

Commercial leases

Financial year	No. of leases
07/08	1,288
08/09	849
09/10	759
10/11	765
11/12	743
12/13	677
13/14	760
14/15	551
15/16	905
16/17	953

The market value of forestry sales in 2016-17 was up on 2015-16 by

+44.2%

The market value of commercial sales in Edinburgh for 2016-17 was

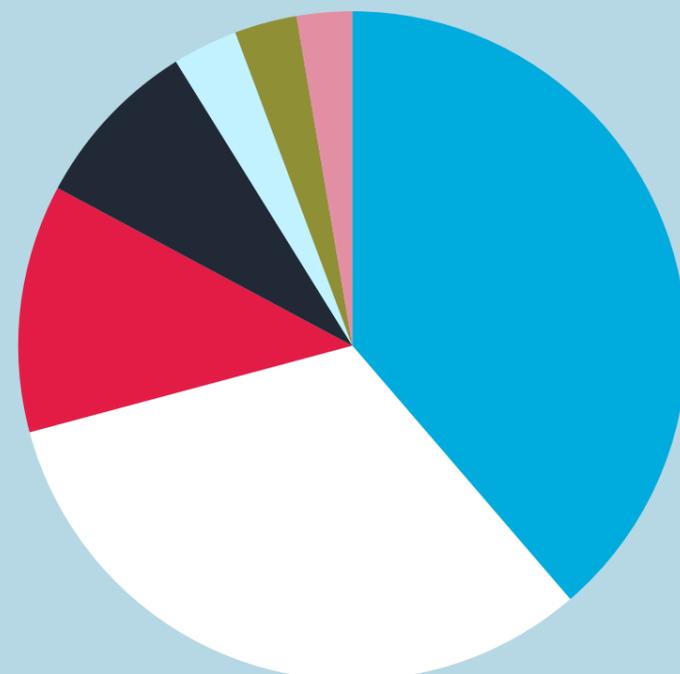
£1.1 billion

Between 2015-16 and 2016-17, the volume of commercial sales in Scotland increased by

+8.6%

Commercial sales volumes by city 2016-17

■ Aberdeen
 ■ Dundee
 ■ Edinburgh
 ■ Glasgow
 ■ Inverness
 ■ Perth
 ■ Stirling



Stirling which is just 1.7 per cent up during the same time period. None of the cities has a current market value total in 2016-17 which is greater than it was at the start of this decade in 2007-08.

In 2016-17, Edinburgh broke the £1 billion market value for the first time since 2007-08, with a 9.0 per cent growth from 2015-16 values. It was the only city to see its market value increase in 2016-17 when compared with the previous year.

The annual volume of city commercial sales for 2016-17 was 1,413 up by 7.6 per cent on 2015-16 and 66.8 per cent higher than 5 years ago. The 2016-17 figure was the highest volume of sales since 2007-08, however it was 27.8 per cent less than the 1,958 sales recorded in that year.

Only Inverness and Stirling showed a drop in volumes for 2016-17 compared to 2015-16, with drops of 17.0 per cent and 18.4 per cent respectively. Edinburgh and Perth had the highest rises in volume in 2016-17 up by 13.8 per cent and 13.9 per cent respectively from the 2015-16 figure. In 2016-17, all cities saw commercial sales volumes grow from

the figures 5 years previously in 2011-12, with figures in both Edinburgh and Dundee more than doubling.

Amongst the cities, Glasgow had the highest volume of commercial sales across the decade.

Commercial leases³

Figures for 2016-17 show that the number of commercial leases continued to rise, increasing by 5.3 per cent when compared to 2015-16 and by 28.3 per cent when compared to 5 years ago. The figures for 2016-17 were down by 26.0 per cent when compared with 2007-08, although 2016-17 saw the highest number of commercial leases since 2007-08⁴.

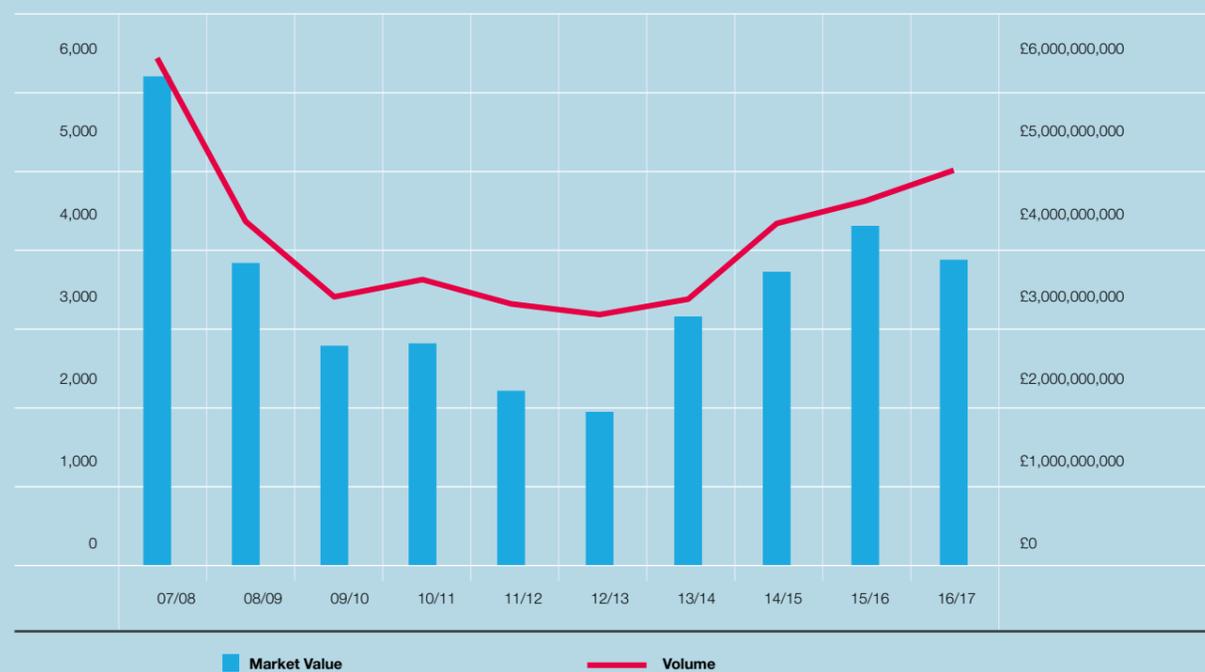
Forestry, agriculture and land

In 2016-17, the combined value of these sectors of the property market was £804.5 million. This represents 19.9 per cent of the non-residential sales market in 2016-17.

In 2016-17, the volume of forestry sales increased to 163, a rise of 31.5 per

The total market value of all types of non-residential sales in 2016-17 was **£4.1 billion**

Commercial volumes vs market value



The total commercial sales market value in 2016-17 was £3.3 billion, a decrease compared to 2015-16 of

-10.1%

When compared with 2015-16, volumes of sales of land increased by

+24.1%

cent compared to the 2015-16 figures. In this same time period, the market value of forestry sales rose by 44.2 per cent to £128.9 million. Argyle and Bute recorded the largest yearly market value for forestry sales in 2016-17, with a value of 65.8 million, a significant increase on the 2015-16 figure of 11.6 million.

The market value of agricultural sales in 2016-17 was £287.7 million, up 13.5 per cent from 2015-16. The volume of sales also rose in this time period, up 0.3 per cent to 598 sales. Aberdeenshire had the largest agricultural market value in 2016-17 with a market value of £53.4 million, up by 10.2 per cent when compared with 2015-16. Aberdeenshire also recorded the largest volume of agricultural sales transactions, with 108 sales during this same time period.

Titles registered under the category of land are the most common non-residential sale type after commercial, with a volume of 2,839 registered in 2016-17. This is a 24.1 per cent increase in volume when compared to 2015-16. During this same time period there was also a 20.7 per cent

increase in market value to £387.9 million. In 2016-17 the local authority area with the largest volume of transactions was Highland with 370 land sales. The largest market value of 2016-17 was recorded in the City of Edinburgh local authority area, with a value of £43.7 million.

¹ Land: areas of ground, undeveloped, commonly under two hectares

Agriculture: areas of ground over two hectares, titles with "farm" in the description

Forestry: classified by conveyancing solicitors on registration forms as woodland or forestry category

² See Annex VIII for a definition of city areas.

³ This relates to all commercial leases which are capable of being registered in the land register, i.e. with a term, or potential term, in excess of 20 years.

⁴ Please note that the methodology for commercial leases now excludes the majority of individual leases over car parking spaces and storage units. Multiple leases of this type out of one single commercial title are now counted as one lease. This has resulted in a reduction in the volume totals since 2013-14 when compared with the figures reported in the 2016 10 Year Report, but is a better reflection of the commercial lease market since leases of this type are not considered to be true commercial leases.

08

Annexes

- I. Residential market average price by local authority area**
- II. Residential market volumes by local authority area**
- III. Total residential market values by local authority area**
- IV. Residential market volume of high value (£1million+) sales by local authority area**
- V. Residential market average prices and volumes by city**
- VI. Commercial sales volumes by local authority area**
- VII. HPI Overview**
- VIII. Definitions**
- IX. Scottish property market timeline**

I. Residential market average price by local authority area

Local Authority	2007/08	2016/17	% Change
Aberdeen City	£177,237	£203,257	14.7
Aberdeenshire	£189,083	£210,491	11.3
Angus	£144,365	£161,327	11.7
Argyll and Bute	£157,261	£155,089	-1.4
Clackmannanshire	£141,032	£134,084	-4.9
Dumfries and Galloway	£141,416	£136,370	-3.6
Dundee City	£131,191	£133,406	1.7
East Ayrshire	£124,092	£114,918	-7.4
East Dunbartonshire	£193,955	£219,037	12.9
East Lothian	£202,608	£214,098	5.7
East Renfrewshire	£206,041	£241,817	17.4
Edinburgh, City of	£215,020	£237,441	10.4
Falkirk	£127,611	£134,727	5.6
Fife	£137,488	£149,928	9.0
Glasgow City	£144,558	£143,752	-0.6
Highland	£156,433	£169,190	8.2
Inverclyde	£129,510	£124,847	-3.6
Midlothian	£168,449	£192,596	14.3
Moray	£142,669	£154,285	8.1
Na h-Eileanan Siar	£96,778	£107,175	10.7
North Ayrshire	£120,518	£114,131	-5.3
North Lanarkshire	£115,683	£122,206	5.6
Orkney Islands	£114,632	£139,733	21.9
Perth and Kinross	£175,510	£186,845	6.5
Renfrewshire	£128,504	£135,707	5.6
Scottish Borders	£167,773	£172,233	2.7
Shetland Islands	£107,521	£151,926	41.3
South Ayrshire	£160,949	£154,542	-4.0
South Lanarkshire	£134,794	£142,301	5.6
Stirling	£183,175	£188,415	2.9
West Dunbartonshire	£111,167	£109,520	-1.5
West Lothian	£142,774	£156,424	9.6
Scotland*	£154,810	£166,681	7.7

II. Residential market volumes by local authority area

Local Authority	2007/08	2016/17	% Change
Aberdeen City	7,210	3,869	-46.3
Aberdeenshire	6,243	4,006	-35.8
Angus	2,815	1,981	-29.6
Argyll and Bute	2,245	1,728	-23.0
Clackmannanshire	1,541	1,003	-34.9
Dumfries and Galloway	3,266	2,240	-31.4
Dundee City	4,210	2,622	-37.7
East Ayrshire	3,404	1,983	-41.7
East Dunbartonshire	2,488	1,993	-19.9
East Lothian	2,846	1,974	-30.6
East Renfrewshire	2,023	1,771	-12.5
Edinburgh, City of	15,707	11,974	-23.8
Falkirk	4,420	3,036	-31.3
Fife	10,596	6,537	-38.3
Glasgow City	19,465	11,835	-39.2
Highland	5,816	4,505	-22.5
Inverclyde	2,086	1,272	-39.0
Midlothian	1,979	1,927	-2.6
Moray	2,136	1,749	-18.1
Na h-Eileanan Siar	329	355	7.9
North Ayrshire	4,358	2,259	-48.2
North Lanarkshire	8,865	5,345	-39.7
Orkney Islands	392	383	-2.3
Perth and Kinross	4,194	2,995	-28.6
Renfrewshire	5,254	3,737	-28.9
Scottish Borders	2,882	2,042	-29.1
Shetland Islands	382	320	-16.2
South Ayrshire	3,406	2,224	-34.7
South Lanarkshire	9,168	6,091	-33.6
Stirling	2,220	1,707	-23.1
West Dunbartonshire	2,240	1,312	-41.4
West Lothian	4,957	3,232	-34.8
Scotland*	149,145	100,291	-32.8

* Includes sales that could not be allocated to a local authority (2 in 2007/08 and 284 in 2016/17).

III. Total residential market values by local authority area

Local Authority	2007/08	2016/17	% Change
Aberdeen City	£1,277,881,488	£786,401,850	-38.5
Aberdeenshire	£1,180,444,105	£843,227,362	-28.6
Angus	£406,388,285	£319,589,249	-21.4
Argyll and Bute	£353,051,693	£267,993,811	-24.1
Clackmannanshire	£217,330,634	£134,485,935	-38.1
Dumfries and Galloway	£461,863,100	£305,469,332	-33.9
Dundee City	£552,314,404	£349,791,676	-36.7
East Ayrshire	£422,410,563	£227,882,157	-46.1
East Dunbartonshire	£482,559,471	£436,541,731	-9.5
East Lothian	£576,622,395	£422,630,367	-26.7
East Renfrewshire	£416,820,941	£428,257,215	2.7
Edinburgh, City of	£3,377,320,399	£2,843,121,719	-15.8
Falkirk	£564,039,885	£409,032,333	-27.5
Fife	£1,456,818,427	£980,078,641	-32.7
Glasgow City	£2,813,815,233	£1,701,308,740	-39.5
Highland	£909,814,392	£762,199,498	-16.2
Inverclyde	£270,157,918	£158,804,764	-41.2
Midlothian	£333,360,844	£371,131,584	11.3
Moray	£304,741,271	£269,844,782	-11.5
Na h-Eileanan Siar	£31,840,042	£38,047,015	19.5
North Ayrshire	£525,218,400	£257,822,700	-50.9
North Lanarkshire	£1,025,533,704	£653,189,874	-36.3
Orkney Islands	£44,935,549	£53,517,642	19.1
Perth and Kinross	£736,089,471	£559,600,338	-24.0
Renfrewshire	£675,161,530	£507,137,740	-24.9
Scottish Borders	£483,522,319	£351,700,132	-27.3
Shetland Islands	£41,072,939	£48,616,183	18.4
South Ayrshire	£548,191,512	£343,700,575	-37.3
South Lanarkshire	£1,235,792,339	£866,753,178	-29.9
Stirling	£406,648,579	£321,624,511	-20.9
West Dunbartonshire	£249,014,780	£143,689,732	-42.3
West Lothian	£707,730,236	£505,563,805	-28.6
Scotland*	£23,089,073,905	£16,716,574,162	-27.6

* Includes sales that could not be allocated to a local authority (£567,055 in 2007/08 and £47,817,991 in 2016/17).

IV. Residential market volume of high value (£1million+) sales by local authority area

Local Authority	2007/08	2016/17
Aberdeen City	13	4
Aberdeenshire	3	3
Angus	0	0
Argyll and Bute	1	2
Clackmannanshire	1	0
Dumfries and Galloway	0	0
Dundee City	1	1
East Ayrshire	0	0
East Dunbartonshire	7	8
East Lothian	14	5
East Renfrewshire	8	3
Edinburgh, City of	129	88
Falkirk	0	0
Fife	5	4
Glasgow City	15	4
Highland	2	0
Inverclyde	2	1
Midlothian	2	0
Moray	1	0
Na h-Eileanan Siar	0	0
North Ayrshire	2	2
North Lanarkshire	0	0
Orkney Islands	0	0
Perth and Kinross	17	7
Renfrewshire	1	1
Scottish Borders	3	3
Shetland Islands	0	0
South Ayrshire	2	2
South Lanarkshire	8	12
Stirling	5	5
West Dunbartonshire	0	0
West Lothian	1	0
Scotland	243	155

V. Residential market average prices and volumes by city

Price	2007/08	2016/17	% Change
Aberdeen	£173,800	£186,642	7.4
Dundee	£130,823	£130,636	-0.1
Edinburgh	£215,674	£235,261	9.1
Glasgow	£143,147	£141,129	-1.4
Inverness	£157,047	£158,863	1.2
Perth	£136,066	£144,948	6.5
Stirling	£159,871	£153,230	-4.2
All Cities	£169,228	£179,716	6.2

Sales Volume	2007/08	2016/17	% Change
Aberdeen	6501	3055	-53.0
Dundee	4192	2520	-39.9
Edinburgh	15323	10979	-28.3
Glasgow	19263	11361	-41.0
Inverness	1533	926	-39.6
Perth	1518	895	-41.0
Stirling	964	698	-27.6
All Cities	49294	30434	-38.3

VI. Commercial sales volumes by local authority area

Local Authority	2007/08	2016/17	% Change
Aberdeen City	236	163	-30.9
Aberdeenshire	265	158	-40.4
Angus	163	92	-43.6
Argyll and Bute	148	102	-31.1
Clackmannanshire	33	34	3.0
Dumfries and Galloway	189	141	-25.4
Dundee City	174	136	-21.8
East Ayrshire	118	115	-2.5
East Dunbartonshire	46	33	-28.3
East Lothian	81	68	-16.0
East Renfrewshire	45	32	-28.9
Edinburgh, City of	628	498	-20.7
Falkirk	349	266	-23.8
Fife	795	505	-36.5
Glasgow City	314	245	-22.0
Highland	56	44	-21.4
Inverclyde	61	44	-27.9
Midlothian	88	74	-15.9
Moray	32	11	-65.6
Na h-Eileanan Siar	108	104	-3.7
North Ayrshire	110	124	12.7
North Lanarkshire	195	184	-5.6
Orkney Islands	28	26	-7.1
Perth and Kinross	200	136	-32.0
Renfrewshire	121	127	5.0
Scottish Borders	155	119	-23.2
Shetland Islands	18	26	44.4
South Ayrshire	130	101	-22.3
South Lanarkshire	219	201	-8.2
Stirling	113	87	-23.0
West Dunbartonshire	51	38	-25.5
West Lothian	123	95	-22.8
Scotland*	5,393	4,199	-22.1

* Includes 1 sale in 2007/08 and 70 sales in 2016/17 that could not be allocated to a local authority.

VII. HPI Overview

In June 2016, RoS began publishing data for the Scottish component of the UK House Price Index (HPI), through collaborative work with [Office of National Statistics](#), [HM Land Registry](#), and [Land and Property Services Northern Ireland](#).

This report has been produced using the standard RoS methodology that has been applied in our statistical publications to date, and so absolute figures will differ slightly from those produced using the HPI methodology.

More detailed information about the methodologies is available in our [Guidance Notes¹](#) and a comparison document is also available on our [website²](#). Both methodologies use market value residential sales data extracted from the Land Register. The HPI data is extracted based on the Date of Entry to the purchased property, it applies a Hedonic³ regression model, it is mix-adjusted⁴ and the average prices are calculated using a geometric mean.

The data used for this 10-Year Property Market Report, on the other hand, is extracted based on the date of registration of the sale, is limited in the residential sales overview to applications where the selling price of the property lies between £20,000 and £1,000,000 – in order to exclude high and low value sales that might distort the average house price – and is calculated using an arithmetic mean with no Hedonic regression or mix-adjustment.

An overview of the figures produced from the two methodologies for volumes of sales and average prices across the 10 years is provided in the charts on page 44. As evidenced in the volumes chart, extracting residential data based on date of entry versus extracting data based on registration date makes very little difference to the overall annual trends. Similarly, while the trends in average price are broadly similar, the average price for the HPI is lower. This is expected since a geometric mean, as used in the HPI, is typically closer to the median than an arithmetic mean.

The table on page 45 provides a summary of the content of both the HPI and the RoS methodology.

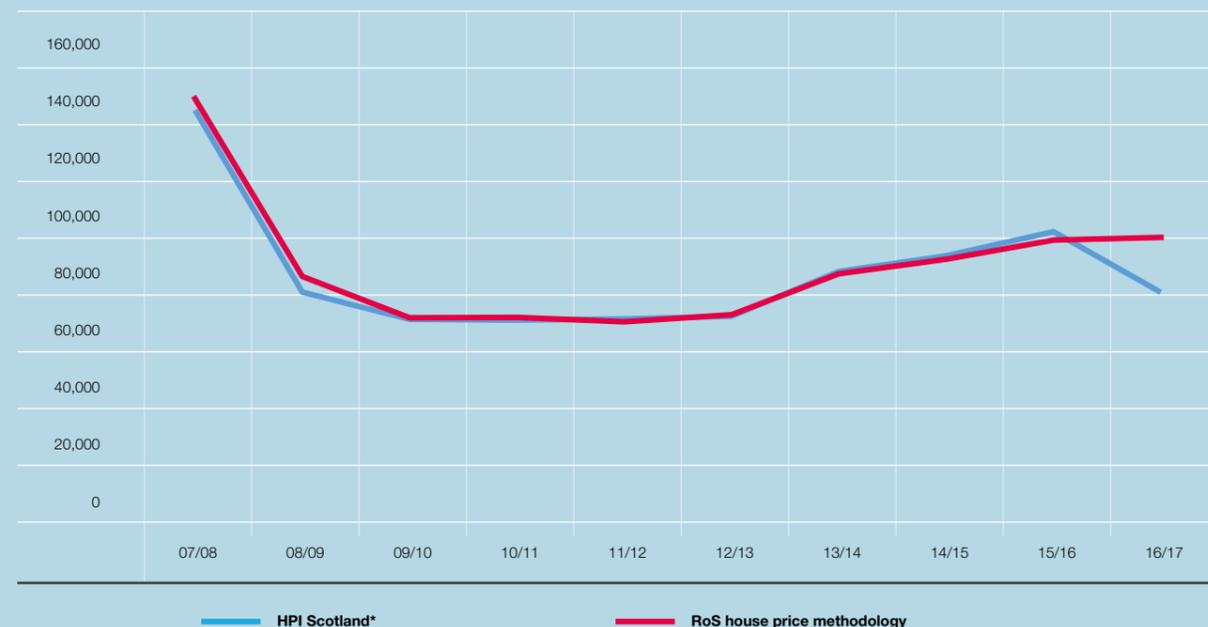
¹https://www.ros.gov.uk/_data/assets/pdf_file/0020/3935/House-Price-Data-Guidance-for-Website-incl-HPI-updated-130616.pdf

²https://www.ros.gov.uk/_data/assets/pdf_file/0003/46092/Comparison-between-HPI-and-RoS-statistics-140217.pdf

³Hedonic regression is widely used for estimating house prices. For a hedonic regression the properties are defined in terms of a set of features or characteristics, each of which contributes to the value of the property. For example, the number of bedrooms or the location of the property will contribute to its value, but these features cannot be priced in isolation. A regression model is used to estimate the value of each of these features from the set of properties sold during a particular period.

⁴The UK HPI is mix-adjusted to allow for the fact that different houses are sold in different periods by annually updating the fixed basket of properties. The resulting mix-adjustment weights will be calculated annually and will be derived using the latest complete years' worth of transactions.

Residential sales volumes - HPI/RoS comparison by financial year



* The HPI Scotland figure for 2016-17 does not include February and March volumes, resulting in the dip shown in 2016-17. February volumes will be available in June HPI release and March volumes will be available in July HPI release. See following link - <https://www.ros.gov.uk/property-data/property-statistics/monthly-house-price-index>

Average price HPI/RoS comparison



Key features	House Price Index	RoS statistics
Frequency of publication	Monthly	Quarterly and annually – the RoS methodology is used in the quarterly statistics, the 10-Year Property Market Report and in the Calendar Year reports
Base data source	Applications for registration in the land register plus house types derived using RoS methodology and base mapping data (Ordnance Survey ©Addressmap)	Applications for registration in the land register plus house types derived using RoS methodology and base mapping data (Ordnance Survey ©Addressmap)
Date range of extraction	Based on the Date of Entry to the property for each calendar month	Based on applications received for registration in the land register within each quarter
Price range	All data with a consideration	£20,000 - £1million
Average house prices	Based on geometric mean – Sub-Scotland local authority figures will be based on 3-monthly moving averages to reduce volatility	Based on arithmetic mean and median (median averages are included in the quarterly publication)
Case mix adjustment	Yes – based on room numbers provided via EPC (Energy Performance Certificate) data	No
Seasonal adjustment	A separate seasonally adjusted series is available, calculated at the regional and national level only	No
Revisions	Three month cycle – final figures at 3-month update From June 2017 the revisions period will be extended to 12 months	The RoS Quarterly Statistics Time Series is updated on a quarterly basis up until one year after the first publication The data within annual publications is not updated, but revised data is used in the following year's publication
Volume of sales	Yes	Yes
Property types	Yes – detached, semi-detached, terrace, flat	Yes – detached, semi-detached, terrace, flat
Cash sales	Yes	Cash sales are included but not separately identified within the quarterly statistics publication, but commentary on cash sales is included within the annual and 10-year publications
New builds	Yes	New builds are included but not separately identified within the quarterly statistics publication, but commentary on new builds is included within the annual and 10-year publications
Buyer analysis	Yes – statistics relating to first time buyers and former owner occupiers is extracted from CML data	First time buyers and former owner occupiers are included but not separately identified
Results	Average prices presented as geometric means are typically closer to the median than the arithmetic mean	Typically the use of an arithmetic average will lead to a higher price than the use of other measures. This is because an arithmetic approach to calculating the average price takes full account of the extreme value properties that have been sold and as a result the average price can be sensitive to high value property.

VIII. Definitions

10-year-period

The 10-year period is 1 April 2007 to 31 March 2017. RoS has been producing quarterly house price statistics for Scotland since April 2003. The significance of this date is that the final Scottish registration counties transferred on to the Land Register of Scotland from the historic General Register of Sasines, which is a deeds-based register that was established in 1617. The land register allowed us to gather house price data more effectively. Initially, we produced house price information for general regions in Scotland and for the whole of Scotland. This was changed to local authority area information in 2008 and we gained official statistics status in 2009.

Registers of Scotland statistical data

The statistical information in this report is derived from applications for registration received by RoS. Registrations normally take place within a few weeks from the date of the completion of the sale. The data is extracted based on the date of registration, ie the date that the application for registration is received by RoS, rather than on the date of entry contained within the application. The base data is comprehensive, capturing all changes of ownership, including cash sales. This base data is then subject to quality assurance to ensure that only appropriate data is included in the statistics.

Residential property sales

In relation to residential sales, only properties with a sale price of between £20,000 and £1,000,000 are included in the average (mean) house price statistics, volume of sales, and total value of sales. Registrations with a value of over £1m are excluded to ensure that a single large value sale does not distort the average. Sales of a block of properties that have been identified from the existence of multiple addresses in a title are also excluded. Similarly, registrations with a value of less than £20k are excluded from the calculation to ensure that, as far as practical, a low value sale, or the sale of part of the title to a residential property, does not distort the average. The transfer of part of a title may happen when one of the joint owners of a shared property buys out the share of the other owner.

The data includes sales which are cash sales, ie without a mortgage, as well as those with a mortgage. The dataset aims to exclude “non-true” sales eg transfer of ownership between family members, sales of a share of a property (eg one-half or one-third).

Although the residential property statistics include general data on house types, they are not seasonally adjusted or mix adjusted. The house type data is produced using a house price classification system developed by RoS¹, which identifies properties as detached, semi-detached, terrace or flat. Our house type methodology means that it is not yet possible to allocate every property sale to a house type, so the volume of sales by house type presented in this report will not add up to the all-Scotland total.

Full information about the methodology RoS uses to compile its statistics can be found on our website².

High value residential property sales

These sales are sales of all residential properties with a sale price of over £1million. Our data aims to exclude “non-true” sales in line with residential property sales methodology.

Non-residential property sales and commercial leases

Contains details of all property sales classified as “commercial”, “forestry”, “agriculture” or “land” when registered with RoS, and of all commercial leases which are capable of being registered in the land register, ie with a term, or potential term, in excess of 20 years.

City

Cities are defined using locality data produced by the National Records of Scotland (NRS) and not a local authority area with the same or similar name. The NRS data identifies the built up area of a town or city. Figures quoted for specific cities will therefore not match that of the local authority.

Further information about how NRS produce their settlement and locality data can be found on the NRS website at www.nrscotland.gov.uk

Sources

Unless stated otherwise, all statistics are based on RoS data.

Bank of England official interest rate: <http://www.bankofengland.co.uk/boeapps/iadb/Repo.asp>

Median gross annual earnings: Selected estimates from the Annual Survey of Hours and Earnings (ASHE) series from 1997 to 2016 <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/ashe1997to2015selectedestimates>.

Dwellings in Scotland in 2015: <https://www.nrscotland.gov.uk/files//statistics/household-estimates/house-est-15/15house-est-cor.pdf>

Land register completion

Further information about RoS’ land register completion programme is available at <https://www.ros.gov.uk/about-us/land-register-completion>. The programme aims to transfer all remaining properties from the deeds-based General Register of Sasines to the map-based land register by 2024. Both registers are maintained by RoS.

RoS provides a wide range of land and property data services, including statistical reports and publications. Further information about these services is available at <https://www.ros.gov.uk/property-data/data-services>

You can contact our Land & Property Data team on 0131 659 6111 or by email at data@ros.gov.uk

¹ Further details about our house type methodology are available at the following link: https://www.ros.gov.uk/_data/assets/pdf_file/0020/3935/House-Price-Data-Guidance-for-Website-incl-HPI-updated-130616.pdf

² RoS methodology: https://www.ros.gov.uk/_data/assets/pdf_file/0020/3935/House-Price-Data-Guidance-for-Website-incl-HPI-updated-130616.pdf

IX. Scottish property market timeline

Significant events impacting the Scottish property market since 2008

