



Scottish housing market holds up in face of economic headwinds

- ***Q1 2023 figures reveal that year-on-year house prices increased by 3.8 per cent, while overall number of transactions was down by 11 per cent***
- ***Overall turnover of value of property sold dropped to £4.1B (from £4.4B in Q1 2022), with total transactions down to 19,124 (Q1 2022: 21,496)***
- ***Transactions increased in some local authority areas including East Lothian, Midlothian, and East Dunbartonshire***
- ***While average prices climbed in some local authorities (Argyll & Bute, Midlothian), average prices in Glasgow were virtually unchanged with Edinburgh marginally up (1.6 per cent)***
- ***Dr John Boyle, Director of Research and Strategy at Rettie & Co: “Clearly, the housing market has not remained unscathed, but forecasts of ‘doom and gloom’ have proven to be over exaggerated on the basis of the latest quarterly numbers”***

10 May, 2023 - Rettie & Co has found that the Scottish housing market has held up relatively well in the face of economic headwinds. Q1 2023 figures, charting the first three months of the year, reveal that year-on-year house prices increased by 3.8 per cent, while the overall number of transactions was down by 11 per cent.

Overall turnover on the value of property sold across Scotland dropped to £4.1 billion (Q1 2022: £4.4B), with total number of transactions down to 19,124 (Q1 2022: 21,496).

In Q1, the average price of a residential property in Scotland was £213,850, versus £205,951 during the first quarter of 2022.

Transactions increased in some local authority areas including East Lothian, Midlothian, and East Dunbartonshire, while average prices also climbed in certain areas including Argyll & Bute, and Midlothian. While average prices were virtually unchanged in Glasgow (up 0.2 per cent to £191,230), Edinburgh was marginally up (1.6 per cent increase to £322,449).

Dr John Boyle, Director of Research & Strategy at Rettie & Co, said: “Towards the end of last year, the background was very much dominated by narratives around rising interest and mortgage rates, double-digit inflation, and an impending recession. Clearly, the housing market has not remained unscathed, but forecasts of

'doom and gloom' have proven to be over exaggerated on the basis of the latest quarterly numbers."

"Accordingly, we have revised our own forecasts to reflect better than expected Q1 figures. As ever, however, events shape markets, so we remain vigilant if cautiously optimistic for the full year."

On transaction levels and house prices looking forward, Dr John Boyle added: "We see transactions down about 15% in 2023 as a whole given current economic conditions before recovering in the subsequent 12-24 months, before pushing up again in 2025/2026 to above 2022 levels. And when it comes to prices,, it is still likely that we will see average price falls over the course of the year, but these will be muted, with a return to price growth trends growth in 2025."

Full service property firm Rettie & Co, founded in 1993, is headquartered in Edinburgh with 180 staff across 11 offices - Edinburgh, Glasgow City, Glasgow West End, Bearsden, Shawlands, Newton Mearns, St Andrews, Melrose, Berwick, Newcastle, and London.

The firm covers residential and new home sales, letting and property management, land and development sales and consultancy, mortgage and protection advisory, underpinned by Scotland's leading research and strategy unit.

Notes to editors:

1. Rettie & Co's research team reporting and forecasts on the Scottish housing market are based on data from the Registers of Scotland.
2. <https://www.rettie.co.uk/articles/the-scottish-housing-market-q1-2023>