



Rising Tides

The Glasgow market has experienced rising house prices over 2018, with the strongest demand emanating from an active prime market, both in the city and its popular outlying commuter suburbs. It has been the resurgence of the activity in prime and desirable locations, mirroring wider Scottish trends, that has seen the likes of the West End and Southside well up on previous years, despite overall sales activity across the city falling, by around -5% year-on-year. This activity in Glasgow's most desirable neighbourhoods has encouraged more buyers and sellers into the market, leading to supply in these locations rising on previous years. As Autumn draws in, sales

activity and demand remain strong, however, there are signs that confidence may be softening due to the looming uncertainty surrounding Brexit. This said, the scarcity of high-quality housing within desirable neighbourhoods is supporting demand and prices for now.



Andrew Meehan
Associate Director

Key Findings

- House prices in Glasgow are c.6% higher now than at the same time last year.
- Transaction activity has been concentrated in desirable locations, with these areas reporting a year-on-year increase in activity contrasting with a 5% city wide drop in sales numbers.
- Stock levels rose sharply over the course of 2018, supporting a greater level of market activity.
- Despite Brexit looming, market activity remains strong and buyer appetite persists in desirable locations.

House prices and transactions strong in 2018

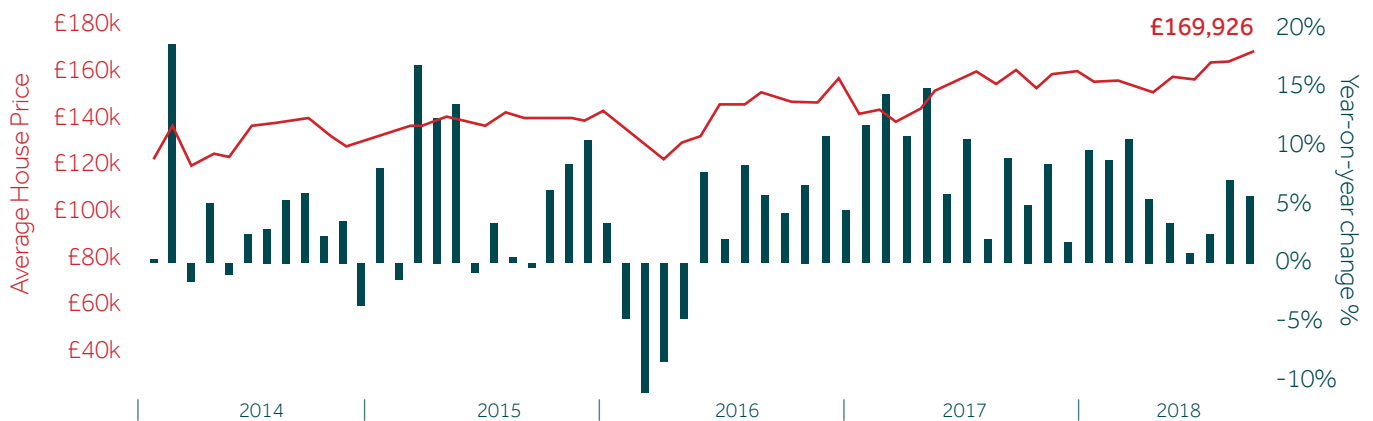
The Glasgow market has performed strongly over the course of 2018, with the most recent average house price up around 6% compared to the same month in 2017, rising by almost £10k. Average prices in Glasgow have experienced monthly year-on-year increases since early 2016. Focusing on key neighbourhoods - the West End, Southside, Newton Mearns and Bearsden - the annual increase in transactions varies but has been in double figures in these locations when comparing 2018 with the same period in 2017.

This positive trend goes against a wider Glasgow trend, which saw transactions across the city in Q1-Q3 2018 down by 5% compared to 2017. This differential in market performance reflects trends seen across Scotland, where demand in prime locations has driven up competition, prices and supply. This is partly as a result of lacklustre trading and supply in prime neighbourhoods after the introduction of LBTT, and also broader market confidence based on rising house values.

Looking forward, the shadow of Brexit may start to see households pause their buying or selling decisions until greater economic, financial or employment certainty can be reached. This is likely to combine with the seasonal Winter slowdown to calm market activity over the coming months. However, for many, robust values and persistent demand is supporting activity for those who are active in the Autumn market.

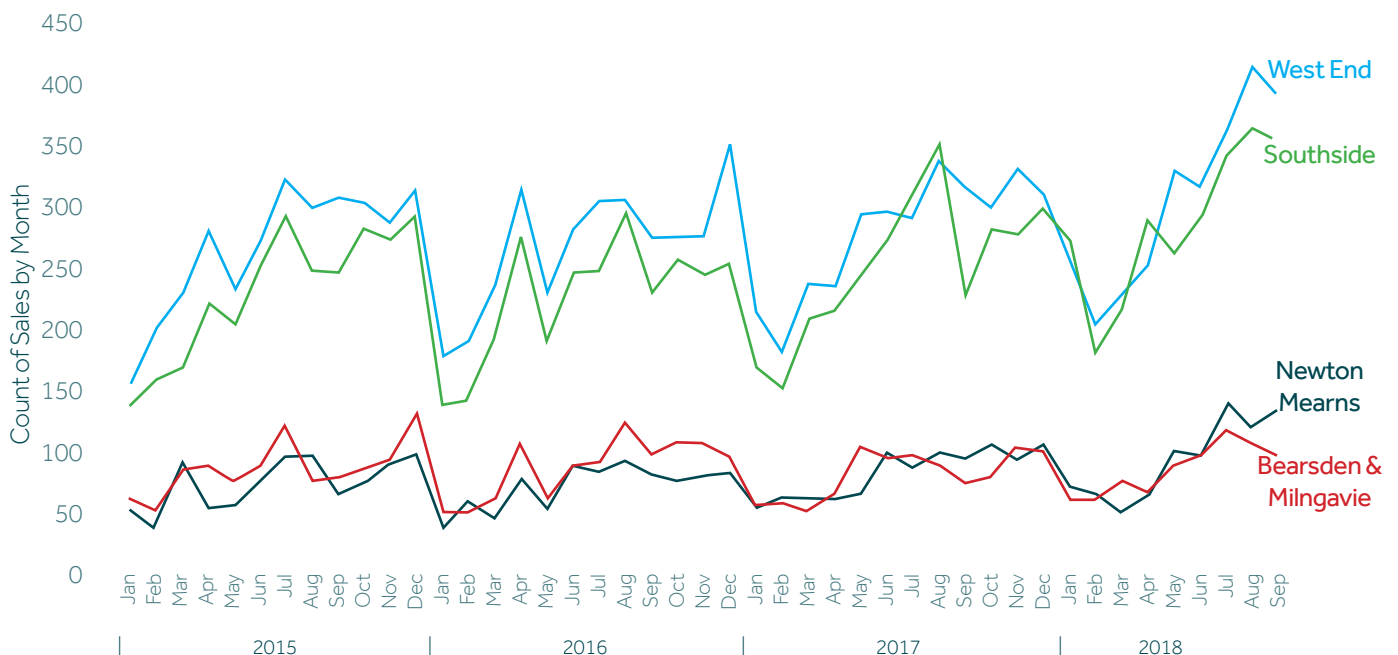
Average House Prices in Glasgow have continued to rise

Average House Price by Year, and Year-on-year change in average house price



2018 has seen strong trading conditions in prime Glasgow markets

Count of sales by month and market area



Stock levels soften later in year after positive first half of 2018

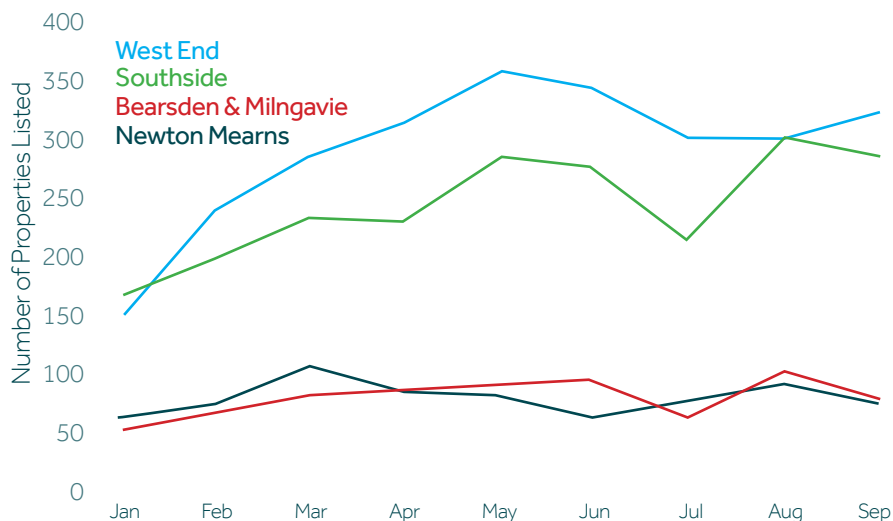
Rising stock levels and rising sales have created a virtuous cycle in the prime Glasgow market in 2018. Increased activity has encouraged more participants into the market, in turn supporting rising transactions. Over the course of the year, stock in the city markets, including the West End and Southside, has seen the most significant rises, peaking in May. The West End market had well over double the stock levels by May than at the start of the year, and this has remained high over the Summer and into Autumn. In other prime locations, stock levels are up a third to two-thirds on the year.

This rise in stock in the West End and Southside markets translated in to the strong trading levels witnessed from Spring onwards. In the West End market, the strong appetite has seen available stock on the market fall back since this high point, as the market demand has outstripped new supply. As a core prime market, the activity in the West End has led the way for other Glasgow districts, with an increase in properties listed in the Southside rising in August and staying high in September. This trend is also true of stock levels in the prime commuter suburbs of Newton Mearns and Bearsden.

Comparing the distribution of prices between these markets, there is a higher concentration of properties available under £300k in the City Centre, reflective of the 75% to 85% concentration of flatted homes in these areas compared to the 75% family homes seen in the residential suburbs.

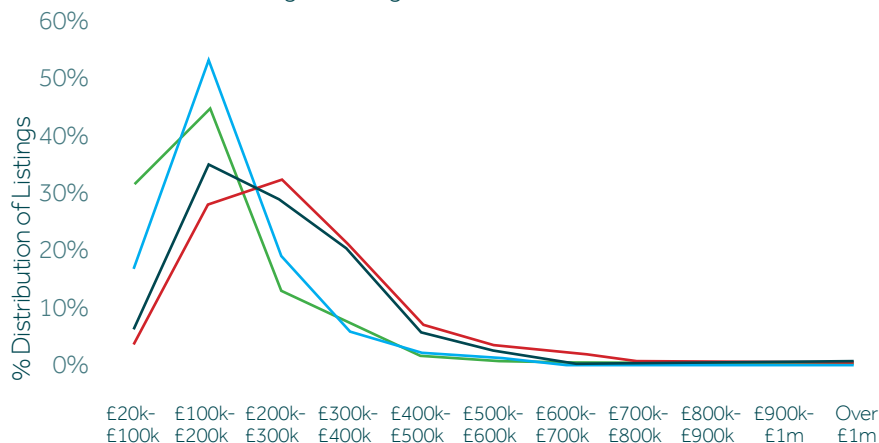
Stock levels strongly at the start of year in most Glasgow areas

Count of listings in Glasgow areas 2018



There is a greater distribution of prices in areas of family housing

Price distribution of listings in Glasgow areas in 2018

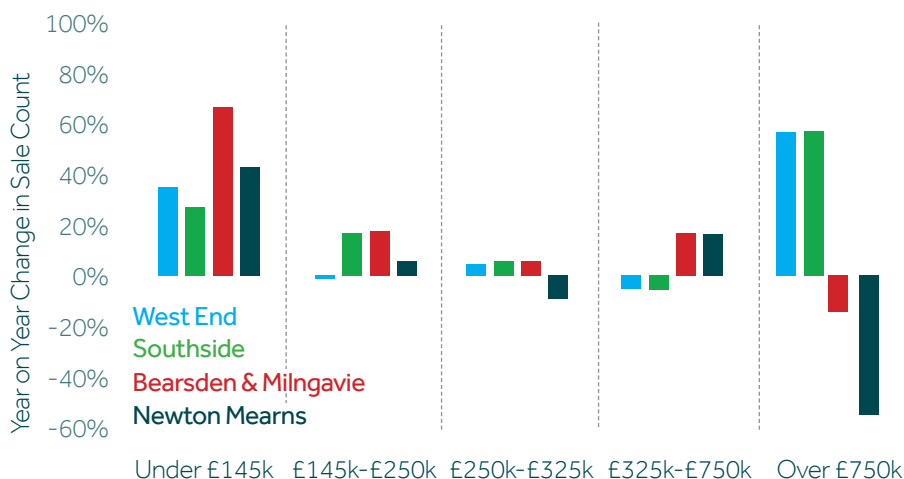


Transactions rise in Glasgow prime areas

An analysis of sales activity by price bracket in Glasgow's prime market areas shows positive year-on-year growth in activity across most price brackets and areas. Where there have been falls, this is mainly attributable to local market specifics or the particular strength of sales in 2017; for example, in 2017, Newton Mearns saw an exclusive development by CALA homes which increased sales over £750k. Supply of this kind has been low in 2018, leading to the year-on-year retreat in sales in this bracket. Overall, the prime market in Glasgow has seen a strong 2018 to date, with demand still present in the market leading into the later Autumn / Winter months.

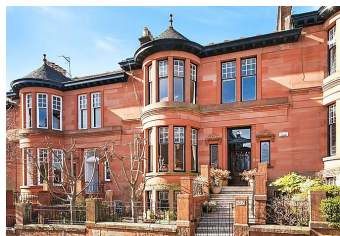
2018 has seen 14% more transactions in prime areas

Year-on-year change in sales by LBTT Bracket & Year Jan-Aug - 2018 vs 2017





Roman Court
Bearsden
Offers Over £1,175,000
5 Beds, 4 Reception



107 Dowanhill Street
Dowanhill
Offers Over £775,000
4 Beds, 3 Reception



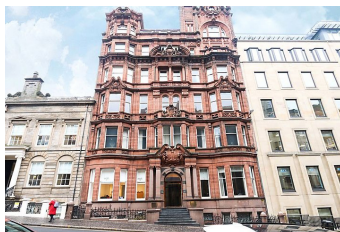
Barony House, 4 Baron Court
Thorntonhall
Offers Over £995,000
6 Beds, 4 Reception



4 Park Gate
The Park
Offer Over £585,000
3 Beds, 1 Reception



Victoria Park Gardens South
Broomhill
Offers Over £510,000
4 Beds, 1-2 Reception



190 West George Street
Glasgow City Centre
Offers Over £359,000
4 Beds, 1 Reception



1372 Pollokshaws Road
Shawlands
Offers Over £325,000
3 Beds, 2 Reception



14 Eastwood Avenue
Giffnock
Offers Over £425,000
4 Beds, 3 Reception



Camstradden Gardens
Bearsden
Guide Price £1,000,000
4 Beds, 3 Reception



Ledcameroch House
Bearsden
Prices from £540,000
Apartments



The Havelock
Dowanhill
Prices from £550,000
Pendhouse & 3 Bed Homes



Riverwood, Craigdhu Road
Milngavie
Prices from £189,000
Retirement Living

The Glasgow Team



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