Glasgow Market Review
Market Briefing
Autumn / Winter 2019

RETTIE

Park Circus
Offers Over £585,000

Developing Ambitions

2019 has been an exciting year for Glasgow, with a number of high-profile employment and development announcements being made regarding the City Centre. This economic confidence in Glasgow has been reflected in the city's housing market, with consistent price growth and sales activity. While the UK market as a whole has been affected by the political uncertainty over the course of 2019, Glasgow's market has remained comparatively robust, especially in desirable locations where lower supply in 2019 has supported values.

With major development planned in the City Centre, Glasgow City Council seems one step closer to encouraging the re-habitation of the City Centre and meeting their ambitions to double the resident population in the heart of the city over the next 10 years.

Andrew Meehan
Associate Director

Key Findings

- 2019 has seen a number of exciting high-profile employment and development plans announced for the City Centre.
- Average house prices in Glasgow have increased by over £25k in the past five years; this equates to c.3.4% per annum.
- Supply has fallen back slightly in prime locations, supporting demand and values in the likes of G3 and G12.
- Rents within Glasgow have increased by c.3.7% per annum over the past five years and are now around £800pcm.
- Excess demand in traditionally desirable locations has displaced buyers and renters, leading to rising values, rents and yields in key neighbourhoods.

Glasgow Sales Market

Average house prices in Glasgow have risen by over £25,000 in the past five years, meaning that the average home in the city now transacts at around £165,000. This growth represents an annual growth rate of just under 3.4% per annum and 18% overall during this period. As with other UK city markets, the rate of annual growth has been more mixed in 2019.

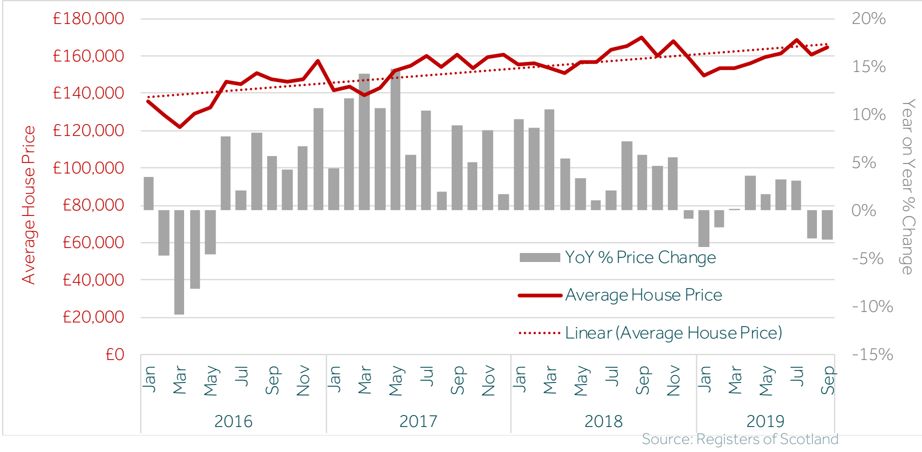
The strongest levels of demand have been concentrated in the prime residential neighbourhoods, such as the West End, where values and demand remain buoyant. In 2019, supply has fallen back slightly in these neighbourhoods, indicating that buyers are competitive where high quality stock is available. Price and supply pressures in these prime markets have also seen demand increase in newly rediscovered neighbourhoods, such as Finnieston, where urban lifestyle can be balanced against affordability, leading to rising values.

Major development and employment announcements in the City Centre look set to continue to support the rising desirability of housing in the heart of the city, supporting the council's policy to double the number of City Centre residents over the next 10 years.

While the UK housing market as a whole is faced with political uncertainty, there is an economic confidence in Glasgow, which is being manifested by new development, and this looks set to drive forward the city's housing market.

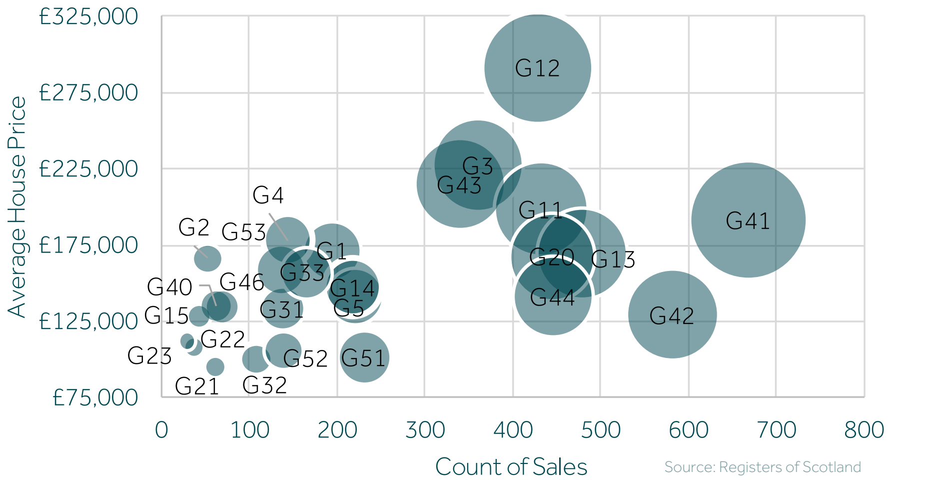
Average house prices have seen strong growth in recent years, slowing slightly in 2019

Glasgow Average House Price and Year on Year % Change by Month



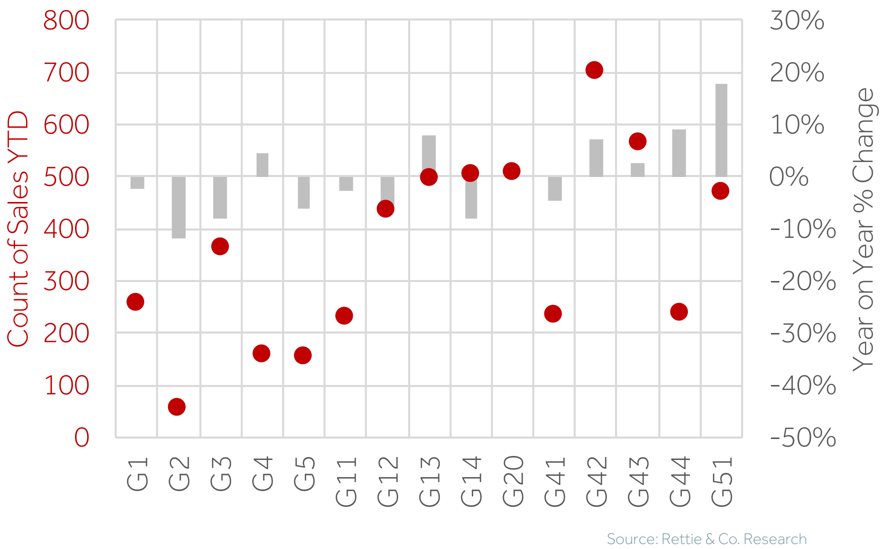
The West End continues to command strong demand and higher values

Average House Price vs Count of Sales by Postcode Q1-Q3 2019 (Radius=Total Value)



Available stock levels are down in 2019 in some areas compared to Q2 2018

Total Available Property Advertised in Glasgow over £20k in Q2 2019



Glasgow Rental Market

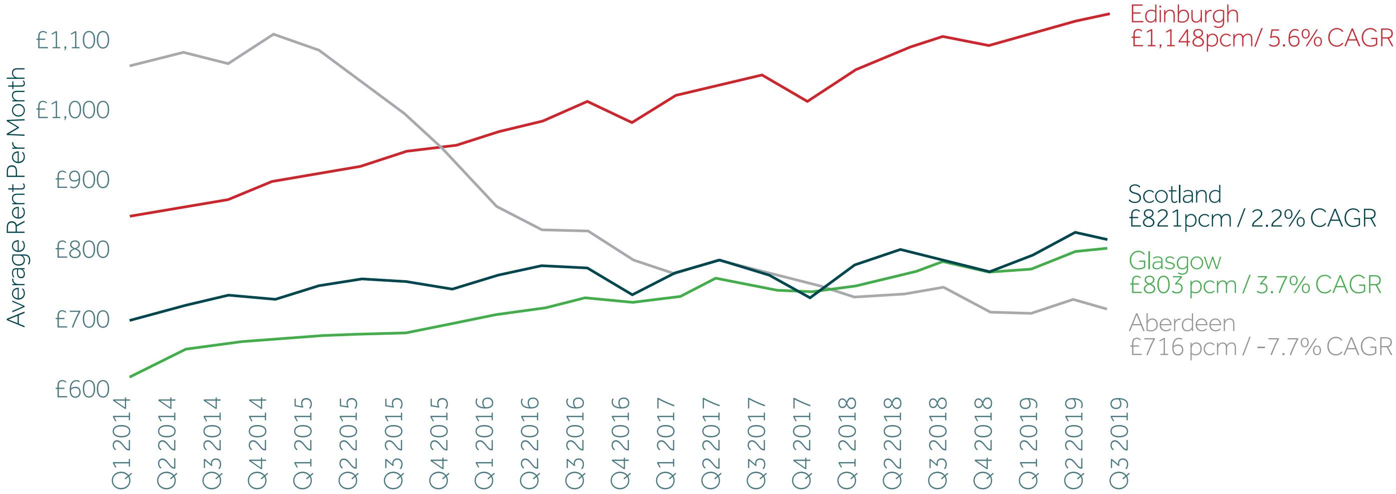
Average rents within Glasgow have seen strong growth in recent years and have continued to rise in 2019, with the average advertised rent in Glasgow now around £800 pcm. This is an increase from just over £600 pcm five years ago and represents a compound annual growth rate of c.3.7%. This rate of growth is ahead of a national growth rate of c.2.2%.

This growth has been driven by stretched affordability in prime locations stimulating rising rents in neighbouring areas, where regeneration and new development has acted to transform the physical environment alongside its desirability as a residential destination.

This pattern of moving demand has seen rents rise in areas such as G5, south of the Clyde, as well as rising demand within the City Centre itself. These changes in demand are supporting strong yields within these areas, while strong residential price growth in more established areas are continuing to deliver capital uplifts. In 2019, there has been a slight lengthening of time to let within the city compared to the same time last year, however, these levels are well below national averages, reflecting the higher demand within urban centres.

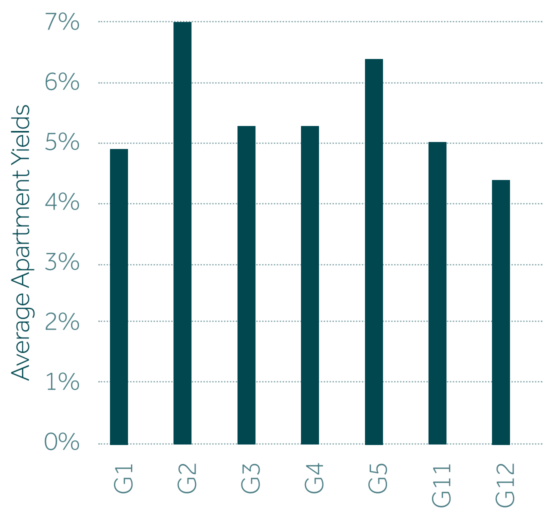
Looking forward, positive job and development announcements in the City Centre look likely to continue to drive urban demand and support rental values despite current political uncertainty.

Rental growth has been strong across most Scottish cities with the exception of Aberdeen
Average Rent Per Month by City / 5 Year Compound Annual Growth (CAGR)



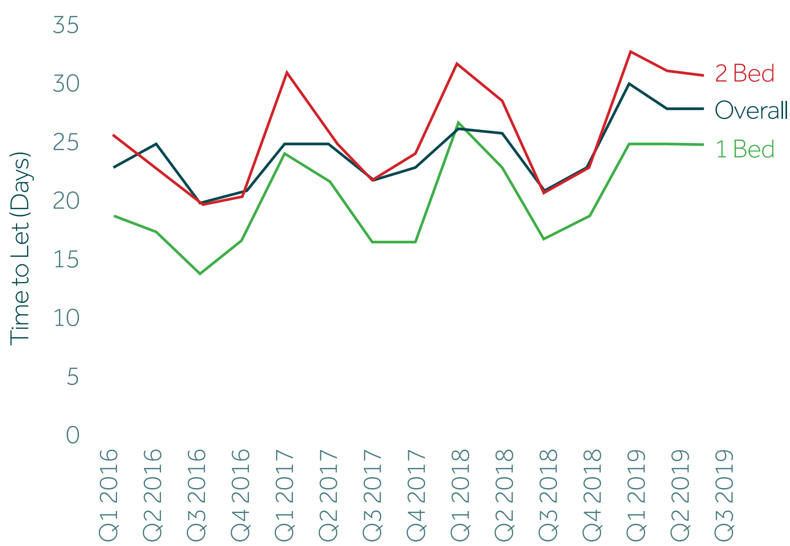
Source: Citylets

City Centre demand has increased yields
Average Apartment Yields by Postcode



Source: Citylets

Time to let has risen by 1 to 2 days in 2019
Average Time to Let by Bed (Days)



Glassford Road,
Strathaven, ML10
Offers Over £1,570,000
5 Beds, 3 Reception

St Andrews Drive
Pollockshields,G41
Offers Over £875,000
6 Beds, 3 Reception

Bardowie
Milngavie, G62
Fixed Price £725,000
5 Beds, 3 Reception

Colquhoun Drive
Bearsden, G61
Offers Over £698,000
4 Bed, 3 Reception

Glenburn Road
Bearsden, G61
Offers Over £625,000
4 Beds, 3 Reception

Nether Auldhouse Road
Newlands, G43
Offers Over £270,000
3 Beds, 2 Reception

Beech Avenue
Newton Mearns, G77
Offers Over £425,000
4 Beds, 3 Reception

Ingram Street, Merchant City
Glasgow, G1
Offers Over £175,000
1 Bed, 1 Reception

Park Circus Place
Glasgow, G3
Offers Over £585,000
2 Beds, 1 Reception

Saltoun Street
Dowanhill, G12
Offers Over £535,000
5 Beds, 2 Reception

Elderslie Street
Finnieston, G3
Offers Over £180,000
2 Beds, 1 Reception

Woodford Street
Shawlands, G41
Offers Over £135,000
1 Bed, 1 Reception

Properties To Let

Ingram Street
Merchant City, G1
£950 pcm
1 Beds, 1 Reception

Dumbarton Road
Partick, G11
£750 pcm
2 Beds, 1 Reception

Airlie Street
Glasgow, G12
£925 pcm
2 Beds, 1 Reception

Bulldale Place
Yoker, G14
£575 pcm
2 Beds, 1 Reception

Your Glasgow Experts

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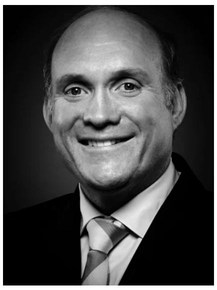

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