



Developing Market

It is an exciting time for Glasgow. Recent announcements by the likes of Barclays, Drum and MODA have all confirmed major investment in the City Centre, including the first wave of Build to Rent in the city. While the first emerging figures for 2019 show a flat market in terms of transaction and price growth, this comes after three years of consistently positive market growth, returning a 10% uplift in values.

Whether the cooling of the market is a response to increased supply, or looming Brexit concerns, there remains many strong underlying investment and demand drivers currently working in the city's favour.



Andrew Meehan
Associate Director

Key Findings

- A number of major investment announcements have been confirmed for Glasgow City Centre.
- The 30-month streak of year-on-year average house price growth came to an end with marginal falls in December 2018, but average values remain 10% up over the past 3 years.
- Stock levels in key popular markets are up year-on-year, providing more choice for buyers in the market and potentially constraining excess premiums within some markets.
- Overall, demand in prime and popular markets remains high, with strong underlying fundamentals motivating buyers.

House prices report seasonal slowdown in growth

Average house price growth in Glasgow started slowing in December 2018 and this has continued through to March, returning negative growth year-on-year compared with average prices during the same months the year before. The -1% to -4% falls seen in average house prices during these months come on the back of 30 months of consistent monthly year-on-year house price growth. The

average house price in Glasgow has increased from £135k in January 2016 to its current level of over £153k in Q1 2019; this represents a 10% increase in 3 years, or a compound annual growth rate of 3.3%.

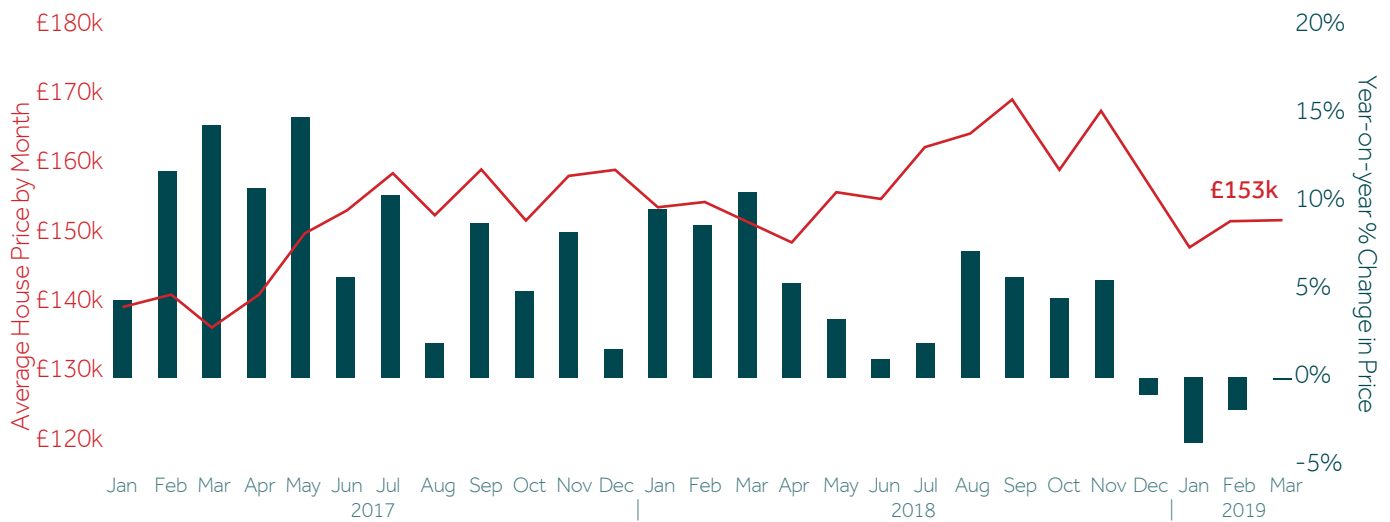
Overall, sales volumes across Glasgow started the year flat, around 1% higher than the first months of 2018. The slowing of

price growth is consistent with increasing stock coming to the market in the second half of 2018 and into 2019, which has likely had a dampening effect on the premiums being achieved by sellers, as well as broader macro political factors.

Looking forward, demand in the core market remains strong and this is likely to support markets activity as 2019 progresses despite Brexit.

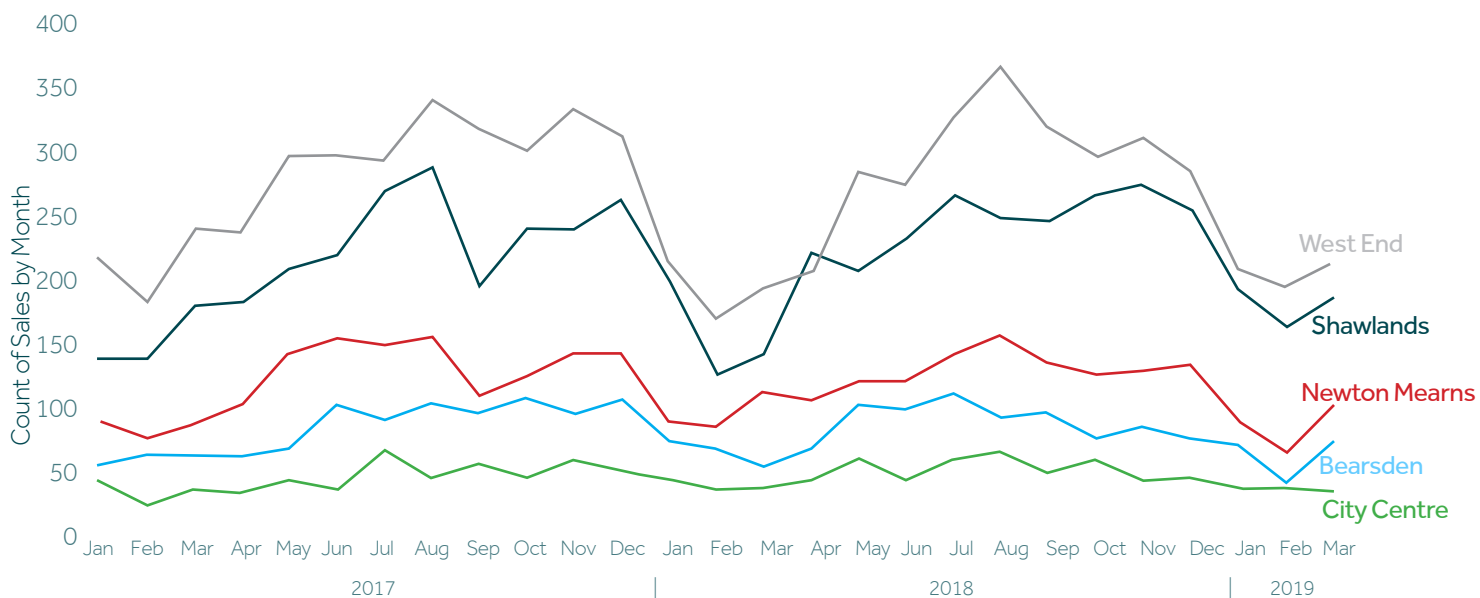
Average House Prices in Glasgow have continued to rise

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



2018 saw strong trading conditions in prime Glasgow market areas

Count of sales by month and market area



Stock levels start 2019 up across most of the market

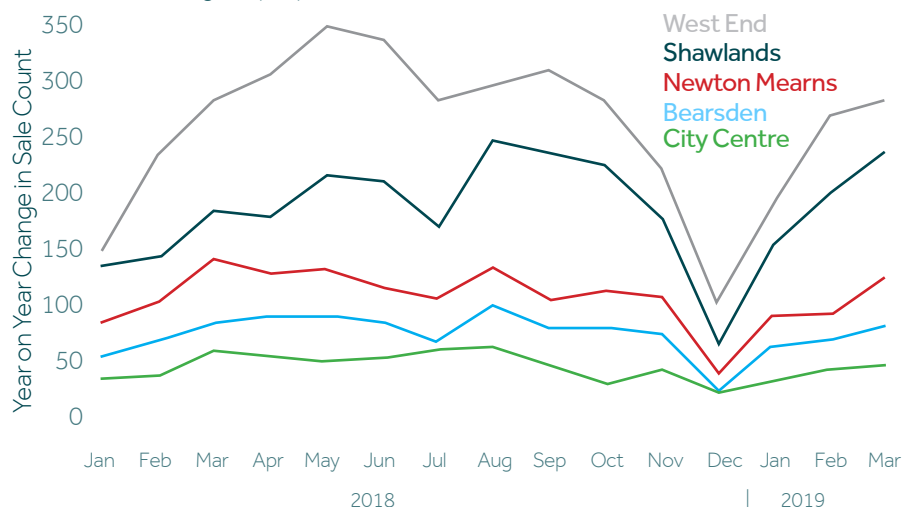
The number of new properties coming on to the market in key neighbourhoods at the start of 2019 (Q1) has risen compared to the same period last year. The popular districts of Shawlands and the West End saw significant rises in stock of c.26% and c.19% respectively. With high demand and short periods for properties remaining on the market, this increased supply will be welcomed by many buyers, who have to date been frustrated by the competition generated in lean market supply conditions.

Newton Mearns recorded a small fall in available second-hand stock, down less than 5% on last year. New build development within the settlement is likely contributing to this decline, by providing buyers with an alternative to the traditional second-hand sales market within the desirable commuter suburb.

Overall, this upturn in stock levels in 2019 is a positive for buyer choice and may encourage others to participate in the market if they believe the chance to move up the ladder is available due to increased buying options.

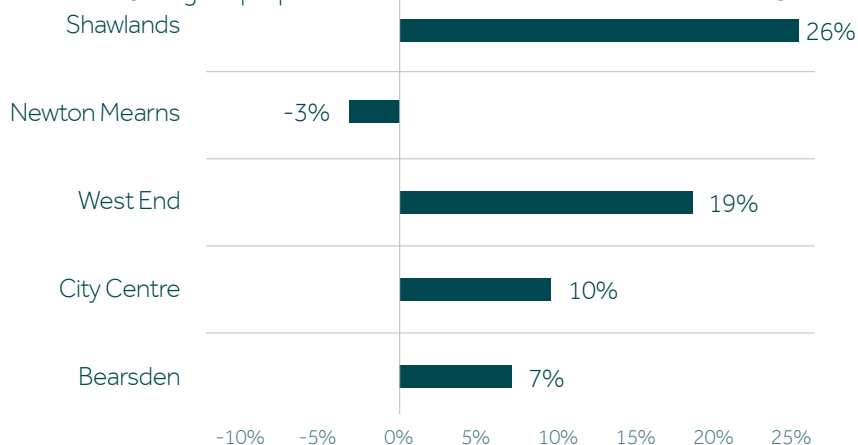
Stock levels are up in 2018 in most areas

Year on Year Change in properties advertised for sales 2019 YTD vs 2018



Stock levels are up in many areas across the city

Year on Year Change in properties advertised for sales 2019 YTD vs 2018



City Centre emerging as residential investment opportunity

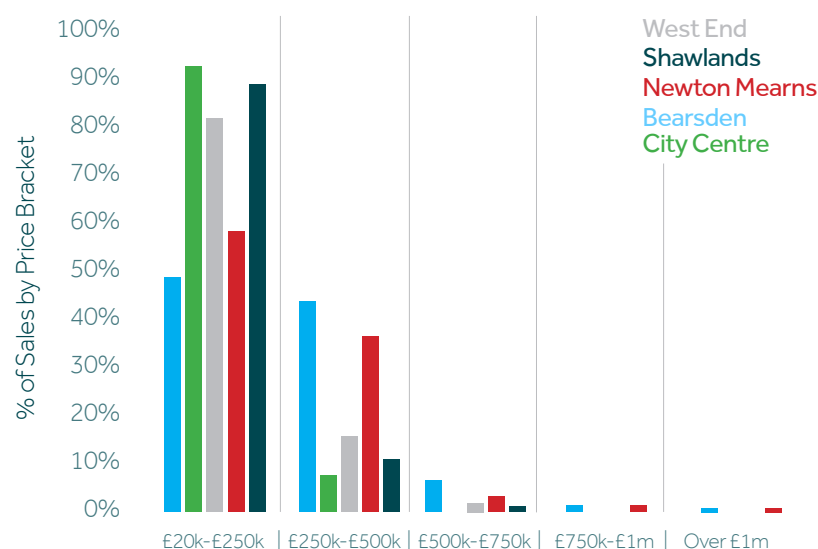
Glasgow City Centre (G2) has not traditionally been a preferred residential district within the city. However, a series of major investment announcements are set to bring not only office and retail, but also residential use in the form of Build to Rent, to the City Centre. These announcements could be the catalysts needed to support the Council's policy of encouraging the re-occupation of the City Centre for residential use.

With a high proportion of potential investment stock under £250k, the City Centre is showing signs of being on a rising tide.

Contact Lisa Pitchers in our City Centre branch to discuss investment opportunities.

The City Centre offers investment opportunities at lower values

% of Sales by Price Bracket in 2018 & 2019





**North Gardner Street
Partickhill**
Offers Over £965,000
4 Beds, 3 Reception



**Fifth Avenue
Jordanhill**
Offers Over £649,000
4 Beds, 4 Reception



**Hyndland Road
Hyndland**
Offers Over £355,000
4 Beds, 1 Reception



**St Vincent Street
Blythswood Hill**
Offers Over £239,000
2 Beds, 1 Reception



**Glassford Street
Merchant City**
Offers Over £205,000
2 Beds, 1 Reception



**Finnieston Street
Finnieston**
Offers Over £179,000
2 Beds, 1 Reception



**Woodland Grove
Milngavie**
Guide Price £700,000
4 Beds, 4 Reception



**Westbourne Drive
Bearsden**
Offers Over £575,000
4 Beds, 3 Reception



**Cathkinview Road
Mount Florida**
Offers Over £399,000
5 Beds, 2 Reception



**Torridon Avenue
Dumbreck**
Fixed Price £280,000
3 Beds, 1 Reception



**Ayr Road
Newton Mearns**
Offers Over £435,000
3 Beds, 2 Reception



**Scholars Court
Ayr Road**
Offers Over £275,000
2 Beds, 1 Reception

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