

Scotland's £1m+ Market in 2022



The Causeway, Edinburgh



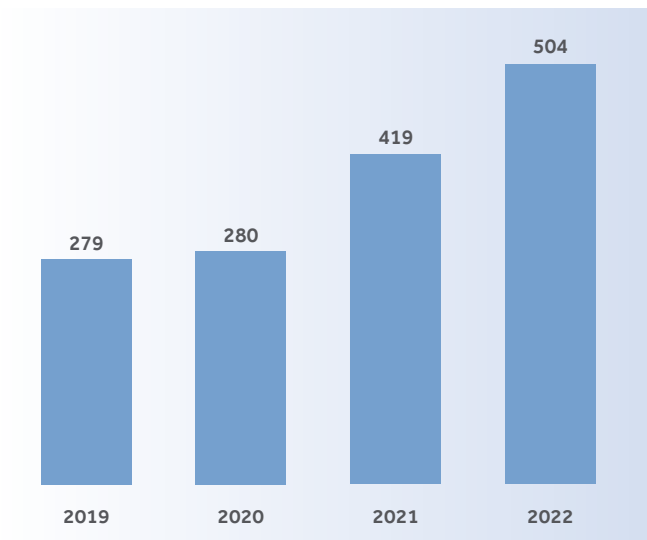
A RECORD YEAR

2022 saw the Scottish housing market break the record for £1m+ sales in a year, with **504** transactions passing the landmark price, with Rettie & Co. now involved in the sale of over 1 in 5 transactions in excess of £1m.

This surpassed the 419 sales in 2020, which, in turn, had smashed the previous high point. To put this in context, just two years ago in 2020, there were 280 £1m+ sales in Scotland (itself, a new record at the time). In a short period, the Scottish £1m+ market has risen **by 80%**. In this brief report we'll explore a number of key trends behind this rapid explosion.

	Edinburgh	Rest of East	Aberdeen & Shire	Rest of North	Greater Glasgow	Rest of West	Total
2010	73	9	14	23	20	13	152
2011	62	4	18	17	19	9	129
2012	53	8	21	18	15	6	121
2013	70	7	21	15	14	8	135
2014	71	10	25	19	17	1	143
2015	87	25	16	12	28	8	176
2016	94	17	9	11	28	7	166
2017	109	24	4	5	25	3	170
2018	131	25	9	5	30	12	212
2019	197	29	8	7	26	12	279
2020	166	47	7	10	30	20	280
2021	245	85	11	5	27	46	419
2022	303	87	7	12	32	63	504

£1m plus sales in Scotland (2019 to 2022)



2022 saw another surge in the number of prime residential transactions throughout Scotland. We are now seeing a pattern emerge where £1m+ houses are spreading more widely from the previous core areas of Edinburgh and Glasgow with St Andrews and East Lothian showing strong gains as they remain very desirable places to live with a limited number of prime houses coming to market.

Simon Rettie, Managing Director, Rettie & Co.

KEY FINDINGS



1. A fiscal drag race

House price inflation has pulled over 130 transactions into the £1m+ bracket in the past year.



2. New demand, new £1m+ areas

The St. Andrews area delivered 17 £1m+ sales in 2022, with the market now expanded into surrounding areas.



3. The rise of the suburbs

Despite the recent pandemic related demand for rural living, the majority of the £1m+ market remains in urban areas, with the EH10 postcode now showing the most £1m+ sales in Scotland.



4. Concentration on the east

Over 2/3rds (68%) of the £1m+ sales in 2022 were in Edinburgh & Lothians, spurred in part by new development in the city.

KEY FINDINGS EXPLORED

1. A fiscal drag race



The Village, Archerfield

While 2022 has recorded a record volume of £1m+ sales, this has partly been the result of the housing market equivalent of 'fiscal drag', where inflation naturally moves a value up into a higher category.

With house price inflation running at around 6.5% in each of the past two years, properties that in 2020 might have been under £900,000 are now over £1m. Indeed, factoring house price inflation from 2021 to 2022 of 6.6%, there are around **130** properties that sold in 2022 that would have likely been under £1m the year before.

This upward price movement has also meant that not only the number, but also the geography of the Scottish £1m+ market is expanding. There are **63** postcode areas in Scotland that have recorded £1m+ sales in the past three years but had **no** £1m+ sales in the preceding three years.

63

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Hamilton Drive, Glasgow

KEY FINDINGS EXPLORED

2. New demand, new £1m+ areas



Some of the £1m+ locations are the result of natural price movements in pressurised markets, such as in Edinburgh suburbs, while others show the emergence of new demand. Fife, particularly in the hinterland around **St. Andrews and the East Neuk** is a prime example. From 2017 to 2019, there were no £1m+ sales in this region, but in the past 3 years there have been **17**. This emerging market is building on the prime values that are being achieved in St. Andrews. In 2022, the 17 £1m+ sales in St Andrews (KY16) included a £3.6m sale that exceeded £2,000/sqft.

17
**£1m+ sales in St. Andrews
and the East Neuk region
in the past 3 years**



KEY FINDINGS EXPLORED

3. The rise of the suburbs



St Andrews Court, Main Street, Gullane

One of the major trends in the property market over the past two years has been the increase in demand for space as a result of increased working from home and lifestyle preferences. This led some to seek country lifestyles, which sparked a rise in sales in rural towns and regions that accounted for almost 25% of £1m+ sales over 2020 and 2021.

In 2022, while rural living still accounts for around 22% of £1m+ sales, **the majority of the market remains in urban areas**. One of the trends that has emerged initially in 2021, but has cemented itself in 2022, has been the rise of £1m+ sales in Edinburgh's suburbs.

22%

**Just over one-fifth
of Scottish £1m+ sales
were in rural areas in 2022**



West Castlemount, St Andrews

KEY FINDINGS EXPLORED

4. Concentration on the east



Historically, Edinburgh's New Town (EH3) has consistently topped the charts as the home of £1m+ sales in Scotland, making up as much as 39% of Edinburgh's £1m+ sales back in 2016. Even in 2020, EH3 represented just under a quarter of £1m+ sales in the capital. However, in 2021, EH3 lost its crown to West Edinburgh (EH12) and last year, 2022, **the Southside (EH10)** came top of the £1m sales ranking, with EH3 tied second.

19%
of Edinburgh £1m+ sales
in 2022 were in EH10

This change in the concentration of £1m+ sales in Edinburgh can be attributed to a couple of trends in the market. First, there has been an increasing pressure and demand for **family housing** within the city, especially within desirable neighbourhoods with high quality housing and good school catchments, such as Edinburgh's Southside.

Another key reason has been **new build development**. In 2021, the CALA Homes development at Donaldsons brought a unique and high-quality urban lifestyle to the city. In 2022, the Craighouse development has delivered high specification townhouse living in the leafy suburb of Craiglockhart.

Elsewhere in the city, areas such as Newington, to the east of the ever desirable Grange, have seen prices rise and push over £1m. In 2020, there was only one £1m+ sale in the EH16 postcode, but in 2022 there were seven.

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