



## New Town Charm

The Scottish £1m+ market has seen both highs and lows in 2017. Overall, the total number of £1m+ house sales fell marginally, compounding the fall from 2015 to 2016. However, this belies the fact that while sales in the beleaguered Aberdeen market have fallen significantly over the past few years, and the country house market remains subdued, sales in Edinburgh & the East of Scotland have been rising. In 2017 there were over 100 £1m+ sales in Edinburgh, and 119 sales

including the wider Lothians. With 159 £1m+ sales across Scotland, this means that 75% of £1m+ activity is occurring in the Capital and its hinterland.



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Associate Director - Research

## Key Findings

- Rettie & Co. sold the most £1m+ homes of any agent in 2017, at just under 30% of all £1m+ homes in Scotland in 2017, and over 1 in 3 in Edinburgh. As such this gives us a unique insight into this market.
- In 2017 Rettie & Co. sold 38% of all £1m+ houses bought by foreign buyers, the most of any agent; in Edinburgh, this was over 60%.
- There were 159 £1m+ house sales in Scotland in 2017; down from 166 in 2016, and 176 in 2015.
- The Aberdeen market has seen further falls, contributing to falling overall numbers.
- There has been strong growth in transactions in Edinburgh & the Lothians in 2017, with 119 of the 159 transactions in this region, up 17% from 102 in 2016.
- Glasgow city has seen an annual increase with 3 more sales in 2017 than the year before, while the Greater Glasgow region has retreated slightly, falling from 28 in 2016 to 22 in 2017.

## Importance of the £1m+ Market

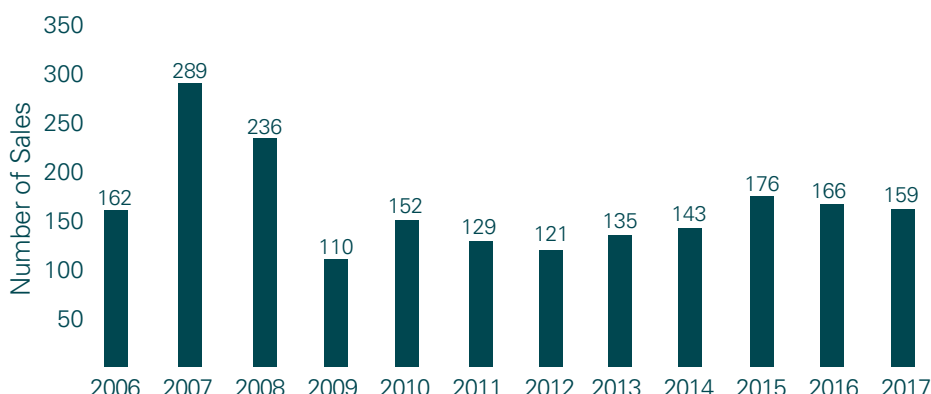
The discretionary nature of the £1m+ market can make it a good bellwether of economic confidence, with high value real estate investments tending to rise alongside positive economic sentiment. The combination of improving economic confidence balanced against political uncertainty, has seen the million pound market edge forward slowly over the past 5 years.

The trend of annual improvement from 2012 was interrupted by the introduction of Land and Buildings Transaction Tax (LBTT), which first caused a forestalling of transactions, and has subsequently kept supply constrained.

Higher transaction costs and tax rates naturally disincentivise activity and this is acting to constrain supply coming to the market. In fact, the difference in sales between 2016 and 2017 has been mainly down to the supply of new build units over £1m+ with second hand sales remaining flat across Scotland, with the exception of Edinburgh that saw rises in both.

### The total number of £1m+ house transactions fell back in Scotland in 2016-2017 overall while increasing in Edinburgh & the Lothians

Annual Count of £1m+ Home Sales by Year



### The East has seen a strong rise in £1m+ transactions, whilst activity elsewhere is slow

Count of Sales by Geographic Region

	Edinburgh	Rest of East	Aberdeen & Shire	Rest of North	Greater Glasgow	Rest of West	Scotland
2009	43	14	13	10	22	8	110
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	104	24	2	5	22	2	159

## Building a Market

The New Build market has often been an important and glamorous component of the £1m+ market with shiny new homes dripping in the latest designer kitchens and interior design. In 2016 and 2017, new build has been particularly important accounting for +15% of £1m+ transactions.

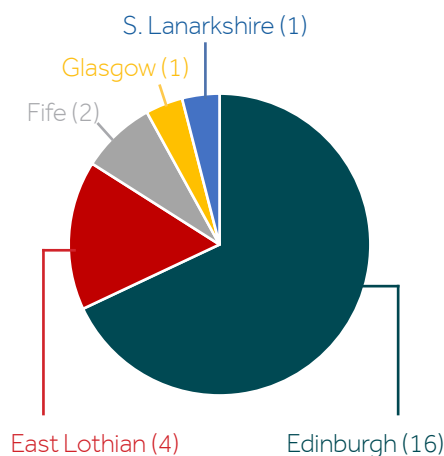
Edinburgh is at the heart of £1m+ new build market with a combination of conversion and refurbishment schemes in the New Town, complimenting high value new builds across the city.

### New build is a significant proportion of the current market, especially in Edinburgh

No. of £1m+ sales by Second Hand / New Build



£1m+ New Build Sales by Region



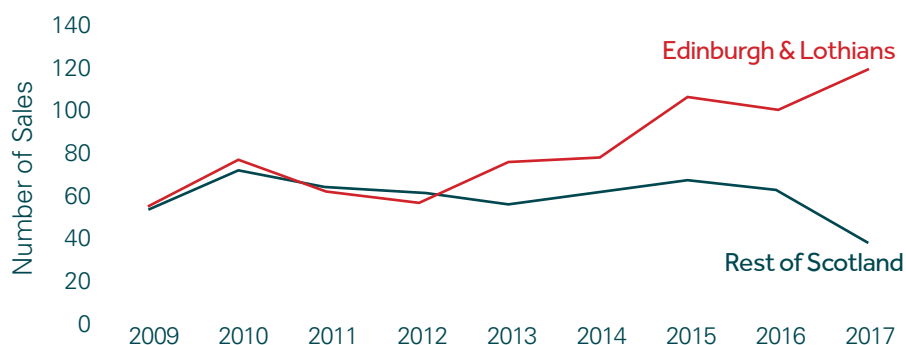


## East Coast Rising

Since 2012 there has been a clear divide in where the £1m+ house market has grown, or faded. In 2009, half of £1m+ house sales were in Edinburgh & the Lothians, and half in the rest of Scotland. Due to the weak Aberdeen market, and still lacklustre rural markets, this ratio has now shifted to 75% of £1m+ sales in Edinburgh & Lothians, and only 25% in the rest of Scotland in 2017.

### 3 out of 4 £1m+ house sales were in Edinburgh & the Lothians in 2017

Count of £1m+ sales by Year and Area.

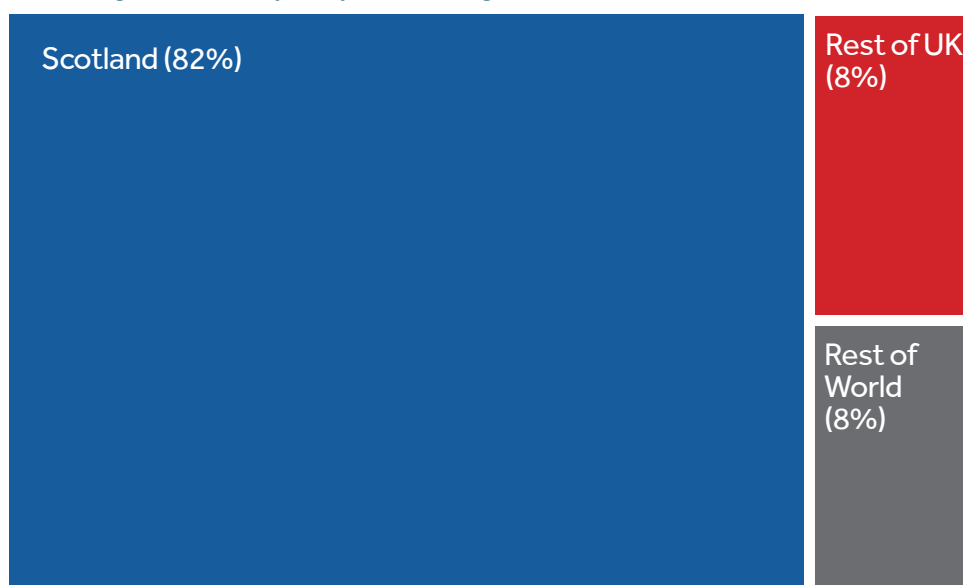


## Local Buyers

The million pound market conjures images of international jet setting, but the reality of the Scottish market is that 90% of buyers come from within the UK. Of the buyers registered outside the UK, the majority are located in popular expatriate locations including Singapore, Hong Kong and Dubai and have existing Scottish ties, either directly or through family, reinforcing the local character of the market. In 2017 Rettie & Co. sold 38% of £1m+ houses bought by foreign buyers. In Edinburgh, Rettie & Co. made over 60% of £1m+ sales to foreign buyers.

### Over 80% of £1m+ Buyers originate from Scotland, with many others expats.

Percentage of £1m+ Buyers by Place of Registration, 2017



## Millionaires' Row

The street with the most million pound plus sales in 2017 is Drumsheugh Gardens in Edinburgh. This is perhaps quite apropos, being both located in EH3 with the historic architecture that makes the area so popular, whilst also being the result of two conversion developments reflecting the role of new build in the £1m+ markets. The second, most active £1m+ street was Woodcroft, in South Edinburgh where Queensberry Properties have delivered new build townhouses and penthouses. The postcodes with the most transactions are situated Edinburgh's prime neighbourhoods which occupy the top 5 positions ahead of ever popular Bearsden in the West.

### New build and conversion development top the table of £1m+ streets in 2017

Street	Postcode	Town	Count	Average	Total
Drumsheugh Gardens	EH3	Edinburgh	5 Sales	£1.24m	£6.24m
Woodcroft Road	EH10	Edinburgh	5 Sales	£1.17m	£5.87m
Danube Street	EH4	Edinburgh	3 Sales	£1.31m	£3.94m
Albany Street	EH1	Edinburgh	3 Sales	£1.29m	£3.89m
Lennox Street	EH4	Edinburgh	3 Sales	£1.26m	£3.79m
Hamilton Grand	KY16	St Andrews	2 Sales	£1.68m	£3.37m

### Edinburgh's prime postcodes dominate the top 5 £1m+ locations in 2017

Postcode	Annual Change	Town	Count	Average	Total
EH3	-10 Sales	Edinburgh	26 Sales	£1.47m	£38.2m
EH4	+2 Sales	Edinburgh	19 Sales	£1.28m	£24.4m
EH10	+4 Sales	Edinburgh	18 Sales	£1.18m	£21.2m
EH9	+3 Sales	Edinburgh	12 Sales	£1.49m	£17.9m
EH12	+5 Sales	Edinburgh	10 Sales	£1.21m	£12.1m
G61	+ 2 Sales	Bearsden	6 Sales	£1.32m	£7.9m

## Rettie & Co. £1m+ Sales



**Sold**  
Ainslie House, 11 St Colme St.  
Edinburgh  
Offers over £1,800,000  
7 Beds, 4 Reception



**Sold**  
44 Heriot Row  
Edinburgh  
Offers over £1,995,000  
6 Beds, 5 Reception



**Sold**  
40-44 Drumsheugh Gardens  
Edinburgh  
New Build Conversion  
Apartments & Townhouses



**Sold**  
Woodcroft  
Edinburgh  
New Build Development  
Apartments & Townhouses



**Sold**  
Rannmhor, 2 Barnton Loan  
Edinburgh  
Offers over £1,750,000  
6 Beds, 3 Reception



**Sold**  
La Casa, 22 Park Circus  
Glasgow  
Offers over £1,500,000  
Original Mansion House



**Sold**  
10 Ledcameroch Road  
Bearsden  
Offers over £1,275,000  
5 Beds, 4 Reception



**Sold**  
Grianach, 26 Rubislaw Drive  
Bearsden  
Guide Price £1,500,000  
5 Beds, 4 Reception



**Sold**  
Cleish Castle, Cleish  
Kinross  
OIRO £1,375,000  
8 Beds, 4 Reception



**Sold**  
Luscar House  
By Dunfermline  
Offers over £1,150,000  
7 Beds, 4 Reception



**Sold**  
Inverleith Avenue South  
Edinburgh  
Offers over £1,095,000  
7 Beds, 3 Reception



**Sold**  
Gifford Bank  
East Lothian  
Offers over £1,385,000  
6 Beds, 5 Reception

## Contact Us



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