Welcome to Savills Scotland Home Truths

Our experts unravel the trends shaping the local property market

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SCOTLAND

The Team

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Scotland Country House Department

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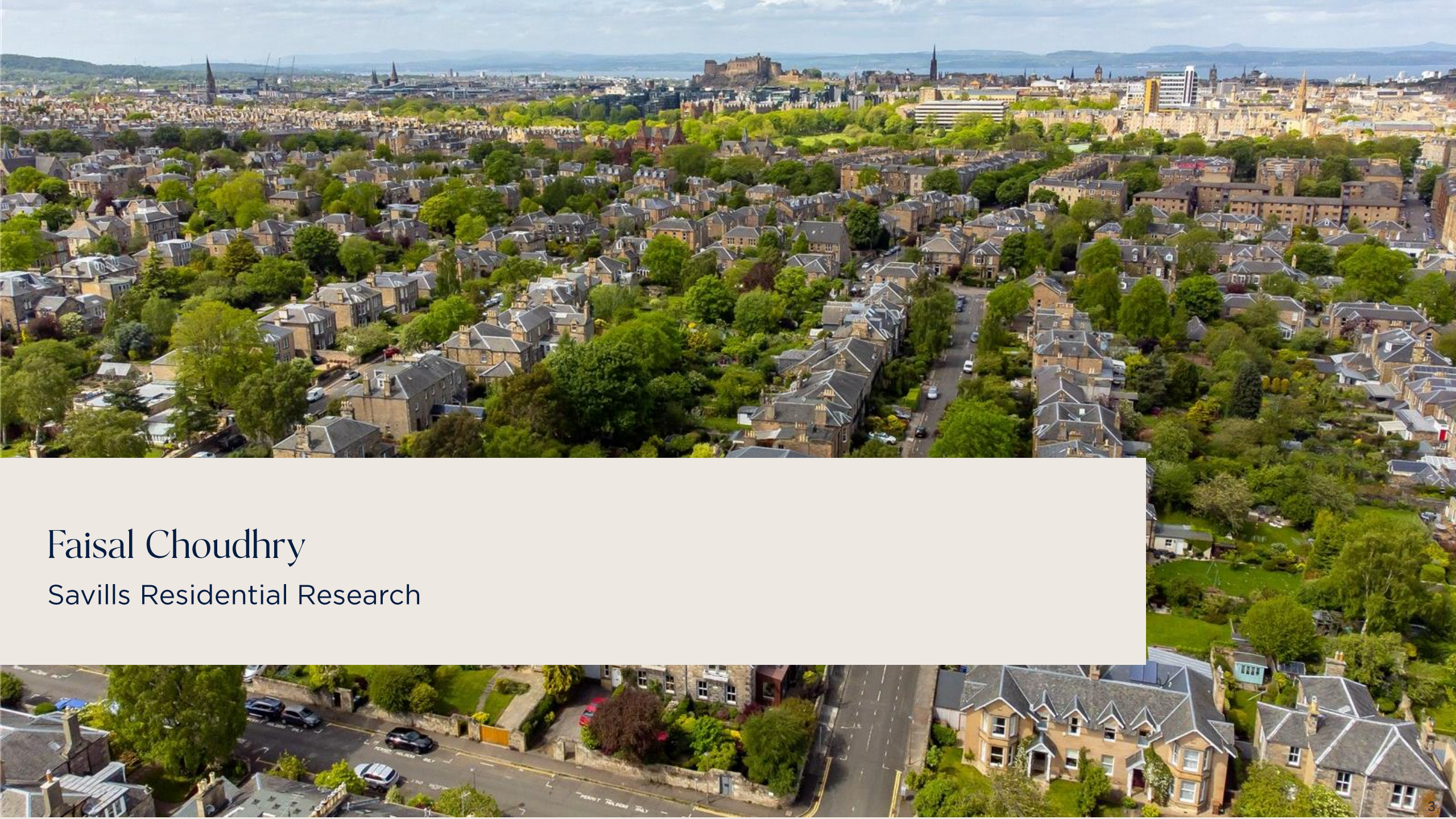
Clare English

Ex-BBC Presenter



Faisal Choudhry

Savills Residential Research

Agreed sales activity across the wider market remains resilient

...with prime market above £500,000 outperforming

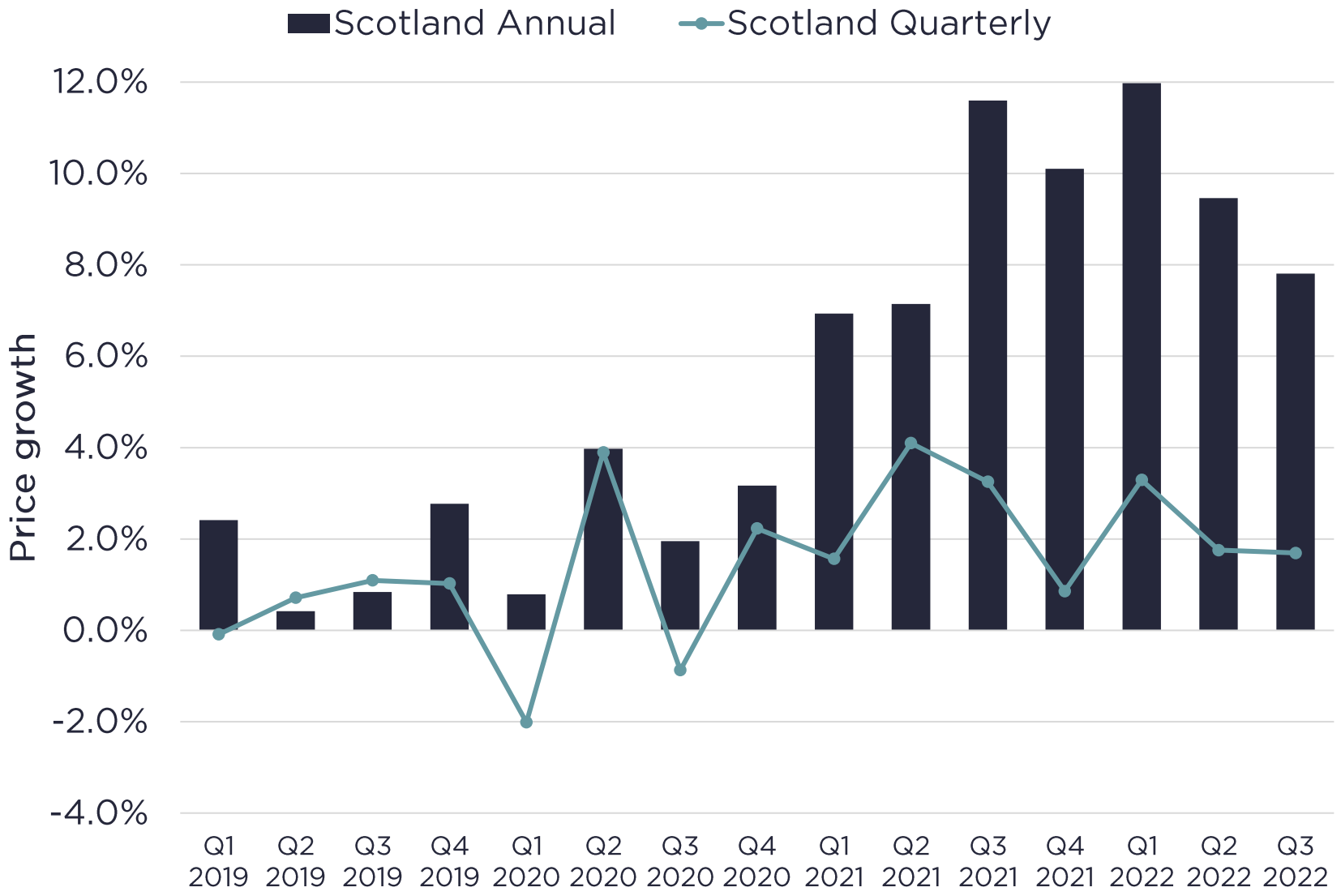
There's more new supply to feed these sales.....

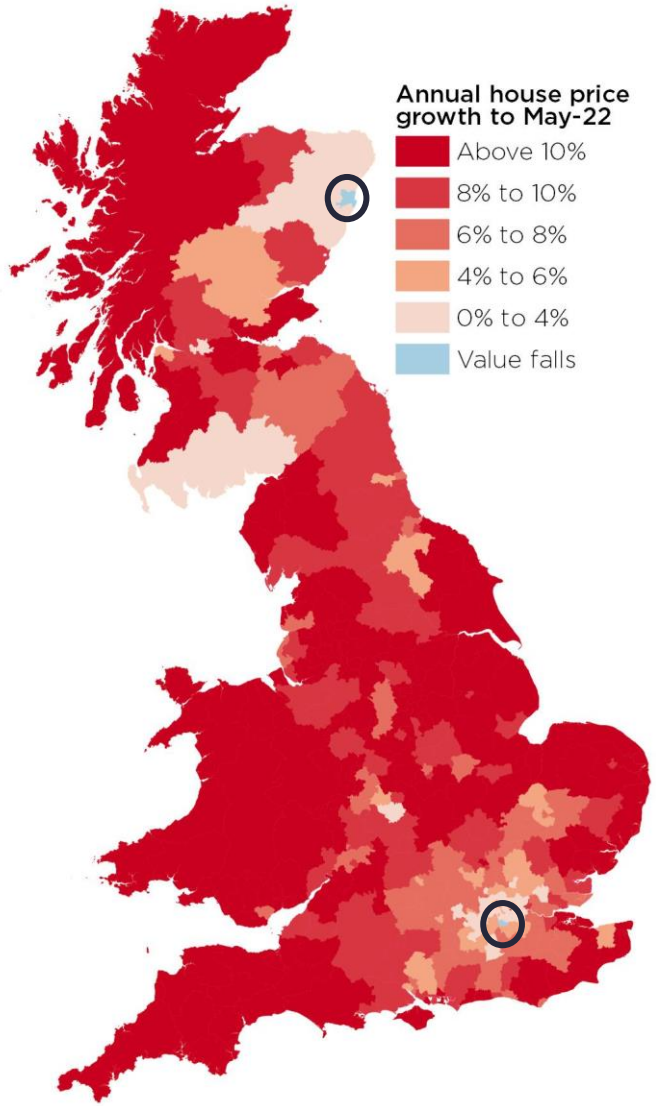
...and stock availability is at its highest since 2020

Demand continues to outweigh supply in city and suburban areas...

...with realistically-priced properties spending less time on the market

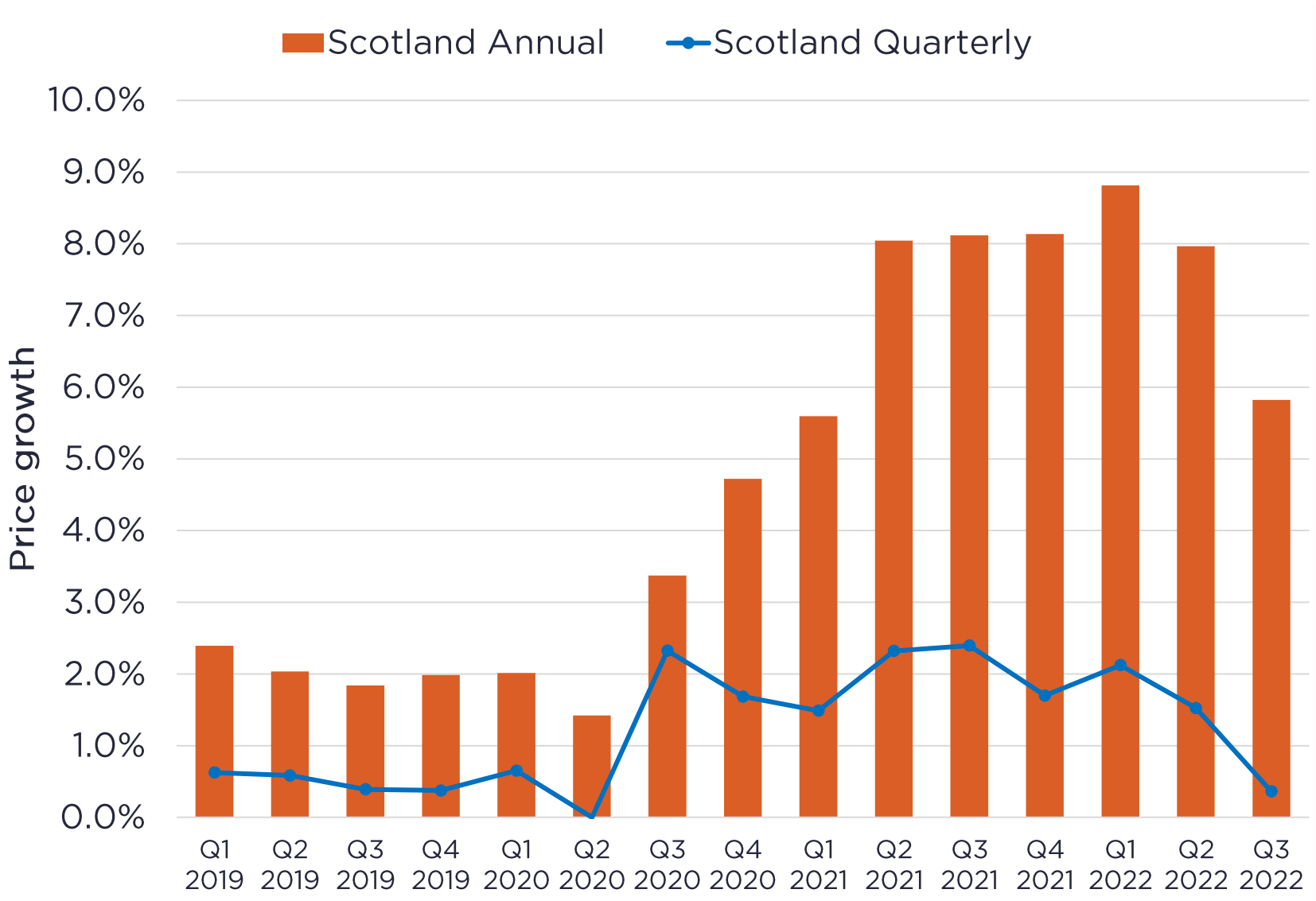
The impact on mainstream house prices

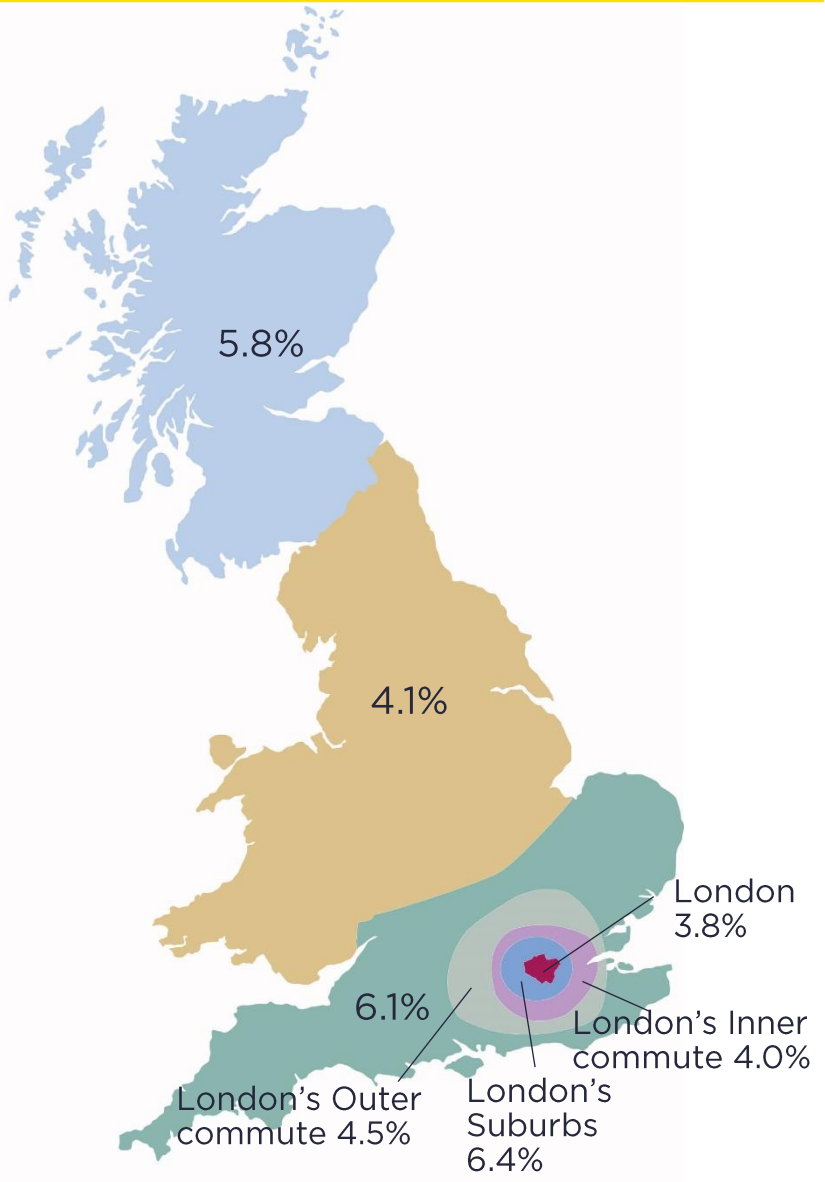




Source: Nationwide

The impact on prime house prices





Source: Savills prime regional index, Q3 2022

Prime properties in urban locations now outperforming

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Village and rural areas

+5.9%

(Sep 2022 v Sep 2021)

+0.1% since June 2022

City and town areas

+5.8%

(Sep 2022 v Sep 2021)

+0.7% since June 2022

Source: Savills prime regional index, Q3 2022

Prime price growth led by demand for family housing

Flats
+4.6%
(Sep 2022 v Sep 2021)

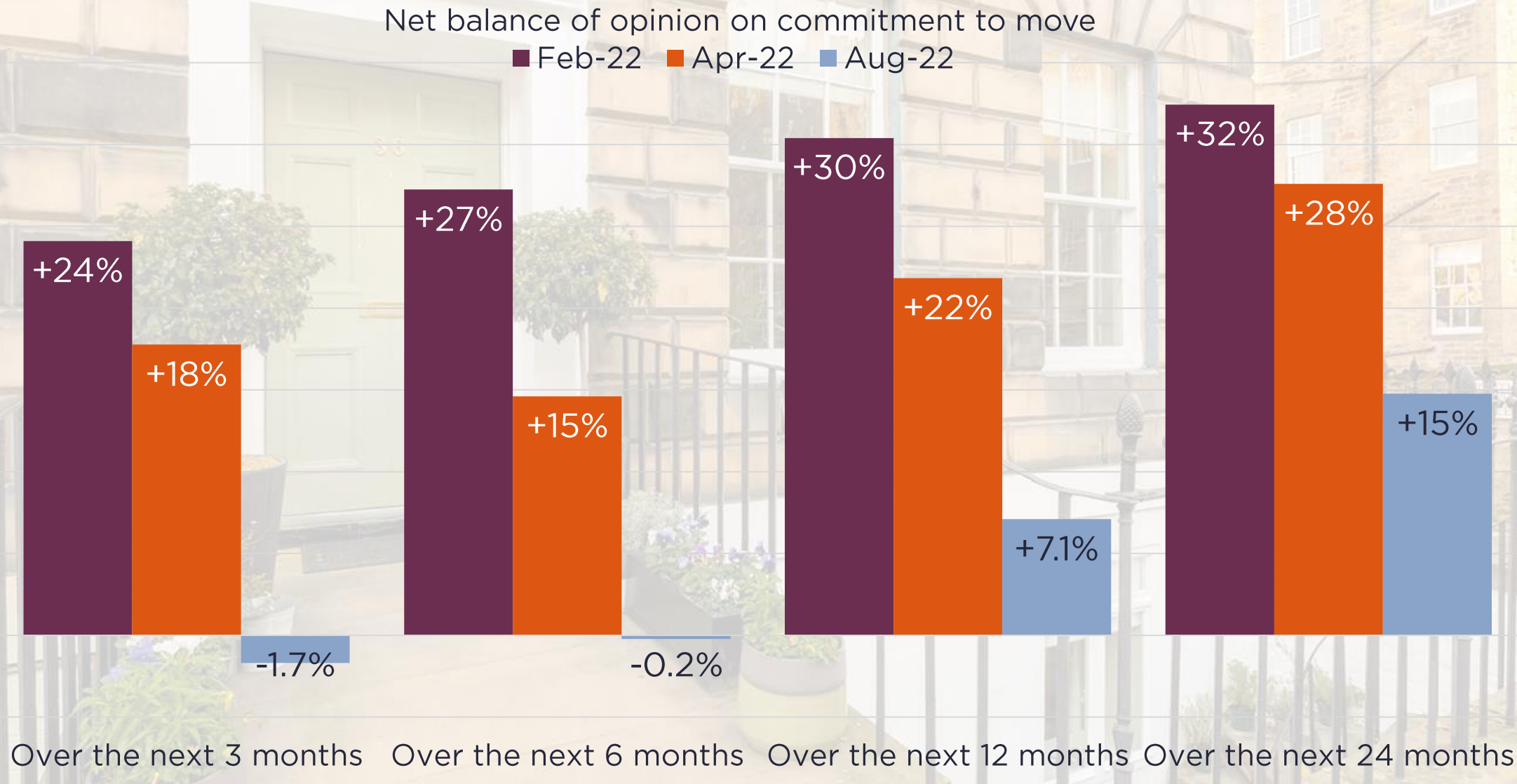
-0.1% since June 2022

Houses
+5.9%
(Sep 2022 v Sep 2021)

+0.4% since June 2022

Source: Savills prime regional index, Q3 2022

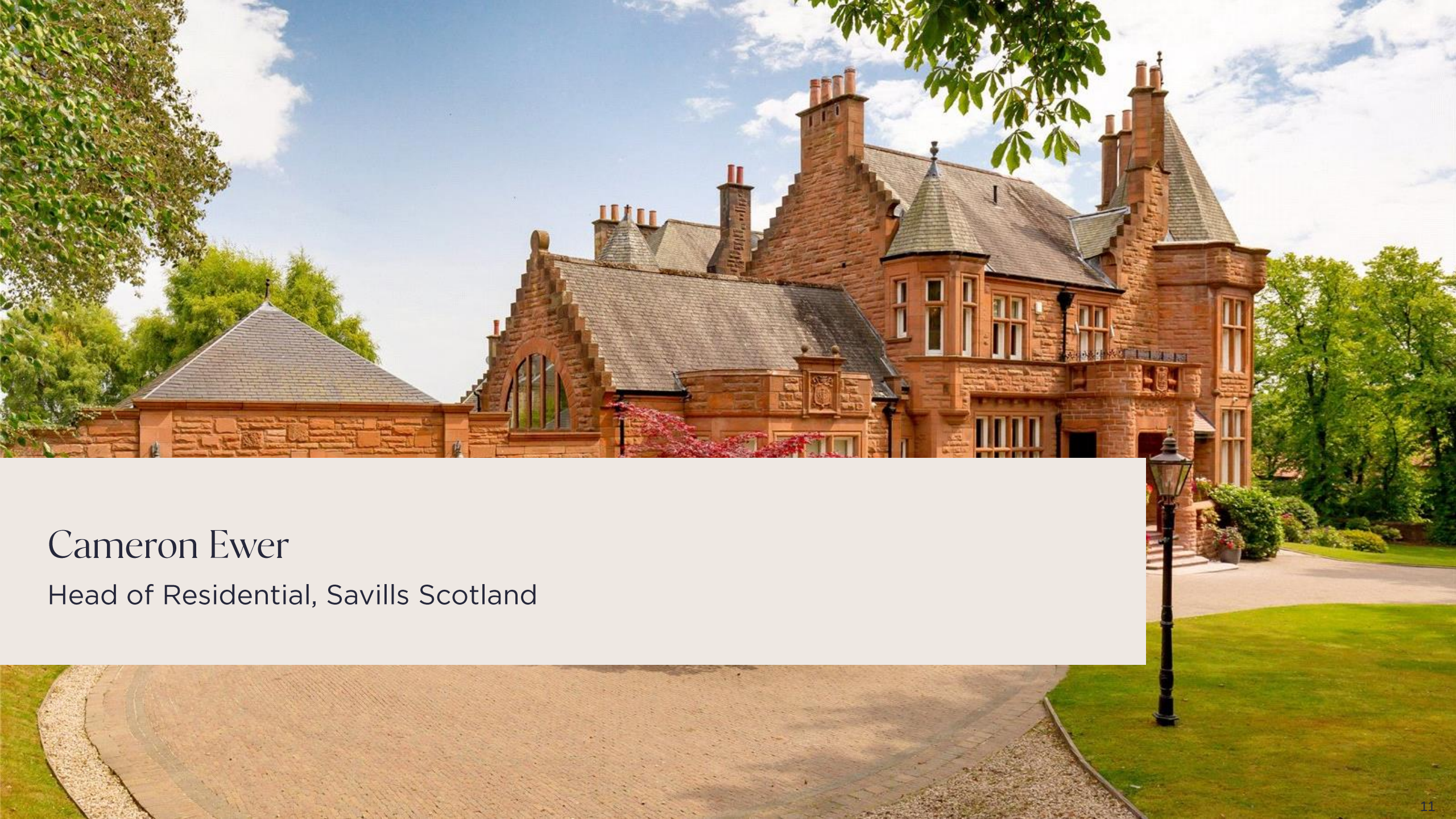
Short term commitment to move home has waned



Source: Savills Research Client and Applicant Surveys, Feb-22, Apr-22 & Aug-22

Key messages

1. Downward pressure on prices and activity across wider market
2. Affluent buyers with lower debt requirements less affected
3. Prime market not completely immune to higher costs of debt
4. Weakness of Sterling could attract international interest
5. Energy efficiency now being given increased importance
6. Demand for family homes will continue to outweigh supply



Cameron Ewer

Head of Residential, Savills Scotland

ATCHZONE
GUIDE TO ALL THE WEEKEND ACTION

ENERGY COSTS UP
INFLATION GOING UP

HE BIG
QUEEZE
THE TIMES

It's back
Your 12-page guide to the Premier League
Suede
The kings of Britpop return

itain slides into crisis
warns of long recession
Interest rate rise pushes up mortgage bills
Worst squeeze for 60 years predicted
Black Thursday
1.75%
Get used to the grim new reality
Mehreen Khan
Economics Editor

Revealed The 12 extreme weather events that would have been virtually impossible without human-driven global heating
The burning issue
Special report Pages 12-15

Bank raises rates and warns of 13% inflation
Tim Westwood
DJ investigated by Met police over sexual offence claims
- chosen by the comics
Edinburgh Fringe guide
as boys

1
FRIDAY
5 AUGUST 2022
A dream come true
Neil Gaiman's 'The Sandman' is magical TV
The big squeeze
UK recession will start this winter and last until 2024, predicts the Bank of Engla
Immediate hike in interest rates by 0.5% to 1.75% - biggest leap in 27 years - in an attempt to slow inflation, which is forecast to hit 13.3% in October, highest since 19
Expected recession will cause real cuts to household income and be the longest downturn in Britain since 2008's financial crash, when banking system faced coll
Despite concern about the effectiveness of using interest rates to cool inflation t is driven by energy prices, economists expect the Bank to go further - to at least 3
Leading economist declares 'worst day for the British economy in my lifetime'
Threat of house repossessions as mortgage

ECONOMY IN FREEFALL
Britain heads for year-long recession, interest
d inflation is set to hit 13% in October, just wh
JOHNSON
Prime Minister is off on his delayed honeymoon
ZAHAWI
Chancellor of Exchequer is on holiday with family
2007
2010
2013
2016
2019
2022
Missing in actio
WHAT IT MEANS FOR YOU: PA

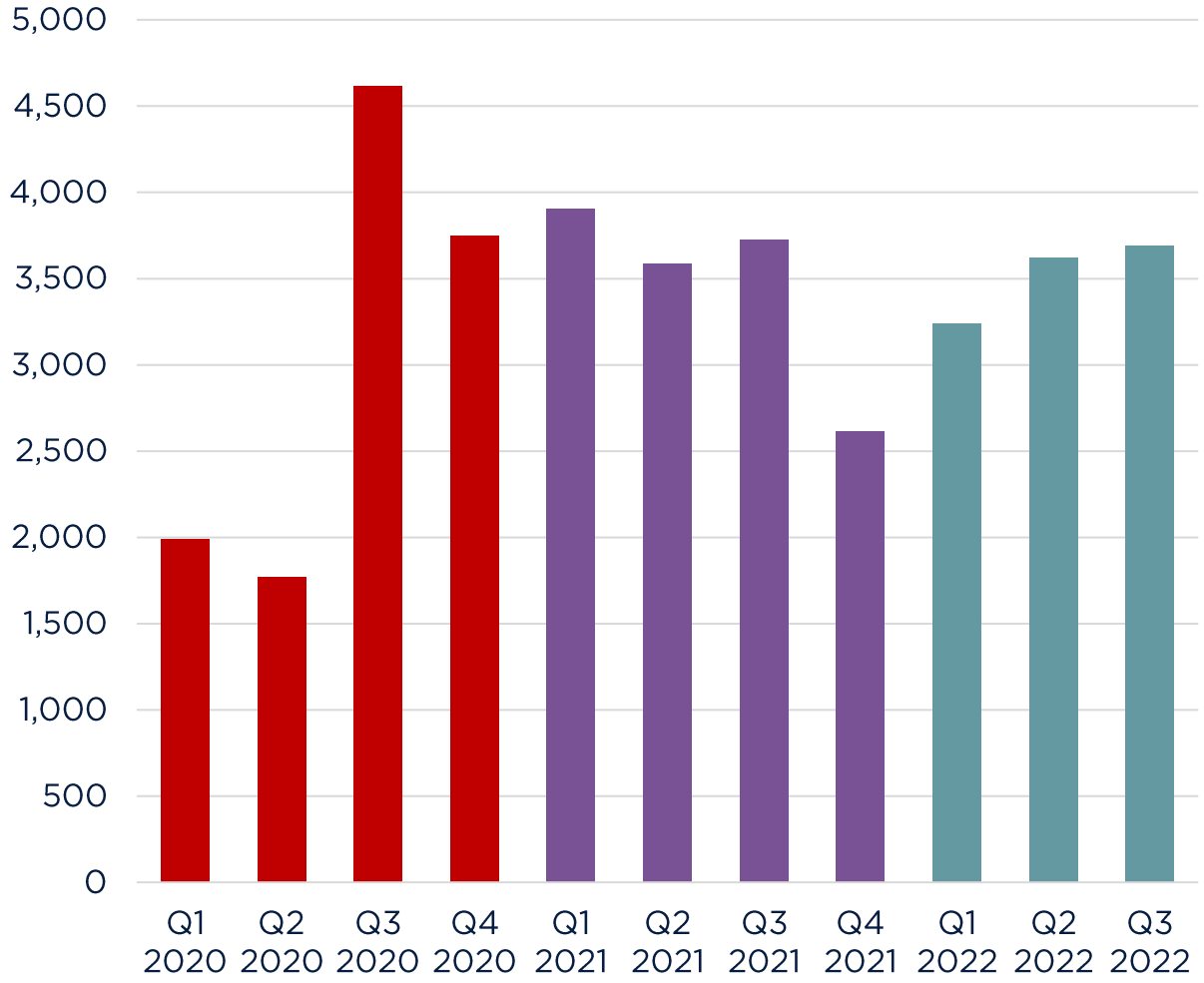
FINANCIAL TIM
NATIONAL NEWSPAPER OF THE YEAR
Local heroes
The future of retail will be closer to home
Called out
Apple accused of putting reputation ahead of staff welfare
BoE warns of long recession as

The Guardian

The market at a glance

- Demand increasing every quarter demonstrates confidence amongst buyers
- New Applicants per available property holding at 6.7 in Scotland, 10.1 in Glasgow.
- The market has been driven almost entirely by lifestyle buyers as we adapt to hybrid working and including wellbeing in the decision-making process
- We have been experiencing availability issues rather than supply issues, but this has facilitated good growth. NB: The balance is turning.

Number of people registering with Savills to buy a Scottish property



Source: Savills Residential Sales, 2020 - 2022

13 Kingsborough Gardens: Demand cycle

SOLD: Glasgow, Offer Over £1.65 million

- No work required
- Private market initially
- Short open market campaign
- Record price for the street
- Private sales that followed the exposure

Our year in sales

Mossgiel Road

Auchterarder

Elie

Kippen

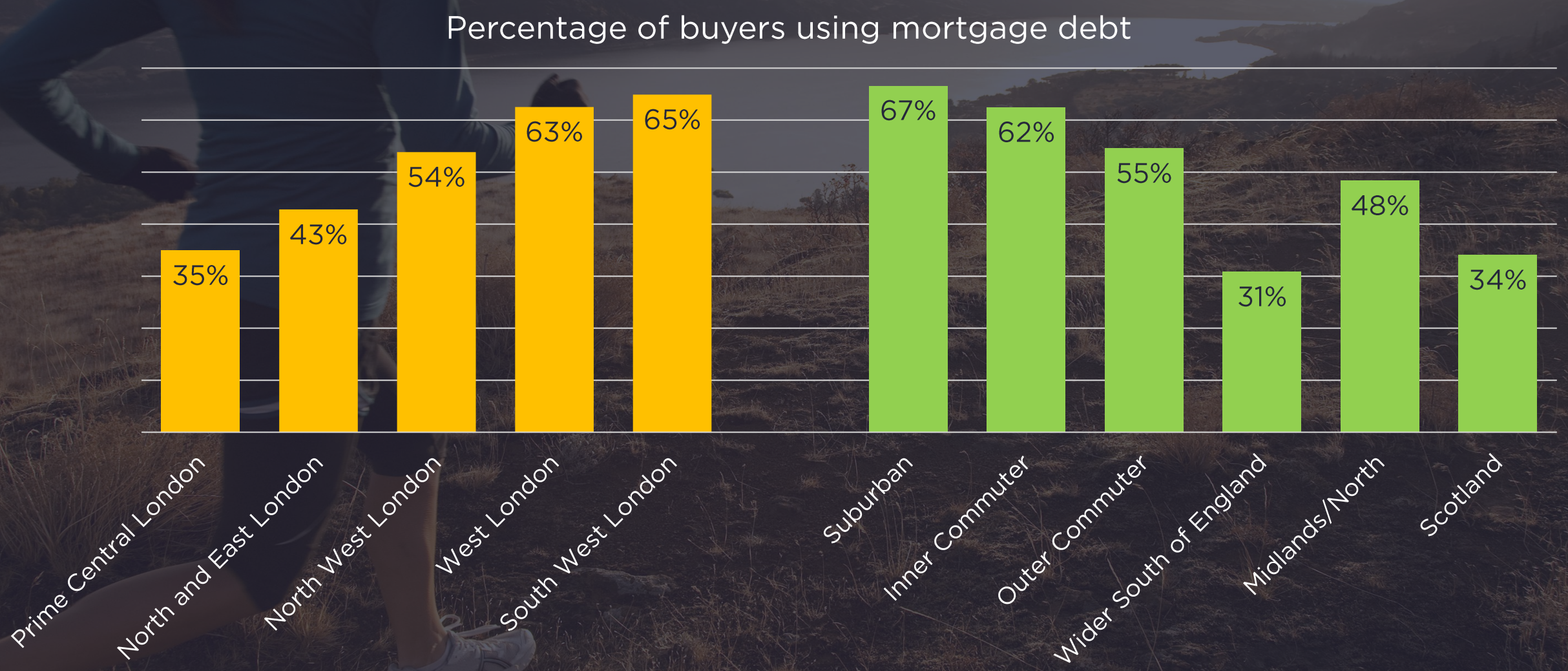
Rural Perthshire

Angus

Duncraig Castle:
Prime property premiums

UNDER OFFER: Plockton, Offers Over £2.85 million

The prime market is not immune to higher costs of debt



Source: Savills Dealbook, 2020 - 2022

Spotlight on St. Andrews: The field of dreams

- St Andrews has cemented its position as the top residential location in Scotland
- Hamilton Grand is £2,250 / ft^2
- 2 bed flats in town centre now achieving £600k
- £1,000 / ft^2 in town centre is now normal. Was half that in 2018
- Even the peripheral houses now securing £1m+

SOLD: Hamilton Grand, Offers Over £4.1 million

Castelton House: Old Aberdeen

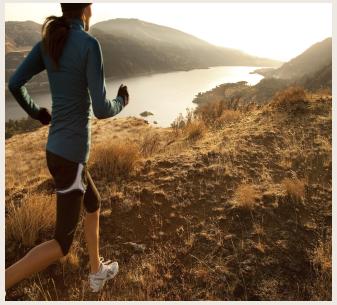
SOLD: Offers Over £975,000

- Recovering Market
- Good availability at top end
- Premiums being paid
- Strong lettings upturn
- Possible increases in recruitment

New Steiner : Bank of Mum & Dad

Finnieston - Available

Summary of key takeaways



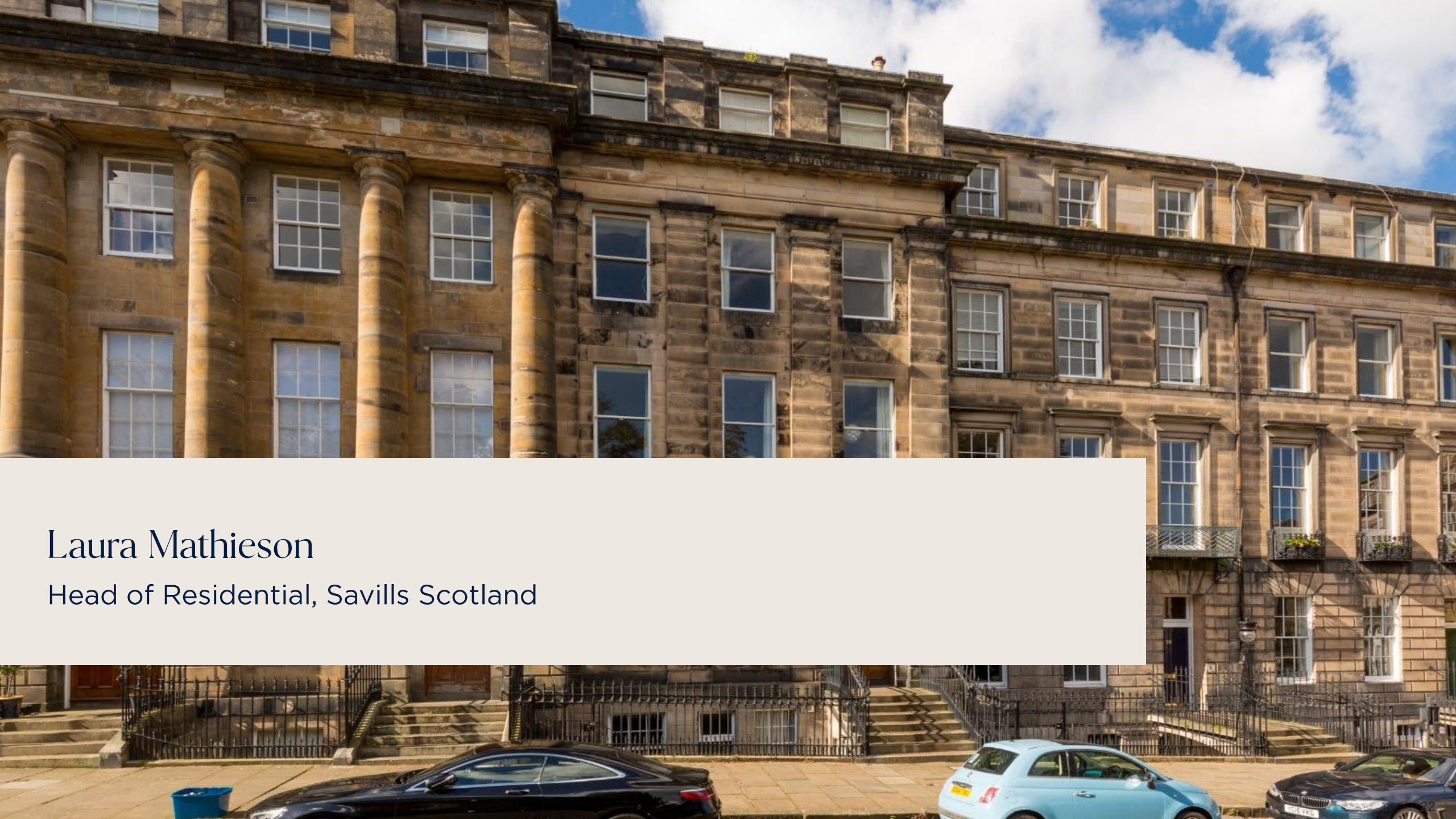
Healthy sales rates

Affordability of Scotland highlighted

Demand holding firm

Vendors must find the balancing point

Think long term!

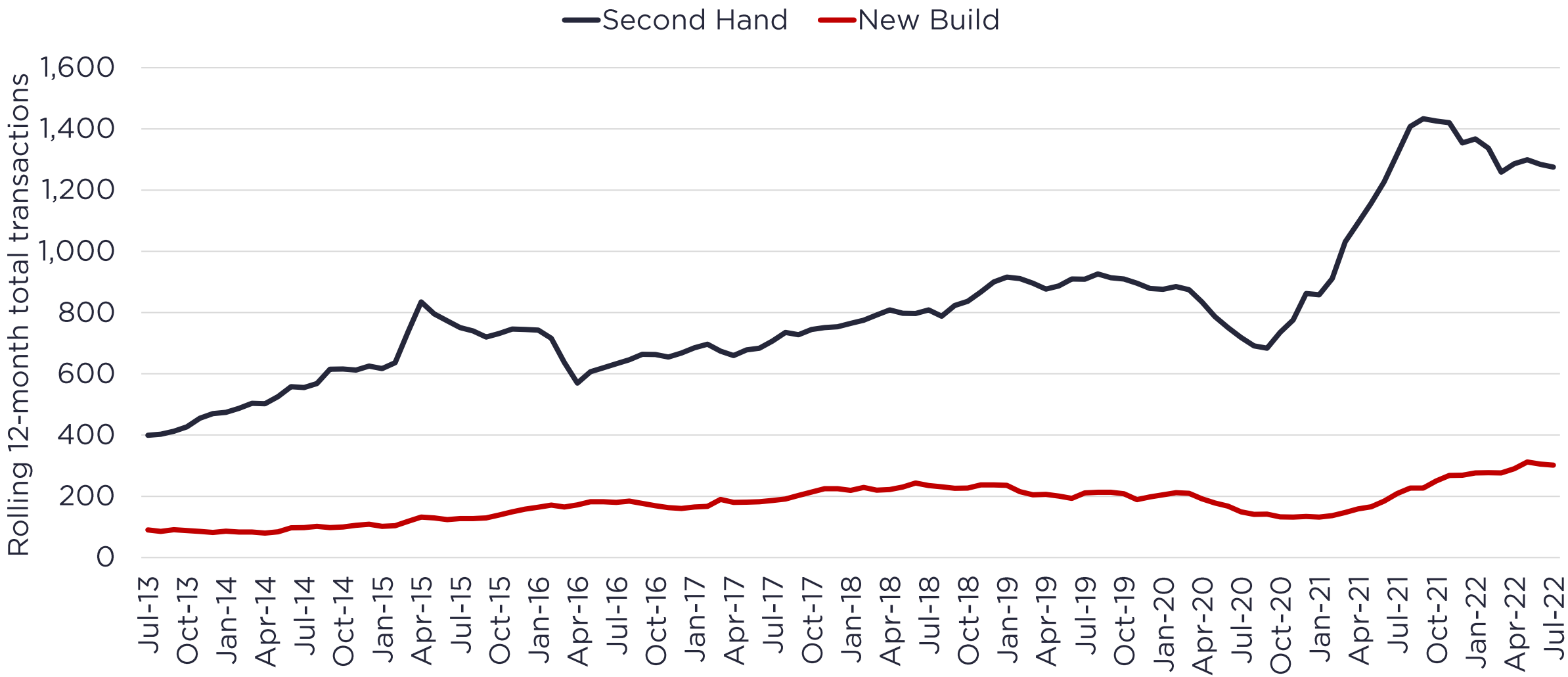


Laura Mathieson

Head of Residential, Savills Scotland

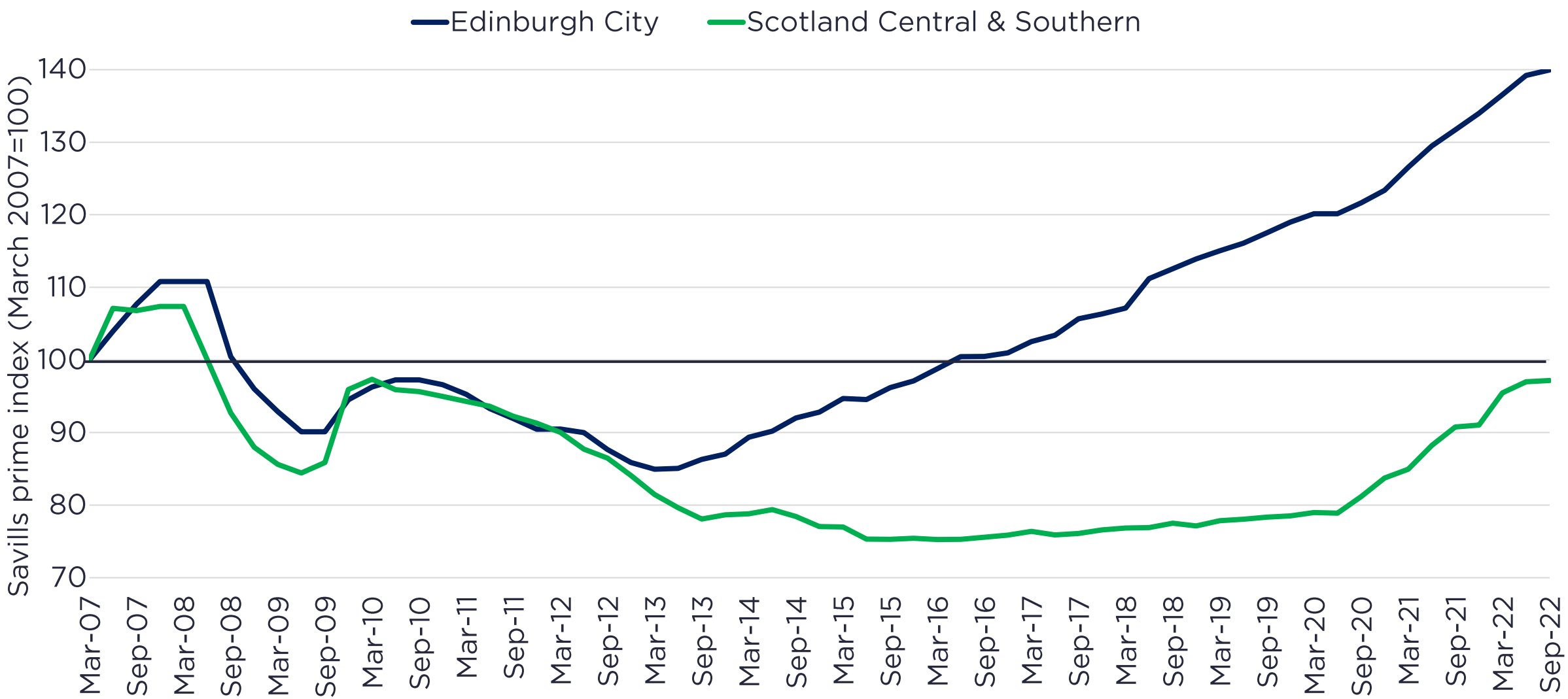
Our year in sales

Edinburgh registered transactions: £500,000 and above



Source: Savills Research using MyHousePrice.com

Prime price growth



Source: Savills prime regional index, Q3 2022

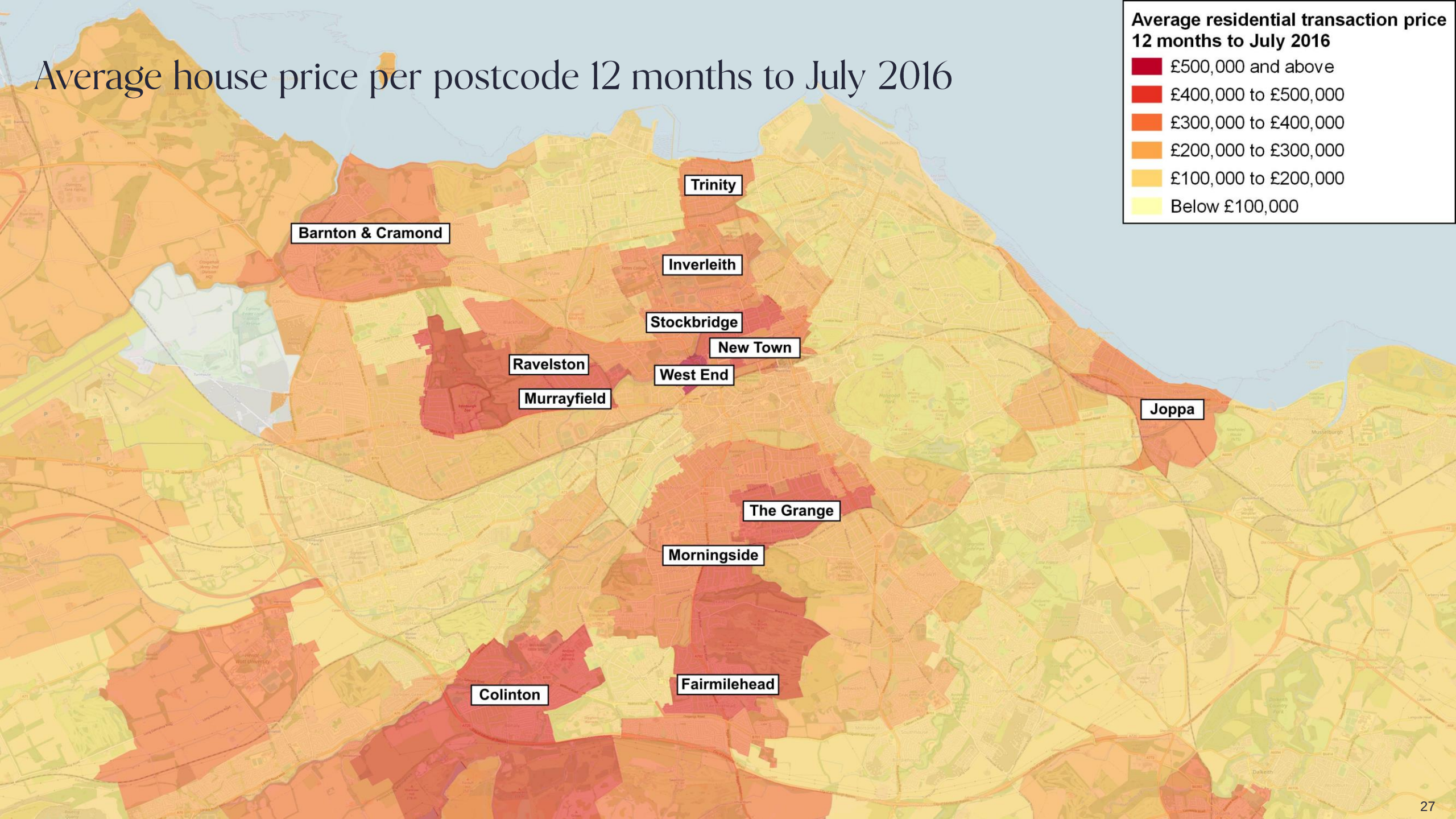
Price per square foot

Edinburgh City
£492 psf

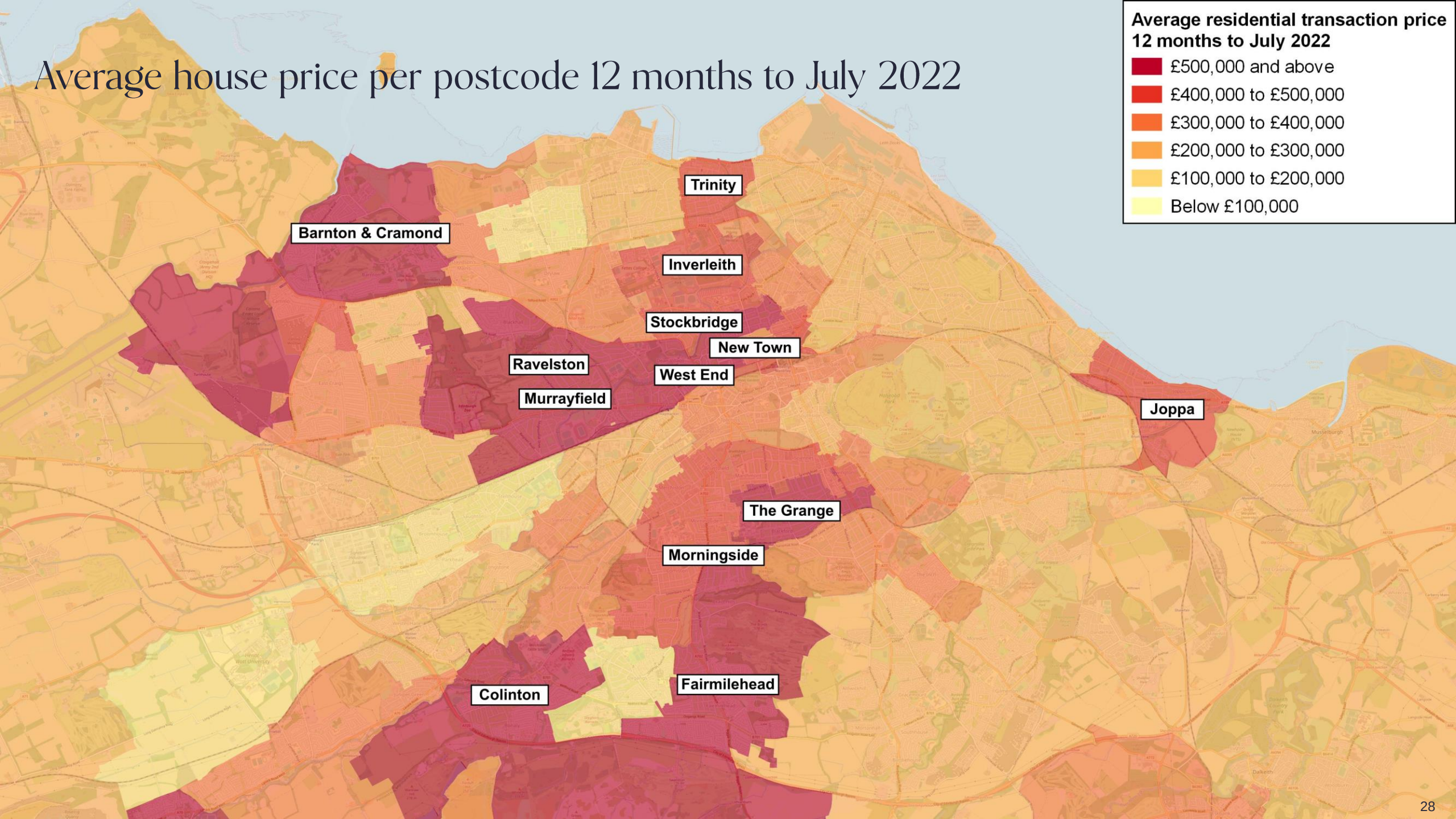
Glasgow City
£362 psf

Source: Savills prime regional index, Q3 2022

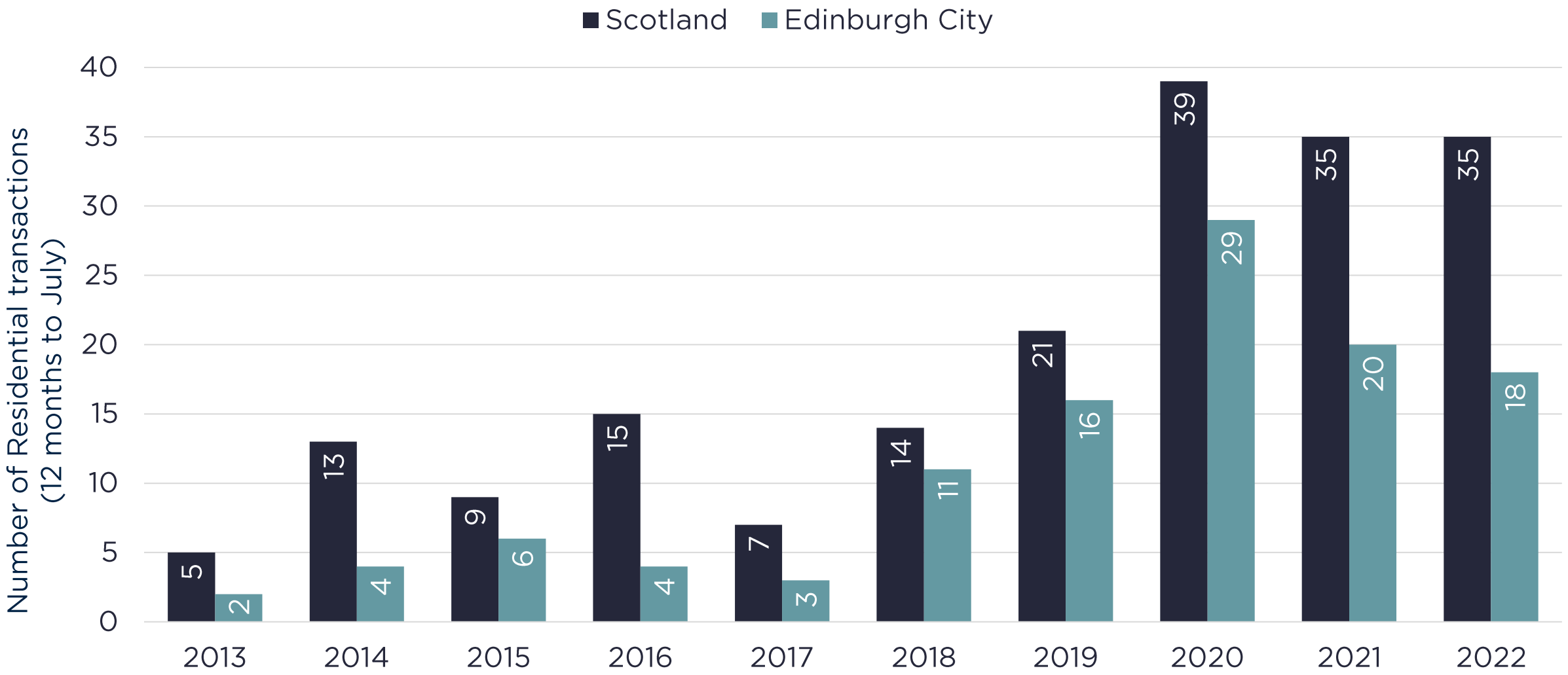
Average house price per postcode 12 months to July 2016



Average house price per postcode 12 months to July 2022

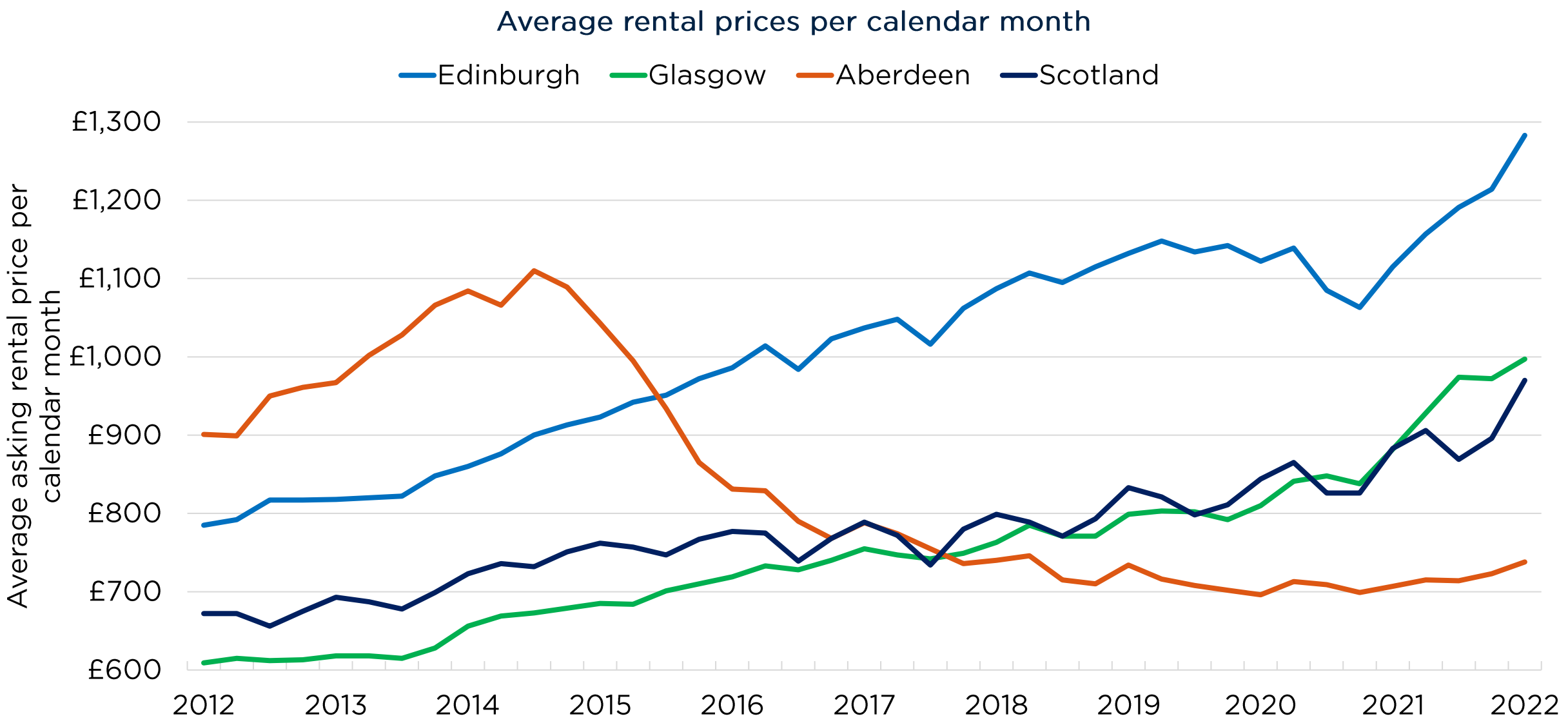


Sales activity feeding registered transactions: £2m and above



Source: Savills Research using MyHousePrice.com

Rental dynamics



Source: Citylets

Thank you

From the team here at Savills

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