

House prices set to overtake rest of UK in next five years



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House price growth in Scotland is poised to outstrip the rest of Britain over the next five years, a report says.

Buyers in Edinburgh and Glasgow who pay over the odds for homes in a competitive market are a big driver behind the rising costs.

By 2024 the average Scottish home will cost 20 per cent more than it does at present, data from the estate agent Savills suggests.

The average price will reach £180,000, a jump of 19.9 per cent compared with a rise of 18.1 per cent in Wales and 17 per cent in England.

Faisal Choudhry, Savills' director of research in Scotland, said the future of the market was not "a uniform picture".

"The main growth is going to happen in 2021 when we expect a 6 per cent rise," he said. "Next year there will still be a degree of uncertainty relating to Brexit. Then there will be a bounceback when we have more clarity about the political climate.

"When there is more certainty and the economy picks up we are predicting a rise in interest rates, which will impact on house price growth from 2022."

He said that over the past five years Edinburgh and Glasgow had led the Scottish market, with values up by 28 per cent in Edinburgh and 14.5 per cent in Glasgow. In contrast, there was very little growth in country locations.

Edinburgh was the UK city with the fastest-growing house prices last year, according to second report by Savills.

Claire Flynn, from the estate agent ESPC, said that while Edinburgh's rise had been dramatic, growth had been slower over the past quarter compared with the previous year.

"This could suggest demand is levelling out," she said.

The latest figures from the UK House Price Index indicate that the average price in Scotland reached £155,029 in September, up 2.4 per cent on last year.

Data from Registers of Scotland showed that Aberdeen had the greatest drop — 7.6 per cent to £148,021.

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