

Scottish House Prices Surge by £7,000, Outpacing UK Average

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Scotland's housing market is defying the broader UK trend, with average house prices climbing by £6,868 over the past year, reaching £191,435. This 3.7% increase, reported by estate agents DJ Alexander, starkly contrasts with the more modest £4,215 rise seen in England and Wales. While the UK economy labours under high interest rates and sluggish growth, Scotland's property market has shown remarkable resilience, with certain regions experiencing significant gains.

Stirling led the charge with an eye-catching £24,666 average increase, followed by Edinburgh (£12,862), West Dunbartonshire (£12,507), Clackmannanshire (£10,454), and Argyll and Bute (£9,557). David Alexander, Chief Executive of DJ Alexander, commented in a recent interview: “The Scottish housing market has remained remarkably resilient over the last few years. Despite high interest rates and economic concerns, almost every part of Scotland recorded an increase in average prices, with four areas seeing rises exceeding £10,000 in the past 12 months.”

However, not all areas have shared in the prosperity. Aberdeen, once buoyed by its oil industry, saw a decline of £1,124 in average house prices between June 2023 and May 2024. Dumfries and Galloway also experienced a dip, highlighting regional disparities within Scotland’s market.

The strength of urban hubs like Edinburgh and Glasgow, along with their surrounding areas, has driven much of the growth. Alexander noted: “Edinburgh and Glasgow remain popular, with high demand fuelling rising prices. These figures indicate a housing market that remains robust and buoyant, particularly in comparison to our neighbours south of the Border.” He added that anticipated interest rate cuts, sustained employment levels, and falling utility costs could further bolster price increases in the coming year.

Adding to the optimism, Savills has forecast that Scottish house prices will rise by 25.8% by 2028, nearly double the 14.2% growth expected in London. This would add approximately £47,000 to the value of a typical Scottish home. Lucian Cook, head of residential research at Savills, stated in a recent interview: “The outlook for 2024 has improved since our last forecasts as mortgage costs have nudged down slightly and are much less volatile. The outlook for economic growth has also slightly improved, pointing to modest house price growth this year, with greater potential over the next few years.”

One factor contributing to local price spikes is the new UK Labour Government’s policies, particularly their planned tax changes targeting private schools. Areas with top-performing state schools, such as East Renfrewshire—home to four of Scotland’s top ten schools—have seen property prices soar, with the average home now costing £339,059. Kay Blair, director of South Glasgow sales for estate agent Rettie, observed: “The sale of larger family homes in these areas is driven by the school catchment area. It’s pretty mental at the moment.”

While the Labour Government’s policies may be influencing demand in specific regions, Scotland’s broader housing market continues to demonstrate strength and stability, setting

it apart from the rest of the UK. As economic conditions evolve, all eyes will be on whether this upward trajectory can be sustained.