

Time-to-Sale Falls for the First Time in Twelve Months

Analysis of the latest GSPC House Sales Data

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Strathclyde and Glasgow

The strength of the market in the West of Scotland is demonstrated by the fact that the time taken to sell a property has fallen this quarter for the first time since quarter two of 2004 (Figure 1), a sign that demand may be outstripping supply and that we should expect further house price rises in the next quarter.

Analysis of the latest GSPC figures suggest that house prices in Strathclyde rose 9.1% between the second quarter of 2004 and the second quarter of 2005. This is down on the previous year's rate of increase, but still well above the rate of general inflation. Since quarter 1 of 2005, prices have risen by 3.9%.

Price rises of houses in the City of Glasgow were slightly lower at 7.1%, an increase on the previous quarter of 4.7%.

Strathclyde Sub-regions

As in previous quarters, there are significant differences in the rate of increase in house prices between areas within Strathclyde (Table 1). House prices rose by 19.4% in North Lanarkshire, between 2004Q1 and 2005Q1, compared with 16.8% in the North Ayrshire, 13.3% in East Dunbartonshire, 10.6% in South Lanarkshire, 10.5% in the East End, 9.4% in Paisley, 9.0% in Renfrewshire, 6.9% in East Renfrewshire, 3.6% in the West End, 1.9% on

the South Side, and near-zero growth on the North Side.

Table 1
Constant Quality Price Inflation Over the Past Year

	% Change in CQP from 2004Q2 to 2005Q2
13. N.Lan	19.4%
14. N.Ayrsh	16.8%
7. E.Dunb	13.3%
12. S.Lan	10.6%
4. East End	10.5%
9. Paisley	9.4%
11. Renf	9.0%
8. E.Renf	6.9%
3. West End	3.6%
5. S.Side	1.9%
6. N.Glasgow	0.1%

So there is great variation in price rises over the last quarter, but positive growth in all parts of the region and overall.

The Cumulative Effect

One should always be cautious about reading too much into a single quarter's results, so perhaps a more revealing picture is the cumulative house price inflation figures for the different submarkets since 1999 quarter 1 (see Figure 2 and Figure 3 below).

While constant quality prices in Strathclyde as a whole continue to rise at a steady pace (Figure 2), there seems to be a "two-speed" categorisation of sub-regional house price inflation emerging (Figure 3). East Renfrewshire, Renfrewshire, East Dunbartonshire, North Lanarkshire, North Ayrshire, South Lanarkshire and Paisley appear to be pulling away from the other regions (East Kilbride South Side, East End, North Glasgow and the West End) in terms of capital gains on residential property.



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the University of Glasgow: Urban Studies, Economics, Geography and Business & Management; and the following departments of Strathclyde University: Economics / the Fraser of Allander Institute, and Government and the European Policies Research Centre) and (3) the Scottish Centre for Research on Social Justice (in collaboration with the Universities of Bristol and Aberdeen respectively).

The analysis is funded by GSPC (Glasgow Solicitors Property Centre) and is based on the GSPC database of property transactions. GSPC has over 200 member firms of solicitors that sell over 8,500 homes a year worth over £775 million. GSPC covers all of West Central Scotland from South Ayrshire and South Lanarkshire to North Lanarkshire and Argyll & Bute. The analysis is based on a total sample of 37,122 GSPC sales since 1999.

Figure 1

Time Taken to Sell a House

(Average Number of Days on the market, West of Scotland, with Polynomial Trend Line)

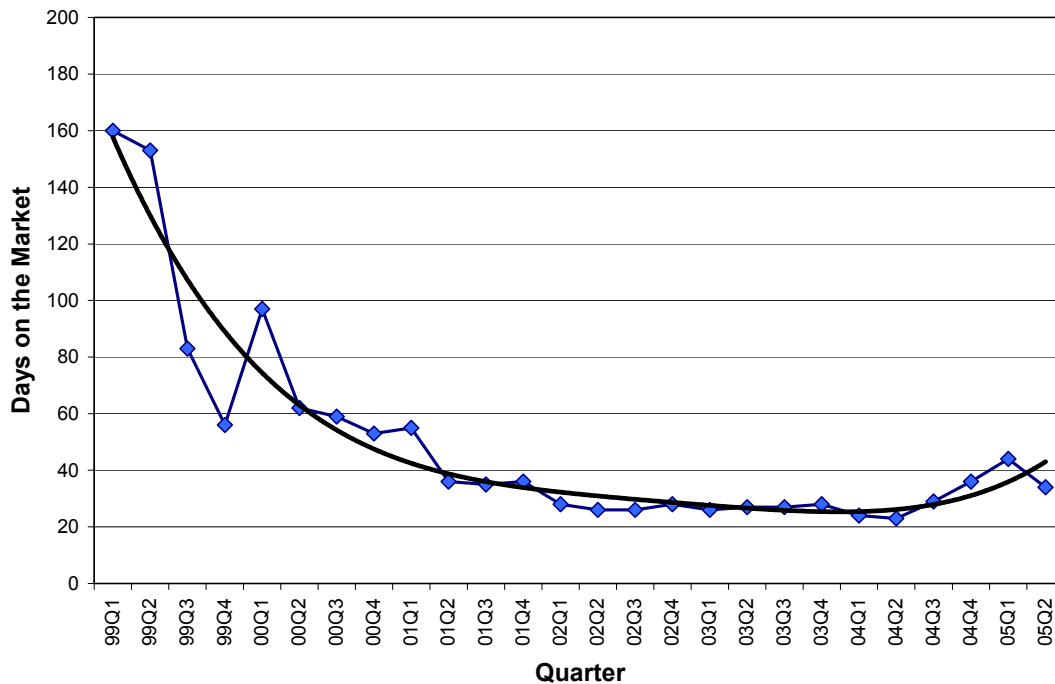


Figure 2
Constant Quality House Price Index for Strathclyde

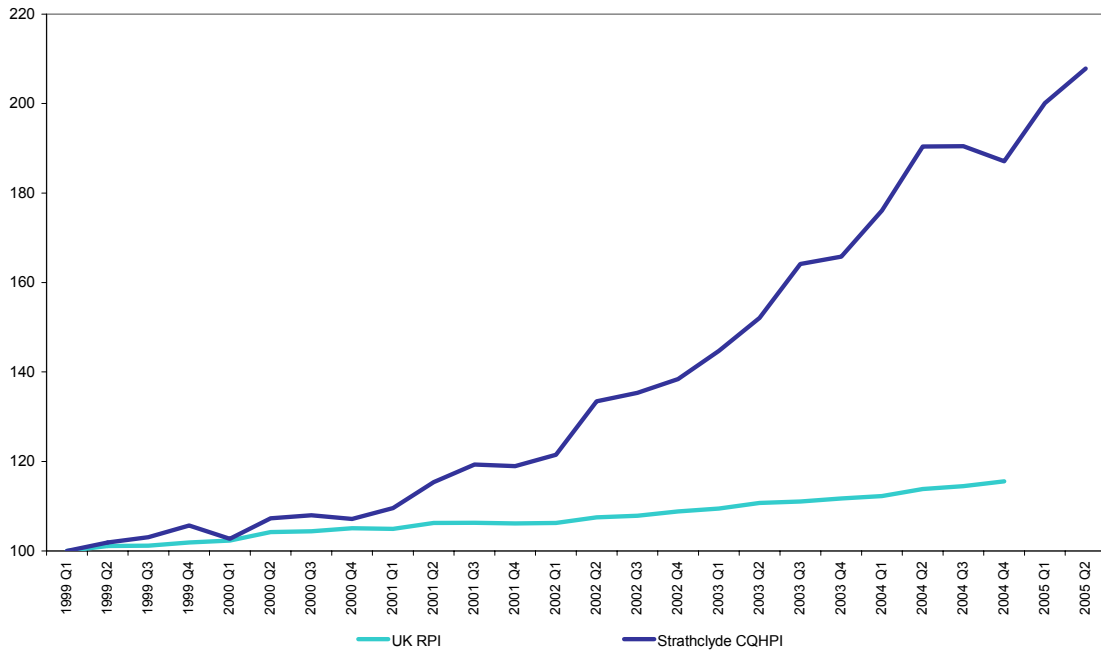


Figure 3
Cumulative % House Price Increase Since 1999q1
 (as at 2005q2)

