In this review Bank of Scotland looks at the major housing “hotspots” around Scotland that attract young professionals. The definition of young professionals is based on analysis carried out by CACI in their ACORN (A Classification of Residential Neighbourhoods) database. ACORN is a geodemographic segmentation of the UK’s population. It segments small neighbourhoods, postcodes or consumer households into 11 demographic groups and 46 Types. This review is based on 'young urbanite professionals'. Young is defined as those in the age group 25 to 44. The Bank of Scotland housing database has been used.

YOUNG PROFESSIONALS ATTRACTED BY THE BRIGHT LIGHTS OF CITY LIVING

When it comes to putting down roots, living in the big city holds the biggest allure for aspiring young professionals. The latest research from Bank of Scotland reveals that the Leith and Victoria Quay area of Edinburgh is the leading property hotspot for Scotland’s career minded young adults.

The top ten areas that attract the most young urbanite professionals in Scotland are spread evenly across the three leading cities; Edinburgh (four separate postal areas), Glasgow and Aberdeen (both three). [See Table 1]

In the capital, the most popular areas for young professionals are in the north east, the west and north side of the city, as well as Leith. In Glasgow, the leading areas are Pollokshields and Shawlands (in the G41 postal area), south of the city, West End and Hillhead. Aberdeen’s most popular areas for young professionals are the city centre, city centre north and Mannofield.

Outside the top ten, other areas attracting young professionals are Paisley and Hamilton.

Most of these areas don’t come with high prices...

Properties in the areas popular with young professionals do not typically come with a hefty price tag. EH6 in Edinburgh, for example, has an average price that is almost 30% lower compared with Edinburgh as a whole – £144,790 against £203,931. In the south side of Glasgow (G42) the average house price is 16% lower than for the city as a whole; and in Aberdeen city centre they are a fifth lower.

There are, however, exceptions: to live in Glasgow’s Hillhead area (G42) young urbanites can expect to pay a premium of 79%, and in the north-west areas of Edinburgh the average price is 56% above those compared with the city as a whole.

Nitesh Patel, Housing Economist at Bank of Scotland, said:
"The typical profile of young professionals is that they tend to have university qualifications, are in well paid occupations and like to take full advantage of living in or close to the city, either for work or leisure purposes. Our analysis certainly supports this with areas within Edinburgh, Glasgow and Aberdeen identified as the leading hotspots for young aspiring urbanites.

"Unlike in many other parts of Britain, young buyers in Scotland don’t always have to pay a significant premium for a property to live in these areas. In fact, in many of the leading hotspots young professionals can benefit from prices that are lower than those in the city as a whole."

As part of Lloyds Banking Group, Bank of Scotland is proud to be an Official Partner of the London 2012 Olympic Games and Paralympic Games.
Table 1: 10 Areas with the Most Property Sales to Young Professionals

<table>
<thead>
<tr>
<th>Postal area</th>
<th>Post Town</th>
<th>Region</th>
<th>Average House Price* - £</th>
</tr>
</thead>
<tbody>
<tr>
<td>EH6</td>
<td>Leith</td>
<td>Edinburgh</td>
<td>144,790</td>
</tr>
<tr>
<td>G41</td>
<td>Pollokshields, Shawlands</td>
<td>Glasgow</td>
<td>138,302</td>
</tr>
<tr>
<td>EH7</td>
<td>North East Edinburgh</td>
<td>Edinburgh</td>
<td>147,553</td>
</tr>
<tr>
<td>G42</td>
<td>South Glasgow</td>
<td>Glasgow</td>
<td>111,567</td>
</tr>
<tr>
<td>AB11</td>
<td>City centre</td>
<td>Aberdeen</td>
<td>142,721</td>
</tr>
<tr>
<td>EH11</td>
<td>West Edinburgh</td>
<td>Edinburgh</td>
<td>137,677</td>
</tr>
<tr>
<td>G12</td>
<td>Hillhead/North Glasgow</td>
<td>Glasgow</td>
<td>237,745</td>
</tr>
<tr>
<td>EH3</td>
<td>North-West Edinburgh</td>
<td>Edinburgh</td>
<td>318,650</td>
</tr>
<tr>
<td>AB10</td>
<td>Mannofield</td>
<td>Aberdeen</td>
<td>136,162</td>
</tr>
<tr>
<td>AB25</td>
<td>City Centre North</td>
<td>Aberdeen</td>
<td>130,841</td>
</tr>
</tbody>
</table>

Source: Bank of Scotland
*12 months to February 2012

NOTES TO EDITORS:

1 All prices are based on transactions in the 12 months to February 2012 recorded on the Bank of Scotland housing database.

2 average price is based on property transactions taking place within specific postal districts (i.e. EH6).

Methodology:

There is an ACORN consumer classification against the postcode of each housing transaction in the Bank of Scotland housing database; for this survey we have concentrated solely on transactions involving the category group “Young Urbanites”. These are affluent young professionals and well off urban professionals in the age band 25 to 44. Young Urbanites make up 5.3% of the UK population, according to CACI estimates.

For further background on the ACORN demographic analysis please refer to http://www.caci.co.uk/acorn-classification.aspx

The most popular area is the Young Urbanite neighbourhood with the largest number of transactions. The most popular areas for Young Urbanites are determined by calculating the number of housing transactions that took place at postcode sector level (e.g. EH6 1V) in the 12 months to February 2012. For ease of analysis, all transactions are then aggregated up to postal district level (e.g. EH6). The name of the relevant post town or local area name is attributed to the relevant postal district for ease or reference in this release although the relevant postcode will be only part of that broader area or town.

The data in this report are compiled from over 1.78 million UK post codes supplied by the Royal Mail in conjunction with the Bank of Scotland housing database of housing transactions and prices.

House prices shown are arithmetic average prices relating to house transactions between March 2011 and February 2012.

“This report is prepared from information that we believe is collated with care, however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance. “

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