

The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, is positioned in the top right corner. It is set against a yellow rectangular background. The entire slide features a background image of the Edinburgh skyline at dusk, with the Temple of Antonine in the foreground and the city lights glowing in the background.

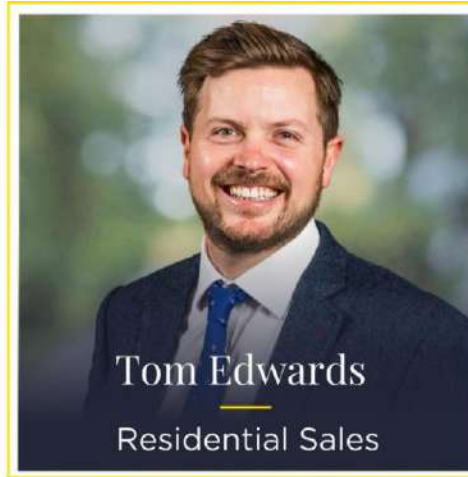
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MARCH 20 2025

Scottish Property Outlook

Edinburgh

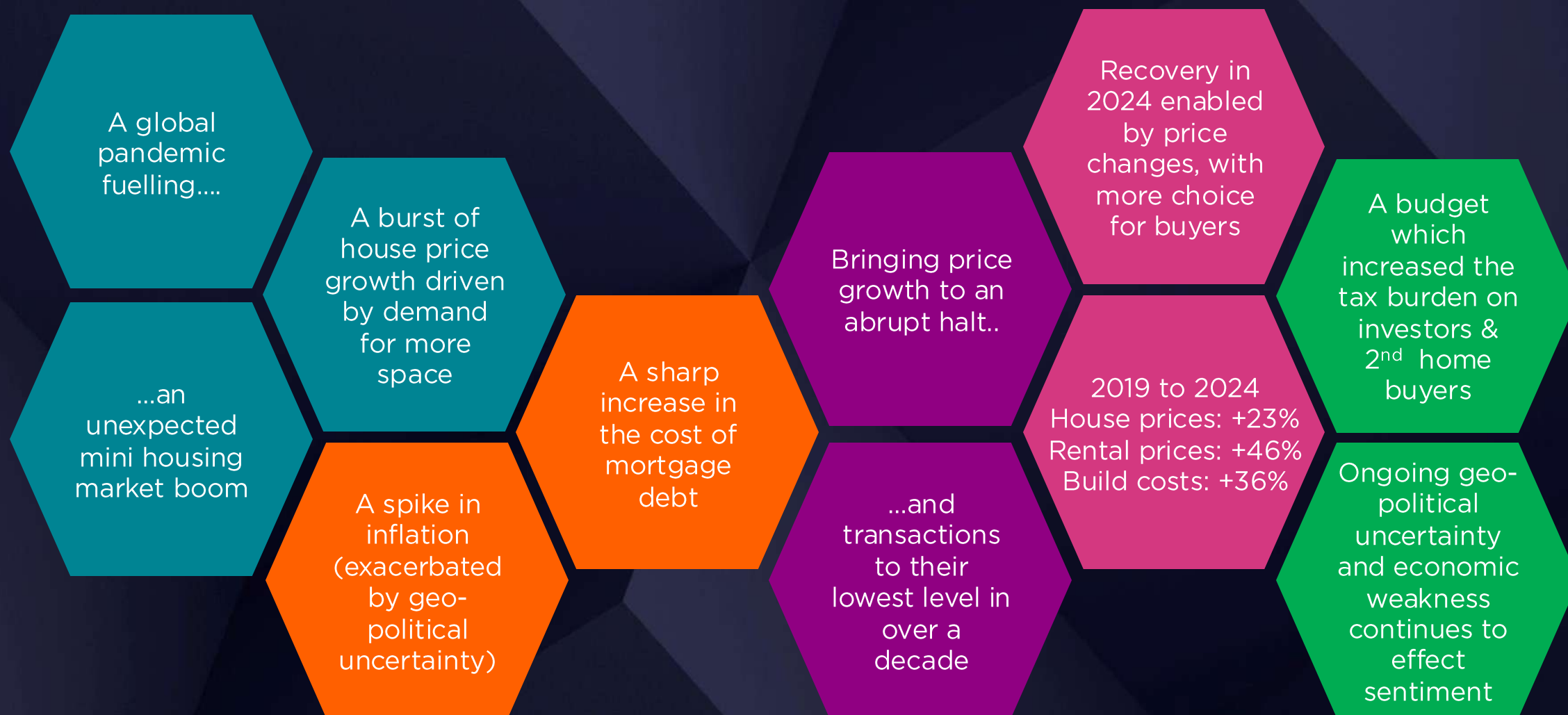
Today's speakers



FAISAL CHOUDHRY

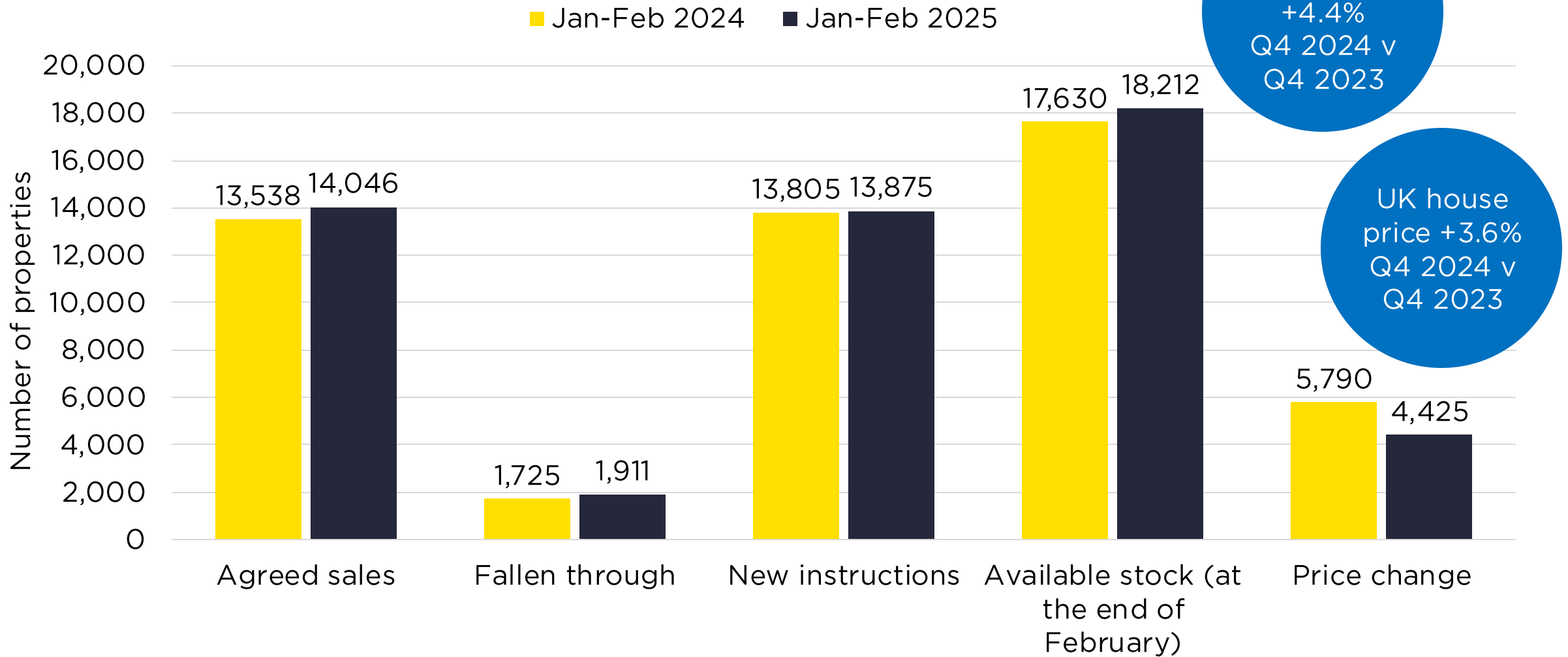
Residential Research Market Update

5 years of disruption

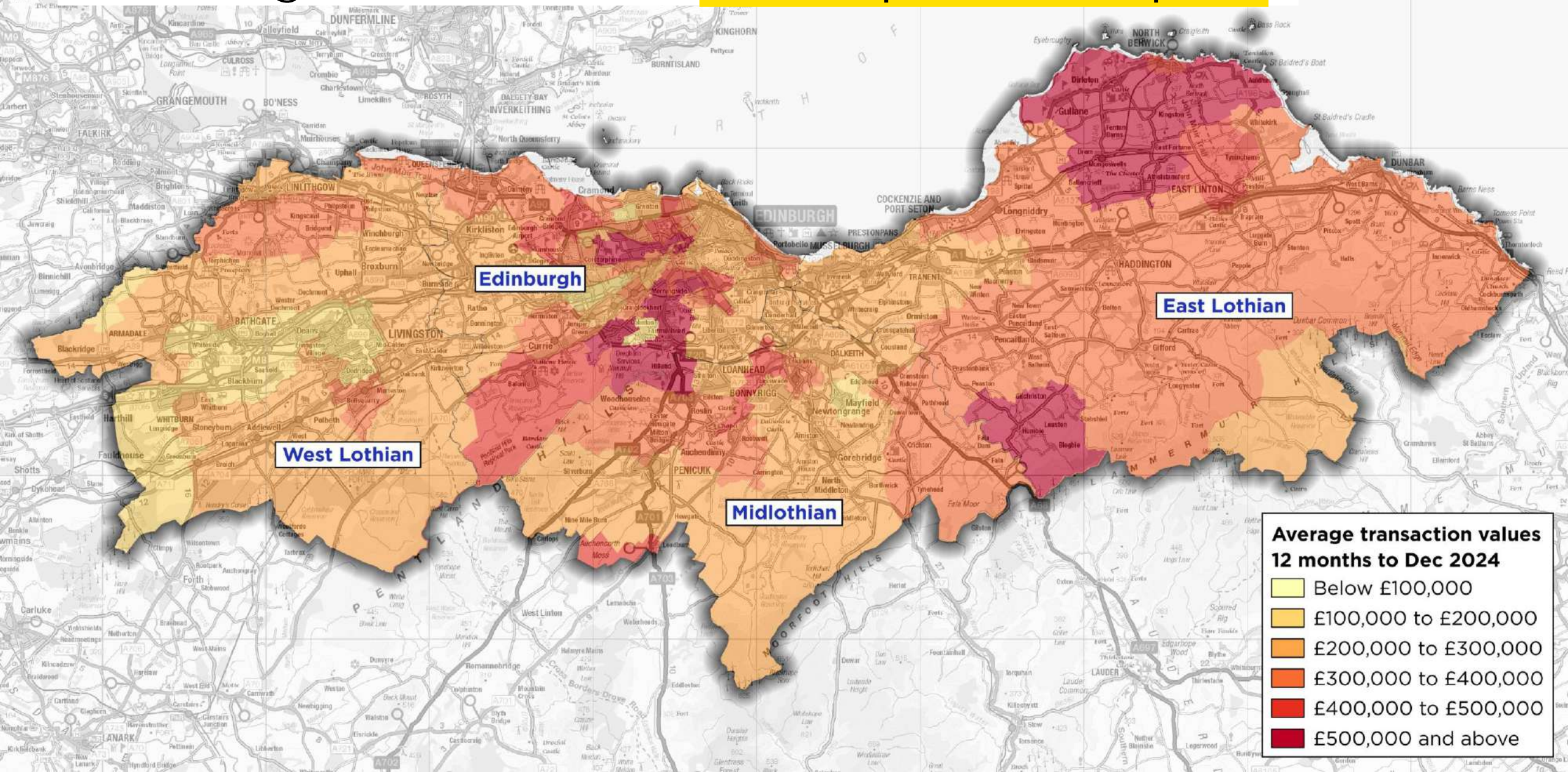


2025 Scotland market activity

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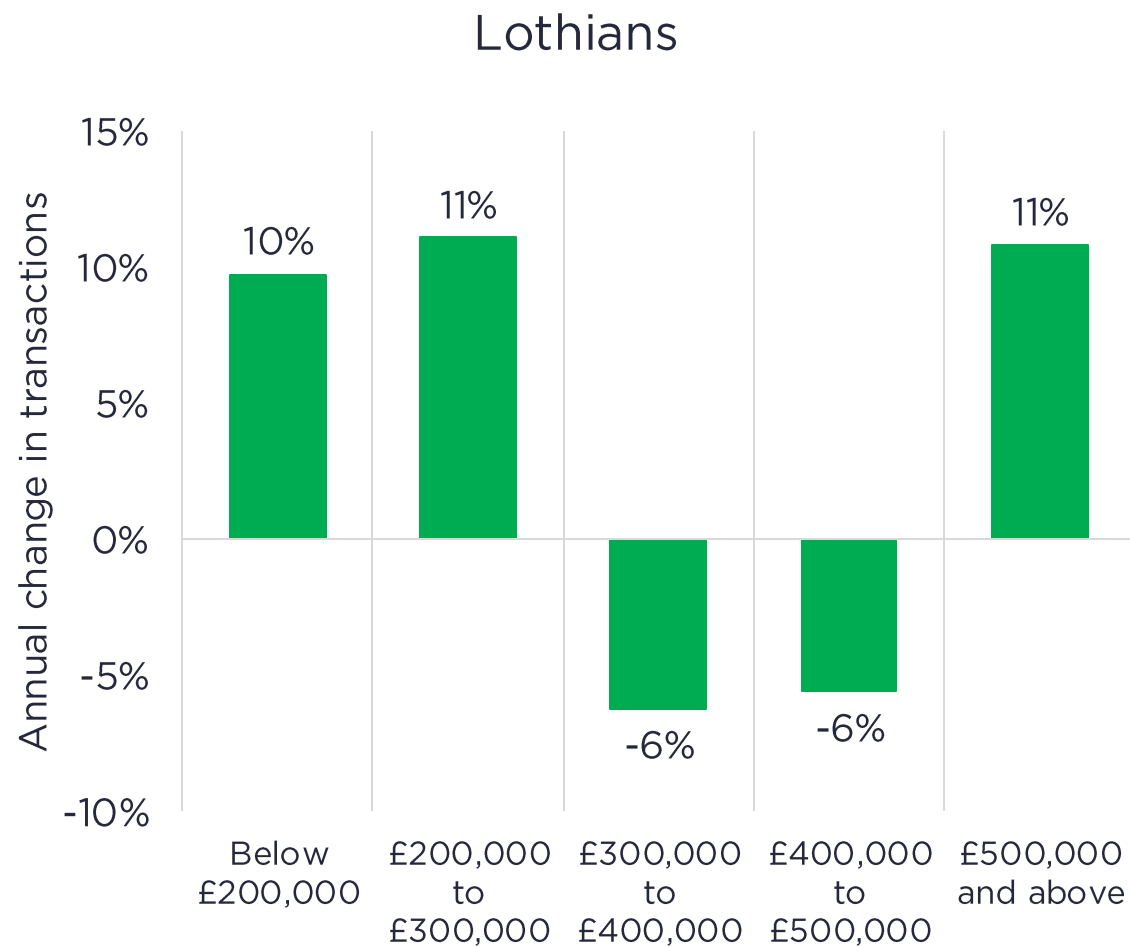
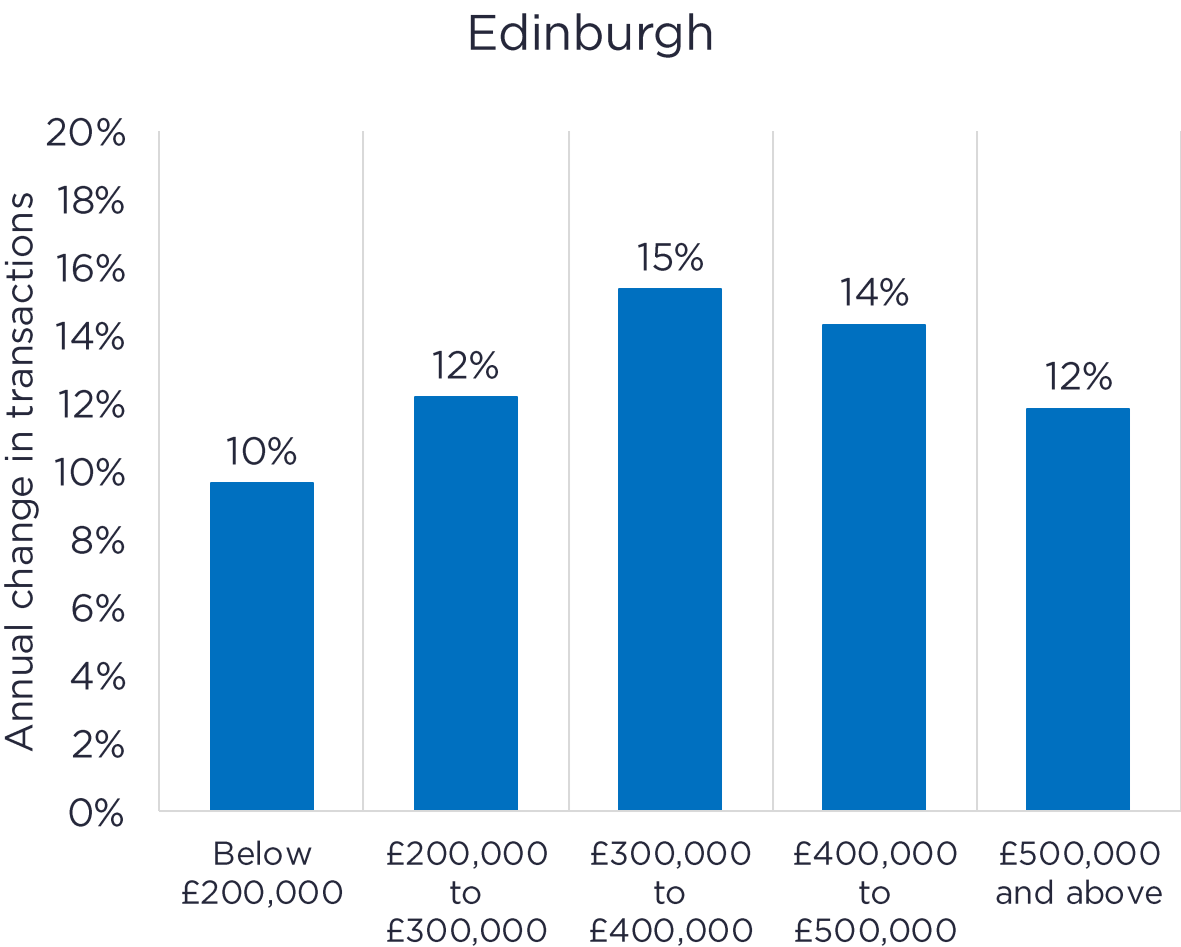
Edinburgh and Lothians house price hotspots



Edinburgh and Lothians **transactional activity**

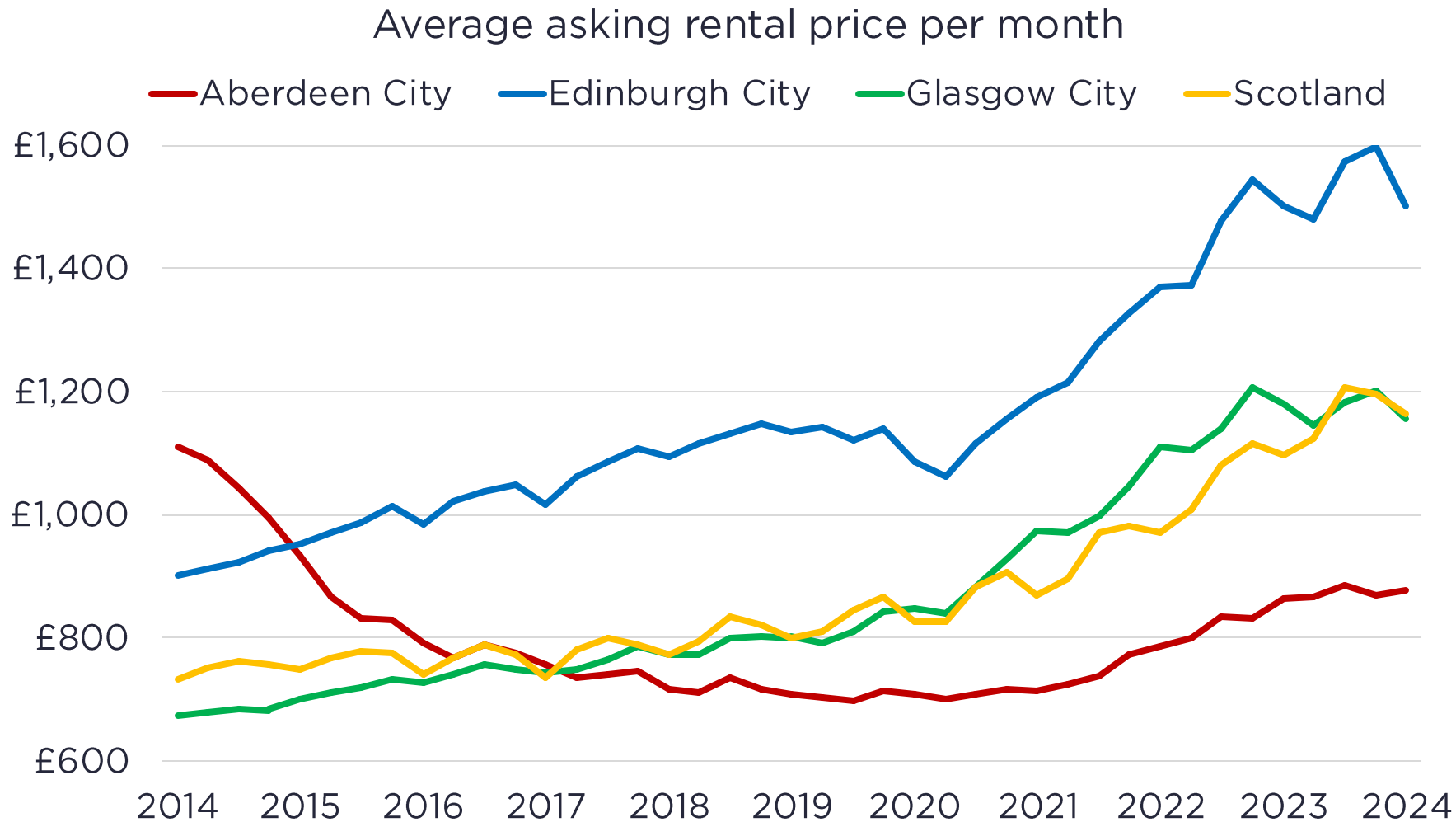


Annual change in the number of residential transactions (2024 v 2023)



Source: Savills Research using MyHousePrice.com

Rental market **entering a new phase**

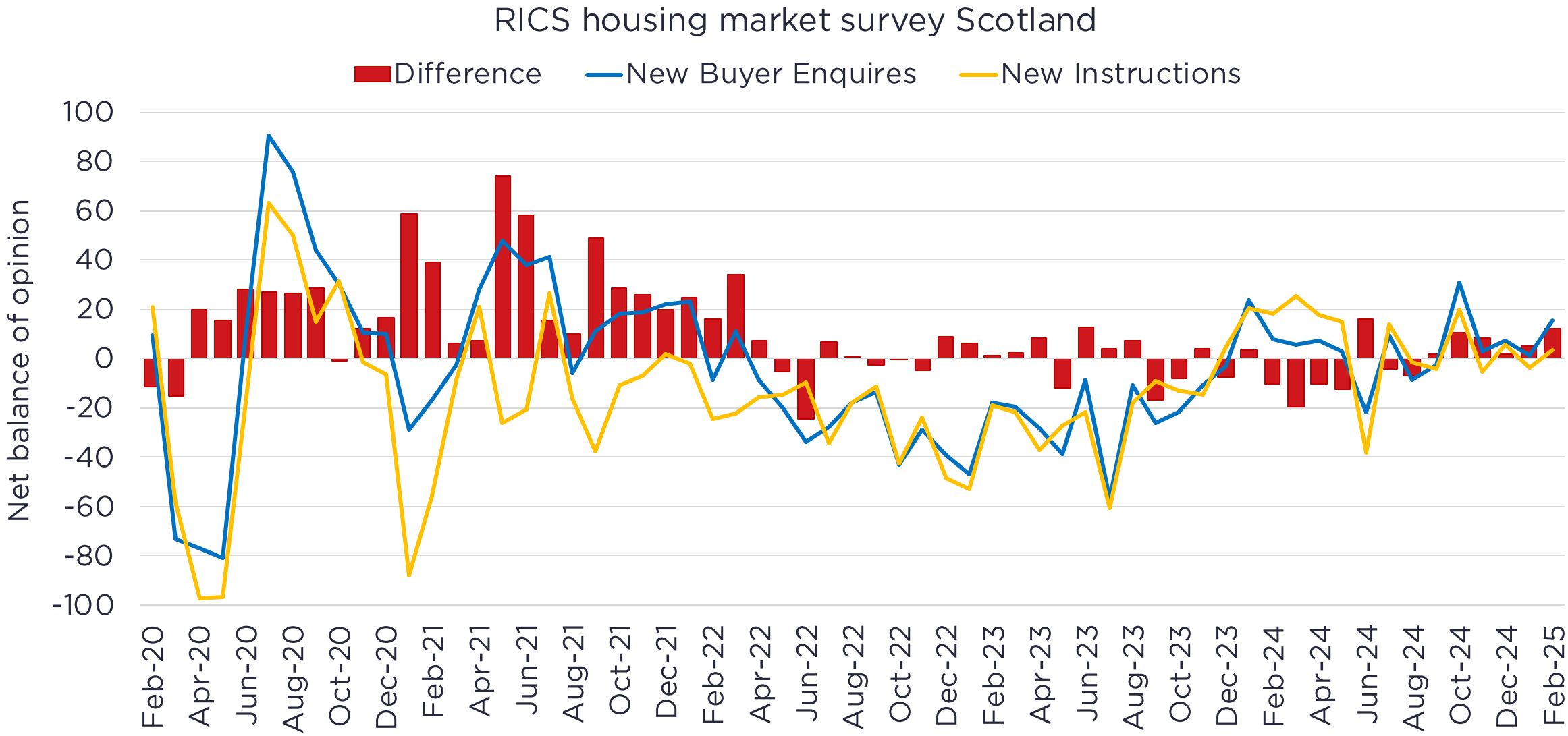


Rate of growth slowing in the main cities

Market strength spreading into surrounding areas

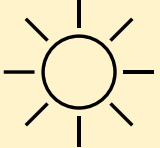
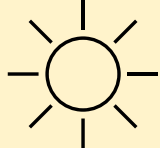
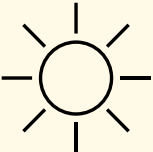
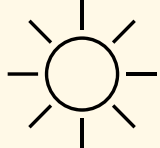
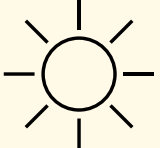
Rent cap coming to an end but rent controls could be introduced by 2027

Supply and demand **going forward**



Source: Savills Research using RICS

Our mainstream market forecasts

	2025	2026	2027	2028	2029	Total
Average UK house price	 +4.0%	 +5.5%	 +5.0%	 +4.0%	 +3.0%	+23.4%
Average Scottish house price	 +5.0%	 +6.0%	 +5.5%	 +4.0%	 +3.0%	+25.8%
Year end base rate forecast	3.8%	3.1%	2.6%	2.5%	2.5%	

Key trends **going forward**

Sales activity supported by steady lending rates

Future Base Rate cuts subject to inflation and economy

Impact of Trump tariffs and ongoing political uncertainty

Appropriate pricing essential to enable sales activity

Prime market continues to grapple with increased taxation

Scotland will continue to outperform due to value gap

The background of the slide is a photograph of a grand, multi-story stone building in Edinburgh, featuring large columns and arched windows with white shutters. A black wrought-iron fence is visible in the foreground. The slide is framed by a yellow border with a geometric pattern.

TOM EDWARDS

Edinburgh Residential Market

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FOR SALE

0131 247 3770

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Sales in 2024

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India Street, New Town

Ground and garden apartment with garage to the rear

Offers over £1,050,000

Achieved sale price **9% above** home report value



Lennel Avenue, Murrayfield

Semi-detached, 5-bedroom home

Offers over £1,200,00

Achieved sale price **8% above** home report value



Newbattle Terrace, Morningside

Detached cottage with impressive gardens and grounds

Offers over £850,000

Achieved sale price **33% above** home report value

72 viewings



Kinellan Road, Murrayfield

Detached 8 bedroom house on a large plot

Offers over £2,400,000

Sold at a closing date in December last year

Sales in 2024

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Glenlockhart Valley, Glenlockhart

Detached, 6-bedroom
contemporary home

Offers over £1,050,000

Achieved sale price **3.5% above
home report value**



Hermitage Drive, Morningside

Expansive, detached 8-
bedroom house

Offers over £4,000,000

Various interested parties from
Scotland and around the world



67 St Bernard's, Canonmills

Penthouse apartment

£1,000,000

Bought by a British/Icelandic
couple for future use as their
Edinburgh retirement home



Inverleith Place, Inverleith

Lower villa with off-street
parking

Offers over £1,000,000

Agreed sale price **13% above
home report value**

2025 so far...

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Craiglea Drive, Morningside

5-bedroom terraced house

Offers over £975,000

'Under Offer' – 9 offers received at a closing date

Offer accepted not highest, but strongest position



Whitehouse Road, Barnton

Detached family home requiring modernisation

Offers over £600,000

Achieved sale price below home report value



Dudley Gardens, Trinity

3-bedroom terraced house

Offers over £785,000

'Under Offer' – 5 offers received at a closing date



Case study:

Spottiswoode Street,
Marchmont

James Gillespie School
catchment

Offers over: £425,000

A tale of two markets

Increased conditionality

Suggesting a shift in market power and more focus on on-going costs

8% ADS

Additional Dwelling Supplement

Greater number of overseas buyers

Particularly from the USA



Country Houses



Blairlogie Castle, Stirlingshire

Offers Over £1,450,000

Sold to an American aerospace entrepreneur as a second home



Russell Apartments, St Andrews

£775,000 to £2,000,000

25 per cent of units sold here to American buyers – all as second homes for golfers

40%+ of all sales in St Andrews last year were to international buyers

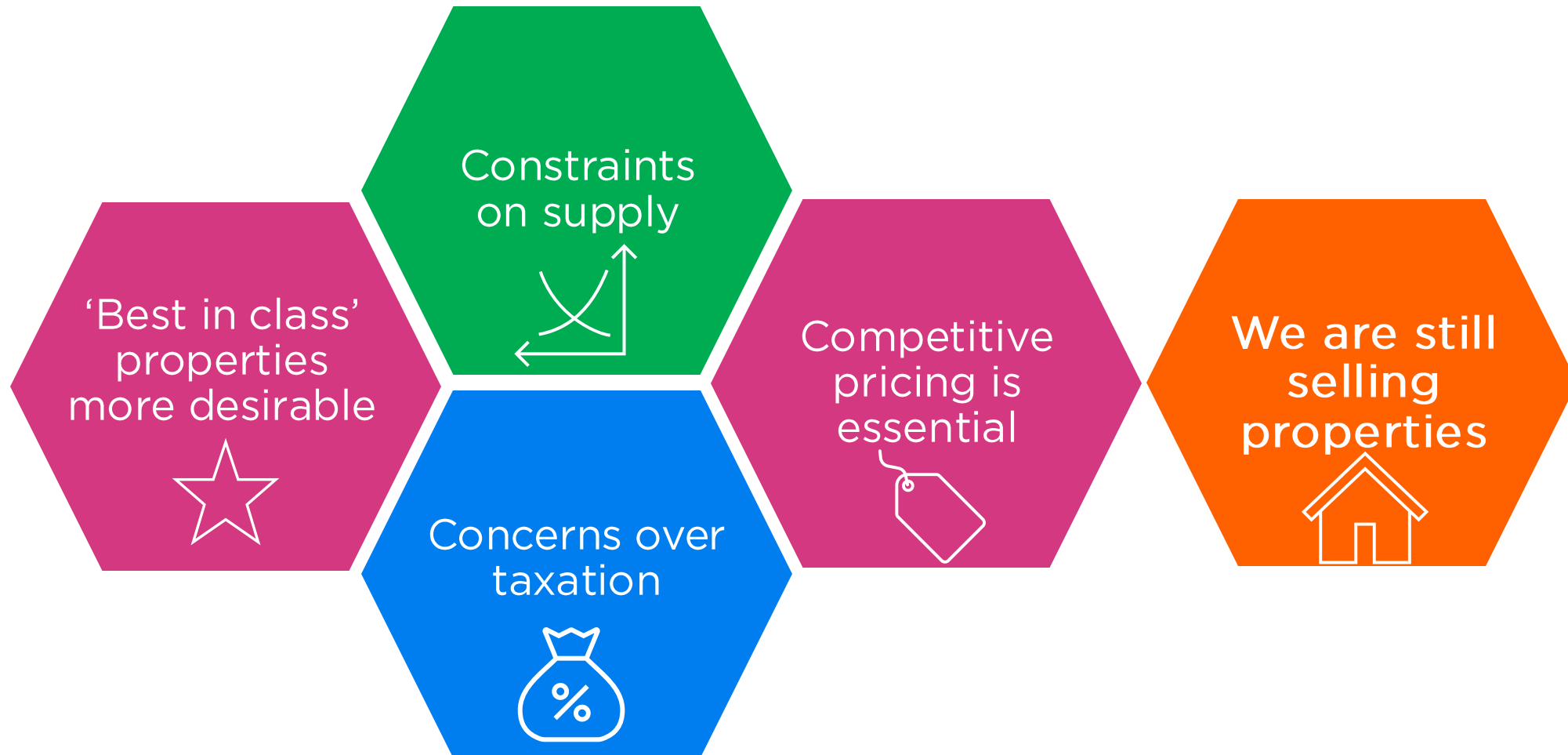


Newton Castle, Perthshire

Offers Over £1,250,000

Under offer to an American family relocating to Scotland

Summary of key trends



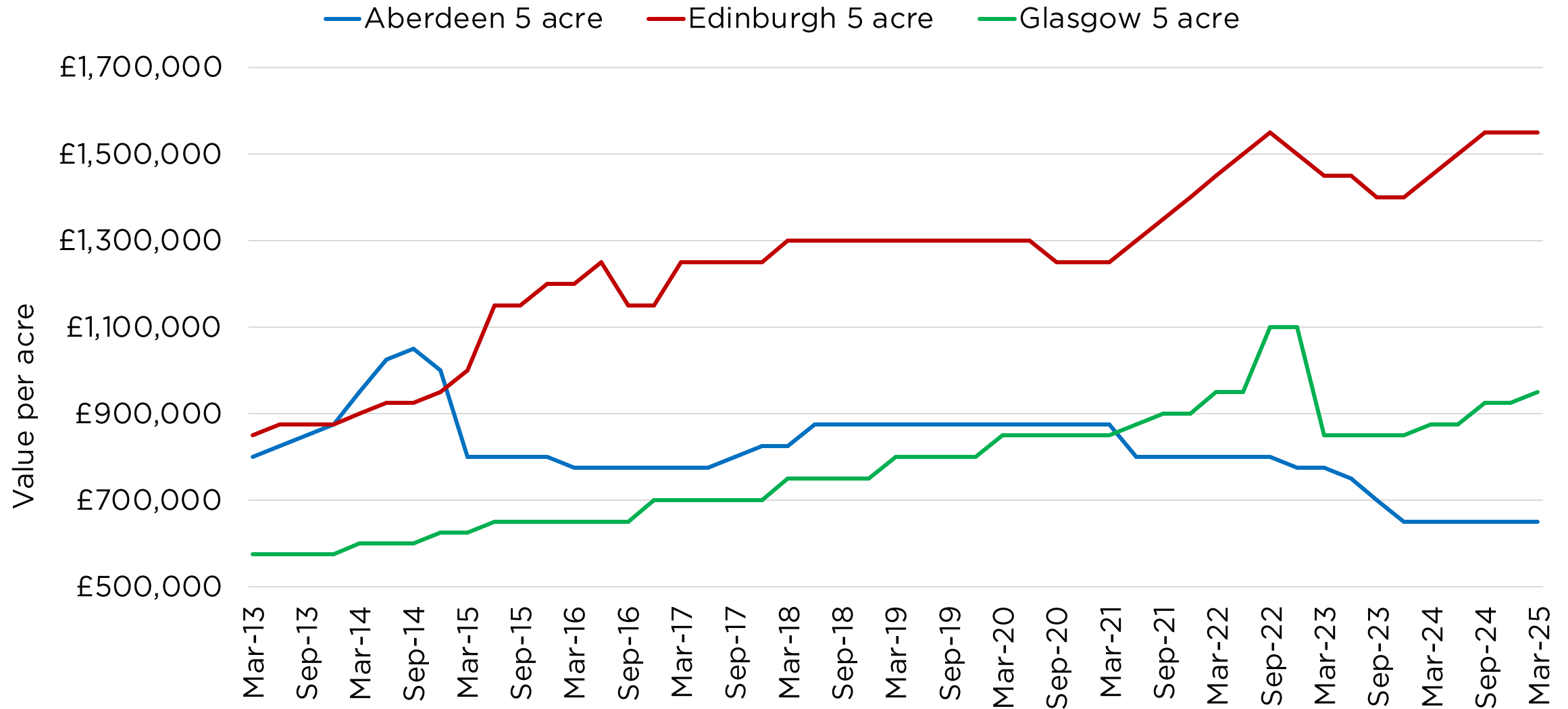
An aerial photograph of a modern residential development. The houses are built with light-colored brick and have dark grey tiled roofs. Many of the roofs are covered with rows of blue solar panels. The houses are arranged in a row, with small paved courtyards and green spaces between them. The overall scene is bright and sunny.

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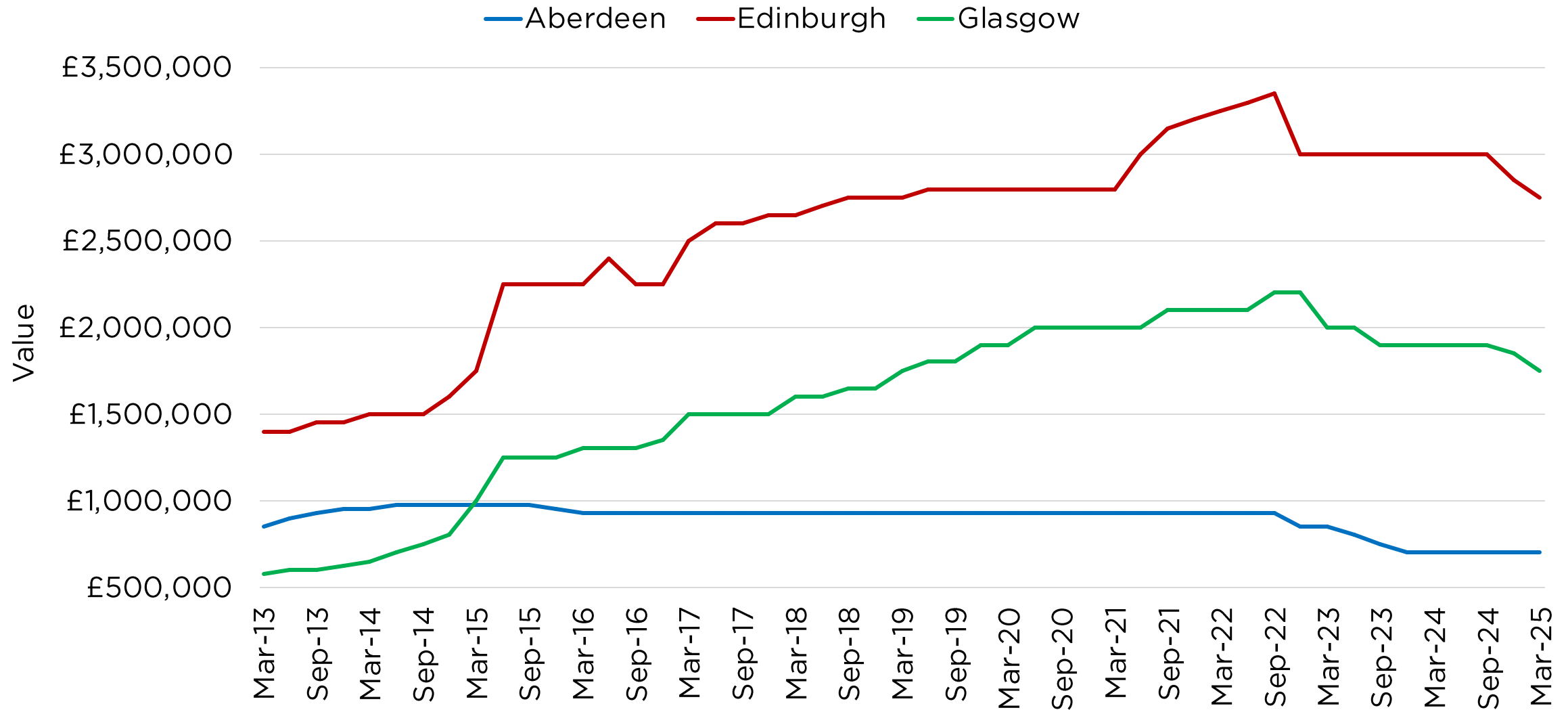
DANIELLE CORKER AND BEN BROUGH

Development

Scotland **Greenfield Land Values**



Scotland Urban Land Values





Site:

Edinburgh Garden District





Site:

Edinburgh Park





Site:

Saica,
Turnhouse
Road

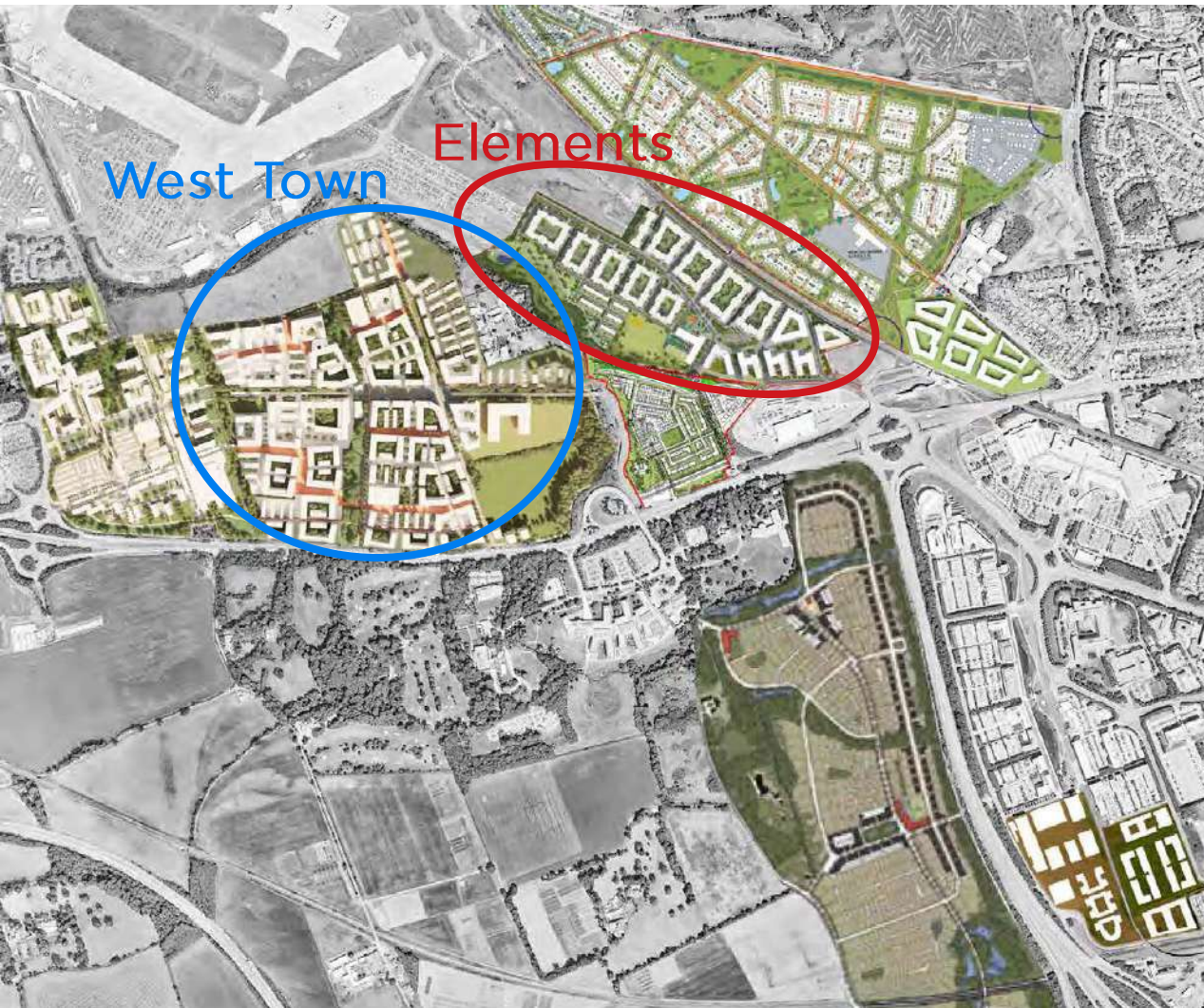




National Planning
Framework 4



Delivery and **Developer Contributions**



West Edinburgh proposed expansion



Build to rent in Scotland

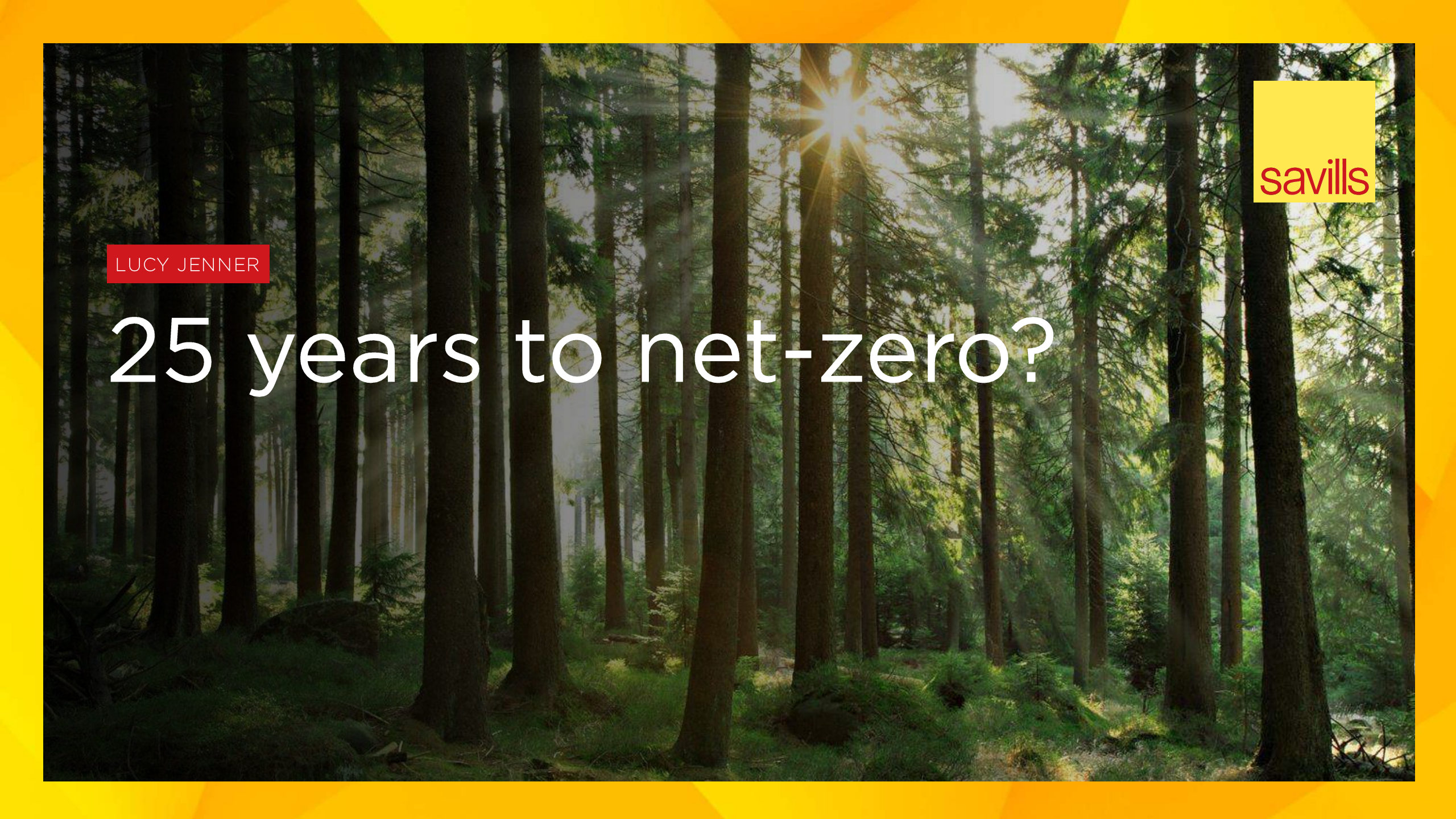
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In summary

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LUCY JENNER

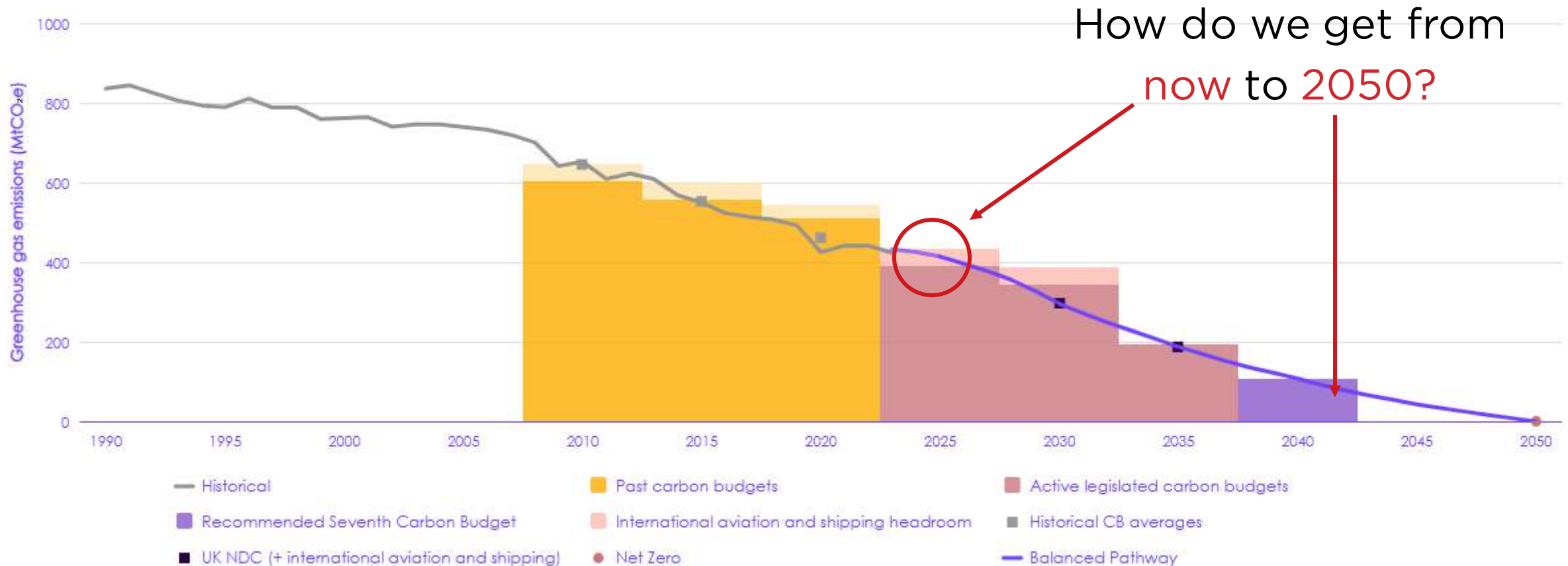
25 years to net-zero?

Net-zero still matters

(Less than) 25 years
to *legally binding*
targets

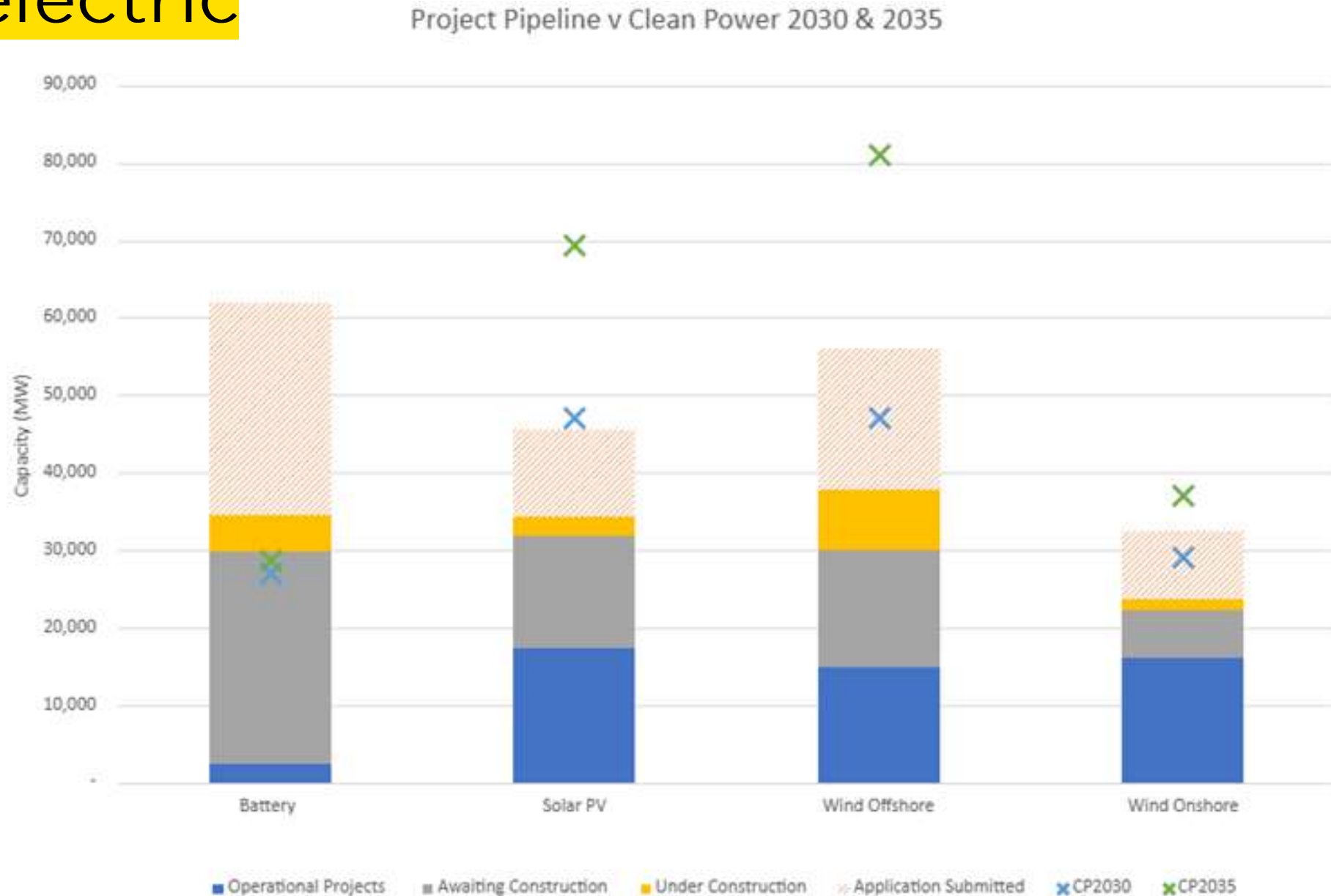
The challenge and opportunity

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Source: Department for Energy Security and Net Zero (DESNZ) (2024) Provisional UK greenhouse gas emissions national statistics 2023; DESNZ (2024) Final UK greenhouse gas emissions national statistics: 1990 to 2022; Climate Change Committee (CCC) analysis.

Going electric



The focus is now on different sectors

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Contribution of emissions reductions required...

Buildings:

8.3% to 25%

Agriculture:

1.4% to 34.9%



The 'net' in net zero matters

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Land based carbon sequestration is required to deal with residual emissions from 2050.

55% of global GDP is highly dependent on nature.

This makes natural capital an extremely valuable asset.

Behind the headlines...

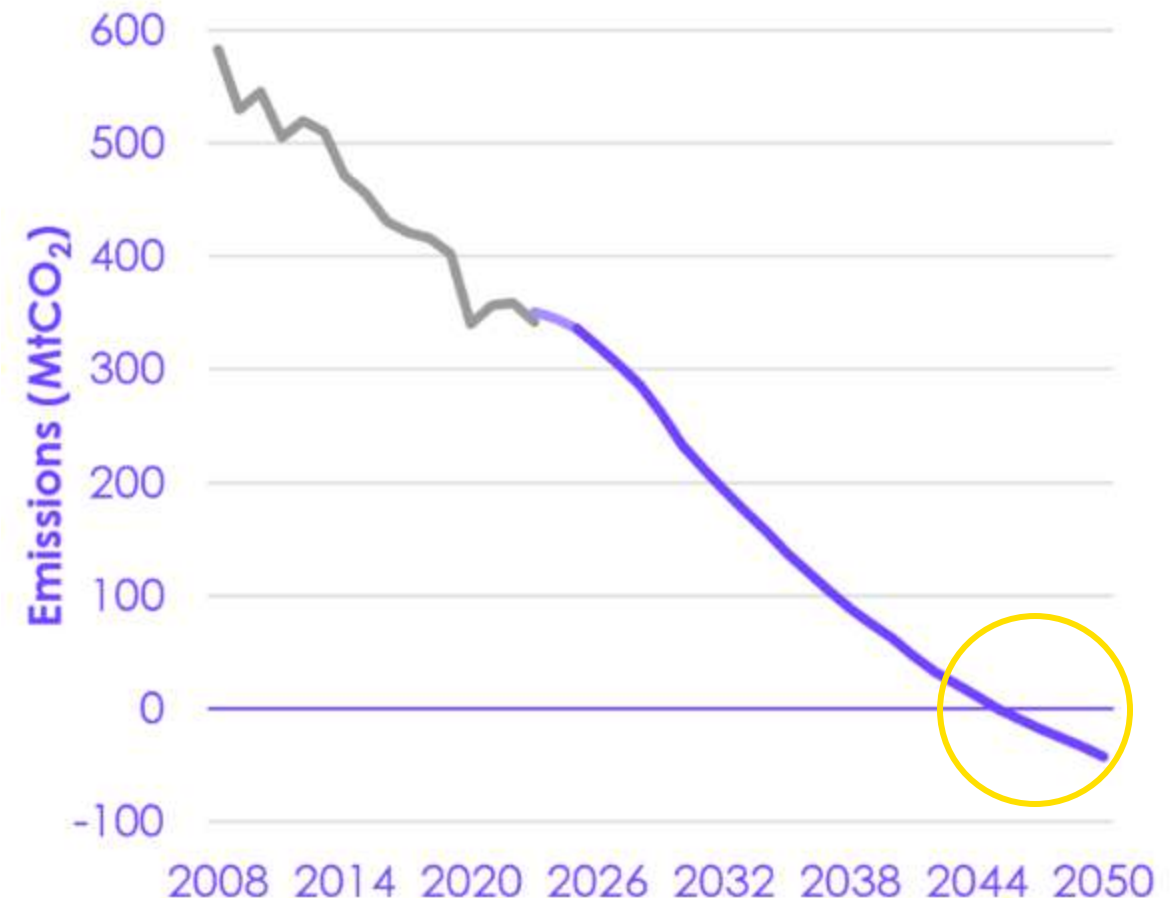
BlackRock



Foresight

Triodos Bank

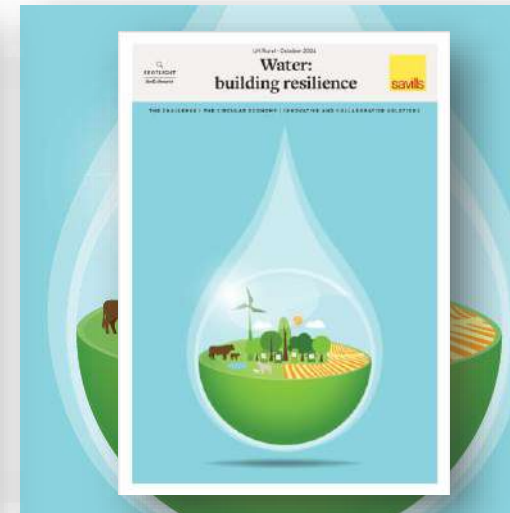
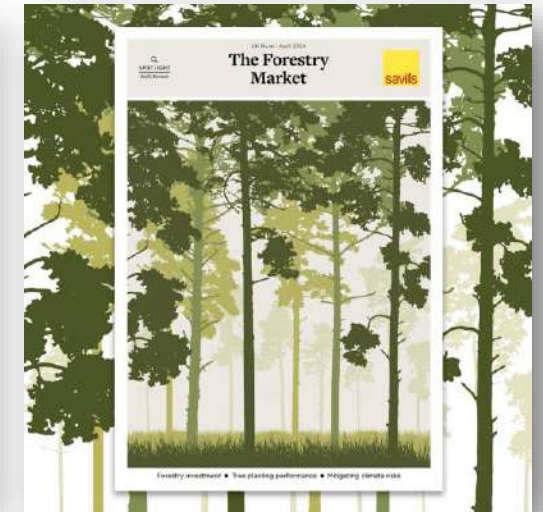
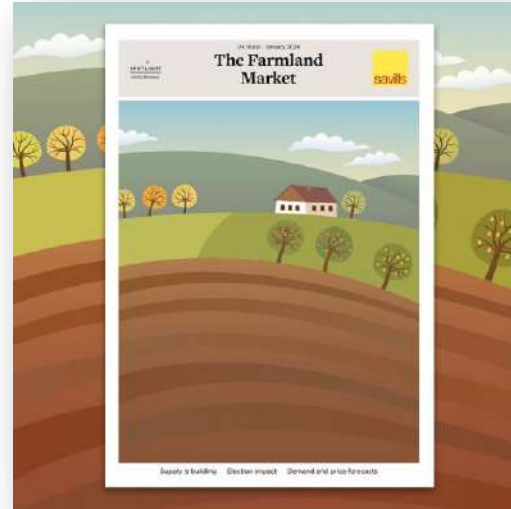
(a) CO₂ emissions



Closer to home



Our research



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A small red rectangular box containing the name "LUKE FRENCH" in white, uppercase, sans-serif font, located in the upper left area of the slide.

LUKE FRENCH

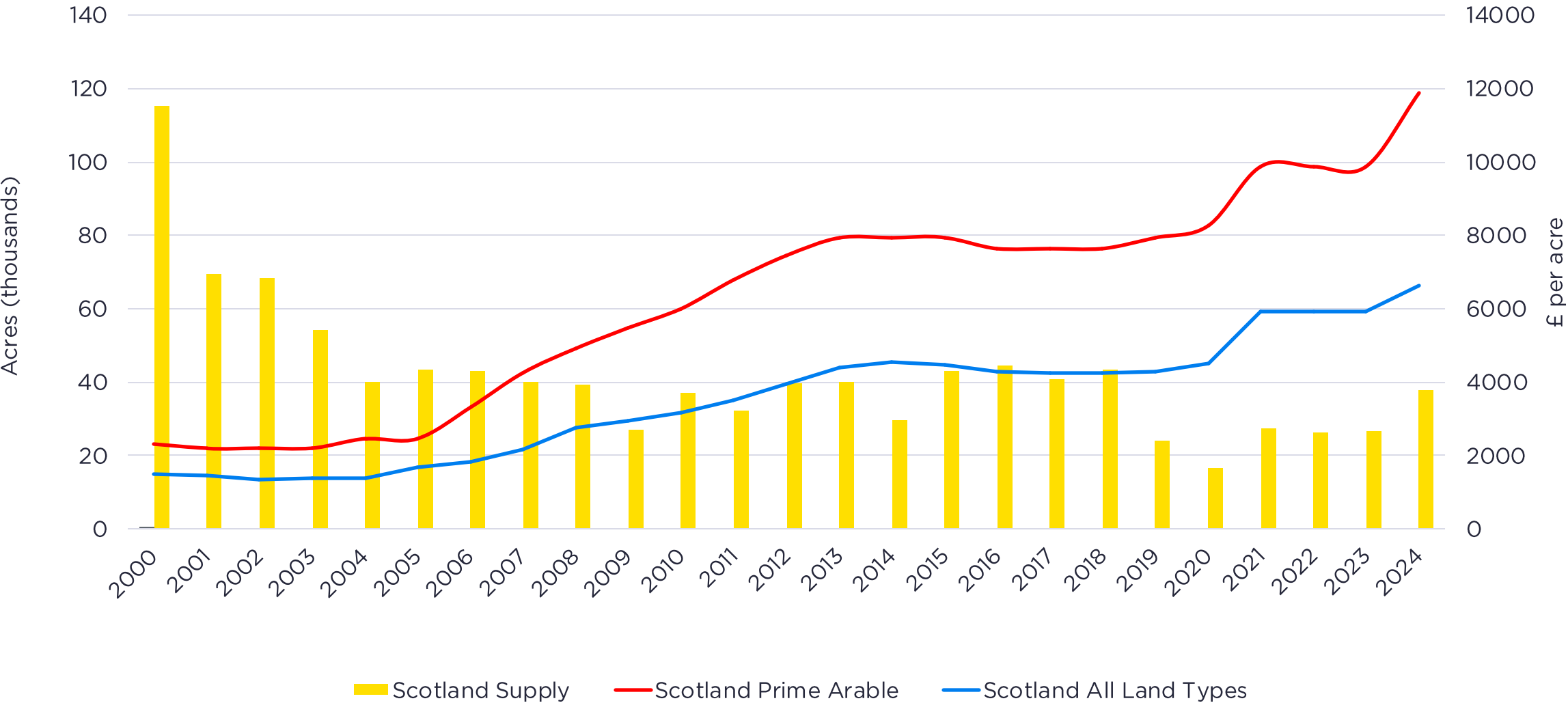
The background of the slide is a scenic photograph of a rural landscape. In the foreground, a dark, rough stone wall runs across the bottom. Beyond the wall, there are rolling green hills, a small village with several houses, and distant mountains under a blue sky with wispy clouds.

Rural Market Update

Rural market drivers



Publicly marketed farmland & land values



Source: Savills Research

Old Montrose, Angus

Superb prime arable
farm close to the
Angus coast

- Farmhouse & 2 cottages
- Extensive steading including cold & ambient stores, grain dryer and stores
- 602 acres
- Offers over £6.75 million

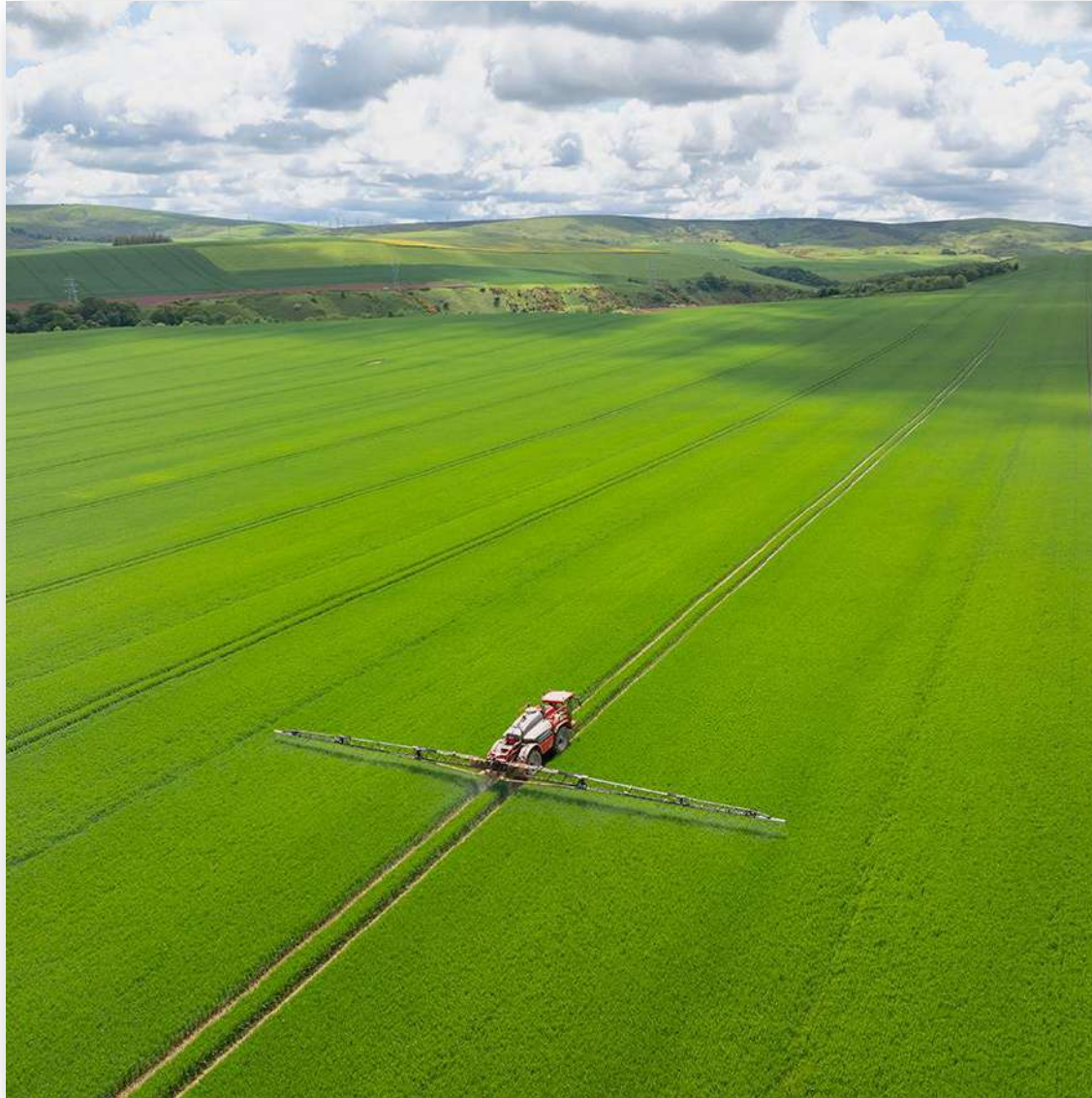


Spott & Thurston, East Lothian



An extensive arable holding

- Range of farm buildings including grain storage & drying facilities
- Mainly Class 3(1)
- 1,100 acres
- Offers over £15 million



Estate market supply & total asking prices

Public & private sales across all agents



Highland Estate



Highland estate with outstanding sporting, residential and natural capital opportunities

- Well appointed principal dwelling
- 8 cottages
- Stalking & driven grouse
- Commercial & amenity woodland
- Natural capital opportunities
- 15,034 acres



Dunbeath & Glutt Estates, Caithness



Spectacular coastal estate with historic castle

- Iconic cliff-top castle
- Residential portfolio
- Sporting & farming enterprises
- Peatland restoration projects
- 35,600 acres
- Offers over £32 million

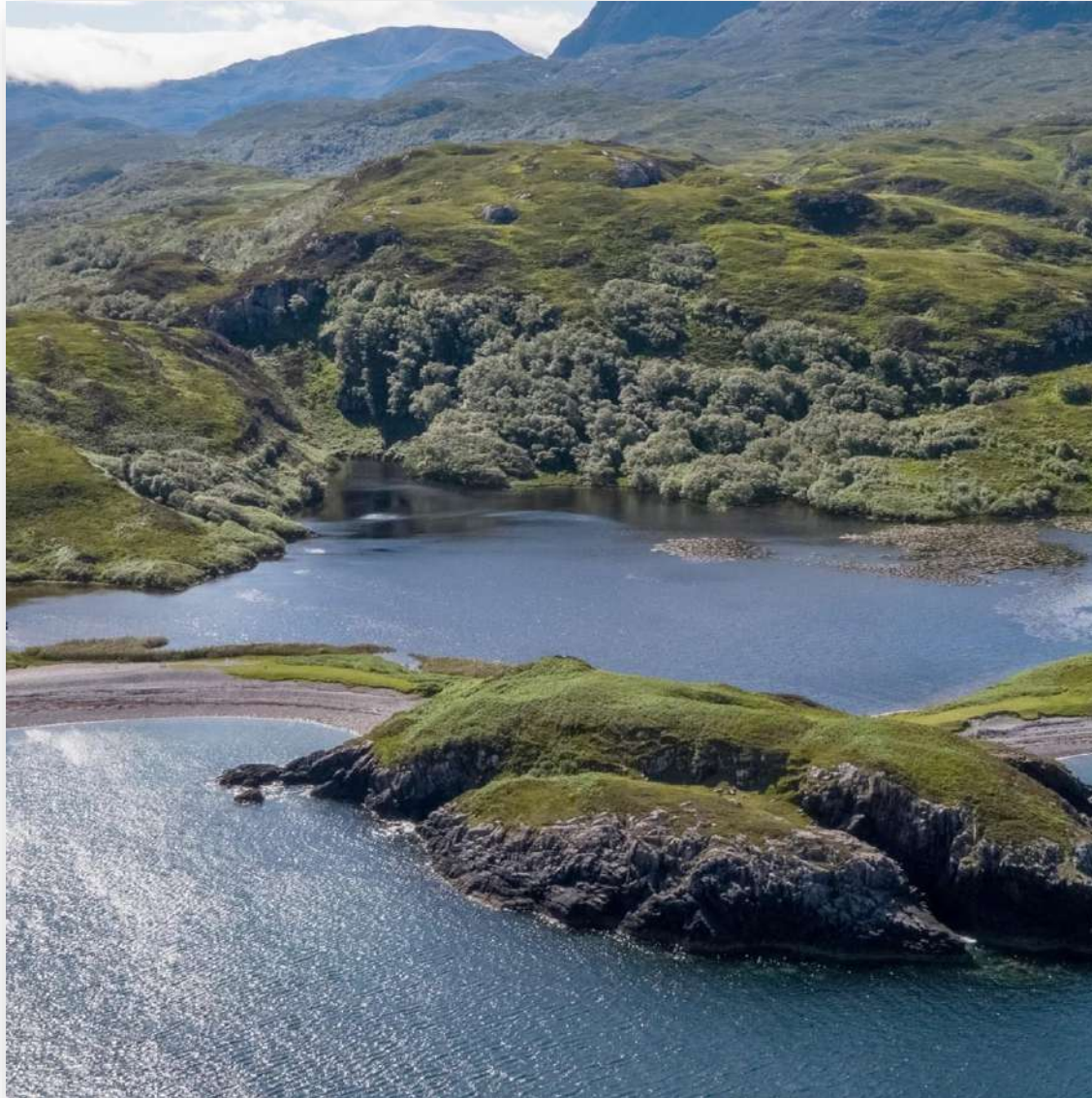


West Coast Estate

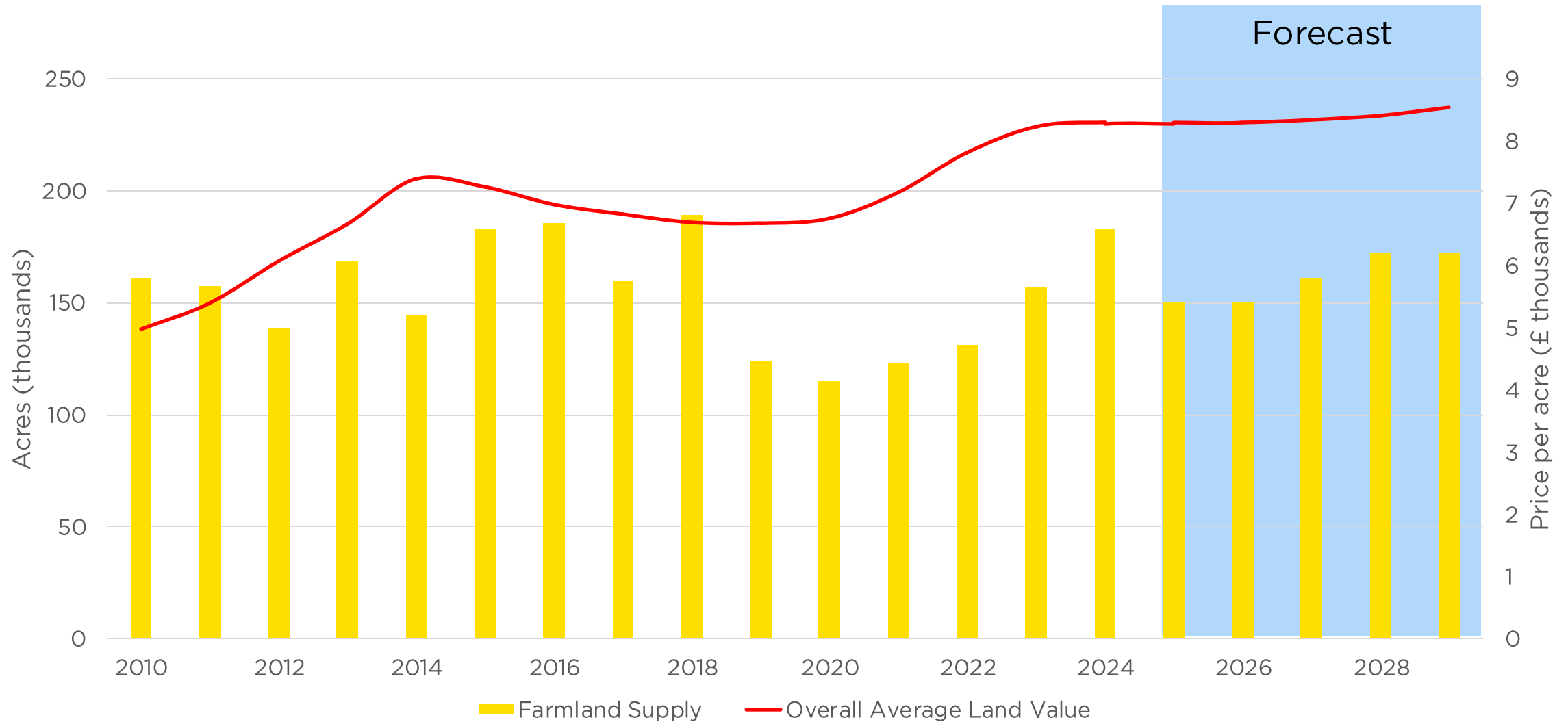


A wilderness paradise on the West Coast

- Manageable Victorian lodge
- 3 cottages
- Stalking and fishing
- Coastline and lochs
- 4,538 acres
- Offers over £4 million



UK farmland market forecast



Newliston House & Estate, Edinburgh

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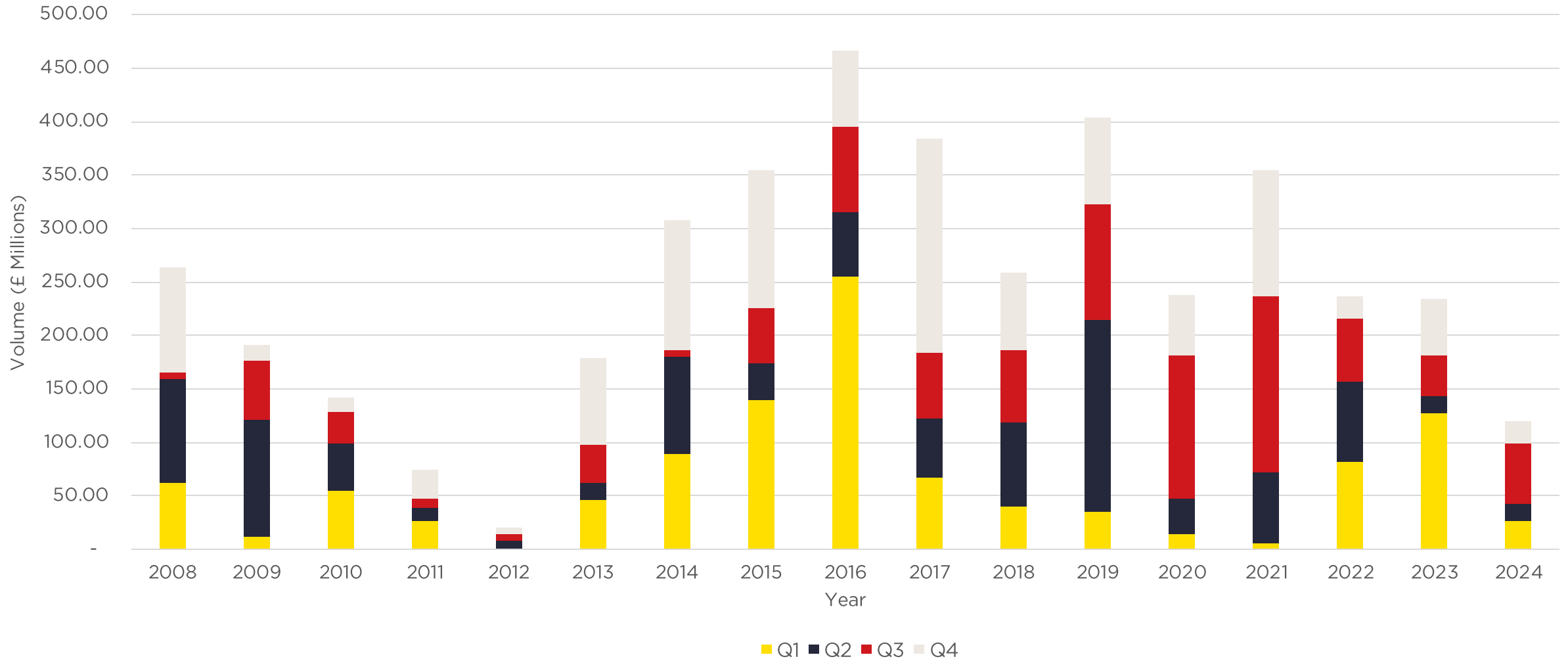
A panoramic view of Edinburgh, Scotland, at dusk. The city is illuminated by warm streetlights and building lights, contrasting with the cool blue tones of the twilight sky. In the background, Edinburgh Castle sits atop a hill. To the right, the tall, ornate clock tower of the Balmoral Hotel is prominent, featuring a large clock face. Further right, the spire of St. Giles' Cathedral and the Ferris wheel of the Edinburgh Eye are visible. The foreground shows a dense collection of historic stone buildings with varied rooflines.

EILIDH LEVEIN

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Edinburgh Office Investment Market

Investment volumes **down 40% on the 10-year average**





But there is demand...

220,000 sq. ft of 'prime' office space lost from the deliverable development pipeline



28 St Andrews Square

- 48,238 sq. ft NIA
- Vendor: Aviva
- Purchaser: Dalata
- £12.50 million



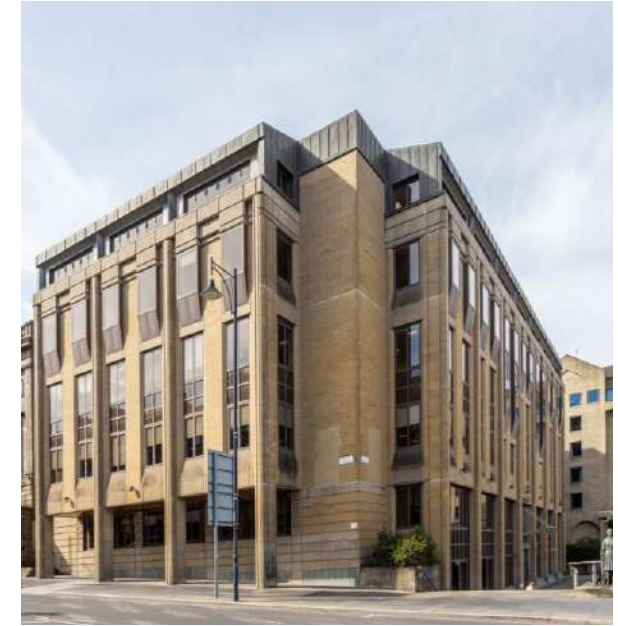
9-10 St Andrews Square

- c.60,000 sq. ft NIA
- Vendor: Patrizia
- Purchaser: Tristan Partners (Point A hotel)
- £19.50 million



Edinburgh One, 60 Morrison Street

- 55,000 sq ft NIA
- Vendor: Interpath
- Purchaser: Private Investor
- £15.025 million



Capital House

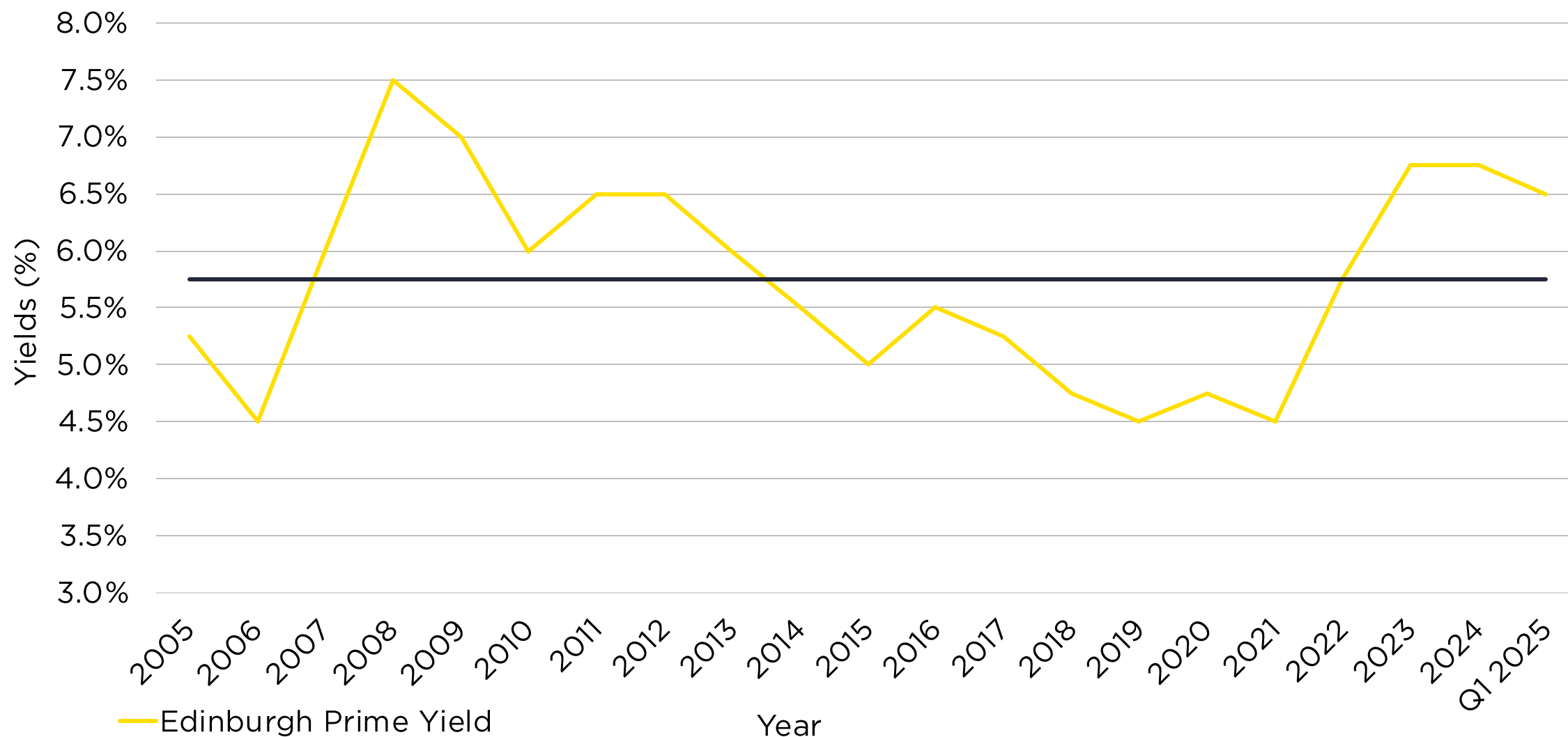
- 54,460 sq ft NIA
- Vendor: Hermes
- Purchaser: Whitbread Plc
- £17 million



Prime office yields at **6.5% in Q1 2025**



Edinburgh Prime Office Yields



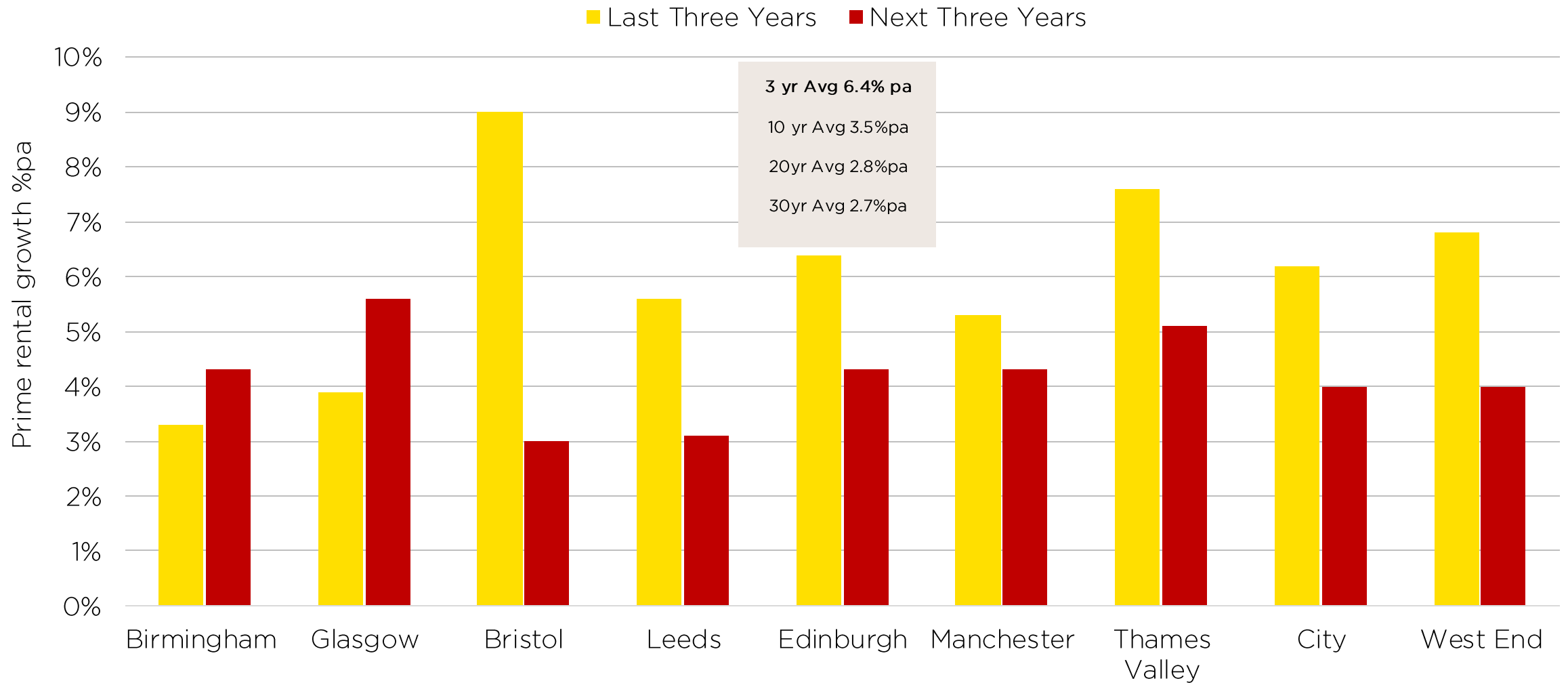


MAT OAKLEY

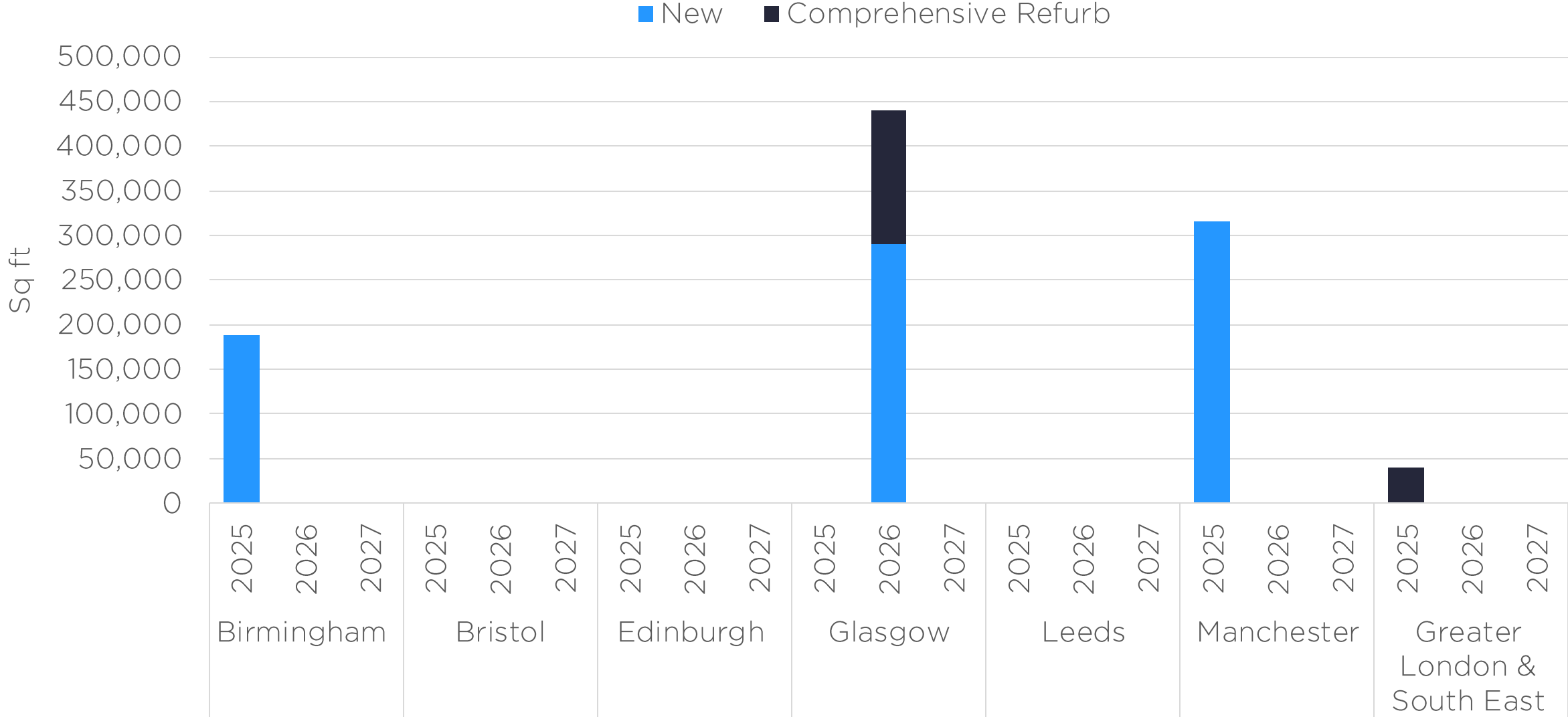
National commercial

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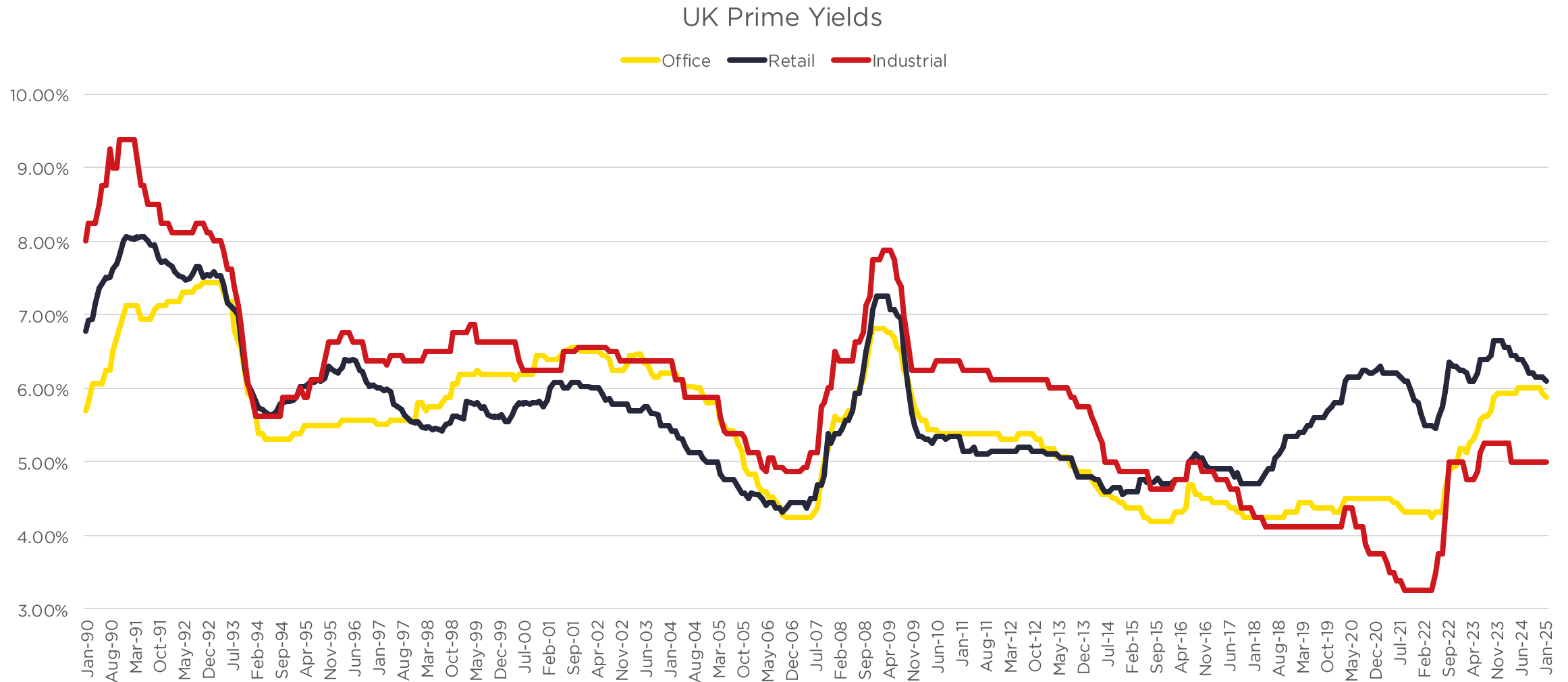
Investor attitudes to offices are hard to explain when you look at the rents being achieved...



... But the lack of office development nationally is startling



It would be reasonable to assume that yields will harden further



2025/6 will see a stronger occupational & investment market

Rise in NI and minimum wage has caused us to revise take-up down across all sectors...

... but economic and employment growth will still drive net growth in tenant demand

Investment volume will be up 10% this year...

... but depth of market for larger lots will challenge development viability

Office outlook will be about business growth not WFH...

Retail & Leisure outlook softened by costs, but prime pitches will perform

...but supply is less constrained than it was, and rental growth will be slower

... and lack of development will drive rents

Logistics demand will be steady, driven by macro and structural trends...

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Thank you

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