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Scottish Residential Property Report for **Q4 2025**

Spring 2026

TABLE OF CONTENTS

Overview Page 04
Scotland Defies UK Trends as Year-End Confidence Surges

Economic & Mortgage Backdrop 05
Q4 Clarity and Easing Credit

Edinburgh 06
Strategic Upgrading and a Rejuvenated Flat Market

East Lothian 07
Strategic Upgrading and a Rejuvenated Flat Market

Aberdeen 08
High Volume, High Yields, and a Turning Tide

Highlands & Islands 09
Enduring Appeal Meets Limited Supply

Dundee, Tayside & Perth 10
Value-Driven Urban Growth

TABLE OF CONTENTS

The Fife Coast 11
A Tale of Two Distinct Markets

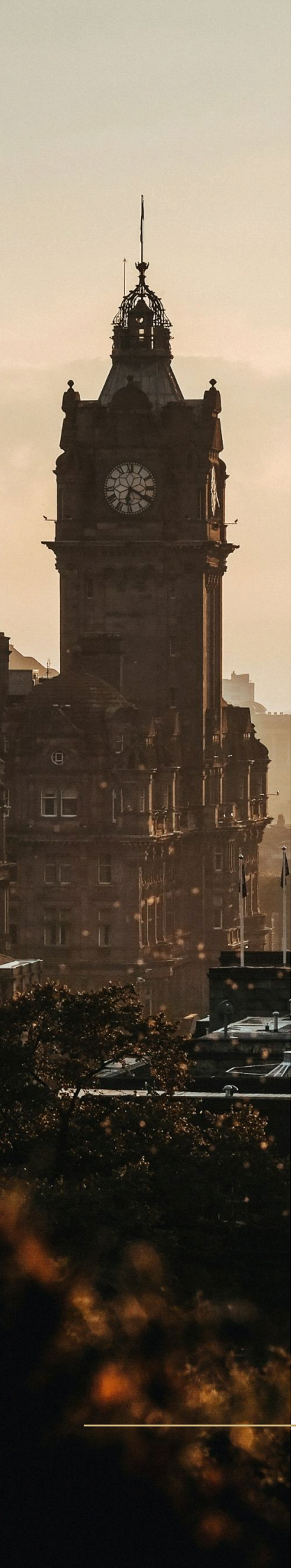
Glasgow 12
The UK's Hottest Property Market

Outlook 13
Steady, Sustainable Activity Expected for 2026

The SM take 13
For Sellers

Q4 2025 DATA SOURCES

- National & Economic: ONS, Registers of Scotland, Bank of England, RICS.
- Regional Property Centres: ESPC, ASPC, HSPC, TSPC.
- Market Indices & Forecasts: Nationwide, Halifax, Zoopla, Savills.



Overview:

Scotland Defies UK Trends as Year-End Confidence Surges

The Scottish residential property market closed out the final quarter of 2025 with an undeniable sense of momentum and structural resilience. While the wider UK housing sector continued to navigate a prolonged soft patch through the autumn and winter—characterised by cautious stagnation in London and the South East—Scotland distinctly outperformed the national curve. The data from October to December paints a picture of a market that firmly transitioned from a period of defensive hesitation into one of active, confident participation.

According to the ONS House Price Index for the final quarter, the average Scottish house price climbed to £193,114, representing a robust 4.5% year-on-year increase. This upward trajectory was supported by the RICS Residential Market Survey at year-end, which consistently highlighted Scotland as a notable outperformer. While the headline UK house price balance lingered in negative territory, a net balance of +42% of Scottish respondents reported that house prices had risen over the Q4 period —the strongest consecutive quarterly reading of the year.

Crucially, this pricing strength was not the result of a stagnant, low-stock environment, but rather a genuinely active trading market. Throughout October and November, Scottish surveyors reported rising buyer enquiries, signalling a robust appetite among prospective purchasers even in the traditionally quieter winter months. Concurrently, on the supply side, an increase in instructions to sell marked a meaningful uplift in available stock. When demand and supply rise in tandem, it is the hallmark of a highly functional, liquid market.

Economic & Mortgage Backdrop

Q4 Clarity and Easing Credit

To understand the buoyancy of the Scottish property market at the close of 2025, one must look at the shifting macroeconomic foundations that underpinned Q4. The final three months of the year delivered a crucial psychological turning point for consumers: fiscal clarity.

With the Autumn Budget settled and economic policies solidified, buyers and sellers were finally able to model their finances with a degree of certainty that had been glaringly absent throughout much of the previous year. At the heart of this recovery was the stabilisation of the cost of borrowing. The Bank of England successfully navigated the peak of the inflation crisis, culminating in a highly anticipated base rate reduction to 3.75% in December 2025. This provided high-street lenders with the confidence to aggressively re-price their fixed-rate mortgage products heading into the winter. As swap rates eased throughout Q4, sub-4% mortgage deals became a reality once again for buyers with healthy deposits, fundamentally altering the affordability calculus for thousands of households.

Simultaneously, the broader economic metrics offered significant tailwinds. ONS CPI inflation cooled to approximately 3.0% by December, meaning the severe squeeze on household disposable income began to materially relent.

Furthermore, UK wage growth—running at approximately 4.6% through Q4—consistently outpaced house price inflation. This dynamic is critical; it represents a real-terms improvement in purchasing power. For the first time in several years, working professionals found that their incomes stretched further when applying for mortgage multipliers.

3.75%

Base Rate

Interest Rate Cut December 2025

Inflation Eases

CPI: 3.0%

Affordable Mortgages

Sub 4% Mortgages

Wages Rising

Wage Growth to 4.6%



Edinburgh

Strategic Upgrading and a Rejuvenated Flat Market

Capital Growth and a Strong Autumn

Scotland's capital remains a bastion of steady, blue-chip property investment. Data for Q4 2025 reports that the average house price in the City of Edinburgh reached £296,878, reflecting a strong 5.7% year-on-year increase. While December naturally saw a seasonal dip in transactional velocity, October and November were highly active, with the ESPC noting a remarkably healthy pipeline of Home Report instructions for the time of year.

Bidding Wars Cool into Balanced Trading

The frantic bidding wars that defined the post-pandemic Edinburgh market have officially matured into a more strategic and balanced environment. Properties moved at a reliable pace through Q4—averaging around 25 days on market—but buyers were no longer forced to offer 10% or 15% over the Home Report valuation simply to be considered. Throughout the quarter, homes that were priced accurately achieved approximately 101.6% of their valuation.

First-Time Buyers and Second-Steppers Return

Q4 witnessed a rejuvenated first-time buyer segment. Easing mortgage rates allowed young professionals to exit the expensive private rental sector, funneling demand directly into Edinburgh's traditional tenement flat market. Simultaneously, "second-steppers" were highly active, leveraging substantial equity built up in their current homes to secure larger, long-term family residences before the year-end.

Leith Leads Flats, Suburbs Command Family Demand

Leith continued its trajectory of growth, acting as the primary engine for flat sales. Its blend of culinary amenities and tram connectivity made it the premier destination for young professionals in 2025. In the family market, the suburban corridors of Corstorphine, Cramond, and Blackhall remained fiercely contested throughout Q4, with homes in top-tier state school catchments frequently going to closing dates.

A 'Soft Landing' Achieved

Edinburgh achieved the elusive 'soft landing' by the end of 2025. Buyers have choice, sellers have certainty, and the capital continues to prove its enduring value.

East Lothian

The Enduring Premium of the Coastal Commute

Sustained Coastal Premiums

East Lothian continues to justify its reputation as a premier lifestyle destination. In Q4 2025, the average house price stood at £289,791, marking a solid 2.6% increase compared to the previous year. Transaction volumes remained highly robust through the autumn, proving that the post-pandemic "race for space" was a permanent structural shift in buyer priorities.

Swift Moves for Quality Homes

The market rhythm was brisk but orderly. Quality family homes—particularly those with modern home office capabilities and south-facing gardens—rarely lingered. While the extreme premiums of previous years softened, sellers of premium stock in coastal towns comfortably achieved their Home Report valuations right up until the festive break.

Affluent Relocators Drive Demand

The demographic profile remained heavily weighted towards equity-rich downsizers and affluent professionals relocating from Edinburgh. The county offers a compelling proposition: rugged beauty and a rail commute to Edinburgh Waverley that is often faster than driving from the city's own suburbs. Sentiment among these buyers was exceptionally strong in Q4, as they purchased for longevity rather than short-term gain.

Commuter Hubs vs. Prestige Enclaves

Musselburgh, Prestonpans, and Tranent acted as high-volume, accessible commuter hubs. Conversely, the coastal string of North Berwick, Gullane, and Dunbar operated as a premium micro-market. Detached family homes in these areas were chronically under-supplied in Q4, commanding immediate attention from cash-ready buyers.

Constrained Supply Secures Values

East Lothian is largely insulated from price pressure due to strict planning constraints and limited land availability. The county maintained its steady upward trajectory through the close of the year, offering a lifestyle dividend that buyers are consistently willing to pay a premium for.



Aberdeen

High Volume, High Yields, and a Turning Tide

From Declines to Unprecedented Liquidity

The narrative surrounding the Aberdeen property market fundamentally shifted in the final quarter of 2025. For several years, the city was defined by declining averages. In Q4, it was defined by astonishing liquidity. While the average house price sat at £136,227, overall housing sales jumped by nearly 13% in the quarter according to ASPC data.

Ultimate Transparency at 99% of Asking Price

Aberdeen evolved into a highly predictable environment. The critical "mark-up ratio" sat at 0.99 throughout Q4, meaning that, on average, properties sold for exactly 99% of their asking price. For buyers and sellers, this represented ultimate transparency and a welcome departure from speculative overbidding.

Renters Pivot to Buying, Investors Return

The Q4 surge in activity was driven by two groups. First-time buyers flooded back into the flat market, realizing mortgage payments on a £118,000 city-centre flat were vastly cheaper than escalating rents. Secondly, the investor class returned; with rental demand soaring, gross yields in Aberdeen frequently hit 8% to 10% through the autumn.

City Flats and Shire Family Homes

Within the city, one- and two-bedroom flats generated the sheer volume of transactions. In the wider Aberdeenshire area, where average prices were notably higher at £200,841, demand for detached and semi-detached family homes remained robust, serving professionals connected to the evolving energy sector.

The Undisputed Value Capital

While rapid price inflation was absent, the sheer volume of Q4 sales indicates the market has definitively found its floor. Aberdeen has traded price volatility for immense transactional volume, cementing its position as the undisputed value capital of Scotland.

Highlands & Islands

Enduring Appeal Meets Limited Supply

Steady Curves and Structural Shortages

The Highlands and Islands Q4 market was defined by structural supply shortages and consistent lifestyle demand. The average house price stood at £224,942, representing a steady upward curve for the year. Inverness, the region's economic capital, saw particular strength with average prices sitting around £234,732 in the final months of 2025.

Quick Moves and Competitive Closing Dates

Properties moved quickly. With increased mortgage affordability taking effect in Q4, buyers had more negotiating power, yet premium rural stock still commanded competitive closing dates due to the sheer lack of available homes on the market.

Relocators and High-Net-Worth Buyers

Demand was a healthy mix of local professionals and lifestyle relocators seeking space and value. The region continued to attract affluent purchasers looking to secure a permanent retreat from dense urban centres, alongside high-net-worth interest in prestige estates.

Inverness Dominates While Skye Attracts Internationals

Inverness remained the engine room. However, budget-conscious buyers increasingly looked towards Culloden (£176,324) and Dingwall (£186,598) for affordable options. Premium properties on the Isle of Skye continued to attract significant international interest through the end of the year.

The Ongoing "Race for Space"

Rural and coastal regions continued to be a primary focus for the "race for space" demographic throughout Q4, keeping prices strictly supported by limited housing supply.



Dundee, Tayside & Perth

Value-Driven Urban Growth

The UK's Prime Value Proposition

Tayside represented some of the best value for money in the UK at the close of 2025. According to Q4 data, the average house price in Dundee stood at £141,000, while Perth and Kinross averages sat at £223,977.

A Straightforward and Predictable Market

The market was active and highly tradable. TSPC reported a balanced, predictable environment through October and November, with sellers enjoying a straightforward process without the extreme volatility seen in larger cities.

First-Time Buyers and Buy-to-Let Success

The region was highly attractive to first-time buyers who paid an average of £122,000 in Dundee during Q4. Investors were also highly active, supported by robust tenant demand; private rents in Dundee and Angus averaged £827 a month, generating impressive gross yields.

Dundee City Centre and Connected Perth

Dundee city centre continued to offer excellent value, with terraced properties rising by 4.3% annually. Perth offered steady growth for families seeking connectivity to the central belt.

Modest Increases and Engaged Investors

2025 wrapped up with modest price increases in Dundee, where exceptional affordability kept both local first-time buyers and national investors highly engaged.

The Fife Coast

A Tale of Two Distinct Markets

Contrasting Micro-Markets in the Kingdom

Fife demonstrated starkly contrasting micro-markets in Q4 2025. Overall, the average price was £178,095, reflecting a 6.3% annual increase. However, ESPC data highlighted a definitive divide: West Fife & Kinross averaged £230,082, while East Fife sat at £282,628.

15 Days in the West, 52 Days in the East

West Fife was the quickest to sell in Scotland, with homes going under offer in just 15 days at 103.8% of Home Report valuation. Conversely, the premium market of East Fife averaged 52 days on market during the final quarter.

Families Flock West for Space and Value

Dunfermline experienced a remarkable surge, with prices climbing 13.9% to £242,462 over the year, fuelled by families securing four-bedroom houses. First-time buyers actively targeted one-bedroom flats at an average of £109,113.

Dunfermline Volume versus St Andrews Prestige

Dunfermline was the undisputed hotspot for volume in Q4. St Andrews remained a highly insulated prestige market, where cash buyers were prevalent and premium homes dominated the landscape.

Sustained Western Turnover and Eastern Patience

West Fife maintained its lightning-fast turnover due to relative affordability and commuting links. In East Fife, sellers of premium homes remained patient, with results remaining exceptionally strong for those who waited for the right buyer.



Glasgow

The UK’s Hottest Property Market

Chart-Topping Price Growth

Glasgow was the undeniable star of the UK property sector in Q4 2025. The average house price reached £189,000, up 4.8% annually. Major analysts identified Glasgow as one of the UK's absolute top markets for house price growth at year-end.

Unparalleled Momentum and Rapid Absorption

The Glasgow market possessed unparalleled momentum through the autumn. Closing dates were frequent for family homes and traditional tenements, with properties being absorbed by the market almost immediately.

Tenants Pushed into Fierce Homeownership

A soaring rental market pushed tenants into homeownership. Private rents in Greater Glasgow averaged £1,273 a month in Q4—a massive 6.1% annual rise. Consequently, first-time buyers were highly motivated, paying an average of £171,000 to secure a footing.

Southside Surges as Semis Dominate

Semi-detached homes saw the biggest gains at 8.8% annually. The Southside experienced transformative growth; Pollokshields recorded a striking 20% price jump, while Finnieston continued to rise as buyers sought lifestyle amenities.

Urban Regeneration Drives Ongoing Uplift

The combination of improving mortgage affordability in December and ongoing urban regeneration drove prices upward, cementing Glasgow's position setting the pace for the entire UK housing market.

Outlook

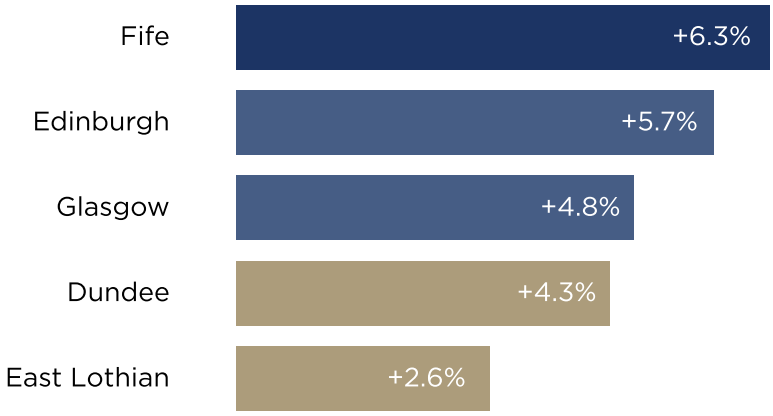
Steady, Sustainable Activity Expected for 2026

As we look ahead following the strong Q4 2025 close, experts predict moderate price growth across Scotland for 2026, supported by economic stability and sustained buyer demand. Following a period of necessary market adjustment, the Scottish property market now feels substantially more settled and mature.
Rather than the dramatic swings of the pandemic-era, the upcoming year is expected to be characterised by steady transaction volumes and significantly reduced volatility. For homeowners and investors alike, Scottish property remains a highly secure, growth-oriented asset class.

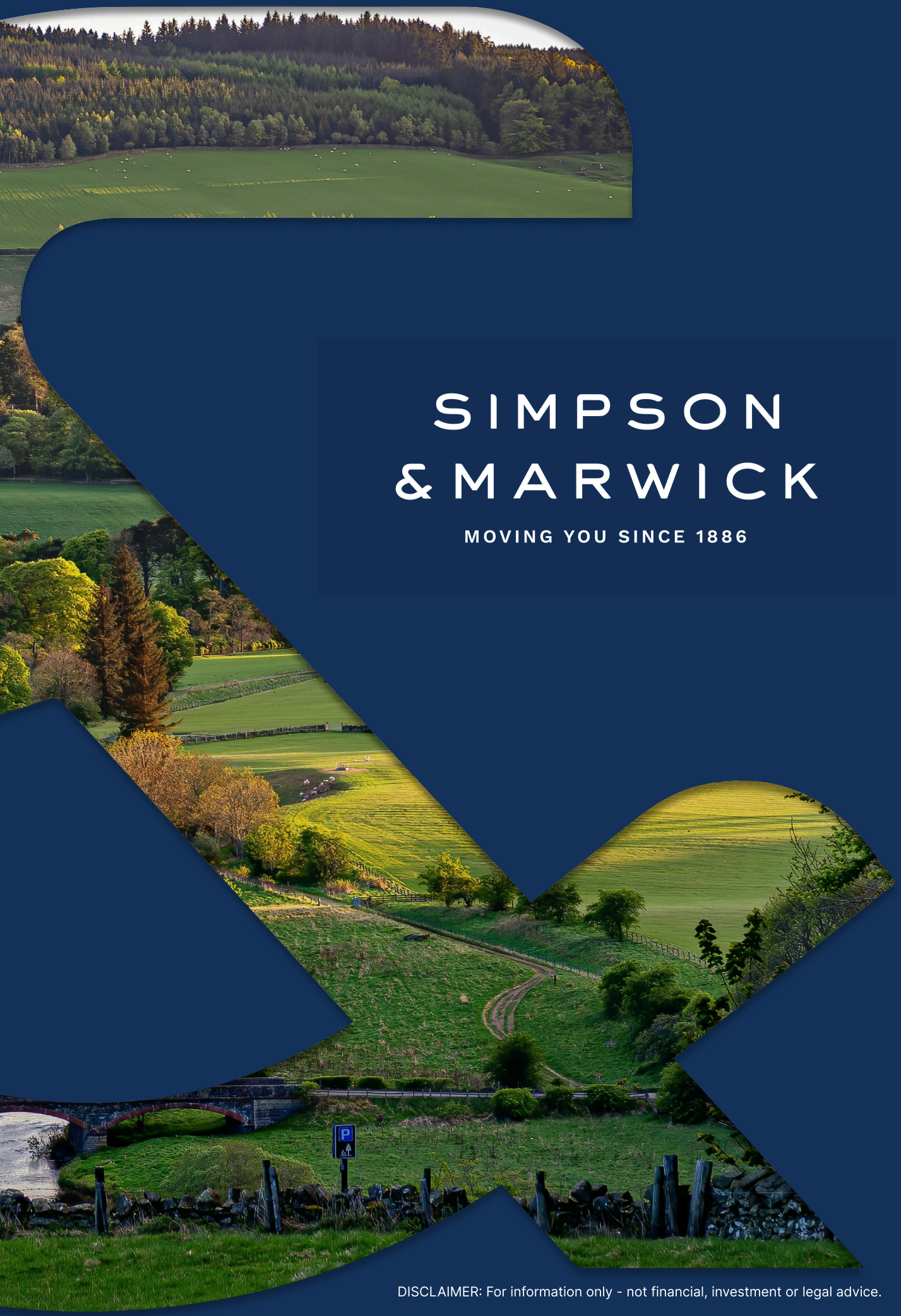
The SM take

For Sellers

House prices finished 2025 on a high, making the current market an excellent environment to sell. However, pricing accuracy matters more than ever. Trust the Home Report valuation and allow the market's natural momentum to drive the final price. Overpriced homes risk languishing, but correctly priced properties are achieving swift and successful sales.







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