SIMPSON & MARWICK

MOVING YOU SINCE 1886



Scottish Residential Property Report for **Q1 2026**

Market Resilience Amid Shifting Headwinds

TABLE OF CONTENTS

Overview Page 04

Scotland Demonstrates Resilience While Outperforming the UK

Economic & Mortgage Backdrop 05

Global Headwinds and Shifting Mortgage Expectations

Edinburgh 06

Prime Market Defies Wider Caution

East Lothian 07

Balancing Supply and Price Adjustments

Aberdeen 08

City and Shire Present Divergent Trends

Highlands & Islands 09

Steady Growth in Rural Catchments

Dundee, Tayside & Perth 10

Pockets of Urban Resilience and Affordability

TABLE OF CONTENTS

The Fife Coast 11
Continued Coastal Confidence

Glasgow 12
Urban Value and Commuter Surges

Outlook 13
Measured Pacing Amid Economic Headwinds

The SM take 13
For Sellers

Q1 2026 DATA NOTE
This report utilizes finalised Q1 2026 (Jan–Mar) data from the ONS, ESPC, and Bank of England. Full sources and detailed local area statistics are maintained by Simpson & Marwick research.

Overview:

Scotland Demonstrates Resilience While Outperforming the UK

Scotland's residential property market navigated the first quarter of 2026 with characteristic resilience, decisively outperforming the wider UK average. In March 2026, the average house price in Scotland reached £187,000, representing a modest but positive 1.6% annual increase.

This sits in stark contrast to the UK-wide annual house price change of 0.0% for the same period, suggesting that Scotland has shown relative strength compared to England. The market has witnessed a distinct shift in buyer preferences since the close of last year. Semi-detached homes led the gains with a 4.4% annual price increase, reflecting a continued push from buyers stretching for more space. Conversely, flats and maisonettes saw a 1.4% decrease; a split that likely reflects the entry-level flat market softening under affordability pressures. Concurrently, new property listings increased across most regions, contributing to a more balanced market and giving buyers a much-needed increase in choice.



Economic & Mortgage Backdrop

Global Headwinds and Shifting Mortgage Expectations

The Q1 2026 economic landscape presented a more complex picture than initially anticipated at the end of last year. In March 2026, the Bank of England's Monetary Policy Committee voted unanimously to maintain the base rate at 3.75%. The global context, particularly the ongoing conflict in the Middle East, has significantly shifted the outlook, impacting global energy prices and creating upside risks to inflation.

Consequently, average two-year fixed mortgage rates climbed to around 5.79%, driven largely by rising swap rates and energy costs. This represents a meaningful headwind for buyers who had expected more aggressive rate cuts earlier in the year. However, the Scottish market remains actively supported by real wage growth. Total pay grew by 4.1% year-on-year in Q1 2026, with real earnings up 0.8%, the strongest growth since late 2025.

While UK inflation (CPI) fell to 2.8% in April 2026, it remains above the Bank of England's 2% target, cementing the "higher for longer" borrowing landscape.



3.75%

Base Rate

Maintained base rate - March 2026

Inflation Eases

CPI: 2.8%

Affordable Mortgages

Sub 5,79% Mortgages

Wages Rising

Wage Growth to 4.1%

Edinburgh

Prime Market Defies Wider Caution

Capital Adjustments and Exceptional Prime Performance

Scotland's capital recorded an average house price of £289,857 in March, representing a marginal year-on-year dip of 0.2%. While the broader market experienced homes taking slightly longer to sell, the prime property segment remained exceptionally resilient and actively outpaced the wider market.

Bidding Confidence at the Top End

In the £750,000-plus bracket, properties that came to market sold considerably faster, reaching under offer in a median of 23 days, a full 36 days quicker than the same period last year. Sellers in this premium tier achieved 101.8% of their Home Report valuation on average, indicating a healthy appetite and decisive action from premium buyers.

Seller Confidence Surges in Key Catchments

EH12 (encapsulating prime locations like Murrayfield, Ravelston, and Corstorphine) performed exceptionally well, achieving an 8.8% increase in average selling price. Furthermore, prime seller confidence surged across the city, with new listings in the prime segment up 12.7% annually.

£289,857

Average house price march

23 days

Median time under offer

101.8%

Of home report valuation achieved on average



East Lothian

Balancing Supply and Price Adjustments

A Shift to a Sustainable Pace

East Lothian recorded an average house price of £277,238 at the close of the quarter, representing a 1.8% annual decrease. This slight cooling reflects a natural market adjustment as new listings increase across eastern Scotland, giving buyers a wider selection and moving the market to a more sustainable pace.

Competitive but Measured Trading

Despite the slight dip in headline averages, properties continue to achieve close to or above Home Report values. The data indicates that well-presented homes in desirable East Lothian locations are still attracting strong buyer interest, though buyers are taking slightly more time to make decisions than in previous quarters.

£277,238

Average house price

Balancing supply

More new listings giving buyers a wider selection

Close or above

Of home report valuation achieved on average



Aberdeen

City and Shire Present Divergent Trends

A Localised Dichotomy

The Aberdeen market showcased distinct variations between the city and the surrounding shire during Q1 2026. The City of Aberdeen recorded an average price of £133,906, experiencing a slight 1.6% annual decrease.

Suburban and Rural Growth

In contrast, Aberdeenshire experienced positive growth, with average prices rising 1.0% year-on-year to £196,787. This dichotomy highlights a localised shift, where suburban and rural properties in the shire continue to draw buyers seeking more space, while the urban centre adjusts to shifting economic and employment pressures.

£133,906

Average house price Aberdeen - up 1.6%

£196,787

Average house price Aberdeenshire - up 1.0%

Urban adjustment

City centre adjusting to shifting economic and employment pressures



Highlands & Islands

Steady Growth in Rural Catchments

Consistent Demand for Space

The Highland local authority area continued to demonstrate steady appeal, with average house prices rising 1.1% over the past year to reach £211,875.

Navigating Regional Variations

Market performance continues to vary significantly across rural regions, reinforcing the absolute importance of granular local knowledge when assessing housing conditions outside the central belt. Properties that are well-presented and appropriately priced continue to draw robust interest from both local movers and those relocating.

£211,875

Average house price

1.1%

annual increase

Steady rural growth

Consistent demand for space driving appeal in rural catchments



Dundee, Tayside & Perth

Pockets of Urban Resilience and Affordability

Stability in the City of Discovery

The City of Dundee maintained its reputation for affordability and stability, recording a 0.6% annual price increase to £134,392.

Broader Tayside Adjustments

In the surrounding areas, Perth and Kinross saw a marginal 0.8% dip to £213,647, while Angus experienced a 1.8% decrease to £160,112. This demonstrates pockets of steady urban resilience against the backdrop of broader economic headwinds, with Dundee serving as an accessible entry point for first-time buyers.

£134,392

Dundee average house price - up 0.6%

£213,647

Perth & Kinross average house price - down 0.8%

£160,112

Angus average house price - down 1.8%



The Fife Coast

Continued Coastal Confidence

Reliable Regional Performance

Fife remained a reliable performer in early 2026, with average prices increasing 1.1% year-on-year to £170,395.

Sustained by Central Belt Economies

Scotland's housing market remains sustained by stronger regional economies in areas like the central belt, helping steady the ship in key commuter zones like Fife. The region continues to offer a vital blend of space, connectivity, and relative affordability for working professionals.

£170,395

Fife average house price - up 1.1%

Commuter appeal

Sustained by strong connections to central belt economies

Professional draw

Offers a vital blend of space, connectivity, and relative affordability



Glasgow

Urban Value and Commuter Surges

Solid City Growth

The City of Glasgow recorded solid growth throughout the first quarter, with average prices rising 1.2% year-on-year to £184,281.

The Commuter Ripple Effect

The search for value and space has significantly benefited Glasgow's surrounding commuter areas. Inverclyde, for example, saw an impressive 11.0% annual price surge to £112,529. This represents the highest percentage change of any Scottish local authority in the period, illustrating exactly how far buyers are willing to cast their nets to secure affordable properties.

£184,281

Glasgow average house price - up 1.2%

£112,529

Inverclyde average house price - up 11.0%

Search for value

Buyers casting wider nets into surrounding areas to secure space and affordability

Outlook

Measured Pacing Amid Economic Headwinds

Looking ahead, the most likely near-term scenario for the Scottish property market is continued modest price growth or mild stagnation, rather than any sharp correction. The market is currently sustained by a tight supply of properties and real wages that are, for now, keeping pace with prices. However, rising mortgage rates, softening employment, and inflation that is still too high for the Bank of England to comfortably cut rates represent meaningful headwinds for the second half of 2026. The market has shifted to a more sustainable pace, and buyers will continue to prioritize properties that do not require extensive or expensive immediate renovations.

The SM take

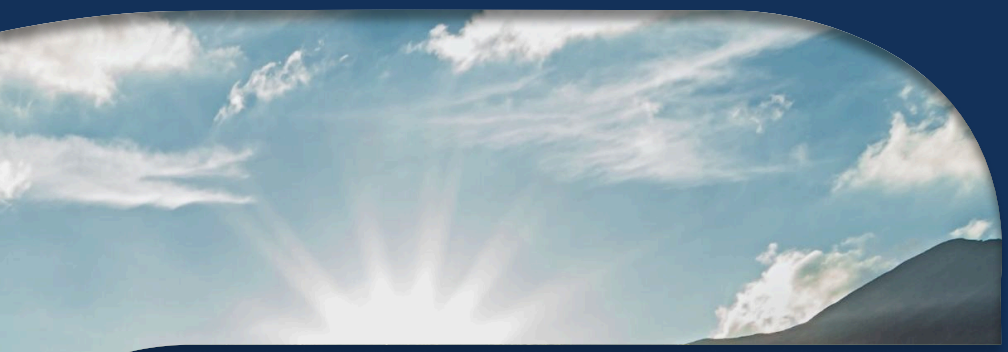
For Sellers

With an increase in new listings giving buyers more choice, pricing accuracy is absolutely paramount. Properties that are well-presented and appropriately priced continue to attract strong buyer interest and achieve close to or above Home Report values. Sellers must be prepared for slightly longer marketing periods and should rely on expert, localised valuation advice rather than expecting the speculative bidding wars of previous years.

For Buyers

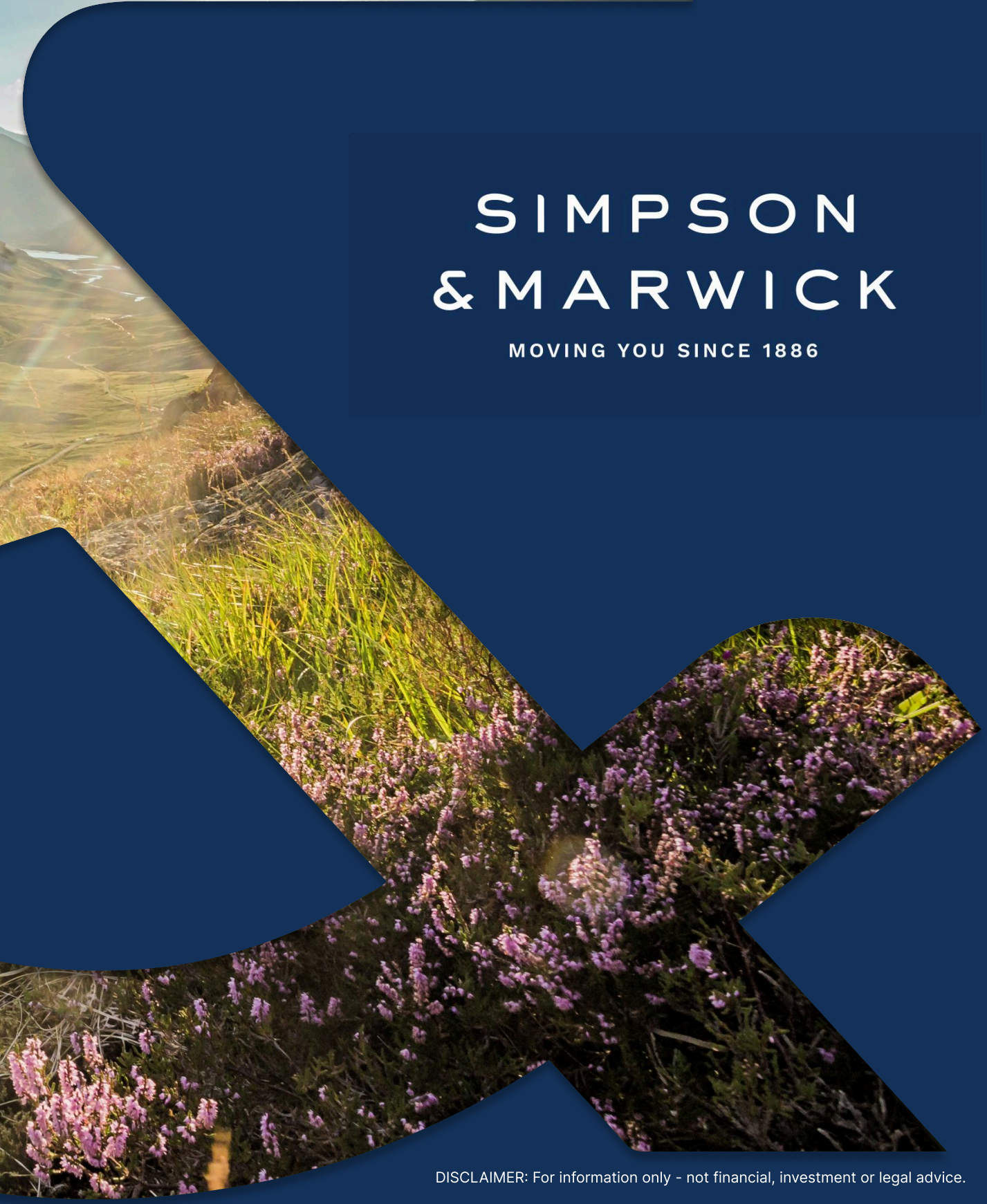
While average two-year fixed mortgage rates have risen to around 5.79%, the current market offers more choice and a less frenzied pace. First-time buyers, who paid an average of £154,281 in March 2026, must carefully factor these borrowing costs into their long-term budgets. However, the increase in stock means that buyers can progress with their searches diligently and without the pressure of having to make rushed, over-budget offers.





SIMPSON & MARWICK

MOVING YOU SINCE 1886



DISCLAIMER: For information only - not financial, investment or legal advice.