

An aerial photograph of a residential town, likely in Scotland, showing a dense cluster of houses with dark roofs and light-colored walls. A prominent church spire is visible in the center. The town is surrounded by green fields and trees. A yellow banner is overlaid on the bottom left of the image, containing the title and author information.

Scotland's Residential and New Homes Market Challenges and Opportunities

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A photograph of a Northern Rock bank branch. The building has a dark facade with large white letters spelling 'ROCK' above the entrance. To the left, there are signs for 'CORAL' and 'northern rock'. A yellow text box is overlaid on the top right of the image.

4 effects of the Global Financial Crisis 10 years on

1. Lower transaction levels

A photograph showing a large crowd of people, mostly older adults, gathered outside a building. They are looking in various directions, some towards the camera. A yellow text box is overlaid on the right side of the image.

2. Lender caution and mortgage regulation

3. High deposits, cash remains king

A photograph showing a group of people standing in a line outside a building entrance. The people are mostly older adults. A yellow text box is overlaid on the bottom right of the image.

4. Pressure on homeownership

SWOT Analysis of Scotland's Residential and New Homes Market



Strengths
Capitalise



Weaknesses
Mitigate



Opportunities
Promote



Threats
Diminish

Drivers of the market

**Demand &
Supply**

**Politics &
Economy**

Demand & Supply



Strengths **Capitalise**

- **Value for money**
- **Edinburgh & Glasgow**
- **Transactional activity**
- **Help to Buy**
- **Wide range of Government schemes**
- **Low mortgage rates**
- **Build quality**



Weaknesses **Mitigate**

- **Land & Buildings Transaction Tax**
- **Tighter lending criteria**
- **Restrictions on Buy-to-Let**
- **Planning process**
- **Narrow range of house builders**
- **Funding criteria for smaller builders**
- **House buildings targets**



Opportunities

Promote

- Demand across all tenures
- City centre living
- Vacant office space
- Retirement living
- RSLs as part of mainstream supply
- Offsite construction
- Improving existing stock
- Long term empty properties



Threats

Diminish

- The world after Help to Buy
- Interest rates rise threat
- Supply imbalance
- Infrastructure
- Unblocking strategic land
- Build costs
- Labour supply
- Too difficult to build?



**Politics &
Economy**



Strengths

Capitalise

- **Generally, a stable country**
- **High quality of life**
- **Resilient buyers**
- **Devolution in place**



Weaknesses

Mitigate

- **Subdued economic growth**
- **Falling consumer confidence**
- **Aberdeen area fragility**
- **Wider political uncertainty**



Opportunities

Promote

- **Scotland's global profile**
- **Better use of devolved powers**
- **Favourable taxation regime**



Threats

Diminish

- **Economic inactivity**
- **Educational attainment**
- **Northern England power house**

What does the future hold? SWOT analysis 15 years on



A Scotland that has embraced the changing nature of living



Social Housing 
Reform Programme

....where all areas are developable



...with world class infrastructure



And finally, a Scotland with a wider range of builders





savills

Thank you