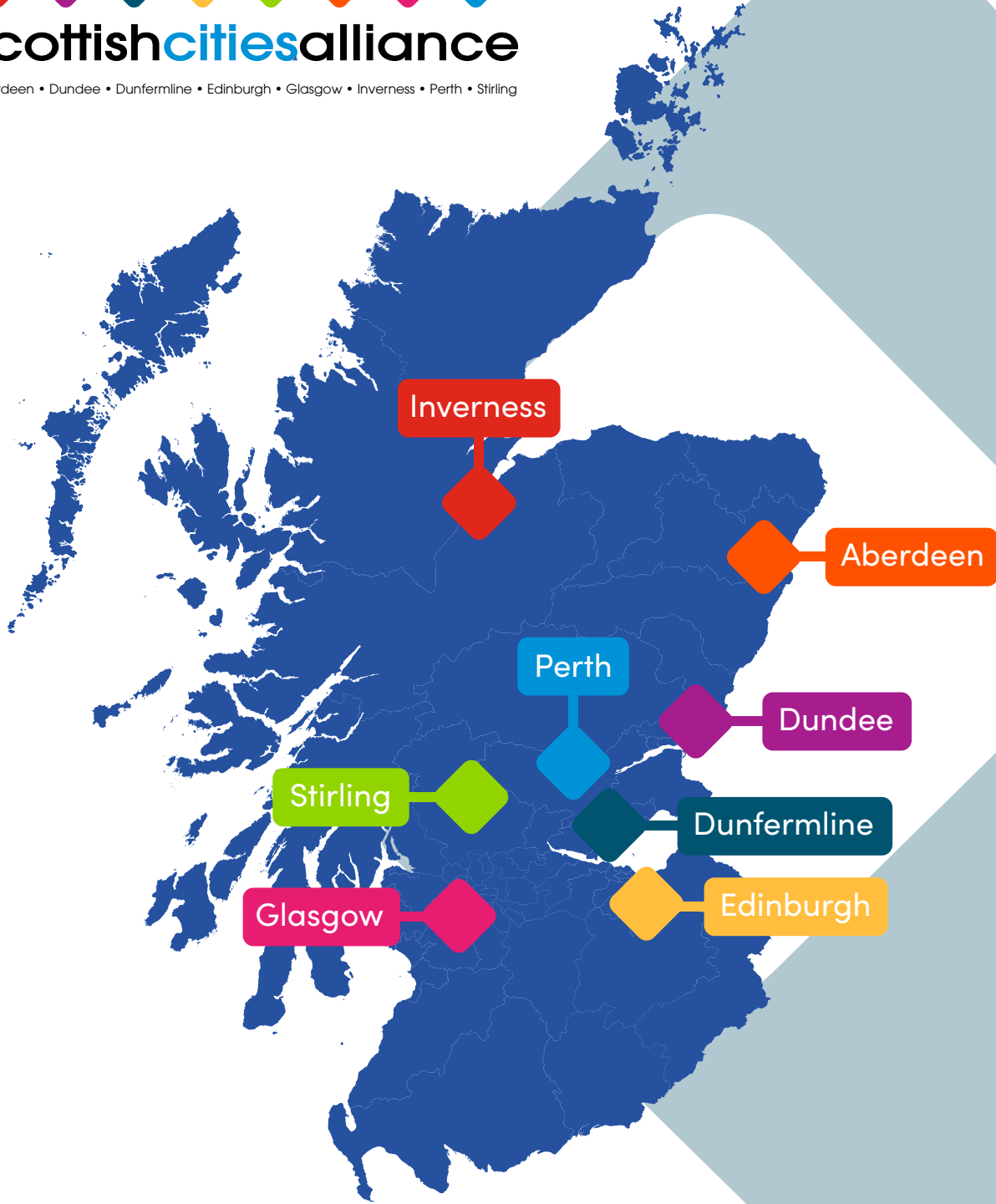




scottishcitiesalliance

Aberdeen • Dundee • Dunfermline • Edinburgh • Glasgow • Inverness • Perth • Stirling



SCOTTISH CITIES HOUSING & GROWTH (2026–2046+)

8 CITIES • 20 YEARS • UNLOCKING 170,000 NEW HOMES



SCA INTRODUCTION

Scotland's cities are at a defining moment.

Across Aberdeen, Dundee, Dunfermline, Edinburgh, Glasgow, Inverness, Perth and Stirling, sustained economic ambition is driving investment in energy transition, innovation, skills and key growth sectors. What is increasingly clear is that the success of these ambitions depends on one fundamental enabler: the availability of the right homes, in the right places, delivered at the right pace.

Housing is not a by-product of growth - it is a precondition for it.

Our prospectus is an invitation to consider housing differently. It presents a 20-year, long-term, demand-led investment opportunity that goes beyond individual projects, showing how housing delivery across Scotland's cities can be coordinated at scale, with shared purpose and long-term visibility.

Through the Scottish Cities Alliance, our eight cities are working collaboratively while retaining their distinct identities and priorities. By aligning our approach, we believe we can offer investors something increasingly rare - scale, geographic diversification and policy alignment, underpinned by strong public sector partnership.

Intentionally strategic, the prospectus sets out a direction of travel: demonstrating that housing demand across our cities is real, sustained and driven by both economic growth and long standing undersupply. The figures are not definitive, and will evolve, perhaps grow as delivery pathways and relationships strengthen.

Above all, this prospectus reflects our commitment to partnership. As an Alliance of Scotland's 8 cities and the Scottish Government, we are committed to working collaboratively with investors and developers to shape investable propositions of scale that meet your long-term investment objectives while supporting inclusive growth, high quality places and sustainable outcomes at a local level.

We see this as the start of a conversation - and we welcome it.



Cllr Raymond Bremner
Chair of Scottish Cities Alliance

THE EIGHT CITY INVESTMENT OFFER

20 YEAR OPPORTUNITY FOR LOWER RISK, INFRASTRUCTURE GRADE, SCALABLE INVESTMENT

This prospectus presents a long-term, housing led investment opportunity addressing Scotland's structural undersupply of affordable homes. Led by the Scottish Cities Alliance in partnership with the Scottish Government, it offers investors access to a nationally coordinated, infrastructure first platform underpinned by scale, policy certainty and delivery alignment across Scotland's eight cities.

NATIONAL PORTFOLIO PROVIDES INSTITUTIONAL SCALE

Scotland is entering a sustained period of transformation aligned with the investment horizons and risk profiles of institutional capital. Through our eight core cities – Edinburgh, Glasgow, Aberdeen, Dundee, Perth, Stirling, Inverness and Dunfermline – we offer scale, diversification, predictability and policy certainty across connected City Regions and adjacent Authorities.

On offer is a diversified pipeline of opportunity capable of supporting large scale investment in housing that will drive national and local growth ambitions in Finance, Technology, Life Sciences, Energy Transition and Logistics, whilst offering our investment partners protection against market volatility, and sustainable and dependable long-term performance that match long-term liabilities.

LONG-TERM HOUSING DEMAND CEMENTED BY CHRONIC UNDERSUPPLY

Scotland faces a persistent, all tenure housing undersupply, creating a clear 20 year demand led investment pipeline. This prospectus identifies a needs-based 170,000 home supply of housing with a sustained demand floor across the eight cities, spanning social, affordable, mid market rent and build to rent tenures.

Rent to income ratios remain 25–30% lower than London and the South East, supporting affordability while sustaining an aggregated, cross city investment proposition. The portfolio could deliver average blended inflation linked Net Initial Yields of 4.5% – 6.0%, offering defensive income, a consistent spread over long-dated Gilts, and durable long-term capital growth.

A SUPPORTIVE POLICY ENVIRONMENT

Scotland has established one of the UK's most supportive and investable housing policy frameworks, reframing housing as core national infrastructure:

- A £4.1bn Affordable Housing Supply Programme reinforces long-term confidence and market stability.
- The creation of the new delivery agency More Homes Scotland will provide a catalyst to unlocking stalled sites, deploy strategic resources and improve demand certainty.
- National Planning Framework 4 establishes long-term (to 2045) national spatial and policy direction, mandatory all tenure housing requirements and a mandate for low carbon urban growth across the cities.
- The Housing (Scotland) Act 2025 provides clarity on regulation, reducing uncertainty in key MMR and BTR sectors.
- Legally binding Net Zero 2045 targets embed ESG, aligning with green capital requirements, supported by the forthcoming Climate Change Plan (2026–2040).

Delivery is reinforced through city region growth strategies, targeted infrastructure investment and the catalytic role of the Scottish National Investment Bank (SNIB) in supporting opportunities across Scotland. Blended finance, SME housebuilder support and institutional co-investment are key delivery levers, including the £100m MMR Housing Fund, crowding in up to £400m of institutional capital to accelerate affordable housing.

Together, Scotland's eight cities offer scale, diversification and long-term resilience and policy certainty. The result is a low-risk, infrastructure grade residential investment opportunity, well suited to insurers, pension funds and institutional investors seeking predictable, inflation linked returns.

INVESTMENT & FINANCING FRAMEWORK

A SCALABLE, INCOME-BACKED APPROACH

The programme is designed to enable institutional investment through the delivery of long-term, income-generating residential assets across a coordinated, multi-city platform. By combining scale, diversification and policy alignment, the programme supports phased capital deployment and the creation of stable income streams aligned to the requirements of institutional equity and long-term debt providers.

Delivery is currently anticipated to be supported through blended public-private capital structures, for example:

- 50–70% senior debt
- 20–40% institutional equity
- 10–20% public capital / land / grant support with potential for institutional equity-only investment and potential guaranteed structures.

INCOME PROFILE AND FINANCING POTENTIAL

The programme is underpinned by diversified rental income across affordable housing, mid-market rent, build-to-rent and specialist housing.

These income streams benefit from:

- Structural housing undersupply
- Strong occupancy and affordability characteristics
- Diversification across locations and tenures

This creates a stable, low-volatility income profile, capable of supporting:

- Long-term debt financing
- Institutional, income-focused investment strategies
- Potential for portfolio-level funding across aggregated assets

INSTITUTIONAL INVESTMENT PROPOSITION

The programme offers institutional investors:

- Access to a £40bn+ long-term residential delivery programme
- Exposure to stable, income-generating assets
- Diversification across cities, tenures and economic drivers
- Investment alongside public sector capital
- Alignment with sustainability and social impact objectives
- Opportunity to deploy capital through scalable, repeatable structures

For debt providers, the programme presents:

- Income-backed lending opportunities supported by rental cashflows
- Potential for long-dated structures which align with the needs of pension and annuity investors
- Portfolio diversification reducing concentration risk
- Alignment with public policy and long-term housing demand

DELIVERING INVESTABLE OUTCOMES

This framework:

- Reduces early-stage development risk
- Supports predictable, income-generating assets
- Enables phased, scalable capital deployment
- Provides a basis for long-term, income-backed financing

The result is a coordinated housing investment platform, capable of attracting sustained institutional capital and delivering at scale across Scotland.

INVESTMENT & FINANCING FRAMEWORK

Future programmes of work would adopt a structured approach to risk management, with the Cities working collaboratively alongside private sector partners throughout the development process. Allocation of Risk would be based on which partner is best placed to manage that risk and would be agreed on a project by project basis.

INDICATIVE RISK ALLOCATION FRAMEWORK

Risk Category	Cities Role	Private Sector Role	Commentary / Mitigation
Planning & Policy	Lead	Support	Alignment with planning frameworks reduces early-stage risk.
Land & Site Assembly	Lead / Contribute	Partner	Public sector land input reduces upfront capital and accelerates delivery.
Design & Construction	Oversight	Lead	Cost and programme risk managed through established delivery structures.
Funding & Structuring	Support (grant, enabling funding)	Lead	Blended capital structures support efficient deployment of institutional funding.
Demand / Occupancy	Support (policy, nominations where appropriate)	Lead	Structural undersupply supports strong, sustained demand.
Rental Income / Revenue	Support (policy, subsidy where applicable)	Lead	Diversified tenure mix supports resilient income streams.
Operations & Management	Strategic oversight	Lead	Professional management underpins income stability.
Lifecycle Performance	Strategic alignment	Lead	Long-term ownership supports whole-life asset performance.
Market / Value Risk	Shared	Shared	Mitigated through diversification across cities and tenures.
Regulatory / Policy Change	Lead	Manage exposure	Long-term policy commitment provides direction and reduces uncertainty.

ABERDEEN

A LONG-TERM RESIDENTIAL INVESTMENT CASE FOR A TRANSITION ECONOMY

Aberdeen is Scotland's third largest city and the economic heart of the North East, supporting a city centre-focused region of over 500,000 people. As the UK's Global Energy Transition Capital, more than £22bn of clean energy investment is progressing through planning and delivery, reinforced by the decision in 2024 to locate the Great British Energy headquarters in Aberdeen.

DEMOGRAPHIC CHANGE SUPPORTING RENTAL AND SPECIALIST HOUSING DEMAND

Home to around 230,000 people, population growth has resumed in Aberdeen City, driven by working-age in-migration linked to the oil and gas, clean energy, digital and life science sectors and directly supporting demand for BTR and Mid Market Rent (MMR) homes within key city centre key employment locations. Strong growth in the 75+ age group and a large postgraduate student population strengthen the demand for age-appropriate, energy-efficient homes that support independent living.

ECONOMIC GROWTH DRIVEN BY ENERGY TRANSITION AND INNOVATION

Aberdeen remains at the forefront of the UK's energy transition, with £22bn+ of clean energy projects progressing across offshore wind, hydrogen, carbon capture and decarbonisation. This sustained investment continues to support employment growth and inward migration, underpinning long-term demand for urban rented housing.

RELATIVE AFFORDABILITY WITH STRENGTHENING RENTAL FUNDAMENTALS

Median house prices sit at £133,000, with modern new build in the city on average selling for £145 - £155k, significantly below Edinburgh, Glasgow and London, while average rents for modern apartments are typically c.£750-£850 pcm, supporting sustainable rent to income ratios. These fundamentals support market blended NIYs of 4.0% - 7.4% depending on tenure, offering the potential for a yield premium over more mature UK markets.

PUBLIC SECTOR ALIGNMENT AND HOUSING DELIVERY PARTNERSHIPS

Housing is regarded as essential economic infrastructure in Aberdeen, with the Council and economic agencies actively enabling institutional investment in affordable, MMR and BTR housing, underpinned by long-term housing strategies committing to sustained social and affordable delivery and the unlocking of **over 7500 mixed tenure homes within the city boundary over the next 20 years.**

The city's two universities support a stable and resilient student population, while supply of modern PBSA remains limited. City Centre PBSA typically supports NIYs of c.6.0-6.75%, while also easing pressure on the private rented sector.

A RESILIENT INSTITUTIONAL INCOME PROFILE

Compared with Edinburgh, Glasgow and London, Aberdeen benefits from lower entry pricing, lower affordability pressure and more sustainable rent to income ratios, reducing downside risk through market cycles. Combined with constrained supply, these characteristics support defensive, income-led returns with clear ESG alignment.

THE INVESTMENT CASE

Aberdeen is rapidly transitioning into a nationally significant clean energy and innovation economy, with residential investment playing a central role in enabling economic transition. For institutional investors, the city offers attractive yield support, growing market validation and long-term income security, underpinned by affordability and public sector backing.



MAJOR GROWTH AND INVESTMENT INITIATIVES

1. ENERGY TRANSITION ZONE (ETZ), SOUTH HARBOUR

The ETZ around Aberdeen South Harbour is a £130m+ investment creating a world class cluster for offshore wind, hydrogen and decarbonisation industries, supporting thousands of new jobs and driving demand for nearby BTR, MMR and affordable housing.

2. ABERDEEN CITY REGION DEAL – HOUSING AND INFRASTRUCTURE

The £800m+ Aberdeen City Region Deal, jointly funded by the UK and Scottish Governments, is actively delivering infrastructure, innovation hubs and digital connectivity that unlock residential led regeneration and mixed tenure housing across the city, supported by established public sector delivery models including the Scottish Government Hub Programme.

3. CITY CENTRE AND QUEEN STREET REGENERATION

Major city centre investment, including the £150m Queen Street regeneration, is transforming underutilised civic and commercial assets into mixed use environments. Supported by Hub North Scotland through the Scottish Government Hub Programme is de-risking delivery and create strong locations for BTR, PBSA and urban living linked to employment and education.

4. ONE BIOHUB AND P&J LIVE – INNOVATION, LIFE SCIENCES AND EVENTS INFRASTRUCTURE

The ONE BioHub, a £40m investment supported by the Aberdeen City Region Deal, is a flagship life sciences and bio manufacturing development providing flexible laboratory and grow on space for high value medical and life science companies, reinforcing Aberdeen's diversification into innovation led sectors.

P&J Live represents a £300m+ investment in major events and conferencing infrastructure, significantly strengthening the City's capacity to attract international conferences, exhibitions and business tourism, supporting employment growth and sustained demand for high quality rented housing.

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DUNDEE

DEMAND-LED RESIDENTIAL INVESTMENT

Dundee's residential investment case is reinforced by its long-term economic transformation. Over the past decade, the city has reshaped its economic base with growth in digital and life sciences alongside low carbon technologies. As this transition gathers pace, housing demand continues to outstrip supply creating opportunities for investment aligned with employment growth.

GROWING SKILLED AND EDUCATED POPULATION

Dundee's population is projected to enter a sustained growth phase for the first time in around 50 years, reflecting the city's ongoing economic and placemaking transformation. Household growth is closely linked to labour market strength and ability to retain and attract working age residents. Graduate retention, professional migration and international recruitment, supported by the universities and an innovation economy create a sustained demand for housing.

Trends are beginning to favour rental housing in accessible city centre and Waterfront locations where affordability, proximity to work and flexibility support new households.

KNOWLEDGE-LED ECONOMIC GROWTH

Dundee's economy has evolved through sustained long-term, place-based investment. The Tay Cities Regional Deal provides a pipeline across skills, innovation and low-carbon technologies, positioning Dundee as a leading location for scalable, knowledge-led industries. Local employers and the Universities recognise housing as critical infrastructure, with modern, energy-efficient homes deemed essential to workforce growth, and economic delivery.

DEMAND DRIVEN AFFORDABLE OCCUPANCY

Affordability is a key strength of Dundee's housing market. With an average rent to income ratio of c30%, rents are materially more affordable than Scotland's largest cities, supporting demand from graduates, key workers and skilled professionals.

Expanding employment and a growing city centre population, underpin strong occupancy and resilient rental income well suited to long-term investment strategies.

HOUSING BASED ON QUANTIFIED NEED

Dundee's growth ambitions are influenced by the pace, quality and location of new housing. Inward investment, inclusive growth and supporting graduate retention is driving the requirement for **around 9000 new homes within the City boundary over the next 20 years.**

Dundee's student population of over 17,000, underpins an established, professional PBSA market, with demand for high quality, well-located accommodation supporting strong occupancy and a resilient income profile.

STABLE INCOME FOCUSED PERFORMANCE

Well located housing benefits from a diverse tenant base and limited supply, particularly where it supports city centre living and Waterfront employment growth, offering predictability, and low volatility over the long term for various models of housing investment.

The Tay Cities Region Deal, signed in 2020, brings around £700 million over fifteen years across Dundee, Perth and Kinross, Angus, and North-East Fife, with substantial investment in the Eden Campus at Guardbridge, biomedical sciences, advanced manufacturing at the Michelin Scotland Innovation Parc, and inclusive growth programmes.

SUMMARISING THE OPPORTUNITY

Driven by necessity as much as it is growth, housing delivery is fundamental to achieving Dundee's economic strategy.

For long-term investors, this alignment between residential income, economic expansion and public sector priorities supports durable, income focused returns over a 20 year horizon.



INVESTMENT PRIORITIES

Dundee's investment focus is shaped by place-based regeneration and innovation led growth. Housing plays a central role in enabling these priorities by supporting workforce expansion, retention and inward migration.

TAY CITIES REGIONAL DEAL

The Tay Cities Regional Deal continues to unlock large-scale, employment-led investment across Dundee. A flagship example is Michelin Scotland Innovation Parc, supported by circa £50 million of investment from the Scottish Government (SG), Dundee City Council and Scottish Enterprise. In 2025, advanced textiles manufacturer Wilkie committed up to £50 million to the acquisition and expansion of its operations at the Parc, securing around 600 jobs and further strengthening Dundee's position as a centre for advanced manufacturing and low carbon innovation.

DUNDEE WATERFRONT

The Waterfront continues to attract a strong mix of public and private sector occupiers, reinforcing its position as a premier business destination. Agnes Husband House, a Grade A office development, serves as the headquarters for Social Security Scotland, supporting several hundred city-centre jobs. Adjacent to this, James Thomson House, a £26 million flagship Grade A office scheme completed in summer 2025, further strengthens the area's high-quality commercial offering. The development is anchored by Thorntons Solicitors as its principal occupier, underlining occupier confidence in the Waterfront location.

LIFE SCIENCES AND DIGITAL SECTORS

Dundee's life sciences cluster continues to attract inward investment anchored by the University of Dundee. In 2024, Scottish Enterprise committed £8 million toward the £40 million Life Sciences Innovation Hub, forming part of the Tay Cities Biomedical Cluster.

In 2026, international CRO Chemveda Life Sciences selected Dundee for its European operations, securing grant support and creating high value scientific employment, reinforcing Dundee's position as a globally competitive life sciences and digital innovation centre.

NET ZERO DUNDEE

As one of Scotland's leading net-zero cities, Dundee continues to be supported by targeted infrastructure investment. In 2024 Dundee City Council adopted a Local Area Energy Plan setting out delivery pathways for heat networks as a principal means to decarbonise buildings and leisure facilities and regeneration projects across the City. Funding support provided through the Scottish Government's Heat Network Fund demonstrate continued commitment to support projects that align with long-term decarbonisation and sustainable growth objectives.

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DUNFERMLINE

INVEST IN DUNFERMLINE

Dunfermline continues to grow as Fife's principal urban centre, with steady housing development supporting economic opportunities and major employment sites. Over the longer term, the city is well placed to accommodate further growth linked to regional investment, infrastructure delivery and emerging opportunities such as the Forth Green.

Supported by nationally backed economic investment, the city provides stable income and attractive risk-adjusted returns relative to core city markets.

LONG-TERM RENTAL DEMAND

Population growth of 29% by 2036 within the travel-to-work area underpins sustained demand for rented housing. Dunfermline's strengthening role within the Edinburgh city region, supported by major employers including Amazon, Sky, Babcock and Ministry of Defence, provides resilience and consistent tenant demand.

EMPLOYMENT-LED GROWTH

Employment growth is driven by the £8bn Forth Green Freeport and the £1.3bn City Region Deal, creating jobs across manufacturing, logistics, renewables and digital sectors. The £180m Dunfermline Learning Campus delivering a new school in 2024 and new college in 2025, will enhance skills and support demand from professional renter households.

AFFORDABILITY DRIVEN OCCUPANCY

An employment rate of 81.8% and average weekly earnings of £731 support strong rental affordability relative to Edinburgh. These dynamics underpin high occupancy, low arrears risk and limited tenant churn, providing a platform for stable, inflation-linked rental growth.

STRUCTURAL SUPPLY SHORTFALL

Rosyth Waterfront located directly adjacent to Dunfermline city, is a strategic port asset and cluster for specialist advanced engineering, marine and modular energy sectors. It is designated as one of two Forth Green Freeport tax sites within Fife and is benefiting from projected economic growth creating up to 7,350 direct jobs in addition to enhanced road, rail, and utilities infrastructure. The current adopted Local Development Plan (FIFEplan 2017) provides for **around 4000 homes and is under revision to ensure Fife can appropriately meet future need.**

While sites such as Whitefields (1,400 homes) and Wellwood (1,100 homes) are progressing, delivery remains constrained. House prices have risen 7.2% over the 12 months ending February 2026, outperforming the national average.

INVESTMENT CHARACTERISTICS

Blended Net initial yields of around 4.0% -5.0% offer an attractive spread over core markets while maintaining income security. Demand is strongest for apartments and family-sized homes to support a growing skilled local workforce and from renters seeking value relative to Edinburgh, supported by strong transport connectivity.

CONCLUSION

Dunfermline combines durable rental demand, affordability and structural undersupply with government-backed economic growth. As the city evolves into a recognised Scottish hub, it offers a lower volatility investment opportunity aligned with long-term income and Investor ESG objectives.



PUBLIC BACKED ECONOMIC INVESTMENT PRIORITIES

Economic growth in and around Dunfermline is driven by large scale, place-based investment programmes, supported by the UK and Scottish Governments, Fife Council and the Scottish National Investment Bank (SNIB).

1. PORT OF ROSYTH & FORTH GREEN FREEPORT

Rosyth is a designated tax site within the Forth Green Freeport. Investment is focused on offshore wind, hydrogen, sustainable fuels, advanced manufacturing and green logistics. As part of an overall £7.9bn investment, Rosyth will be a nationally significant employment hub within the Dunfermline travel-to-work area.

2. ROSYTH DOCKYARD - DEFENCE-LED GROWTH

The UK Government has committed £340m of direct investment to Rosyth Dockyard. Anchored by Babcock International, the Dockyard remains a core UK defence asset, securing long-term, highly skilled employment opportunities within the Dunfermline labour market.

3. ARROL GIBB INNOVATION CAMPUS (AGIC), ROSYTH

The £50m Scotland Defence Growth Deal includes targeted investment in the Arrol Gibb Innovation Campus, which is being developed as a national centre for defence, engineering and advanced manufacturing innovation. AGIC will support skills development, productivity growth and the creation of high value jobs across west Dunfermline.

4. CITY REGION DEAL INFRASTRUCTURE & SKILLS INVESTMENT

Dunfermline benefits directly from the £1.3bn Edinburgh & South East Scotland City Region Deal, which is supporting infrastructure, regeneration and skills-led investment across Fife. This includes delivery of the £180m Dunfermline Learning Campus and enabling infrastructure to unlock strategic housing and employment sites, which will reinforce long-term labour market growth and housing demand in the City.

5. FIFE'S LOCAL HEAT & ENERGY EFFICIENCY STRATEGY (LHEES)

Fife's Local Heat & Energy Efficiency Strategy aims to improve building energy efficiency and transition to sustainable heating by 2045. With eight key priorities, including: tackling fuel poverty, health; community wealth building; and transitioning the energy system, the strategy focuses on extending district heat networks and exploring mine water heat opportunities within the Dunfermline and Rosyth area.

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EDINBURGH

A CAPITAL CITY CREATED FOR LONG-TERM RESIDENTIAL INVESTMENT

Edinburgh is Scotland's capital and one of the UK's most resilient housing markets, with a population of approximately 530,700 (mid 2024) and sustained population and household growth above national trends. As the economic centre of the Edinburgh and South East Scotland City Region, housing delivery is treated as long-term economic infrastructure, creating a clear opportunity for 20+ year institutional investment across Affordable Housing, MMR, BTR and PBSA.

AN EMPLOYMENT-LED CITY ECONOMY

Edinburgh is one of the UK's fastest-growing city economies, attracting sustained investment across financial services and fintech, technology, data and AI, life sciences, higher education, and tourism, driving long-term employment growth and rising incomes that underpin resilient rental demand across market cycles.

A RENTAL MARKET OFFERING DEPTH AND DURABILITY

Edinburgh is Scotland's highest value rental market, with typical new build 2-bedroom market rents sitting around £1400 - £1450 per month. Low vacancy, fast letting and rent to income ratios of c.35–38% point to deep, sustainable demand capable of supporting long-term, inflation-linked income.

STABLE INCOME-FOCUSED RETURNS

Edinburgh offers an income led residential investment profile, with typical gross yields of c.4.0–6.0% and stabilised net yields of 3.5 –4.7%, supported by high occupancy (typically 95%+) and low long-term void risk. Residential values show strong resilience, with c.4% growth in 2025 and medium term capital growth expectations of 3–5% per annum, underpinned by supply constraints and employment density.

PIPELINE CERTAINTY THROUGH PARTNERSHIP

Edinburgh offers delivery confidence through strong public sector alignment. The Edinburgh and South East Scotland City Region Deal represents a £1.5bn+ programme of investment, with £313m directly targeted at housing and enabling infrastructure to support strategic sites.

Significant progress is being made against an anticipated Pipeline requirement **for up to 75,000 new all tenure houses over the next 20–30 years.**

Edinburgh Waterfront is one of the UK's largest regeneration programmes, with £220m of committed public sector investment assisting the delivery of up to 3,500 low carbon homes alongside major infrastructure, providing long-term scale and visibility.

The South East Regional Delivery Alliance is accelerating the delivery of Affordable and MMR housing, achieving scale and improving cost certainty through standardised design, MMC and collaborative procurement. The SE-RDA has already identified 22,000 units over 561 sites requiring a total estimated spend of £3.8bn.

WHY INVEST IN EDINBURGH

Edinburgh offers a 20+ year residential investment proposition defined by:

- Deep, durable rental demand
- Secure, income led returns with inflation linkage
- Resilient long-term capital growth
- Policy backed delivery structures
- Partnership models providing scale and pipeline certainty

For institutional investors and developers seeking stable income, visibility of supply and repeatable delivery, Edinburgh stands out as one of the UK's most investable residential markets outside London.



INVESTMENT PRIORITIES

Major residential development is underway, with over £1.7bn of committed public and private investment being delivered via long-term partnerships across affordable housing, MMR and large-scale regeneration.

1. EDINBURGH WATERFRONT – GRANTON WATERFRONT (PHASE 1)

- 847 net zero homes (c.46% affordable) within a 3,500 home masterplan
- £1.3bn programme; £42m+ Scottish Government (SG) commitment to Phase 1
- City of Edinburgh Council (CEC) with Cruden Group; supported by SG and SFT
- Phase 1 2026–2033

2. EDINBURGH LIVING – MID MARKET RENT PLATFORM

- 800+ MMR homes in management; 350+ funded and in delivery
- £200m+ committed portfolio value
- CEC capital, SG grant, PWLB borrowing
- Active delivery 2019–2030+ via a repeatable platform

3. THRIVING INVESTMENTS – NEW AVENUE LIVING (EDINBURGH)

- 500+ MMR homes completed/in delivery across Edinburgh
- £150m+ committed - with Edinburgh as a core market
- CEC enabling, SG Grant and £60m SNIB investment (National funding programme)
- Delivery 2019–2025; expansion 2026–2030

4. OCTOPUS CAPITAL – AFFORDABLE HOUSING FUND (EDINBURGH SCHEMES)

- 200+ affordable / MMR homes in Edinburgh.
- £100m fund with £50m SNIB investment (National funding programme)
- SNIB equity, SG grants, CEC planning support
- Phased delivery 2024–2028

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GLASGOW

A LONG-TERM RESIDENTIAL INVESTMENT CASE

Glasgow is one of the UK's largest and most resilient residential markets and Scotland's economic capital, anchoring the Glasgow City Region with over 650,000 residents and a highly diversified economy. Demand across Affordable Housing, BTR, MMR and PBSA is driven by population growth, public sector investment and inclusive growth policy, supporting long-term, income-led returns. It was recently ranked the No. 1 for city for residential investment in the UK.

DEMOGRAPHIC GROWTH DRIVING RENTAL DEMAND

Glasgow City's population reached approximately 650,300 in mid 2024, growing year-on-year and significantly outperforming the Scottish average. Growth is driven by international migration and a strong working-age profile, with those aged 25–44 leading the demand for higher-density rental housing.

Household growth will continue through the mid 2030s, with rising single person households and a persistent undersupply of affordable and mid market housing around employment centres, six universities and key transport corridors.

EMPLOYMENT GROWTH UNDERPINNED BY REGIONAL INVESTMENT

The economy is driven by the Glasgow City Region Regional Economic Strategy and the £1.13bn City Deal, backed by the UK and Scottish Governments (SG), which has unlocked £550m+ of infrastructure investment enabling regeneration and housing-led development.

This is reinforced by Investment Zone designation, Regional Innovation funding and a large public sector employment base, consolidating Glasgow's role as Scotland's primary employment hub.

COMPETITIVE RENTS WITH STRONG DEMAND

Recent market evidence place average rents in Greater Glasgow at £1,275 per month (early 2026), remaining materially more affordable than Edinburgh and London and the South East

of England, while continuing to rise amid strong demand and constrained supply. Median household incomes support affordability across BTR and MMR, particularly for key workers, graduates and young professionals.

Glasgow's 185,000 students underpin the sustained demand for PBSA required to ease pressure on the wider private rented sector.

PARTNERSHIP APPROACH TO HOUSING DELIVERY

A declared housing emergency reflects demand materially exceeding supply across affordable, MMR and private rent, and there is an identified need for more family-sized homes. To address this demand, significant investment is required to facilitate **the delivery of 45,000 new mixed tenure homes over the next 20 years.**

Delivery of these homes will be supported through the City Deal, Scottish National Investment Bank (SNIB), and institutional/private capital via development partnerships with Glasgow City Council.

A PREDICTABLE INCOME PROFILE

Residential Investors can expect blended net initial yields of between 4.5% – 7.0% across all tenures, supported by strong demographics, relative affordability, public sector alignment and increasingly mature BTR and MMR models. Limited central land supply, rising build costs and energy-efficient new homes further underpin long-term income security and capital resilience.

THE INVESTMENT CASE

Glasgow offers a scalable, policy aligned residential market with diversified demand and clear long-term income visibility. Affordable housing, BTR, MMR and PBSA are central to the City Region's economic strategy, positioning Glasgow strongly for institutional investors seeking resilient, income led returns aligned with inclusive growth.



INVESTMENT PRIORITIES

Housing led growth in Glasgow is supported through City Deal funding, SG grant programmes and SNIB investment, targeting regeneration, affordability and economic participation.

1. CLYDE WATERFRONT & CITY DEAL REGENERATION PROGRAMME

The Clyde Waterfront is one of the UK's largest urban regeneration programmes, unlocking capacity for c.20,000–25,000 new homes over the long-term. Delivery is supported by City Deal infrastructure and brought forward through multiple residential led regeneration sites along the river corridor.

2. CITY CENTRE STUDENT ACCOMMODATION & MIXED-TENURE SCHEMES

Glasgow is aiming to double its city centre population from approximately 20,000 to 40,000 people by 2035. Schemes at Central Quay, Sauchiehall Street and India Street are delivering c.2,500 PBSA beds, alongside affordable housing and commercial uses, helping relieve pressure on the private rented sector and supporting city centre regeneration.

3. AFFORDABLE & MID MARKET RENT (MMR) DELIVERY PROGRAMME

Through its SHIP and long-term housing strategy, Glasgow City Council is supporting c.40,000–50,000 new homes over the next 20 years. Delivery focuses on Affordable and MMR housing, leveraging Scottish Government grant, City Deal enabled land and SNIB finance to support workforce growth.

4. TRANSFORMATIONAL REGENERATION AREAS (TRAS) & CLYDE GATEWAY

Across the eight Transformational Regeneration Areas (TRAs) in Glasgow, the overarching target is to deliver approximately 6500 affordable sales and MMR and 600 homes for social rent. The programme focuses on creating sustainable, mixed-tenure communities through a combination of social rent, mid-market rent (MMR), and private sales.

Glasgow is committed to implementing new public/private partnership models to unlock investment. Cowlairs, for example, is a pioneering partnership model that will unlock institutional investment to deliver over 1,000 new homes across a range of tenures.

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INVERNESS

20 YEAR INCOME LED RESIDENTIAL INVESTMENT

Inverness offers a solid 20+ year investment opportunity. As the capital and economic centre of the Highlands, the city benefits from sustained public sector support, long-term employment growth and an evident shortage of housing. These factors support stable rental demand and reliable income returns.

POPULATION AND HOUSEHOLD GROWTH

Inverness is expected to grow faster than many other regional and rural Scottish locations. Population growth is driven by inward migration and the city's role as the Highlands' centre for employment, education and services. Housing demand is closely linked to household growth arising from workforce expansion tied to new job creation.

FIRM EMPLOYMENT AND ECONOMIC DRIVERS

Employment growth is centred on the Inverness & Cromarty Firth Green Freeport, supporting over 11,000 long-term through anticipated investment exceeding £6.5bn. A further £315m investment through the Inverness & Highland City Region Deal, will provide long-term visibility on jobs, skills and infrastructure investment through to 2046.

Public sector led delivery and funding models will be utilised to strengthen housing delivery.

- Utilise Green Freeport non-domestic rates to subsidise new housing projects.
- Leverage JV models and Scottish National Investment Bank to deliver mixed tenure housing.
- Develop a guarantor model to allow an element of underwriting to developments

SOLID AFFORDABILITY AND OCCUPANCY FUNDAMENTALS

Average rents in Inverness remain materially more affordable than in Scotland's major cities, averaging c£900 per month for more modern accommodation compared with around £1,450 in the City of Edinburgh and

c£1275 in Glasgow. Supported by a strong local labour market, with a 76% employment rate, this affordability underpins longer tenancies, low turnover and consistently high occupancy, delivering a stable, predictable income profile.

THE HOUSING CHALLENGE

The Highland Housing Challenge seeks to accelerate the delivery of up to 24,000 new homes across the Highlands over the next decade by unlocking land, mobilising public and private capital and strengthening delivery capacity. Inverness sits at the centre of this ambition, with an identified housing need of **up to 16,000 houses identified over the next 20 years** deemed critical to supporting employment growth linked to the Green Freeport.

Approved plans include the development of a Highland Council owned vehicle tasked with delivering mid-market rent housing focused on supporting key worker housing.

PREDICTABLE INCOME PROFILE

Investing in Inverness's housing offers the potential to secure sustainable blended net initial yields between 3.8% - 5.0%, supported by strong occupancy, constrained new supply and increasing use of joint public-private delivery models. Demand is focused on well located flats and family homes for skilled workers, benefiting from strong road and air connectivity. These fundamentals support long-term, low volatility residential income.

INVESTMENT SUMMARY

Inverness is positioned to deliver affordable rents and resilient income over the next 20 years. Continued investment linked to the Green Freeport and City Region Deal, alongside emerging partnership and underwriting structures, underpins long-term household growth and enhances income durability aligned with institutional requirements.



INVESTMENT PRIORITIES

Economic growth in and around Inverness is driven by large-scale, place-based investment programmes.

1. INVERNESS & CROMARTY FIRTH GREEN FREEPORT

The Green Freeport encompasses strategic sites including the Port of Inverness, Port of Nigg, Ardersier Energy Transition Facility and Inverness Campus. Focused on offshore wind, subsea cables, hydrogen and advanced manufacturing, it is expected to generate 11,000+ jobs, significant inward migration and sustained housing demand across the Inverness travel-to-work area.

2. INVERNESS & HIGHLAND CITY REGION DEAL

A £315m programme targeting long-term inclusive growth through innovation, digital connectivity, skills development and infrastructure. Key outputs include support for 6,000 new homes, transport investment unlocking housing land, and employment growth in knowledge-based sectors, reinforcing Inverness's role as the Highlands' economic hub.

3. INVERNESS CAMPUS – INNOVATION & LIFE SCIENCES HUB

Inverness Campus is a nationally significant centre for collaboration between businesses, researchers and higher education, focused on life sciences, digital health and technology-led growth. The campus supports high value employment and demand for high-quality rented housing from skilled professional households.

INVEST HIGHLAND - investhighland.com



PERTH – AT THE HEART OF SCOTLAND’S GROWTH

Perth is the administrative centre of Perth & Kinross and key second city in the Tay Cities Region. The local economy is dominated by public administration, healthcare, education, tourism, food and drink manufacturing and professional services, providing stable employment and income for residents.

PLANNING FOR AN AGEING POPULATION

With a population of around 48,000 and as the largest settlement in Perth & Kinross, Perth forms the focus of housing demand.

Population ageing is a significant housing demand driver, with residents aged 75 and over increasing by 62.5% between 2001 and 2024 across Perth and Kinross, the fastest growing age group locally. The median age of 47.8 years is well above the UK average, indicating sustained long-term demand for age appropriate housing.

Net migration includes older households and pre retirement residents relocating to access services, reinforcing demand for independent living, extra care housing and accessible rented homes within Perth.

A STABLE SERVICE-LED ECONOMY

This service led economic base underpins consistent demand for housing from older and pre retirement households seeking proximity to services and amenities. Stable public sector employment supports demand across affordable rent, mid market rent and later life rental sectors.

Perth offers a strong, low-risk residential investment opportunity underpinned by demographic ageing, a stable service led economy, and significant public sector investment through the £300 million Tay Cities Deal, including city specific projects such as Perth West and the Perth Innovation Highway, supported by national investor engagement via the Scottish Cities Alliance.

The Perth City Centre Development and Design Framework identifies the city centre as a priority location for accessible housing.

AFFORDABILITY AND HOUSING NEED

Earnings broadly align with the Scottish average, while private rents remain lower than in Scotland’s major cities. Rents typically account for 25–30% of household income, and home ownership remains high at around 67%, creating clear downsizing demand.

The current Strategic Housing Investment Plan proposes delivery of approximately 1,490–1,688 affordable homes over the period of the plan, supported by around £84 million of Scottish Government funding, which will contribute to an estimated **20 year needs-based pipeline of around 6500 new mixed tenure houses** to assist economic growth ambitions within the city.

The programme prioritises specialist and accessible housing, Recent evidence suggests net initial yields of around 3.8%–4.8% for grant funded affordable housing and MMR and 4.30%–6.5% for extra care and supported housing. While tighter than Build to Rent yields, MMR offers a more defensive, income secure profile, which is already proving attractive in secondary Scottish cities.

A COMPELLING CASE FOR LONG-TERM INVESTMENT

Perth offers investors a strong, low risk residential investment opportunity, underpinned by demographic ageing, stable service sector fundamentals, and aligned public sector policy and funding. Clear policy support, a funded delivery pipeline and sustained public investment underpin a stable, low risk environment for long-term, income focused residential investment.



INVESTMENT PRIORITIES

Perth's regeneration strategy is being advanced through a small number of high-impact, long-term investment priorities that combine public sector funding, placemaking and demographic led housing delivery to support sustainable economic growth.

1. PERTH WEST / LAMBERKIN VILLAGE

- Up to 3,500 homes, including 875 affordable
- Intergenerational living masterplan with Tay Cities Deal funded infrastructure
- 20 year phased delivery (2025–2045)
- Estimated GDV (residential): £750m–£900m

2. PERTH CITY CENTRE LIVING PROGRAMME

- Conversion and reuse of former civic, retail and care assets
- Direct council involvement and grant funded regeneration support
- High suitability for 60+ rental and downsizer apartments
- Phased delivery to 2035

3. FORMER BEECHGROVE RESIDENTIAL HOME (SHIP EXAMPLE)

- 40 affordable homes, specialist housing led
- Council owned site, SHIP funded
- Delivery split over 2–3 years
- Represents a repeatable model for care-to-housing repurposing

4. PERTH MUSEUM (FORMER CITY HALL), CITY CENTRE

- £27m city-centre regeneration and cultural investment
- £17m Perth & Kinross Council funding, £10m via the Tay Cities Deal
- Permanent home of the Stone of Destiny
- Opened March 2024

INVEST IN PERTH - investinperth.co.uk

STIRLING

CULTURAL ICON WITH A THRIVING ECONOMY

Stirling was rated Scotland's happiest place to live by Rightmove in 2024 and 2025. Within an hour of over half Scotland's population, it combines culture, respected education and a thriving economy—delivering an exceptional quality of life.

Stirling is both a compact 900-year-old city and a wider council area spanning 800+ square miles, together home to around 94,000 people. Known for heritage, landmarks and landscapes, it also has a skilled workforce and innovative businesses, with strengths in tech and advanced manufacturing. EY has forecast Stirling to have Scotland's fastest-growing economy.

POPULATION GROWTH

Stirling's population is expected to keep growing. With 61% of residents of working age and a rising number of smaller households, rental demand should remain strong. Its desirability and location also support inward migration from higher-cost areas across Scotland's Central Belt.

REGIONAL ECONOMIC AMBITIONS

The Forth Valley's Regional Economic Strategy will be published in 2026, setting the vision for an inclusive, productive and sustainable economy by 2035. Developed by Stirling, Falkirk and Clackmannanshire councils with national agencies and private sector partners, it will provide a framework for growth, resilience and innovation.

The UK and Scottish Governments are investing £90m through Stirling and Clackmannanshire's City Region Deal, backing projects in digital, innovation and skills; net zero; infrastructure and culture; tourism; and heritage.

Attracting students from 140 countries, the University of Stirling alongside Forth Valley College, is primed to partner with the private sector. Housing investment will be required to support business investment, workforce growth and graduate retention.

AFFORDABLE RENTS SUPPORT INCOME STABILITY

Stirling offers a long-term case for residential investment; affordability supports stable income performance. New MMR (mid-market rent) accommodation supports blended net initial yields of 3.70–4.60% (slightly below market-led yields of 3.90%–4.70%), subject to location, specification and management.

This can command a premium, reflecting a more affordable and resilient housing market. High-quality, multi-tenure housing is required to meet workforce growth and inward migration.

RECORD-BREAKING DEVELOPMENT AND INVESTMENT

In February 2026, ground was broken at Durieshill—the largest housing development to secure detailed planning approval in Scotland—delivering 3,000 homes over 30 years and reflecting the Council's focus on placemaking.

The Council also approved a record £28.7m housing investment for 2026/27. Its SHIP identifies around 900 affordable homes over five years as the first phase of a longer-term pipeline totalling **around 8,500 market and affordable houses over the next two decades**, requiring scaled delivery with developers, RSLs and institutional investors to secure an appropriate tenure mix. Around 800 new homes will also be required in Stirling's rural housing market over this period.

STIRLING – ALIVE WITH INVESTMENT OPPORTUNITY

Stirling offers long-term investors:

- A 20 year+ pipeline of housing demand aligned to economic growth
- Lower volatility than larger urban markets
- Ability to phase capital deployment over time
- A compact local authority which is agile to engage and adapt



INVESTMENT PRIORITIES

Growth is shaped by Stirling's heritage, creative industries and innovative scaling businesses, alongside economic ambitions for the wider Forth Valley region.

1. FORTHSIDE, CREATIVE INDUSTRIES AND FILM

In 2024, a 34 acre former military site at Forthside beside the city centre transferred to Stirling Council, which secured £19m from the UK Government to prime it for development. Earmarked to include one of Scotland's largest film studio campuses, an operator will be appointed in 2026. Stirling has one of Scotland's highest concentrations of creative industries employment with Screen Scotland noting the proximity to crew and locations as "second to none". Forthside will also deliver 300 homes, the first 128 with Westpoint Homes.

2. INVESTMENT IN INNOVATIVE GROWTH SECTORS

EY forecasts Stirling will have Scotland's fastest-growing economy and one of the UK's top growth rates driven by innovative businesses. Its five growth sectors are underpinned by capabilities in advanced manufacturing and tech; manufacturing being one of Stirling's highest turnover generating industries. The city region hosts one of Scotland's highest concentrations of tech employment and local businesses have a strong track record of securing investment to scale and creating quality jobs - life sciences and MedTech having invested £40m since 2023, with the built environment, energy and sustainability and food and drink sectors also attracting significant investment.

3. LONG-TERM HOUSING PLANS TO SUPPORT GROWTH

Stirling Council is pursuing large scale, long-term housing development to strengthen placemaking and sustain the city region's appeal. Durieshill is the largest detailed housing planning application ever approved in Scotland. Extending to 593 acres, the Durieshill development will be led by Barratt and David Wilson Homes and deliver over 3,000 houses. South Stirling Gateway is another major site, where Persimmon will develop 1,100 homes.

4. ENHANCING THE CULTURAL OFFER

Named Time Out's best place to visit in the UK, Lonely Planet's top destination in Scotland and LNER's Scottish culture capital, Stirling Council is investing heavily in infrastructure to sustain the City's reputation as a premier place to visit and live. Recently announced Council investment to transform City Park Stirling into Scotland's leading outdoor events space will attract more large scale concerts and festivals; with Radio 2 in the Park taking place there in September 2026. The Council is also exploring investment opportunities to enhance other cultural assets, including the award-winning Albert Halls performance venue.

INVEST IN STIRLING - investinstirling.com

SUMMARY INVESTMENT PROFILE

Metric / Assumption	Aberdeen	Dundee	Dunfermline	Edinburgh	Glasgow	Inverness	Perth	Stirling	Blended Portfolio
Estimated City Population (2024)	231,780	149,880	58,000	530,680	650,300	50,000	48,000	38,000	1,756,640
Median House Price (£)	133,000	144,200	174,500	293,000	189,100	210,000	232,600	234,200	-
Avg. Gross Monthly Income (£)	3,600	3,050	3,150	3,850	3,250	3,100	3,400	3,550	3,369
Avg. Monthly Rent (£ pcm)	840	895	870	1,580	1,275	920	910	1,020	1,027
Est. Gross Yield (Market Led)	8.0%–9.5%	7.0%–8.5%	5.5%–7.0%	4.0%–6.0%	7.0%–9.0%	5.0%–6.5%	5.5%–6.5%	5.0%–6.0%	5.9%–7.4%
Est. NIY – Market Led	6.2%–7.4%	5.4%–6.6%	4.3%–5.4%	3.1%–4.7%	5.4%–7.0%	3.9%–5.0%	4.3%–5.0%	3.9%–4.7%	4.6%–5.7%
Expected Blended NIY (Mixed Tenure)	4.0%–5.5%	4.5%–5.5%	4.0%–5.0%	3.5%–4.5%	4.5%–5.7%	3.8%–4.8%	3.8%–4.8%	3.7%–4.6%	4.0%–5.2%
New Households to 2046 (2022 based)	4,093	4,236	11,069	30,428	37,736	8,794	10,397	3,409	110,162
Total Housing Requirement to 2046 (inc Growth Assumptions)	7,630	8,970	4,200	71,100	46,200	16,830	6,358	8,350	169,638
Est. Construction Value (2026 prices)	1.83bn	2.15bn	1.0bn	17.06bn	11.09bn	4.04bn	1.53bn	2.00bn	40.7bn

** Notes & Assumptions

1. City narrative sections may reference sub markets; table provides consistent benchmarks.
2. City population figures are taken from NRS Mid-2024 council-area estimates where city and council boundaries align (Aberdeen, Edinburgh, Dundee, Glasgow).
3. Population estimates for Dunfermline, Inverness, Perth and Stirling are derived from NRS Census 2022 settlement populations, uplifted by 2–3% in line with relevant council-area growth to mid-2024.
4. Rent figures reflect advertised all stock private-sector market rents, derived from Scottish Government Private Sector Rent Statistics and Citylets data.
5. House price figures represent median market values, sourced from Registers of Scotland / UK HPI, and are considered more representative of future delivery mix than mean prices. (No Blended figure to maintain statistical accuracy)
6. Household income figures are estimated gross household equivalents, derived from national survey income bands (SHS / FRS).
7. Gross rental yields are indicative market-led estimates and should not be treated as project-specific underwriting assumptions.
8. Market-led NIYs are derived using a standardised 22.5% operating cost deduction, prior to finance, taxation, capital expenditure and inflation.
9. Expected Blended Programme NIYs reflect the projected mixed-tenure composition of the 2026–2046 housing pipeline (social rent, MMR, BTR and market delivery), and therefore sit below pure market-rent benchmarks in early and mid-programme years.
10. Blended portfolio figures assume equal capital distribution across cities for strategic comparison only.
11. All figures are indicative and intended to support strategic planning and comparative investment assessment, not detailed financial appraisal.



INVESTMENT LINKS

SCOTTISH CITIES ALLIANCE - scottishcities.org.uk

INVEST ABERDEEN - investaberdeen.co.uk

INVEST IN DUNDEE - investindundee.com

INVEST FIFE - investfife.co.uk

INVEST IN EDINBURGH - investinedinburgh.com

INVEST GLASGOW - investglasgow.com

INVEST HIGHLAND - investhighland.com

INVEST IN PERTH - investinperth.co.uk

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