SANDHÜTEL

Spaces, Places, Journeys

THE SANDHÜTEL LENS

Edinburgh & Glasgow

Edition 11 · August 2026 · sandhutel.com

Two Cities, One Averages Problem: Where Edinburgh and Glasgow Actually Clear

Edinburgh's most prestigious address is one of the worst-clearing pieces of real estate in this entire pack. New Town takes 63 days to sell and settles below its own valuation. A mile away in Leith, a postcode still shadowed by its old reputation, homes are clearing in 14 days at nearly 5% above valuation. Forty miles west, Glasgow's Southside is delivering the single strongest clean growth signal in this pack, at little more than half the price of Edinburgh's most expensive named address. This edition is about that gap, and about which side of it your capital is currently sitting on.

Edinburgh's average price rose 3.3% to £303,067 in the year to June 2026. Glasgow rose 3.9% to £193,671. Both cities outpaced the UK's 2.0%. Read on its own, that looks like a straightforward twin-city growth story, the kind of headline that gets pasted into a fund memo without a second look. It is incomplete in a specific, checkable way: it says nothing about which stock inside each city is actually clearing, and nothing about the tax and liability arithmetic that determines what an investor keeps.

Underneath the city average, Edinburgh's own portal data for May to July 2026 shows the wider market barely moved, up just 0.3% to £310,332, with sales down 5.3% and the share of properties selling at closing date falling from 24.5% to 22.3%. That is a market cooling at the aggregate level while individual postcodes move in sharply different directions: Leith clears in 14 days at 104.9% of Home Report valuation while New Town, the address most investors would default to, takes 63 days and settles below valuation at 98.3%.

The second, quieter divergence sits in property type. Scotland-wide, detached stock rose 3.5%, semi-detached 3.8% and terraces 3.7% in the year to June, while flats and maisonettes rose just 0.1%. Both Edinburgh and Glasgow are flatted, tenement cities. An investor reading either city's headline growth rate as a proxy for what a typical flat has done is reading the wrong number.

This edition therefore does not choose between Edinburgh and Glasgow. It identifies where inside each city the evidence, not the postcode's reputation, supports a call, and it prices the two factors most investors underwrite for England and forget to re-price for Scotland: transaction tax and factoring liability.

THE REAL DIVERGENCE

Break the Edinburgh average down further and the divergence sharpens. New Town, Haymarket and Stockbridge together averaged £380,597 in Q1 2026, down 4.2% year on year, yet the share of sales going to closing date rose from 14.3% to 21.6% over the same comparison. Bruntsfield, Morningside and Marchmont together averaged £388,941, down 3.9%, with closing-date frequency up from 18.7% to 28.8%. In both groupings, a falling simple average sits on top of rising buyer competition, proof that average price alone is the wrong instrument for reading current demand.

Glasgow's divergence runs the other way. Southside (G41) is up 7% year on year at £281,987, the strongest clean growth signal among the city's named inner-urban candidates, while Finnieston/Yorkhill (G3) is down 3% at £285,402 despite near-identical positioning and lifestyle appeal. Glasgow West End (G12) remains the most expensive of the city's named inner-urban candidates at £381,491, structurally supported by university and professional demand rather than trading on momentum; it moved broadly flat over the same period.

Edinburgh's scarcity premium is real, but it is concentrated in near-prime liquidity, not historic-core prestige.

Leith has converted a promised regeneration story into a delivered one, and the price data now reflects it.

Glasgow Southside is the sharpest clean growth signal in either city, sitting on a citywide price base 36% below Edinburgh's.

LBTT plus ADS now consumes over 15% of a £1 million Edinburgh purchase before a penny of legal or financing cost, and that arithmetic favours Glasgow's lower entry tier.

STRUCTURAL DRAG: SHORT-TERM LET CONTROL AND FACTORING EXPOSURE

Edinburgh has operated a citywide short-term let control area since 5 September 2022; any new whole-dwelling secondary letting now needs planning permission on top of the national STL licence. By 31 December 2025 the council had received 7,708 valid licence applications, with a further 730 invalid or unvalidated and 577 pending. 82% of validated applications are self-contained flats, precisely the stock underpinning New Town, Old Town and Stockbridge yields. Glasgow's exposure is a fraction of that scale at 1,140 valid applications. Neither city is yet a designated Rent Control Area, but the Housing (Scotland) Act 2025 requires councils to submit rent-condition assessments by 31 May 2027, and if a cap follows, the statutory ceiling is CPI plus 1 percentage point, up to a maximum of 6%. That is forward regulatory risk to underwrite against now, not a live constraint to price in today.

Tenement stock carries a liability English buyers do not budget for. Edinburgh owners are jointly liable for common repairs under title and statutory rules, and where the council steps in on emergency work, owners are billed their apportioned cost plus a minimum officer fee of £321.55 and a 10% administration charge from April 2026. Glasgow's exposure is structurally larger: the council states total block repair costs on pre-1919 tenements can exceed £500,000, a block-level figure that lands hardest on exactly the stock through Glasgow West End, Southside and Dennistoun that carries the sharpest headline growth. Layer on financing: Bank Rate sits at 3.75% after the 30 July decision, with two-year fixed rates around 4.92% at 75% loan-to-value and 5.32% at 90%. That combination pushes the arithmetic toward lower-entry, lower-leverage purchases in Dennistoun and Leith, and makes low-yield Edinburgh prime harder to justify for a geared buyer.

£14,074	**£63,501**	**£158,350**
Investor LBTT + ADS Dennistoun avg £169,735	Investor LBTT + ADS Edinburgh West End avg £500,841	Investor LBTT + ADS £1m prime purchase, 15.8% of price

THE TOWNS WORTH READING CAREFULLY

Stockbridge (EH4)

Opportunity: near-prime liquidity at a discount to New Town. Avoid: treating it as a substitute for New Town's trophy stock.

Stockbridge cleared at £331,763 over the latest six months, selling in 23 days at 102.1% of Home Report valuation, a materially faster and firmer clearing rate than New Town's 63 days and 98.3%. The postcode split is instructive: EH4 fell 3% year on year while EH3 rose 2%, evidence that Stockbridge's own micro-boundaries move in different directions depending on which side of the postcode a property sits.

Stockbridge is currently the strongest balance of price and liquidity in Edinburgh's established corridor. Buy for the clearing rate, not the postcode prestige.

Bruntsfield (EH10)

Opportunity: fastest clean clearing evidence among the established southside addresses. Avoid: underwriting to Marchmont's slower, more tenement-heavy comparable.

Bruntsfield sold at £406,139 in 20 days at 102.7% of Home Report valuation, and forms part of a Q1 2026 grouping with Morningside and Marchmont that averaged £388,941, down 3.9% year on year even as closing-date frequency rose from 18.7% to 28.8%. That is the divergence that matters: a falling simple average sitting on top of rising buyer competition.

The average price is telling you less than the closing-date data. Bruntsfield is clearing faster and further above valuation than the headline number implies.

Morningside (EH10)

> *Opportunity: defensive family demand with the strongest Home Report competition of the three southside addresses. Avoid: Marchmont's heavier tenement and student exposure where the target buyer is owner-occupier, not landlord.*

Morningside sold at £364,658 across the latest three months, in 22 days at 103.3% of Home Report valuation, ahead of both Bruntsfield and Marchmont on Home Report competition. Edinburgh University's 49,640 students and Napier's 20,000-plus keep Marchmont and Newington rental demand structurally supported, but Morningside's buyer base skews more owner-occupier than either.

> *Morningside is the prime urban liquidity address in this group. Hold for owner-occupier resilience, not rental yield.*

Leith / Leith Walk (EH6)

> *Opportunity: the cleanest value and liquidity signal in either city. Avoid: assuming EH6's 2% pullback signals weakness, it is a mix effect against last year's comparable.*

Leith sold at £244,226 over the latest three months, in 14 days at 104.9% of Home Report valuation, the fastest and strongest clearing rate of any candidate in Edinburgh or Glasgow. One-bed flats specifically rose 3.2% with volume up 15.8%. The Newhaven tram extension opened in 2023 and now carries more than a million passengers a month, a delivered infrastructure catalyst, not a promised one.

> *The tram story is now evidence, not speculation. Leith is the value and liquidity benchmark for this edition.*

Newington (EH9)

> *Opportunity: near-prime student and professional demand at a meaningful discount to the southern prime corridor. Avoid: pricing it as a Marchmont substitute, its demand base skews more transient.*

Newington sold at £335,799 over the latest three months, EH9 up 4% year on year, clearing in 18 days at 102.2% of Home Report valuation, a materially faster and firmer clearing rate than the New Town/West End corridor. Edinburgh's combined university base of close to 70,000 students keeps Marchmont and Newington rental demand structurally underpinned, though no candidate-specific yield series exists for EH9 in this pack.

> *Newington offers near-prime demand at a genuine discount to the southern prime corridor, backed by real clearing speed. Buy for structural rental demand, not a yield figure the data does not yet support.*

Southside (G41)

> *Opportunity: the strongest clean price-growth signal among Glasgow's named inner-city candidates. Avoid: reading it against Finnieston, which is currently moving in the opposite direction.*

Southside sold at £281,987, up 7% year on year, with flats averaging £247,429, comfortably the strongest growth rate among Glasgow's requested urban candidates. That sits against Finnieston/Yorkhill's 3% decline over the same window, evidence that Glasgow's fashionable investment narrative may have moved south of the Clyde.

> *Southside is Glasgow's clearest urban growth story right now. Finnieston's postcode mix and lack of an equivalent Home Report series argue for caution there, not here.*

Dennistoun (G31)

> *Opportunity: the lowest entry price among all named candidates in either city. Avoid: underwriting to prime-market evidence depth, this address has a thinner data trail.*

Dennistoun sold at £169,735, flats at £162,667, up 2% year on year. It is the cheapest named candidate in the entire pack, and the combined LBTT and ADS bill on that average purchase is £14,074, a fraction of the £63,501 payable on an average Edinburgh West End purchase. The evidence base here is genuinely thinner than Edinburgh's ESPC-driven series, and that should be priced into position sizing, not ignored.

> *Dennistoun is the opportunistic entry point in this edition. Size the position to the evidence, not the price.*

WATCHLIST

Watchlist: New Town (EH3). Prestige address but the slowest clearing candidate in either city at 63 days and only 98.3% of Home Report valuation.

Watchlist: West End Edinburgh (EH3/EH12). Highest average price in the pack at £500,841, but weak Home Report evidence and real small-sample risk.

Watchlist: Trinity (EH5). The pack's own unrequested researcher candidate, clearing in 21 days at 104.5% of Home Report valuation, stronger liquidity than New Town or West End.

Watchlist: Finnieston / Yorkhill (G3). Lifestyle appeal has not stopped a 3% year-on-year price fall, and part of the postcode sits inside a SEPA-flagged flood risk area.

Watchlist: Bearsden (G61). Defensive high-income family market at £421,203, but the current annual figure is down 6%.

Watchlist: Newton Mearns (G77). Prime-family defensive demand at £405,153, weaker current headline growth at down 1%.

Watchlist: Glasgow West End (G12). Expensive by Glasgow standards at £381,491, structurally supported by university and professional demand, but high capital values compress achievable yield.

Watchlist: Old Town (EH1). Tourism and short-term-let regulation exposure sit alongside a heterogeneous EH1 average, clearing in 41 days at 100.8% of Home Report valuation.

Watchlist: Portobello (EH15). Coastal owner-occupier appeal with a two-bed yield proxy near 6.5%, clearing in 20 days at 102.8% of Home Report valuation.

SELECTED DATA SIGNALS

MACRO / STRUCTURAL

+0.1% vs +3.8%	**£303,067 / £193,671**	**14 days / 104.9%**	**63 days / 98.3%**
Scotland flats vs semis, YoY UK HPI, Jun 2026	Edinburgh +3.3% / Glasgow +3.9% UK HPI, Jun 2026	Leith selling time / Home Report ESPC, May to Jul 2026	New Town selling time / Home Report ESPC, May to Jul 2026

INCOME / RENTAL

£1,596 / £1,211	**7,708**	**31 May 2027**	**38,901 beds**
Edinburgh / Glasgow rent pcm, both +1.0% Citylets, Q2 2026	Valid Edinburgh STL licence applications Scottish Gov't, to 31 Dec 2025	Rent-condition assessments due; no RCA yet Housing (Scotland) Act 2025	Glasgow PBSA operational plus pipeline Glasgow City Council, Jan 2026

Figures mix city-wide, national and candidate-postcode series as sourced above; none are blended into a single index. See source register for full citation detail.

The macro row shows why the twin-city headline understates the divergence: national property-type data explains why flatted stock in both cities trails the average, while the Edinburgh liquidity contrast shows prestige and clearing speed are not the same signal.

The income row shows the regulatory and supply story sitting underneath rental income in both cities. Edinburgh's rental premium over Glasgow is wider than its sale-price premium, but that premium carries the largest short-term-let exposure in Scotland and a pending rent-policy review; Glasgow's income case carries a real, quantified student-housing supply counterweight instead.

THE SANDHÜTEL READ

Edinburgh at 3.3% and Glasgow at 3.9%, both beating the UK's 2.0%, reads as a straightforward twin-city growth story. It is not. The evidence underneath shows two structurally different investment cases running in parallel: Edinburgh's opportunity sits in near-prime liquidity, not in its most expensive historic addresses, while Glasgow's opportunity sits in specific postcodes on a base still 36% below Edinburgh's, not in the city as a whole.

Leith clears in 14 days at 104.9% of Home Report valuation while New Town takes 63 days and settles below valuation at 98.3%. The same divergence shows up nationally in the +0.1% flat and maisonette movement against +3.5% to +3.8% for houses and detached stock, confirming that headline city and national averages are being dragged by tenement flatted stock that is not moving the way the averages suggest. Layer in the tax arithmetic: LBTT plus ADS on an average Edinburgh West End purchase runs to £63,501 versus £14,074 on Dennistoun, and at £1 million the combined charge consumes 15.8% of price before legal or financing costs. Together these signals point the same direction, away from expensive, slow-clearing, heavily taxed historic-core stock and toward near-prime addresses clearing fast, at or above valuation, carrying a materially lighter transaction-tax bill.

For a capital-preservation, scarcity-led investor, Stockbridge, Bruntsfield, Morningside and Newington offer Edinburgh's prime characteristics without New Town's liquidity discount or its £63,501 LBTT and ADS bill. For an income-focused, leverage-tolerant investor, Glasgow's Southside and Dennistoun offer superior income economics, a 36% lower capital base, and a transaction-tax bill that is a fraction of Edinburgh's, though that case requires accepting thinner transaction evidence and pricing in factoring exposure that can exceed £500,000 per block on pre-1919 tenement stock. Leith sits between the two cases and currently offers the cleanest combination of both: the fastest clearing rate in either city, a delivered tram catalyst rather than a promised one, and an entry price under £250,000.

At Sandhütel, our discipline holds regardless of geography: price the transaction tax, the factoring liability and the closing-date evidence before the postcode name, and let the numbers, not the address, decide where the capital goes.

David R. Sandhu

Founder and Principal, Sandhütel

Founder and Principal at Sandhütel, a London based firm focused on strategic property investment, management and design. Over 15 years' leadership across credit strategy, investment management and real asset development, including as Global Head of Credit Product Management at Barclays Wealth. There he led balance sheet strategy, product governance and commercial growth across the UK, EMEA and Asia.