SCOTTISH NEWSLETTER H1 2026

CHRISTIE & CO

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OVERVIEW

With summer now in full swing, it is time to reflect on the first half of 2026 and ponder what the outlook for the rest of the year looks like.

Scotland's business property market continues to operate against a challenging backdrop.

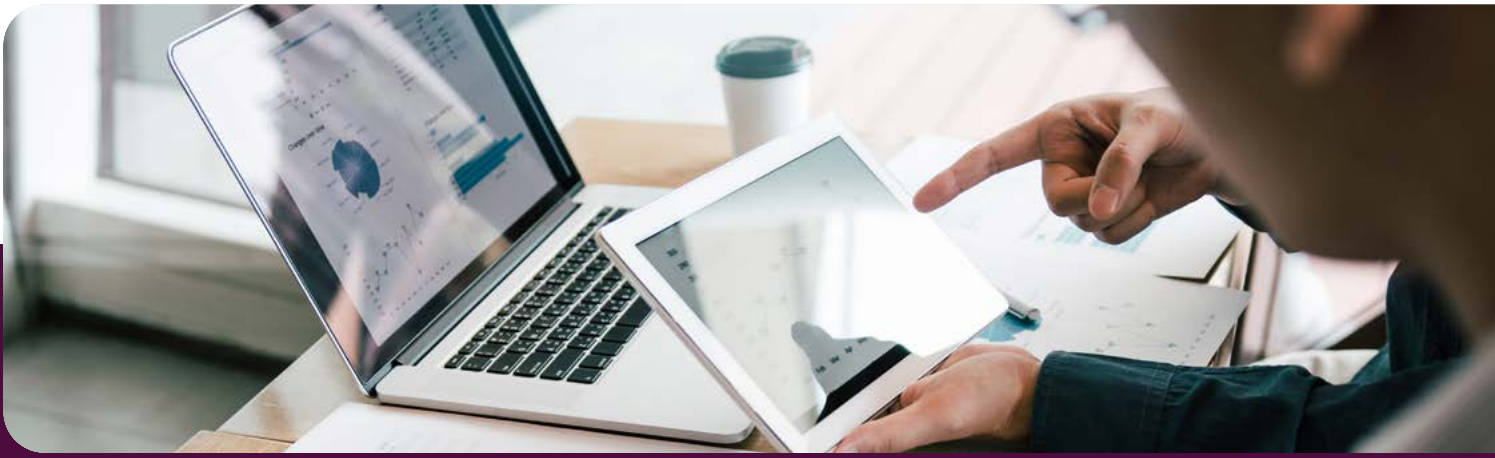
Trading businesses in Scotland in 2026 are operating in a particularly challenging environment shaped by persistent cost pressures, weaker consumer demand, and ongoing economic uncertainty. One of the most significant issues is the sustained rise in operating costs.

Energy prices, although no longer at peak crisis levels, remain structurally high. Consumer confidence has been low, and households continue to limit discretionary spending due to wider cost-of-living pressures. This is particularly problematic for retail, wholesale, and hospitality businesses.

Operationally, many businesses are also dealing with staffing challenges and workforce constraints. Recruitment and retention costs have risen significantly, and skills shortages persist across multiple sectors.

Another major issue is the continued increase in fixed costs such as business rates. Recent property revaluations in Scotland have led to significant increases in rateable values for many retail and hospitality premises, in some cases resulting in sharp rises in bills despite government relief measures.

Finally, uncertainty around government policy, taxation, and the wider economic outlook is weighing on business confidence.



The overall global environment this year is characterised by uncertainty and volatility. Geopolitical risk is now a permanent feature of the business landscape, influencing everything from pricing and supply chains to investment decisions. For Scottish trading businesses, this means operating in a world where sudden external shocks, whether from conflict, trade disputes, or economic policy changes, can quickly impact costs, availability of goods, and customer demand. As a result, many firms are shifting from growth-focused strategies to prioritising resilience, flexibility, and risk management.

Despite these challenges, there are some **positive signs for Scottish businesses**. Many firms are showing adaptability, with a strong focus on improving productivity, investing in digital technologies, and exploring new markets. A large proportion of businesses remain confident in their own prospects, even if they are less optimistic about the wider economy. Opportunities also exist in export markets, particularly where new trade agreements reduce barriers and open up demand for Scottish goods such as food and drink.

Overall, the remainder of 2026 is expected to present a mixed picture for the market. Economic conditions are stabilising, and some improvement is expected, but growth will remain slow and uneven. Businesses will need to navigate ongoing cost pressures, cautious consumers, and global uncertainty, while focusing on efficiency and resilience. In this environment, success is likely to depend less on rapid expansion and more on the ability to adapt, manage costs effectively, and respond quickly to changing market conditions.

HOSPITALITY
Pubs & Restaurants

44	38
VIEWINGS	OFFERS

SOLD

CHARWOOD,
EDINBURGH

- Bar & restaurant
- Site extends to around one acre
- Development potential
- Sold off market to a corporate buyer

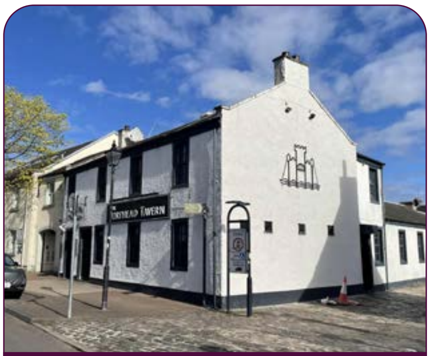
HORSESHOE INN,
PEEBLES

- Bar, restaurant & rooms
- Iconic & multi-award-winning
- 30 minutes from Edinburgh
- Sold to first-time buyers

CAVENS ARMS,
DUMFRIES

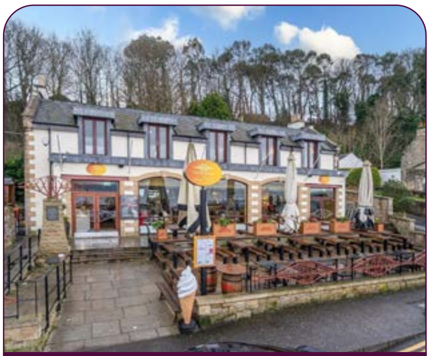
- Award-winning bar & restaurant
- Owners' accommodation
- Large beer garden
- Sold in excess of the asking price

FOR SALE



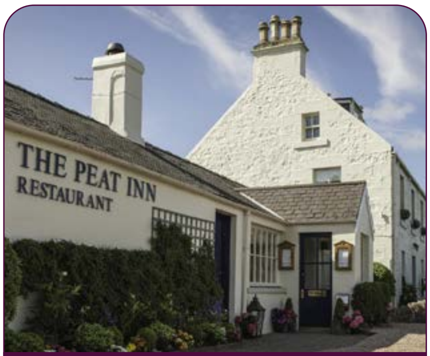
PORTHEAD TAVERN,
IRVINE

- Bar & restaurant
- Located in the town centre
- Separate bar & function space
- Freehold: £720,000



RAILBRIDGE BISTRO,
SOUTH QUEENSFERRY

- Popular bistro bar & restaurant
- Coastal town close to Edinburgh
- Scenic dining & outdoor seating
- Freehold: £1,750,000



PEAT INN,
NR ST ANDREWS

- Operator or investor opportunity
- Michelin-starred restaurant
- Nine luxury en suite letting rooms
- Freehold: OIRO £2,500,000

MARKET OVERVIEW

The Scottish pub and restaurant market remains resilient with strong activity at the lower end of the market and more pressure on higher-value food-led venues, with many confidential instructions and sales. Demand is focused on key cities and tourist locations where well-positioned assets continue to attract buyers.

Rising employment costs and food inflation are impacting margins, while funding constraints are lengthening deal timelines and driving more flexible structures. Despite this, there is no widespread distress and Scotland's strength as a tourism destination continues to underpin steady demand for well-located businesses with growth potential.

HOSPITALITY
Hotels

54 VIEWINGS

26 OFFERS

SOLD

SAFESTAY CHARING CROSS,
GLASGOW

- City centre location
- Circa 254 bedspaces
- Highly profitable
- Sold to a regional investor

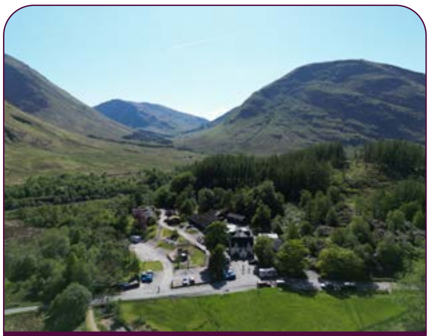
ANGUS HOTEL,
PERTHSHIRE

- 90-bed town centre hotel
- Full leisure offer
- Long-term family ownership
- Sold to an overseas investor

KIRROUGHTREE HOTEL,
NEWTON STEWART

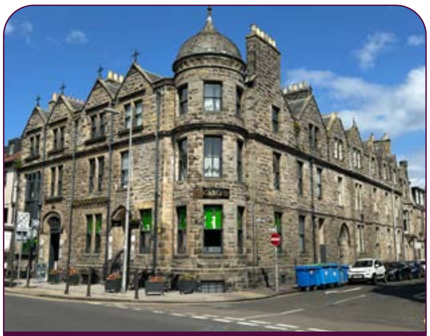
- Country house hotel in eight acres
- Closed business
- Development potential
- Sold to a local investor

FOR SALE



CLACHAIG INN,
GLENCLOE

- Renowned Highland inn
- Family-owned for 40 years
- Harry Potter filming area
- Freehold: £3,800,000



KINETTLES PORTFOLIO,
ST ANDREWS & FORFAR

- Global golf and university town
- Hotel, exclusive use & castle
- Vacant possession - October 2026
- Freehold: £15,000,000

GARLETON LODGE,
EAST LOTHIAN

- Prime Scottish 'Golf Coast' location
- Luxury letting rooms and owner's house
- Panoramic views – Edinburgh to North Berwick
- Freehold: £1,850,000

MARKET OVERVIEW

While concerns about the challenges in the hospitality sector have attracted attention in 2026, Scotland's hotel market has seen few distressed sales. Strong UK and international demand remains, particularly for prime locations like Edinburgh, Glasgow, Inverness, and established destinations such as Oban, Fort William, and Skye.

Premium prices continue for standout assets, especially in championship golf and resort locations, while Scotland's appeal to investors remains resilient despite geopolitical tensions. Although some vendors are holding off, pricing has stayed stable for well-run businesses, even as operators face ongoing cost pressures from wages, utilities, and food inflation.

RETAIL & LEISURE

32
VIEWINGS

17
OFFERS

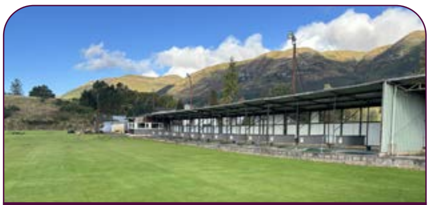
SOLD

HIGHLAND SAFARIS AND RED DEER CENTRE, PERTHSHIRE

- Scottish Tourist Board five-star attraction
- Planning permission for 11 holiday lodges
- 10.57-acre site
- Sold to a local operator

MERRYHATTON GARDEN CENTRE, NORTH BERWICK

- Retirement sale
- Award-winning restaurant
- Multiple offers received
- Sold to a multi-site operator



HILLFOOT NURSERY & DRIVING RANGE, TILLICOULTRY

- Retirement sale
- Multi-use site
- Multiple offers received
- Sold to a new entrant into sector

FOR SALE

ANNSMUIR HOLIDAY AND RESIDENTIAL PARK, CUPAR

- 10.4-acre site
- Immediate residential and holiday sales opportunities
- Further undeveloped land for expansion opportunities
- Freehold: Guide price £3,600,000

KINLOCHEWE SERVICE STATION, WESTER ROSS, HIGHLAND

- Stunning location on NC500
- Three-bed detached house included
- Fuel volume of 580,000 litres per annum
- Freehold: Offers over £700,000

DRUMMORE STORES, DRUMMORE, STRANRAER

- Unopposed convenience store
- Three-bed mid-terraced house included
- Post Office combi counter
- Freehold: Guide price £335,000

CONFIDENTIAL PROPERTIES

THREE GARDEN CENTRES

Fife | Leasehold | Guide Price: Offers Over £495,000
Perthshire | Freehold | Guide Price: Offers Over £1,595,000
Aberdeenshire | Freehold | Guide Price: £3,500,000

ONE FARM SHOP

Central Belt | Freehold | Guide Price: £1,950,000

MARKET OVERVIEW

Following a strong 2025, the Scottish retail market remains buoyant, with good-quality convenience stores attracting strong offers across both leasehold and freehold opportunities.

Demand is particularly high for high-volume petrol filling stations, with quality sites drawing multiple bids despite upcoming ICE regulations.

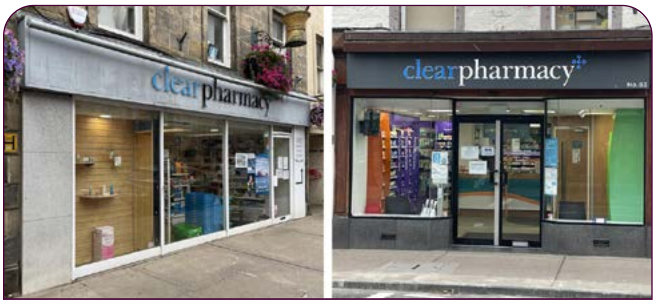
The garden centre market is also active, with several strong operators coming to market in early 2026, largely driven by retirement planning.

The leisure sector continues to build momentum, with increased instructions across holiday parks and visitor attractions, reflecting a thriving staycation market and attracting interest from private investors, new entrants, and experienced operators alike.

PHARMACY

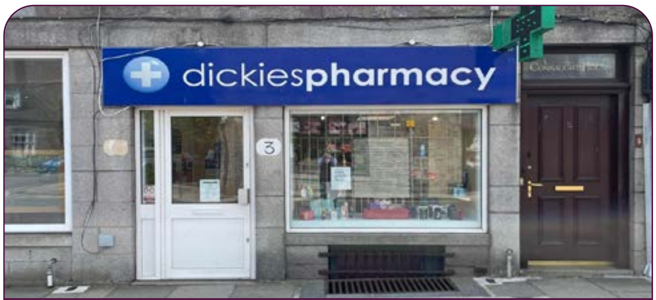
We have sold more pharmacies in the North of Scotland so far this year, compared with the same period in 2025, as prices remain at a premium level.

SOLD



CLEAR PHARMACY,
FORRES

- Two branches sold on the high street
- Combined monthly NHS items of 13,500 per month
- Sold on behalf of a Northern Irish Group
- Sold to The Right Medicine Group



DICKIES PHARMACY,
ABERDEEN

- Located close to the city centre
- Average monthly NHS items of 2,000 per month
- Sold on behalf of a local group
- Sold to a husband-and-wife team

UNDER OFFER

PHARMACY,
ANGUS

- Community pharmacy in village
- Average monthly NHS items of circa 5,000 per month
- Deal agreed on behalf of small group operator
- Buyer is a large group operator

PHARMACY,
ABERDEEN

- Community pharmacy close to city centre
- Average monthly NHS items of 2,950 per month
- Deal agreed on behalf of independent operator
- First-time buyer acquiring

MARKET OVERVIEW

More buyers are keen to purchase pharmacies in Scotland right now. First-time owners who recently bought Lloyds Pharmacy locations are looking to expand, along with established pharmacy groups who are also actively seeking new acquisitions. This is driving prices forward in 2026, and banks are highly supportive and offer strong funding for these higher valuations.

As a result, current sale prices are higher than those seen between 2023 and 2025; however, there continues to be a shortage of pharmacies available to buy which will lead to more closing dates as buyers compete for the low volume of sites available.

DENTAL

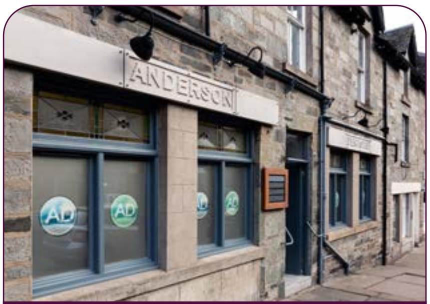
22%* increase in offer value
OFFER VALUE

16%* increase in deal agreed price
DEAL AGREED PRICE

12%* increase on deals completed
DEALS

*versus the same period last year

SOLD

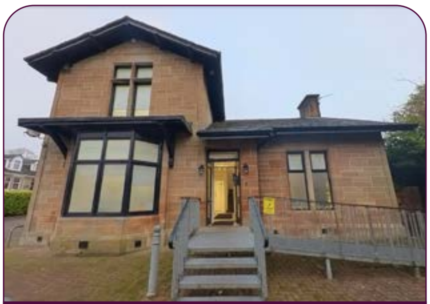


ANDERSON DENTISTRY,
PERTHSHIRE

- Three fully equipped surgeries
- Predominantly private income
- Sold to a first-time buyer

LINKS LODGE DENTAL PRACTICE,
ANGUS

- Eight fully-equipped surgeries
- Mixed income
- Sold to a multi-site operator



EAST KILBRIDE DENTAL CARE,
NORTH LANARKSHIRE

- Four fully-equipped surgeries
- Mixed income practice
- Sold to an independent operator

FOR SALE

550 DUMBARTON ROAD,
GLASGOW

- Five surgeries
- Vacant premises
- Finished to a high specification throughout
- Leasehold: OIEO £395,000

DENTAL PRACTICE,
GLASGOW

- Well-established, majority private practice
- Located in a salubrious location
- Would suit owner-operator
- Freehold: OIEO £315,000

DENTAL PRACTICE,
WEST LOTHIAN

- Two fully-equipped surgeries
- Mixed income
- Leasehold options considered
- Freehold: OIEO £390,000

MARKET OVERVIEW

The Scottish dental market maintained strong momentum in the first half of 2026, with robust transactional activity and sustained demand across both NHS-led and private practices in city and rural locations alike.

Independent buyers remain highly active, supported by favourable lending and increased funder competition, enabling quick and competitive acquisitions.

Demand spans first-time buyers through to experienced operators expanding portfolios, with pricing holding firm for high-quality opportunities.

While corporate appetite remains selective, there are signs of renewed interest in larger, multi-surgery practices. Overall, market fundamentals are strong, with high enquiry levels, competitive bidding, and growing confidence shaping activity as the year progresses.

CARE

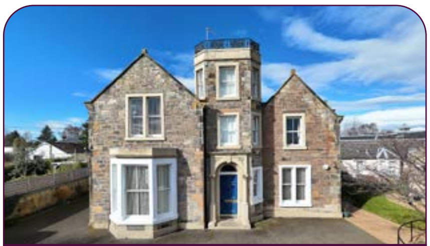
The first half of 2026 was exceptionally strong for the Scottish Healthcare team, with significant activity across group sales and single assets, as well as the domiciliary and specialist care sectors.

The highlight of the year so far has been the sale of Priority Care Group to another regional operator, which offered 233 beds across a mix of purpose-built and converted homes.

SOLD

PROJECT CORAL,
SCOTLAND

- One of Scotland's finest care home groups
- Group offered 233 beds
- Mix of purpose-built and converted stock
- Sold to a regional operator



ROSEHILL CARE HOME,
DALKEITH

- Vacant care home
- Formerly registered for 11
- Affluent area with stunning views
- Sold to an expanding operator

DARROCH NURSING HOME,
GLASGOW

- Registered for 40
- Strong occupancy and CI Ratings
- Extension potential
- Sold to an expanding operator

FOR SALE

PROJECT TWEED, GROUP OF 5 CARE HOMES, SCOTLAND WIDE

- 244 bedrooms
- Strong occupancy and CI ratings
- Sought-after locations
- All freehold

CARE HOME,
WEST OF SCOTLAND

- Registered for 125
- Strong occupancy
- All en suite facilities
- Freehold: Offers Invited

CARE HOME,
SOUTH OF SCOTLAND

- Strong occupancy
- Registered for 24
- Strong EBITDA
- Freehold: Offers Invited

MARKET OVERVIEW

Across the UK, the care home investment market continues to attract significant interest, particularly from US REITS, with Welltower acquiring Barchester, HC-One and Care UK, in multi-billion-pound deals. We also saw a significant increase in activity across individual asset sales, with viewings up 38% on the previous year and offers up 54%, further highlighting the appetite in the sector.

Lenders remain supportive of new entrants and SME operators to expand in Scotland, which is positive as it increases the pool of buyers, promoting competition for saleable assets with buyers coming from as far as London to view homes in the North of Scotland.

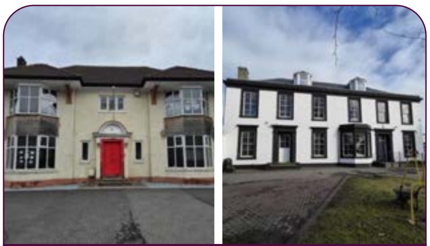
CHILDCARE & EDUCATION

Recent deals, including Lochview and Parkview Nurseries (North Lanarkshire), Pinocchio's (Edinburgh and Midlothian), and First Class Nursery (Livingston), highlight strong demand for quality settings across Scotland.

Buyer interest remains diverse, spanning national operators, new investment-backed entrants, expanding local providers, and a steady flow of first-time buyers.

Demand is focused on fully managed nurseries with strong occupancy, experienced teams, and consistent performance, while well-located conversion opportunities are gaining traction. Market momentum remains positive, supported by sustained demand and an active pipeline into the second half of 2026. First-time buyers and regional operators continue to drive activity, with larger groups more selective but engaged. Limited supply and continued interest in both trading assets and development opportunities are expected to keep acquisition appetite strong.

SOLD

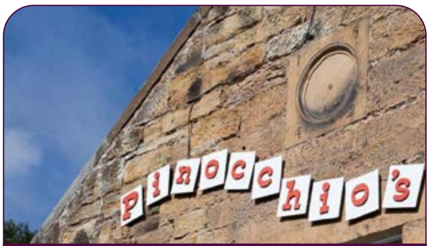


CAROUSEL NURSERIES,
ALEXANDRIA & DUMBARTON

- Between both sites combined registration was 148 children
- In partnership with West Dunbartonshire Council
- Sold to an existing regional operator
- Freehold share sale

FIRST CLASS NURSERY,
LIVINGSTON

- Registered to provide care for 47 children
- In partnership with West Lothian Council
- Sold to an existing regional operator
- Leasehold share sale



PROJECT FIGARO,
MIDLOTHIAN

- Between five sites combined registration was 365 children
- In partnership with both Edinburgh & Midlothian Council's
- Private Equity group's first Scottish acquisition
- Mixed tenure share sale

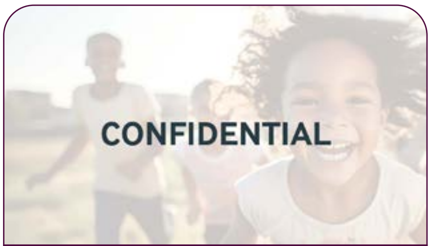
FOR SALE

NURSERY,
WEST OF SCOTLAND

- Registered for circa 50 children
- Fully management-run
- EBITDA for Y/E 2025 circa £100,000
- Freehold: Offers Invited

NURSERY,
CENTRAL SCOTLAND

- Registered for circa 50 children
- Fully management-run
- EBITDA for Y/E 2025 circa £220,000
- Leasehold: Guide Price of £700,000



NURSERY,
CENTRAL SCOTLAND

- Registered for circa 120 children
- Fully management-run
- EBITDA for Y/E 2025 circa £230,000
- Freehold: Guide Price of £1,700,000

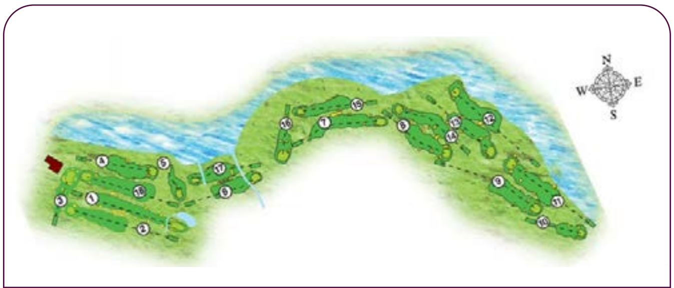
MARKET OVERVIEW

Scotland's day nursery market remains resilient, supported by strong demand from both operators and investors. High-quality, fully-managed settings, particularly those with strong Care Inspectorate grades and solid trading, continue to attract the most interest. While opportunities exist across price points, supply is weighted toward higher-value assets, with limited entry-level stock driving competitive bidding and quick transactions. The sector continues to operate within the 1,140 funded childcare hours framework, although delivery is becoming more varied as local authorities adjust funding models.

The Care Inspectorate's Quality Improvement Framework, introduced in September 2025, is also shaping the market with a greater focus on consistency and outcomes. Looking ahead, the planned expansion of funded provision to younger children is expected to further influence demand, creating both opportunities and operational challenges around capacity, staffing, and delivery. Despite ongoing funding and workforce pressures, providers continue to adapt, with the market remaining active, competitive, and underpinned by strong demand for high-quality childcare.

VALUATION SERVICES

During 2026, our valuation team has continued to undertake a diverse range of instructions across Scotland and the wider UK, including capital valuations, expert witness appointments, rent reviews, advisory work and transactional support. Our work spans a broad range of operational property sectors, providing us with a unique insight into trading performance, investment activity and market sentiment across the UK marketplace.



DUNBAR GOLF COURSE,
DUNBAR

On behalf of Bank of Scotland we valued Dunbar Golf Course, reflecting the addition of their new clubhouse.

PHARMACY GROUP

On behalf of HSBC Bank we were instructed to provide valuation advice to assist with the refinance of a £20m pharmacy group. The group is a well-established west coast operator with multiple branches.

CONFIDENTIAL
UK HOTEL PORTFOLIO VALUATION

We were recently instructed to undertake a portfolio valuation of a substantial UK hotel group comprising branded assets located across a number of key regional markets. The instruction involved the analysis of trading performance, operational benchmarking, local market dynamics and future maintainable earnings across a range of hotel types and locations.

The portfolio included recently developed and repositioned assets operating under internationally recognised brands, requiring detailed consideration of stabilised trading performance and market positioning. The valuation process incorporated extensive sector research, transactional analysis and discounted cash flow modelling, culminating in a comprehensive portfolio assessment prepared for corporate and financial reporting purposes.

The valuation landscape has become increasingly focused on the quality and durability of earnings, with purchasers, lenders and valuers placing greater emphasis on maintainable profitability, operational efficiency and future capital expenditure requirements. Whilst pricing levels have generally remained stable, these factors are likely to remain key considerations in valuation assessments throughout the remainder of 2026 and into 2027.

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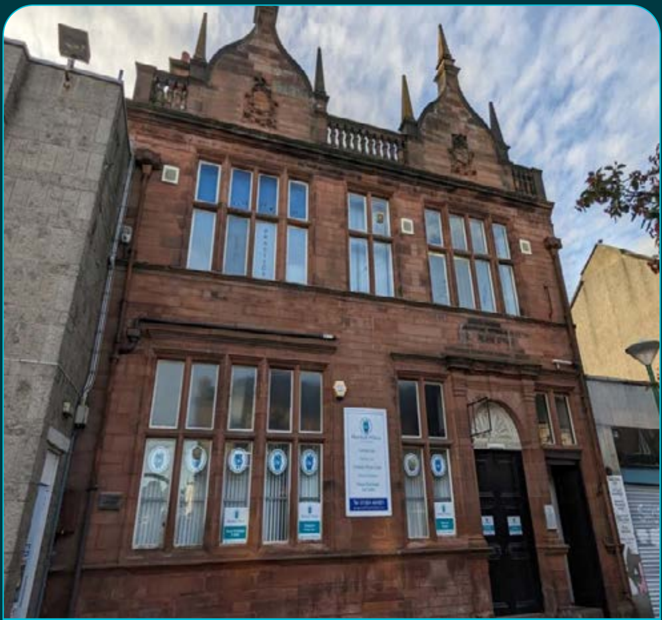
CHRISTIE FINANCE

Despite wider geopolitical uncertainties, Christie Finance delivered a strong performance in the first half of 2026, reflecting the continued demand for our services and the availability of lending products across our key sectors.

Looking at interest rates, expectations for a reduction in Base Rate have been pushed back because inflation remains above the Bank of England's 2.0% target.

H1 ACTIVITY:



DUNDAS DENTAL PRACTICE,
GRANGEMOUTH

- 100% finance
- First-time buyer
- Market-leading rate
- Collaboration with Christie & Co

PHARMACY GROUP,
CENTRAL SCOTLAND

- Long-established pharmacy group operating across Central Scotland
- £12,000,000 facility secured to refinance existing group and to assist with the purchase of two new pharmacies
- Funded via high street lender

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