

Expanding horizons: spotlight on the real estate markets of Scotland and Ireland with CBRE and JLL

DENTONS

July 11, 2023

During our recent event on expanding horizons, our guest speakers **Max Reilly** (Capital Markets Director at JLL) and **Douglas Smith** (Consultant at CBRE) delved into the dynamic landscapes of the Scottish and Irish real estate markets.

They explored how the Scottish economy has proven its strength and resilience, surpassing expectations and how Ireland has managed to establish itself as a formidable player.

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During our recent event on expanding horizons, our guest speakers **Max Reilly** (Capital Markets Director at JLL) and **Douglas Smith** (Consultant at CBRE) delved into the dynamic landscapes of the Scottish and Irish real estate markets, whilst exploring the resilient Scottish economy and turning our attention to the Irish market, known for its small size but significant impact on the global stage. Ireland, a small open economy, has managed to establish itself as a formidable player, attracting most of the world's top 20 technology, pharmaceutical and financial firms through strong foreign direct investment (FDI).

The Scottish economy has proven its strength and resilience, surpassing expectations

Despite the challenges posed by the pandemic, the Scottish government data reveals that quarterly real GDP growth was 0.4% in Q1 2023 (four times higher than the UK equivalent). This robust performance is attributed to sectors such as construction, agriculture, forestry and fishing, and services, which accounts for a significant portion of the economy. These positive indicators suggest that Scotland is well positioned for continued growth and investment opportunities. Scottish cities are actively focused on revitalising their economies post-pandemic. They are embracing placemaking strategies to create more diverse and resilient property uses. This approach seeks to transform city centres into attractive destinations that not only cater for work and shopping, but also offer opportunities for living, visiting, learning and leisure. Glasgow, for example, is exploring ambitious plans for low-carbon, mixed-use developments, including the redevelopment of its shopping centres. Such initiatives are aimed at revitalising city centres and bringing them back to pre-pandemic levels of activity.

A magnet for high-quality overseas investors

Scotland has a track record of attracting high-quality investors, particularly from overseas, when it develops significant Grade A investment projects. Recent successes include the completion of the new office project in Glasgow at 177 Bothwell St, which saw a substantial investment sale to a Spanish investor. Edinburgh has also witnessed significant investment with the £350 million Haymarket mixed-use development. These examples demonstrate Scotland's potential to draw both foreign and domestic capital by creating attractive investment opportunities. While local capital for real estate projects in Scotland may be limited, looking beyond local borders for funding can bring benefits. Engaging with non-domestic capital opens up access to a greater volume and range of investment possibilities. This, in turn, can lead to the emergence of more diverse projects and increase overall investment activity. However, to attract non-domestic capital, it is essential to demonstrate the strength and competitiveness of projects compared to other opportunities. This challenge encourages the real estate sector to strive

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