



Market Report

A Snapshot of your Marketing Sector

Real Estate and Letting Agent

This pack has been designed to provide information on setting up a business in the **Real Estate and Letting Agent** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **March 2025**.

What do I need to know about the Real Estate and Letting Agent market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ **Industry revenue is forecast to grow at a compound annual rate of 3.7% over the five years through 2029-30 to £16.4 billion.** The Estate Agents industry is mostly made up of many small companies that operate locally, attracting customers through their expert regional knowledge. However, a few larger estate agents, like Connells Group, Savills and LSL Property Services, operate throughout the UK, leveraging their brand power and global resources to capture more of the market. (IBISWorld, *Estate Agents in the UK*, March 2025).
- ◆ **Rents in the UK have continuously increased** over the last decade, with growth accelerating since 2021. In January 2025, the Index of Private Housing Rental Prices (IPHRP) rose by 8.7%, which was only slightly below the highest increase on record. In January 2025, **the rent-to-income ratio in most of the UK's regions exceeded 30%**. According to a November 2024 forecast, **rents will continue to rise until 2029**, though slower. With many people unable to buy a home due to the lack of affordable housing and high mortgage interest rates, demand for rental housing is expected to remain strong. (Statista, *Rental Market in the UK*, March 2025).
- ◆ **The largest segment is residential transactions, accounting for 38.1% of industry revenue** amounting to £5.2bn, with **non-residential transactions** second, accounting for **35% (£4.8bn)**. **Residential lettings and non-residential lettings account for 9.7% and 9% respectively (£1.3bn and £1.2bn)**. Ancillary services which include advisory services related to a given transaction or letting, property viewing arrangement, escrow services and fiduciary consulting and management, is the smallest segment accounting for **8.2% and £1.1bn of industry revenue**. (IBISWorld, *Estate Agents in the UK*, March 2025).
- ◆ Commercial property consultants are paid a fee for providing a range of advisory services to occupiers, tenants, investors and developers. Over the **five years through 2029-30, industry revenue is forecast to climb at a compound annual rate of 4.1% to £1.3 billion**. Improving economic conditions and more robust GDP growth will boost commercial property transaction volumes, benefitting industry demand. (IBISWorld, *Commercial Real Estate Consultancy in the UK*, October 2024).
- ◆ The national organisations for this industry include the [Scottish Association of Landlords](#), the [Letting Protection Services](#), [Propertymark](#) (a professional body for property agents), [UK Association of Letting Agents](#) and [RICS](#) (the Royal Institution of Chartered Surveyors).

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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Statista – Commercial Real Estate in the UK (June 2024)**. Over the past decade, industrial real estate has enjoyed growing popularity among investors. The UK's decision to leave the European Union in 2016 and the COVID-19 pandemic underlined the importance of safeguarding supply chains. That fuelled demand among occupiers, but supply struggled to catch up. As a result, warehouses are forecast to generate the highest rental growth and capital value increase in the UK commercial real estate sector. Offices are expected to yield a total annualized return on investment of 5.8% until 2028 – the lowest in the commercial sector.
- ◆ **Statista – Real Estate in the United Kingdom (2024)**. This report presents a range of facts about real estate in the UK. It includes the most important statistics about the residential market, such as tenure, the development of house prices, and rental rates in the UK and in different regions or cities, as well as mortgage lending and interest rates.
- ◆ **IBISWorld – Estate Agents in the UK (March 2025)**. The real estate sector is experiencing a rise in the demand for ancillary services, such as advisory services and property viewings, due to higher-risk investments. Virtual reality (VR) and augmented reality (AR) technologies have significantly transformed property viewings in recent years. The VR and AR adoption rate among UK estate agents is growing - offering immersive 3D tours, companies allow potential buyers, particularly international ones, to explore properties remotely.

There are also a number of online resources you may find helpful:

- ◆ [Registers of Scotland](#) offer [Property Market Report 2023-2024](#) and [Data and statistics](#) for you to explore.
- ◆ [Citylets](#) publish [Quarterly Rental Market Reports](#) which provide residential letting market overviews for Scotland as a whole and also Scottish regions.
- ◆ [The Royal Institution of Chartered Surveyors](#) carry out [UK Residential Market Surveys](#) These market intelligence reports give monthly indications of current and future conditions in UK residential sales and lettings.
- ◆ [Propertymark](#) provide [monthly news and reports](#) on the industry.
- ◆ [Rightmove](#) publish their own [House Price Index](#) which is the largest, most up-to-date monthly sample of residential property asking prices. The index monitors changes in house prices both annually and monthly, providing a comprehensive view on the current state of the property market in UK and Scotland.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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