

Trends in Scottish Residential Lettings

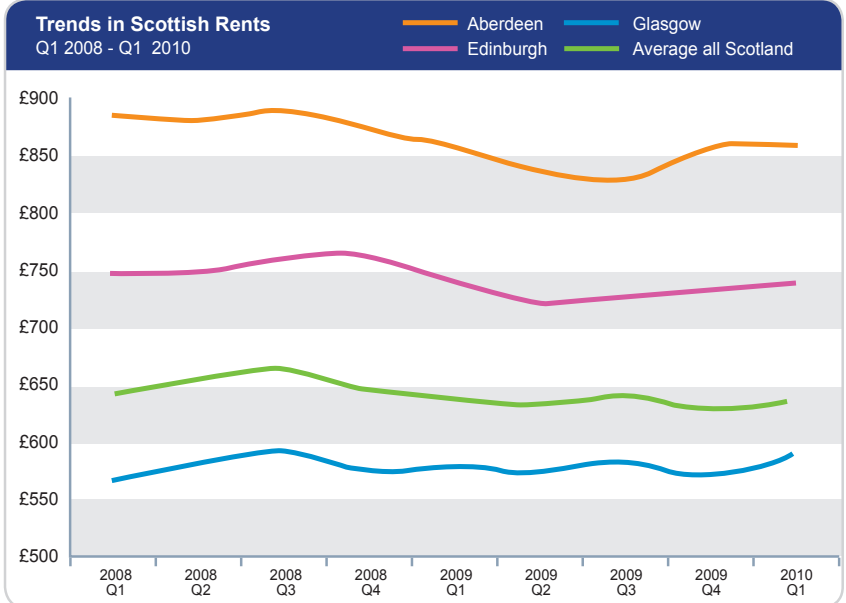
Citylets has seen unprecedented levels of traffic on its site in Q1 2010 which reflects the continued expansion of the Private Rented Sector (PRS) as more people chose to rent rather than buy. The increased demand seems though to have been well matched by a larger supply of private rented property resulting in stable rental values being achieved.

Scotland average monthly rents now stand at £638 a small 1.3% (£8) rise between Q4 2009 and Q1 2010 and an increase of just £1 on the previous year's figure.

The 3 main cities also saw remarkably stable rents over the year. In Q1 2010 Edinburgh the average monthly rent was £740, and in Aberdeen £858 both figures down just £1 from Q1 2009. Glasgow rents were £591 up £11 (1.9%) on the previous year.

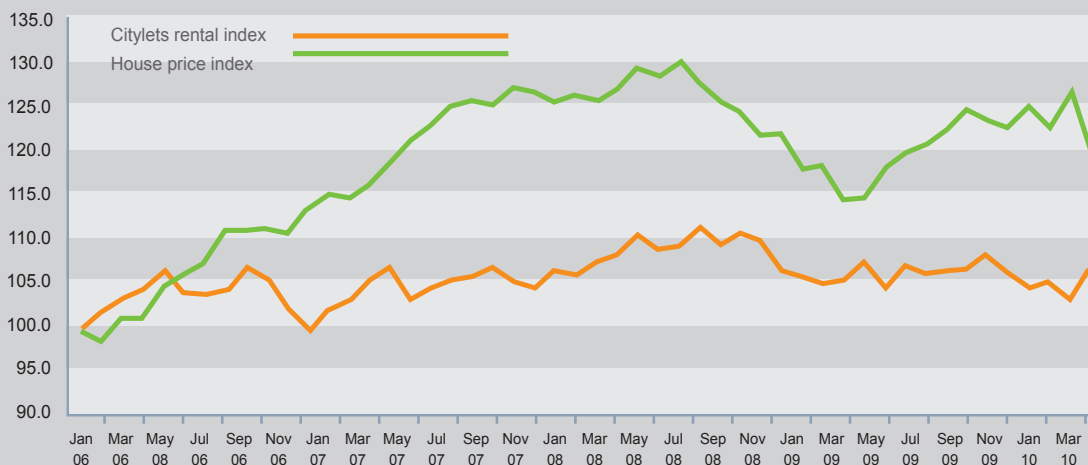
The ongoing effects of the credit crunch such as the tightening of lending criteria and higher deposit requirements have led many prospective first time buyers to extend their tenancies. Unusually, both supply and demand in the PRS have increased during the last two years which is good news for letting agents and landlords alike.

The Citylets rental index for Scotland has been mix adjusted and reflects movements in rent rather than changes in the types of property being rented which often has a seasonal component. Our index was set in January 2006 (100) and at March 2010 stood at 107.9 which shows that the PRS has adapted very well to the roller coaster of the sales market in that time – the index is up almost 8%. Over a similar period January 2006 to Feb 2010 the Scottish Housing Index published by the Department of Communities and Local Government (DCLG) was up 20%.



Citylets Rental Index v Houseprice Index
Jan 2006 - March 2010

Index level (Jan 2006=100)



Scottish Rental Index
Base: Jan 2006 = 100

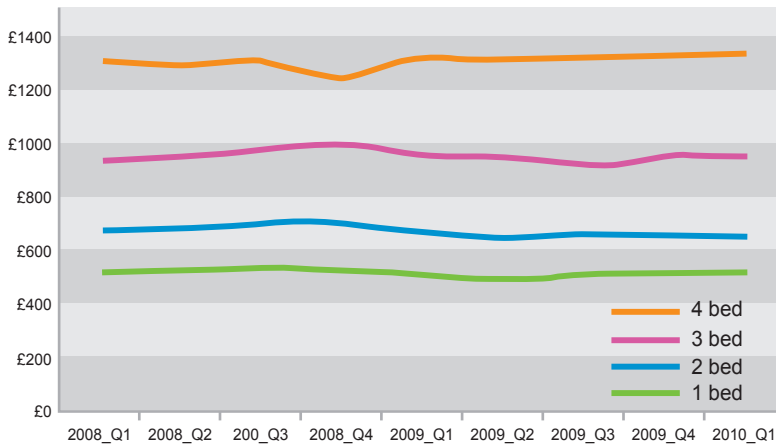
	Mon 2006	2007	2008	2009	2010
Jan	100.0	102.0	106.1	105.2	103.4
Feb	101.7	103.1	107.8	105.6	106.9
Mar	103.6	105.2	108.5	107.5	107.9
Apr	104.4	106.6	110.4	104.6	
May	106.3	103.5	109.1	107.1	
Jun	104.0	104.3	109.5	106.3	
Jul	103.7	105.4	111.7	106.7	
Aug	104.3	106.1	109.6	107.0	
Sep	106.9	106.7	110.9	108.4	
Oct	105.3	105.3	110.3	106.5	
Nov	102.4	104.7	106.6	104.9	
Dec	100.0	106.5	105.7	105.2	

City Profiles

While rents have remained steady over the year the significant reductions in TTL over the same period suggest an upturn in rents is a distinct possibility. Landlords with 2 bed properties in Edinburgh and Glasgow have seen TTL reductions of 8 days and we expect to see sub 35 day TTLs in forthcoming quarters of 2010.

Edinburgh

Average Monthly Rent by Number of Bedrooms
Q1 2008 - Q1 2010



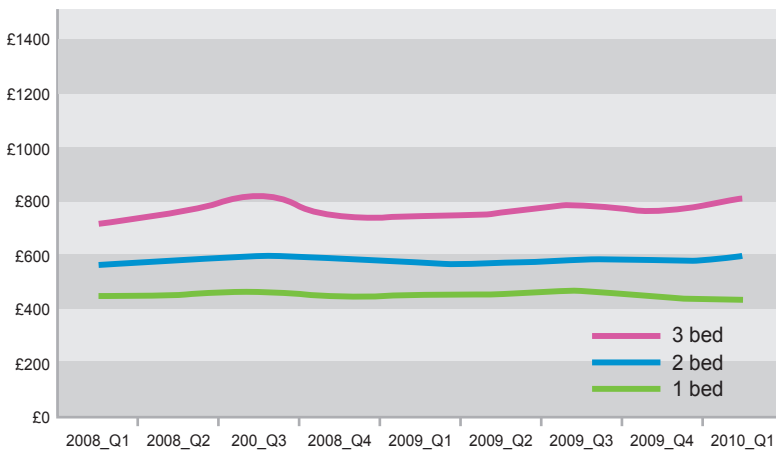
The time to let figures in Edinburgh have come down for all property sizes over the year. In the same period the average monthly rents have remained stable. Unusually in Q1 2010 the larger 3 and 4 bed properties have been letting more quickly than 1 bed properties.

Edinburgh Analysis Q1 2010

Beds	Average Rent Q1 2010	Growth Q1 2009 Q1 2010	Average TTL (days) Q1 2010	Change Q4 '09 - Q1 '10	Let within a week	Let within a month
1 bed	£520	0.0%	33	-6	21.0%	55.1%
2 bed	£664	-1.3%	40	-8	15.9%	47.1%
3 bed	£953	-0.9%	30	-4	21.3%	47.9%
4 bed	£1,345	1.3%	30	-4	35.1%	61.3%

Glasgow

Average Monthly Rent by Number of Bedrooms
Q1 2008 - Q1 2010



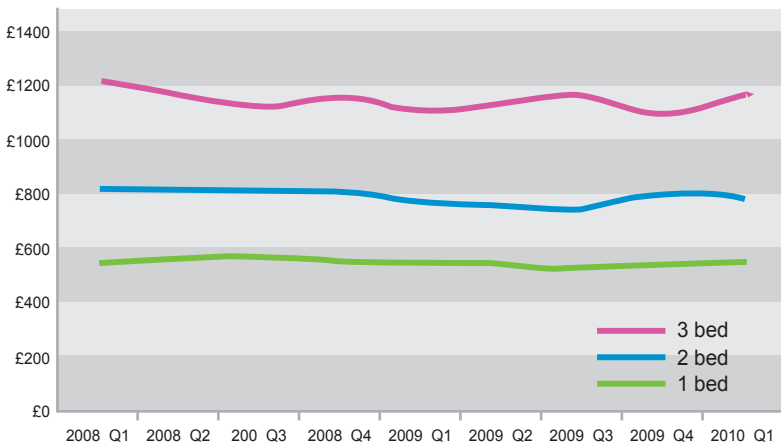
3 bed Glasgow properties had the highest year on year growth in average rent (7%) of any City or Property size. They also had the most improved time to let figures over the year. 2 bed properties now average more than £600 per month.

Glasgow Analysis Q1 2010

Beds	Average Rent Q1 2010	Growth Q1 2009 Q1 2010	Average TTL (days) Q1 2010	Change Q4 '09 - Q1 '10	Let within a week	Let within a month
1 bed	£448	-1.3%	38	-5	17.1%	52.3%
2 bed	£604	3.4%	41	-8	13.1%	47.7%
3 bed	£811	7.0%	38	-12	8.6%	54.3%

Aberdeen

Average Monthly Rent by Number of Bedrooms
Q1 2008 - Q1 2010



1 bed flats in Aberdeen currently have the shortest time to let figure (28 days) of any City or Property Size. Aberdeen remains the most expensive City to rent property in Scotland.

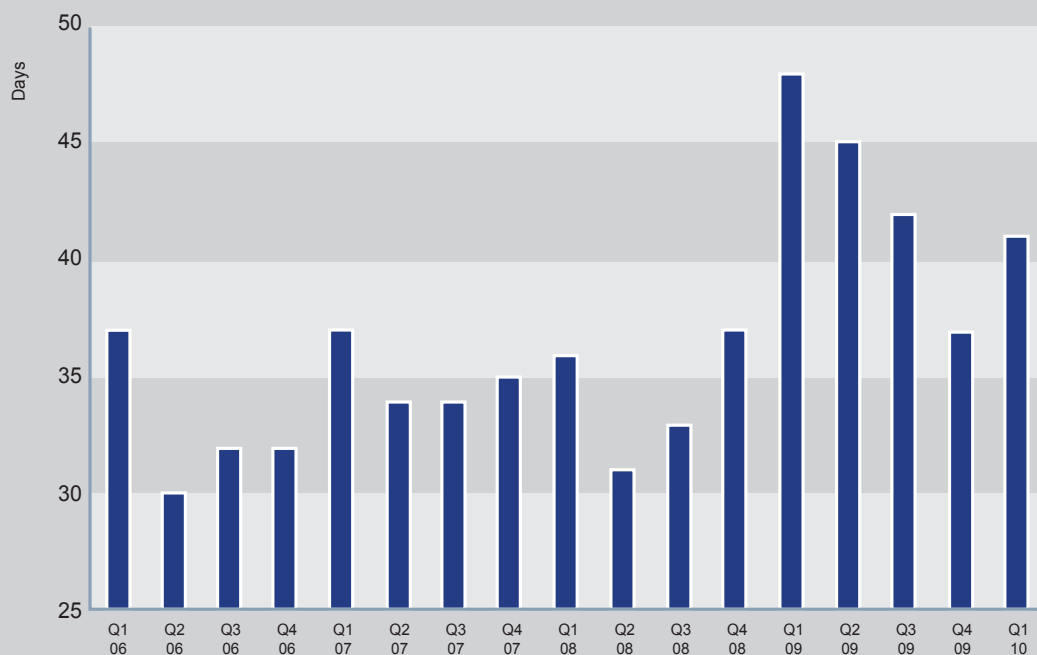
Aberdeen Analysis Q1 2010

Beds	Average Rent Q1 2010	Growth Q1 2009 Q1 2010	Average TTL (days) Q1 2010	Change Q4 '09 - Q1 '10	Let within a week	Let within a month
1 bed	£556	0.5%	28	-0	15.5%	61.3%
2 bed	£796	2.1%	44	-4	9.6%	40.7%
3 bed	£1,172	4.8%	71	16	8.8%	17.6%

Time to Let

another key indicator of demand in the PRS- currently stands at 41 days in Scotland which is 7 days less than last year. A slight quarterly upturn in TTL is not unexpected since TTL invariably peaks in the first quarter of each year. The harsh winter will also have played its part in increasing the TTL figures in Q1 2010.

Time to Let in Scotland
Q1 2006 - Q1 2010

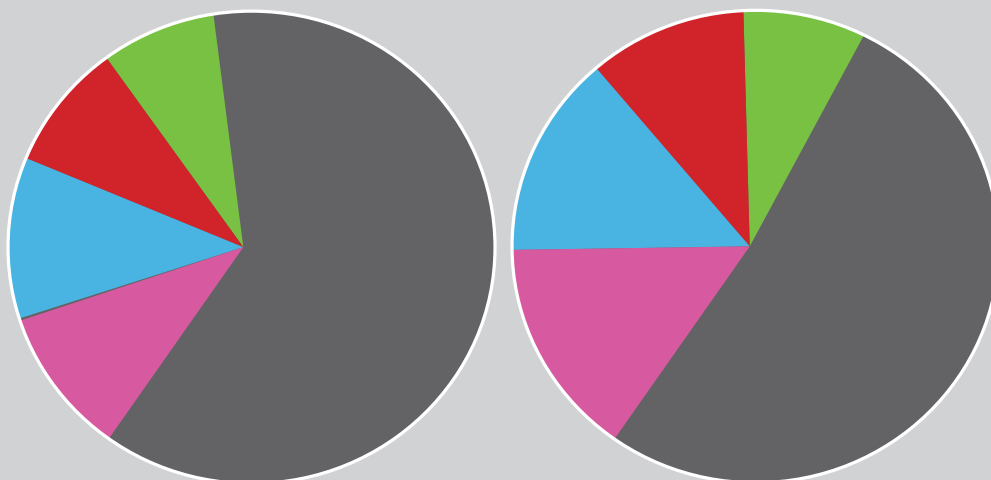


Time To Let
Q1 2009 - Q1 2010

An encouraging signal is that the proportion of properties taking more than 4 weeks to rent has come down in Q1 2010 (51%) from Q1 2009 (62%).

Q1 2009

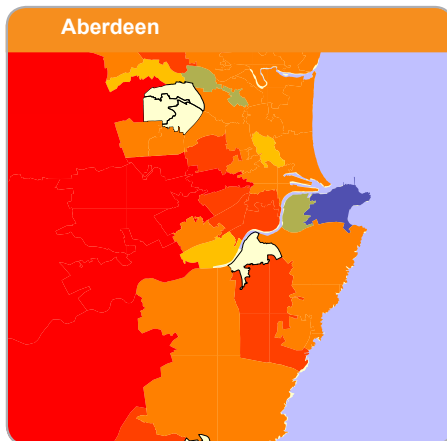
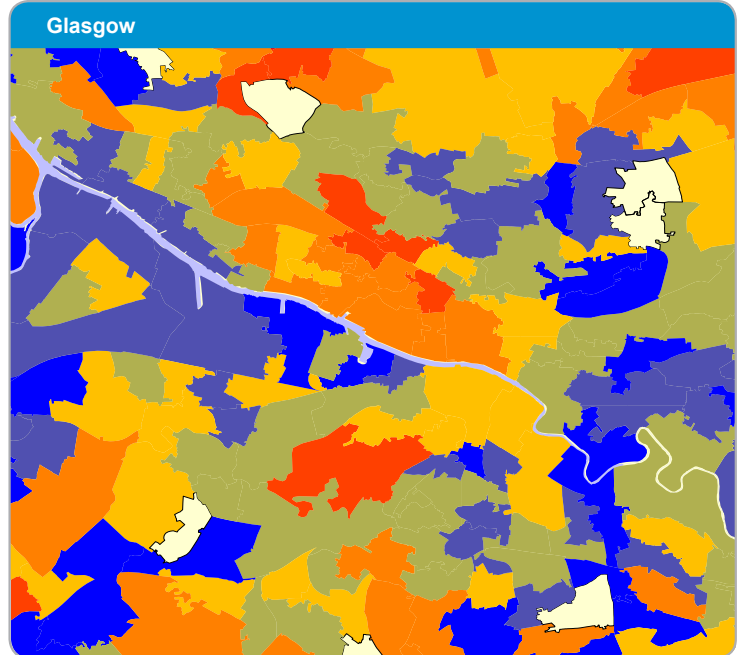
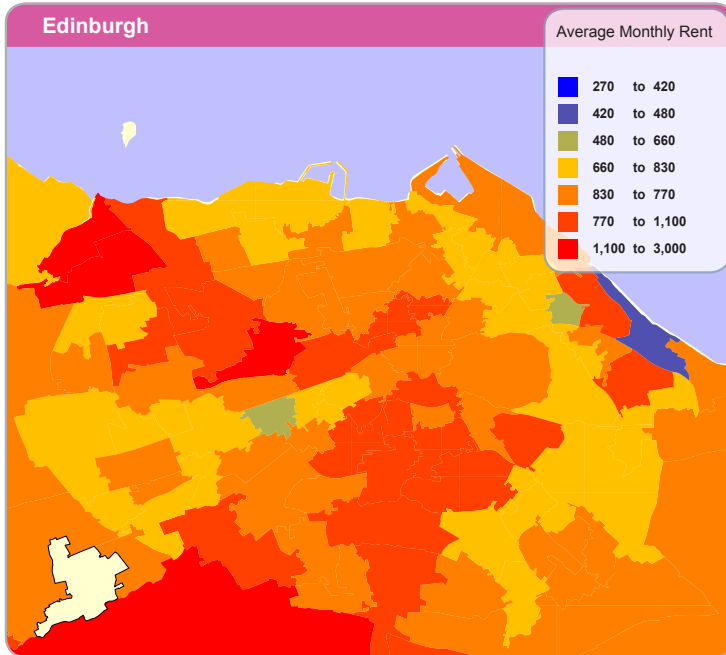
Q1 2010



1 weeks 2 weeks 3 weeks 4 weeks >4 weeks

City Rent Guide

In this section of the report we drill down to a local area analysis of the rents across the 3 largest Cities and provide unique 'heat maps' identifying the most expensive and cheapest areas to rent.



10 Most Expensive Areas to rent in Scotland		
Rank	Neighbourhood	Average Monthly rent for 2 bed flat
1	Park (Glasgow)	£1,104
2	West End (Aberdeen)	£1,079
3	West End (Edinburgh)	£1,029
4	New Town (Edinburgh)	£1,015
5	City Centre (Aberdeen)	£990
6	Marchmont (Edinburgh)	£971
7	Glasgow Harbour (Glasgow)	£913
8	Rosemount (Aberdeen)	£880
9	Newton Mearns (Glasgow)	£824
10	Bruntsfield (Edinburgh)	£819

10 Least Expensive Areas to rent in Scotland		
Rank	Neighbourhood	Average Monthly rent for 2 bedroom flat
1	Johnstone (Renfrewshire)	£421
2	Shettleston (Glasgow)	£428
3	Kilmarnock (East Ayrshire)	£440
4	Motherwell (N. Lanarkshire)	£444
5	Ibrox (Glasgow)	£449
6	Bridgeton (Glasgow)	£453
7	Boness (Falkirk)	£459
8	Tollcross (Glasgow)	£462
9	Paisley (Renfrewshire)	£463
10	Rutherglen (Glasgow)	£468

Methodology

The statistics are based on rental properties advertised on Citylets. Rather than employ snapshot sampling our observations are recorded when a property is removed from the site as let. We believe such transaction-based observations provide a better reflection of the market.

The data is cleansed to remove multiple entries and other anomalies. Our cleansing process continues to guide refinements to data recording.

Averages are calculated on a monthly or quarterly basis as weighted (mix-adjusted) means. Indices are constructed holding composition (property type and number of bedrooms) fixed at the average of the last three years. This ensures that changes in the index reflect rent changes and not changes in composition, which are likely to occur seasonally.

Disclaimer

Whilst we have made every effort to ensure information published in this report is correct Citylets gives no warranty or representation as to the accuracy or completeness of the information. The report does not constitute legal or other professional advice. We reserve the right to change methodology, discontinue or revise indices or other analysis at any time.

Copyright

This report and all data contained within is copyright Citylets. The information contained within this report may be reproduced if the source is clearly identified.

About Citylets

Founded in 1999, Citylets is Scotland and Northern Ireland's original residential lettings portal & network advertising more than 50,000 properties per year on behalf of over 300 letting agents. Citylets Network is an exclusive group of sites for property to rent including s1homes, FindaProperty, Primelocation and Globrix. Privately owned, Citylets is fully independent of any estate / letting agent group, media or financial organisation and is managed by its founding team in the West End of Edinburgh.

Enquiries

Please feel free to get in touch with us if you would like to discuss any aspect of this report or would like to consider advertising property on the Citylets Web site.

Managing Director
Thomas Ashdown
 thomas@citylets.co.uk

Market Analysis
Dan Cookson
 dan@citylets.co.uk

Letting Agents
 sales@citylets.co.uk

Citylets

21 Lansdowne Crescent
 Edinburgh
 EH12 5EH
 Tel: 0131 467 4864
 Fax: 0844 507 0400



www.citylets.co.uk