

# Trends in Scottish Residential Lettings

The Scottish rental market witnessed the effects of high stock levels in the first quarter of 2009 with properties taking much longer to let than in Q1 2008 and for the first time we recorded widespread if modest declines in average rents. The market was far from inactive with the volume of lets in the quarter exceeding previous quarters and, with the exception of Edinburgh, the inflow of properties marketed was broadly matched by properties let.

Stocks of property to rent on Citylets continued to climb throughout the quarter but at a slower rate of growth than in the last half of 2008. Closer examination shows that the rise in stocks over the quarter is almost wholly attributable to Edinburgh where supply outpaced demand. Financial sector job losses and general caution contributed to a weakened demand in the corporate sector whilst property continues to flow into the rental sector from the sales market.

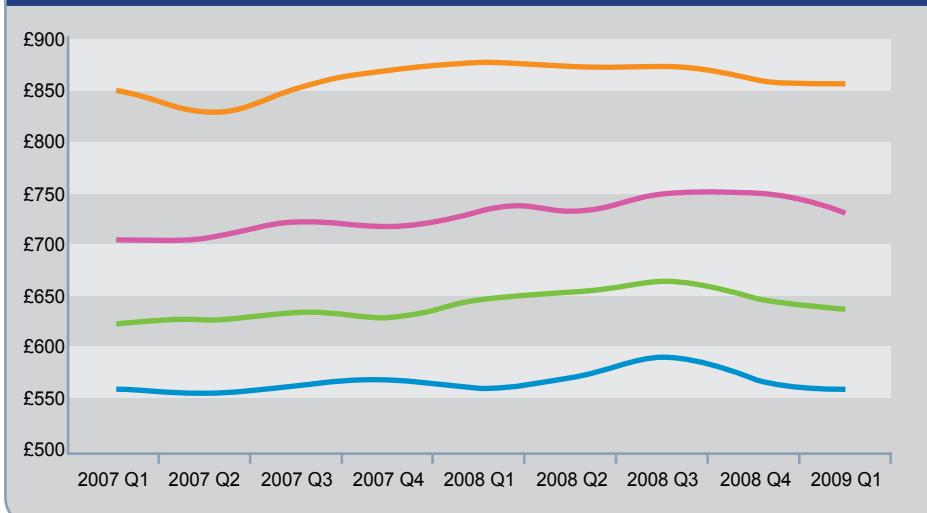
Across the country the greater choice of rental property available to tenants has had a dramatic effect on time-to-let averages which lengthened considerably and rents have declined faster than might have been expected from last quarter. The largest sectors of the market, 1&2 bed flats, saw the biggest falls with rents for larger properties generally holding steady – further evidence perhaps of a greater propensity to share and an early start to the seasonal student market.

The demand for rental property should be underpinned going forward by those waiting, or unable, to buy but with this counter-balanced to some degree by factors such as job losses (or fear of) and economic migrants returning home. It seems likely that rents will remain under pressure in the short-term weighed down by high stock levels.

With a base rate of 0.5% and with quantitative easing in full swing an increase in mortgage products might have been expected. And indeed there are some signs of increasing availability with the return of a limited number of 90% LTV mortgages. But their interest rates are very high and to secure reasonable rates large deposits are required which suggests that first time buyers are still effectively frozen out of the market.

**Trends in Scottish Rents**  
Q1 2007 - Q1 2009

— Aberdeen — Glasgow  
— Edinburgh — Average all Scotland



Average rents across Scotland fell by 1.1% over the last quarter with Edinburgh down 2.6% at £732.

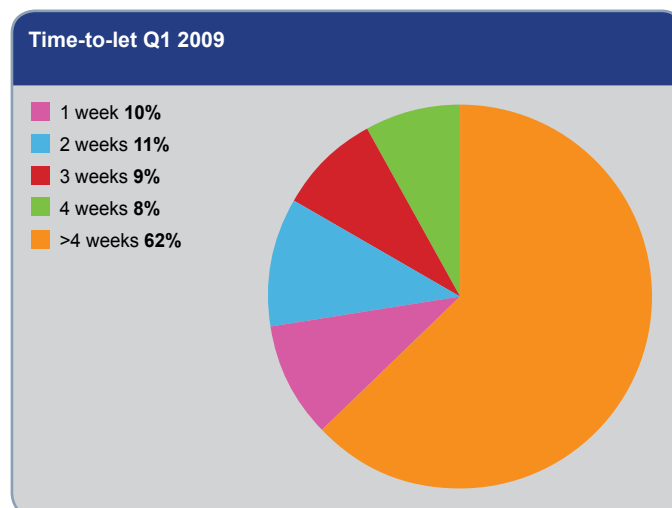
The falls in Glasgow (£560) and Aberdeen (£860) are much less pronounced at 0.7 and 0.1% respectively.

## Index of Scottish Rents

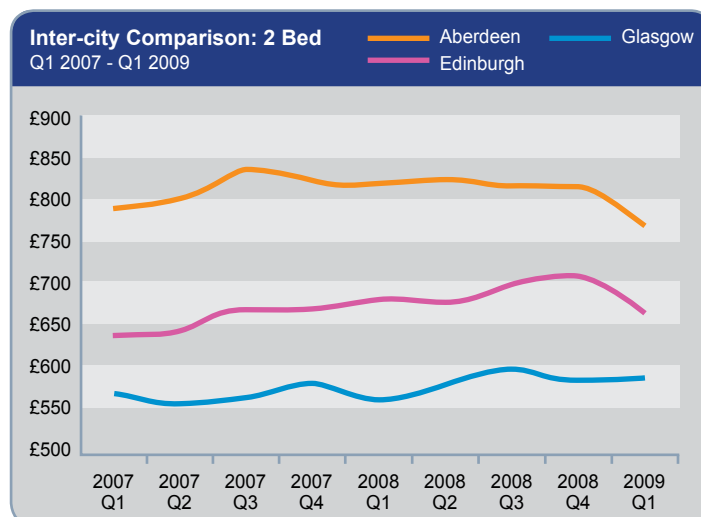
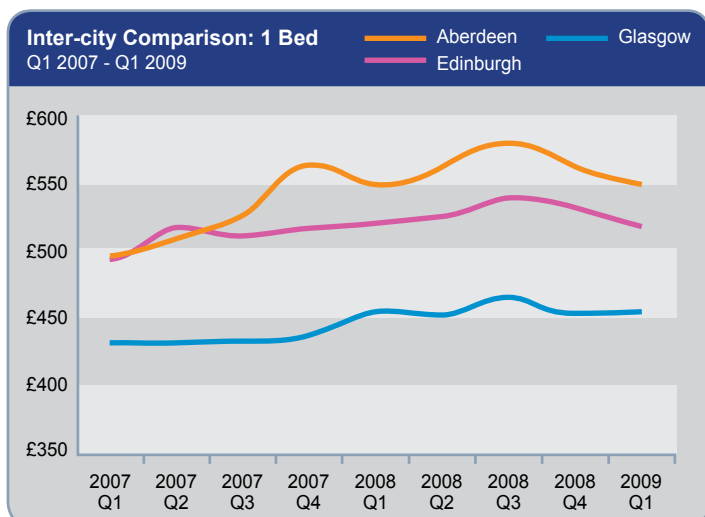
Scottish Rental Index					
Base: Jan 2006 = 100					
Month	2005	2006	2007	2008	2009
January	97.5	100.0	102.0	106.1	105.4
February	100.8	101.7	103.1	107.8	105.9
March	101.7	103.6	105.2	108.5	107.6
April	100.9	104.4	106.6	110.4	
May	101.8	106.3	103.5	109.1	
June	103.3	104.0	104.3	109.5	
July	103.2	103.7	105.4	111.7	
August	101.8	104.3	106.1	109.6	
September	103.3	106.9	106.7	110.9	
October	101.2	105.3	105.3	110.3	
November	101.6	102.4	104.7	106.6	
December	101.2	100.0	106.5	105.7	

The cost of private rental accommodation is falling with the average rent in Scotland now £638. The index confirms a decrease of 1.1% on the first quarter of 2008.

## Time-to-let



The average time-to-let increased to 48 days, some 12 days longer than in Q1 2008. 38% of all properties let within a month down from 52% the previous year. The increase in supply over the last few quarters has given tenants greater choice and allowed them to be more particular about their requirements.



**1 Bed comparison**

City	Average Rent Q1 2009	Growth Q1 2008-Q1 2009	Average TTL (days) Q1 2009	Let within a week	Let within a month
Edinburgh	£519	-1.1%	38	15%	49%
Glasgow	£452	-0.7%	43	10%	41%
Aberdeen	£550	0.0%	28	17%	63%

As usual, higher TTL's are seen in Q1 than in other quarters of the year due to properties marketed over the Christmas holiday period.

**2 Bed comparison**

City	Average Rent Q1 2009	Growth Q1 2008-Q1 2009	Average TTL (days) Q1 2009	Let within a week	Let within a month
Edinburgh	£664	-1.9%	48	9%	38%
Glasgow	£569	1.2%	50	9%	37%
Aberdeen	£772	-5.8%	47	5%	36%

One and two bed flats in **Edinburgh** experienced the first annual declines in average rents since we started recording data in 2003 with rents for 1 bed flats falling 1.1% to average £519 and 2 beds down 1.9% to £664. Although the aggregated declines are modest, some areas have seen larger falls with rents for 1 bed flats in EH3 down 4.6%, and 2 beds 3.0% on a year ago. Further reductions in rents seem probable.

Rents for two bed flats in **Aberdeen** fell sharply, down 5.8% on Q1 2008 to average £772. While average TTL's were 3 days more than in Q1'08 this is considerably less of an increase than that seen for two bed flats in Edinburgh (up 16 days) and Glasgow (up 13 days). Rents for one bed flats (£550) are unchanged on Q1'08 but they took 9 days longer to let.

Two bed flats in **Glasgow** buck the trend posting moderate growth with average rents of £569, 1.2% higher than in Q1'08 while rents for 1 bed flats fell slightly to average £452. Supply did not increase over the quarter but the last occasion the TTL's averages were as high for 1&2 bed flats in Glasgow was Q1 2004 after which rents declined for a year.

# What might I have to pay?

The tables below show the average rents and time-to-let (TTL) over the last six months for a selection of postcodes in Edinburgh, Glasgow and Aberdeen. Gaps in the table occur where there are insufficient observations to comment authoritatively.

There are many factors other than location and number of bedrooms that can influence rental values. Accordingly, the tables should only be used as an indicator and not as a definitive guide to rents.

Edinburgh						
Postcode	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	TTL
EH1	£558	£769	£1,071	£1,460	£1,718	32
EH2	£645	£914				34
EH3	£581	£835	£1,195	£1,443	£1,808	31
EH4	£566	£690	£924	£1,242		37
EH5	£523	£622	£847	£1,168		43
EH6	£508	£648	£879	£1,216	£1,399	39
EH7	£517	£678	£902	£1,193	£1,472	34
EH8	£526	£664	£957	£1,255	£1,676	29
EH9	£531	£723	£1,005	£1,344	£1,695	28
EH10	£557	£739	£1,018	£1,293	£1,700	33
EH11	£501	£632	£841	£1,160	£1,658	31
EH12	£537	£680	£907	£1,314	£1,633	37
All Edinburgh	£531	£686	£960	£1,297	£1,658	30

Glasgow					
Postcode	1 Bed	2 Bed	3 Bed	4 Bed	TTL
G1	£532	£701	£920		37
G2	£514	£690			35
G3	£529	£718	£968	£1,104	34
G4	£481	£625	£808	£1,240	35
G5	£499	£570	£725		40
G11	£484	£669	£915		36
G12	£535	£735	£1,005	£1,302	36
G20	£468	£560	£688		38
G31	£391	£515	£599		41
G32	£390	£484	£586		42
G40	£398	£515	£610		42
G41	£452	£552	£698		40
G42	£405	£513	£601		42
G44	£408	£520	£606		43
G51	£376	£491	£559		48
All Glasgow	£457	£582	£742	£1,023	40

Aberdeen					
Postcode	1 Bed	2 Bed	3 Bed	4 Bed	TTL
AB10	£571	£795	£1,030		35
AB11	£558	£806	£1,191		32
AB15	£709	£945	£1,237	£1,876	54
AB24	£531	£733	£988		28
AB25	£564	£761	£1,158		30
All Aberdeen	£566	£797	£1,105	£1,688	37

(Avs: 2008 Q4, 2009 Q1)

## 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.

## 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 manually cleansed to remove multiple entries and other anomalies.

The 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.

## Acknowledgments

Dominic McKeith  
Dr. Colin Roberts  
Thomas Ashdown

## 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's original residential lettings portal & network advertising c40 000 properties per year on behalf of over 250 Scottish letting agents. Citylets Network is an exclusive group of sites for property to rent including s1homes. 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

### Letting Agents

**Mark Crossey**  
Mark.crossey@citylets.co.uk

### Commercial

**Thomas Ashdown**  
thomas@citylets.co.uk

### Data

**Dominic McKeith**  
reports@citylets.co.uk

### Technical

**Mark Goundry**  
mark@citylets.co.uk

### Citylets

21 Lansdowne Crescent  
Edinburgh  
EH12 5EH  
Tel: 0131 467 4864  
Fax: 0870 137 4576



[www.citylets.co.uk](http://www.citylets.co.uk)

Proud Sponsors of Scottish Cricket

## For further information

Media enquiries please contact:  
Scott Douglas, Holyrood Partnership  
Tel: 0131 561 2244 or E-mail: [scott@holyroodpr.co.uk](mailto:scott@holyroodpr.co.uk)