

Quo Vadis?



- Market Overview ■ National Trends
- Spotlights: Edinburgh, Glasgow, Aberdeen, Dundee & more
- Agent Views
- Postcode and Town Analysis: Localised Rental Prices
- Legislation Matters: ECHR in the Private Rented Sector
- SAL: Let's Work Together
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Market Overview

Another quarter passes and yet again brings with it news that is likely to impact on the Scottish PRS. Not to mention to the UK and possibly Europe as a whole. The ramifications of Brexit encompasses the full universe of push and pull factors within the UK economy that it would seem pointless to make earnest predictions at this early stage as to the effects on the end result, the supply/demand balance in Scotland's local rental markets.

The effect on house prices, house builders, interest rates, mortgage availability, jobs, wages, political direction and financial markets- to name but a few- all remain to be seen. In the short term, however, it is business as normal for agents as we enter the busiest time of the year.

Indeed, rental trends in Q2 2016 have been amongst the most consistent we have ever observed. Again the Scottish PRS on the whole continued to rise at its current rate of 2% YOY growth to stand at £777 per month on average. Strong competing forces in Scotland's main cities continue to do battle with the net

result of modest growth at national level.

Average rents in Aberdeen again recorded negative annual growth at around 20% suggesting that the rate of decline has now leveled off and

- **National average continues steady climb at 2% YOY**
- **Aberdeen negative growth levels out at 20.3%**
- **Glasgow continues steady rise at 5% growth**
- **Citylets Rental Index at all time high**



we may begin to see an improving annualised picture within 2016. The typical property in Aberdeen now rents at £831 per month and takes 47 days to let, around 2 weeks longer than same period last year. It is likely that average rents in Aberdeen will now reach and possibly breach the

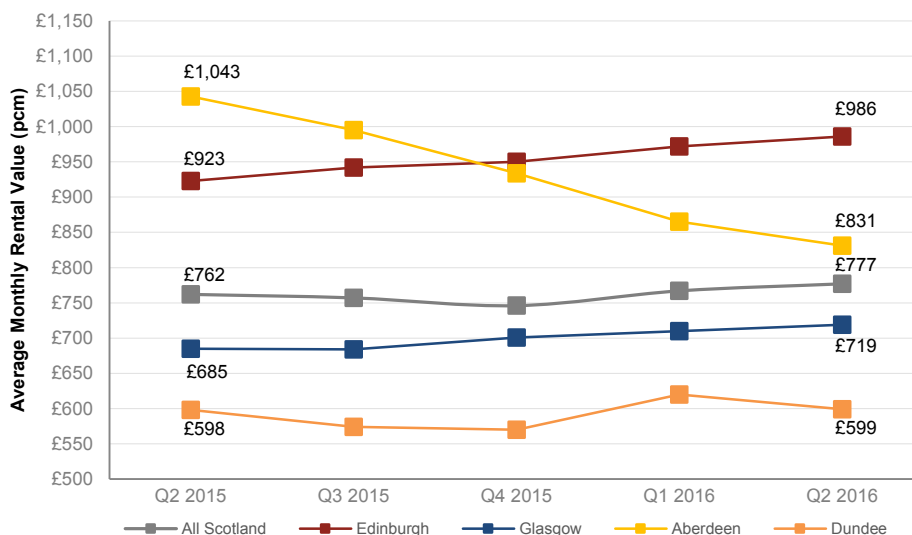
national average. However, with 41% of all properties renting within 1 month, there is still plenty of life in the market as it goes through its transition period.

The Edinburgh market edges ever upwards towards the £1000 average mark and at the same rate recorded over the last few quarters of around 6%. The average rental in the capital is now £986 per month with 70% of stock let within a month. Again it has been the ever popular one bed properties rising fastest at a full 8.7% YOY to stand at £686 on average and with 34% coming off the market within 1 week. Whilst there may be uncertainty all about, this is not the case for trends in the Edinburgh rental market which is good news for landlords but increasingly bad news for tenants.

Glasgow also continues its steady climb at a rate of 5% YOY growth to stand at £719 on average as at Q2 2016. The market is moving well with an average Time to Let of 26 days. Almost a quarter of properties are let within a week and two thirds take less than a month. From an investor perspective, the market is proving stable with 5% growth on average over the last 3 years and 4% over the last 5.

Elsewhere, Dundee is almost unchanged on the year before with average rents at £599, down from £620 observed last quarter. West Lothian is experiencing strong growth in the last year, up 6.4% to average £652, with all property types letting faster than a year ago. Larger 3 bed properties show the largest gains from a 1,3 and 5 year perspective reflecting increased demand for family homes.

Scottish Monthly Rent Analysis (Q2 2015-Q2 2016)

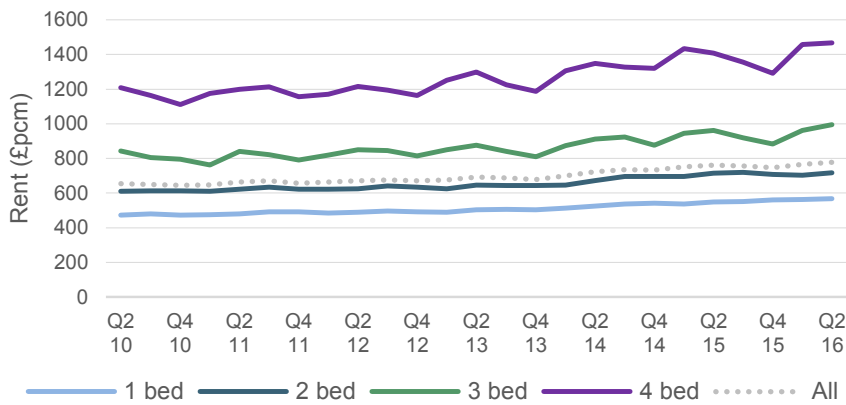


Scotland

Market Overview - Q1 16

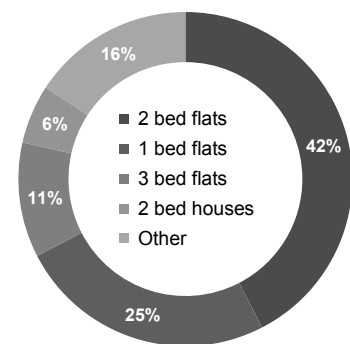
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£567	3.1%	12.5%	17.9%	28	2	23%	65%
2 bed	£717	0.3%	10.8%	15.3%	32	2	20%	59%
3 bed	£996	3.5%	13.6%	18.6%	36	-1	18%	54%
4 bed	£1,468	4.3%	13.1%	22.3%	37	-2	20%	53%
Total	£777	2.0%	12.1%	17.2%	32	1	20%	59%

Average Rent (pcm) by Number of Bedrooms

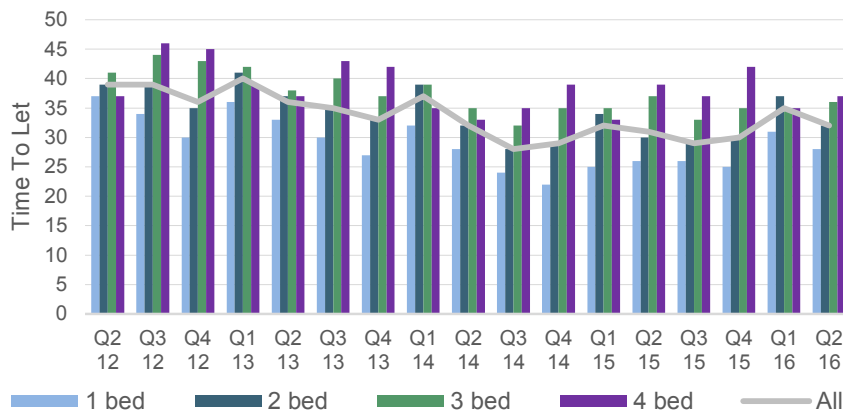


CITYINFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

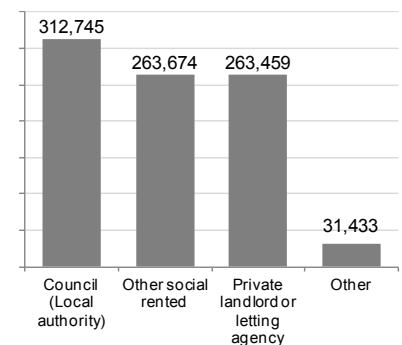


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.6	102.8	100.2
2009	98.8	98.1	99.2	97.7
2010	98.9	101.4	100.6	99.8
2011	100.3	102.8	103.9	101.7
2012	102.9	104.2	105.0	104.0
2013	104.7	107.4	106.5	105.1
2014	108.4	112.1	114.1	113.5
2015	116.4	118.1	117.4	115.7
2016	118.9	120.5		

Households: Rented



Source: Census 2011, Edinburgh



David Alexander - DJ Alexander Lettings Ltd

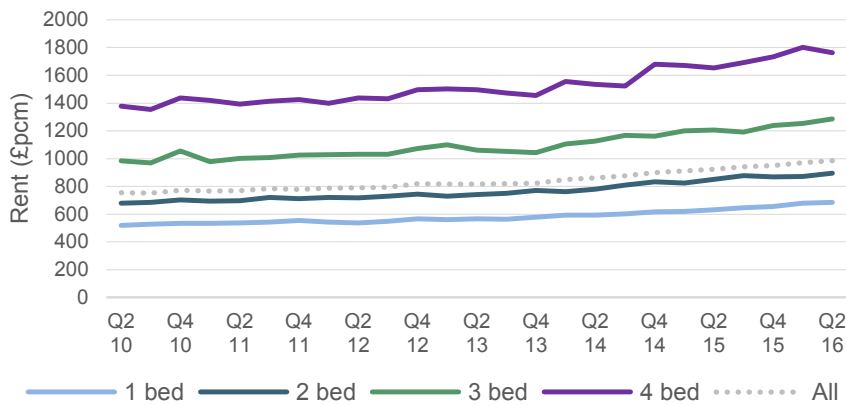
"The referendum result was a great shock but for the moment it's a case of 'carry on as before', especially in Scotland where the rental markets in Edinburgh and Glasgow are among the most resilient in the UK. There may be unknown consequences ahead but one certain thing is the current demand for rented accommodation will not ease up. Of the departing tenants who responded to an internal company survey, only 17% said they were moving to owner-occupation, probably due, in part, to the large deposits still demanded by lenders but our feedback also points to increasing numbers of tenants making renting a first-preference life-style choice."

Edinburgh

Market Overview - Q1 16

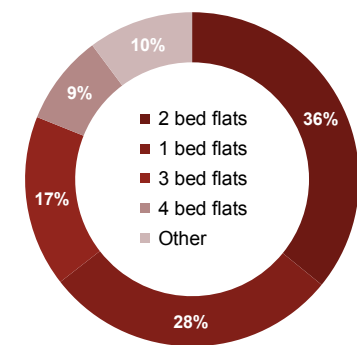
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£686	8.7%	21.2%	27.7%	18	0	34%	81%
2 bed	£896	5.4%	20.8%	28.4%	23	1	26%	71%
3 bed	£1,286	6.5%	21.1%	28.3%	35	-2	17%	54%
4 bed	£1,762	6.5%	17.7%	26.6%	34	-6	24%	58%
Total	£986	6.8%	20.5%	28.2%	25	-1	27%	70%

Average Rent (pcm) by Number of Bedrooms

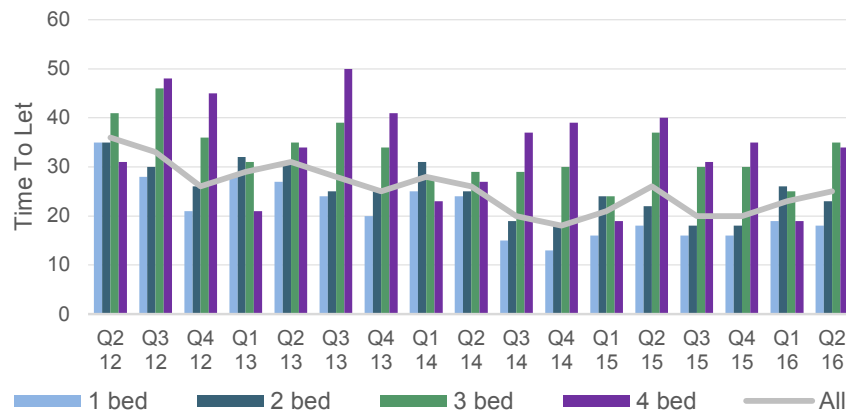


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Market Composition



Average Time To Let (TTL) by Number of Bedrooms

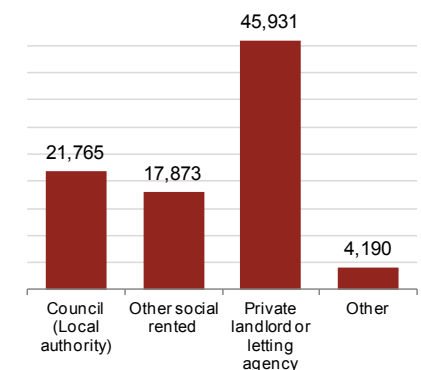


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	100.1	102.0	102.3
2009	99.2	96.9	97.6	98.3
2010	99.1	101.1	100.7	103.2
2011	102.5	102.9	104.8	104.3
2012	105.5	105.9	106.2	109.6
2013	109.4	109.5	109.8	110.0
2014	113.5	115.1	117.3	120.5
2015	122.1	123.6	126.1	127.2
2016	130.1	132.0		

Households: Rented



Source: Census 2011, Edinburgh



Grant Denholm - Littlejohns Ltd

"Whilst there is no let up with rents increasing in Edinburgh, supply is now a major problem. There is no doubt that we need to be building more properties but following the Brexit vote.....it would be a prudent stance to acknowledge that this may impact on both our Landlords and Tenants."

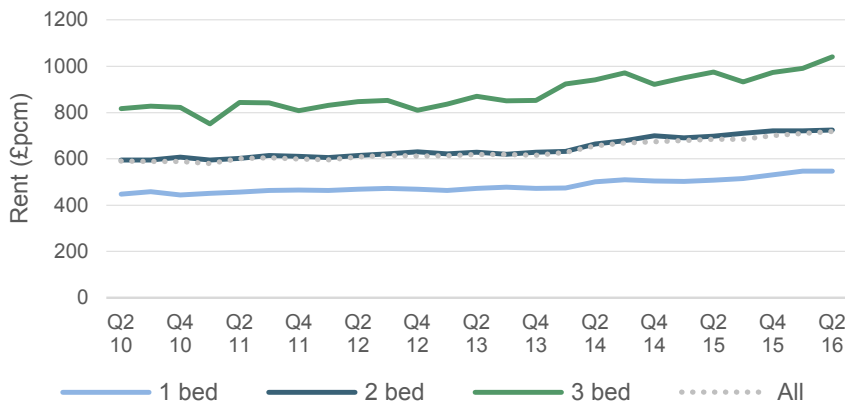


Glasgow

Market Overview - Q1 16

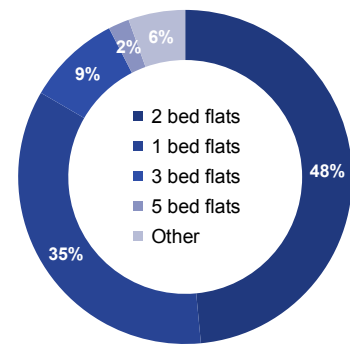
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£546	7.5%	15.4%	19.5%	24	2	25%	70%
2 bed	£724	3.9%	15.1%	20.3%	27	2	24%	64%
3 bed	£1,040	6.7%	19.5%	23.2%	26	-3	23%	70%
4 bed	£1,533	10.5%	26.3%	23.3%	32	4	29%	57%
Total	£719	5.0%	16.3%	19.6%	26	1	24%	66%

Average Rent (pcm) by Number of Bedrooms

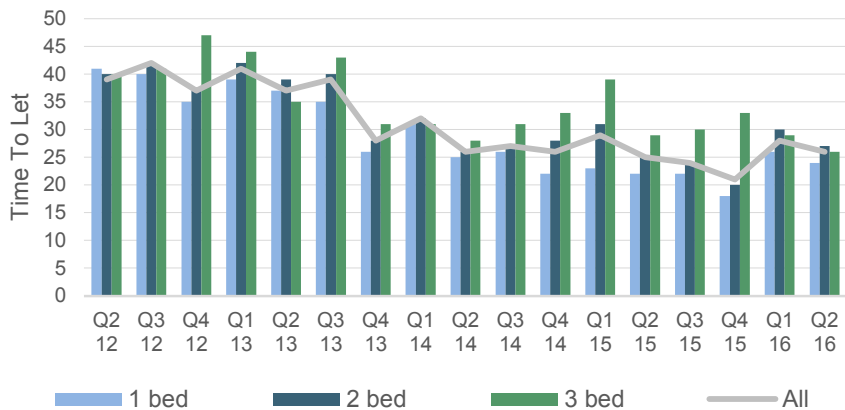


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Market Composition



Average Time To Let (TTL) by Number of Bedrooms

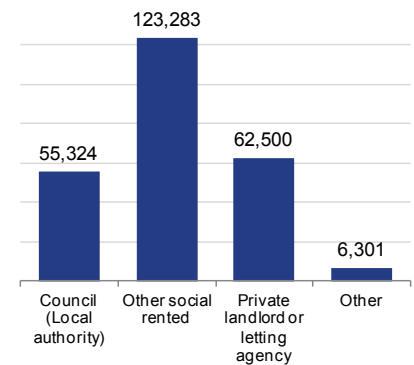


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	102.6	104.6	101.8
2009	102.3	101.4	103.0	100.7
2010	104.2	104.1	103.9	103.7
2011	102.3	106.0	106.7	105.6
2012	105.1	107.4	108.5	107.9
2013	108.1	109.0	109.0	108.5
2014	110.8	115.7	118.0	118.7
2015	119.8	120.8	120.6	123.6
2016	125.2	126.8		

Households: Rented

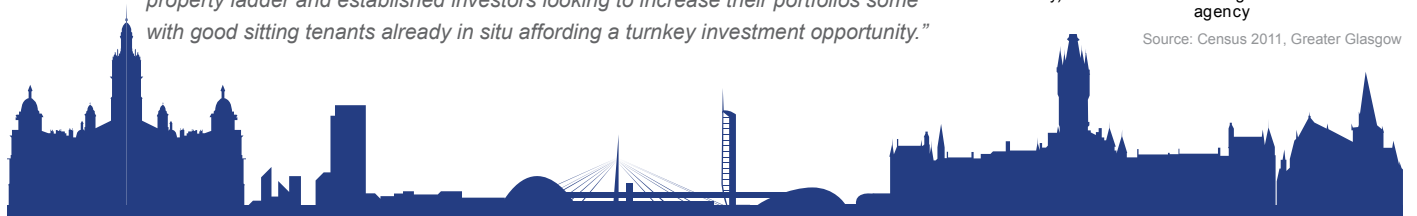


Source: Census 2011, Greater Glasgow



Colin MacMillan - Glasgow Property Letting

"We have seen sustained growth yet again in the PRS with rents on the increase in popular locations such as the affluent city centre, west end and Southside markets and TTL's reducing for quality properties. We have however noticed many landlords looking to offload their investments as uncertainty relating to the financial constraints on landlords and the onerous responsibilities on them takes a hold. On a more positive spin this has opened the doors to new investors looking to get on the property ladder and established investors looking to increase their portfolios some with good sitting tenants already in situ affording a turnkey investment opportunity."

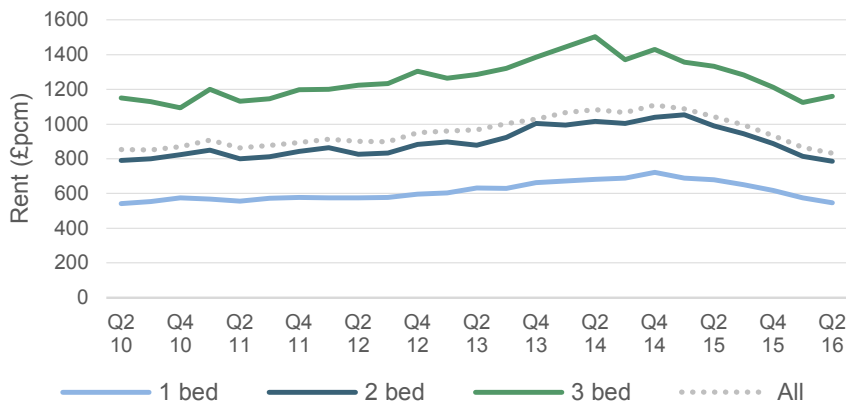


Aberdeen

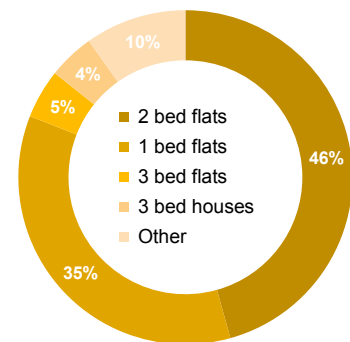
Market Overview - Q1 16

Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£546	-19.7%	-13.5%	-1.8%	46	24	8%	39%
2 bed	£787	-20.4%	-10.5%	-1.6%	49	13	11%	39%
3 bed	£1,161	-13.0%	-9.8%	2.5%	43	4	15%	50%
4 bed	£1,495	-21.2%	-25.1%	-10.0%	51	12	7%	42%
Total	£831	-20.3%	-14.1%	-3.6%	47	15	10%	41%

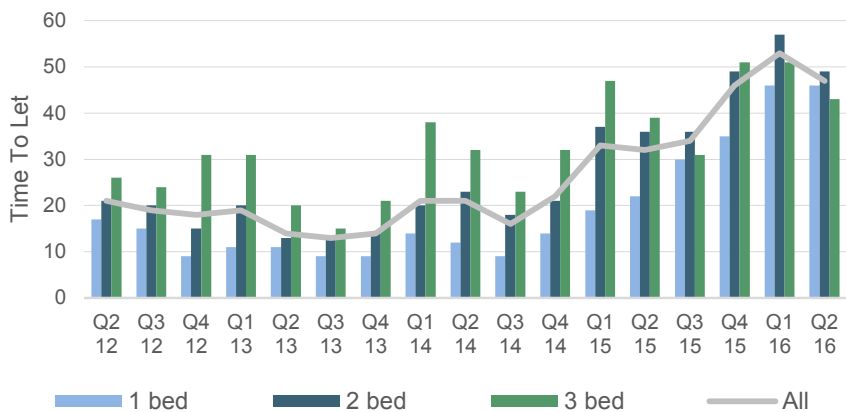
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms

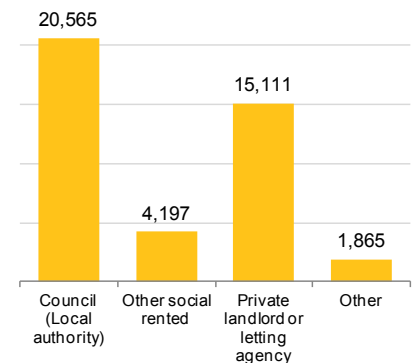


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.5	100.7	98.8
2009	97.1	94.6	93.8	96.8
2010	96.9	96.5	96.3	98.3
2011	102.5	97.4	99.2	101.0
2012	103.2	101.8	101.6	107.3
2013	108.6	109.3	113.2	116.2
2014	120.5	122.5	120.6	125.4
2015	123.1	117.9	112.4	105.5
2016	97.7	93.9		

Households: Rented



Source: Census 2011, Aberdeen



Sarah Harley - Margaret Duffus Leasing

"2016 continues to be a year of readjustment for the leasing market in Aberdeen as a direct result of the oil price drop. There are still many more properties available than traditionally advertised at this time of year, but it has been a very busy few months for offers and we have seen just as many new leases as in previous years. Rental levels are lower across the board, but they still compare well to a national average and there is optimism about increased activity in the area through 2017."

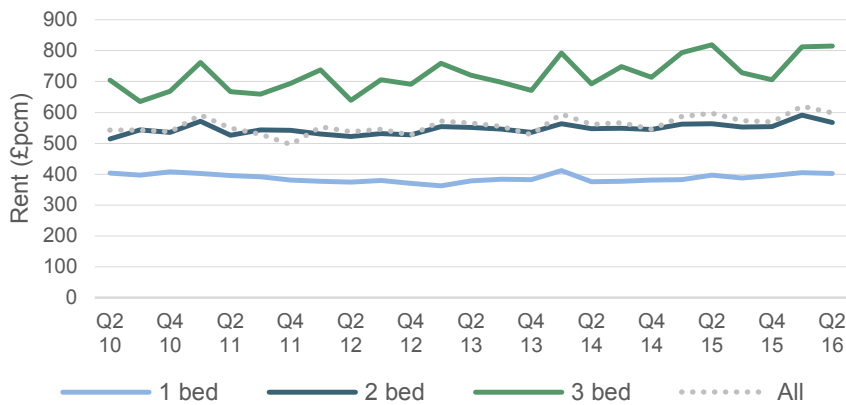


Dundee

Market Overview - Q1 16

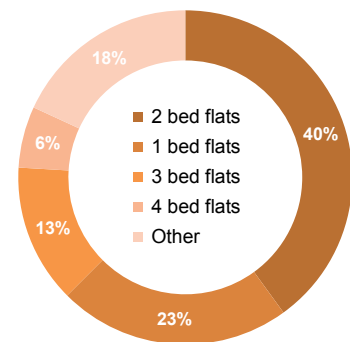
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£402	1.3%	6.3%	1.5%	43	-3	14%	44%
2 bed	£568	0.7%	3.1%	8.0%	46	-7	9%	41%
3 bed	£815	-0.5%	13.2%	22.0%	62	-19	2%	29%
4 bed	£1,086	1.3%	17.2%	14.4%	64	4	8%	25%
Total	£599	0.2%	6.0%	8.9%	50	-7	9%	38%

Average Rent (pcm) by Number of Bedrooms

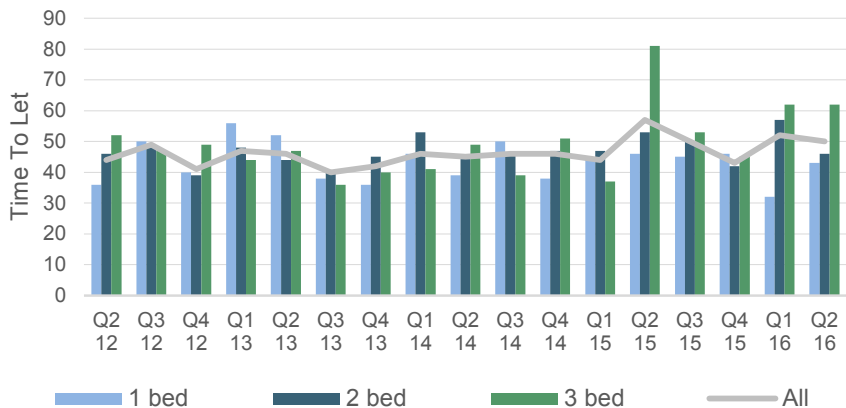


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Market Composition



Average Time To Let (TTL) by Number of Bedrooms

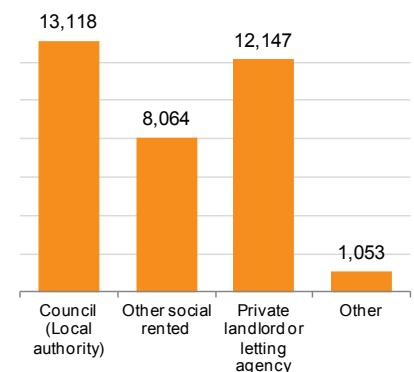


Rental Index

(base: Q1 10)

Year	Q1	Q2	Q3	Q4
2010	100.0	94.3	94.3	93.4
2011	102.8	95.5	91.8	86.1
2012	96.2	93.2	94.6	91.5
2013	99.3	98.1	96.4	91.7
2014	103.3	97.4	98.4	94.6
2015	101.9	103.8	99.7	99.0
2016	107.6	104.0		

Households: Rented



Source: Census 2011, Dundee



Robert Murray - Lickley Proctor Lettings

"The second quarter of 2016 has been a busy period for Lickley Proctor Lettings. No problems have been experienced in achieving the rentals being sought. This has been the case "across the board" i.e. all types of properties, indicating confidence in the rental market in Dundee area at the present time. Hopefully this will continue."

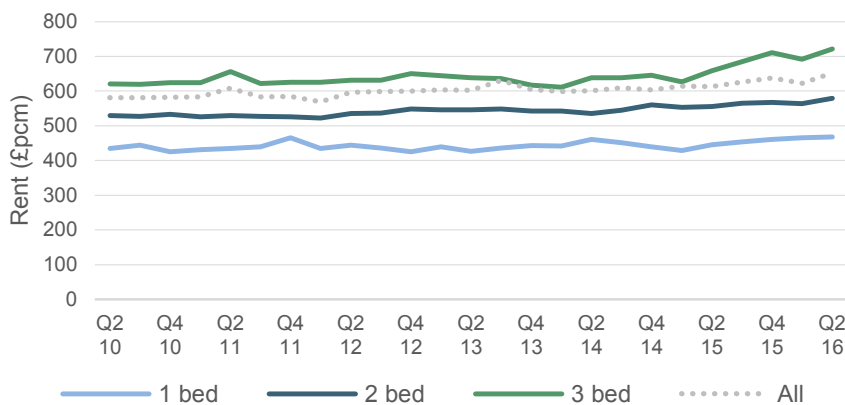


West Lothian

Market Overview - Q1 16

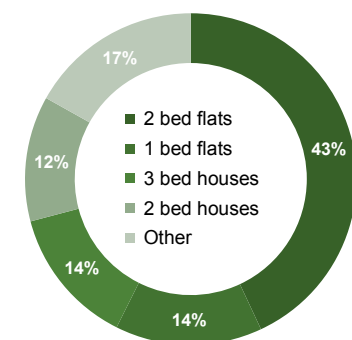
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£468	5.2%	9.6%	7.6%	32	-9	18%	51%
2 bed	£579	4.3%	6.0%	9.5%	31	-10	16%	57%
3 bed	£721	9.4%	12.8%	9.9%	34	-5	17%	52%
4 bed	£987	2.5%	11.5%	0.2%	22	-13	23%	69%
Total	£652	6.4%	8.3%	7.2%	31	-10	17%	56%

Average Rent (pcm) by Number of Bedrooms

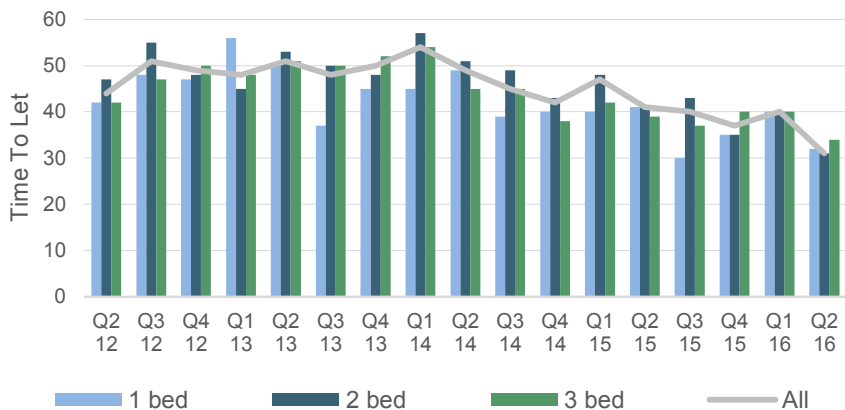


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Market Composition



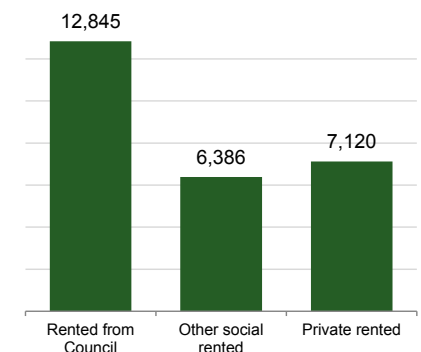
Average Time To Let (TTL) by Number of Bedrooms



Rental Index (base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.4	104.8	101.2
2009	101.9	98.4	100.5	99.7
2010	100.9	100.2	100.2	100.3
2011	100.7	104.8	100.5	100.9
2012	98.1	102.8	103.3	103.4
2013	104.1	103.8	108.8	104.3
2014	103.3	103.6	105.2	104.1
2015	105.9	105.7	107.9	110.0
2016	107.4	112.4		

Households: Rented



Source: Census 2011, West Lothian



Brian Callaghan - Letting Solutions

"The demand for rental property in West Lothian continues to be exceptionally strong. We routinely deal with several hundred tenant enquiries every week, sometimes with anxious competing prospects even wishing to secure properties without viewing. Landlords can therefore be choosy from many quality candidates, thus improving the prospects for a profitable and secure tenancy. With UK Brexit, the demand from tenants seems unlikely to be affected at all, given the national housing demands. The key issue will be whether the new financial uncertainties reduce the attractiveness of letting for landlords and investors."

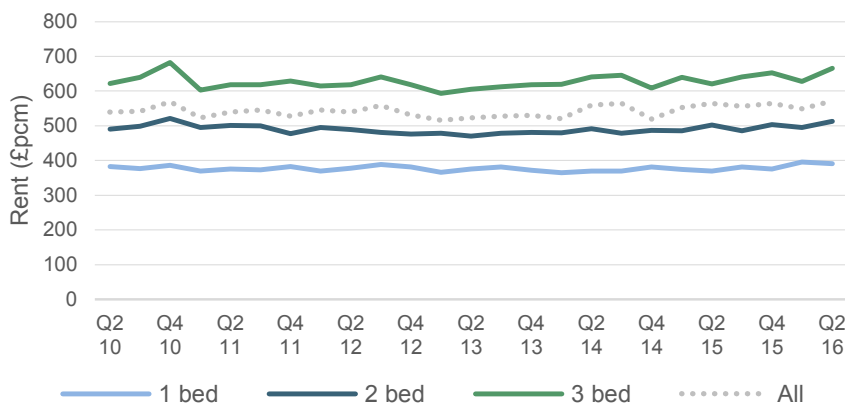


South Lanarkshire

Market Overview - Q1 16

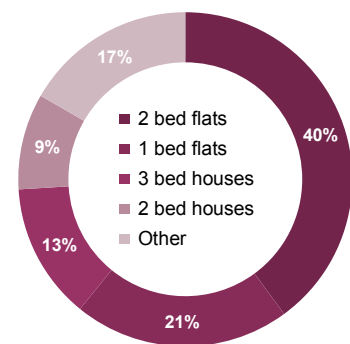
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£391	5.7%	4.3%	4.0%	33	-5	16%	62%
2 bed	£513	2.2%	9.1%	2.4%	35	-3	15%	54%
3 bed	£666	7.2%	10.1%	7.8%	32	-2	21%	56%
4 bed	£1,089	11.7%	20.6%	27.4%	40	11	0%	36%
Total	£572	1.2%	9.4%	5.9%	34	-3	16%	55%

Average Rent (pcm) by Number of Bedrooms

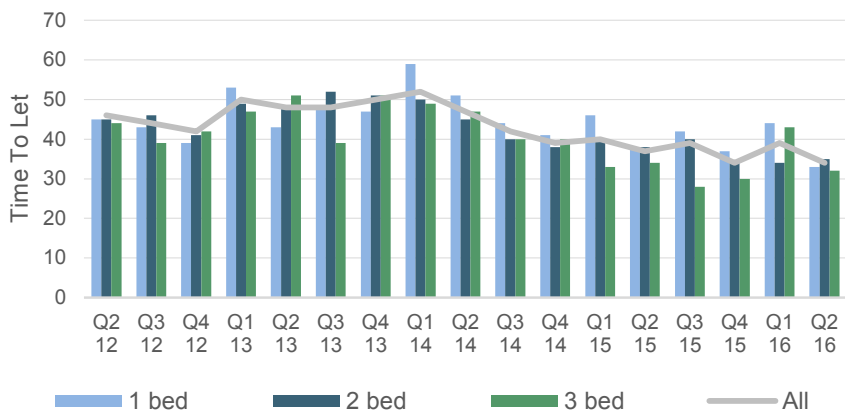


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Market Composition



Average Time To Let (TTL) by Number of Bedrooms

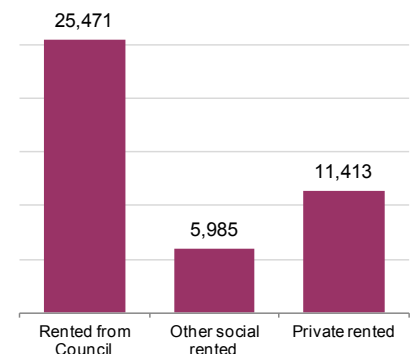


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.3	101.3	102.4
2009	103.3	96.7	95.6	103.3
2010	104.1	99.4	99.8	104.8
2011	96.3	99.4	100.4	97.2
2012	100.6	99.3	102.9	97.8
2013	95.0	96.3	97.2	97.6
2014	95.9	103.1	104.1	95.6
2015	101.8	104.1	102.4	104.1
2016	101.1	105.3		

Households: Rented



Source: Census 2011, South Lanarkshire



David Watt - Rentlocally

"The second quarter has been very productive for us. Greater Glasgow continues to be a buoyant market, with our average time to let a property being 3 days. Demand is high and we are continuing to increase the rents in line with the current market trend. The recent changes in taxation and legislation appear to have led to increased rents in the private rented sector."

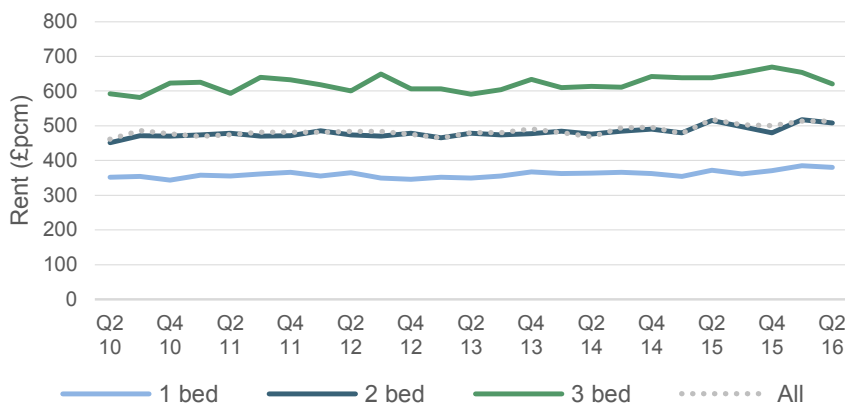


Renfrewshire

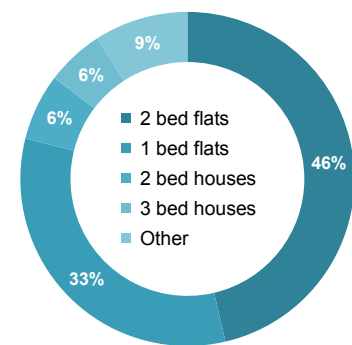
Market Overview - Q1 16

Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£380	2.2%	8.6%	7.0%	35	-6	14%	53%
2 bed	£508	-1.4%	6.3%	6.3%	34	-6	16%	51%
3 bed	£621	-2.7%	5.1%	4.5%	35	-12	23%	46%
4 bed	£894	-4.8%	3.1%	5.7%	38	4	33%	67%
Total	£513	-1.0%	6.9%	8.2%	34	-7	16%	52%

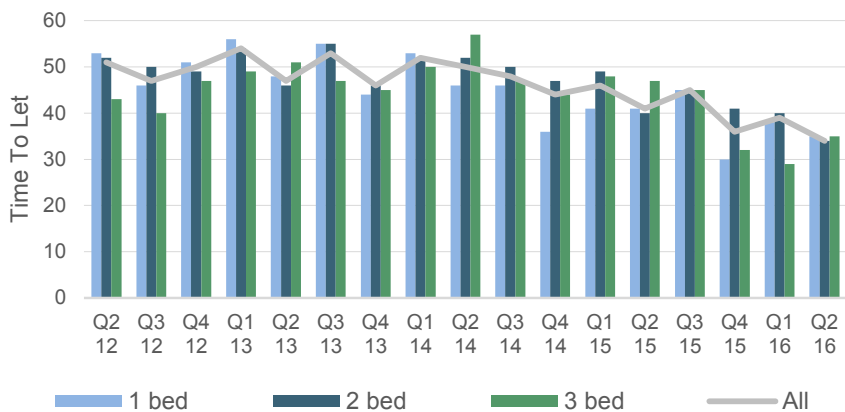
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.8	104.0	100.0
2009	98.7	99.0	96.2	96.2
2010	104.6	96.6	101.9	100.0
2011	98.5	99.4	101.0	100.8
2012	101.0	101.5	101.5	99.8
2013	97.5	100.6	100.6	102.9
2014	100.6	98.1	103.8	104.0
2015	100.2	108.6	105.5	104.8
2016	107.5	107.5		

Households: Rented



Source: Census 2011, Renfrewshire



Denise Rhodes - Belvoir

"The market in Renfrewshire in Q2 was more buoyant than ever. Quality properties are being snapped up within days and many properties attracting several tenant applicants. Demand for houses, especially with a garden, continues to outstrip supply and we see no reason why this should not continue throughout the remainder of the year."



Agent Views

Scottish letting agents give us their views on their local market.

Aberdein Considine, Aberdeen – Adrian Sangster



"It's a tale of two halves in Scotland with Aberdeen having plentiful supplies of stock compared to Glasgow and Edinburgh where it's lacking. The recent leave vote has also added to uneasiness felt by those already affected by the low oil price. After 26 years working in lettings I've been through difficult markets before, but I've found the PRS to be resilient and able to adapt, evolve and sometimes thrive in challenging times. It is my personal opinion the Aberdeen letting market is entering the latter stages of a period of transition and as we've done before we will adapt and get used to the new normal."

Be-Rented, Glasgow – Graeme McEwan



"Without doubt the Brexit decision has dominated industry conversation recently and this is affecting markets in places such as London where the market already appears to be stuttering from uncertainty. Not so in Glasgow where property lending increased to its strongest quarter start since 2008 and affordability continues to drive investment demand. New regulations via the new Private Housing Act is likely to drive long-term property investments in specific areas such as student accommodation where we are already seeing increased interest and activity and the global exit from equities continues to shore up the property investment market in Scotland"

Rettie & Co, Edinburgh – Stuart Montgomery



"The impact of Brexit in the context of the Scottish PRS (and just about any other context) relies on a vast array of unknowns. With as yet no clear picture of what Brexit is likely to mean for Scotland and the prospect of "Indyref2" coming over the hill, uncertainty looks set to drive the market for the foreseeable future. This uncertainty will inevitably result in the further deferment of much needed institutional investment in Scottish Built to Rent and a worsening still further in the supply of quality rental stock. With uncertainty also dominating financial markets there is a significant pool of capital searching for a yield, for private investors however, time will tell whether the PRS remains the counter cyclical safe haven it once was."

Murray & Currie, Edinburgh – Steven Currie



"The last quarter as forecasted by our team experienced a continuation of a very healthy balance of supply and demand to tenants looking to secure long term tenancies and landlords seeking qualified tenants. The standard of accommodation being presented by our landlords has been very well received and recognised by our tenants who are satisfied that our pricing is fair and represents value for money. Due to information, stats and analysis available at your fingertips, tenants and landlords have never been so well informed. This well-educated market place makes relationships between all parties very respectful, professional, enjoyable and rewarding."

Clan Gordon, Edinburgh – Jonathan Gordon



"To date Q2 has largely seen a continuation of the trends that emerged in Q1, especially in the high demand for one bedroom properties. The market continues to be busy with new instructions and high demand from tenants. However, the uncertainty that will result from the EU referendum is likely to slow this down as we move into Q3. The Scottish lettings market was resilient to the 2008 financial downturn as buyers chose to rent for longer and sellers were forced instead to rent as the sales market stagnated. The volume of rental property in Edinburgh grew significantly over the last 5 years and rents also rose. At this stage it is difficult to predict what effect the vote to leave the EU will have on lettings, but it is likely that we will face a more challenging market in Q3."



Agent Views cont...

Click-let, Edinburgh – Ross MacDonald



"Q2 2016 has been very busy following on from a positive first quarter for the sector overall. We continue to experience high demand from tenants with our average TTL for the year remaining below 12 days. The recent Council of Letting Agents, "The Agency Business" conference highlighted that times continue to change dramatically in the letting industry for tenants, landlords and letting agents. Of course, the result of and reaction to last week's EU referendum brings further challenges to the market. Early opinion is mixed about the impact and outlook for the buy to let market, though some commentators forecast that the industry is in a good position to benefit."

Stonehouse Lettings, Aberdeen – Ross Murray



"Q2 has seen average rents continue to drop in Aberdeen with no sign as yet where they will bottom out. This market is about being realistic with rental prices, being able to react quickly to leads and giving your available stock as much exposure as possible. Stonehouse Lettings has continued to invest in our people adding to our letting team; we have increased our online presence advertising on multiple national rental portals and social media. This will stand us in good stead for the remainder of the year."

Rentlocally, Edinburgh – John Horsburgh



"The second Quarter of 2016 has continued to deliver strong levels of demand for rental property across the entire spectrum and shows no sign of slowing. The PRS is thus far defying predictions of overheating due to rising rents outpacing wages and continues to deliver excellent yields to landlords unmatched by any other form of investment. The very recent events of the UK's decision to exit the EU may have a bearing on this but it's too early to tell what that might be."

Braemore, Edinburgh – Callum MacGregor



"In general, the market continues to offer a strong investment opportunity to those looking to invest in the Edinburgh PRS. This is due, mainly, to positive rental growths, good quality tenant demand and quick time to let. Record numbers of new landlords have been recorded in comparison with previous years which is another indicator of confidence in the market, especially in the Capital City."

Castle Residential, Renfrewshire – Jazz Chowdhary



"Q2 has seen TTL reduce and demand increase once again and the PRS shows little sign of slowing. This may change though, the after effects of Brexit will no doubt play a role, however, we wouldn't expect it to adversely affect the market to any major extent. We continue to actively seek new landlords due to demand outstripping supply in this and surrounding areas"

Northwood, Aberdeen – Matt Pullinger



"Q2 has been a busy and still challenging time for the Aberdeen rental market. We have seen a slight stabilising in the market with prices not falling as steeply as they have in the past year and times to let have seemed to average out at around the two month mark. We have seen good demand for competitively priced properties presented to a high standard, in what is set to be another busy summer. The student market seems relatively un-affected in Aberdeen with demand for good properties as strong as ever. With more choice than ever before it remains critical for landlords to have their properties presented to the highest standard and be competitively priced."

Arden Property Mgt, Edinburgh – Catriona Waugh



"In the second quarter I have continued to see landlords leaving the industry and selling their properties due to the increased safety legislation and the changes in tax law. With more uncertainty ahead, especially for HMO owners, I think this may continue throughout the year. Available property is still scarce; one bed properties in particular are in high demand and rents are still increasing in this sector. However, there are still new landlord investors entering the market and the number of cash buyers has increased, many of them 55 year olds looking to put their pension funds into something more straightforward than stocks and shares."

Umega Lettings, Edinburgh – Andy Whitmey



"The BREXIT referendum result has created a seismic week politically and economically and this is certain to have an effect on the Scottish rental market. Exactly what is difficult to know but this week I've had a call from a BTL investor in England that likes the way the Scottish Government has reacted to the result so he has decided to invest north of the border as a result. Investors from overseas will perhaps see the weaker, cheaper pound as a good time to invest or might also be put off by the uncertainty around the housing markets. It remains to be seen what will happen to our mortgage markets in light of the turbulence in the related money markets so watch this space."

Postcode & Towns - Average Rents & TTL - Q2 16

Landlords and Letting Agents continue to require timely, accurate data to help them value rental properties in a variety of locations. At Citylets, robust information is paramount so we only include rents for postcode districts where there is substantial quarterly volume.

Edinburgh - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
EH1	£762	(26)	£1,022	(16)	£1,408	(40)
EH3	£854	(21)	£1,141	(30)	£1,539	(34)
EH4	£759	(17)	£901	(25)	£1,176	(28)
EH5	£581	(17)	£770	(21)	£1,025	(34)
EH6	£608	(15)	£779	(23)	£1,058	(46)
EH7	£634	(14)	£836	(21)	£1,182	(40)
EH8	£660	(17)	£855	(17)	£1,335	(38)
EH9	£697	(25)	£956	(23)	£1,325	(23)
EH10	£713	(15)	£926	(23)	£1,293	(40)
EH11	£615	(14)	£795	(19)	£1,155	(34)
EH12	£676	(26)	£868	(26)	£1,285	(33)
EH13			£695	(19)		
EH14	£589	(15)	£754	(26)	£892	(57)
EH15	£580	(30)	£764	(16)		
EH16	£629	(18)	£777	(15)	£1,063	(23)
EH17			£683	(26)		
EH21	£553	(28)	£673	(17)		
EH22			£625	(24)	£906	(28)
EH32			£661	(20)		
EH48	£455	(29)	£558	(29)	£695	(30)
EH49			£608	(22)		
EH51			£472	(36)		
EH54			£583	(32)	£731	(34)

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£550	(50)	£787	(53)	£1,199	(50)
AB11	£552	(41)	£773	(51)	£1,115	(35)
AB12	£624	(42)	£722	(52)	£814	(34)
AB15	£616	(34)	£893	(59)	£1,106	(41)
AB16			£668	(53)		
AB21	£541	(41)	£771	(47)	£927	(48)
AB22	£588	(37)	£796	(34)	£946	(42)
AB24	£571	(45)	£763	(39)	£1,257	(36)
AB25	£524	(50)	£763	(42)	£1,160	(44)
AB32			£769	(52)		
AB41			£704	(39)		
AB51			£772	(21)	£920	(18)

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£396	(56)	£639	(44)	£835	(53)
DD2	£414	(41)	£575	(46)	£843	(72)
DD3	£401	(40)	£510	(41)		
DD4	£394	(38)	£509	(37)	£692	(59)
DD8	£355	(45)	£478	(46)	£632	(40)
DD10			£487	(42)		
DD11			£466	(44)	£639	(43)

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£638	(24)	£893	(21)		
G2	£698	(20)	£879	(16)		
G3	£614	(20)	£864	(24)	£1,216	(28)
G4	£612	(21)	£734	(22)	£1,133	(37)
G5	£575	(23)	£674	(28)	£828	(28)
G11	£585	(18)	£784	(22)	£1,181	(19)
G12	£643	(18)	£976	(32)	£1,382	(29)
G13	£518	(20)	£622	(28)		
G14	£472	(36)	£564	(38)		
G20	£576	(23)	£710	(28)	£878	(21)
G21			£518	(30)		
G31	£432	(16)	£608	(27)	£737	(28)
G32	£401	(29)	£502	(28)		
G33			£540	(32)		
G40	£433	(20)	£538	(29)		
G41	£511	(26)	£634	(21)	£915	(33)
G42	£428	(25)	£580	(25)		
G43	£461	(26)	£618	(17)		
G44	£464	(32)	£603	(27)	£568	(29)
G51	£433	(40)	£570	(26)		
G52			£546	(33)	£594	(41)
G61			£756	(36)	£1,038	(29)
G66			£518	(57)		
G69			£562	(24)		
G71			£575	(30)		
G72			£514	(36)		
G73	£438	(27)	£544	(29)		
G74	£373	(21)	£490	(29)	£698	(33)
G75			£478	(33)	£603	(36)
G77			£715	(14)		
G81	£387	(51)	£488	(46)		
G84	£388	(40)	£533	(25)	£624	(29)

Towns - £pcm (TTL days)

Town	1 Bed		2 Bed		3 Bed	
Airdrie			£487	(35)		
Ayr	£414	(52)	£517	(43)	£732	(52)
Bathgate	£462	(27)	£562	(28)	£691	(32)
Bo'ness			£470	(35)		
Dalkeith			£612	(27)		
Dunfermline	£418	(24)	£531	(32)		
East Kilbride	£374	(22)	£485	(31)	£655	(35)
Glenrothes			£491	(25)	£512	(17)
Hamilton	£383	(31)	£516	(36)	£631	(34)
Inverness	£520	(22)	£644	(23)	£743	(9)
Kilmarnock	£425	(35)	£452	(39)	£548	(31)
Kirkcaldy	£407	(24)	£501	(38)		
Linlithgow			£608	(22)		
Livingston			£589	(33)	£719	(35)
Motherwell			£486	(47)		
Paisley	£366	(36)	£475	(41)	£593	(49)
Perth	£412	(26)	£551	(32)		
Stirling Town	£493	(24)	£641	(19)	£866	(23)
Troon			£504	(59)		

ECHR in the Private Rented Sector

TC Young discusses the European Convention on Human Rights within the PRS.

The impact of the European Convention on Human Rights, which applies to public authorities, (particularly Article 8: the right to respect for private and family life of the European Convention on Human Rights (EHCR)) on courts considering evicting tenants in the social rented sector has been clear since the decision of the Supreme Court in *Manchester City Council v Pinnock* [2010] CSIH 78. In short, in social rented eviction cases, the courts are required to balance the rights of the parties facing eviction and consider whether granting decree to remove the tenant would be a disproportionate interference with tenants' rights under the EHCR.

Is this the same in the private sector? For example, when considering mandatory grounds for recovery of possession or the landlord's automatic right to gain possession of the property at the end of the agreed period of let, if the let was under a short assured tenancy? This issue was raised by academics during the consultation process for the Private Tenancies (Scotland) Act 2016. Can a court, or indeed the soon to be created First-Tier Tribunal, ignore proportionality when deciding whether to grant an order to evict a private tenant?

The argument being that private leases fall under the ambit of EHCR when a court, which is a

public authority, is being asked to enforce a lease in a way which is incompatible with convention rights.

This is the argument that the Supreme Court has wrestled with, and decided upon, in the case of *McDonald v McDonald and Others* in their decision dated 15th June 2016. The case itself was raised under English Law and looked at the terms of the Housing Act 1988 and the mandatory grounds for possession under schedule 2 of that Act and section 21 (being the automatic right to recovery once the lease has come to an end). The terms of these provisions are virtually identical to those found in the Housing (Scotland) Act 1988 and as such, it is suggested, the same principals would apply in Scotland.

The Supreme Court did accept that a court was a public authority in terms of the EHCR but, crucially, took the

view that any balancing of rights between the landlord and tenant had been done by parliament and there was no need for the courts to take such arguments into account when considering whether to evict a tenant. The court's role was merely to provide a forum for the determination of civil rights between the parties. To do otherwise, would effectively make EHCR rights directly enforceable against private individuals in such a way as to alter their contractual rights. The purpose of the EHCR is to stop individual's rights being infringed by the state.

As such, the Supreme Court has made it clear that a private landlord is not obliged to comply with the EHCR and there is therefore no scope in eviction proceedings for proportionality arguments by tenants.



Let's Work Together

John Blackwood explains why supporting responsible private landlords can help MSPs solve the housing crisis.

A new parliament presents new opportunities for the Scottish Association of Landlords and for our members of the Scottish Parliament (MSPs). During the election campaign, all parties rightly put solving Scotland's housing crisis at the top of their agenda. Whilst the length of this Parliamentary term provides an opportunity to achieve this, it is essential that all of our weapons are brought to bear, including recognising the role that private landlords can play.

SAL represents the growing number of landlords with a small portfolio who are, in essence, small businesses. They operate on very small margins whilst trying to deliver high-quality rented homes to those who want them. All of them support local supply chains by hiring builders, electricians, plumbers or the other trades required to maintain and improve their properties.

They are also willing and able to increase housing supply, whilst being socially responsible. To mobilise this group the government only needs to make very small policy moves to signal to landlords that they have their support.

For example, private landlords already work to bring derelict housing back into use and provide it at low-rent levels to reduce pressure on social housing. If this investment

could be encouraged across the country, thousands of homes could be brought back into use where they are needed, guaranteeing the landlord an income and giving the council access to high-quality accommodation.



MSPs could also help the overwhelming number of responsible private landlords in Scotland by reviewing the regulation of the sector. Landlords are in favour of proportionate regulation, particularly in areas such as electrical safety or energy efficiency which also protect their property, provided it is enforced. Currently, landlords who comply with regulations can find themselves undercut by rogue players who almost never face any penalties. Were the government to encourage more criminal prosecutions against

bad landlords whilst working with us to implement effective regulations, they could improve housing conditions and raise the standards for all private rented accommodation.

Mutually beneficial investment and effective regulation are just two of the issues where I hope the new Parliament will seek to engage landlords over the next five years. Our message to MSPs is simple. Work with us to achieve a well-functioning Private Rented Sector and together we can solve the housing crisis.

See our MSP briefing document online - www.scottishlandlords.com/NewsPolicy/PolicyItem.aspx?ArticleId=453.

If you're not already a member, consider adding your voice and as well as benefiting from our services by joining SAL - www.scottishlandlords.com/About/Joinus.aspx.

John Blackwood
Chief Executive,
Scottish Association of Landlords.

Something to Celebrate

Jen Paice of SafeDeposits Scotland explains the reasons.

This month we're marking four years since SafeDeposits Scotland launched but we're not just celebrating our own anniversary, we're marking the birth of the tenancy deposit protection scheme in Scotland.

We set up in 2012 in response to new Scottish Government laws giving tenants and landlords security in dealing with deposits. These government-backed protection schemes hadn't existed before.

So happy birthday to Scottish landlords and tenants knowing exactly where they stand when it comes to deposits. We safeguard the deposit during the tenancy, ready to be returned at the end of the lease once the landlord is happy that everything is in order.

There are three tenancy deposit protection schemes approved by the Scottish Government and we're all free to use. We're all self-funded and the schemes are paid for by the interest on the money we hold.

Private rentals are estimated to represent around 13% of all households in Scotland. That figure has fluctuated by a few percentage points in four years but there has been a steady trend upwards since 2000, when private rentals made up around 7% of the Scottish housing stock.

Rents are at an all-time high in

Scotland. While legislation by the Scottish Government was designed to free up the housing market it is expected that demand for private rented accommodation will exceed supply continuing to drive up rents.

With this ever-changing landscape (further exacerbated with the Brexit result), it's become increasingly



important to have certainties and the tenancy deposit protection scheme gives that.

On Brexit, it's worth noting that we don't expect the decision to have an adverse impact on our business. We will continue to focus on implementing our disciplined treasury policy, whereby no capital risk is ever made on tenant's deposits, no matter the volatility in the markets.

SafeDeposits Scotland is the only company running a tenancy deposit scheme that is actually based north of the border, allowing us to

understand the market, respond directly to the needs of the industry and be perfectly positioned to adapt to change.

SafeDeposits Scotland is the sole not-for-profit tenancy deposit protection scheme. Since paying off our set-up loan in September last year we have been able to set up the SafeDeposits Scotland Trust which award grants to raise awareness of tenants' rights and encourage best practice among landlords and agents.

We currently hold a little under £71m of deposits and around 60% of Scottish landlords and letting agents come to us for the peace of mind that we give.

At the time of writing, there are 5000+ properties to rent on Citylets. I know that the deposit paid in every single one of those flats and houses is safe. With investment from the SafeDeposits Scotland Trust, I believe the future of the industry is safe too. That's definitely something worth celebrating.

Jen Paice is CEO of SafeDeposits Scotland.

SafeDeposits Scotland is Scotland's largest tenancy deposit scheme with a 60% share of the market and the only not-for-profit scheme based in Scotland.

www.safedepositsscotland.com | Twitter: @SafeDeposits | LinkedIn: SafeDeposits Scotland



Do Your Landlords Have Appropriate Landlords Insurance?

Sean Sage of Hazelton Mountford discusses the issues that can arise from having the wrong insurance in place.

Over a quarter of landlords are reported to have the wrong insurance in place or no insurance at all. This is an alarming statistic in itself but also managing agents could be liable. What due diligence do you have in place to check your landlords have the appropriate insurance?

Some managing agents will want to see a copy of the landlord's buildings insurance before they take the property on.

The reality of the situation is often realised when the landlord calls the insurance company to make a claim, to be told the claim won't be paid as the insurance company were not notified of the change in a material fact. Landlords insurance is much easier to get than a few years ago but unless you choose a specialist insurance policy, it can often be expensive with insufficient cover in place.

Having the wrong insurance can have horrific outcomes, as experienced by Mr & Mrs Meryon in 2012 when they had to foot a £56,000 bill for damage caused by tenants; they didn't have the right cover in place and this is becoming more and more common with the increase in landlords up and down the country.

Some of the covers your landlords

should have are –

Landlord's Liability

Covers your landlord against the cost of claims arising from injury or damage suffered by a tenant or visitors at the property.



Malicious Damage by Tenants

This is often an exclusion or will come at an extra cost in landlords insurance; make sure your landlord reads the small print! Malicious Damage can cover your landlord if the property is damaged by tenants who are lawfully allowed to be in the property.

Un-occupancy Period

Properties do have void periods, of course less common these days, but still important that the right void period cover is in place. Some policies will restrict your landlords cover even after 7 days of un-occupancy which could lead to

costly inspections by the managing agent, which will ultimately be a cost to your landlord.

Loss of Rent

If the property is uninhabitable then you want to make sure the landlord has the right cover in place. The rent will be an income source for your landlord and could be needed to pay for the buy to let mortgage, but also so that you get your management fee. Some insurance policies have inadequate loss of rent cover and indemnity periods. Policies are available that offer 25% of the building sum insured or unlimited cover until the property is re-let!

As a managing or letting agent you want to work with an insurance broker who has access to specialist landlord insurance products, but can also give you and your landlords the correct advice.

Contact Sean Sage at Hazelton Mountford with regards to landlords insurance to make sure your landlords have access to the right insurance policy, sean@hazeltonmountford.co.uk or 01905 394 327.

Hazelton Mountford:

01905 721 249 | sean@hazeltonmountford.co.uk

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Citylets Research Services

The Citylets Research team produces market-leading reports and indices as well as bespoke research and consultancy projects for clients including letting and sales agents, developers, investors, housing associations and local & central government.

In Scotland, Citylets has become the leading authority on the private rented sector and has built up a strong reputation for well-informed, insightful commentary & market analysis and is now a trusted media source on local and national rental issues.

In its position as the UK's leading residential lettings site, Citylets enables the research team to utilise its unique data in addition to Registers of Scotland and Government data. The team recently launched **OptiletPro**, an analysis tool which delivers robust data on the sales and rental residential property markets at a local level. The interface is designed to allow clients to analyse local trends and easily extract data into a variety of formats.

Metrics available:

- Localised average monthly rental prices
- Localised stock levels
- Supply and demand analysis
- Gross rental yield levels
- Localised demographics
- Affordable rent modelling

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.

The Publication

This document was published in Jul 2016. 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.

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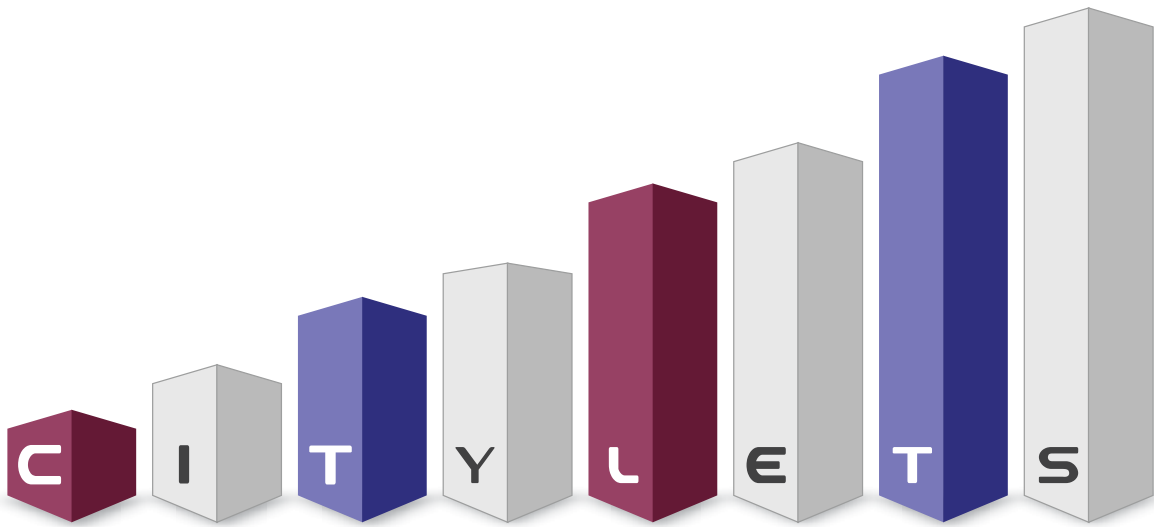
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CITYLETS

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Citylets is Scotland's certified leading rental site



Home of Scottish LettingTM



*Google Analytics