CITYLETS
Home of Scottish Letting

Quarterly Report
Q2 2023 ▪ Issue 66

What Lies Ahead

- Market Overview ▪ National Trends
- Spotlights: Edinburgh, Glasgow, Aberdeen, Dundee & more
- Agent Views ▪ Postcode & Town Analysis: Localised Rental Prices
- Pipeline: BTR & MMR news
- SAL: Judicial Review of Rent Cap and Eviction Moratorium Legislation
- ESPC: ESPC House Price Report
- TC Young: Lease v Licence
- SafeDeposits Scotland: Serving Customers, Supporting Communities

Market Overview

Average rents in Scotland for new tenancies have risen by double digits for the third time in a row since the introduction of the Cost of Living (Tenant Protection) (Scotland) Act 2022, underlining what many in the industry feared from the outset that the new legislation would exacerbate the supply demand imbalance. It currently appears to be sustained in vice-like grip sending rents soaring across the country.

The rent gap between those already in rented accommodation and those seeking new properties to rent will now be apparent for many would-be movers looking to move within the sector on a like for like basis and will likely exacerbate supply choice further. The Act was confirmed as being extended again for another 6 months from September 2023 increasing uncertainty and concerns as to what choice there may be for tenants by the end of that period.

Hopes of a linear reduction in average mortgage rates in 2023 were dashed late in the quarter with rates taking a sharp turn upwards, undermining confidence for would-be buyers that more favourable conditions would return soon. Mortgaged landlords too, facing stiffer demands on their cost base and with a rent cap in place for the duration thereafter, will naturally seek maximum uplift in rents at new tenancy formation with tenant demand levels supporting such ambitions as the market enters the traditionally busiest period of the year and beyond.

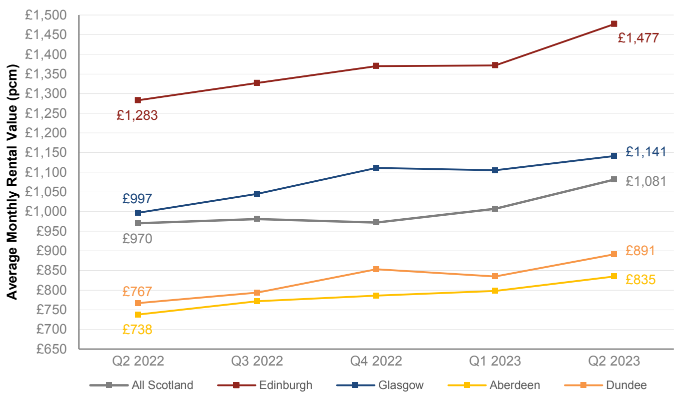
All macro regions reported on by Citylets witnessed a double digit increase in rents in the second quarter of 2023, with the exception of South Lanarkshire (7.4%). The market continues at pace across all regions and all property types with some agents reporting up to 100 enquiries per property advertised. Students in traditional HMO properties now routinely hold onto their properties for the next academic year, a change from the long established culture in some cities of 9 month rentals. Word is out, supply is in short order.

Hopes that the introduction of new stringent short term lets legislation may soon introduce more supply in some urban areas, where local councils seek to use new powers to reduce holiday let volumes, were dashed when a judicial review of parts of the proposed legislation was deemed unlawful. The potential positive impact for supply to Scotland's PRS is significant, as highlighted so clearly during the lockdown era of the pandemic, however many believe this has simply been delayed rather than cancelled.

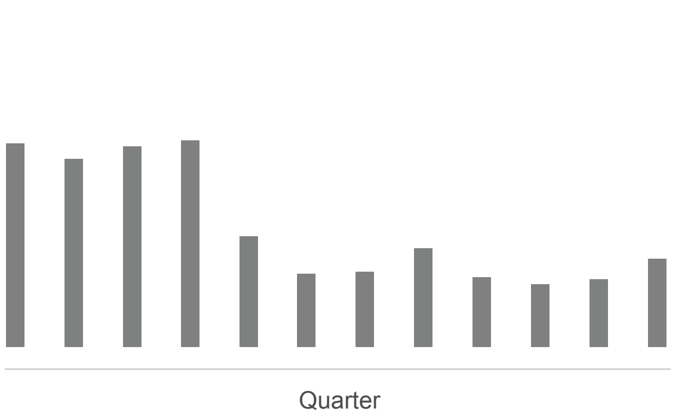
There is little prospect of material improvement in the months ahead. High demand and low supply remains the outlook for 2023 and the question of note is just how intense the shortage of properties may be by the end of Q3. Average stock levels for Q2 2023, whilst up on the historic lows of recent quarters, were 10% down on the previous year entering the traditional busiest Q3 quarter.

The average property to rent in Scotland, having surpassed the £1000 mark for the first time in Q1 2023, continued to rise to average £1081 per month but with the rate of growth easing to 11.4% Year on Year (YOY), down from 12.4% recorded the previous quarter. The average property to rent now takes 19 days within a range of 16-24 days for 1-4 bedroom property types. Annual price appreciation for all major cities was recorded at between 13% and 18%.

Scottish Monthly Rent Analysis (Q2 2022 - Q2 2023)



Scotland - Average Stock Levels (Q3 2020 - Q2 2023)



Citylets commentary is provided by Thomas Ashdown. Please direct media enquiries to press@citylets.co.uk or hello@citylets.co.uk for general enquires about our reports and statistics.

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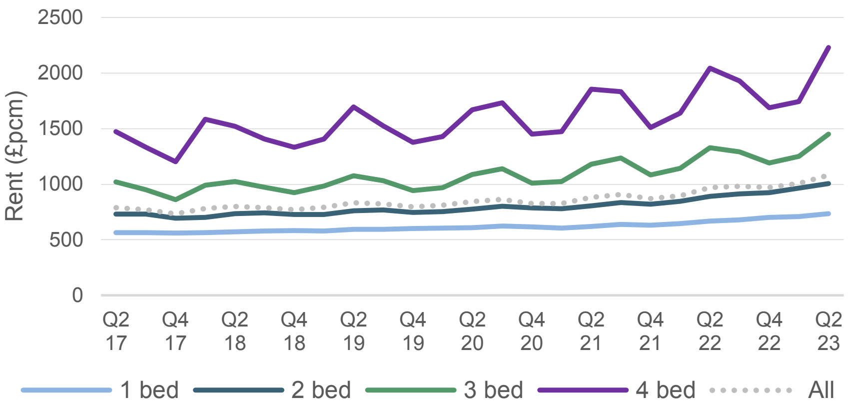
Scotland

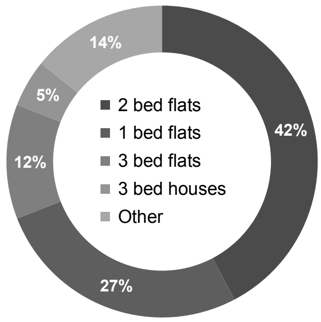
Market Overview - Q2 23

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£736	9.9%	28.2%	46.0%	16	0	36%	84%
2 bed	£1,006	12.8%	36.5%	55.5%	19	1	30%	78%
3 bed	£1,450	9.3%	41.7%	65.3%	21	2	31%	75%
4 bed	£2,229	9.0%	46.5%	71.7%	24	5	30%	72%
All	**£1,081**	**11.4%**	**35.3%**	**56.0%**	**19**	**1**	**32%**	**79%**

Average Rent (pcm) by Number of Bedrooms



Market Composition

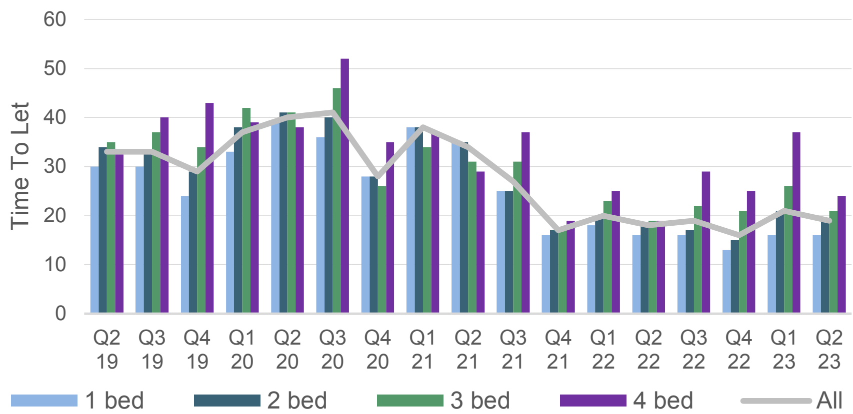


Rental Index

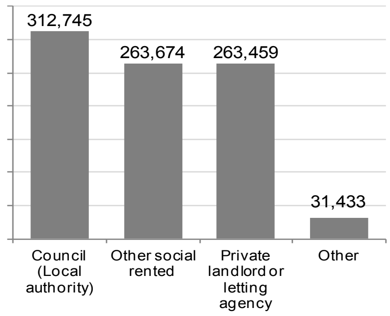
(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	120.2	114.6
2017	119.1	122.3	119.7	113.8
2018	120.9	123.9	122.3	119.5
2019	122.9	129.1	127.3	123.6
2020	125.7	130.9	134.1	128.1
2021	128.1	136.9	140.5	134.7
2022	138.9	150.4	152.1	150.7
2023	156.1	167.6		

Average Time To Let (TTL) by Number of Bedrooms



Households: Rented



Source: Census 2011, Edinburgh

Adrian Sangster - Aberdein Considine

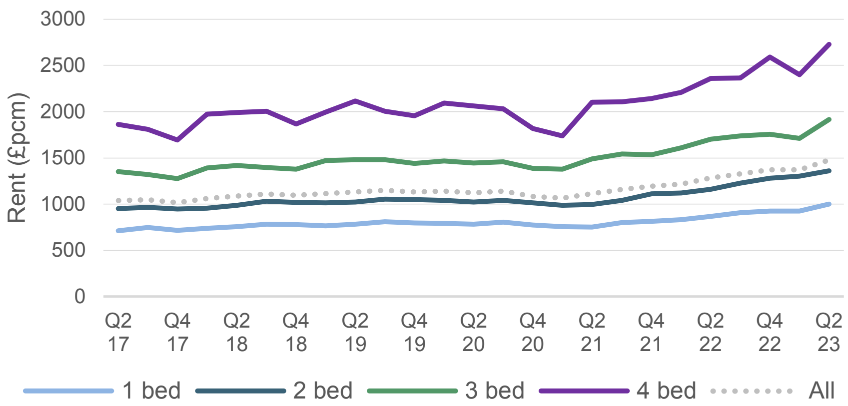
"Demand for good quality accommodation remains at record high levels. This demand is not only restricted to the major cities, we are also witnessing unprecedented enquiries for properties in our towns and rural areas. With the lack of housing availability, people are being forced to widen their parameters, which is fuelling higher rentals in areas traditionally impervious to wider market trends. The media have recently been referring to a 'ticking timebomb' in the mortgage market. Scotland's PRS timebomb started ticking several years ago and despite many warnings, the Scottish Government appear happy to let it explode with those they claim to be protecting, suffering the most."

Edinburgh

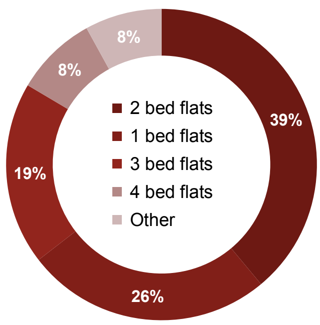
Market Overview - Q2 23

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£999	15.1%	31.8%	76.5%	9	-4	52%	95%
2 bed	£1,362	17.4%	38.1%	83.6%	15	0	37%	85%
3 bed	£1,917	12.7%	35.3%	80.5%	17	-1	41%	81%
4 bed	£2,729	15.5%	37.1%	82.3%	17	0	43%	82%
All	**£1,477**	**15.1%**	**35.9%**	**80.6%**	**14**	**-1**	**42%**	**87%**

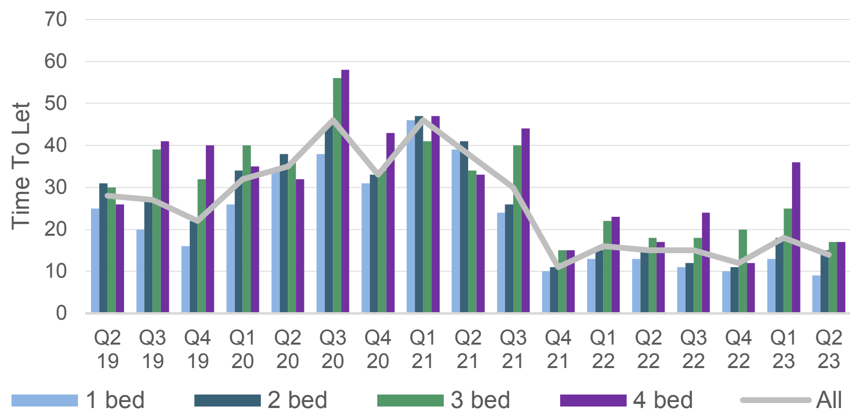
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	135.6	131.7
2017	136.9	138.8	140.3	136.0
2018	142.2	145.5	148.3	146.6
2019	149.3	151.5	153.7	151.4
2020	152.9	150.2	152.5	145.2
2021	142.3	149.3	154.9	159.6
2022	162.5	171.8	177.6	183.4
2023	183.7	197.7		

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
EH3	3.7%	3.9%	3.6%	3.8%	4.0%
EH7	5.0%	5.5%	5.0%	5.1%	5.5%
EH8	7.0%	6.3%	6.6%	6.4%	6.8%
EH9	4.8%	5.1%	4.7%	4.8%	5.2%
EH10	4.1%	4.2%	3.8%	3.9%	4.0%
EH11	5.8%	5.8%	5.6%	5.3%	5.6%
EH12	4.9%	4.9%	4.7%	4.6%	5.0%

Steve Coyle - Cullen Property

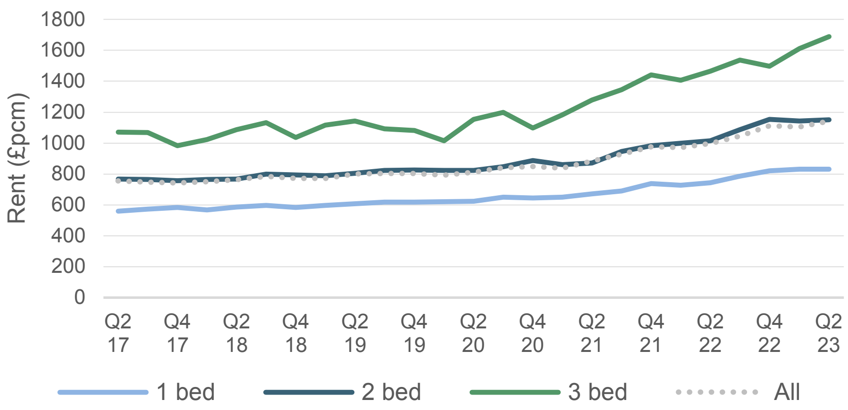
“The Edinburgh market continues to perform very strongly. Available properties across all tenures saw very high demand from prospective tenants in Q2 with 1 and 2 bedroom rent levels being higher than ever before, with demand still growing. The student market was also very intense through Q2 but with a huge increase in ‘change of tenancy’ demand (change of several tenants within existing group), with students being very reluctant to give up any property for fear of not securing another later. Absolutely no doubt that government’s PRS policies are damaging the market and mostly adversely affecting the ability for tenants to find and afford a home to live in. Urgent requirement for Scottish Government to promote and incentivise the building/supply of more homes.”

Glasgow

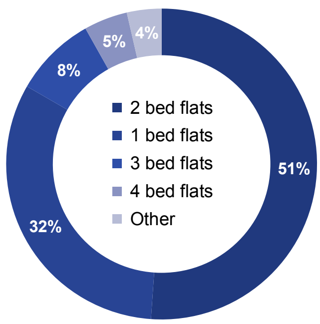
Market Overview - Q2 23

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£831	11.7%	42.1%	75.7%	15	4	42%	88%
2 bed	£1,151	13.4%	49.9%	83.0%	20	6	29%	75%
3 bed	£1,689	15.3%	55.2%	94.1%	20	3	29%	73%
4 bed	£2,566	17.4%	51.6%	111.4%	16	2	48%	92%
All	**£1,141**	**14.4%**	**49.5%**	**84.6%**	**18**	**4**	**34%**	**80%**

Average Rent (pcm) by Number of Bedrooms



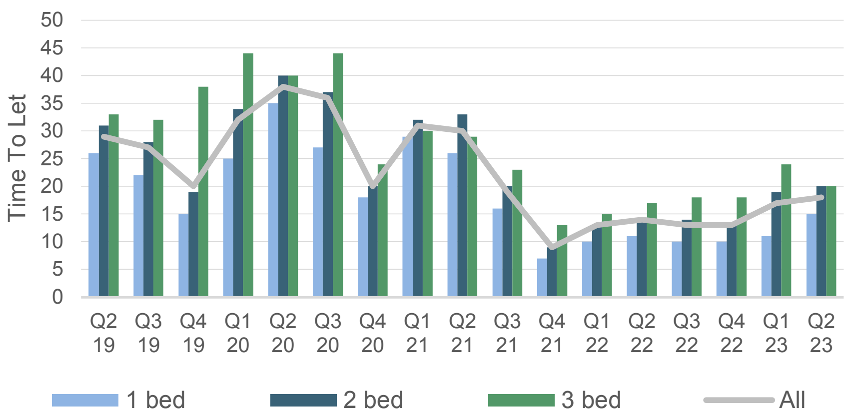
Market Composition



Rental Index
(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	129.3	128.6
2017	130.5	133.2	131.9	130.9
2018	132.1	134.6	138.4	136.0
2019	136.2	140.9	141.6	141.4
2020	139.7	142.9	148.3	149.4
2021	147.8	155.6	163.7	172.0
2022	171.4	175.8	184.3	195.9
2023	194.9	201.2		

Average Time To Let (TTL) by Number of Bedrooms



Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
G1	4.9%	6.0%	5.8%	6.2%	7.1%
G2	7.0%	6.6%	5.9%	6.6%	8.9%
G3	5.3%	5.3%	5.3%	5.0%	5.8%
G4	5.3%	6.0%	5.9%	6.0%	6.3%
G5	6.4%	6.7%	6.4%	6.7%	6.8%
G11	5.0%	5.2%	5.2%	5.3%	5.7%
G12	4.4%	4.8%	4.2%	4.5%	4.7%

Wendy Gallagher - One Stop Properties

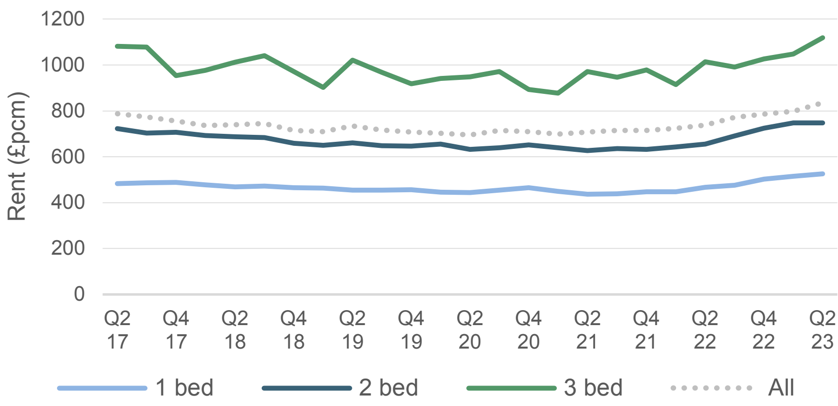
"The impact of the Cost of Living Act is now evident. Landlords are leaving the PRS citing that punitive anti-letting government policy has relentlessly undermined the sustainability of letting property in Scotland. For the first time, we are finding that some tenants who have been issued notice to leave due to their landlord selling, are finding it extremely difficult to source alternative, reasonably priced accommodation and are unable to leave on their vacation date. The impact of this will be a surge in eviction cases being lodged with the FTT, adding even more pressure to landlords and the industry. For properties returning to the market, exorbitant rents continue to increase as availability diminishes.

Aberdeen

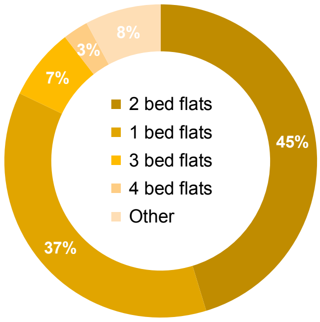
Market Overview - Q2 23

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£526	12.9%	12.2%	-16.6%	25	-1	18%	69%
2 bed	£747	14.0%	8.6%	-15.0%	25	-1	15%	72%
3 bed	£1,119	10.4%	10.6%	-13.1%	31	0	13%	70%
4 bed	£1,655	12.2%	13.0%	-17.0%	36	5	10%	56%
All	**£835**	**13.1%**	**12.8%**	**-13.7%**	**26**	**-1**	**16%**	**70%**

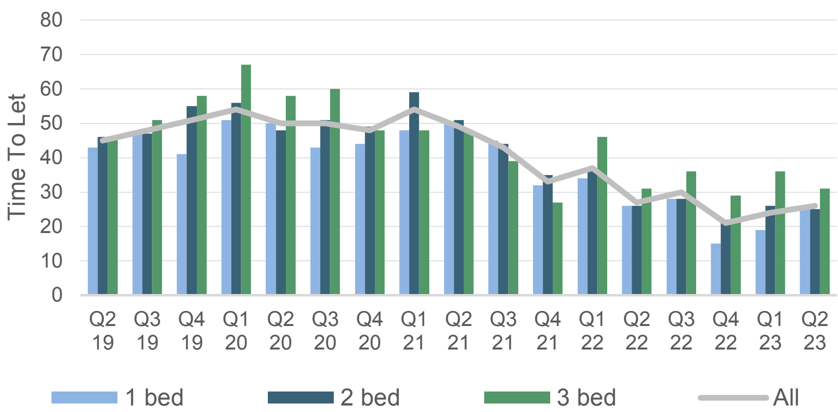
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	93.7	89.2
2017	86.8	89.0	87.5	85.3
2018	83.2	83.6	84.2	80.8
2019	80.2	82.9	80.9	80.0
2020	79.3	78.6	80.7	80.1
2021	79.0	79.9	80.8	80.7
2022	81.7	83.4	87.2	88.8
2023	90.2	94.4		

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
AB10	5.4%	5.2%	5.3%	5.3%	6.0%
AB11	5.7%	6.0%	6.2%	6.1%	6.6%
AB15	4.9%	5.2%	5.2%	5.4%	5.5%
AB24	6.7%	6.4%	7.3%	7.4%	8.2%
AB25	5.3%	4.9%	5.6%	5.8%	6.7%

Chris Minchin - Winchesters

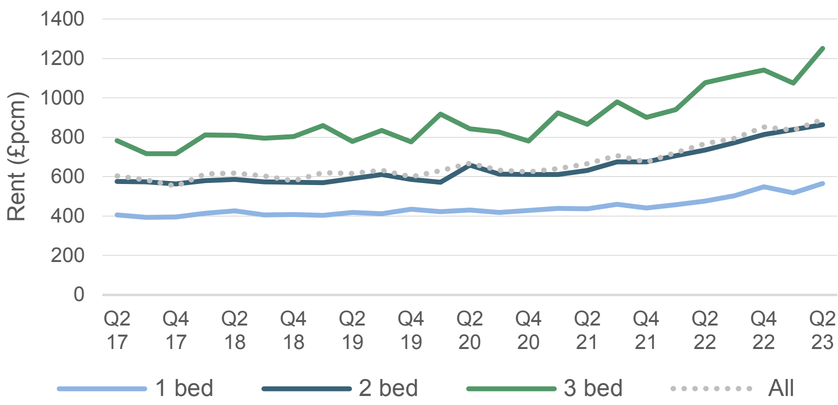
"Q2 of 2023 has been very busy on the lettings front. Prices have recovered nicely due to the demand, while supply was low for a period; this has recovered towards the end of the quarter due to students graduating and moving home for the summer. Supply in 1 and 2 bedroom properties has increased to meet demand, however, supply of family homes from 3 to 5 bedrooms is still lacking and causes concern for some tenants looking to secure a family home for the coming academic year."

Dundee

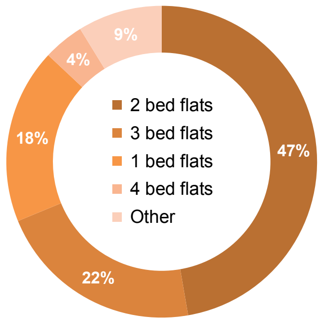
Market Overview - Q2 23

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	£565	18.4%	31.1%	32.6%	18	1	33%	80%
2 bed	£863	17.4%	31.2%	47.0%	24	5	30%	72%
3 bed	£1,252	16.1%	48.3%	54.6%	31	6	20%	59%
All	**£891**	**16.2%**	**33.4%**	**44.2%**	**25**	**5**	**26%**	**69%**

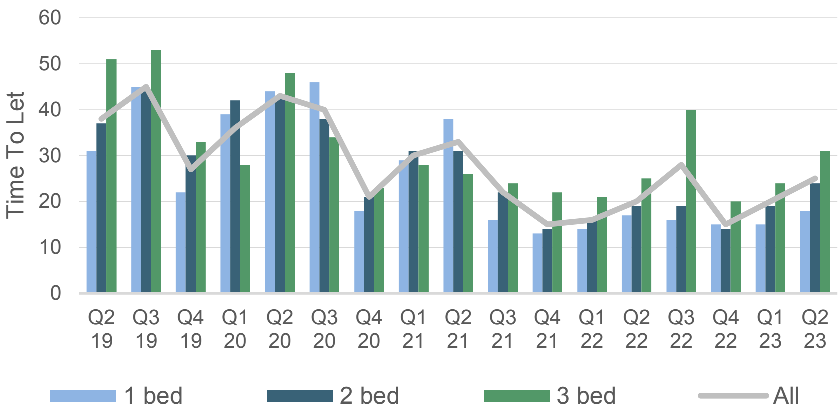
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 10)

Year	Q1	Q2	Q3	Q4
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	102.4	103.6
2017	105.9	104.7	101.4	95.8
2018	106.6	107.3	104.9	100.3
2019	107.6	106.9	109.9	104.2
2020	109.4	116.0	109.9	108.5
2021	111.5	115.5	122.7	117.2
2022	125.3	133.2	137.8	148.1
2023	145.0	154.7		

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
DD1	6.7%	6.7%	6.7%	7.1%	8.9%
DD2	6.6%	6.2%	6.3%	6.3%	7.6%
DD3	7.1%	7.1%	7.3%	7.1%	8.4%
DD4	7.4%	7.2%	7.0%	7.0%	8.8%
DD5	4.5%	4.5%	4.5%	4.5%	4.8%

Eilidh Finlayson - Finlayson Gore

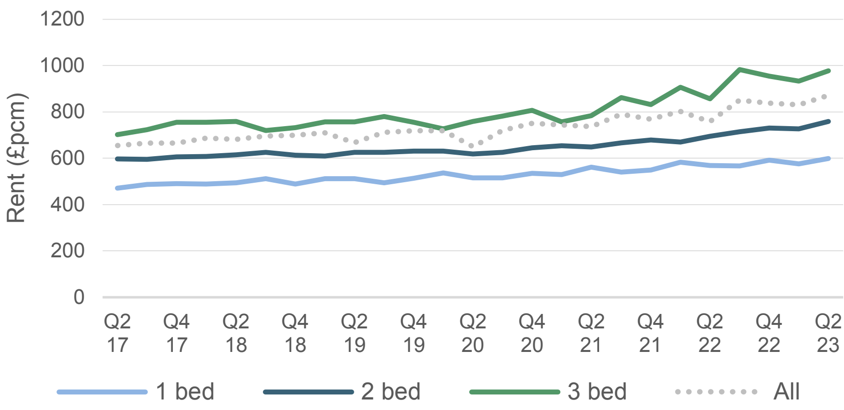
“Q2 has presented a unique set of challenges for both landlords and tenants alike with interest rates continuing to rise and rents following suit. As many landlords across the PRT struggle to meet their escalating financial burdens on their lending, tenants are increasingly finding themselves struggling to meet affordability criteria whilst applying for properties with soaring rents. With no imminent fiscal easing for landlords on the horizon, and in light of the further extension to the cap on rent increases, we anticipate little respite for landlords and the continuation of a competitive market for tenants well into Q3 and beyond.”

West Lothian

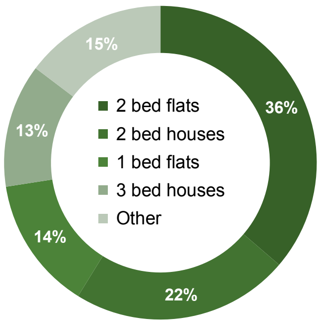
Market Overview - Q2 23

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£599	5.5%	21.3%	40.3%	23	15	33%	60%
2 bed	£759	9.2%	23.6%	39.0%	17	5	28%	72%
3 bed	£978	14.3%	29.0%	53.1%	20	2	12%	88%
All	**£871**	**15.1%**	**27.7%**	**44.7%**	**19**	**7**	**24%**	**72%**

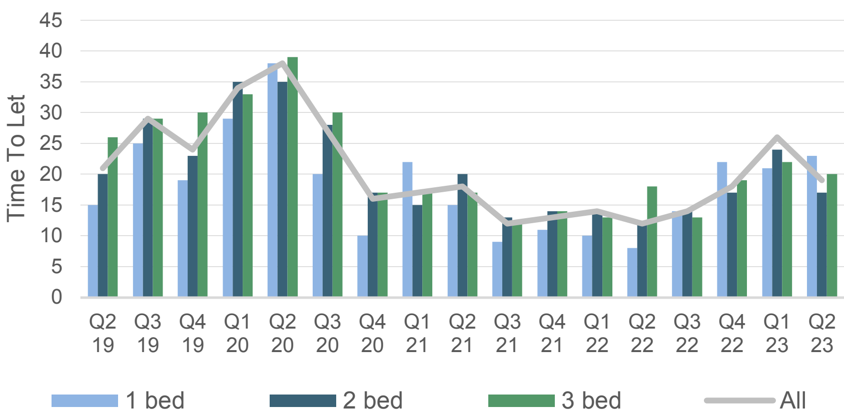
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	113.3	115.3
2017	113.1	112.9	114.7	114.7
2018	118.3	117.6	120.0	120.5
2019	122.4	115.0	122.6	124.0
2020	124.0	112.1	124.1	129.3
2021	128.3	126.9	136.0	132.6
2022	138.4	130.5	146.7	144.5
2023	143.1	150.2		

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
EH48	7.2%	7.2%	7.0%	6.8%	6.8%
EH49	5.3%	5.1%	5.2%	4.8%	4.1%
EH54	6.8%	7.1%	6.7%	6.7%	6.8%

Callum McQueenie - Mavor & Company

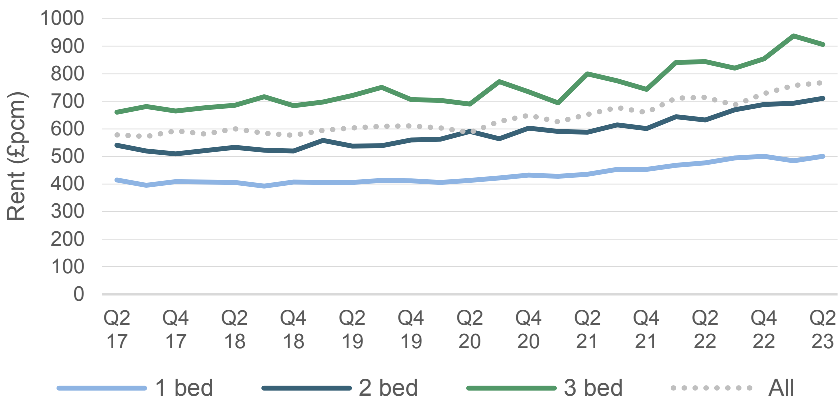
"The continued dwindling supply of available properties in the PRS has seen rental prices surge in Q2 with unprecedented amounts of enquiries being received. Some properties recently advertised were receiving close to 100 enquiries, proving demand in West Lothian remains high. More landlords now appear to be exiting the market, citing rising costs and continued legislative changes. Interest rates and current legislation appears to be deterring new investment in the sector in the short term. We noticed a slight increase in the turnover within our own portfolio in Q2, however, not close to levels we typically expect, adding to the shortage of available stock."

South Lanarkshire

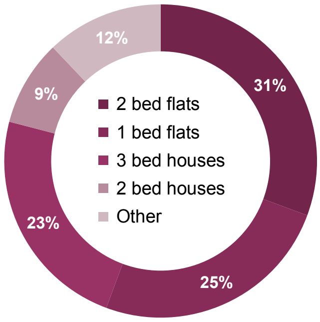
Market Overview - Q2 23

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£501	5.0%	23.4%	33.6%	17	7	19%	84%
2 bed	£711	12.5%	33.4%	51.3%	22	5	29%	69%
3 bed	£906	7.3%	32.3%	49.8%	17	3	29%	87%
All	**£768**	**7.4%**	**27.8%**	**46.8%**	**20**	**6**	**26%**	**78%**

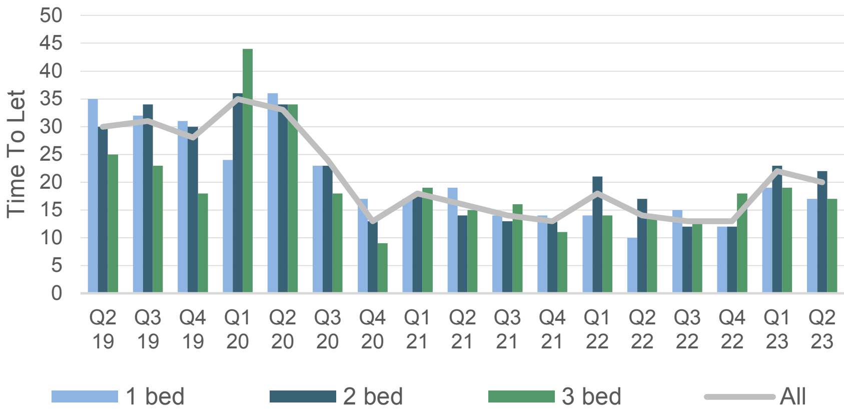
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	108.3	105.3
2017	106.3	106.4	105.5	109.2
2018	107.0	110.7	107.6	106.3
2019	109.4	111.0	112.3	112.5
2020	111.0	108.1	115.5	119.7
2021	115.1	120.3	124.7	121.5
2022	131.1	131.7	126.3	134.1
2023	139.4	141.4		

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
G71	5.5%	5.9%	4.9%	6.1%	5.5%
G72	7.5%	7.5%	7.4%	8.2%	7.7%
G73	6.6%	6.8%	6.6%	6.5%	7.1%
G74	7.0%	6.6%	6.7%	6.6%	7.1%
G75	8.8%	8.7%	7.9%	8.0%	7.9%

Lesley Barclay - Happy Lets (Hamilton)

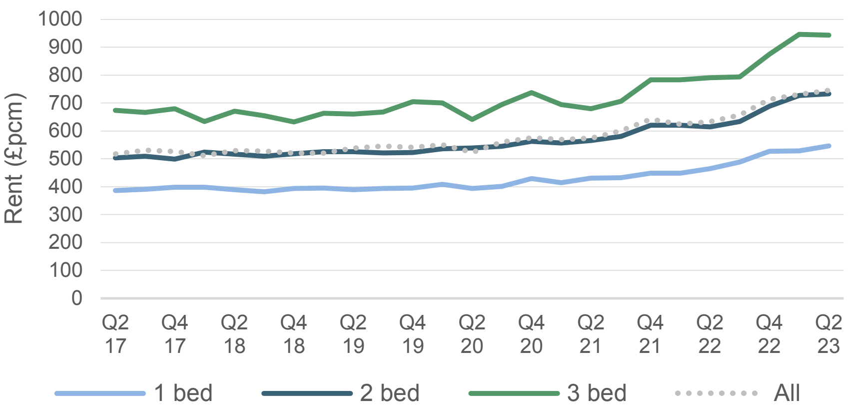
“The letting market in the South Lanarkshire area is remaining extremely busy with an exceptionally high amount of applicants for each property. Properties are being taken quicker than I have ever seen in my many years in letting. We need more letting stock to deal with the demand. Since the change in the mortgage rates, we have had an increased amount of landlords looking to sell the properties as they can only increase the rent by 3% and the mortgage rates have gone up by double this amount. Landlord are struggling and I see this continuing.”

Renfrewshire

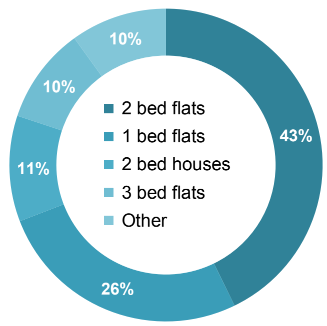
Market Overview - Q2 23

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£546	17.4%	40.0%	56.0%	16	3	42%	84%
2 bed	£733	19.2%	41.8%	53.3%	17	2	31%	78%
3 bed	£943	19.4%	40.5%	59.6%	17	-3	27%	77%
All	**£745**	**17.7%**	**40.8%**	**55.2%**	**18**	**3**	**33%**	**78%**

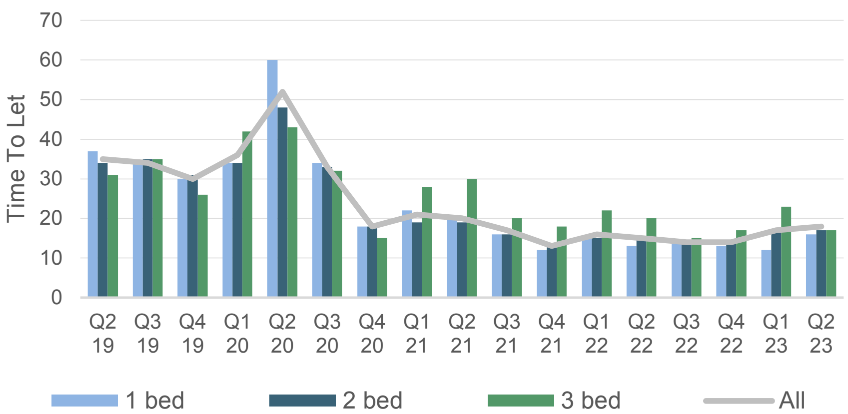
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	106.1	108.2
2017	102.9	108.6	111.3	110.3
2018	107.1	110.9	110.7	109.2
2019	109.0	112.8	114.3	113.4
2020	115.3	109.9	117.6	120.8
2021	119.5	120.3	125.8	134.6
2022	130.8	132.7	137.7	149.5
2023	153.2	156.2		

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
PA1	7.5%	7.0%	7.4%	7.3%	7.5%
PA2	6.7%	6.9%	6.4%	6.6%	7.4%
PA3	9.8%	8.9%	8.4%	8.4%	8.7%
PA4	7.9%	7.2%	7.7%	7.3%	7.4%
PA5	8.8%	8.7%	8.2%	7.8%	7.3%

Daryl Harper - Castle Residential

"The rental market in Glasgow and Renfrewshire has been thriving in Q2 2023, attracting professionals due to vibrant economy, cultural diversity and excellent transport connectivity. Glasgow has seen increased rental demand because of a shortage of affordable housing, with families showing interest in larger properties. Renfrewshire's rental market also remains strong, particularly for individuals relocating for work. With increasing competition, landlords need to provide well-maintained properties to attract long-term tenants. The rental market in both areas is expected to remain profitable for landlords who invest in quality properties."

Agent Views

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

Aberdein Considine, Aberdeen – Jade Shepperdson

"With a lack of supply in the city we continue to see an increase in the rentals achieved and I do not foresee this changing over the historically busy summer market. With a range of different people moving to the area, including international students, public sector and professionals, we are finding all types of properties are in high demand. Whilst the Scottish Government continue to introduce more legislation encouraging landlords to exit the market, the current difficulties for tenants to secure properties will not be resolved in the near future."

Glasgow Property Letting, Glasgow – Colin MacMillan

"This period seems very much like the calm before the storm as the savvy tenants are securing properties prior to the mad rush that will no doubt ensue in the coming months. There has never been such a lack of stock and with huge demand imminent, it is surely going to push rental levels to a hyper inflated level. Prime areas are very much in demand but we are seeing some applicants willing to travel as rental prices force them to consider outlying areas. There is no sign of this slowing down until the Scottish Government and Patrick Harvie decide to engage with key stakeholders and realise what absolute devastation they have created in the PRS."

Glenham Property, Edinburgh – Charlie Inness

"Activity in the Edinburgh market remains extremely high, and this, coupled with continued low stock levels means feverish levels of competition for advertised properties amongst tenants. We expect the supply demand imbalance to remain in place, which will mean upward pressure on rents in the capital is likely to persist until either the lack of stock is eased or cost of living pressures constrain affordability. The student market in Edinburgh also mirrors that of the wider PRS, in that the number of traditional HMO flats across the city has reduced significantly, while demand has increased. The result is increased levels of competition amongst the student population to secure accommodation for the next academic year."

Rentlocally.co.uk, Edinburgh – Derek Hawson

"We await publication of the government's draft Bill later this year which will address the detail proposed under the heading a new deal for tenants; the deal for landlords, however, looks increasingly uncertain. New rental properties are getting less plentiful as a consequence but there does seem to be more movement of existing stock, as landlords go in search of higher levels of service and advice from their provider. Rents in the capital continue to rise which is a natural consequence of the shortages and enquiries for one and two bed flats in good locations are off the scale."

Agent Views cont...

1LET, Edinburgh – Ken Bell

"The effects of recent legislative, economic and tax changes are beginning to be seen on the ground, with tenant demand soaring due to some landlords deciding to quit the market as margins thin and in some cases turn negative. Demand for rental property from tenants is once again soaring, with supply levels unable to keep up. Therefore, rents are rising at a staggering rate compounding the already difficult market for tenants. The Scottish Government were warned of this consequence prior to the introduction of the Cost of Living (Tenant Protection) (Scotland) Act, which has had the opposite effect by making the situation even more difficult for tenants."

Western Lettings, Glasgow – Jack Gallagher

"The frenzied market of recent summers is repeating. Returning students are starting their property search earlier, driven by the memory of their struggles in recent academic years. Landlords are increasingly keen to push rents up on incumbent tenants as they roll off their fixed rate mortgage deals. Most landlords now realise that their one chance to increase rents to market levels is when they have a change of tenant. The rent freeze has turbo-charged rent inflation, as well as brought with it the usual array of unintended consequences."

Margaret Duffus Leasing, Aberdeen – Sarah Harley

"June's rental market has been busy with quick turn arounds on properties across the board. Increasing mortgage rates are hitting landlords hard and rent caps mean that a change in tenancy is the only chance they have to try and catch up with costs, so there is a lot of pressure to increase rents on the open market. Short supply means tenants have to pay the higher rents and we're seeing several offers for many properties. After several years of decline, the Aberdeen rental market is finally gaining ground, but will it be enough for some landlords?"

Rettie & Co., Edinburgh – Karen Turner

"The rental market in Edinburgh remains strong with tenant demand not abating. There is still a declining supply of properties coming to market. We are seeing landlords moving abroad for a couple of years and looking to rent the family home with a view to returning, therefore limiting longer term stock. The increase of ADS to 6% stopped many potential landlords taking the plunge. Students still struggling to find HMO's due to lack of supply, with students staying put again for the 2nd year running. We are in a crisis state of having more demand than supply; leading to rising rents, now hitting double digits across the main cities."

Burgh Property, Edinburgh – Harry Crombie

"Supply and demand is again hugely relevant as we head into the busy summer months. Simply, we don't have the number of properties required. The need for encouraging serious landlord investment is massive. Rents are rising across the city, time to let and voids are low, with tenants prepared to pay over two properties just to secure a new let, despite the cost of living crisis, showing desperation and urgency. Added pressures include landlords exiting the market due to rising financing costs and less flexibility, a growing and ageing population, lack of affordable new development and now the recent U-turn on short let regulations; holiday let properties plugging the gap in the long term market is looking less likely. Renting in this wonderful city will be an expensive and challenging prospect for the foreseeable future."

Macleod Lettings, Glasgow – Ross Macleod

"Q2 has been as consistent as the previous quarter, with demand outstripping supply across the central belt. The narrative of the SNP/Green coalition must change in order to entice more landlords into the market as rents continue to rise. We are seeing fewer vacating notices than normal due to the increased costs of moving and rising rents. The rent cap and eviction moratorium has seen more landlords looking to exit the market, and a number of high profile corporate investors walking away from Scotland under the current government."

Agent Views cont...

Northwood, Aberdeen – Scott Morrison

"Q2 has seen the start of usual trend of move outs for summer, particularly student tenancies, and this is leading more landlords to now consider their options with the current financial climate and look at selling up and leaving the PRS altogether with further legislation changes (and costs) looming in 2025 for EPCs too. Rental prices continue to increase due to the continued lack of supply and increased demand has been demonstrated with some properties being let quickly, which will be welcome news to landlords investing longer term. We anticipate a busy summer equal to last year into Q3, with the real challenge being how to accommodate everyone."

Cox & Co., Edinburgh – Mike Erskine

"The rent increase capacity has allowed fractional rent increases from July, but is a far cry from the real increase in landlord costs. That said, rents continue to go up between tenancies and record highs continue. TTLs remain exceptionally low with no sign of that changing, given the demand. Some landlords are exiting the PRS now, but it's a small percentage and the long-term effects remain to be seen. I get a sense, it will not be as positive for tenants as has been the government's intention. It will be interesting to see how this plays out. Onward to Q3!"

Martin & Co, Aberdeen – Eduardo Prato

"We observed a 30% increase in checkouts in April and May, triggered by tenants serving notice. The main drive behind this was tenants seeking more energy efficient properties. Clearly the increase of living costs is having a real effect on the rental market. This rise in checkouts helped to increase the stock of properties on the market temporarily. June showed a return to the norm. Long gone are the days when just the appearance of the property made the property lettable. A good EPC rating is climbing up in the priority list of tenants."

The Flat Company, Edinburgh – Matthew Wilcken

"Q2 2023 has been extremely busy at The Flat Company. It is now established that Q2 has replaced Q3 as our busiest time of the year, with June being our busiest month. Our student properties are now let for 12 months a year and there are very few properties let over the summer. For tenants there is now a two-tier rental market following the introduction of rent control like Ireland. It's an interesting and challenging time for both landlords and tenants and we will continue to adapt to changes in the market to ensure the best outcomes for both."

At Home In Edinburgh, Edinburgh – Rick McCann

"Government legislation exacerbates the pressure on an already limited supply of rental properties and puts disproportionate financial burden on landlords. We are therefore disappointed that the cost of living legislation will be extended again. Rents for most existing tenancies are now below market value, so tenants are remaining in properties for longer, resulting in limited turnover of existing stock. This, coupled with landlords being forced to sell and a lower number of new investors joining the market due to high mortgage rates, has led to very low levels of available stock. Demand for viewings remains higher than we have ever seen and we expect this to continue for the foreseeable future."

Have Your Say!

If you'd like to contribute to forthcoming issues please contact info@citylets.co.uk

Postcode & Towns - Average Rents & TTL - Q2 23

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	£1,110	(12)	£1,528	(16)	£2,129	(18)
EH3	£1,228	(9)	£1,711	(17)	£2,087	(15)
EH4	£1,064	(10)	£1,380	(17)	£1,503	(15)
EH5			£1,182	(14)		
EH6	£887	(8)	£1,211	(11)	£1,658	(23)
EH7	£918	(8)	£1,372	(13)	£1,931	(29)
EH8	£933	(10)	£1,342	(10)	£2,003	(9)
EH9	£992	(11)	£1,383	(16)	£2,007	(10)
EH10	£1,001	(8)	£1,413	(17)	£1,985	(16)
EH11	£889	(10)	£1,213	(13)	£1,723	(16)
EH12	£958	(9)	£1,343	(17)	£1,834	(19)

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£955	(13)	£1,220	(21)		
G2	£871	(13)	£1,207	(22)		
G3	£890	(15)	£1,270	(21)	£1,858	(26)
G4	£885	(16)	£1,180	(11)		
G5			£1,056	(17)		
G11	£874	(12)	£1,253	(19)	£1,795	(12)
G12	£893	(20)	£1,399	(25)	£1,884	(13)
G13			£908	(19)		
G14			£886	(10)		
G20	£820	(15)	£1,086	(22)		
G31	£700	(7)	£992	(17)		
G32			£801	(14)		
G40			£1,028	(17)		
G41	£780	(15)	£1,077	(20)		
G42	£735	(20)	£953	(14)		
G44	£745	(13)	£875	(27)		
G51	£736	(21)	£1,003	(19)		

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£536	(28)	£707	(29)	£1,040	(34)
AB11	£505	(32)	£720	(24)	£1,044	(23)
AB15	£591	(23)	£950	(28)	£1,323	(29)
AB21	£655	(28)	£797	(15)		
AB24	£518	(22)	£736	(24)	£1,056	(32)
AB25	£521	(27)	£710	(23)	£928	(24)
AB51			£700	(14)		

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£598	(20)	£964	(25)	£1,356	(33)
DD2	£570	(16)	£871	(30)	£1,371	(32)
DD3	£504	(17)	£713	(17)	£1,131	(29)
DD4	£549	(17)	£824	(31)	£993	(35)
DD8			£601	(28)		
DD11			£531	(32)		

Towns - £pcm (TTL days)

based on 12 month rolling average

Town	1 Bed		2 Bed		3 Bed	
Airdrie			£640	(16)		
Arbroath	£412	(29)	£558	(32)		
Ayr			£614	(18)		
Bathgate			£698	(19)		
Bearsden			£1,053	(18)	£1,464	(23)
Broughton	£926	(11)	£1,335	(18)		
Cambuslang			£746	(17)		
Cumbernauld			£578	(15)		
Dalkeith			£884	(13)		
Dalry	£871	(9)	£1,221	(10)	£1,712	(21)
Dumfries			£554	(7)		
Dunfermline	£531	(15)	£694	(12)	£948	(15)
East Kilbride	£500	(11)	£662	(13)	£894	(16)
Elgin			£621	(7)		
Ellon			£665	(19)		
Falkirk	£515	(15)	£657	(12)		
Forfar	£403	(21)	£577	(25)	£753	(34)
Greenock			£559	(28)		
Hamilton	£482	(14)	£658	(13)	£829	(14)
Hillhead	£917	(14)	£1,334	(18)	£1,838	(14)
Hillside			£1,363	(10)		
Inverurie			£698	(21)		
Johnstone			£622	(20)		
Kilmarnock			£546	(17)	£734	(22)
Kirkcaldy	£519	(22)	£637	(14)		
Kirkintilloch			£693	(18)		
Largs	£464	(21)	£666	(27)		
Livingston			£762	(18)	£1,002	(18)
Motherwell			£653	(16)		
Musselburgh	£727	(9)	£941	(13)		
Newton Mearns			£978	(25)		
Paisley	£524	(13)	£680	(15)	£891	(21)
Penicuik			£842	(8)	£1,036	(12)
Perth	£487	(14)	£646	(18)		
Renfrew	£533	(15)	£766	(13)	£949	(21)
Rutherglen			£822	(15)		
St Andrews			£1,468	(17)		
Stirling Town	£696	(10)	£922	(19)	£1,350	(30)
Stonehaven			£687	(32)		
Trinity			£1,182	(15)		
Woodlands			£1,305	(15)		

Build To Rent News

Rent Control – Rebuilding Trust

This Citylets Q2 2023 report confirms that the fastest YOY rental growth in the UK is in Edinburgh (15.1%) followed by Glasgow (14.4%) making them the UK regional cities with the fastest rental growth. This is no coincidence given the introduction by the Scottish Government's rent control in September 2022 which has largely paused the supply of new build rental homes due to institutional investor concerns about the regulatory environment in Scotland.

Institutional investors have funding available and are investing elsewhere in the UK (£1.1bn in Q1 2023 according to BNP Paribas) but need the Scottish Government to re-build trust by consulting and implementing an acceptable regulatory framework. Rent control itself is not necessarily the issue as evidenced by a thriving BTR market in Dublin; uncertainty is the issue.

Over the next three months the Scottish Government has the opportunity to re-build trust through consultation to ensure that rent control measures post March 2024 (the end date for current measures) are incorporated into the new Housing Bill (anticipated 2025), encourage institutional investment to return to Scotland (rather than continue to deter them).

New build institutionally managed BTR can help the Scottish Government meet both affordability and carbon challenges but must be incentivised (a higher rent cap related to EPC?) and requires a stable, transparent, and predictable long-term environment. Recovery of trust is possible - but requires genuine consultation.

SCARLETT
LAND AND DEVELOPMENT

Rent Cap Extension – Is the Scottish Government Listening?

On 1st June, the Scottish Government confirmed its proposals to roll-on the provisions of its emergency legislation contained in the Cost of Living (Tenants Protection) (Scotland) Bill from last year. The rent cap on existing private sector tenancies at a maximum of 3% rise (and up to 6% in exceptional circumstances) and the evictions ban will stay in place to 31st March 2024. The cap applies to all private residential tenancies, including Build to Rent (BTR).

The emergency legislation comes to an end in March, but the government is highlighting that it is looking at ways to 'transition' out of the measures, which likely means that there will be new restrictions next spring.

While providing protections for existing tenants, the emergency measures have also had some significant downsides, including:

1. Being at least partly responsible for the sharp rise in advertised rents and impact on affordability, as shown in Citylets statistics;
2. Reducing existing PRS supply and stock availability, as also shown in Citylets statistics; and
3. Disincentivising new PRS stock, particularly from institutional funds who provide BTR, as evidenced in Rettie & Co's recent report for the British Property Federation.

At the moment, it is not clear how the measures will be rolled-on further or whether these downsides are being addressed.
In the meantime, it is notable down south that the UK Labour Party's enthusiasm for rent controls have dampened in recent months. It does appear likely that this will have been influenced by the evidence of the temporary rent controls in Scotland.

RETTIE

Mid-Market Rent News

Huge Demand for MMR in the Lothians

The cost of living crisis continues to bite and one of the upshots is the increasing demand for affordable mid-market rental (MMR) homes across Scotland.

With mortgage rates continually jumping and fewer first-time buyers emerging, the pressure on all parts of the rental sector is growing rapidly. This was clearly evident to us as we faced unprecedented demand for homes at our two recently completed developments in Prestonpans in East Lothian and in another new development completed in Edinburgh.

In demand - Lar's newest development in East Lothian

We have noticed a surprising trend with potential tenants for our new Lar developments, particularly in the Edinburgh area. 42% of the applicants for a recent development, all of whom are in work, were referred to us from the council's homeless waiting list.

The average household income for Lar tenants sits at £27,500 and 34% of our tenants are in the lowest income quartile. A strong MMR sector is therefore more essential than ever to complete the tenure mix that best serves the people of Scotland going forward.

LAR HOUSING TRUST

Harbour Lettings Reaches over 560 Mid-Market Rent Properties

Harbour Lettings Ltd is on target for managing over 560 mid-market rent (MMR) apartments by the end of this year.

41 new units have recently been occupied at Ocean Drive, Ramage Square. 17 more units at Bath Road (pictured, off Salamander Street) and 11 units at Telford Drive (Craigleith), have also been added to the organisation's stock from March, and increase the company's footprint in Edinburgh to 16 locations currently.

Bath Road

From September and throughout Q3, a further 130 MMR units at Granton Harbour are on target to be released to market. Mark Hastie, Harbour Lettings Manager, said: "We are proud to have been able to supply these new properties to the market, particularly during some very challenging times for our industry. Edinburgh's private rental sector has suffered considerable damage due to various factors, and with dwindling private landlord stock, we're seeing a significantly increased level of applications for our MMR units. With rents at an all-time high, being able to assist applicants into quality homes they can afford to live in, is incredibly rewarding for us. We look forward to bringing a further 130 apartments to the market this autumn."

HARBOUR LETTINGS

Judicial Review of Rent Cap and Eviction Moratorium Legislation

The Scottish Association of Landlords discuss the legal challenge to the Cost of Living Act.

The Scottish Association of Landlords (SAL), along with coalition partners Propertymark and Scottish Land and Estates, has mounted a legal challenge to the Cost of Living (Tenant Protection) (Scotland) Act 2022. This is the legislation which introduced the rent freeze and eviction moratorium in September 2022 and has recently been amended to place a cap of 3% on most private rented sector (PRS) rent increases.

The judicial review application seeks to argue that the Act is unlawful because it breaches the rights of property owners under the European Convention on Human Rights (ECHR), which UK lawmakers are still required to comply with post-Brexit. To be successful in the legal challenge the coalition's legal team must convince the court that the legislation breaches landlords' rights under the ECHR to peaceful enjoyment of their possessions (property) and to not be discriminated against.

On 4 May 2023 the court hearing took place at the Court of Session in Edinburgh, presided over by the Hon. Lord Harrower.

Lord Neil Davidson KC gave evidence on behalf of SAL and the other coalition partners. He argued that private landlords have faced increased costs including, in many cases, significant increases in interest rates, with data obtained by SAL showing monthly repayments on buy to let mortgages increasing by an average of 70% in the past 12 months.

He suggested that the claim the 2022 Act is temporary is illusory in that the loss of income to landlords is permanent.

He went on to say that the Act is inherently unfair as it forces landlords to shield their tenants from rising costs as well as bear their own rising costs, irrespective of the landlord's own financial position.

Lord Davidson further argued that in treating social sector landlords differently from private sector landlords the Scottish Government's legislation illegitimately discriminates against landlords in the PRS. The rent cap has now been lifted for social sector landlords but private sector landlords are in most cases restricted to 3% increases until at least September 2023.

Responding on behalf of the Scottish Government, James Mure KC stated that the measures in the Act were "modest, time-limited restrictions" on the ability of landlords to increase rent and evict tenants. He argued that the Act's objective of providing support and protection to tenants during the cost of living crisis is sufficiently important having regard to the position of tenants as a class to justify the limitation of landlords' rights.

He further argued that while landlords have the right to seek a profit, they do not have the right to make a profit. He stated that there is some element of risk involved with being a landlord and profit is not guaranteed, telling the court "all of them are involved in a commercial venture with some risk."

The above is a brief summary covering some aspects of each party's case. It doesn't include every point of argument raised during the full day session in the court and in lengthy written submissions made prior to the hearing date. Lord Harrower's written decision on the case is likely to be issued around the end of June.

ESPC House Price Report

Edinburgh property market starts to rebalance after three years of high demand pushing up property prices.

In March-May 2023, house prices in the City of Edinburgh fell by 1.8% to £289,213, indicating that the housing market is continuing to calm and activity is returning to 2019 levels.

Despite the settling back of prices, two-bed flats were particularly popular in the City of Edinburgh. In Trinity, Newhaven and Inverleith the average selling price rose by 12.1% year-on-year to 297,405. Nearby in Stockbridge, Comely Bank, Fettes and Canonmills the average selling price of two-bedroom flats was £314,798 – up 5.3% annually.

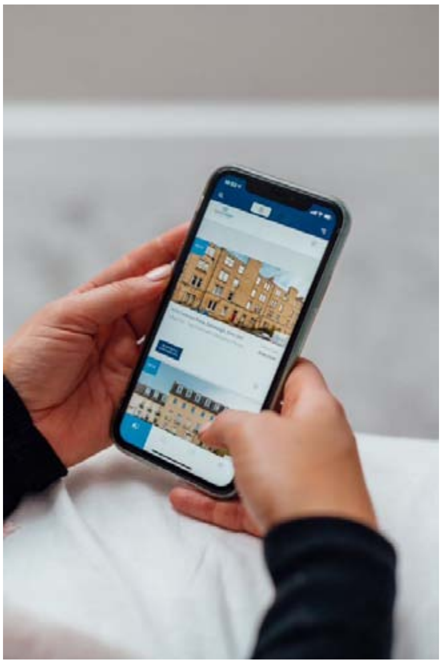
The biggest increase in selling prices in Edinburgh was seen for three-bedroom houses in Blackhall, Davidsons Mains and Silverknowes which sold for an average of £533,361 – an increase of 18.4% year-on-year.

The biggest rises in new property listings were recorded in Fettes (up 77.8%), Kirkliston (an increase of 57.1%) and Shandon which saw a rise of 45.5%.

There was a decline of 9.1% of overall sales volumes in Edinburgh due to signs that the market is returning to pre-pandemic norms and that demand is slower than in the last few years.

However, we continue to see strong interest in home buying and selling with relatively quick selling times and high levels of the Home Report valuation being achieved. Properties in the City of Edinburgh achieved 102.9% of their valuations on average – a decline of 4.1 percentage points annually.

In the post-lockdown period of 2021/2022 demand and activity in



the housing market was higher than the norm so it is not unsurprising that we are now seeing the median days to under offer lengthen as the market readjusts.

The median selling time in Edinburgh cooled slightly when we compare year-on-year average with properties taking a median of 24 days to go under offer, nine days slower compared to the same period last year.

Paul Hilton, CEO of ESPC, says: "As we enter the summer months, we are continuing to see clear signs that the market is cooling and returning to more normal levels last seen in 2019 before the disruption of the pandemic.

"There have been reductions in sales volumes and slower speed of sale recorded meaning sellers are being more cautious and buyers are taking affordability into account – this is also reflected in properties not going a significant amount over Home Report value.

"However, the market is still performing well with demand particularly high in Midlothian and West Fife and Kinross as buyers continue the trend of seeking larger more affordable homes with an easy commute to the capital.

"As we enter a more balanced phase for the market, it really is more important than ever to work with your ESPC solicitor estate agent when buying or selling."

This article was written in June 2023 and property market activity may have changed between then and the time of reading.

Lease v Licence

The Sheriff Appeal Court recently considered a dispute between the owner and "occupier" of a property.

Sherriff v O'Rourke [2023] SAC (Civ) 18 2023-sac-(civ)-018.pdf (scotcourts.gov.uk)

The Appellants, Mr & Mrs O'Rourke, were residing in a property owned by the Respondent, Ms Sherriff. The Respondent sought to evict them from the property. It was the Respondent's position that the contract was a licence granted to allow the Appellants to carry out decoration works prior to buying the property from the Respondent. The licence was terminated in August 2020 and the sale did not proceed yet the Appellants remained in occupation.

It was the Appellants' position that the contract constituted a Private Residential Tenancy agreement, that they could not be evicted without the landlord serving appropriate notice and pursuing a successful action for eviction in the First-tier Tribunal (Housing and Property Chamber). The Appellants argued that the four cardinal elements of a lease were present (parties, property, duration and rent) and that irrespective of what the contract stated it amounted as a matter of law to a lease.

The Appellants relied on what they classed as clear inconsistencies between particular clauses within the contract which pointed to a lease rather than a licence. For example, one clause referred to use of the property as a private residence for occupancy, another detailed obligations on the licensee, for payment in connection with water, sewerage, rates and council tax. Another clause addressed maintenance obligations and referenced "tenantable condition". It

was argued such clauses only made sense if the contract was a lease.

Resolution of the dispute required careful consideration of the contract between the parties. The saving grace for the Respondent was a clear statement of what was not intended. The contract was titled "Licence to Occupy" and referred to the parties correctly as licensee and licensor. Further, clause 1.3 stated "This Agreement does not create a Scottish Private Residential Tenancy because the property is not and is not to be the only or principal home of the Licensee who shall not reside in the property." This was considered a clear statement of intent and on that basis the other contradictory clause could not be read so as to diminish the clear purpose of the contract.

Sheriff Ross stated: "this clause is unambiguous, prominent in position on the first page of the agreement, and exclusive of lease. While the contract is unclear on the purposes of the contract, it is nonetheless clear on what are not the purposes."

Accordingly, the contract was held to be a licence rather than a lease with the Sheriff Court having jurisdiction to determine this case.

In these current political times, landlords may be considering unconventional uses for their properties. However, the above case is a reminder that care should be exercised if entering into arrangements which sit outside of the usual landlord and tenant relationship. Specific advice should be taken in order to avoid inadvertently creating a tenancy agreement.

Serving Customers, Supporting Communities

Mike Smith, Head of SafeDeposits Scotland, on a busy six months for the tenancy deposit scheme.

2023 has been an exciting year for SafeDeposits Scotland so far. Very shortly, we'll be moving to a new, bigger office not far from our current premises in Glasgow city centre. We're looking forward to the new surroundings, but more important to our customers will be the journey that has brought us to the big move.

The reason for the relocation is simple – we've grown in size. There are now 28 people working for SafeDeposits Scotland, with that number set to increase. Furthermore, our Glasgow office is the base for a handful of employees of our sister organisations, The Dispute Service (TDS) and the New Homes Ombudsman Service (NHOS). As the number of deposits we protect has grown over the years, we have always taken a responsible and modest approach to staff expansion to ensure we maintain the high levels of customer service that we are known for.

We have spoken for some time about our exceptional statistics when it comes to call answering; people who call our contact centre will on average wait no more than 10 seconds to be connected with an advisor. Our responses to customer emails are prompt too, with the monthly average response time for emails typically less than 10 minutes. With an already strong focus on how quickly customers can reach us, our next logical step was to look at when they can reach us.

From early January this year we extended our opening hours. Previously operating 9am-5pm, Monday to Friday, we now open on the same days from 8am until 10pm. This has expanded the availability of our contact centre by 30 hours per week, making it easier to reach us for customers, such as overseas landlords or landlords

Mike Smith, Operations Manager of SDS

and tenants who are unable to call us during the day due to their work commitments. The extra hours also allow more time for administrative tasks, thus freeing up more advisor availability to meet call and email demand during the core 9-5 hours.

It's not just our customers and colleagues we've had good news for in the first half of 2023. In June we launched the SafeDeposits Scotland Community Fund, a brand new initiative designed to provide small grants to projects enhancing communities across the length and breadth of Scotland. Within the first three weeks since its launch, the Fund attracted over 80 applications from charities and clubs in 22 of the country's local authority areas. The first round of grants are about to be awarded to some of these organisations and we look forward to receiving more applications ahead of the next deadline at the end of September.

In challenging times for many, we are pleased to be able to do what we can to create job opportunities, make our customers' lives easier and, through both our long established SafeDeposits Scotland Charitable Trust and the new Community Fund, provide additional support to the private rented sector and beyond.

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 and 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. **OptiletPro** is 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 include:

- Average rental price and monthly stock volumes by city/region, area, postcode district postcode sector
- Average time to let (TTL) by city/region, area, postcode district and postcode sector
- Analyse by property type and bedroom count

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 July 2023. 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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