CITYLETS
Home of Scottish Letting

Quarterly Report
Q4 2015 ▪ Issue 36

Edinburgh Takes The Crown

- Market Overview
- National Trends
- Spotlights: Edinburgh, Glasgow, Aberdeen, Dundee & more
- Agent Views
- Postcode and Town Analysis: Localised Rental Prices
- Legislation Matters: Changes for the PRS
- A New Year, a new Trust to benefit the PRS

In Association With
JobsinLetting

Market Overview

For those following the new Private Housing (Tenancies) Bill as it passes through the Scottish Parliament, you will know calls for evidence have now been heard by the Infrastructure and Capital Investment (ICI) committee. Indeed they have now published their Stage 1 findings and recommend that The Scottish Government consider material changes to the Bill which, at this time, intends to confer a one size fits all solution upon the market as regards the format of the new tenancy.

In particular they note concern for the student market and the knock on effect for the tourism industry. Whilst Citylets somewhat laments the reality that no large scale, independent research was carried out in advance of the draft legislation- a mixed bag of small scale surveys appears to have been offered - the industry has fought back and made its voice heard. Continued lobbying from SAL/CLA, RICS and PRS4 Scotland amongst others has achieved considerable share of voice at the debating table.

Meanwhile the market continues to move with the latest Citylets Quarterly Report showing that average rents have again fallen, now at £747 per month- down from £757. Annual growth has also again slowed from 2.9% to 2%. With Aberdeen continuing to accelerate downwards, though somewhat

- **Edinburgh overtakes Aberdeen as most expensive city to rent**
- **Aberdeen negative growth accelerates to 15.9% YOY**
- **National average falls again to £747**
- **Annual rate of growth slows to 2%**

countered by Edinburgh's ongoing rise, we would suggest that negative drag will be the dominant factor and annual growth will tend towards zero later this year.

Average rents in Aberdeen have fallen 15.9% over the last year. With oil prices around the $30 mark and supply from Iran now online there is every reason to believe that the market has further to fall. Indeed Edinburgh now wears the crown as the most expensive city to rent in Scotland. Some politicians still refer to Aberdeen as an 'out of control' market showing just how out of touch with reality they have become.

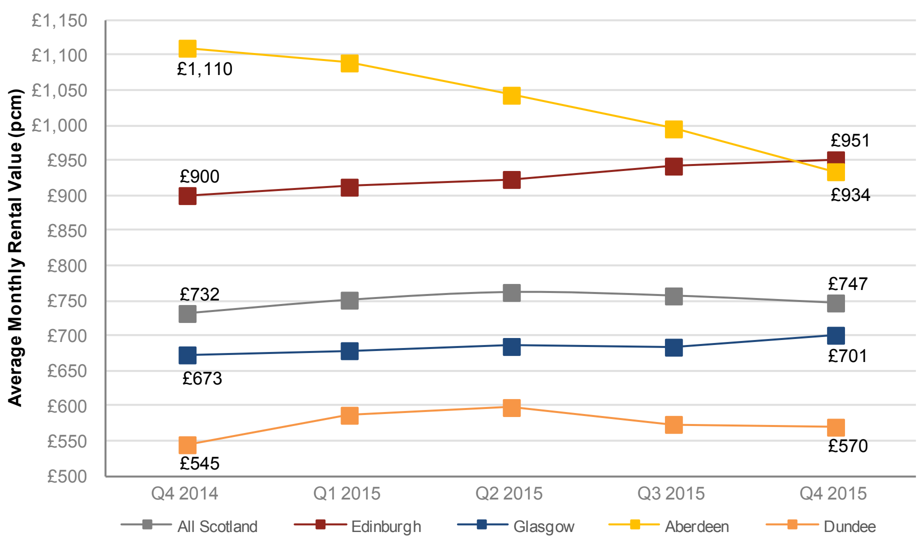
Edinburgh again continues its upward trajectory recording annual growth of 5.7%, a slight cooling from 7.5% observed last quarter, with average rents now at £951. New supply is paramount with so many forces said to be dampening investor desire to enter or remain in the sector, both from our own Government and the UK Treasury. Since our last report, a 3% LBTT surcharge has been added to the list of investor concerns. On the bright side, however, was the announcement from Grosvenor for extended work at Springside to provide another 400 rental homes.

Glasgow meanwhile continues to edge up steadily at 4.2% to £701 per month but with properties moving faster now, typically taking just 21 days to rent.

Aberdeen's downward curve has steepened and falls are almost certain to continue throughout 2016 and beyond. Average rents are now £934 per month with average time to let lengthening to 46 days.

The Dundee market enjoyed more marked positive annual growth than in recent quarters, up 4.6% to average £570 per month and now enjoys a faster time to let than Aberdeen at 43 days on average.

Scottish Monthly Rent Analysis (Q4 2014-Q4 2015)

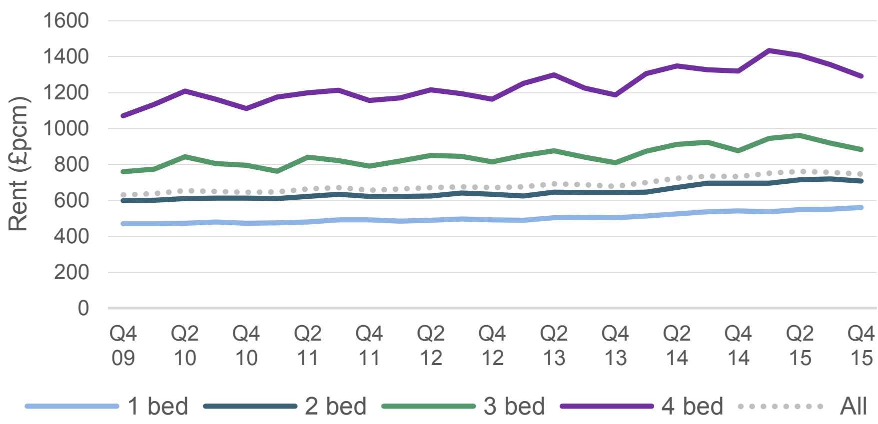


Scotland

Market Overview - Q4 15

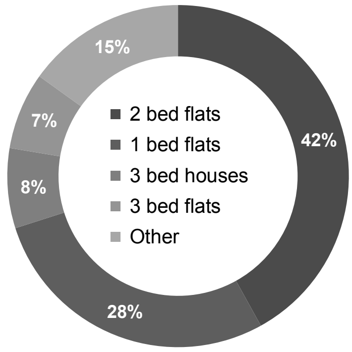
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£561	3.7%	13.8%	18.4%	25	3	26%	67%
2 bed	£707	1.6%	11.3%	15.3%	30	1	21%	61%
3 bed	£884	0.9%	8.6%	11.1%	35	0	14%	54%
4 bed	£1,292	-2.0%	11.0%	16.4%	42	3	12%	44%
Total	**£747**	**2.0%**	**11.3%**	**16.0%**	**30**	**1**	**21%**	**61%**

Average Rent (pcm) by Number of Bedrooms

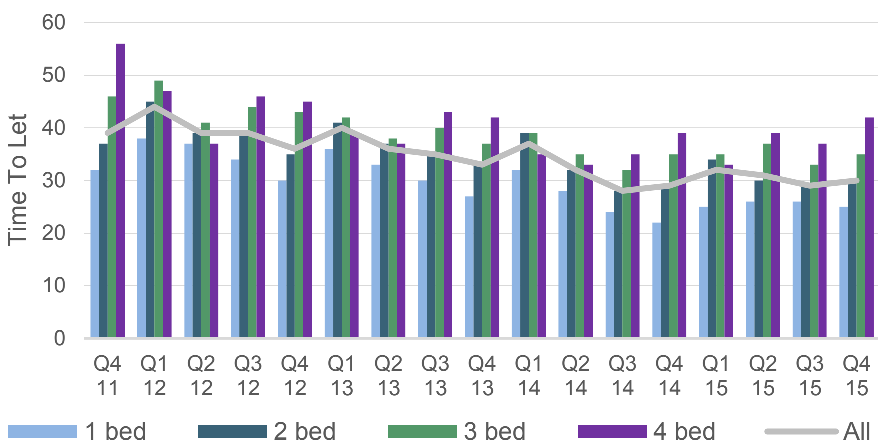


CITYINFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

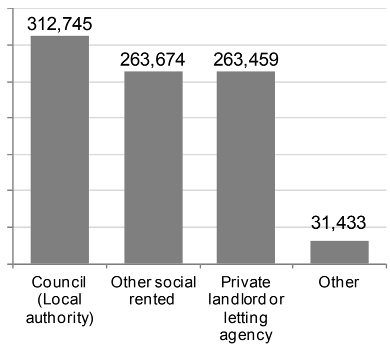


Rental Index

(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	115.8

Households: Rented



Source: Census 2011, Edinburgh

Adrian Sangster - Aberdein Considine

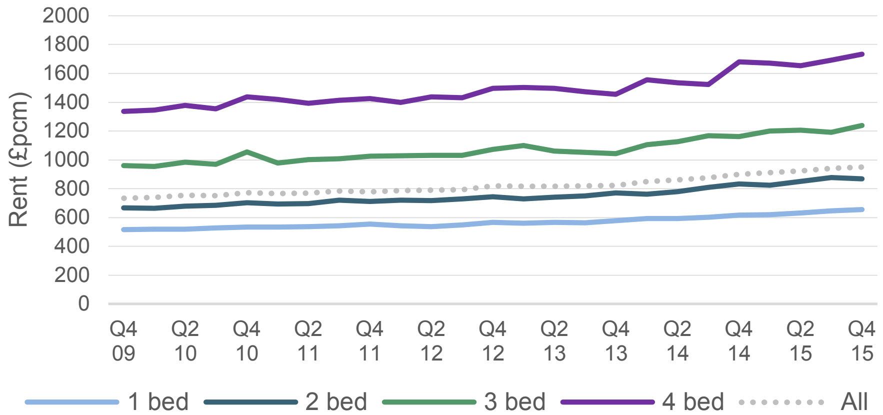
"Our Edinburgh, Glasgow and Bathgate offices reported a very busy final quarter with tenant demand continuing to outstrip supply. Perth and Stirling also experienced a busy end to the year, however there does appear to be a better balance of supply and demand in these areas. Aberdeen was quieter during the early part of the quarter however it picked up a pace at the end of the year with around 300 viewings completed by our Aberdeen offices during the final 3 weeks of December."

Edinburgh

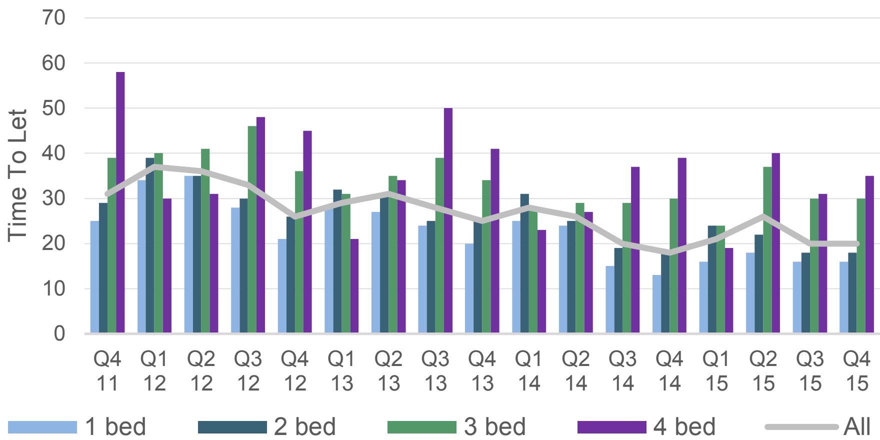
Market Overview - Q4 15

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	£656	6.5%	16.1%	23.1%	16	3	38%	80%
2 bed	£868	4.2%	16.7%	23.3%	18	0	31%	79%
3 bed	£1,238	6.6%	15.5%	17.5%	30	0	15%	60%
4 bed	£1,732	3.0%	15.8%	20.4%	35	-4	12%	51%
Total	**£951**	**5.7%**	**16.1%**	**23.3%**	**20**	**2**	**31%**	**77%**

Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms

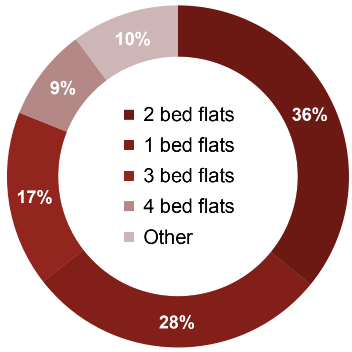


Callum MacGregor - Braemore Sales & Lettings

"The PRS continues to grow within Edinburgh with many new landlords and investors coming to the market. Many of these investors are looking to complete on purchases before the 3% tax change on the 1st April 2016. Tenant demand continues to outstrip available property with time to let at record breaking levels and rent levels still very positive across the board. The 1 and 2 bedroom markets remain particularly strong at this time of year."

CITYINFO

Market Composition

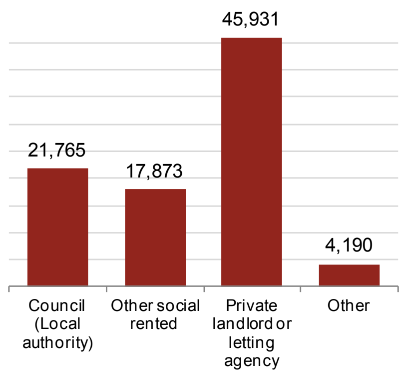


Rental Index

(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	127.3

Households: Rented



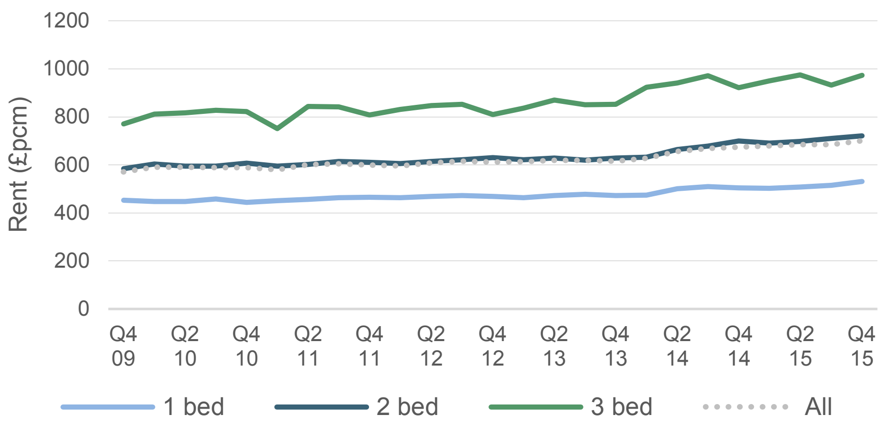
Source: Census 2011, Edinburgh

Glasgow

Market Overview - Q4 15

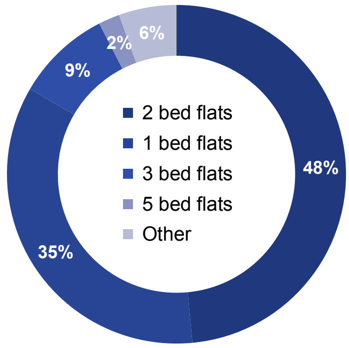
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£531	5.1%	13.5%	19.6%	18	-4	35%	78%
2 bed	£721	3.1%	14.4%	18.8%	20	-8	32%	76%
3 bed	£974	5.6%	20.2%	18.3%	33	0	9%	58%
4 bed	£1,256	3.1%	6.6%	31.2%	35	-4	6%	41%
Total	**£701**	**4.2%**	**14.5%**	**19.2%**	**21**	**-5**	**31%**	**75%**

Average Rent (pcm) by Number of Bedrooms

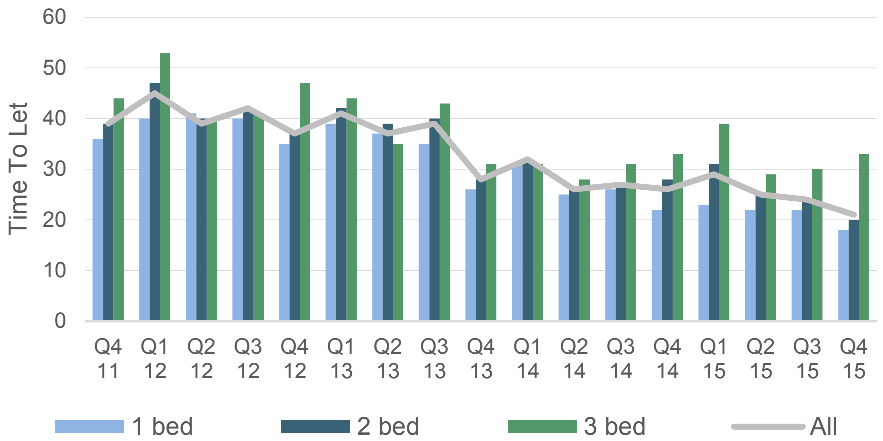


CITYINFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

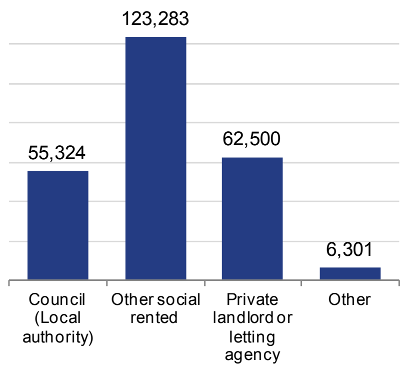


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	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

Households: Rented



Source: Census 2011, Greater Glasgow

Robert Nixon - Speirs Gumley

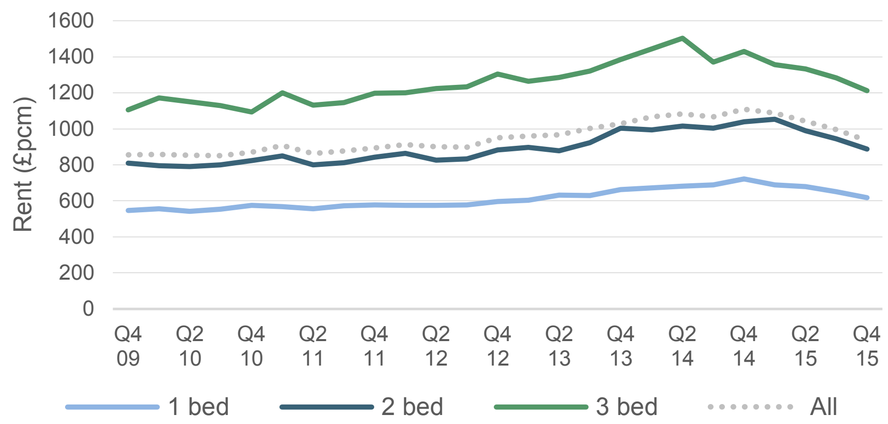
"Q4 was as busy as we had predicted in Q3 with more tenants actively looking to secure good quality properties in the winter months along with a surge in our clients securing additional properties for their portfolios. In the last Q of 2014 we let 10% less properties than Q4 2015 which clearly shows that the PRS continues to go from strength to strength, which should help to deliver good results in Q1 of 2016. This is great news for new and existing landlords in the PRS."

Aberdeen

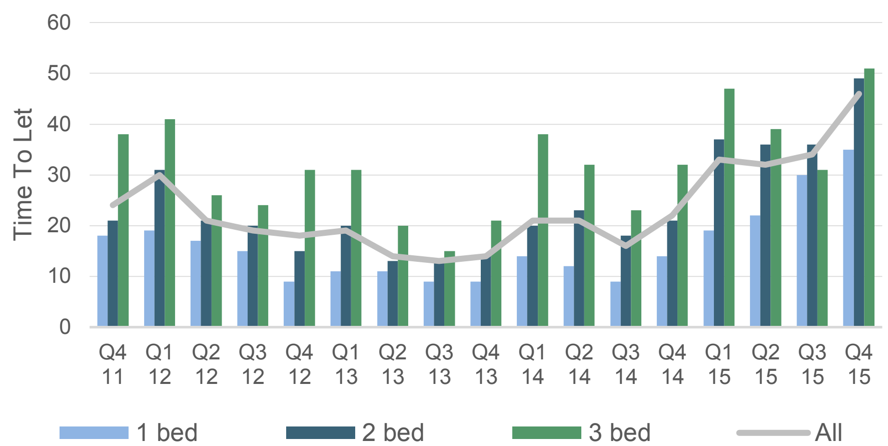
Market Overview - Q4 15

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	£617	-14.5%	3.5%	7.3%	35	21	13%	48%
2 bed	£887	-14.7%	0.3%	7.5%	49	28	7%	33%
3 bed	£1,213	-15.2%	-7.0%	10.9%	51	19	7%	37%
4 bed	£1,702	-20.8%	-14.0%	-0.2%	65	16	3%	20%
Total	**£934**	**-15.9%**	**-1.7%**	**7.4%**	**46**	**24**	**9%**	**38%**

Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms

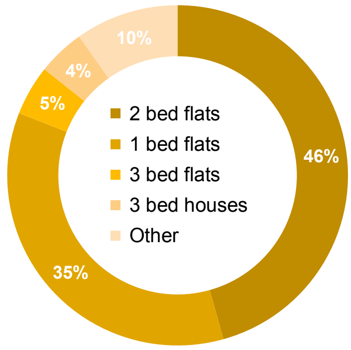


Matt Pullinger - Northwood

"Q4 has somewhat mirrored the trend of Q3 in what is still a busy Aberdeen market. Properties that are marketed well, priced competitively and maintained to a high standard are moving well and seeing good demand. Other areas of the market have seen increased times to let and larger properties are seeing some noticeable falls in average price per bedroom. The key remains to stand out from the rest with lots of choice available for tenants."

CITY INFO

Market Composition

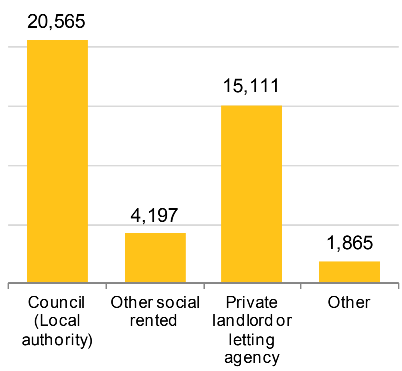


Rental Index

(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

Households: Rented



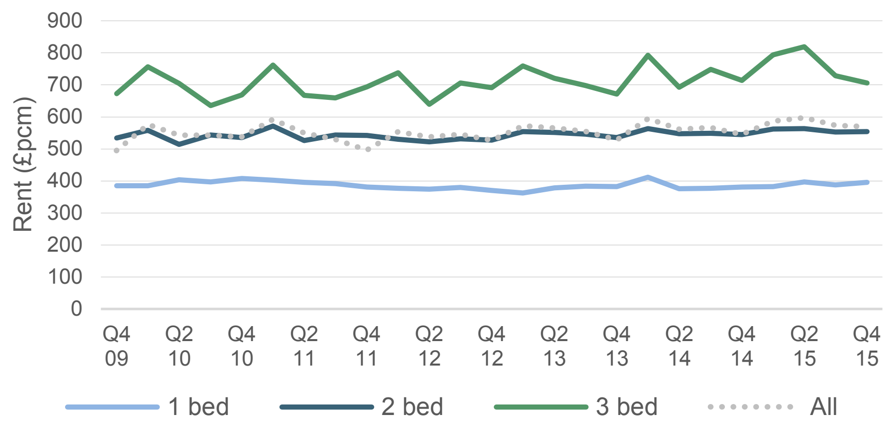
Source: Census 2011, Aberdeen

Dundee

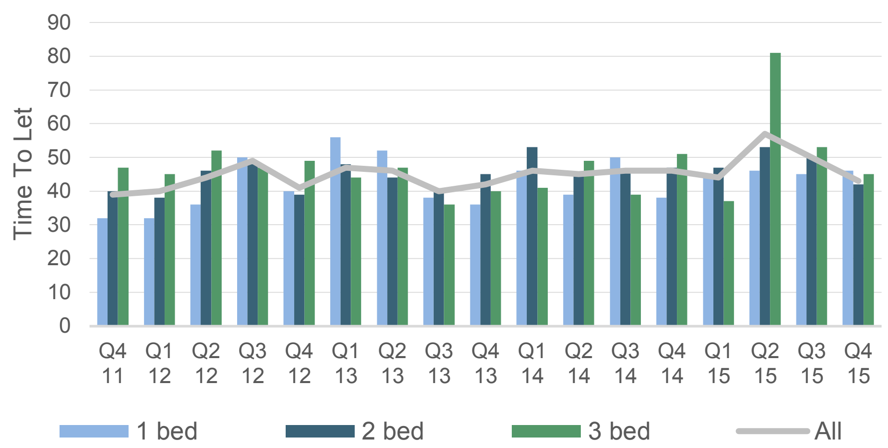
Market Overview - Q4 15

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	£395	3.7%	6.8%	-2.9%	46	8	5%	37%
2 bed	£554	1.7%	4.9%	3.6%	42	-5	14%	42%
3 bed	£706	-1.1%	2.2%	5.5%	45	-6	9%	45%
4 bed	£1,024	12.2%	14.7%	27.2%	40	-12	16%	52%
Total	**£570**	**4.6%**	**8.2%**	**5.9%**	**43**	**-3**	**12%**	**42%**

Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms

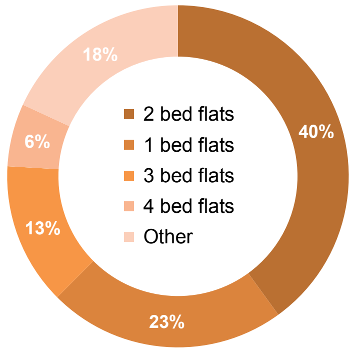


Robert Murray - Lickley Proctor Lettings

"We have noted a drop in the level of viewings in the last quarter of 2015. Nevertheless, properties have still continued to let at the 'going' rental levels - good quality premises having been found to be more of an attraction to prospective tenants. 2016 should be an interesting year."

CITYINFO

Market Composition

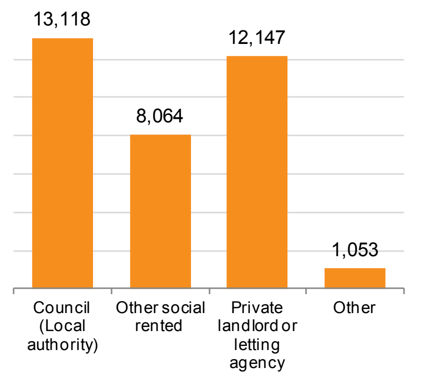


Rental Index

(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

Households: Rented



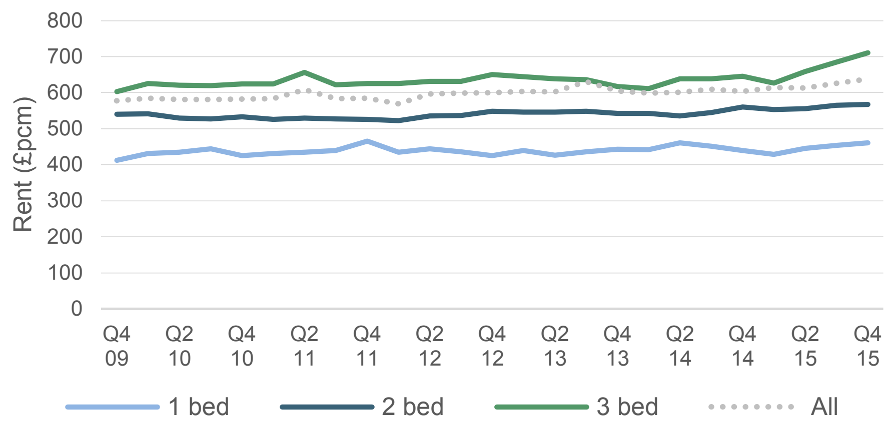
Source: Census 2011, Dundee

West Lothian

Market Overview - Q4 15

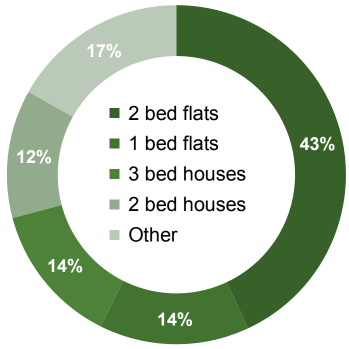
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£461	4.8%	8.5%	8.5%	35	-5	6%	45%
2 bed	£568	1.4%	3.6%	6.6%	35	-8	15%	52%
3 bed	£711	10.1%	9.4%	13.9%	40	2	17%	53%
4 bed	£894	-3.2%	4.8%	7.3%	40	-5	10%	50%
Total	**£638**	**5.6%**	**6.3%**	**9.6%**	**37**	**-5**	**14%**	**51%**

Average Rent (pcm) by Number of Bedrooms

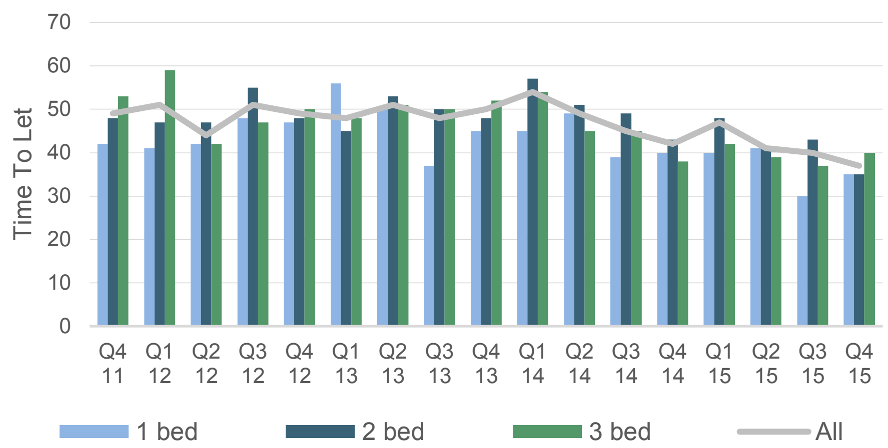


CITYINFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

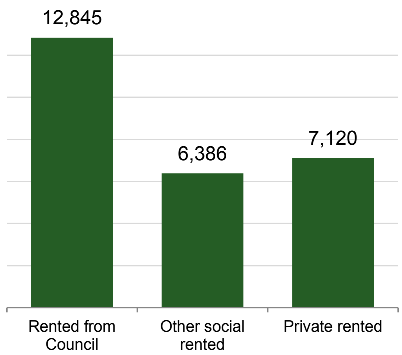
(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.4	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

Brian Callaghan - Letting Solutions

"Tenant demand in West Lothian has moved up another gear from an already high level. All the signs are there: multiple applicants for every property; up to six prospects and more for each viewing; new properties signed up and let in two days or less; 282 enquiries dealt with, and 4 lets in the first few hours of re-opening following New Year break. Because of this, there is increasing anxiety from many tenants at the prospect of missing out."

Households: Rented



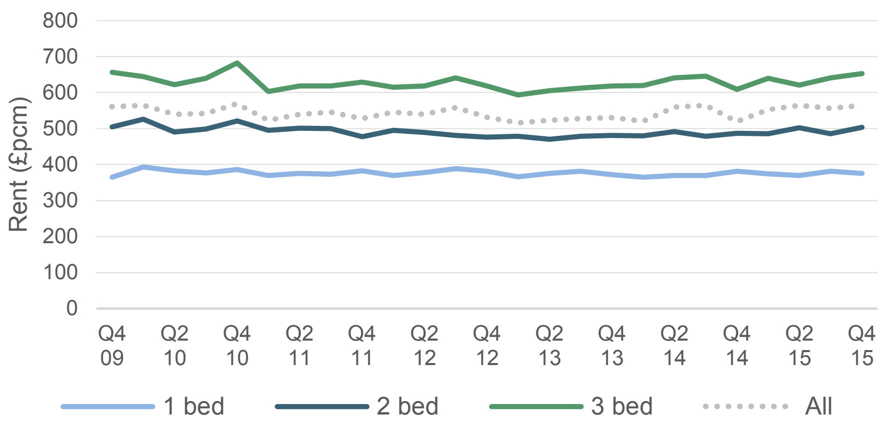
Source: Census 2011, West Lothian

South Lanarkshire

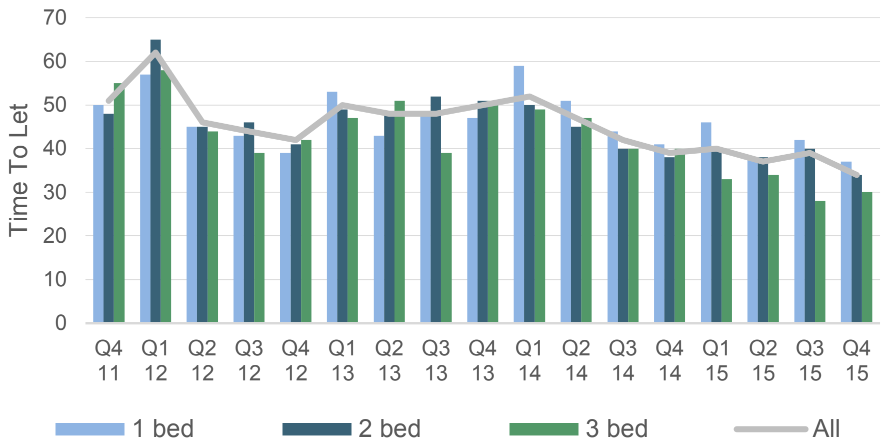
Market Overview - Q4 15

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	£375	-1.6%	-1.6%	-2.8%	37	-4	7%	56%
2 bed	£503	3.3%	5.7%	-3.5%	34	-4	17%	56%
3 bed	£653	7.2%	5.7%	-4.3%	30	-10	15%	60%
4 bed	£995	6.6%	8.9%	12.4%	40	2	0%	46%
Total	**£565**	**8.9%**	**6.4%**	**-0.7%**	**34**	**-5**	**13%**	**56%**

Average Rent (pcm) by Number of Bedrooms

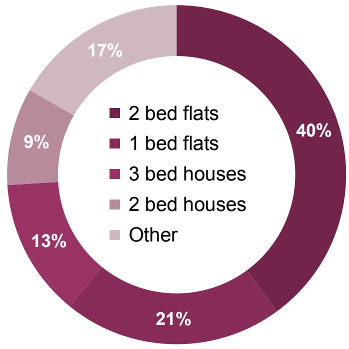


Average Time To Let (TTL) by Number of Bedrooms



CITYINFO

Market Composition

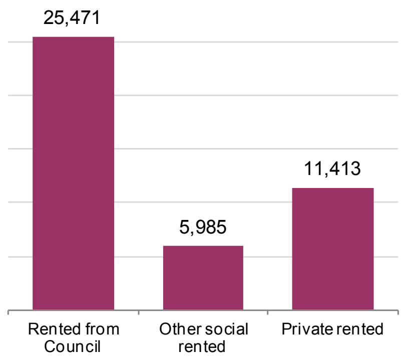


Rental Index

(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

Households: Rented



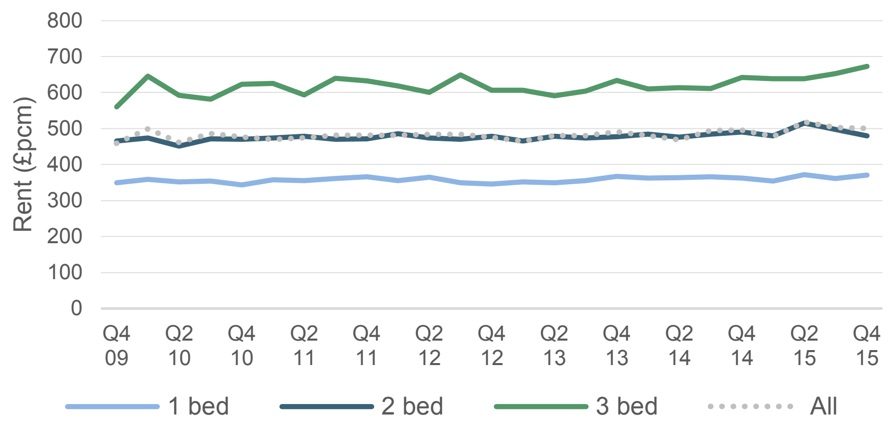
Source: Census 2011, South Lanarkshire

Renfrewshire

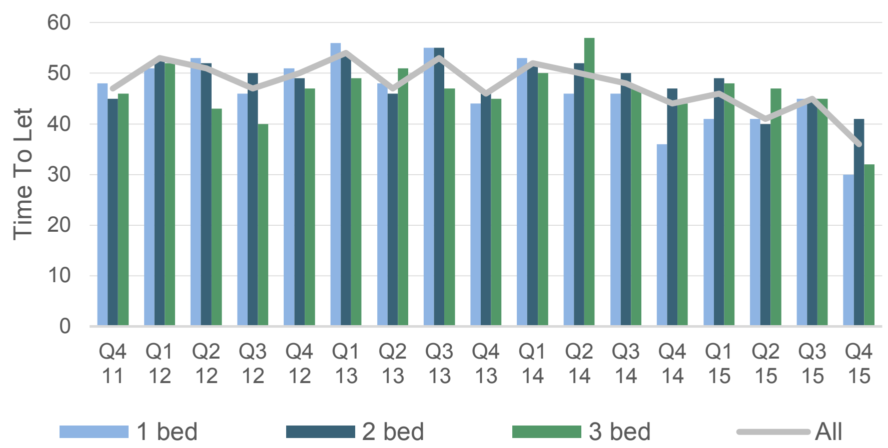
Market Overview - Q4 15

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	£371	2.2%	7.2%	8.2%	30	-6	12%	60%
2 bed	£480	-2.0%	0.2%	2.1%	41	-6	13%	45%
3 bed	£673	4.8%	11.1%	8.0%	32	-12	16%	55%
4 bed	£972	11.2%	9.5%	12.0%	33	-18	33%	73%
Total	**£500**	**0.8%**	**5.0%**	**4.8%**	**36**	**-8**	**14%**	**52%**

Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms

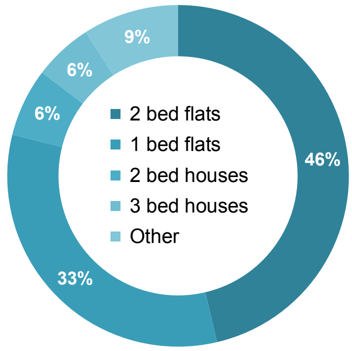


Denise Rhodes - Belvoir Lettings

"Demand for rental property continued to grow in Q4 2015. Demand for houses was particularly strong. Well presented property, with garden, often attracted more than one applicant allowing Landlords choice when selecting tenants. We noted an increase in enquiries from English investment landlords considering investing in property in Renfrewshire. Their internet research had concluded that Paisley is one of the most attractive places in the UK for BTL property."

CITY INFO

Market Composition

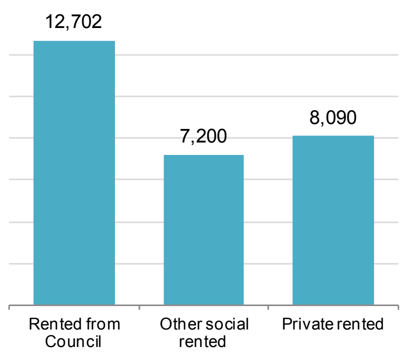


Rental Index

(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

Households: Rented



Source: Census 2011, Renfrewshire

Agent Views

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

Contempo Lettings, Aberdeen – Judith MacDonald

"The final quarter of 2015 has seen continued decline in demand for many properties, resulting in reducing rents and increasing times to let. The key in this kind of market is to ensure that you are being as creative as possible with advertising and ensuring that your property is well presented and stands out from the crowd when viewers visit."

Glasgow Property Letting, Glasgow – Colin Macmillan

"We have seen sustained growth in the last quarter with no let up in the quality of stock in the PRS. Obviously the student market has finally slowed down in the last quarter but this has left the market wide open for professional executive lets to take over and we have seen a great increase in corporate relocations. We have also witnessed more private investor landlords releasing equity in their own property to purchase Buy-to-Let properties before the end of the financial year."

Castle Residential, Renfrewshire – Jazz Chowdhary

"Despite the relatively recent rise in the sales market, the lettings market has remained very strong and shows no signs of slowing. Whilst the average cost of a rental in Paisley remains lower than Glasgow, the competition for properties is no less fierce. We're actively looking for new landlords as there seems to be more tenants on the hunt for quality properties than ever before – it's the age old story of demand outstripping supply. The time is now for landlords."

Macleod Lettings, Glasgow – Ross Macleod

"Q4 saw again good growth with increased rents due to a huge demand for quality properties in the prime markets of G12 & G3 & G1. PRS Landlords again are being targeted by the Government with increased, (and somewhat pedantic in my view) legislation regarding provision of smoke & heat detection, a potentially huge cost which may have further implications in rental values throughout 2016."

Umega Lettings, Edinburgh – Andy Whitmey

"The final quarter of 2015 was busy at Umega with 1 and 2 bedroom properties proving to be extremely popular while larger properties took longer to shift as families and larger groups delayed moving until the New Year. Enquiries from landlords looking to purchase an investment property has increased and it will be interesting to see if there is a flood of buy to let investors looking to snap up rental properties before the 3% stamp duty levy kicks in later this year."

Jonathan Gordon, Edinburgh – Jonathan Gordon

"When the UK Government announced a 3% surcharge for Stamp Duty on buy to let property or second homes there was a flurry of investors looking at Scotland. The new Scottish LBTT Additional Home Supplement of 3% has changed that and we do now see an uplift in investors looking to invest before 1 April. Legislation and tax changes means some landlords are leaving the market and sell so we expect to match up some of these buyers and sellers. After April we don't know what the long term impact will be but it's likely the government's aim of reducing competition from investors will succeed. I suspect that won't lead to lower prices though."

Postcode & Towns - Average Rents & TTL - Q4 15

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	£736	(22)	£960	(21)		
EH3	£780	(18)	£1,122	(19)	£1,691	(27)
EH4	£719	(16)	£868	(20)	£1,024	(36)
EH5	£579	(21)	£735	(16)	£1,149	(27)
EH6	£583	(14)	£766	(15)	£1,011	(19)
EH7	£617	(20)	£788	(19)	£1,000	(28)
EH8	£622	(16)	£817	(18)		
EH9	£681	(13)	£926	(21)	£1,313	(31)
EH10	£669	(16)	£922	(21)	£1,336	(35)
EH11	£592	(14)	£741	(15)		
EH12	£664	(20)	£863	(27)	£1,093	(24)
EH13			£664	(19)		
EH14	£580	(21)	£753	(20)	£1,097	(33)
EH15			£758	(24)		
EH16	£598	(17)	£726	(18)	£956	(36)
EH17			£661	(26)	£820	(23)
EH21			£646	(17)		
EH22			£621	(23)		
EH48			£564	(39)	£761	(42)
EH49			£589	(33)		
EH54			£572	(34)	£717	(39)

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£620	(38)	£868	(52)	£1,143	(46)
AB11	£607	(32)	£863	(52)	£1,156	(48)
AB12			£791	(49)	£988	(63)
AB15	£720	(31)	£991	(54)	£1,205	(53)
AB16			£741	(42)		
AB21	£632	(29)	£811	(38)	£990	(54)
AB22			£791	(53)	£1,008	(47)
AB24	£599	(37)	£822	(49)	£1,199	(31)
AB25	£588	(41)	£815	(51)		
AB51			£827	(28)	£1,001	(30)

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1			£630	(36)	£798	(28)
DD2	£411	(51)	£545	(50)	£752	(49)
DD3	£353	(46)	£490	(49)		
DD4	£393	(35)	£510	(41)		
DD5	£456	(36)				
DD8	£362	(57)	£466	(37)		
DD10	£404	(54)				
DD11			£517	(30)		

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£661	(11)	£931	(14)		
G2	£676	(22)	£858	(10)		
G3	£632	(18)	£909	(20)		
G4	£597	(14)	£732	(14)		
G5	£573	(14)	£639	(17)		
G11	£601	(13)	£798	(18)		
G12	£638	(15)	£918	(24)	£1,333	(25)
G13			£624	(33)		
G14	£452	(19)	£528	(32)		
G20	£535	(10)	£665	(17)		
G21			£490	(14)		
G31	£425	(21)	£591	(16)		
G32	£394	(27)	£498	(30)		
G33			£546	(32)		
G40	£449	(11)	£543	(16)		
G41	£498	(19)	£637	(16)	£904	(25)
G42	£413	(22)	£582	(30)		
G43			£591	(19)		
G44	£451	(23)	£565	(24)	£613	(43)
G51	£413	(26)	£550	(15)		
G52			£513	(37)	£595	(28)
G66			£562	(37)		
G71	£403	(33)	£599	(25)		
G72			£506	(29)		
G73	£450	(33)	£510	(26)	£614	(37)
G74	£376	(27)	£486	(31)	£654	(25)
G75			£498	(27)	£661	(24)
G77			£698	(30)		
G78	£351	(18)				
G81	£410	(63)	£489	(39)		
G84	£396	(42)	£509	(23)		

Towns - £pcm (TTL days)

Town	1 Bed		2 Bed		3 Bed	
Ayr	£386	(56)	£537	(33)	£675	(37)
Bathgate			£566	(38)	£804	(38)
Dalkeith			£605	(27)		
Dunfermline	£421	(20)	£531	(21)		
East Kilbride	£377	(27)	£491	(30)	£638	(25)
Glenrothes			£458	(26)	£542	(17)
Hamilton	£367	(47)	£505	(41)	£627	(37)
Inverness	£591	(23)	£637	(22)	£786	(20)
Kilmarnock	£364	(58)	£449	(37)	£549	(27)
Kirkcaldy	£373	(23)	£492	(26)		
Linlithgow			£589	(33)		
Livingston			£573	(35)	£694	(26)
Motherwell			£505	(37)		
Paisley	£366	(34)	£467	(40)	£632	(37)
Perth	£419	(22)	£535	(34)	£685	(37)
Stirling Town	£488	(10)	£653	(18)	£713	(32)
Troon			£505	(23)		

Changes for the PRS

TC Young detail the new landlord and letting agent requirements that came into force on December 1st 2015.

With the Festive period already a dim and distant memory, landlords and lettings agents should not forget about the early Christmas presents from the Scottish Government applying from 1st December 2015.

Carbon Monoxide Detectors

The Housing (Scotland) Act 2014 introduced an amendment to the Repairing Standard, which applies to all private rented housing, to include the additional requirement that “the house has satisfactory provision for giving warning if carbon monoxide is present in a concentration that is hazardous to health.” As with other aspects of the Repairing Standard regard must also be had to any building regulations and any guidance issued by the Scottish Ministers.

The requirement for a CO gas detection system relates to all private rented properties where there is a fixed combustion appliance either in the property or in an inter-connected space (for example, where there is an integral garage). Landlords should be aware that combustion appliances such as boilers, fires (including open fires), heaters and stoves fuelled by solid fuel, oil or gas all have the potential to cause CO poisoning. The Scottish Government’s guidance states that you are not required to have a CO detection system where there is no inter-connection with the property from an outbuilding or a garage that holds the fixed combustion appliance.

The CO detector can be battery powered. The detector must also have a warning device which should signal an alert when the detector’s working life is due to expire and need to be replaced. It is permissible to install a combined fire/CO detector, but due to the requirements for all fire alarms to be hard wired and interlinked, any combined fire/CO detector must also comply with this requirement.

Electrical Testing

New requirements introduced through the Housing (Scotland) Act 2014 will apply to all Scottish privately rented properties covered by the Repairing Standard and will require landlords to have fixed wiring Electrical Installation Condition Report checks carried out at their properties at least every five years.

Though the regulations will apply to all private tenancies, the fixed wiring check requirement will be applied in stages. While landlords of tenancies entered into on or after 1st December 2015 will be required to comply with the requirements at the date of signing the tenancy, landlords of tenancies in existence prior to 1st December 2015 will only be required to comply as of 1st December 2016.

Electrical Installation Condition Reports must also include a Portable Appliance Test (PAT) for all appliances provided by the landlord (there is no obligation to test items belonging to the tenant). Landlords must ensure that all tests are carried out by ‘competent persons’. That will normally mean members of SELECT or NICEIC.

Landlord & Third Party Applications to PRHP

A further amendment has been made to the Housing (Scotland) Act 2006 in that landlords are now able to apply to PRHP for an order for access to inspect private rented property to assess for repairs and to carry out repairs.

Likewise, third parties (for now Local Authorities) can make an application to the PRHP where they consider a property does not comply with the repairing standard irrespective of the tenant’s wishes.

TC Young, a Scottish law firm acting for landlords and agents throughout Scotland. Specialising in Housing Law, as well as Charities, Employment, Private Client & Family.

www.tcyoung.co.uk | Twitter: @TCYLetLaw

tc young solicitors
effective legal solutions

A New Year, a new Trust to benefit the PRS

SafeDeposits explain the details of their new trust, which is designed to benefit landlords, letting agents and tenants.

A New Year is a time for new ideas and we are now looking for yours. As Scotland's only not-for-profit tenancy deposit scheme, we are in a unique position to give something back to the private rented sector and so we are delighted to announce the launch of the SafeDeposits Scotland Trust.

The Trust is a new grant-giving charity aimed at promoting education, training and best practice in Scotland's private rented sector, by funding projects which provide tangible benefits to landlords, letting agents and tenants alike.

We strongly believe those actively involved in the sector will be able to think up innovative and creative ways to spend these funds to ensure the PRS will be the best that it can be for years to come.

As a result, the SafeDeposits Scotland Trust is inviting landlords, letting agents and tenants to suggest possible projects which will improve Scotland's private rented sector for the benefit of those who live and work in it.

The key aims of the projects we fund are to advance best practice in customer service by landlords in Scotland and increase awareness among tenants of their rights and obligations. We also intend to promote alternative dispute resolution in instances where tenants and landlords fail to agree. For example, if you can think of a project which could advance best practice in customer service by landlords in Scotland, tell us about it.

We'd love to hear if you have thought of a practical solution to ensure all tenants know their

rights and are aware of their responsibilities as a tenant – and maybe we can help.

Maybe you have resorted to legal action and now have a suggestion on how to resolve disputes in ways which may be more effective than going to court. If so, we would like to hear from you.

We will consider all ideas, and may be able to fund some quickly. Other proposals may need further development before they are eligible.

All we ask is that ideas fulfil the aims of SafeDeposits Scotland Trust by enhancing the workings of the private rented sector in Scotland. This could be through advancing education or information, and providing tangible benefits to current or prospective landlords and tenants.

The Trust is funded and grants are awarded by Scotland's only not-for-profit tenancy deposit scheme SafeDeposits Scotland which safeguards over 92,500 deposits of private rented tenants under Scottish law.

Since the SafeDeposits creation in 2012, the company has become Scotland's leading tenancy deposit scheme and securely holds 60% of the country's deposits under protection, which adds up to over £68 million.

So if you have a bright idea which you think can make a difference this year, please get in touch at info@safedepositsscotlandtrust.com.

Jen Paice is CEO of SafeDeposits Scotland and director of the SafeDeposits Scotland Trust.

Professional Indemnity Insurance for Letting and Estate Agents

Chartered Insurance Brokers Hazelton Mountford takes a closer look at the cover and explains aspects simply and clearly.

Professional Indemnity Insurance is a key insurance for your business that can protect you in the event of your business being sued by a client, this can be if a client is unhappy with work that you have produced or professional advice you've given.

Even if you haven't made a mistake you may still need to fight a claim, with this said it's important you choose the right insurance company who should tailor your policy to suit your specific business sector and needs.

PI insurance can help protect you if claims are brought against you by a client and can help put mistakes right and cover any legal costs. There is a misconception that PI is just for traditional legal or accountancy practitioners, however anyone who provides a professional service, gives advice, handles client money and is responsible for intellectual property should consider taking out PI insurance.

An additional key consideration for PI insurance is that it may be a condition of contract that you undertake or more commonly that of a professional body you join.

What can be covered in your Professional Indemnity Insurance cover?

Negligence or breach of duty of care – this could cover you should you give negligent advice, such as underselling a property or arranging a tenancy on the wrong basis.

Privacy – If confidential information is misused, for example if property details are inadvertently passed onto a burglar.

Rectification – Putting right lost or damaged non-electronically held documents of a professional nature.

Court Attendance – Costs for court attendance.

Computer Virus – Cover to aid situations where you have negligently forwarded an email containing a computer virus that was specifically targeted at you.

Crises Containment – Reputational damage can destroy your business. Some insurers offer access to specialist crises management PR firms. Cover can be up to and in excess of £25,000 to cover costs.

Retroactive Cover – If you haven't had PI insurance before you are able to cover your previous work by taking out retroactive cover and selecting the date your work will be covered from.

Hiscox Claims Example:

We work with Hiscox who are highly regarded in this sector and have over 120 years' experience. An example of a claim they would defend is where a property has been returned to a landlord after 6 years of agent management, however the landlord is unhappy with its condition and makes a claim against the agent for the cost of restoring the property to its prior state.

The letting agent feels that the significant amounts of damage are to normal wear and tear. In this situation Hiscox would support the letting agent's position and would endeavour to settle any claim.

To discuss PI insurance for your business please contact Sean Sage: 01905 721 249 or email: sean@hazeltonmountford.co.uk.

Hazelton Mountford:
01905 721 249 | sean@hazeltonmountford.co.uk

HM
Hazelton Mountford
Chartered Insurance Brokers

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 Jan 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.

Copyright

Citylets

21 Lansdowne Crescent
Edinburgh
EH12 5EH

t: 0131 467 4864 f: 0844 507 0400
research@citylets.co.uk
twitter.com/citylets