Quarterly Report
Q1 2014 ▪ Issue 29

# Top Honours for Edinburgh's Student Sector

- Overview of the Scottish Rental Market
- City Spotlight: Edinburgh, Glasgow, Aberdeen & Dundee
- Postcode and Town Analysis: Localised Rental Prices
- Market Focus: Edinburgh's Burgeoning Student Sector
- Legislation Matters: The Effects of the Housing Bill

# Citylets Audience Reach- Quarterly Update

Citylets retained its position as the certified leading Scottish Lettings Portal throughout Q1 2014, according to online experts Experian Hitwise. Visitor traffic for the quarter was steady at over 1 million with an ever increasing number of visitors from mobile (mobile browsing and App usage combined).

Citylets also remains the No. 1 dedicated residential lettings site in the UK (Source: Experian Hitwise, Mar 2014).

**Key Info Q1 2014**

- **Over 1 million visitors**
- **Over 10% visits from mobile Apps**
- **Over 50% visits from 'mobile'**
- **Best performing Scottish regional**

Mobile App usage appears to have come of age with Q1 2014 recording over 10% of visitors coming through our Apple and Android Apps. Clearly consumers with mobile devices like to have a choice as to how they browse on the go.

Available on the App Store

Google play

Citylets recently launched a dedicated iPad App to compliment our iPhone App and this latest version has been well received by the public with a current 5* rating. Citylets is the only Scottish lettings portal to have the full set of bespoke Apps for iPhone, Android & iPad and also a dedicated mobile site.

**HOW THEY RATE***

| | Apple | Android |
|---|---|---|
| Citylets | ★★★★★ | ★★★★ |
| Rightmove | ★★★★½ | ★★★★ |
| GSPC | ★★½ | N/A |
| ASPC | ★★ | N/A |
| ESPC | N/A | N/A |
| S1rental | N/A | N/A |

*Apple App Store & Google Play, Apr 14

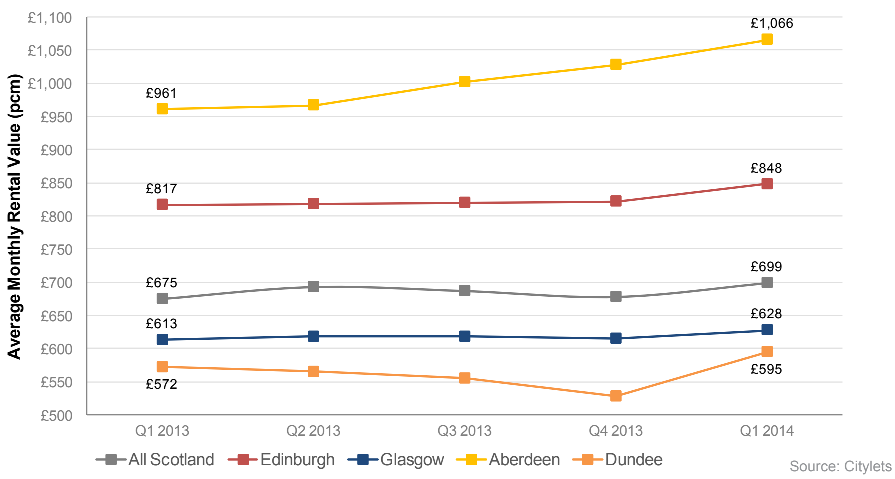
The rise of 'mobile' in general (smartphone/tablet mobile browsing & App usage) continues recording just over 50% of visits for the quarter. Citylets recently launched a new dedicated mobile site to ensure a quality browsing experience from small handheld devices.

Our current Android App has received a high 4* rating from consumers however we will be updating it in 2014 to bring it further in line with our Apple Apps.

# Scotland

Traditionally at the start of the year we observe a sharp uplift in activity in the Scottish rental market with new tenants adding to the already strong demand for stock and resultant asking prices experience a distinct spike as supply tries to keep up. Quarter 1 of 2014 has been no different with the average mix adjusted rent in Scotland now at £699 which is 3.6% greater than last year. The four major cities have all experienced substantial year on year increases that may continue throughout 2014.

Scottish Monthly Rent Analysis (Q1 2013-Q1 2014)




Source: Citylets

After recent months of stability, Edinburgh (up 3.8%) and Glasgow (up 2.4%) have now bucked that trend and made significant gains in recent months. Volumes have increased as expected with seasonal student landlords placing property on the market in addition to the influx of regular stock after the relatively quiet winter months.

2014 will be a unique year for the country with the independence referendum in September and, with the associated uncertainty, it will be interesting to see how landlords and tenants react over the next few months. In the light of slight easing in bank lending criteria over the past six months, potential first-time and experienced buyers biding their time and await the result before committing themselves to long term or greater mortgages and hence benefit from the freedom that renting a property can provide.

# Edinburgh

Edinburgh Market Overview - Q1 14

| Beds | Average Rent | Rent Change YoY | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|---|---|---|---|---|---|---|
| 1 bed | £592 | 5.7% | 25 | -3 | 23% | 67% |
| 2 bed | £762 | 4.4% | 31 | -1 | 21% | 57% |
| 3 bed | £1,105 | 0.5% | 28 | -3 | 24% | 66% |
| 4 bed | £1,555 | 3.5% | 23 | 2 | 34% | 77% |
| **Total** | **£848** | **3.8%** | **28** | **-1** | **23%** | **64%** |

Source: Citylets

Starting the year, the average mix adjusted rent in Edinburgh for Q1 was £848 which is a healthy 3.8% up on the figure of last year, slightly above the national rise of 3.6%. Mirroring the end of last year, it was the smaller one and two bed properties that saw the biggest annual increases with rises of 5.7% and 4.4% respectively. TTL figures have remained relatively constant with a property taking 28 days to let on average, down 1 day on Q1 2013. Four bedroomed properties are finding tenants the quickest with over three-quarters of available homes letting within a month.

All of the top five postcodes in the capital have surpassed the four figure barrier with EH9 topping the list with an average rental price of £1,190, up 8.5% on last year. It is also the most dynamic area of the city with properties only taking an average 22 days to let. The Holyrood Park dominated EH8 postcode takes the leading spot in terms of annual price increases with a near 9% rise on Q1 2013.

Top 5 Postcodes by Largest YoY price change

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | EH8 | £938 | £861 | 8.9% |
| 2 | EH9 | £1,190 | £1,097 | 8.5% |
| 3 | EH1 | £1,000 | £925 | 8.1% |
| 4 | EH11 | £663 | £635 | 4.4% |
| 5 | EH3 | £1,028 | £986 | 4.3% |

Source: Citylets

Top 5 Postcodes by lowest TTL (days)

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | EH9 | 22 | 22 | 0 |
| 2 | EH8 | 23 | 23 | 0 |
| 3 | EH10 | 24 | 27 | -3 |
| 4 | EH11 | 24 | 24 | 0 |
| 5 | EH1 | 24 | 26 | -2 |

Source: Citylets

Top 5 Postcodes by Av. Monthly Rent

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | EH9 | £1,190 | £1,097 | 8.5% |
| 2 | EH2 | £1,064 | £1,140 | -6.7% |
| 3 | EH3 | £1,028 | £986 | 4.3% |
| 4 | EH10 | £1,000 | £997 | 0.3% |
| 5 | EH1 | £1,000 | £925 | 8.1% |

Source: Citylets

# Glasgow

Glasgow Market Overview - Q1 14

| Beds | Average Rent | Rent Change YoY | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|---|---|---|---|---|---|---|
| 1 bed | £474 | 2.2% | 31 | -8 | 23% | 63% |
| 2 bed | £632 | 1.6% | 32 | -10 | 22% | 59% |
| 3 bed | £923 | 10.3% | 31 | -13 | 18% | 63% |
| 4 bed | £1,321 | 4.8% | 38 | -21 | 23% | 51% |
| **Total** | **£628** | **2.4%** | **32** | **-9** | **22%** | **61%** |

Source: Citylets

The Glasgow rental market underperformed against the country's other major cities with an overall mix adjusted rent now at £628 in Q1, up only 2.4% over the year. However TTL figures have dropped significantly with a typical property now being snapped up within 32 days, a considerable drop of 9 days on Q1 2013. Three bedroom properties saw strong uplift in prices, up 10.3% and they now have the joint best average TTL figure of 31 days. In the typically dynamic first quarter, all property sizes experienced significant decreases in their TTL figures compared to last year suggesting a strong start to the year.

With an average monthly rent of £815, the city postcode of G2 tops our listing of the largest price changes, up 21.3% on this time last year. Key G2 area Blythswood Hill has seen landlords continue to ask for higher prices as demand remains fierce amongst potential tenants bringing the average TTL down by 20 days to just over two weeks (15 days). G12 continues to top the league of highest average prices, up 8.9% on Q1 2013 to £915.

Top 5 Postcodes by Largest YoY price change

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | G2 | £815 | £672 | 21.3% |
| 2 | G1 | £725 | £656 | 10.5% |
| 3 | G12 | £915 | £840 | 8.9% |
| 4 | G4 | £679 | £634 | 7.1% |
| 5 | G5 | £619 | £580 | 6.7% |

Source: Citylets

Top 5 Postcodes by lowest TTL (days)

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | G2 | 15 | 35 | -20 |
| 2 | G1 | 16 | 28 | -12 |
| 3 | G3 | 18 | 32 | -14 |
| 4 | G4 | 21 | 33 | -12 |
| 5 | G11 | 21 | 32 | -11 |

Source: Citylets

Top 5 Postcodes by Av. Monthly Rent

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | G12 | £915 | £840 | 8.9% |
| 2 | G2 | £815 | £672 | 21.3% |
| 3 | G3 | £778 | £743 | 4.7% |
| 4 | G1 | £725 | £656 | 10.5% |
| 5 | G11 | £688 | £654 | 5.2% |

Source: Citylets

# Aberdeen

Aberdeen Market Overview - Q1 14

| Beds | Average Rent | Rent Change YoY | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|---|---|---|---|---|---|---|
| 1 bed | £673 | 11.4% | 14 | 3 | 47% | 83% |
| 2 bed | £994 | 10.7% | 20 | 0 | 29% | 75% |
| 3 bed | £1,444 | 14.2% | 38 | 7 | 26% | 51% |
| 4 bed | £2,158 | 12.2% | 36 | -7 | 13% | 46% |
| **Total** | **£1,066** | **10.9%** | **21** | **2** | **34%** | **75%** |

Source: Citylets

Top 3 Postcodes by Largest YoY price change

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | AB24 | £876 | £785 | 11.6% |
| 2 | AB25 | £858 | £785 | 9.3% |
| 3 | AB10 | £937 | £859 | 9.1% |

Source: Citylets

Top 3 Postcodes by lowest TTL (days)

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | AB11 | 14 | 15 | -1 |
| 2 | AB25 | 14 | 15 | -1 |
| 3 | AB24 | 16 | 15 | 1 |

Source: Citylets

Top 3 Postcodes by Av. Monthly Rent

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | AB15 | £1,391 | £1,345 | 3.4% |
| 2 | AB10 | £937 | £859 | 9.1% |
| 3 | AB11 | £888 | £831 | 6.9% |

Source: Citylets

Aberdeen achieved a mixed adjusted average rent of £1,066 per month in Q1 of 2014, an increase of 10.9% on last year, outperforming the national figure of 3.6% by a considerable margin. This latest figure illustrates that the city continues to see substantial growth with average prices seeing double digit growth on Q1 2013 across all property sizes. Although still by far the country's most fluid marketplace, average TTL figures were lengthened 2 days to 21 days in Q1. Four bedroomed properties knocked a week off for landlords and are now typically let on average at 36 days. Leading the way, one bedroom properties saw over four fifths of properties being let within a month and nearly half of them gone within seven days.

Both AB11 and AB25 reduced their average TTL figure to only 14 days with a drop of 1 day on this time last year. The rise in demand for Old Aberdeen and Woodside has moved AB24 to top of the largest price increases, recording impressive double digit year on year rental increase of 11.6%. It is no surprise that the most expensive postcode district is again AB15 with prices at £1,391.

# Dundee

Dundee Market Overview - Q1 14

| Beds | Average Rent | Rent Change YoY | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|---|---|---|---|---|---|---|
| 1 bed | £412 | 13.8% | 46 | -10 | 6% | 41% |
| 2 bed | £564 | 1.8% | 53 | 5 | 8% | 30% |
| 3 bed | £792 | 4.3% | 41 | -3 | 8% | 35% |
| 4 bed | £1,112 | 7.6% | 33 | 3 | 23% | 55% |
| **Total** | **£595** | **4.0%** | **46** | **-1** | **9%** | **36%** |

Source: Citylets

Top 3 Postcodes by Largest YoY price change

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | DD1 | £779 | £663 | 17.5% |
| 2 | DD4 | £527 | £506 | 4.2% |
| 3 | DD3 | £509 | £491 | 3.7% |

Source: Citylets

Top 3 Postcodes by lowest TTL (days)

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | DD1 | 39 | 41 | -2 |
| 2 | DD4 | 46 | 45 | 1 |
| 3 | DD2 | 47 | 45 | 2 |

Source: Citylets

Top 3 Postcodes by Av. Monthly Rent

| Rank | Postcode | Q1 14 | Q1 13 | YoY |
|---|---|---|---|---|
| 1 | DD1 | £779 | £663 | 17.5% |
| 2 | DD2 | £600 | £581 | 3.3% |
| 3 | DD4 | £527 | £506 | 4.2% |

Source: Citylets

In the first quarter of 2014, Dundee saw the average mix adjusted rent up 4.0% to £595 and now closing in on the elusive £600 barrier for the first time. Interestingly, it was the smallest and largest properties (1 and 4 bedroom) that saw the most substantial annual rent increases with rises of 13.8% and 7.6% respectively. The surge in prices for 1 bedroom properties particularly has been primarily caused by a spike in demand with the average TTL figure down a significant 10 days on last year, now just 46 days. However, Dundee continues to experience the most sedate market within Scotland with only 36% of available properties being let within a month and less than one in ten let within the first week.

Dundee's most expensive postcode district was DD1 with an average rent of £779 which was a significant increase on last year. So no surprise that the city centre postcode led the table of biggest price change as DD1 saw a large increase with average rents lifting by 17.5% on last year. In terms of TTL, DD2 and DD4 both saw a slowdown in the market as they took an extra 1 and 2 days on average to let as both neared the seven week barrier (46 and 47 days respectively).

# Postcode & Towns - Average Rents & TTL - Q1 14

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 | £746 | (22) | £867 | (34) | £1,280 | (18) |
| EH2 | | | £1,145 | (34) | | |
| EH3 | £693 | (27) | £1,006 | (29) | £1,312 | (27) |
| EH4 | £643 | (28) | £790 | (34) | £951 | (46) |
| EH5 | £519 | (28) | £660 | (37) | £834 | (55) |
| EH6 | £551 | (27) | £678 | (33) | £909 | (42) |
| EH7 | £559 | (25) | £709 | (29) | £1,019 | (35) |
| EH8 | £563 | (18) | £724 | (35) | £1,134 | (13) |
| EH9 | £638 | (16) | £860 | (26) | £1,231 | (16) |
| EH10 | £592 | (19) | £808 | (30) | £1,128 | (31) |
| EH11 | £531 | (28) | £689 | (30) | £980 | (21) |
| EH12 | £589 | (27) | £741 | (35) | £1,025 | (36) |
| EH13 | | | £655 | (46) | £895 | (46) |
| EH14 | £536 | (29) | £701 | (34) | £893 | (40) |
| EH15 | £508 | (28) | £612 | (38) | | |
| EH16 | £521 | (29) | £653 | (28) | £961 | (59) |
| EH17 | | | £627 | (48) | £797 | (37) |
| EH21 | £525 | (49) | £646 | (46) | | |
| EH22 | | | £570 | (33) | £733 | (44) |
| EH26 | | | £596 | (44) | £758 | (70) |
| EH47 | | | £489 | (88) | £576 | (72) |
| EH48 | £422 | (62) | £536 | (59) | £632 | (43) |
| EH49 | £473 | (46) | £612 | (61) | | |
| EH51 | | | £463 | (73) | | |
| EH52 | | | £551 | (71) | | |
| EH54 | | | £543 | (49) | £640 | (50) |

## Towns - £pcm (TTL days)

| Town | 1 Bed | | 2 Bed | | 3 Bed | |
|---|---|---|---|---|---|---|
| Airdrie | | | £450 | (66) | £509 | (51) |
| Ayr | £382 | (50) | £498 | (48) | £669 | (33) |
| Bathgate | £425 | (61) | £540 | (59) | | |
| Boness | | | £467 | (69) | | |
| Cumbernauld | | | £435 | (53) | | |
| Dalkeith | | | £565 | (38) | | |
| Dunfermline | £400 | (51) | £506 | (43) | £647 | (37) |
| East Kilbride | £363 | (54) | £480 | (41) | £617 | (46) |
| Glenrothes | £389 | (23) | £471 | (29) | £537 | (38) |
| Hamilton | £376 | (58) | £501 | (46) | £603 | (53) |
| Inverness | £494 | (36) | £622 | (39) | | |
| Kilmarnock | £369 | (57) | £454 | (51) | £529 | (50) |
| Kirkcaldy | £381 | (28) | £473 | (40) | £558 | (37) |
| Linlithgow | £473 | (46) | £612 | (61) | | |
| Livingston | | | £534 | (51) | £638 | (46) |
| Motherwell | £369 | (49) | £438 | (62) | | |
| Paisley | £354 | (60) | £475 | (57) | £591 | (50) |
| Perth | £409 | (29) | £522 | (40) | | |
| Stirling Town | £430 | (47) | £590 | (50) | £813 | (31) |
| Troon | | | £511 | (64) | | |

## Glasgow - £pcm (TTL days)

| Postcode | 1 Bed | | 2 Bed | | 3 Bed | |
|---|---|---|---|---|---|---|
| G1 | £592 | (17) | £814 | (16) | | |
| G2 | £598 | (13) | £867 | (16) | | |
| G3 | £555 | (16) | £798 | (20) | £1,030 | (21) |
| G4 | £499 | (15) | £619 | (23) | | |
| G5 | | | £611 | (28) | | |
| G11 | £533 | (20) | £727 | (25) | | |
| G12 | £591 | (27) | £805 | (18) | £1,100 | (21) |
| G13 | £468 | (45) | £559 | (34) | | |
| G14 | £403 | (45) | £504 | (42) | | |
| G20 | £506 | (19) | £642 | (24) | £757 | (63) |
| G21 | | | £508 | (60) | | |
| G31 | £417 | (33) | £537 | (32) | | |
| G32 | £384 | (45) | £490 | (54) | | |
| G33 | | | £490 | (45) | | |
| G40 | £405 | (42) | £521 | (36) | | |
| G41 | £456 | (31) | £588 | (32) | | |
| G42 | £393 | (40) | £520 | (54) | | |
| G43 | | | £547 | (49) | | |
| G44 | £416 | (48) | £529 | (48) | £579 | (46) |
| G51 | £388 | (44) | £514 | (50) | | |
| G66 | | | £534 | (31) | | |
| G67 | | | £414 | (52) | | |
| G71 | £429 | (41) | £558 | (42) | | |
| G72 | | | £485 | (51) | | |
| G73 | £404 | (31) | £492 | (67) | £537 | (50) |
| G74 | £368 | (50) | £483 | (43) | £666 | (30) |
| G75 | £349 | (64) | £468 | (39) | £600 | (54) |
| G76 | | | £610 | (29) | | |
| G77 | | | | | £970 | (55) |
| G81 | £413 | (73) | £477 | (65) | £610 | (56) |
| G84 | £405 | (44) | £469 | (42) | £652 | (66) |

## Aberdeen - £pcm (TTL days)

| Postcode | 1 Bed | | 2 Bed | | 3 Bed | |
|---|---|---|---|---|---|---|
| AB10 | £686 | (13) | £973 | (22) | £1,382 | (46) |
| AB11 | £660 | (11) | £993 | (18) | | |
| AB15 | | | £1,138 | (21) | £1,481 | (40) |
| AB16 | | | £790 | (18) | | |
| AB21 | | | | | £1,022 | (19) |
| AB22 | | | £939 | (17) | | |
| AB24 | £643 | (20) | £919 | (21) | | |
| AB25 | £666 | (12) | £934 | (17) | | |

## Dundee - £pcm (TTL days)

| Postcode | 1 Bed | | 2 Bed | | 3 Bed | |
|---|---|---|---|---|---|---|
| DD1 | £453 | (42) | £624 | (51) | £908 | (36) |
| DD2 | £421 | (50) | £562 | (56) | £792 | (40) |
| DD3 | £378 | (38) | £479 | (52) | £698 | (34) |
| DD4 | £415 | (47) | £521 | (49) | £729 | (49) |
| DD5 | | | £620 | (49) | | |

Source: Citylets

# The Housing (Scotland) Bill - More Changes in the PRS

Introduced in November 2013, the Housing (Scotland) Bill contains some important provisions which will affect the private rented sector in Scotland. TC Young explains more...

**Regulation of Letting Agents**

Currently there is no statutory regulation of letting agents, and anyone is free to set up and operate letting services, regardless of their level of qualification or experience. The Bill seeks to introduce a formal register of letting agents. The Bill not only seeks to introduce a new regulatory framework for letting agents, but also extends the rights of referral to the Private Rented Housing Panel to persons other than tenants.

At present, Part 4 of the Bill defines letting agency work as *"things done by a person in the course of that person's business in response to relevant instructions which are:*

*(a) carried out with a view to a landlord who is a relevant person entering into, or seeking to enter into a lease or occupancy arrangement by virtue of which an unconnected person may use the landlord's house as a dwelling, or*

*(b) for the purpose of repairing, maintaining, improving, insuring or otherwise managing a house which is, or is to be, subject to a lease or arrangement"*

Membership to the register will be mandatory, and any failure to register will be a criminal offence by any person defined as carrying out letting agency work. The Scottish Minsters must be satisfied that the applicant is a fit and proper person to carry out letting agency work. Reference will be had to similar factors in relation to landlord registration, such as convictions for dishonesty, fraud, discrimination, and contravention of housing and landlord and tenant law. There will of course be a fee to register, as yet to be specified. All registered letting agents will be issued with a registration number to be used on all documentation, and on all advertisements.

Once registered, all letting agents will be required to follow the Letting Agent Code of Practice (as yet to be determined) and landlords and tenants can refer breaches of the Code to the First-Tier Tribunal for a determination. The letting agent must have been given an opportunity to rectify the breach prior to such a referral being made. Where the Tribunal finds that the Code has been breached, they can issue a Letting Agent Enforcement Order setting out steps to be taken by the letting agent, and failure to comply with such an Order is an offence, subject to a fine and/or ultimately, removal from the Register.

**Third Party Reporting**

Established in September 2007, the Private Rented Housing Panel enforces the landlord's duty to maintain the Repairing Standard as defined within the Housing (Scotland) Act 2006.

At present, the only person who can raise a potential breach of this landlord's duty before the panel is the tenant. However, the Housing (Scotland) Bill proposes to widen the scope by allowing relevant third parties the right to raise a case before the panel without direct involvement of the tenant, where appropriate. Relevant third parties will include the local authority in which the dwelling is located, as well as any other person as so stipulated by the Scottish Ministers. It is hoped that allowing a referral by the Local Authority will assist in dealing with disrepair in the local community.

# Top Honours for Edinburgh's Student Sector

As we near Easter, we investigate how Scotland's burgeoning student sector is performing and how this distinct market compares to the overall Scottish PRS market.

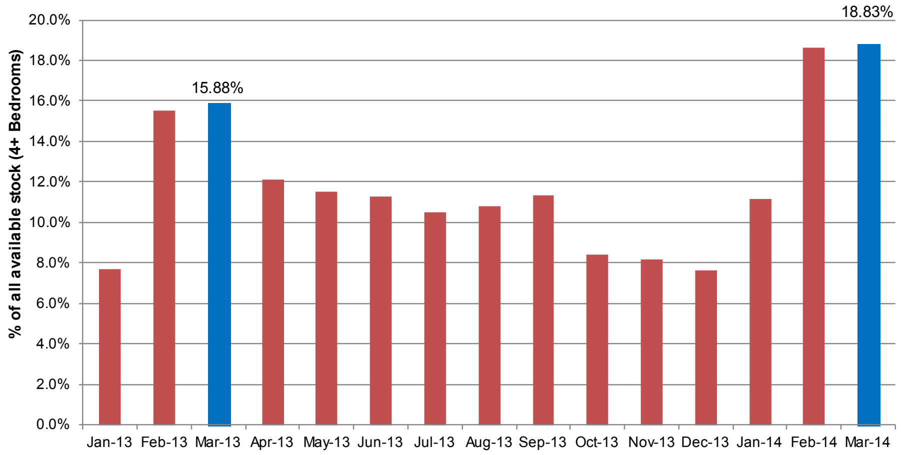
The University of Edinburgh currently sits in 46th place in the 2014 Times Higher Education league table of the world's top universities. With 24,000 students and thousands of others attending Heriot-Watt and Edinburgh Napier universities, nearly one fifth of the city's population is made up of students. This sizeable population is served by dedicated halls of residence, student villages and the ever growing private rental sector. However, amongst all the entire PRS stock and potential tenants how easy is it to evaluate the student sector performance in the capital?

Looking at the larger property stock volumes in Edinburgh over the past 15 months, we can clearly see the considerable increase from Q1 2013 to Q1 2014 with now nearly 19% of all available stock aimed at servicing that Easter rush of student tenants eager to secure their property before the summer break. Looking at Bruntsfield and Marchmont, stock availability for this 4+ bedroom property has reached record levels, 34% up on last year.

Scottish students currently enjoy zero tuition fees and irrespective of September's independence referendum vote, it seems as though this will remain the case at least for the short-term. The prospects of parents or students having to burden themselves with more debt is ensuring that a great deal of future undergraduates remain north of the border. This continued pressure coupled with teaching excellence has seen average prices for larger properties (4+ beds) rocket in typical student areas such as Marchmont/ Bruntsfield by 20.1% from March 2012 to March 2014, outstripping Edinburgh growth of 9.6% over the same period.

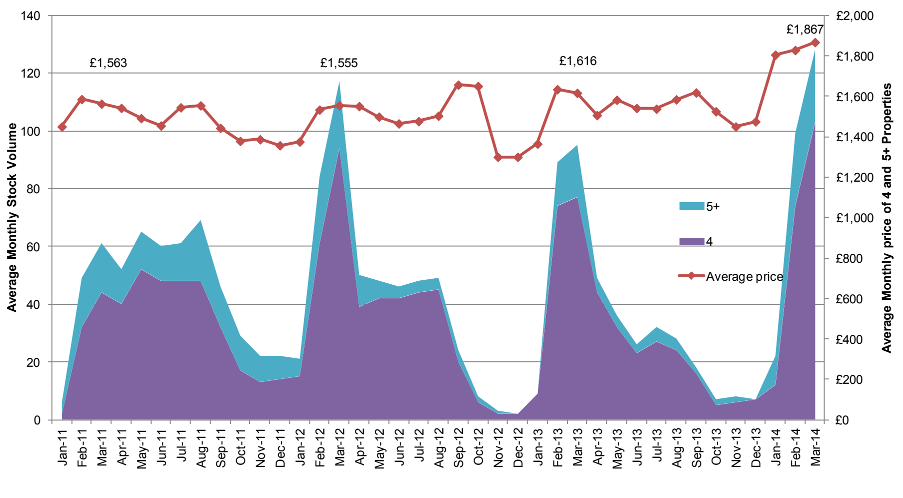
Students are typically shorter term renters. Looking for one year, perhaps two years, they are less demanding with regards to standard of accommodation and instead they are driven by location and size of property. Savvy landlords looking to maximising yields can limit their investment by furnishing their student property more sparsely and to a lesser standard and so could realise the same if not higher rental income whilst limiting ongoing maintenance costs. Managing student tenants comes with its own challenges but as a purely investment decision it seems to be producing first class performance.

Percentage of 4+ Bedroom stock in Edinburgh




Source: OptiletPro

Property Composition & Av. prices for 4/5+ bed properties in Marchmont/Bruntsfield




Source: OptiletPro

# 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 April 2014. 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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