

# Trends in Scottish Residential Lettings

Rents for residential property in Scotland declined for the second consecutive quarter and are now 3.3% lower than in Q2 2008. High stock levels saw increased competition for tenants amongst landlords prompting further reductions in rents but properties remained slow to let - taking on average 14 days longer to let than a year ago.

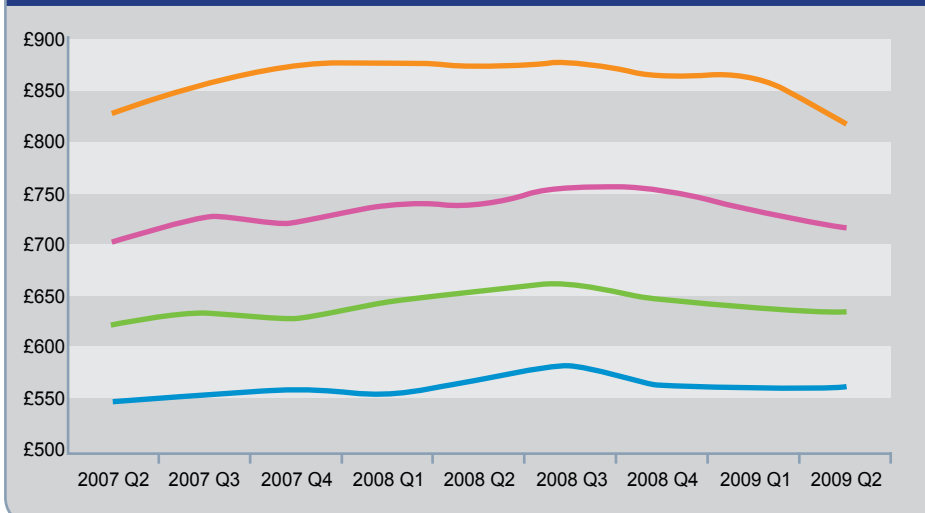
During the quarter the rate of decline in rents accelerated as the quantity of available rental property took hold. The fall in rents has been widespread but not universal. In most regions rents for 1&2 bed flats are lower than at the same time last year but rents for larger flats in Edinburgh (3-5 beds) and Glasgow (3-4 beds) have remained stable.

With tenants shopping around for the best properties, the average time to let has remained high despite the seasonal increase in lettings activity. Although as many properties let in under a month as did in Q2 2008, the number of those that have taken longer to secure a tenant has doubled and accordingly averages have increased.

The growth in stocks has slowed considerably over the quarter at less than half that seen in Q1. Stock levels peaked in mid-May and have declined, albeit marginally, throughout June but as yet there is little evidence to suggest a recovery is imminent in the Scottish rental market with the high availability of rental property likely to continue to depress rents- particularly 1&2 bed flats.

**Trends in Scottish Rents**  
Q2 2007 - Q2 2009

— Aberdeen — Glasgow  
— Edinburgh — Average all Scotland



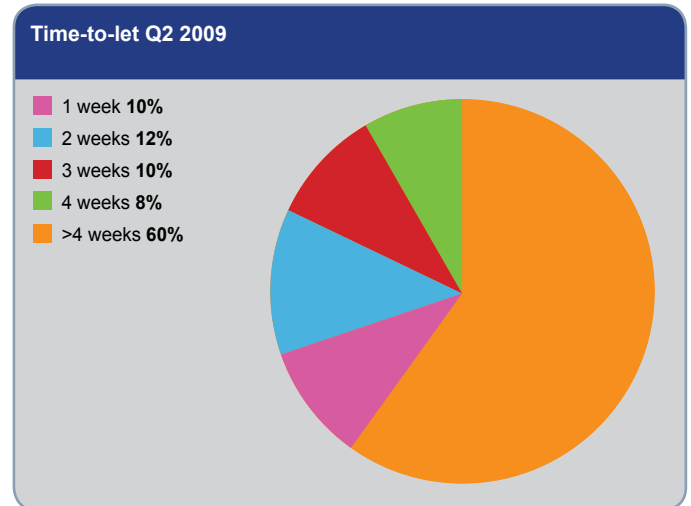
Clear downtrends in average rents are evident in Edinburgh (£716) and Aberdeen (£815). Average rents in Glasgow (£563) are also trending lower but at a gentler rate of decline. The average rent in Scotland is now £634.

## Index of Scottish Rents

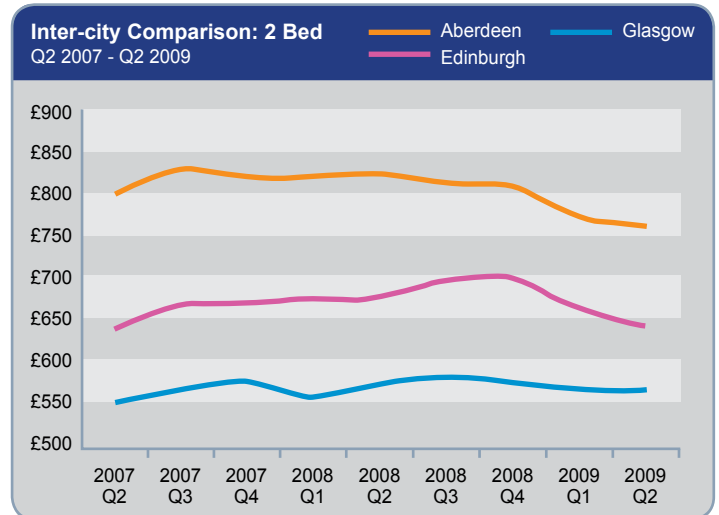
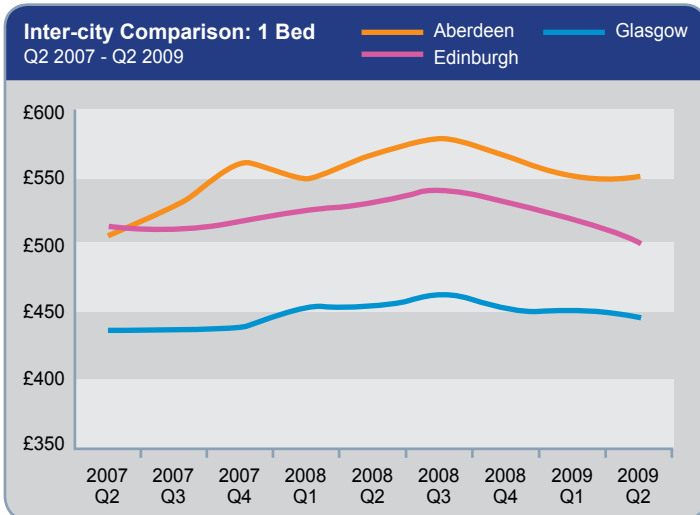
Scottish Rental Index					
Base: Jan 2006 = 100					
Month	2005	2006	2007	2008	2009
January	97.5	100.0	102.0	106.1	105.2
February	100.8	101.7	103.1	107.8	105.6
March	101.7	103.6	105.2	108.5	107.5
April	100.9	104.4	106.6	110.4	104.6
May	101.8	106.3	103.5	109.1	107.1
June	103.3	104.0	104.3	109.5	106.3
July	103.2	103.7	105.4	111.7	
August	101.8	104.3	106.1	109.6	
September	103.3	106.9	106.7	110.9	
October	101.2	105.3	105.3	110.3	
November	101.6	102.4	104.7	106.6	
December	101.2	100.0	106.5	105.7	

The index is down 3.3% on the second quarter of 2008 dragged lower primarily by 1&2 bed flats. Rents for larger properties remain broadly similar to last year.

## Time-to-let



40% of all properties let within a month with the average time-to-let 45 days. In Edinburgh, student demand saw 44% of 4 and 5 bedroom flats let in less than two weeks and for rents fractionally higher than a year ago.



**1 Bed comparison**

City	Average Rent Q2 2009	Growth Q2 2008-Q2 2009	Average TTL (days) Q2 2009	Let within a week	Let within a month
Edinburgh	£503	-5.1%	38	12%	48%
Glasgow	£447	-1.3%	44	9%	40%
Aberdeen	£549	-3.2%	30	19%	57%

TTL averages show modest improvements on Q1'09 but all are considerably higher than in Q2'08.

**2 Bed comparison**

City	Average Rent Q2 2009	Growth Q2 2008-Q2 2009	Average TTL (days) Q2 2009	Let within a week	Let within a month
Edinburgh	£645	-4.7%	43	11%	41%
Glasgow	£571	-0.9%	46	9%	39%
Aberdeen	£764	-7.1%	41	12%	47%

One bed flats in **Edinburgh** took almost twice as long to let in Q2'09 than Q2'08 (38 vs 20 days) and rents fell 5.1% to average £503. Two bed flats fared little better with rents down 4.7% (£645) and time-to-let (TTL) averages lengthening by 17 days. Probably as a consequence of increasing numbers of new build apartments, rents for 1&2 bed flats in Leith (EH6) were hardest hit - down 10% to average £470 and £603.

In **Glasgow**, rents for one and two bed flats inched lower recording falls of 1.3% and 0.9% to average £447 and £571 respectively. One bed flats in Dennistoun (G31), popular this time last year, have seen some of the steepest falls with rents down 5.9% (to £380) and average TTLs lengthening to almost two months. Given that both 1&2 bed flats in **Glasgow** took on average two weeks longer to let than in Q2'08 it is surprising rents have not declined by more.

Maintaining the pattern of the last few years, one bed flats in **Aberdeen** let more quickly than those in other major cities but even they experienced a noticeable slowdown accompanied by a decline in rents - down 3.2% to average £549. Rents for two bed flats are down more sharply, falling 7.1% to average £764 - levels last seen in 2006.

# Rent Guide.

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

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

Edinburgh						
Postcode	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	TTL
EH1	£530	£730	£1,054	£1,530	£1,759	38
EH2	£601	£816				34
EH3	£567	£771	£1,127	£1,397	£1,861	40
EH4	£552	£675	£881	£1,330		46
EH5	£514	£594		£1,115		50
EH6	£480	£615	£840	£1,087		49
EH7	£494	£646	£868	£1,206	£1,513	46
EH8	£507	£638	£975	£1,279	£1,758	36
EH9	£522	£700	£998	£1,394	£1,625	27
EH10	£539	£702	£984	£1,323	£1,708	36
EH11	£477	£615	£824	£1,181		41
EH12	£523	£665	£959	£1,280	£1,618	47
All Edinburgh	£510	£654	£943	£1,313	£1,677	42

Glasgow					
Postcode	1 Bed	2 Bed	3 Bed	4 Bed	TTL
G1	£520	£675	£895		47
G2	£521	£668			38
G3	£519	£698	£958	£1,164	39
G4	£505	£597	£840	£1,104	38
G5	£492	£554	£686		46
G11	£474	£653	£890		46
G12	£538	£702	£1,002	£1,225	42
G20	£466	£558	£696		46
G31	£383	£499	£586		52
G32	£379	£473	£579		49
G40	£397	£502	£612		51
G41	£441	£539	£700		47
G42	£394	£503	£577		49
G44	£398	£516	£565		47
G51	£367	£476	£544		61
All Glasgow	£449	£571	£721	£994	47

Aberdeen					
Postcode	1 Bed	2 Bed	3 Bed	4 Bed	TTL
AB10	£583	£791	£1,108		42
AB11	£516	£770	£1,063		37
AB15	£665	£878	£1,304	£1,845	54
AB24	£534	£713	£980		34
AB25	£545	£736	£1,107		37
All Aberdeen	£551	£767	£1,101	£1,701	40

(Avg: 2009 H1)

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## Methodology

The statistics are based on rental properties advertised on Citylets. Rather than employ snapshot sampling our observations are recorded when a property is removed from the site as let. We believe such transaction-based observations provide a better reflection of the market.

The data is manually cleansed to remove multiple entries and other anomalies.

The cleansing process continues to guide refinements to data recording.

Averages are calculated on a monthly or quarterly basis as weighted (mix-adjusted) means.

Indices are constructed holding composition (property type and number of bedrooms) fixed at the average of the last three years. This ensures that changes in the index reflect rent changes and not changes in composition, which are likely to occur seasonally.

## Acknowledgments

Dominic McKeith  
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Founded in 1999, Citylets is Scotland's original residential lettings portal & network advertising c40 000 properties per year on behalf of over 250 Scottish letting agents. Citylets Network is an exclusive group of sites for property to rent including s1homes. Privately owned, Citylets is fully independent of any estate / letting agent group, media or financial organisation and is managed by its founding team in the West end of Edinburgh.

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