

Zero Sum Game



- Market Overview ■ National Trends
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Market Overview

Another quarter passes, filled with more seismic political shifts such as the triggering of Brexit and a Scottish Government backed request for a 2nd referendum. Yet the Scottish PRS continues on its set path.

The ongoing struggle for growth at the National level between falls in Aberdeen and rises in the central belt played out as an (almost) zero sum game in Q1 2017 with 0.1% recorded. Our view that rents in Aberdeen would fall to national average, as stated last quarter, has come to pass with average rents for the granite city and the country as a whole now both at precisely £768 per month.

The slight seasonal cooling observed in some central belt markets last quarter drove national annual growth mildly negative, however growth for Edinburgh and Glasgow as a whole has returned to 4-5% albeit slightly down on the 5-7% range of recent times and perhaps representing the new growth level.

Negative annual growth in Aberdeen

eased further to minus 11.2% at £768 per month in Q1 2017 with Time To Lets (TTL) virtually unchanged on last year at 54 days on average. With 3 consecutive improvements in annualised growth, current trajectory should see rents fully level off by the

than Glasgow, a traditionally social rent market.

On current trend, Glasgow will overtake Aberdeen next quarter with just £28 per month separating them at present. Average rents in Glasgow are now at £740 per month representing an all time high for the city and growth of 4.2% over the last year. TTLs for the city are broadly the same as Q1 2016 averaging 30 days for the city as a whole.

Meanwhile rents in Edinburgh have, as expected, broken back through the £1000 mark and reached a new high of £1023 per month, up 5.2% on last year and slightly below the 3 & 5 year trend of circa 6%. The busy student season saw the large 3 & 4 bed properties record noteworthy TTL figures with 38% of 4 beds let within a week and 83% within a month, figures underlining the frenetic experience for those involved.

Average rents in Dundee rose on last quarter but sit down slightly YOY at minus 1.6%, £610 per month on average. As per Q4 2016, TTLs were again down 4 days over the year at 48 days. West Lothian again posted strong growth at 5.3% YOY to stand at £656 per month and now represents one of the most consistent risers in the country.

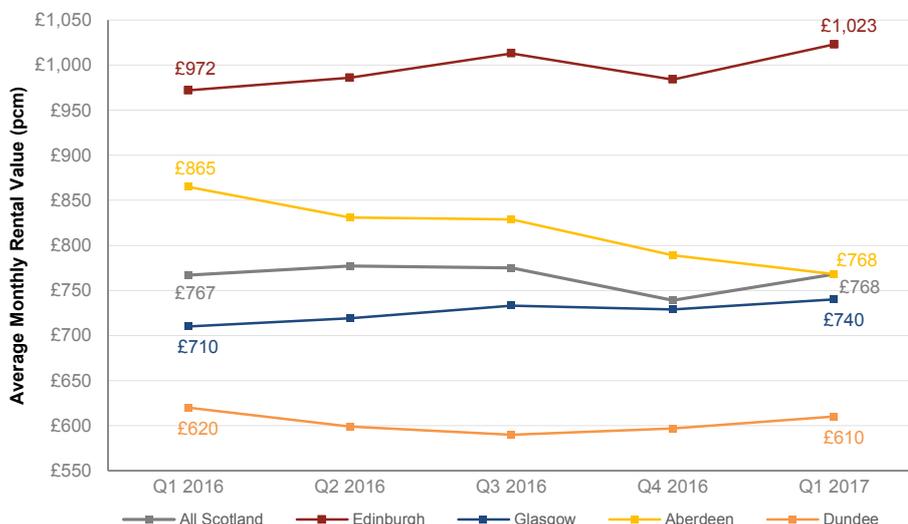
With changes to the legislative and tax frameworks for landlords operating in the Scottish PRS now becoming a reality, it remains to be seen whether there will be any material net change to supply of properties in the market. However, it remains fairly certain that in Scotland's major conurbations it will remain a landlords market for the foreseeable.

- **Aberdeen market continues to level out**
- **Strong growth returns to central belt**
- **Zero sum game at National level with 0.1% YOY growth**
- **New record for Edinburgh rents at £1023**
- **West Lothian continues sharp rise at 5.3% YOY**



end of the year. Whilst this is good news for Aberdeen landlords, it is noteworthy that it is almost certain it will leave the granite city a less expensive place to rent in the PRS

Scottish Monthly Rent Analysis (Q1 2016-Q1 2017)

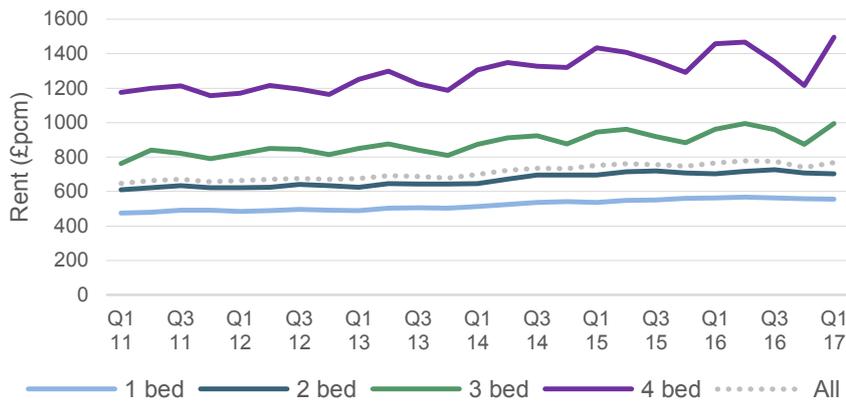


Scotland

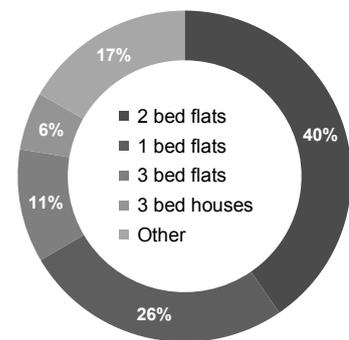
Market Overview - Q1 17

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	£557	-0.9%	8.4%	14.6%	33	2	19%	56%
2 bed	£703	-0.1%	8.7%	13.0%	39	2	14%	48%
3 bed	£994	3.3%	13.7%	21.4%	35	0	21%	56%
4 bed	£1,495	2.5%	14.5%	27.8%	32	-3	25%	62%
Total	£768	0.1%	9.9%	15.7%	36	1	17%	53%

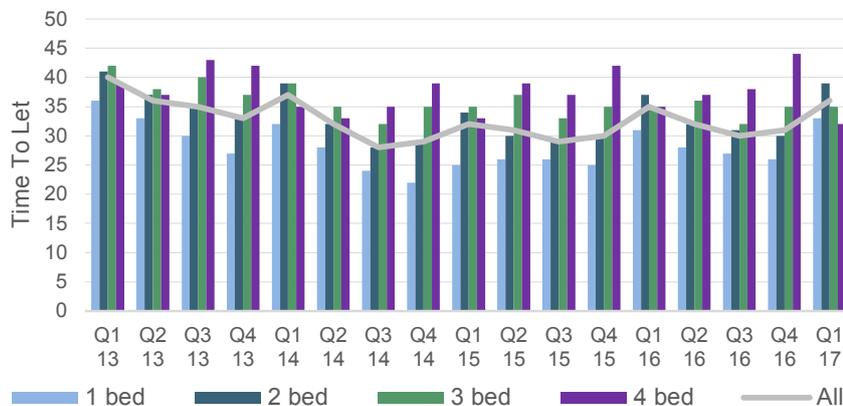
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms

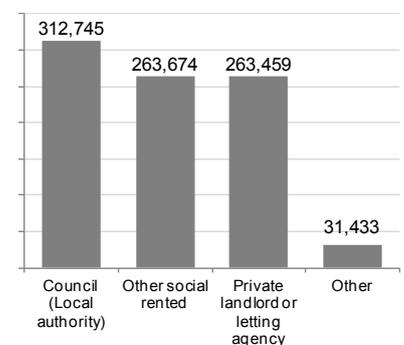


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.6	102.8	100.2
2009	98.8	98.1	99.2	97.7
2010	98.9	101.4	100.6	99.8
2011	100.3	102.8	103.9	101.7
2012	102.9	104.2	105.0	104.0
2013	104.7	107.4	106.5	105.1
2014	108.4	112.1	114.1	113.5
2015	116.4	118.1	117.4	115.7
2016	118.9	120.5	120.2	114.6
2017	119.1			

Households: Rented



Source: Census 2011, Edinburgh



Adrian Sangster - Aberdeen Considine

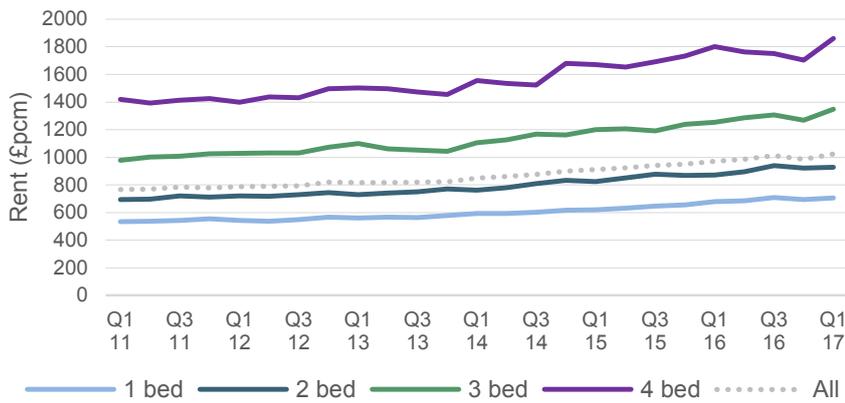
"It's been a promising start to 2017. Glasgow remains strong, especially in the West End where demand continues to outstrip supply. It's business as usual in Edinburgh with low time-to-let figures and rents remaining high. It'll be an interesting few years as we wait to see whether the 100's of new build-to-rent properties planned for the capital will be enough to cool its overheating rents. If not it's likely that some areas may experience being designated Scotland's first 'rent pressure zones'. The previous favourite for this dubious honour, Aberdeen, experienced a good start of the year with increased lets, and a feeling of positivity which has been missing for about 18 months. Our Perth office has also reported a busy qtr with particular demand for properties out-with the city centre."

Edinburgh

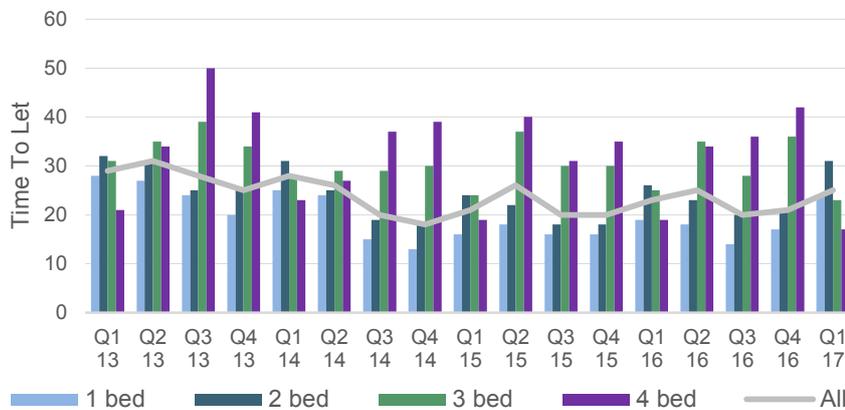
Market Overview - Q1 17

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	£705	4.0%	19.1%	29.6%	24	5	26%	69%
2 bed	£928	6.7%	21.8%	28.9%	31	5	17%	57%
3 bed	£1,347	7.4%	21.9%	31.0%	23	-2	33%	75%
4 bed	£1,861	3.4%	19.7%	33.0%	17	-2	38%	83%
Total	£1,023	5.2%	20.6%	29.8%	25	2	25%	67%

Average Rent (pcm) by Number of Bedrooms

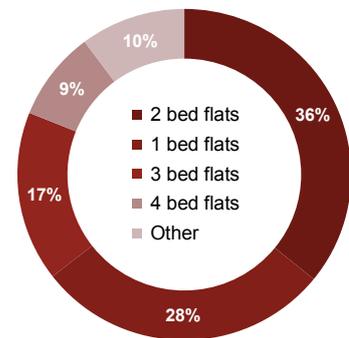


Average Time To Let (TTL) by Number of Bedrooms



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Market Composition

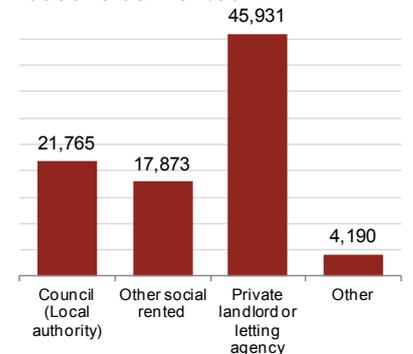


Rental Index

(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	127.2
2016	130.1	132.0	135.6	131.7
2017	136.9			

Households: Rented



Source: Census 2011, Edinburgh



Steven Currie - Murray & Currie

"The first quarter of 2017 has been very active. We have enjoyed high numbers of qualified applicants for apartments and houses who are keen to enjoy all the benefits of living in arguably Europe's most exciting city. The demand to be within striking distance of Edinburgh city centre is being fuelled by the constant media buzz of just how special a place Edinburgh is to live. The arts, music, theatre, sports complimented by a thriving café/bar culture is driving people to experience that healthy work/social balance that in our opinion Edinburgh excels in providing."

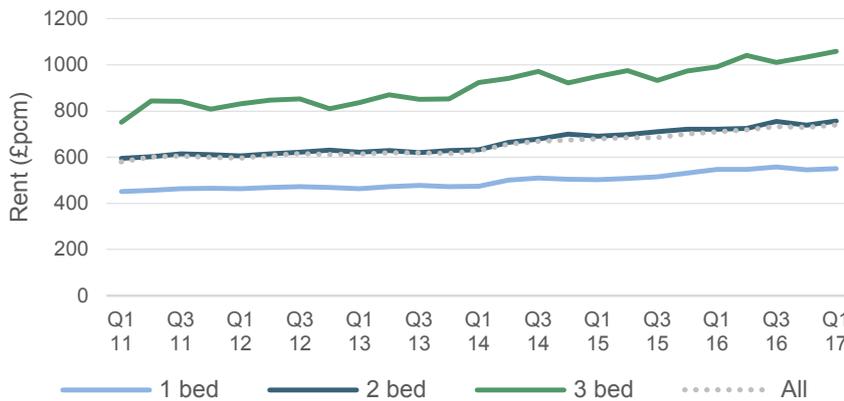


Glasgow

Market Overview - Q1 17

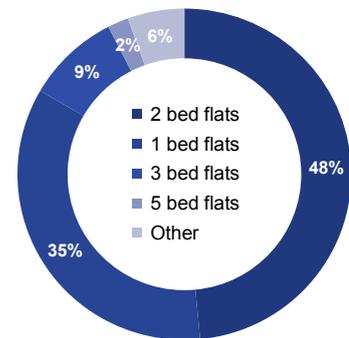
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£551	0.9%	16.2%	19.0%	25	-1	23%	65%
2 bed	£756	4.9%	19.6%	25.0%	32	2	17%	56%
3 bed	£1,059	6.9%	14.7%	27.3%	33	4	19%	54%
4 bed	£1,491	3.9%	12.9%	36.5%	37	2	27%	60%
Total	£740	4.2%	17.8%	24.2%	30	2	19%	60%

Average Rent (pcm) by Number of Bedrooms

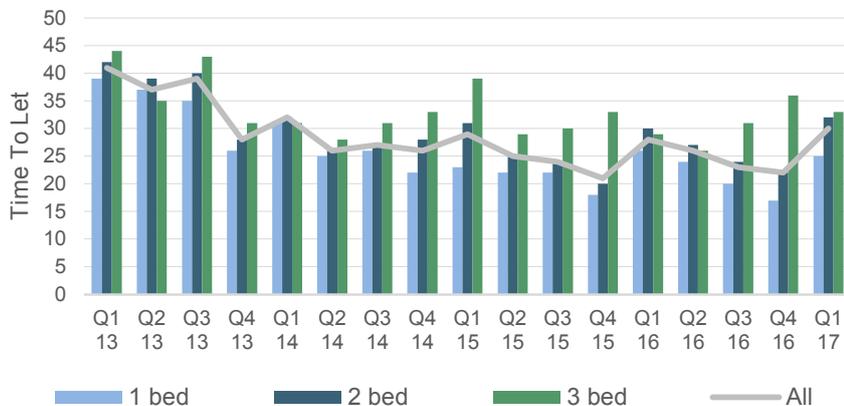


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Market Composition



Average Time To Let (TTL) by Number of Bedrooms

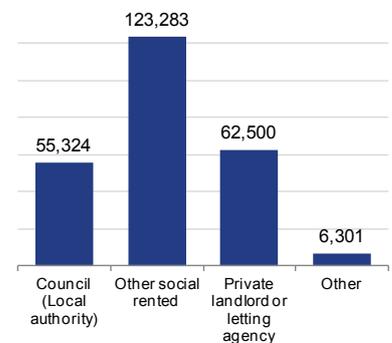


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	102.6	104.6	101.8
2009	102.3	101.4	103.0	100.7
2010	104.2	104.1	103.9	103.7
2011	102.3	106.0	106.7	105.6
2012	105.1	107.4	108.5	107.9
2013	108.1	109.0	109.0	108.5
2014	110.8	115.7	118.0	118.7
2015	119.8	120.8	120.6	123.6
2016	125.2	126.8	129.3	128.6
2017	130.5			

Households: Rented



Source: Census 2011, Greater Glasgow



Fiona Hindshaw - Clyde Property

"Q1 of 2017 has seen Glasgow's buoyant rental market off to a flying start. High demand for quality rental homes across the city has seen increased competition from tenant applicants and a number of rental 'closing dates' set within Clyde offices where tenant interest for some properties has reached new heights. Areas such as Glasgow's vibrant West End are seeing record rental and sales values achieved so far in 2017 with Shawlands also riding the crest of this wave of strong market activity. More encouragingly, new landlords are still entering the market in strong numbers as property remains a sound investment, if made in the right location."

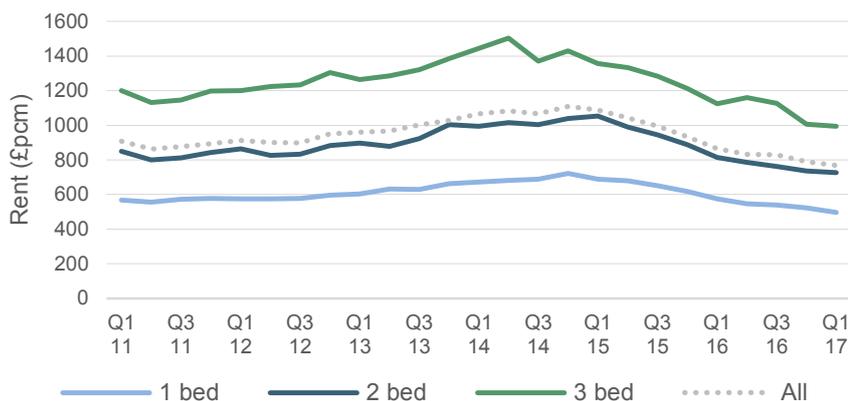


Aberdeen

Market Overview - Q1 17

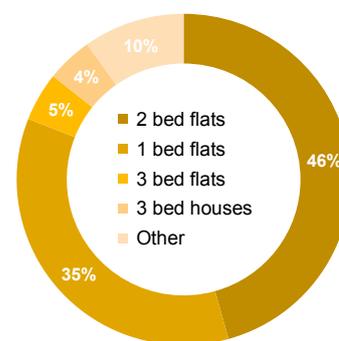
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£498	-13.2%	-26.0%	-13.2%	50	4	10%	38%
2 bed	£727	-10.7%	-26.9%	-15.9%	56	-1	9%	30%
3 bed	£995	-11.6%	-31.1%	-17.1%	60	9	8%	27%
4 bed	£1,459	-12.6%	-32.4%	-11.9%	58	-5	5%	33%
Total	£768	-11.2%	-28.0%	-15.9%	54	1	9%	33%

Average Rent (pcm) by Number of Bedrooms

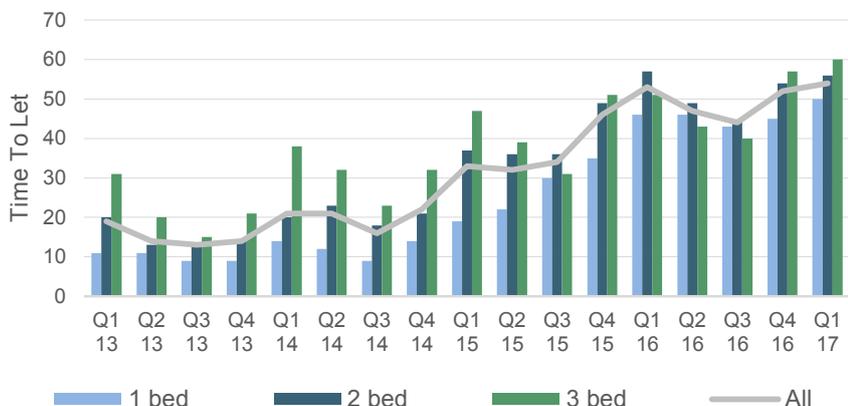


CITY INFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

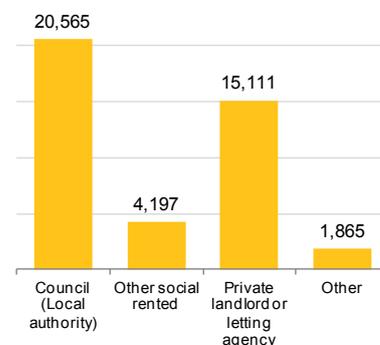


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.5	100.7	98.8
2009	97.1	94.6	93.8	96.8
2010	96.9	96.5	96.3	98.3
2011	102.5	97.4	99.2	101.0
2012	103.2	101.8	101.6	107.3
2013	108.6	109.3	113.2	116.2
2014	120.5	122.5	120.6	125.4
2015	123.1	117.9	112.4	105.5
2016	97.7	93.9	93.7	89.2
2017	86.8			

Households: Rented



Source: Census 2011, Aberdeen



Sarah Harley - Margaret Duffus Leasing

"Confidence in the market is building as talk of increased activity in the Aberdeen area circulates. The total property stock is not going down yet so rents are still very flexible, but sensibly priced, good quality properties in popular areas can move quickly. Talk of Brexit, 'Scoxit' and general political uncertainty doesn't help, but in the Granite City its oil price stability that is key to future investment in the area and ultimately drives property demand."

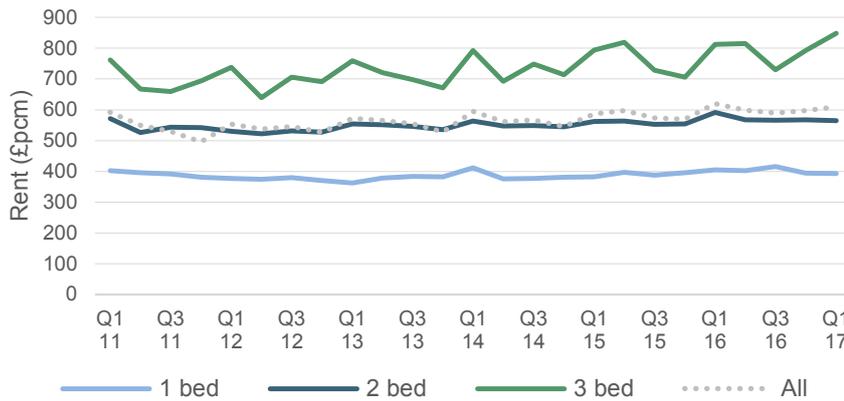


Dundee

Market Overview - Q1 17

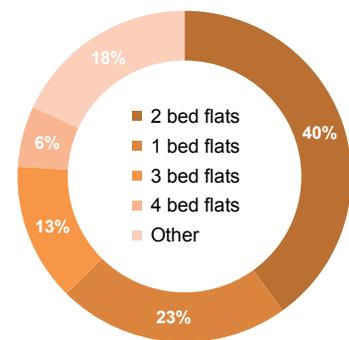
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£393	-3.0%	-4.6%	4.2%	53	21	11%	31%
2 bed	£565	-4.4%	0.2%	6.6%	48	-9	9%	42%
3 bed	£848	4.3%	7.1%	14.9%	49	-13	11%	31%
4 bed	£1,190	-0.9%	7.0%	17.6%	38	-8	13%	45%
Total	£610	-1.6%	2.5%	10.1%	48	-4	10%	37%

Average Rent (pcm) by Number of Bedrooms

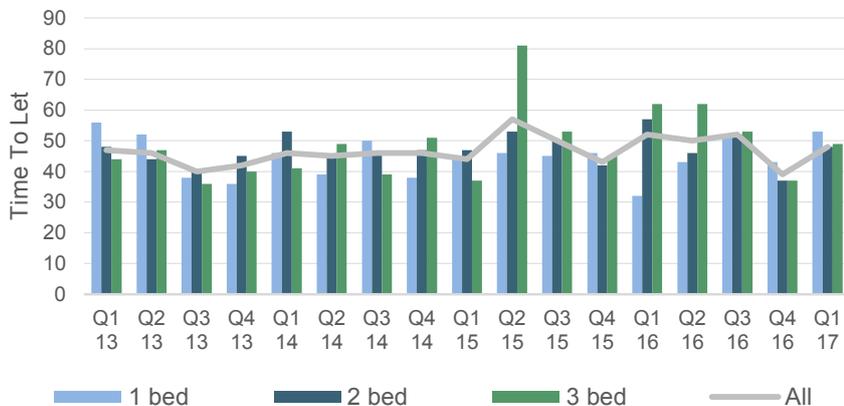


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Market Composition



Average Time To Let (TTL) by Number of Bedrooms

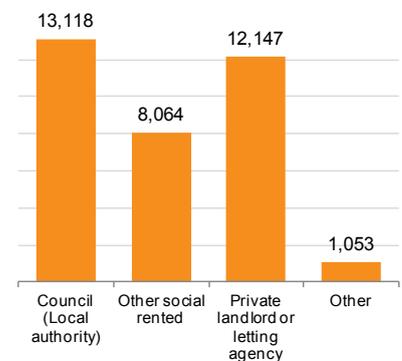


Rental Index

(base: Q1 10)

Year	Q1	Q2	Q3	Q4
2010	100.0	94.3	94.3	93.4
2011	102.8	95.5	91.8	86.1
2012	96.2	93.2	94.6	91.5
2013	99.3	98.1	96.4	91.7
2014	103.3	97.4	98.4	94.6
2015	101.9	103.8	99.7	99.0
2016	107.6	104.0	102.4	103.6
2017	105.9			

Households: Rented



Source: Census 2011, Dundee



Robert Murray - Lickley Proctor Lettings

"In the first quarter of 2017 Lickley Proctor Lettings have noticed there has been more interest from prospective tenants in those properties which are in recognised good residential areas and at the higher end of the market. It has been encouraging that there have been a few portfolios of rental properties sold recently which have been readily purchased by investors and we have also taken enquiries from new landlords which indicates that Dundee is still regarded as a good market for investing in the Private Rental Sector."

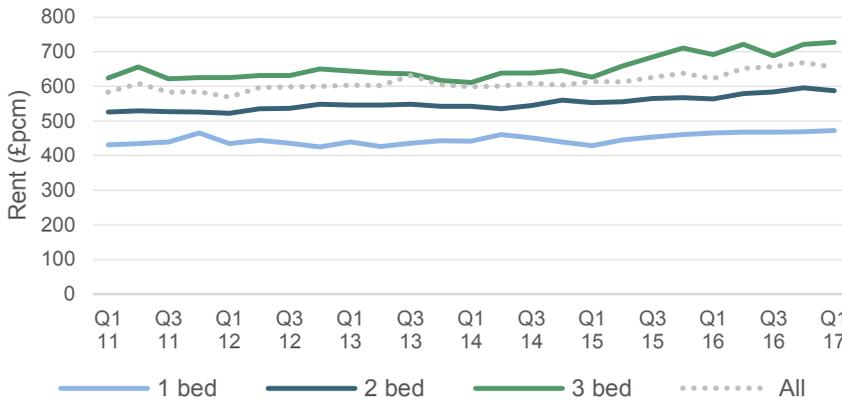


West Lothian

Market Overview - Q1 17

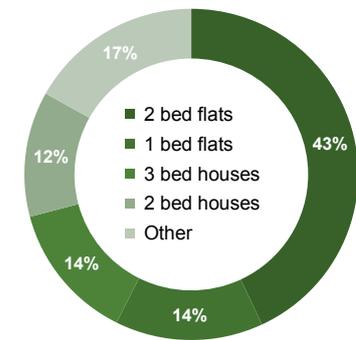
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£473	1.5%	7.0%	8.7%	44	4	19%	33%
2 bed	£588	4.3%	8.5%	12.6%	38	-2	12%	54%
3 bed	£727	5.1%	19.0%	16.3%	39	-1	13%	45%
4 bed	£942	7.7%	4.9%	16.4%	58	12	0%	30%
Total	£656	5.3%	9.5%	15.3%	43	3	13%	46%

Average Rent (pcm) by Number of Bedrooms

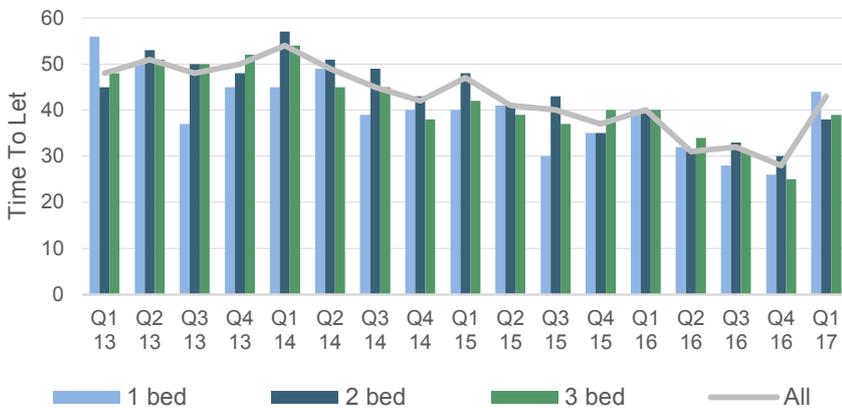


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Market Composition



Average Time To Let (TTL) by Number of Bedrooms

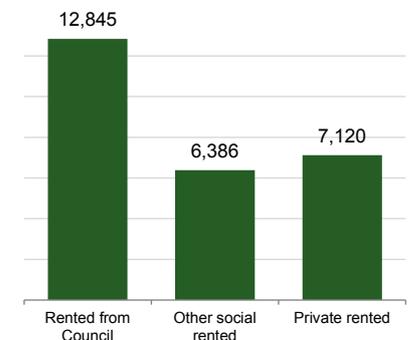


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.4	104.8	101.2
2009	101.9	98.4	100.5	99.7
2010	100.9	100.2	100.2	100.3
2011	100.7	104.8	100.5	100.9
2012	98.1	102.8	103.3	103.4
2013	104.1	103.8	108.8	104.3
2014	103.3	103.6	105.2	104.1
2015	105.9	105.7	107.9	110.0
2016	107.4	112.4	113.3	115.3
2017	113.1			

Households: Rented



Source: Census 2011, West Lothian



Brian Callaghan - Letting Solutions

"Most landlords are maintaining their commitment to the rental market, despite an increasing sense of incredulity among them about the anti-industry policies pursued by governments both sides of the border. With tenant demand at extraordinary levels, landlords with good properties are seeing that as a result they have a wide pool of potential tenants to choose from, and can look forward to rental income which will be steady, consistent and on a rising curve. The very small minority of landlords leaving the market are mostly those reaching retirement age, or with single buy to lets where viability is an issue."

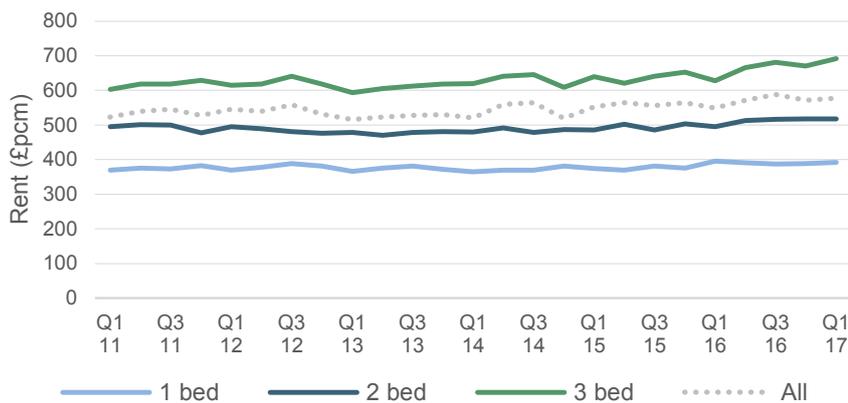


South Lanarkshire

Market Overview - Q1 17

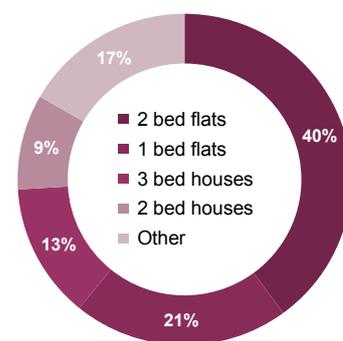
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£392	-1.0%	7.4%	5.9%	38	-6	15%	48%
2 bed	£518	4.6%	7.9%	4.6%	40	6	15%	45%
3 bed	£692	10.2%	11.8%	12.5%	40	-3	10%	51%
4 bed	£1,088	24.8%	30.3%	7.2%	52	4	29%	43%
Total	£577	5.1%	10.7%	5.7%	40	1	15%	46%

Average Rent (pcm) by Number of Bedrooms

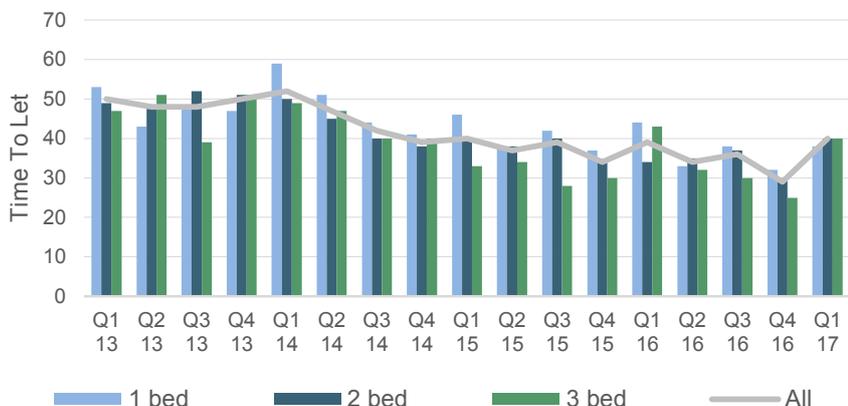


CITYINFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

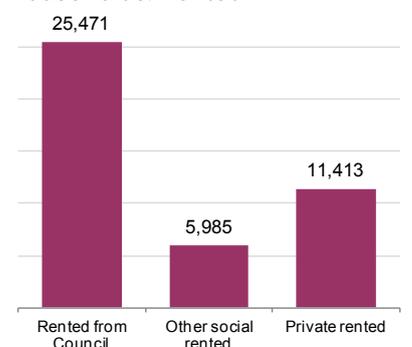


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.3	101.3	102.4
2009	103.3	96.7	95.6	103.3
2010	104.1	99.4	99.8	104.8
2011	96.3	99.4	100.4	97.2
2012	100.6	99.3	102.9	97.8
2013	95.0	96.3	97.2	97.6
2014	95.9	103.1	104.1	95.6
2015	101.8	104.1	102.4	104.1
2016	101.1	105.3	108.3	105.3
2017	106.3			

Households: Rented



Source: Census 2011, South Lanarkshire



David Kendall - Let's Make Homes

"A more buoyant sales market, particularly of larger properties, has had a significant effect on the rental market as supply has decreased significantly because owners of these properties now have the opportunity to sell quick. Consequently accidental landlords are leaving the market while new/expanding landlords are generally purchasing smaller properties. The net result is that rental prices are increasing, especially for larger properties, with short marketing times and hardly any voids. The opening of the Raith underpass and the 'missing section' of the M8 continue to improve accessibility and decrease travelling times to the Lanarkshire area."

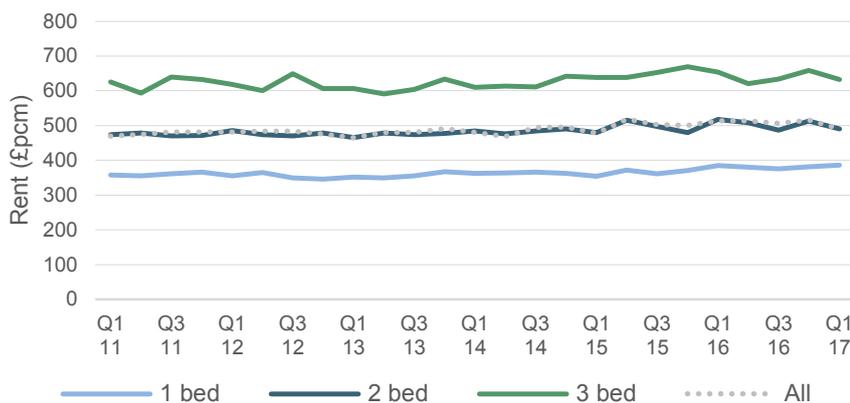


Renfrewshire

Market Overview - Q1 17

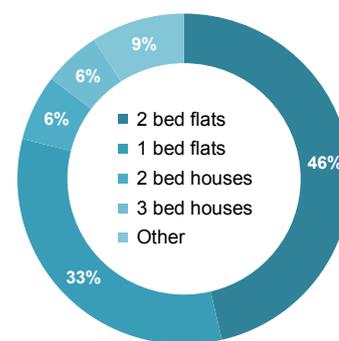
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£386	0.3%	6.3%	8.7%	45	7	13%	40%
2 bed	£491	-5.2%	1.2%	1.0%	42	2	13%	46%
3 bed	£633	-3.2%	3.8%	2.4%	40	11	9%	53%
4 bed	£1,008	35.8%	5.7%	13.6%	32	5	0%	50%
Total	£491	-4.3%	2.3%	1.9%	43	4	13%	45%

Average Rent (pcm) by Number of Bedrooms

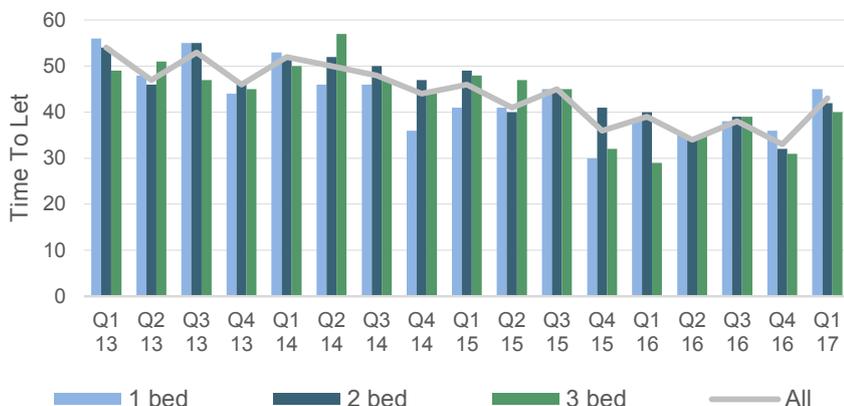


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Market Composition



Average Time To Let (TTL) by Number of Bedrooms

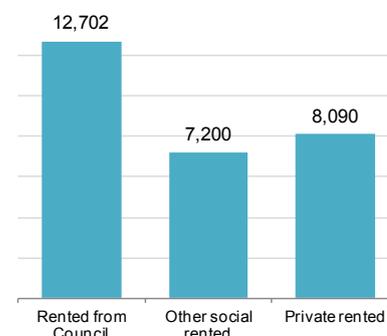


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.8	104.0	100.0
2009	98.7	99.0	96.2	96.2
2010	104.6	96.6	101.9	100.0
2011	98.5	99.4	101.0	100.8
2012	101.0	101.5	101.5	99.8
2013	97.5	100.6	100.6	102.9
2014	100.6	98.1	103.8	104.0
2015	100.2	108.6	105.5	104.8
2016	107.5	107.5	106.1	108.2
2017	102.9			

Households: Rented



Source: Census 2011, Renfrewshire



Colin Roe - Let It

"The first Quarter of 2017 has seen a considerable boost in tenants from last year up a staggering 30% in Renfrewshire. This seems to be driven by a more buoyant sales market allowing tenants to move on and free up stock. Landlords are still opting to sell properties in some cases where concern for the sector is growing pending the implementation of the new PRT in December. Only time will tell what the full effects will look like but having recently attended the Propertymark conference in Glasgow the new PRT is definitely not favourable to potential (or existing) landlords, make no mistake."



Agent Views

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

Contempo Lettings, Aberdeen – Judith Ritchie



"We have seen a very busy start to the year for Q1 which is encouraging. Demand is up and, whilst rent values are still low, I think we can look forward to an improvement in the market as we head towards the end of this year. As we enter the summer months we will look forward to another large student influx which will boost times to let across the board."

Northwood, Aberdeen – Matt Pullinger



"Q1 has seen a mixed start to the year in Aberdeen. We have seen pockets of the market where demand outstrips supply and there has been good movement, and other pockets that continue to see increased time to lets and lower rental values than in previous years."

Overall there are signs of stabilisation which is positive news for the market. Meanwhile, Northwood have been proactive to ensure all is in order for the pending regulation of the sector in early 2018. All agents will be required to complete a registration process as well as complying with a new code of conduct."

Be-Home Group, Glasgow – Graeme McEwan



"As we near the end of Q1 2017 it is clear that Glasgow rentals have struggled a little since the beginning of the year. However, client yields are holding up well at close to 5%, which compares strongly to other parts of the UK. In anticipation, we diverted some clients towards serviced apartments as opposed to traditional renting which has proven to be especially successful so far. Overall though the result is that the rental market continues to attract quality investment into a robust property market."

Umega Lettings, Edinburgh – Judy Shields



"Q1 2017 has been very interesting, with a really strong start. Properties being brought to the market are letting quickly, illustrated by a number of new releases at Quatermile letting before we were able to advertise due to high tenant demand. New landlords seem to have accepted the various legislative and tax changes"

enforced on them albeit the first blow of the tax changes won't be felt until landlords submit their tax returns in Jan 2018. Umega's investor database has had a sprint start to the year, with us snapping up both on- and off-market properties, indicating that people still see bricks and mortar as the best place to put their money, even with all the recent changes."

Braemore, Edinburgh – Ian Lawson



"We continue to witness no significant signals of Brexit impacting the lettings and sales market in Edinburgh. Despite seeing a dramatic downturn in sales in London over recent months, Edinburgh has seen more residential sales in 2016 than any other year since 2007. Rental demand is at record levels, and much of this can be put down to a strong insular market backed by a thriving economy built around industries that in turn depend on the highest educated population of any city in the UK. Investors are now realising that the perceived uncertainty of last year's market was unfounded and their investment models and ROI have gathered pace once again."



Agent Views cont...

The Key Place, Bo'ness – Linda Bendle



"The Key Place continues to experience high demand across all the areas in which we operate from viewers, landlords and buy to let investors. Looking specifically at the Falkirk area, average rents remain strong, with 1 bedroom at £375, 2 bedrooms £498, and 3 bedrooms £615. Average monthly yields sit at around 7%. The majority of our properties let within a month, with 1 and 2 bedroom properties being the most popular. We predict rents and tenant demand will continue to increase for the foreseeable future due to the lack of new homes being built, the ageing population, an increase in the number of people living alone, relocation and net migration."

ESPC Lettings, Edinburgh – Nicky Lloyd



"As Q1 draws to a close it's fair to say it's been a modest start to the year. Financial and political changes still weigh heavily over us, which has led to a fairly static rental market. For potential BTL investors there has been relatively little in the way of new stock coming to the market resulting in an increase in purchase price with over 60% of properties going over Home Report valuation. We have found that rent levels are starting to level off from the peaks experienced last year, and that tenants are more discerning about the property they want and the rent they expect to pay. With more people looking to invest in property will this mean tenants will have more options than ever? It's certainly set to be an interesting Q2."

Clan Gordon, Edinburgh – Jonathan Gordon



"The Edinburgh lettings market has seen a strong start to 2017, with tenant demand continuing to outstrip supply, especially for one and two bedroom flats. With rents continuing to rise, tenants are increasingly looking for quality properties; those that have recently been refurbished are achieving the highest level of interest and applications. This trend extends to the student market, where applicants are willing to pay premium rents for high spec HMO properties, but are finding there are few quality options available. The lack of quality stock looks set to continue as investors struggle to compete with first time buyers for investment opportunities."

Glasgow Property Letting, Glasgow – Colin Macmillan



"The first quarter of 2017 has been and gone and as we enter the spring market we have seen sustained growth in the Greater Glasgow area with new business opportunities throughout the region. We have found that quality properties in the most popular areas have been very quick to move in the PRS and that instructions are increasing. We are finding that many private landlords have instructed us having been overawed by all the compliance issues now in force. With less than a year to go before we find the lettings industry having to be regulated (by the 31st Jan 2018) we are taking the necessary steps to become a registered agent and see this as a huge opportunity to build our business as non-regulated agents will be forced to find an exit strategy and this will hopefully enable diligent agencies to build their portfolios."

Ben Property, Edinburgh – Jamie Kerr



"The first quarter of 2017 has seen a very busy period for us and we expect this to continue well into quarter two as well. Investors are still coming to the marketplace and with time to lets improving month on month and rents strengthening we see this as a good sign for the sector."

Have Your Say!

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

Postcode & Towns - Average Rents & TTL - Q1 17

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	£747	(20)	£1,071	(34)	£1,463	(20)
EH3	£844	(24)	£1,195	(36)	£1,447	(28)
EH4	£788	(28)	£901	(34)	£1,253	(40)
EH5	£587	(28)	£787	(31)	£1,026	(30)
EH6	£644	(22)	£815	(24)	£1,083	(26)
EH7	£656	(20)	£870	(29)	£1,246	(23)
EH8	£658	(22)	£895	(22)	£1,400	(17)
EH9	£700	(23)	£944	(26)	£1,420	(14)
EH10	£714	(34)	£960	(30)	£1,384	(21)
EH11	£641	(25)	£820	(28)	£1,205	(15)
EH12	£688	(33)	£938	(34)	£1,315	(35)
EH13			£705	(42)		
EH14	£611	(29)	£778	(25)	£1,044	(29)
EH15			£727	(29)		
EH16	£614	(27)	£762	(29)	£1,253	(26)
EH17			£716	(32)		
EH19			£675	(29)		
EH21	£580	(14)	£677	(24)		
EH22			£637	(31)		
EH29			£631	(26)		
EH30			£681	(37)		
EH47			£533	(57)		
EH48			£584	(33)		
EH49	£482	(48)	£615	(32)		
EH51			£481	(38)		
EH54			£614	(55)	£689	(28)

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£502	(52)	£727	(62)	£967	(57)
AB11	£489	(55)	£688	(57)	£908	(60)
AB12			£701	(52)	£814	(71)
AB15	£616	(55)	£866	(50)	£1,120	(54)
AB16			£587	(63)		
AB21	£643	(37)	£771	(51)		
AB22			£706	(49)		
AB23			£654	(44)		
AB24	£484	(48)	£699	(54)	£993	(41)
AB25	£485	(56)	£694	(53)		
AB32			£696	(67)		
AB41			£635	(60)		
AB51			£698	(57)	£829	(69)

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£415	(41)	£628	(40)	£894	(50)
DD2	£394	(58)	£576	(50)	£936	(63)
DD3	£360	(58)	£500	(47)	£724	(52)
DD4	£384	(54)	£489	(46)	£720	(60)
DD8			£509	(49)		
DD11	£357	(40)	£527	(63)		

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£651	(18)	£949	(25)		
G2	£661	(25)	£1,012	(33)		
G3	£615	(21)	£951	(33)	£1,241	(29)
G4	£620	(21)	£793	(26)		
G5	£572	(18)	£707	(27)		
G11	£595	(23)	£826	(30)	£1,177	(29)
G12	£646	(27)	£963	(36)	£1,355	(23)
G13	£501	(19)	£614	(29)	£725	(40)
G14	£460	(31)	£555	(30)		
G20	£584	(24)	£708	(37)	£948	(22)
G21			£536	(27)		
G31	£455	(22)	£632	(26)		
G32	£407	(35)	£525	(40)		
G33			£562	(30)		
G40	£444	(19)	£535	(26)		
G41	£534	(22)	£664	(26)	£843	(39)
G42	£449	(30)	£606	(31)		
G43			£603	(34)		
G44	£478	(25)	£598	(37)		
G46			£681	(28)		
G51	£398	(27)	£549	(31)		
G66			£561	(35)		
G71			£595	(29)		
G72			£547	(33)		
G73	£427	(27)	£542	(42)	£557	(52)
G74	£405	(21)	£538	(34)	£738	(28)
G75	£393	(39)	£469	(32)	£677	(41)
G77			£677	(54)		
G81	£460	(34)	£519	(32)		
G84			£518	(43)		

Towns - £pcm (TTL days)

Town	1 Bed		2 Bed		3 Bed	
Ayr	£397	(38)	£541	(48)		
Bathgate			£584	(34)		
Bo'ness			£481	(38)		
Dalkeith			£633	(31)		
Dunfermline	£415	(24)	£537	(35)	£654	(11)
East Kilbride	£387	(27)	£510	(33)	£709	(35)
Glenrothes			£479	(27)	£556	(33)
Hamilton	£385	(42)	£511	(47)	£624	(33)
Inverness	£519	(26)	£666	(25)	£832	(23)
Kilmarnock	£364	(63)	£462	(43)	£549	(68)
Kirkcaldy	£388	(58)	£500	(43)		
Linlithgow	£482	(48)	£615	(32)		
Livingston			£613	(49)	£693	(30)
Motherwell			£497	(40)		
Paisley	£383	(43)	£485	(43)	£611	(44)
Perth	£426	(38)	£563	(46)	£712	(30)
Stirling Town	£498	(18)	£669	(30)	£1,085	(17)
Troon			£517	(38)		

Mid Market Rent News

Expansion of mid-market portfolio proves to be the right decision

Avant Letting Services, a subsidiary of Clyde Valley Property Services (CVPS), is well on the way to completing 16 flats for mid-market rent at a former derelict site on Mavor Avenue, East Kilbride.

Part of a larger, mixed-tenure development of over 100 flats and houses, the mid-market properties are already proving to be in high demand, with a good response from people seeking to live there.

Designed for open-plan living, these one and two bedroom homes will be fitted out with blinds, carpets, modern kitchen with white goods and a fitted bathroom with shower, secure entrance and parking.

This development supplements Avant's growing portfolio of new, mid-market properties in sought after areas throughout Lanarkshire – in Motherwell, Uddingston and another established East Kilbride site.

Furthermore, CVPS has a joint venture partnership in place that has provided mid-market properties in Hamilton and Uddingston. This partnership complements one of the company's strategic business aims - generating new supply, high quality homes at an affordable rent and brings its mid-market offering to a total of 100.



Plans for a summer start for the former Aberdeen Summerhill Academy

Housing Developer Places for People and Aberdeen City Council are aiming to begin work at the former Summerhill Academy site on the Lang Stracht this June. The development forms part of the five year business plan, "Shaping Aberdeen Housing LLP" by the council and Places for People, which proposes to deliver up to 3,000 homes in Aberdeen.

The Summerhill project will consist of eight four story blocks of one, two and three bedroom flats for mid-market rental, providing 369 apartments altogether. 296 car parking spaces are also planned for the development as well as the possibility of a park.

Willie Young, Finance Convener and also a board member of Places for People, stated: "This is great news for the city of Aberdeen."

A member of Aberdeen City Council informed the Evening Express further about the plans: "Summerhill will be the first site developed among a number of affordable housing locations identified as part of the Shaping Aberdeen Housing LLP business plan, which was approved on March 15."

The project forms part of Places for People and Aberdeen City Council's plans to create five sites across the city, housing 1,000 new homes each which will all consist of a mix of mid-market rent, social rent, private sale and shared equity/low-cost home ownership. These sites are part of the council's broader Strategic Infrastructure Plan to provide up to 2,030 new homes in the city.



Five Things To Do Now To Prepare For Letting Agent Registration

SAL assists letting agents every step of the way

If you do letting agency work in Scotland you will soon be required to register with Scottish Ministers and abide by a statutory code of practice.

The register will be a list run by Scottish Ministers that will make sure every letting agent is suitable to do the job and has met minimum training requirements.

1. Attend a Scottish Government roadshow event to find out more:

The Scottish Government, together with the Scottish Association of Landlords (SAL), invites you to attend one of their awareness raising roadshow sessions taking place across Scotland. The events are aimed at letting agents to help them to get their businesses ready for registration. Attending is a great opportunity for agents to hear directly from the Scottish Government and ask questions.

The topics covered will be:

- Getting ready for registration
- Making sure your business is compliant with the Code of Practice
- Registration – qualification and training

There are sessions available in Aberdeen, Dundee, Edinburgh, Glasgow and Inverness with extra sessions being added to meet demand where the initial sessions

have become fully booked. Attendees will also hear from a representative of the SAL Council of Letting Agents (CLA) giving their views on what agents need to do and how the CLA can help them to be ready for registration.

These events are open to all. There is no need to be a member of any particular organisation in order to book, but booking in advance is essential. See all sessions online here.



2. Read the online letting agent guide:

The Scottish Government has published an online guide to the requirements which gives an overview of what agents will need to do in order to register and comply with the Code of Practice. The guide can be found at www.mygov.scot/letting-agent-registration.

3. Find out how the new rules will affect your business:

There is a legal definition of letting

agency work, you must consider this definition in deciding whether you need to register and comply with the Code. For a more detailed explanation and to view the legal definition, see section 61 of the Housing (Scotland) Act 2014.

4. Check who needs training and plan for this:

Landlord Accreditation Scotland (LAS), in partnership with the Chartered Institute of Housing (CIH), offers a professional development programme called LETWELL which has been created specifically for Scottish letting professionals. LETWELL, consisting of five dedicated training courses to assist completion of five units of learning and three written assessments, is one of the routes available on the market to gain the required qualification.

5. Attend The Agency Business conference 2017:

Find out all about registration and much more at this huge, dedicated trade show and conference on 18th May in Glasgow, proudly sponsored by Citylets. See more and book online here.

The SAL Council of Letting Agents is here to help every step of the way. Contact them for information on membership via info@scottishlandlords.com or call them on 0131 564 0100.

Build To Rent News

Large scale Build to Rent development coming to Edinburgh

Scotland's largest ever Build to Rent deal worth £215m has been secured and will bring hundreds of new homes to the capital. Property developer Moda Living in partnership with investment management company Apache Capital will deliver 525 new homes for rent. The construction of the new housing is due to start by end of the year, with the first phase aimed to be finished by December 2019 and the final completion date for the whole project is set for end of 2022.

The Build to Rent scheme will come with a gym, communal lounges, BBQ area, roof terraces and fully managed communal gardens with a public square.

The development will be erected in the Fountainbridge area on the residential site that was previously owned by Grosvenor. It will be located beside 25,000 sq. ft. of new build commercial space with bars, restaurants and shops.

There are already 250 homes constructed in this regeneration area, including affordable housing for the elderly, serviced apartments, two student residences (housing over 600 students), homes for sale and 46 private rented homes, with the latter being a part of this multimillion-pound deal.



Glasgow planned for Get Living's first residential investment outside London

The former operator of the Athletes' Village of the London 2012 Games, Get Living, is now coming to Scotland to help deliver much needed housing to Scottish communities.

This will be Get Living's first residential investment outside London and construction works are due to start within 18 months.

Neil Young, CEO of Get Living, said: "At Get Living, we're already tangibly changing the way people experience their home, delivering new levels of quality and service in vibrant, well-connected neighbourhoods."

600 homes for rent will be built by Get Living within Glasgow's Merchant City.

Councillor Frank McAveety, leader of Glasgow City Council, commented: "I am delighted with this news, another sign of the confidence developers and investors have in the Merchant City and Collegelands as one of the UK's most attractive investment destinations."

CEO Neil Young has also recently signed a pledge with the British Property Federation stating that Get Living will offer three year tenancies in all their Build to Rent developments. This will provide tenants with longer term security, however, it is not mandatory for them to take this length of lease; the option of shorter term contracts will still be available.



Survey Shows Significant Tenant Differences Around Scotland

SafeDeposits take a deeper look into deposit deductions between cities

As the biggest deposit protection scheme in Scotland we've got all sorts of facts and figures relating to the private rental sector. Recently, we conducted our first annual survey of the money deducted by landlords from tenants' deposits when leases end and some interesting themes and trends emerged.

We reviewed a total of 83,812 deposit repayments made by SafeDeposits Scotland over the last year (Oct 2015 to Sep 2016), with a value of £35.6m. We cover the whole of Scotland, however, for the purposes of this survey we analysed data for tenancies in Inverness, Aberdeen, Dundee, Edinburgh, Stirling, Glasgow and Dumfries.

For the category 're-decoration', Dumfries tenants were bottom of the list, with 8% of deposits in that area seeing deductions made due to remedial redecoration work. Tenants in Aberdeen were the best in Scotland at looking after properties, with only 1.92% of deductions made there for redecoration.

A similar pattern emerged for issues with rent. 45.33% of tenancies in Dumfries ended with deductions being sought from deposits for rent arrears – the highest in the country. At the other end of the scale was Aberdeen with a figure of only 5.98%. The disparity between the two areas for rent issues was the highest in any of the categories, with almost 40% difference from highest

to lowest.

While Dumfries tenants may be worst at paying rent at the end of a lease, they were the best in Scotland at getting the property spotless for the next tenant. Deductions in Dumfries for the category 'cleaning' saw 13% of deposits seeing a reduction due to a property needing to be cleaned after the tenants leave. The highest area for this



category was Stirling where more than half of tenancies end with properties needing cleaned.

Looking at deductions made for issues around gardening, we found that Dundee rates best. Only 0.77% of deposits were reduced for issues there. Inverness, meanwhile, came out worst with 7.92% of deposits there being reduced for matters relating to garden upkeep.

For general damage, Edinburgh renters were most likely to look

after properties with only 7.85% of deposits seeing a reduction. Conversely, we found that in Aberdeen 32.56% of deductions made from deposits being down to damage, the highest in Scotland.

Why should we have seen such marked differences around the country? The case of Aberdeen scoring well for rent and redecoration could perhaps have a link to the oil industry. With many people working away from their principal home, rents are often paid by companies so defaults may be less. Also, people working away for work are more likely to live alone and we find that redecoration costs are more common in larger households, such as families with children or student lets, one reason that Aberdeen may score well.

Edinburgh and Glasgow scored well for damage while Aberdeen and Inverness were bottom of the list. This could be because larger cities have more properties that are flats and rural areas have a higher proportion of houses. The bigger the property, the greater the prospect of something getting damaged.

Whatever the reasons, the figures give a fascinating insight into the rental market and, perhaps, the differences between us as Scots.

Victoria Nixon is Operations Manager of SafeDeposits Scotland.

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

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



The Simple Procedure Rules – SPR

Helping to understand the new debt recovery system in Scotland

A new court system for recovery of debts (The Simple Procedure Rules - SPR) was introduced to sheriff courts on 28th November 2016. Since that date all actions for payment of money for sums of £5,000 or less have required to be raised via these new rules: <http://www.scotcourts.gov.uk/taking-action/simple-procedure>.

The rules have replaced both the former Small Claims and the Summary Cause procedures.

The stated purpose behind the new rules is to allow the Sheriff to determine cases quickly and in a more cost effective manner for both the parties and the Court service.

The rules use new terminology considered to be user-friendly. Rather than the old familiar “Pursuer” and “Defender” the simple procedure refers to the “Claimant” and the “Respondent”.

The new rules are based on claimants supplying the Sheriff with all information required to determine the case from the outset of the claim. When the claim form is completed you need to provide significantly more information than previously required.

A fee is currently payable to the sheriff court of £100 when the claim is lodged.

The initial intention behind this new

procedure was to allow forms to be completed online. At the moment this facility is not available but the court service is working towards the introduction of it. No confirmed date is yet available.

In ex-tenant arrears cases you will need to provide a statement of account together with a copy of the tenancy agreement.

You must also tell the Court who is likely to be appearing as a witness if a full hearing is required down the



line. However, the new procedure may not require any court attendance or any court hearing.

The claim form is served on the debtor who may respond by lodging a response form with the court by a specified date. In the response form, the debtor may admit the debt exists, may deny the debt or may ask for time to pay the debt.

After that date, the sheriff can decide the case simply based on the claim form and the response form. There is no requirement on the sheriff to fix any hearing where the parties need

to attend court. In some cases such a hearing may still be fixed if the sheriff needs more information or requires to hear from the parties to resolve any disputed issue.

Once a decision has been made the Sheriff can decide whether expenses should be awarded. Expenses are capped in a similar way to the old procedure for small claims as follows:

- No award of expenses where the value of the claim is less than or equal to £200.
- Where the case value is greater than £200 but less than or equal to £1,500, the expenses awarded by the Sheriff may not exceed £150;
- Where the case value is greater than £1,500 but less than or equal to £3,000, the expenses awarded by the Sheriff may not exceed 10% of the value of the claim.

This change only affects actions for payment of money at this stage. It does not affect eviction actions.

This new procedure is set to roll out to eviction actions later in 2017, although private sector landlords should also be aware that there are proposals to move eviction actions out of the court system into the new tribunal system with effect from January 2018.

If you have further questions in relation to the new procedures, please contact us, we have a team who specialise in this area of law.

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 Apr 2017. Whilst we have made every effort to ensure information published in this report is correct, Citylets gives no warranty or representation as to the accuracy or completeness of the information. The report does not constitute legal or other professional advice. We reserve the right to change methodology, discontinue or revise indices or other analysis at any time.

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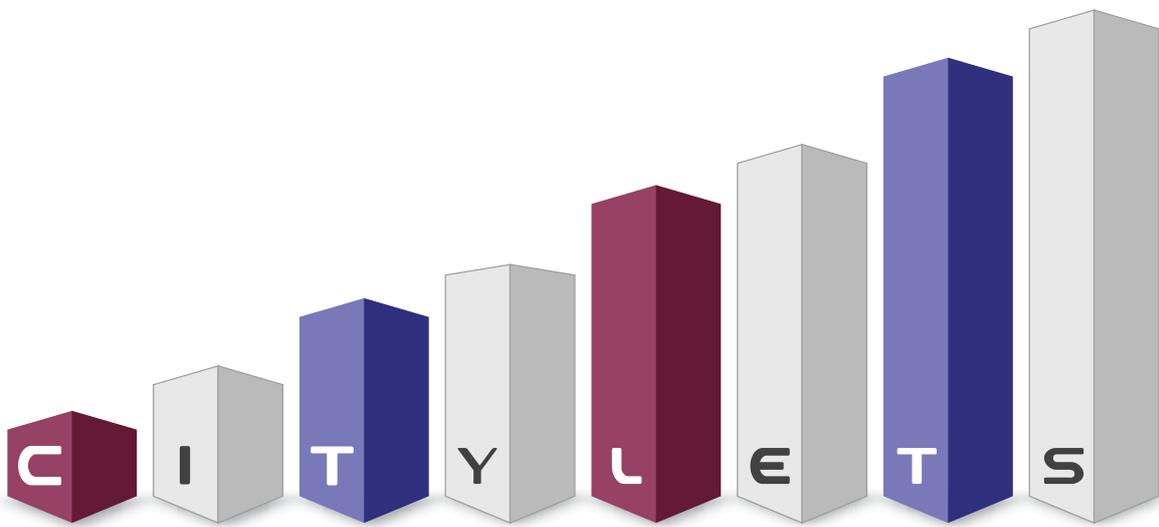
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