


Mixed Signals



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- Market Overview ■ National Trends
 - Spotlights: Edinburgh, Glasgow, Aberdeen, Dundee & more
 - Agent Views ■ Postcode & Town Analysis: Localised Rental Prices
 - Build To Rent News
 - Mid-Market Rent News
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 - SafeDeposits - Protecting Student Tenants' Tenancy Deposits
 - TC Young - Do Private Sector Tenants Have "Human Rights"?

Market Overview

The UK experienced unprecedented political uncertainty in Q1 2019 wherein Brexit failed to materialise nor any clear path forward agreed. Yet again, however, the Scottish PRS continued on its course albeit with mixed reports of cooling from agents in the central belt. Nationally rents rose 1.7% year on year (YOY), similar to increases posted throughout much of 2018, with the average property to rent in Scotland now standing at £793 per month- just below the all time high recorded in Q2 2018 (£799). The market pace on the whole is unchanged on last year with an average time to let (TTL) of 37 days and just over half of all properties (51%) let within a month.

Rents in Edinburgh continued to rise, up 5% YOY, to a new all time high of £1115 per month and back to the growth range seen throughout the majority of 2018. However the picture has been mixed with reports of a slowdown at the start of the year beyond the seasonal norm and TTLs for the city rose 3 days to average 30. Some agents reported a clear reduction in enquiries from EU nationals. It is unusual for an all time

high to be set in the first quarter of the year making Q2's figures keenly awaited to establish whether this represents a high water mark in a cooling market or the beginning of

- **National average up 1.7% YOY to £793**
- **Edinburgh at all time high of £1115 per month**
- **Increased choice drives rise in capital TTLs**
- **Glasgow unchanged on Q4 2018 at £771**
- **Negative annual growth in Aberdeen eases to 3.5%**



another year of rising rents in the capital.

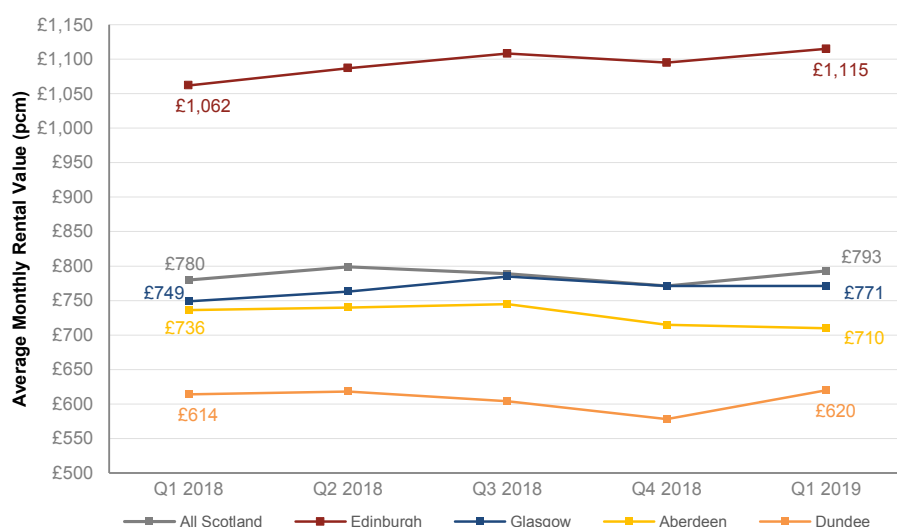
Mixed signals have also been reported in Glasgow with tenants shopping around more for properties. However the data for Q1 2019 shows the Glasgow rental market remains steady overall posting 2.9%

annual growth to average £771 per month, same as last quarter. Growth however has returned to more familiar sanguine territory after a marked jump in Q3 2018. The gap with Aberdeen continues to widen and property to rent in Glasgow takes 31 days to let on average, unchanged on Q1 last year. Demand for 1 bed properties remains buoyant with TTLs of 25 days and 66% let within a month.

The Aberdeen rental market quickened in Q1 2019 with TTLs down 4 days YOY to 54 days. The average property to lease in Aberdeen dropped 3.5% YOY to £710 representing a better annual picture than any reported throughout 2018. With some reports of improved conditions in the oil and gas sector it could be that improving TTLs are a precursor to a fully stabilising rental market as we enter the 5th year of falling rents in the granite city. 1 bed properties performed best at just minus 2.5% YOY and also outperformed other property types by 5 & 10 year growth, TTL and % let within a week or month.

Rents in Dundee, which rose every quarter in 2018, continued their upward trajectory in Q1 2019. The average property to rent in Dundee now stands at £620 per month, up 1% YOY and takes 43 days to let- down 3 on last year. Although some contradicting data with slightly decreased rents against quicker TTLs for 1 and 2 bed properties, overall Dundee remains stable. Property to rent in West Lothian continued to move upwards in Q1 2019, rising 3.5% YOY to stand at £710 per month. TTLs dropped a material 6 days to average 34 days.

Scottish Monthly Rent Analysis (Q1 2018 - Q1 2019)

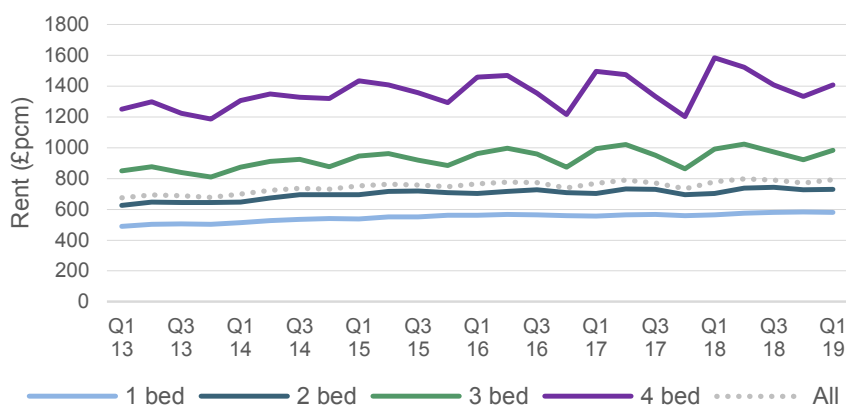


Scotland

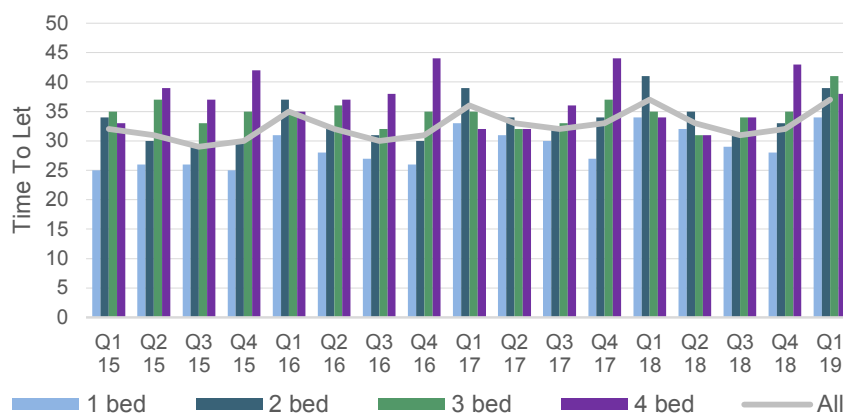
Market Overview - Q1 19

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£579	2.5%	12.6%	22.9%	34	0	16%	57%
2 bed	£729	3.7%	12.7%	21.9%	39	-2	13%	49%
3 bed	£984	-0.7%	12.6%	25.5%	41	6	13%	47%
4 bed	£1,408	-11.2%	7.8%	27.0%	38	4	16%	53%
Total	£793	1.7%	13.4%	24.5%	37	0	14%	51%

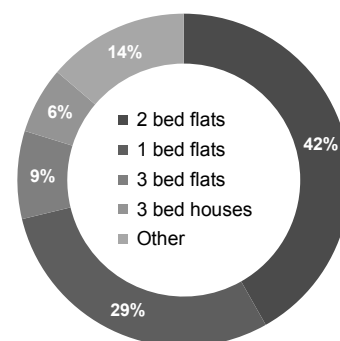
Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms



Market Composition

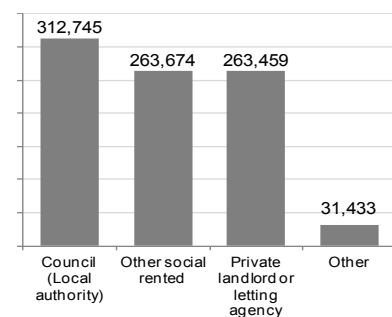


Rental Index

(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	122.3	119.7	113.8
2018	120.9	123.9	122.3	119.5
2019	122.9			

Households: Rented



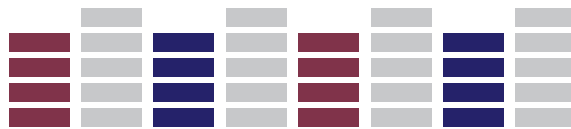
Source: Census 2011, Edinburgh



Andrew Meehan - Rettie & Co.

"The rental markets in Scotland's two largest cities continue to experience high levels of demand, driving continued growth in achievable rental values at the start of 2019. Over the first quarter of the year, despite increasing stock levels in both markets, enquiry levels, especially in city centre locations, continue to outstrip supply fostering market competition and supporting values. In the rural rental market in Central Scotland demand from families, who in recent years have been increasingly considering renting over buying, have continued to seek out the right family home for longer tenancies."

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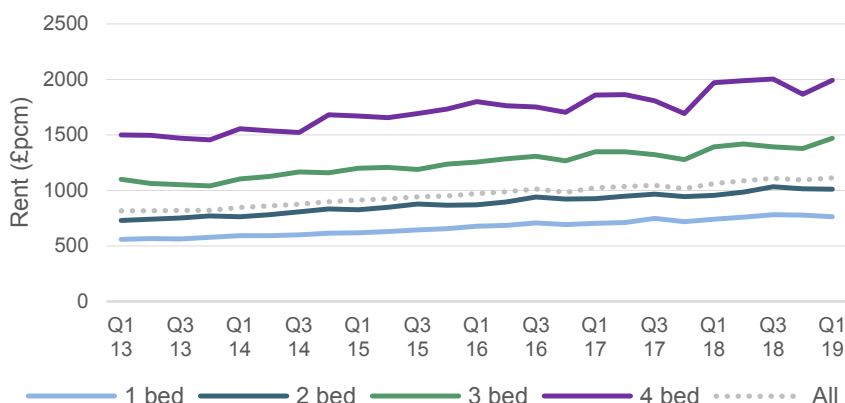
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Edinburgh

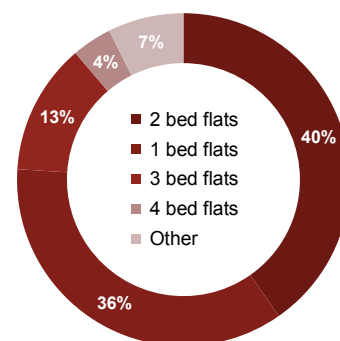
Market Overview - Q1 19

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£764	3.2%	29.1%	46.9%	25	-2	19%	69%
2 bed	£1,013	6.0%	32.9%	50.5%	33	1	13%	55%
3 bed	£1,470	5.5%	33.0%	52.8%	37	13	20%	55%
4 bed	£1,994	1.1%	28.2%	50.2%	26	2	29%	69%
Total	£1,115	5.0%	31.5%	50.5%	30	3	17%	61%

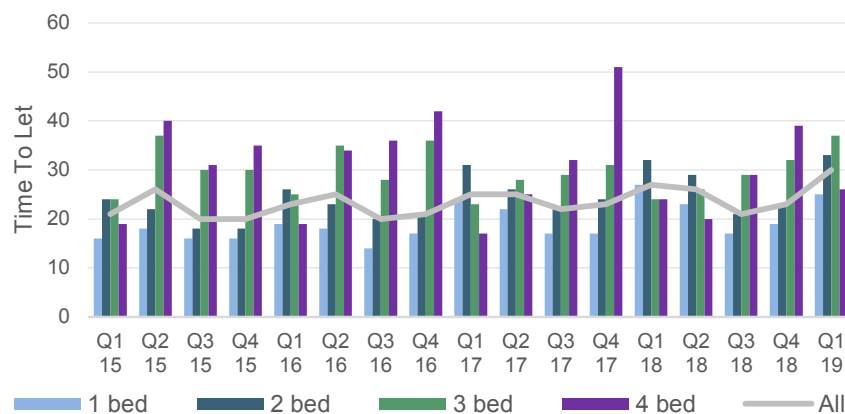
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	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	138.8	140.3	136.0
2018	142.2	145.5	148.3	146.6
2019	149.3			

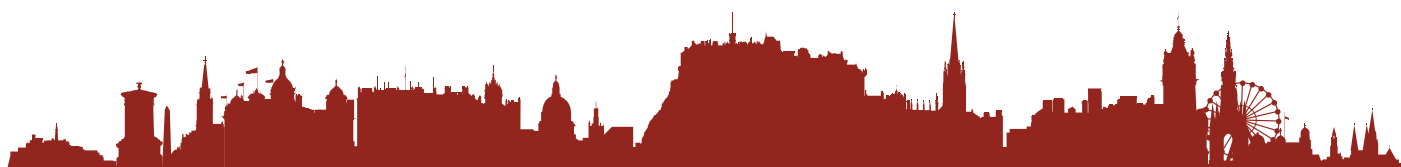
Yield by Popular Postcodes (Flats)

	2014	2015	2016	2017	2018
EH3	3.9%	4.1%	4.1%	4.0%	3.7%
EH7	5.5%	5.6%	5.6%	5.6%	5.0%
EH8	6.8%	6.6%	7.2%	7.0%	7.0%
EH9	4.7%	4.9%	5.1%	4.8%	4.8%
EH10	4.4%	4.3%	4.3%	4.2%	4.1%
EH11	5.8%	5.9%	6.1%	5.8%	5.8%
EH12	4.9%	5.1%	5.4%	4.7%	4.9%



Jonathan Gordon - Clan Gordon

"Q1 has been busy in the Edinburgh PRS, with more investors looking to purchase properties following the upturn in the sales market in Q4 of 2018. Investor and landlord enquiries have spiked, suggesting Brexit is not casting a shadow over the market. The rental market is buoyant, with sensibly priced, well-located properties in high demand, as tenants are increasingly priced out of the sales market. Rents for 1 and 2 bedroom properties have increased during Q1 due to demand outstripping supply, confirming that the Edinburgh rental market is still a solid investment option for landlords."

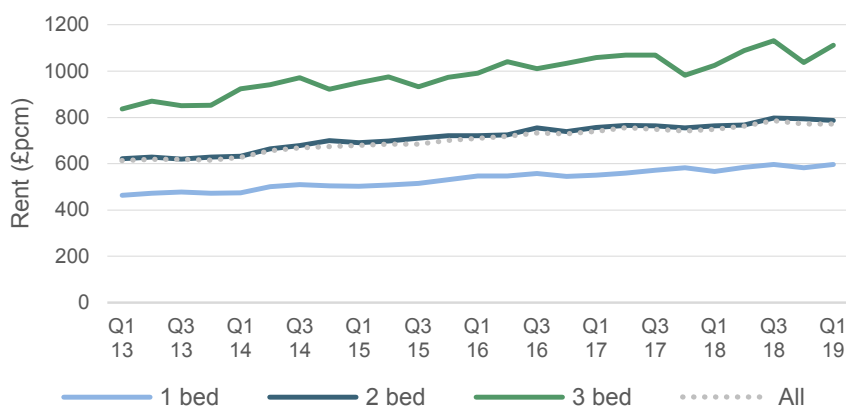


Glasgow

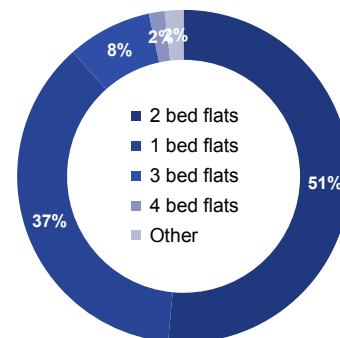
Market Overview - Q1 19

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£597	5.3%	25.9%	31.5%	25	0	22%	66%
2 bed	£787	3.0%	24.5%	34.8%	32	-1	17%	57%
3 bed	£1,112	8.6%	20.5%	46.7%	45	3	8%	36%
4 bed	£1,486	-7.1%	12.5%	36.5%	54	25	6%	33%
Total	£771	2.9%	22.8%	32.9%	31	0	18%	58%

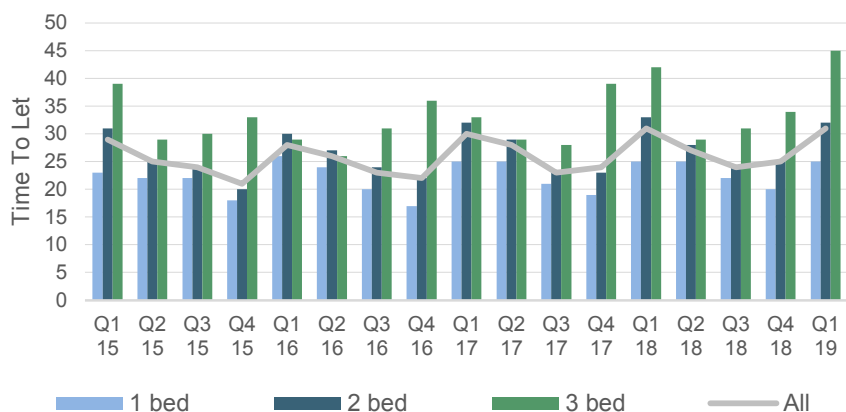
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	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	133.2	131.9	130.9
2018	132.1	134.6	138.4	136.0
2019	136.0			

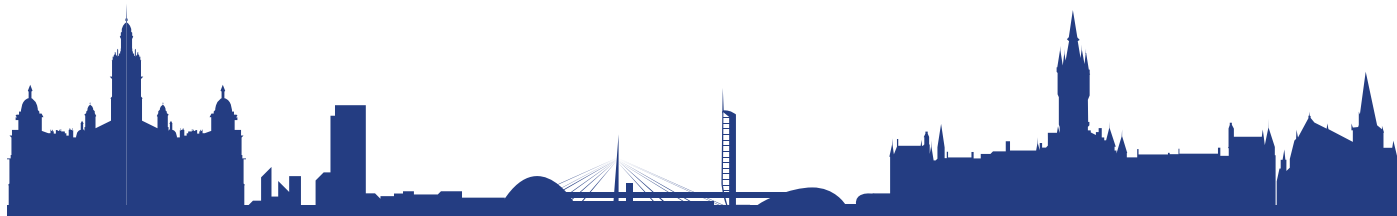
Yield by Popular Postcodes (Flats)

	2014	2015	2016	2017	2018
G1	6.1%	6.0%	6.2%	5.7%	4.9%
G2	8.8%	7.3%	7.5%	6.7%	7.0%
G3	6.0%	4.8%	5.5%	5.4%	5.3%
G4	6.4%	6.4%	6.5%	6.6%	5.3%
G5	7.0%	7.1%	6.8%	6.7%	6.4%
G11	5.5%	5.7%	5.4%	5.3%	5.0%
G12	4.7%	4.6%	4.8%	4.7%	4.4%



Ross Macleod - Macleod Lettings

"Q1 2019 has seen a slower than normal start to the year, which may be in part due to the uncertainty over Brexit. We're expecting to see a surge of enquiries during Q2 & Q3. Agent registration has been a huge positive for the industry, however, the continual financial strain on landlords through increased tax and legislative changes, including the introduction of the PRT, has seen some landlords exit the market. This will have an impact on rents due to lack of supply and we expect to see rents increasing throughout the year."

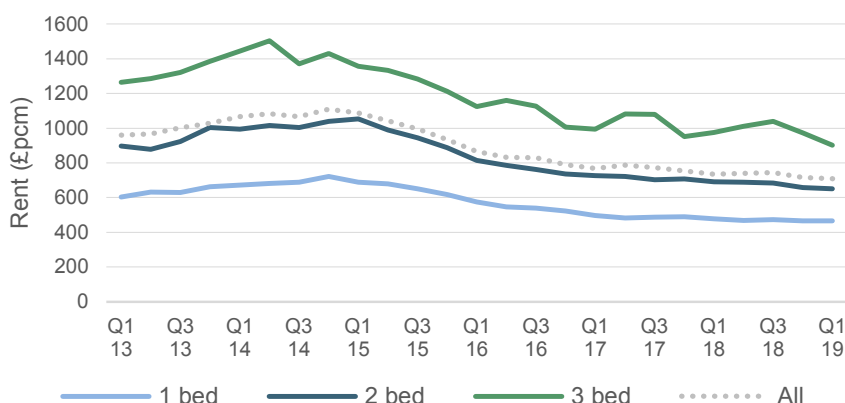


Aberdeen

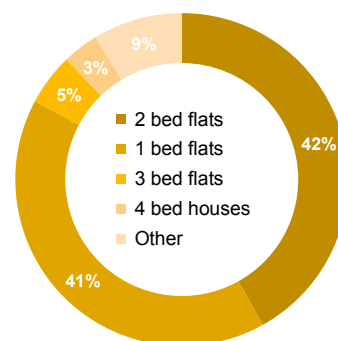
Market Overview - Q1 19

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£465	-2.5%	-30.9%	-15.9%	49	-1	11%	41%
2 bed	£650	-6.1%	-34.6%	-16.7%	58	-6	5%	28%
3 bed	£903	-7.5%	-37.5%	-19.2%	58	-8	3%	39%
4 bed	£1,397	-4.6%	-35.3%	-24.9%	67	11	2%	20%
Total	£710	-3.5%	-33.4%	-17.3%	54	-4	7%	34%

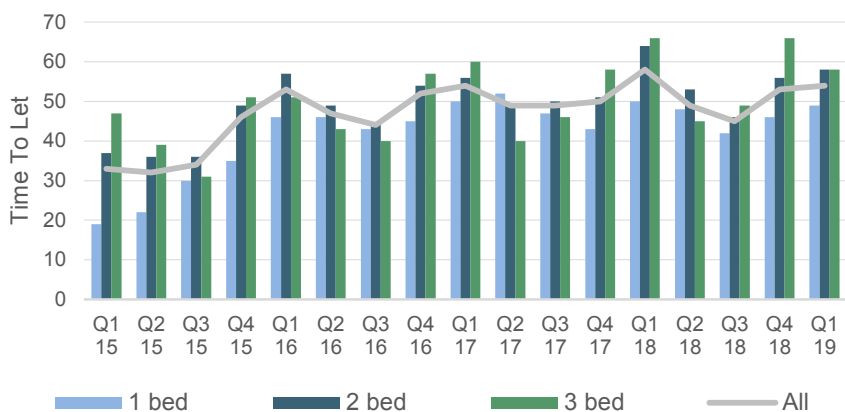
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	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	89.0	87.5	85.3
2018	83.2	83.6	84.2	80.8
2019	80.2			

Yield by Popular Postcodes (Flats)

	2014	2015	2016	2017	2018
AB10	5.4%	5.2%	4.9%	5.2%	5.4%
AB11	6.6%	6.3%	6.1%	5.6%	5.7%
AB15	5.7%	4.8%	5.1%	5.1%	4.9%
AB24	7.1%	7.0%	7.4%	6.6%	6.7%
AB25	5.9%	6.2%	5.5%	5.5%	5.3%



Stuart Carnie - Stonehouse Lettings

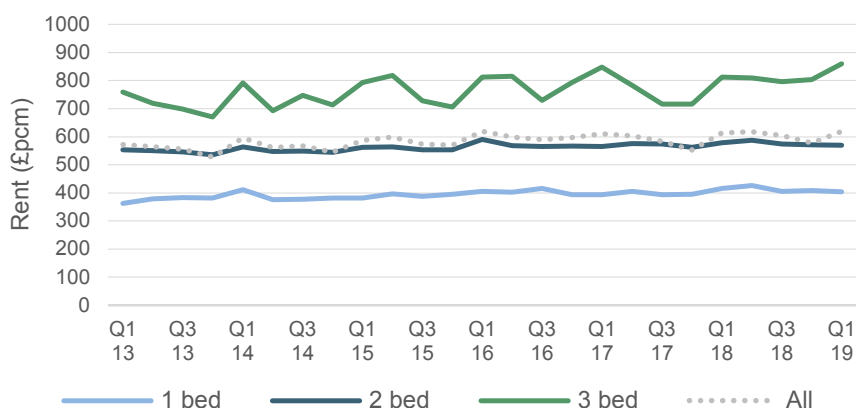
"Q1 commenced with a healthy start within all areas of the city, with a continued price driven market noted. Tenant enquiries have increased, which we believe is due to an improvement on new recruitment within the oil and gas sector. There is a present demand for quality apartments and homes, both furnished and unfurnished. New instructions have also increased, with early interest received and several offers accepted at the asking prices. This shows a continued sign of a recovering market which we believe will continue during 2019."

Dundee

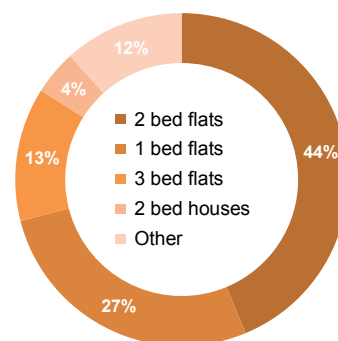
Market Overview - Q1 19

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	£404	-2.7%	-0.2%	-1.9%	40	-6	6%	43%
2 bed	£570	-1.6%	-3.6%	1.1%	48	-2	6%	38%
3 bed	£860	5.8%	5.8%	8.6%	42	-2	8%	41%
4 bed	£1,211	2.9%	0.8%	8.9%	32	1	0%	58%
Total	£620	1.0%	0.0%	4.2%	43	-3	6%	41%

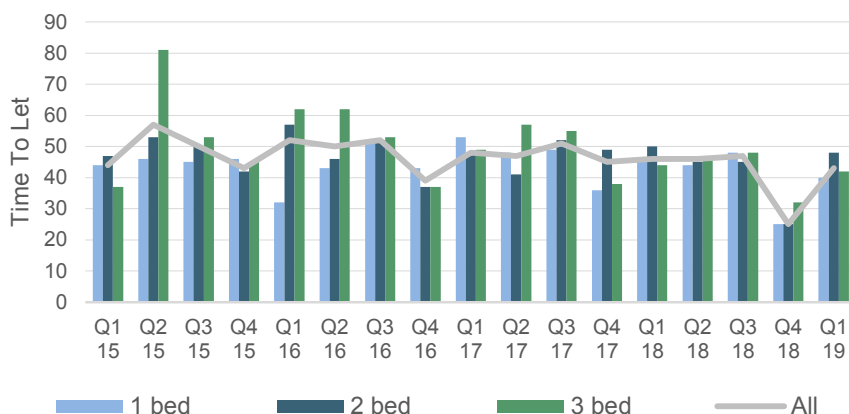
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q3 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	104.7	101.4	95.8
2018	106.6	107.3	104.9	100.3
2019	107.6			

Yield by Popular Postcodes (Flats)

	2014	2015	2016	2017	2018
DD1	7.0%	7.8%	7.8%	7.7%	6.7%
DD2	6.2%	6.2%	6.6%	6.4%	6.6%
DD3	6.3%	7.1%	7.5%	7.8%	7.1%
DD4	8.5%	8.0%	8.1%	8.7%	7.4%
DD5	4.3%	4.8%	5.0%	5.0%	4.5%



Robert Murray - Lickley Proctor Lettings

"At Lickley Proctor Lettings we have not seen any significant decline in the demand for rented accommodation from Q4 2018 into Q1 2019. We consider there has been a marginal increase in rents with PRTs having had no impact on the market. The overall picture is that of a stable rental market at present in Dundee. A lot of our available properties have been quickly secured by tenants to the extent we are currently suffering a shortage of supply of properties to advertise - so we are actively looking to attract more landlords to give us more properties!"

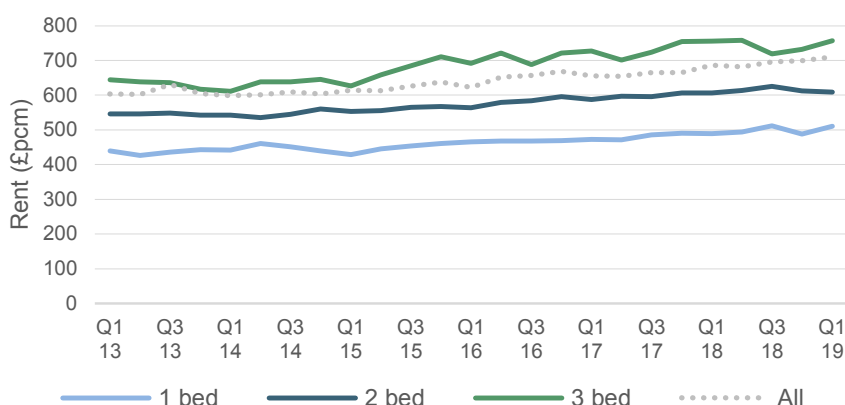


West Lothian

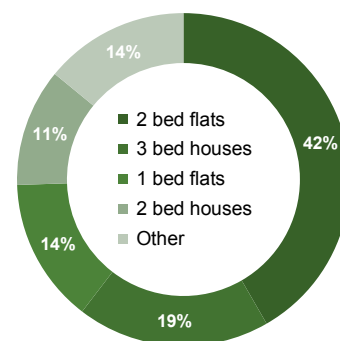
Market Overview - Q1 19

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£511	4.5%	15.6%	20.5%	33	2	16%	63%
2 bed	£609	0.3%	12.4%	13.4%	34	-6	26%	58%
3 bed	£757	0.1%	23.9%	21.3%	40	-6	11%	49%
4 bed	£1,019	2.5%	13.5%	14.6%	19	-21	40%	80%
Total	£710	3.5%	18.5%	20.1%	34	-6	21%	58%

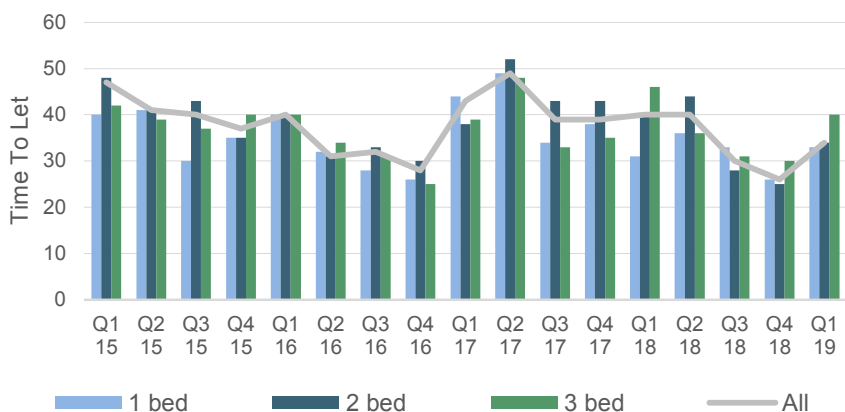
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.4	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	112.9	114.7	114.7
2018	118.3	117.6	120.0	120.5
2019	122.4			

Yield by Popular Postcodes (Flats)

	2014	2015	2016	2017	2018
EH48	8.1%	6.5%	6.8%	7.5%	7.2%
EH49	5.2%	5.2%	5.1%	5.1%	5.3%
EH54	6.9%	7.0%	6.9%	7.0%	6.8%



Robert Young - The Key Place

"It has been an interesting quarter as, after the normal rush of tenant enquiries following the break-up inducing festive period holidays, there was a definite 'pause' in tenant enquiries before they came back with a bang at the end of the quarter. Personally, I suspect this was due, in part at least, to Brexit causing uncertainty, meaning people put off moving and Brexit and Help to Buy taking some tenants out of the market. During this time, it became clear that better properties were still renting out easily but we were at times struggling to get less good ones away."

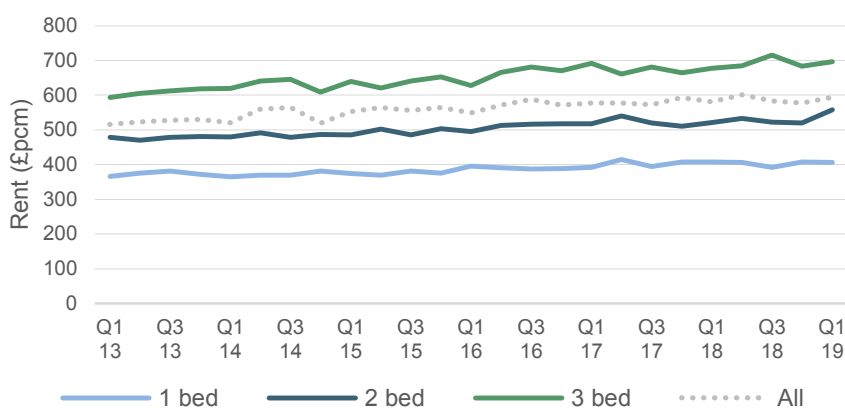


South Lanarkshire

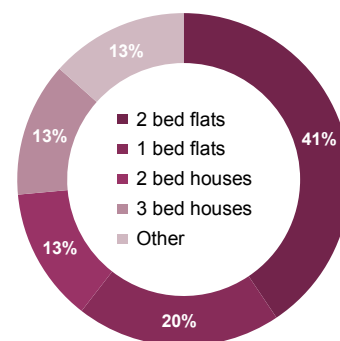
Market Overview - Q1 19

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£406	-0.2%	11.2%	1.2%	37	-5	13%	48%
2 bed	£558	7.1%	16.3%	7.5%	34	-6	18%	53%
3 bed	£697	3.0%	12.6%	13.3%	37	6	17%	54%
4 bed	£965	-11.1%	15.6%	3.7%	25	-30	22%	67%
Total	£594	2.2%	14.0%	5.9%	35	-5	17%	52%

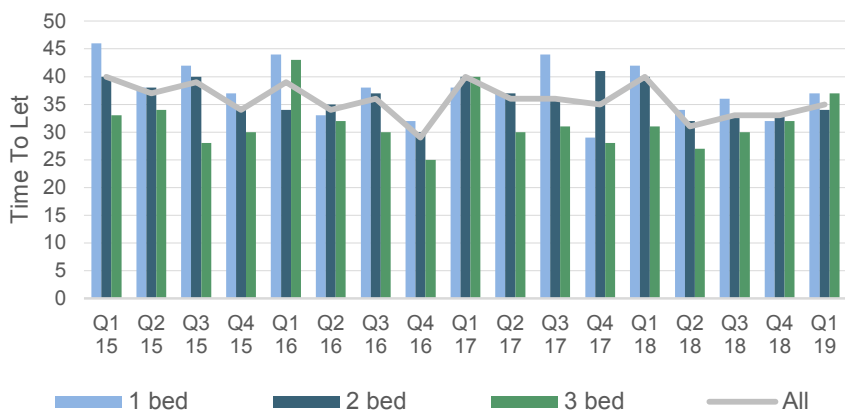
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	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	106.4	105.5	109.2
2018	107.0	110.7	107.6	106.3
2019	109.4			

Yield by Popular Postcodes (Flats)

	2014	2015	2016	2017	2018
G71	5.4%	5.3%	5.5%	5.4%	5.5%
G72	8.5%	8.0%	7.5%	8.3%	7.5%
G73	7.5%	7.1%	6.7%	7.0%	6.6%
G74	8.3%	7.4%	7.4%	6.8%	7.0%
G75	9.0%	6.6%	9.6%	8.9%	8.8%



David Kendall - Lets Make Homes

"The first few months of 2019 have proved extremely buoyant for the rental market in South Lanarkshire. Well-presented properties in the best locations are snapped up in a matter of days, often with multiple interested parties. Houses are in short supply, so it has been possible to increase prices and still let quickly. Numerous prospective tenants have given their reason for a move as 'my landlord is selling', if this trend continues then yields will remain strong for those investors prepared to accept the increasingly punitive taxation regime."

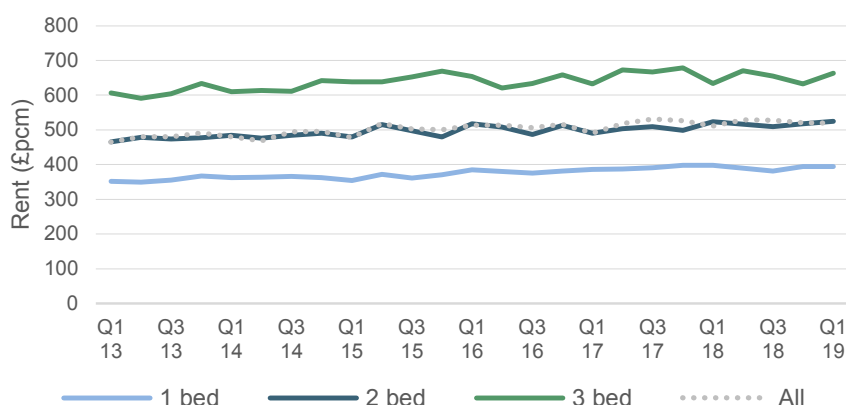


Renfrewshire

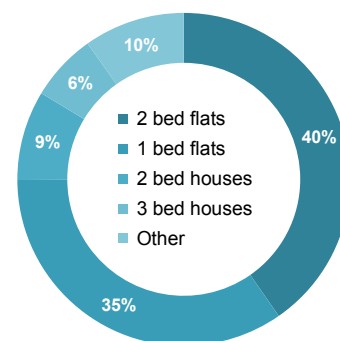
Market Overview - Q1 19

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£395	-0.8%	8.8%	11.9%	32	-2	12%	55%
2 bed	£525	0.2%	8.2%	10.8%	37	0	13%	51%
3 bed	£663	4.6%	8.7%	11.6%	38	4	7%	52%
4 bed	£975	-9.2%	2.2%	18.5%	50	-11	0%	27%
Total	£520	1.8%	8.3%	10.4%	36	0	12%	52%

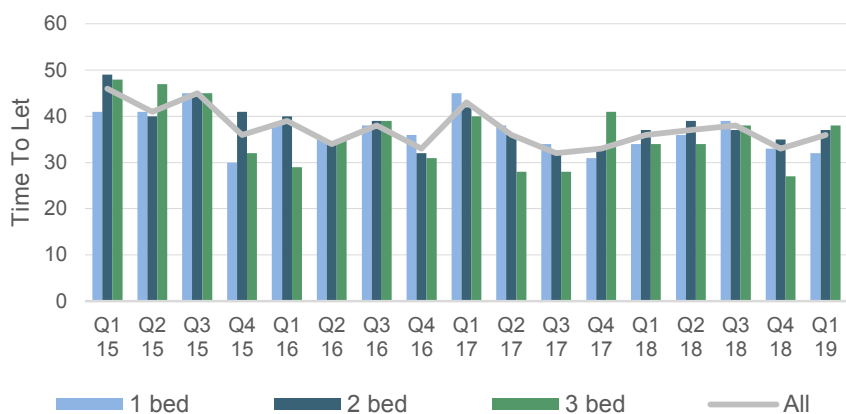
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	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	108.6	111.3	110.3
2018	107.1	110.9	110.7	109.2
2019	109.0			

Yield by Popular Postcodes (Flats)

	2014	2015	2016	2017	2018
PA1	7.7%	6.5%	7.4%	7.1%	7.5%
PA2	7.4%	7.5%	7.1%	7.0%	6.7%
PA3	10.7%	10.7%	10.0%	9.6%	9.8%
PA4	7.8%	8.0%	7.8%	7.8%	7.9%
PA5	8.5%	9.5%	8.4%	9.1%	8.8%



Matt McCusker - Castle Residential

"Q1 has been strong for Castle Residential as always. There tends to be no such thing as a festive hangover in letting or sales any longer as both tenants and buyers understand how fast paced their markets truly are. The demand for 2-3 bedroom, main door properties with garden space has been particularly high and there seems to be no sign of trepidation with a potential Brexit looming."



Agent Views

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

Margaret Duffus Leasing, Aberdeen – Sarah Harley



"Q1 of 2019 has seen a strong start to the year. The market is definitely showing signs of picking up and we have seen more viewings and more leases so far this year that we had at this stage last year; March in particular has seen twice as many new tenants moving in as did in March 2018. Some older stock is coming off the market and being put up for sale, but we are also seeing a healthy number of new properties coming to the leasing market which always helps to keep things fresh."

Aberdein Considine, Perth – James McKay



"The Perth rental market remains active in the spring after a very busy winter period. 1 and 2 bedroom flats remain as popular as ever, and healthy rents of between £400 and £700 are being achieved without too much difficulty. Further afield, the Perthshire rental market remains very active as the area remains popular with tenants based locally and from further afield. Going forward, I expect the rental market to remain strong throughout 2019."

Let it, Glasgow – Chris Cockburn



"Whilst 2018 was a year which saw huge change in the PRS, with the welcome introduction of the Letting Agent Code of Practice and the bedding in of the PRT lease, 2019 has started strongly, with a palpable new interest from BTL investors wanting to enter the Buy-to-Let market. Set against this is a general trend from the BTL investors of the mid 2000's to want to leave the sector due to the legislative environment of the sector appearing onerous. On the positive side, this does mean that there are opportunities for this new 'generation' of BTL investors who are entering the industry at a time where expectation of standards of presentation is higher, PRS regulations are more stringent and agents are more respected thanks to the LACoP."

Littlejohns Ltd, Edinburgh – Grant Denholm



"We found January was quieter in lettings than in previous years and this carried on into February. March has seen a steady increase in activity with properties starting to let quickly again, although as there is a larger stock of 1 and 2 beds flats to choose from, potential tenants are viewing several properties before making a decision. The new PRT lease has not helped agents or students with HMO planning due to the uncertainty of stock availability and we feel the Government need to look at this as we are not on a level playing field with universities who do not have to adhere to the same regulations letting agents do."

The Flat Company, Edinburgh – Matthew Wilcken



"The first quarter of this year sees us preparing for the comings and goings at our student flats. Having perfected this process over the past decade we are now waiting to see what effect the new Private Residential Tenancy will have on the student lets market. For the last few years we have been preparing for this change by offering our landlords short term lets and festival lets alongside our established long term lets, to ensure that we are flexible enough to cover most eventualities as well as increasing the annual revenue. Thankfully the early signs in the students market are that it will be business as usual with most students now taking properties from June to secure good quality accommodation for the next academic year."



Agent Views cont...

ESPC Lettings, Edinburgh – Nicky Lloyd



"The first quarter of 2019 started relatively slow, following on the back of a quiet Q4 2018. We have seen plenty of potential investors looking to move into the buy to let market, and the number of rental properties available has been growing. However, the market has seen less movement amongst tenants.

Whilst this is creating longer existing tenancies, it has resulted in a slightly longer average time to let. Whilst people are trying to get on with business as usual, speculation on how Brexit may affect the property market is making people slightly cautious."

Colin MacMillan, Glasgow – Glasgow Property Letting



"The first quarter of 2019 has been a very busy time at GPL with an increase in productivity year on year, which reflects the demand for quality property in sought after areas. As fully registered and qualified letting agents we embrace the professionalism that is expected of us and look forward to the next

quarter with relish. We are finding tenants exercising their rights to terminate their PRT lease on 28 days' notice and move on, and some landlords are finding this difficult to get to terms with."

Burgh Property, Edinburgh – Andrew Markham



"Q1 2019 has seen us off the blocks to a speeding start with the impact of the new private rented tenancy starting to reflect in the market. The number of our properties turning over in Q1 was up 100% against last year, with tenants exercising their right under the PRT to leave with 28 days' notice - and in

some cases landlords serving notice to repossess – suggesting a quickening pace in the Edinburgh market. Rents have stayed steady and tenant demand remains healthy but we are seeing landlords having to compete on the product they put to market - raising standards and increasing competition for landlords means we are seeing tenants 'shopping around' much more than they have in recent years - particularly across the 2 bed market where rents seem to be levelling out to minimise voids."

Murray & Currie, Edinburgh – Trevor Mapara



"We experienced another period of solid growth in Edinburgh, with rent levels consistently buoyant, despite a calmer end of 2018. It has been a healthy start to 2019, with 1 & 2 bed properties up to c£1000pcm continuing to perform well and there has been excellent demand for family homes.

Despite the political uncertainty ahead, we anticipate the trends to continue upwards this year in Edinburgh with an increasing population to this thriving city and a lack of supply, as more "accidental landlords" sell up and the holiday let market continues to detract from the long term market. The opportunity for new landlord investment remains compelling, despite changes to legislation and tax."

Grant Fairbairn PL, Aberdeen – Grant Fairbairn



"Q1 2019 has been off to a steady start. The number of enquiries per property has risen hopefully showing a rise in demand. If a rental property is presented well and priced correctly, there is no reason why it will not rent in less than 30 days. We are starting to get a lot of student HMO enquires for

August and September 2019. Although there has been a lot of purpose-built student accommodation in the city, a lot of students still prefer the more traditional style of property."

1LET, Edinburgh – Ken Bell



"The Edinburgh rental market in 2018 saw an upward trend of rising rents and a very strong demand for tenancies. However, the start of 2019 has seen this trend start to falter slightly. Properties in historically popular parts of the city are taking longer to let, with tenants having more choice and

more time to decide where they choose to live. 2019 may possibly have seen the first signs of a cooling market; time will tell. It will be those landlords who ensure that their properties are well presented and realistically priced, that continue to benefit from the still strong demand for quality homes."

Agent Views cont...

Northwood, Aberdeen – Matt Pullinger



"Q1 has seen a busy start to the year at Northwood Aberdeen. Time to let (void periods) continues to fall for well-presented properties that are competitively priced and the overall market continues to show signs of stability. Demand for rental properties in the city is positive, however, there is still plenty of supply meaning that landlords must maintain a high standard to compete in the market. The impact of recent changes in legislation has seen a shift in landlord expectations with regard to their investments and Northwood Aberdeen have been advising their clients accordingly. With a plentiful supply of properties for sale in Aberdeen there are also new opportunities for landlords investing in the Aberdeen market for the first time. We anticipate a very busy summer period with enquires already being received for student properties that will be available later this year."

Glenham Property, Edinburgh – Charles Innes



"Despite ongoing political and economic uncertainty, the state of PRS in Edinburgh continues to be buoyant. Tenant demand levels remain robust especially for HMO's and 1 bed properties, and it will be interesting to see how the HMO market works since the introduction of the PRT. We are

seeing evidence of a slowdown at the top of the market, with professional high value properties seeming to take longer to let and some reduction in rents. I would say the outlook for the PRS in Scotland remains good, with the number of households in the sector projected to grow by 61,000 by 2021. Edinburgh as a city is well insulated against short term volatility in the market due to an expanding population and the highest levels of projected GDP and employment growth than anywhere in Scotland."

Cullen Property Ltd, Edinburgh – Steve Coyle



"Q1 was typically busy with an emphasis on student HMO properties. Demand was again high with marketed rents circa 5% up YOY (and up c.35% since Q1 2014!). One and two beds have seen strong demand too. PRT's are working well, but unknown future end dates are causing an unintended consequence of students not being able to let properties as early as previously with SAT's, but pro-active planning has largely overcome this. New investor and landlord activity is good despite current political landscape, but not unexpected given rent rises and steady capital growth. Q2 looks set to be even busier at Cullen!"

Be-Rented, Glasgow – Graeme McEwan



"The first quarter of 2019 has seen a steady strong growth with re-let times now being in cases reduced to 7 days, thus giving the investor/ landlord more monthly rental returns. We have seen enquires for student accommodation coming far earlier than the start of term times and rents have increased by 4% from last year. With regards main stream rentals, demand is outstripping supply, which is providing a positive outlook for landlords with properties in good renter areas and quality stock."

Arden Property Mg, Edinburgh – Catriona Smith



"The new PRT is beginning to impact the HMO market. Already we are seeing properties coming up for let with no immediate demand for them, meaning that landlords are facing the prospect of no rent for potentially 2-3 months. In addition the festival short term market will also struggle as there are going to be fewer properties available, though it is disappointing to see that some purportedly reputable agents are still not adhering to the law by creating fixed term leases and ignoring notice periods. The Scottish Government and other bodies need to take action against this and unregistered agents."

Have Your Say!

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

Postcode & Towns - Average Rents & TTL - Q1 19

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	£802	(29)	£1,248	(34)	£1,696	(41)
EH3	£924	(29)	£1,335	(42)	£1,673	(41)
EH4	£851	(35)	£1,051	(40)	£1,264	(51)
EH5	£653	(36)	£868	(31)		
EH6	£695	(20)	£861	(27)	£1,222	(42)
EH7	£728	(21)	£982	(37)	£1,469	(26)
EH8	£724	(20)	£926	(28)	£1,463	(23)
EH9	£749	(27)	£1,078	(29)	£1,586	(20)
EH10	£766	(29)	£1,067	(46)	£1,465	(32)
EH11	£703	(25)	£899	(26)	£1,355	(26)
EH12	£726	(28)	£979	(32)	£1,454	(62)
EH13			£770	(30)		
EH14	£661	(22)	£824	(26)	£1,066	(41)
EH15	£657	(21)	£784	(18)		
EH16	£661	(28)	£819	(30)	£1,299	(30)
EH17			£772	(45)		
EH22			£714	(31)		
EH26			£691	(29)		
EH47			£532	(42)		
EH48			£612	(42)	£767	(54)
EH51			£485	(18)		
EH54			£634	(23)	£814	(36)

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£468	(49)	£654	(59)	£792	(67)
AB11	£445	(45)	£628	(55)		
AB12	£533	(39)	£646	(33)		
AB15	£613	(48)	£840	(56)	£1,052	(51)
AB16			£571	(56)		
AB21	£620	(59)	£767	(48)		
AB22	£497	(60)	£679	(47)		
AB24	£456	(57)	£606	(55)	£962	(46)
AB25	£454	(48)	£633	(56)	£874	(62)
AB41			£586	(56)		

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£407	(44)	£618	(48)	£1,001	(39)
DD2	£418	(28)	£565	(48)	£844	(38)
DD3	£364	(35)	£499	(42)		
DD4	£394	(46)	£522	(39)		
DD5	£472	(28)	£688	(65)		
DD8	£366	(32)	£484	(35)		
DD11			£515	(66)		

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£725	(27)	£1,011	(33)		
G2	£673	(29)	£951	(28)		
G3	£642	(28)	£880	(33)	£1,363	(47)
G4			£824	(37)		
G5			£720	(28)	£913	(54)
G11	£604	(23)	£874	(33)		
G12	£690	(27)	£961	(37)	£1,270	(43)
G13	£565	(23)	£665	(34)		
G14	£490	(27)	£590	(40)		
G20	£616	(22)	£722	(31)		
G21			£547	(40)		
G31	£480	(21)	£689	(31)		
G32	£425	(24)	£525	(33)		
G33			£567	(25)		
G40	£475	(20)	£663	(28)		
G41	£575	(26)	£703	(24)		
G42	£480	(28)	£655	(25)		
G43			£666	(15)		
G44	£524	(29)	£633	(38)		
G51	£499	(17)	£594	(33)		
G52			£578	(30)		
G64			£631	(52)		
G67			£482	(38)	£548	(66)
G69			£576	(31)		
G71			£717	(26)		
G72			£562	(28)		
G73	£462	(42)	£573	(41)		
G74	£381	(33)	£510	(31)	£711	(20)
G75			£500	(30)		
G81			£532	(40)		

Towns - £pcm (TTL days)

Town	1 Bed		2 Bed		3 Bed	
Airdrie			£481	(60)		
Ayr	£433	(35)	£505	(49)	£625	(23)
Bathgate			£616	(34)		
Bo'ness			£485	(18)		
Cumbernauld			£497	(34)	£621	(63)
Dalkeith			£718	(33)		
Dunfermline	£411	(32)	£534	(34)		
East Kilbride	£381	(32)	£503	(31)	£694	(22)
Glenrothes			£487	(21)	£555	(31)
Hamilton	£400	(31)	£516	(36)	£652	(43)
Inverness	£533	(21)	£660	(26)	£784	(26)
Kilmarnock	£355	(41)	£467	(33)	£556	(33)
Kirkcaldy	£384	(62)	£500	(49)	£543	(62)
Linlithgow			£582	(21)		
Livingston			£639	(23)	£809	(32)
Motherwell			£541	(52)		
Paisley	£385	(32)	£498	(39)	£699	(47)
Perth	£431	(59)	£555	(43)	£758	(40)
Stirling Town	£513	(26)	£706	(27)	£1,073	(45)
Troon			£575	(36)		

Build To Rent News

Scottish BTR Goes International by Rettie & Co.

Rettie & Co. attended MIPIM this March as part of Team Scotland, alongside the Scottish Government and Scottish Enterprise, with the aim of promoting some of the country's key development sites, including Dundee Waterfront, Aberdeen Harbour, Glasgow's Avenues and Western Harbour in Edinburgh.

Rettie & Co. has been heavily involved in the last of these sites, working alongside partners such as Forth Ports and City of Edinburgh Council. Western Harbour offers potential development for over 2,000 new homes in North Edinburgh on Forth Ports Edinburgh land holdings. The first phase of 230 BTR homes was delivered with 36 applications for every home available, showing the high level of pent-up demand for BTR in the market. The next phases comprise of 1,600 BTR homes and over 400 additional homes, presenting clear investment potential.



Western Harbour

Creating occasions to place investment opportunities such as this in front of an international audience of developers and investors by attending international events such as MIPIM is a crucial step in developing the Scottish BTR sector, which historically has been overlooked by investors concentrating on the South East of England and cities like Manchester. Moving forward, Rettie & Co. is working closely with a number of international investors to identify opportunities to develop BTR further in Scotland.

Glasgow Cherry-Picked for Legal & General's First Build to Rent in Scotland

Major Build to Rent provider, Legal & General, are to deliver their first purpose built apartments for the Scottish Private Rented Sector. They will provide funds for Drum Property Group to construct two 18 storey towers, consisting of 324 flats within Glasgow's new Buchanan Wharf waterside regeneration area, which will also include the new Northern European hub of Barclays Bank.

Only a walking distance from Glasgow Central Station and the International Financial Services District, linked by the Tradeston Bridge, the Buchanan Wharf apartments will be overlooking the River Clyde. Their residents will benefit from a 4,250 sq ft communal roof terrace, a gym, a dining space and lounge, as well as a games room.



Buchanan Wharf

Paul Miller, MD Principal Investing at Legal & General Capital, said: "We are delighted to be making our first Build to Rent investment in Scotland as part of our ambition to tackle the housing shortage all across the UK."

He continued: "Scotland, and Glasgow in particular, has been a key target for Legal & General as part of our Future Cities initiative. We are excited to be bringing a long term sustainable rental scheme to the area to meet the demands of this vibrant and fast-growing city."

Mid-Market Rent News

Evolution is the Key for Northern Housing Company

Northern Housing Company has been offering quality mid-market rent homes for many years and now we're excited to reveal some significant changes to our business.

Hillcrest, which Northern Housing Company is a subsidiary of, has evolved. As part of a huge rebrand, Northern has merged with another subsidiary to create a brand new company. We are delighted to introduce to the world Hillcrest Enterprises.



With the new company comes a new look, new ideas and new offerings in the private rent market, as well as increased numbers of our mid-market rent properties. Our support and maintenance will still come from Hillcrest's charitable subsidiaries but the new Hillcrest Enterprises will be boosted by private sector experience from Hillcrest's commercial subsidiary, Hillcrest Enterprises Limited.

While affordable mid-market rent will still form the core of Hillcrest Enterprises; this evolution paves the way for the company to add brand new private rent products in the future. However, our Northern tenants can rest assured that they will enjoy exactly the same service they currently receive, with no actions required.

Link Set to Double its Mid-Market Rent Homes in Edinburgh

Link2Let is set to consolidate its position as a leading provider of mid-market rent (MMR) homes in Edinburgh upon completion of its upcoming Granton Harbour and Salamander Street developments.

Scheduled for completion in late 2019, Granton Harbour will add 132 properties to Link2Let's growing portfolio of MMR homes.

The mixture of one, two and three-bedroom properties – which come with floor coverings, blackout blinds and branded white goods – will bring a much-needed supply of well-managed, high-quality affordable homes to the Edinburgh private rented sector.



MMR development, Granton Harbour, Edinburgh

Located on Hesperus Crossway, the development boasts stunning views of the River Forth and the Fife coastline which tenants will be able to enjoy from Juliette balconies.

The underground parking facilities will provide 132 parking spaces for tenants and visitors, making Granton Harbour an attractive proposition for those commuting into the city centre.

Interested parties can register for updates on Granton Harbour at linkhousing.org.uk/Link2Let.

Link2Let's ambitious development programme will continue into 2020 with a further 199 MMR homes due for completion by October at Salamander Street in Leith, increasing its total MMR stock to over 750 properties.

Despite their ever-accelerating development programme, Link2Let will continue to seek further property management and Build to Rent opportunities throughout Central Scotland.

Letting Agent Myth-Busting

Mike Campbell discusses misconceptions commonly held by letting agents

1. We need to join a redress scheme

In Scotland there is no legal requirement for letting agents to join an external redress scheme unless the business also deals with property sales. Agents must apply to the letting agent register and their landlords and tenants can apply for redress through the First-tier Tribunal (Housing and Property Chamber) if the agent breaches the letting agent code of practice.

2. We don't need to take any action if the tenants don't sign and return the inventory to us

The letting agent code of practice requires agents to take reasonable steps to remind the tenant to sign and return the inventory. If the tenant does not, the agent must inform them in writing that they will nevertheless regard it as correct. A CLA template email, which can be used to fulfil this duty, can be found [here](#).

3. We need to draw up a new tenancy agreement if we take over management of a let property

The tenancy agreement can be left to continue but it is best practice to try to get a new one signed if the current one has been poorly drafted by the landlord or previous agent.

4. We need to put the landlord's

home address on the Private Residential Tenancy

You can put the landlords address as c/o the agent's office address. Most landlords would prefer that you don't disclose their contact details to their tenants, but you must provide their name and address within 21 days if the tenants submit a written request for this.

5. We still need to register with landlord registration

Agents who've applied to the letting agent register no longer need to be registered with landlord registration. The landlord registration website allows landlords to link their registration application to agents who've been allocated a Letting Agent Registration Number (LARN).

Where agents don't yet have a LARN, the landlord will need to contact the local authority to provide them with the agent's letting agent registration application code instead.

Concerned you are wasting time and money operating with other myths in your business?

SAL members can ask all their questions such as these, directly to our advisers with unlimited helpline access - one of our most popular and widely used member benefits. Request an advice call back.

Not a member yet and need your questions answered – time to join the SAL Council of Letting Agents?



Score Top Marks for Protecting Student Tenants' Tenancy Deposits

SafeDeposits Victoria Smith, provides a crash course in student tenancy deposit protection

The student rental market presents significant opportunities for landlords and letting agents, however, student tenancies pose challenges that are often less common in other areas of the sector.

From May through to September, our team sees a marked rise in enquiries in new deposits being lodged for student lets. These are predominantly in shared accommodation where there are direct implications on deposit protection that landlords should be aware of.

When managing properties with students or multiple sharers, it is not uncommon to be presented with a scenario where one tenant wishes to move out and to be replaced by a new tenant.

Leaving the tenants to sort it out among themselves can present complications and even though the tenancy deposit was originally protected, it does not mean that protection 'rolls over' when the tenants change.

Unlike students, landlords don't have four years to get to grips with their subject matter, so here's a crash course in renting to students and managing student change-overs:

Explain the release clause

Make it clear to the person leaving the tenancy early that they can only

be released from their obligations once the replacement tenant has signed a tenancy agreement.

Collect the new deposit

Collect the appropriate share of the tenancy deposit from the replacement tenant.



SafeDeposits Scotland's Chief Operating Officer

The deposit amount should be detailed in the tenancy agreement, or if not specifically stated, the amount proportionate to the number of tenants. For example, if there were four tenants, the agent would collect 25% of the deposit amount held from the incoming tenant.

Allow an initial inspection

Explain that the new tenant will be liable as per the original inventory, so it is important they are given the opportunity to review and agree to it in writing – and also make sure that the property they are moving in to isn't subject to damage already.

Draw up a new tenancy agreement

The current and incoming tenants need to sign the new agreement.

Add an individually negotiated clause to the tenancy agreement to bind all tenants to the inventory from the start of the initial lease period. Make sure that it is included as a special condition which the parties should sign. You will need to make it clear that you will be assessing the incoming tenant's deposit as per the original inventory.

Pay up

Pay the share of the tenancy deposit to the outgoing tenant once agreed, and in exchange, obtain written consent that they have received their share and will make no further claim to the deposit for the new tenancy.

Let us know

Don't forget to register the deposit with SafeDeposits Scotland within 30 working days and supply the prescribed information. If you don't, you could face a fine of up to three times the deposit value!

By following these simple steps, your student tenancies will finish top of the class!

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.

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Do Private Sector Tenants Have “Human Rights”?

Reflections on a recent Strasbourg case

Twenty years ago, the Human Rights Act 1998 was passed by the UK parliament. The intention of the Act was to ensure that the rights guaranteed by the European Convention on Human Rights were “embedded” into domestic law.

Since then, every law passed by parliament requires to be construed in a manner which gives effect to those Convention rights. Every court must take those rights into account when making decisions.

The general intention of the Act was to protect individuals in their dealings with public authorities.

Many cases have come before the courts considering whether the Convention rights apply between individuals.

Some of the Convention rights are not “absolute”.

They can be breached in various circumstances...where it is “necessary for national security”.... where it is in “accordance with the law”...if it is “necessary to protect rights and freedoms of others”.

In a case which has recently been decided, the European Court of Human Rights considered whether an eviction order sought by a private sector landlord breached the human rights of the tenant. The case originated in England and had gone through the court system there,

including the UK Supreme Court.

The tenant argued that he should not be evicted from his private tenancy. His argument was mainly based on Article 8 of the Convention which is in the following terms:

“Everyone has the right to respect for his private and family life, his home and his correspondence”



The landlord sought eviction based on provisions in England which make eviction in certain circumstances “compulsory” (very similar to section 33 in short assured tenancies in Scotland?). The tenant argued that the court was a “public authority” (and thus bound to apply the Convention rights) and thus no judge could make an order for possession of a person’s home without first considering whether it would be proportionate to do so. This argument had been rejected in the UK courts.

The European Court considered the matter. It reviewed the UK decisions

and the relevant law. The European Court agreed with the UK courts.

The Court took the view that the case concerned a contractual (landlord-tenant) relationship between two private individuals, which is governed by legislation prescribing how the Convention rights of the parties are to be respected.

The Court also stated that while the applicant’s particular circumstances in this case were deserving of sympathy, they could not justify the conclusion that in cases where a private sector landlord seeks possession in circumstances prescribed in legislation, a residential tenant should be entitled to require the court to consider the proportionality of the possession order.

The view of the Court was that the authorities of the Member State were entitled to regulate tenancies such as the applicant’s through legislation intended to balance the Convention rights of the individuals concerned.

This decision clearly limits any possible defences to “compulsory” evictions actions in Scotland. It is very clear authority that eviction orders should be granted where the legal process has been correctly followed.

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. **OptiletPro** is an analysis tool which delivers robust data on the sales and rental residential property markets at a local level. The interface is designed to allow clients to analyse local trends and easily extract data into a variety of formats.

Metrics include:

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

Methodology

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

Our cleansing process continues to guide refinements to data recording. Averages are calculated on a monthly or quarterly basis as weighted (mix adjusted) means. Indices are constructed holding composition (property type and number of bedrooms) fixed at the average of the last three years. This ensures that changes in the index reflect rent changes and not changes in composition, which are likely to occur seasonally.

The Publication

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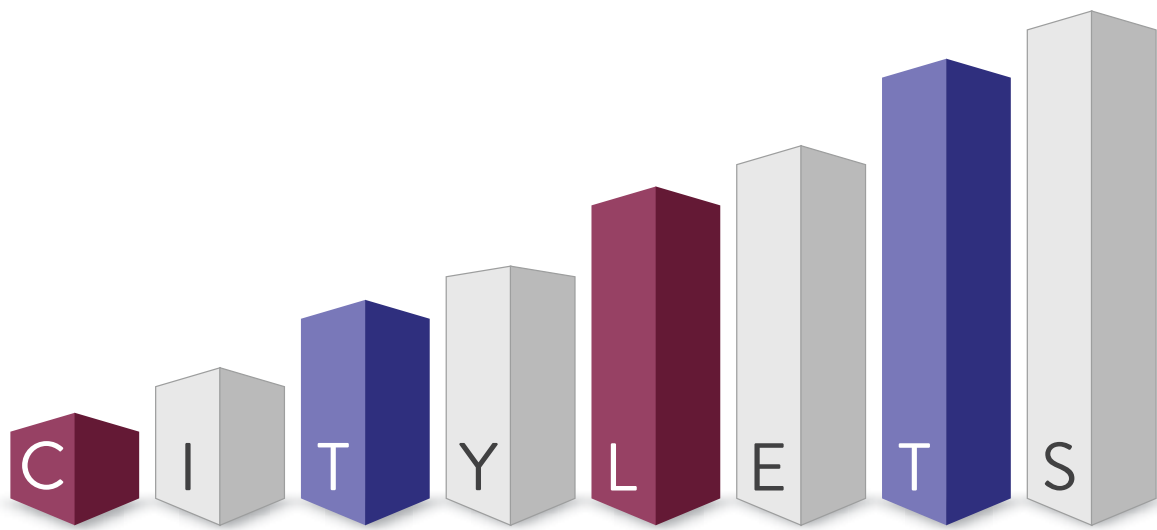
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