

Late Spring



- Market Overview ■ National Trends
- Spotlights: Edinburgh, Glasgow, Aberdeen, Dundee & more
- Agent Views ■ Postcode & Town Analysis: Localised Rental Prices
- Pipeline: BTR and MMR news
- SAL: Eviction is Always the Very Last Resort
- ESPC: Demand for Homes Remains High in the First Half of 2021
- TC Young: Measures Introduced to Protect Tenants from Eviction Extended
- SafeDeposits Scotland: Scotland's Deposit Trends

Market Overview

The Scottish lettings market sprung to life in the latter stages of Q2 2021 as COVID restrictions eased and students, who had delayed securing accommodation for the next academic year, increasingly found confidence to take up their leases. Properties of all types, 1-4 beds, posted positive annual growth taking the overall Scottish average to an all time high of £883 per month.

A common trend of larger rental properties continuing to be in high demand was evident throughout, regional variations persisted across the country. Any localised negative annual growth was confined to the smaller 1 and 2 bed property types and consistent with the consensus that home movers have increasingly sought more living space to accommodate home working.

Rental markets within commuting distance of main cities continued to post much of the strongest growth - including West Lothian (13.2%), South Lanarkshire (8.5%) and Renfrewshire (8.6%) – and witness acute constraints on supply in areas such as the Scottish Borders. However it is noteworthy that rents in the main cities also, on the whole, posted positive annual growth

indicating strong demand persists relative to supply, especially in Scotland's largest city, Glasgow.

Edinburgh, which witnessed its steepest year on year decline last quarter at 6.9%, continued to see some challenges with a large supply of smaller 1 and 2 bed properties. However larger 3 and 4 bed properties recorded positive growth at 3% and 1.8%, in strong contrast to the previous quarter (-6.1% and -17%) but in line with forecast that these markets would recover quickly upon easing of restrictions.

Overall the average property to rent in Edinburgh fell just minus 0.6% YOY to stand at £1,115 per month. Few would have predicted such a quick rebound in the capital's rental market with many agents now predicting a return to pre-pandemic levels this year. This of course assumes no further material changes in the course of the pandemic which few would wholly rule out.

Time To Let's (TTLs) in commuter belt areas, having recorded steep falls in Q1 2021, remained at historically low levels, further supporting the view that home working has boosted demand as

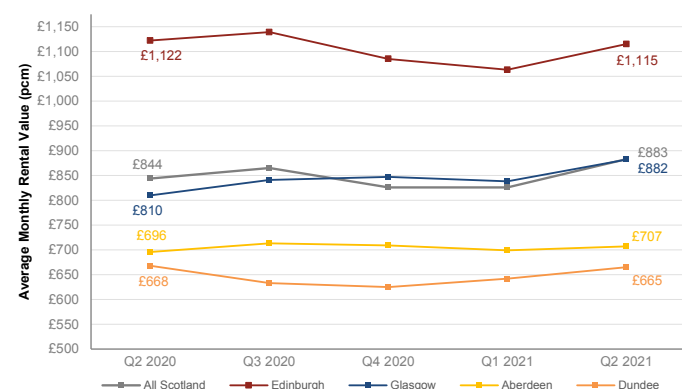
workers hedge that a change to lifestyle with some degree of home working may become a pervasive reality.

The Glasgow rental market continues to operate at pace with very high demand relative to supply pushing average rents 8.9% higher year on year to £882, a growth rate that will be a concern to policy makers and the local authority. Glasgow stood alone amidst Scotland's major cities again recording growth across all property (1-4 bed) types, however agents reported continued weakness in the upper end and corporate let segments in the city centre.

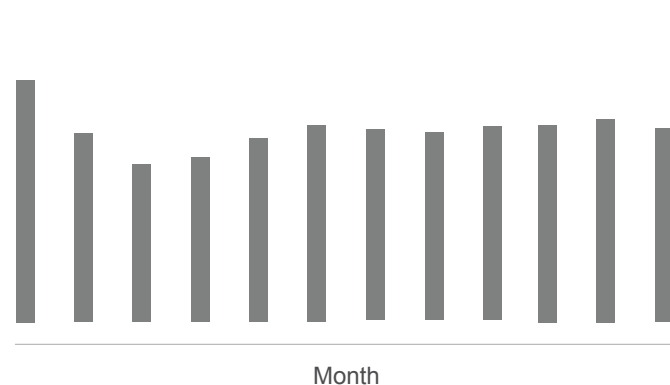
Aberdeen saw rents climb by a modest 1.6% YOY driven by growth in the larger 3 and 4 bed properties and, as per Edinburgh, tempered by falls in 1 and 2 bed properties. 4 bed properties posted significant 12.4% YOY growth with a dramatically reduced TTL, down 24 days, underlying the demand for larger family homes.

The picture in Dundee's rental market reflects a steady market operating more quickly than in recent years with TTL down 10 days to 33 on average.

Scottish Monthly Rent Analysis (Q2 2020 - Q2 2021)



Scotland - Average Stock Levels (Q3 2020 - Q2 2021)

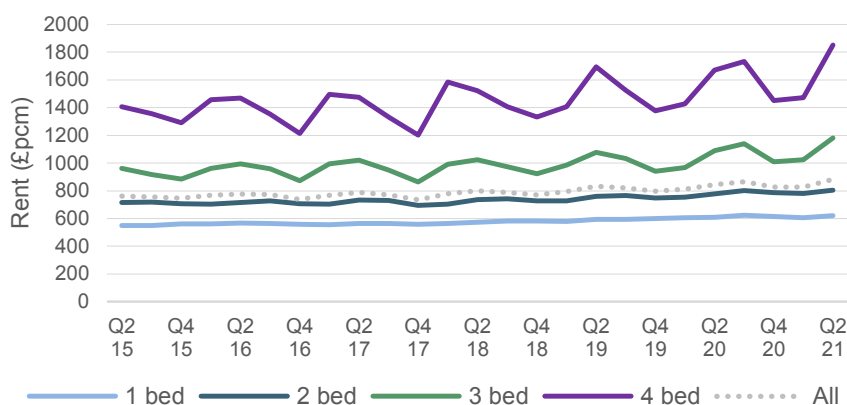


Scotland

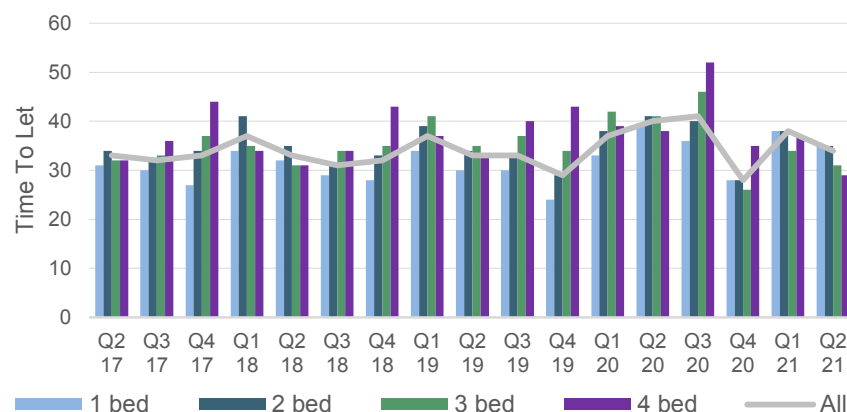
Market Overview - Q2 21

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	£622	2.0%	9.7%	29.3%	35	-4	17%	54%
2 bed	£805	3.5%	12.3%	29.4%	35	-6	19%	56%
3 bed	£1,180	8.4%	18.5%	40.5%	31	-10	23%	61%
4 bed	£1,853	10.9%	26.2%	54.4%	29	-9	26%	63%
All	£883	4.6%	13.6%	33.2%	34	-6	20%	57%

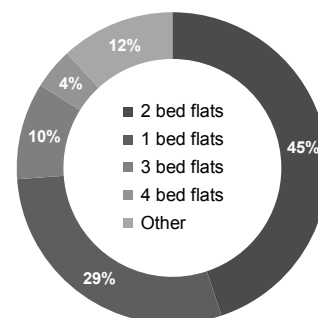
Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms



Market Composition

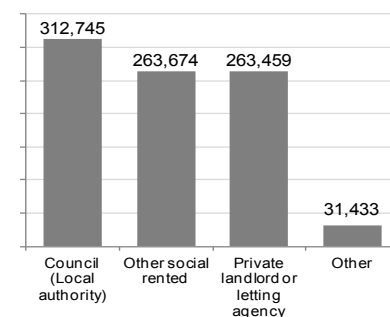


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	129.1	127.3	123.6
2020	125.7	130.9	134.1	128.1
2021	128.1	136.9		

Households: Rented



Source: Census 2011, Edinburgh



Callum MacGregor - Braemore

"With Covid restrictions starting to ease, we are seeing a massive surge of tenant enquiries which will help to ease the oversupply of 1 and 2 beds that the market has seen recently. This, in turn, should see rents start to level out after a slight dip in the last 12 months. Many of our investor landlords are also seeking new property to add to their portfolio which is yet another positive move for the market. All in all, the signs are looking good for the rental market in Scotland to continue to flourish and provide the country with much needed quality housing."

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- ✓ Letting Manager
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PRS



Student



Housing Association



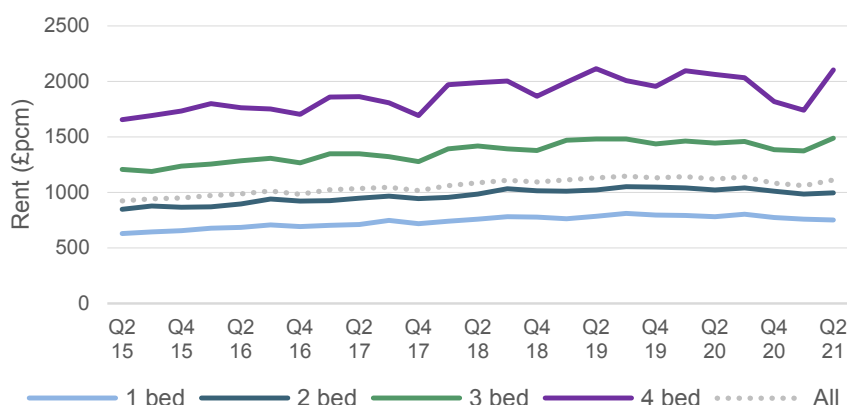
Estate Agency

Edinburgh

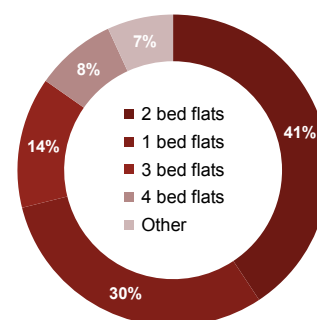
Market Overview - Q2 21

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	£754	-3.7%	9.9%	40.4%	39	5	13%	48%
2 bed	£996	-2.4%	11.2%	42.7%	41	3	12%	46%
3 bed	£1,488	3.0%	15.7%	48.5%	34	-2	18%	56%
4 bed	£2,102	1.8%	19.3%	51.0%	33	1	21%	59%
All	£1,115	-0.6%	13.1%	45.0%	38	3	14%	49%

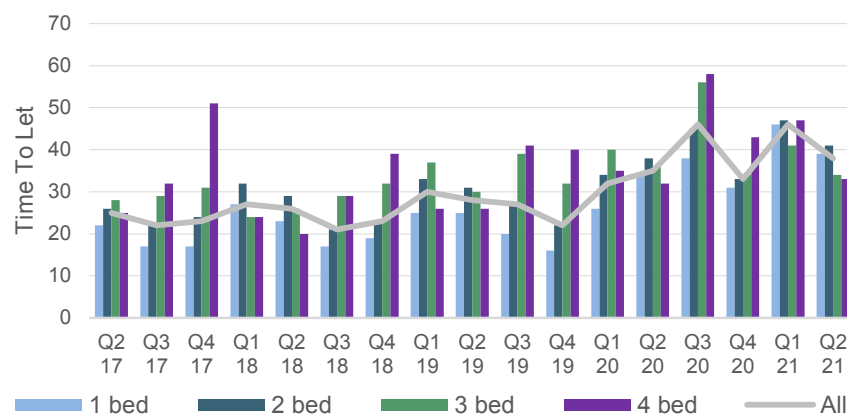
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	151.5	153.7	151.4
2020	152.9	150.2	152.5	145.2
2021	142.3	149.3		

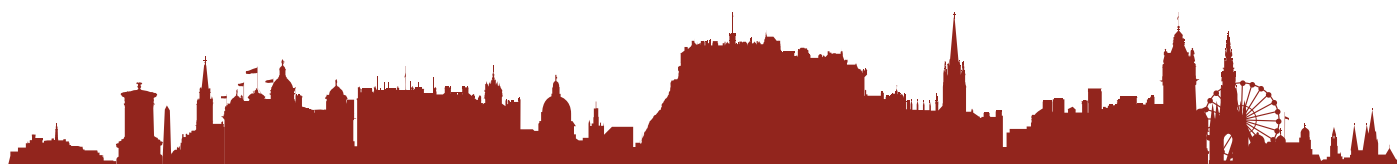
Yield by Popular Postcodes (Flats)

	2016	2017	2018	2019	2020
EH3	4.1%	4.0%	3.7%	3.9%	3.6%
EH7	5.6%	5.6%	5.0%	5.5%	5.0%
EH8	7.2%	7.0%	7.0%	6.3%	6.6%
EH9	5.1%	4.8%	4.8%	5.1%	4.7%
EH10	4.3%	4.2%	4.1%	4.2%	3.8%
EH11	6.1%	5.8%	5.8%	5.8%	5.6%
EH12	5.4%	4.7%	4.9%	4.9%	4.7%



Derek Hawson - Rentlocally.co.uk

"After the expected slow start to the year, Q2 has proved more robust with rents remaining fairly stable in 1 & 2 bed sectors despite a bit of oversupply of available properties. Increasing use of technology to provide tenants with virtual tours and extending visibility on social media platforms, has ensured a steady flow of enquiries whilst TTL has lengthened a bit simply due to the process itself requiring more planning to ensure that viewings are safe and well organised. Properties presented to a high standard are still the most sought after and will command a premium rental especially now as home working becomes more prevalent and time spent at home increases."

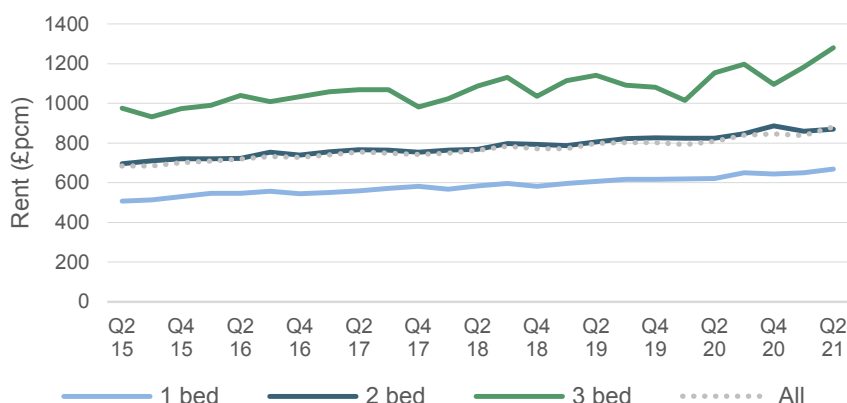


Glasgow

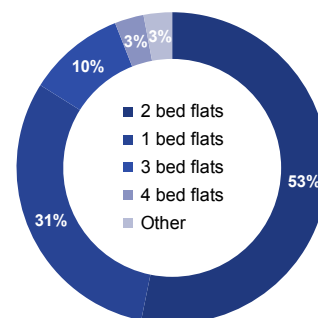
Market Overview - Q2 21

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	£670	7.7%	22.7%	46.6%	26	-9	28%	66%
2 bed	£870	5.6%	20.2%	44.5%	33	-7	18%	60%
3 bed	£1,280	10.9%	23.1%	51.7%	29	-11	25%	66%
4 bed	£1,911	2.9%	24.7%	53.7%	26	-6	38%	73%
All	£882	8.9%	22.7%	46.8%	30	-8	22%	63%

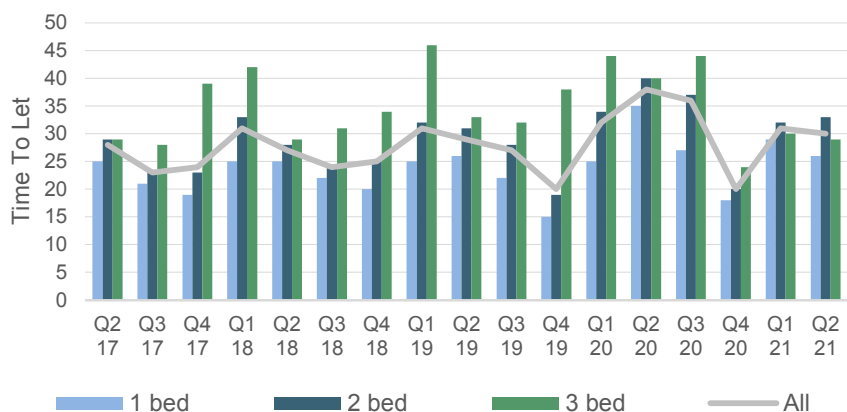
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	136.2	140.9	141.6	141.4
2020	139.7	142.9	148.3	149.4
2021	147.8	155.6		

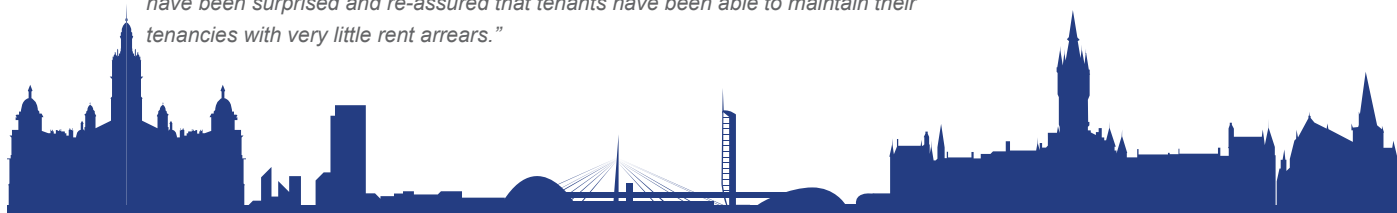
Yield by Popular Postcodes (Flats)

	2016	2017	2018	2019	2020
G1	6.2%	5.7%	4.9%	6.0%	5.8%
G2	7.5%	6.7%	7.0%	6.6%	5.9%
G3	5.5%	5.4%	5.3%	5.3%	5.3%
G4	6.5%	6.6%	5.3%	6.0%	5.9%
G5	6.8%	6.7%	6.4%	6.7%	6.4%
G11	5.4%	5.3%	5.0%	5.2%	5.2%
G12	4.8%	4.7%	4.4%	4.8%	4.2%



Wendy Gallagher - One Stop Properties

"We have found Q2 to be a bit of a mixed bag. As lockdown restrictions have continued to ease, we have found a higher demand for the more affordable properties, and demand has outstripped supply. Numerous tenants have been going after the same properties, allowing landlords to cherry-pick their tenants and see modest rent increases. On the other hand, executive/corporate lets and high-end properties have suffered longer TTL periods and some rental amounts have dipped, as companies continue to have staff working from home. To date, we have been surprised and re-assured that tenants have been able to maintain their tenancies with very little rent arrears."

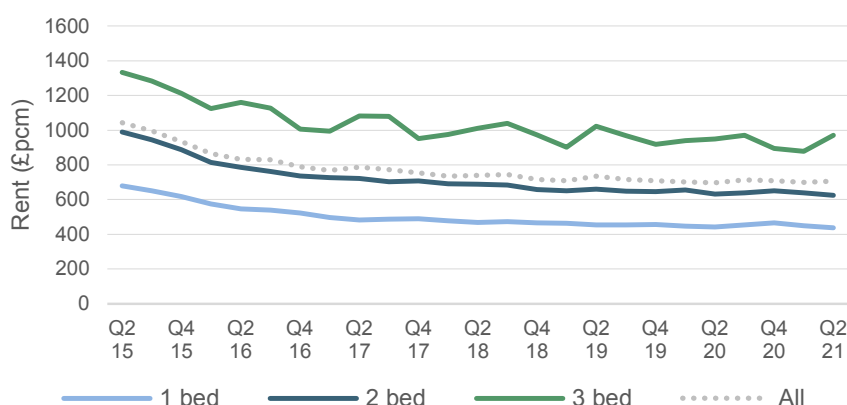


Aberdeen

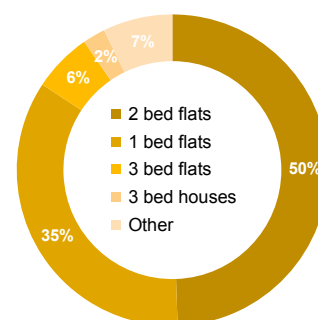
Market Overview - Q2 21

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	£437	-1.4%	-20.0%	-21.4%	50	0	10%	37%
2 bed	£626	-1.1%	-20.5%	-21.8%	51	3	12%	37%
3 bed	£971	2.3%	-16.4%	-14.3%	48	-10	8%	40%
4 bed	£1,399	12.4%	-6.4%	-15.8%	30	-24	24%	50%
All	£707	1.6%	-14.9%	-18.0%	49	-1	11%	38%

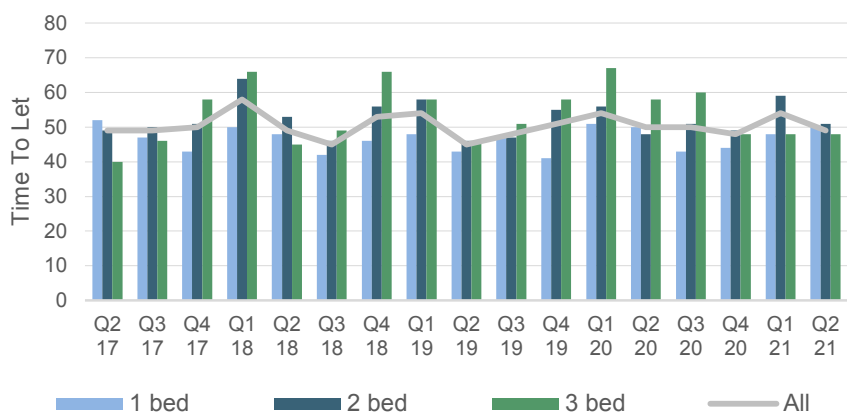
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	82.9	80.9	80.0
2020	79.3	78.6	80.6	80.1
2021	79.0	79.9		

Yield by Popular Postcodes (Flats)

	2016	2017	2018	2019	2020
AB10	4.9%	5.2%	5.4%	5.2%	5.3%
AB11	6.1%	5.6%	5.7%	6.0%	6.2%
AB15	5.1%	5.1%	4.9%	5.2%	5.2%
AB24	7.4%	6.6%	6.7%	6.4%	7.3%
AB25	5.5%	5.5%	5.3%	4.9%	5.6%



Adrian Sangster - Aberdeen Considine

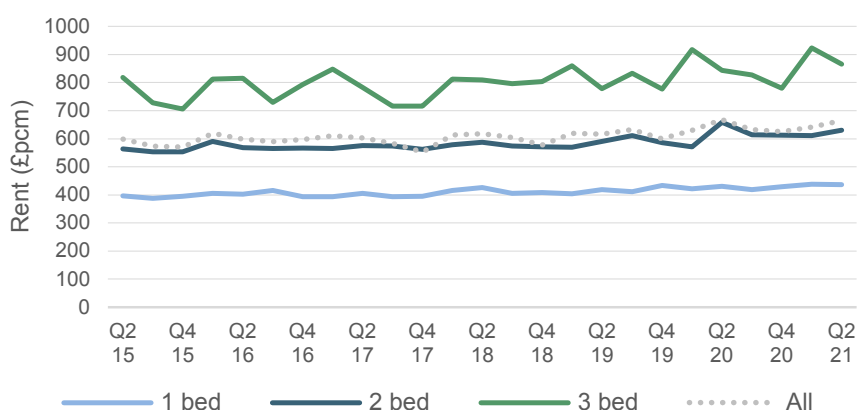
"Finding a family sized home for rent in north east Scotland remains a challenge for many. Due to low stock and ever increasing demand, people are prepared to offer rentals higher than the asking price to secure properties. I have not witnessed this sort of demand since the height of the oil boom. Reports of BP promising £10 billion of investment to make Aberdeen its global hub for offshore wind is encouraging news for landlords but more properties will be required to meet the inevitable demand."

Dundee

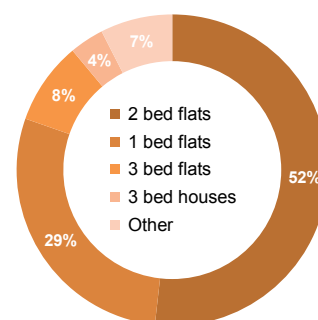
Market Overview - Q2 21

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	£436	1.2%	2.3%	8.5%	38	-6	11%	49%
2 bed	£631	-4.1%	7.5%	11.1%	31	-12	22%	58%
3 bed	£866	2.6%	6.9%	6.3%	26	-22	32%	59%
All	£665	-0.4%	7.6%	11.0%	33	-10	21%	55%

Average Rent (pcm) by Number of Bedrooms



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	104.7	101.4	95.8
2018	106.6	107.3	104.9	100.3
2019	107.6	106.9	109.9	104.2
2020	109.4	116.0	109.9	108.5
2021	111.5	115.5		

Yield by Popular Postcodes (Flats)

	2016	2017	2018	2019	2020
DD1	7.8%	7.7%	6.7%	6.7%	6.7%
DD2	6.6%	6.4%	6.6%	6.2%	6.3%
DD3	7.5%	7.8%	7.1%	7.1%	7.3%
DD4	8.1%	8.7%	7.4%	7.2%	7.0%
DD5	5.0%	5.0%	4.5%	4.5%	4.5%



Alasdair Bain - Tay Letting

"During Q2 we have seen the market gathering momentum as the restrictions have been continuing to ease – more tenants are feeling it appropriate to move again. Many of our properties have been taken off the market with tenants secured in under just one or two weeks. We have been experiencing a great demand from tenants looking for good quality well-presented properties with a more professional feel to them, not just in Dundee itself but also the surrounding areas."

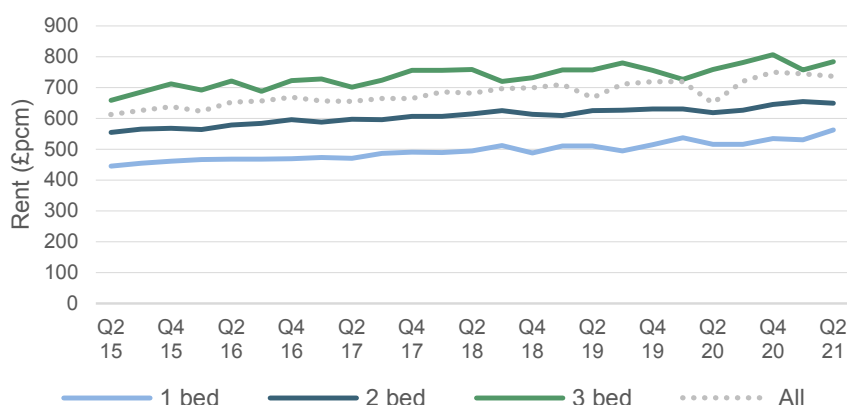


West Lothian

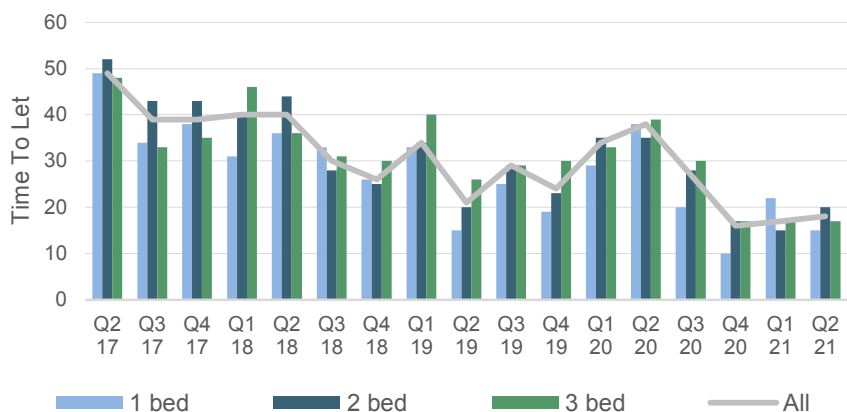
Market Overview - Q2 21

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	£562	8.9%	20.1%	29.2%	15	-23	25%	92%
2 bed	£649	5.0%	12.1%	22.7%	20	-15	30%	83%
3 bed	£784	3.4%	8.7%	19.5%	17	-22	35%	81%
All	£736	13.2%	12.9%	21.1%	18	-20	31%	85%

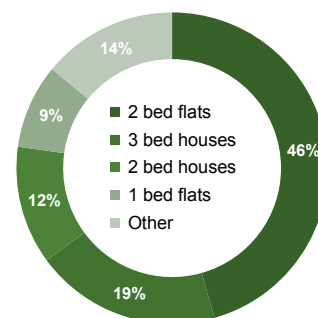
Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms



Market Composition



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	115.0	122.6	124.0
2020	124.0	112.1	124.1	129.3
2021	128.3	126.9		

Yield by Popular Postcodes (Flats)

	2016	2017	2018	2019	2020
EH48	6.8%	7.5%	7.2%	7.2%	7.0%
EH49	5.1%	5.1%	5.3%	5.1%	5.2%
EH54	6.9%	7.0%	6.8%	7.1%	6.7%



Callum McQueenie - Mavor & Company

"The West Lothian rental market continued in the same fast paced fashion as it ended in Q1 with demand still far exceeding low stock levels. Landlords appear more relaxed and confident to re-market the property to rent when current tenants are serving notice. This is compared to the instinctive decision to sell that was a common feature mid-late 2020 during continued uncertainty due to the pandemic as well as a buoyant sales market. Demand in rental properties is driving rental prices to record level within popular areas of West Lothian, meaning higher yield returns could prove popular for potential investment landlords."

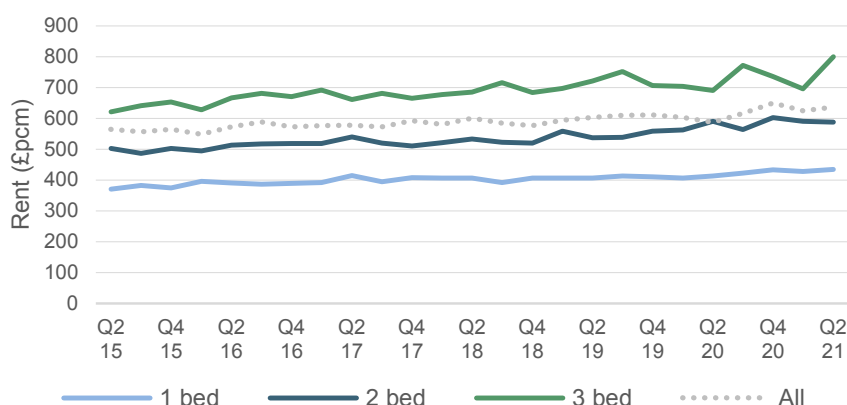


South Lanarkshire

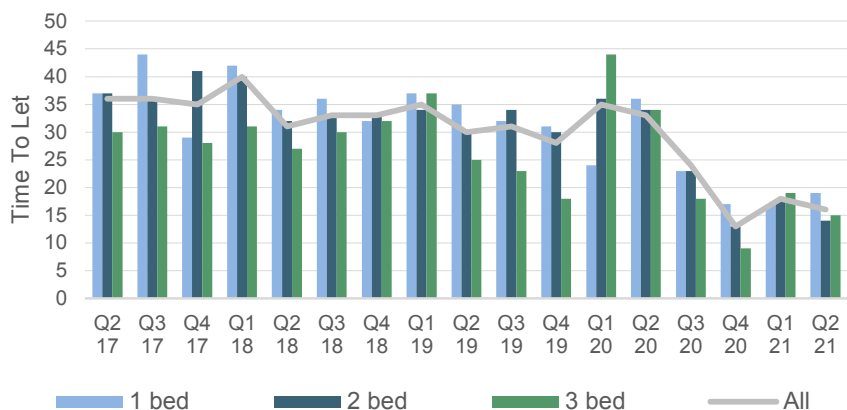
Market Overview - Q2 21

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	£435	5.3%	11.3%	15.7%	19	-17	24%	78%
2 bed	£588	-0.5%	14.6%	17.4%	14	-20	35%	87%
3 bed	£800	15.9%	20.1%	29.4%	15	-19	36%	85%
All	£637	8.5%	11.4%	18.0%	16	-17	32%	83%

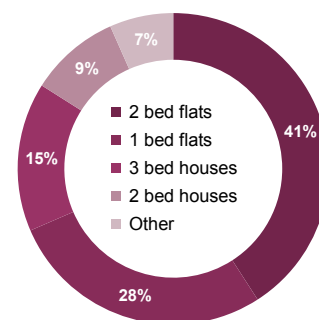
Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms



Market Composition



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	111.0	112.3	112.5
2020	111.0	108.1	113.6	119.7
2021	115.1	117.3		

Yield by Popular Postcodes (Flats)

	2016	2017	2018	2019	2020
G71	5.5%	5.4%	5.5%	5.9%	4.9%
G72	7.5%	8.3%	7.5%	7.5%	7.4%
G73	6.7%	7.0%	6.6%	6.8%	6.6%
G74	7.4%	6.8%	7.0%	6.6%	6.7%
G75	9.6%	8.9%	8.8%	8.7%	7.9%



David Kendall - Lets Make Homes

"Lack of supply, coupled with huge demand, continues to push rental prices higher with often multiple high quality applicants chasing the same property. The buoyant sales market provides temptation for some landlords to sell, whilst prospective landlords and those wishing to increase their portfolio are reluctant to pay over Home Report values and 4% Additional Dwelling Supplement, so new supply to the rental market is limited. The Lanarkshire area is increasing in popularity for renters and homeowners due to the excellent transport links for both Glasgow & Edinburgh combined with increasing options to work from home."

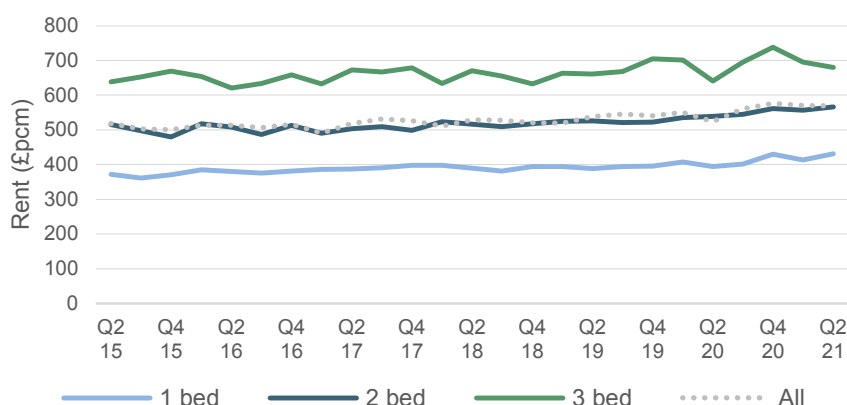


Renfrewshire

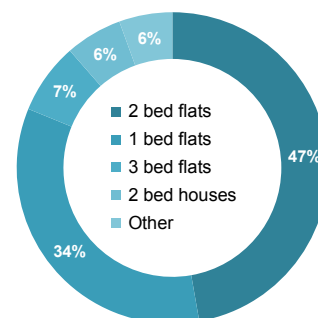
Market Overview - Q2 21

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	£431	9.4%	13.4%	21.4%	20	-40	26%	74%
2 bed	£566	5.0%	11.4%	18.4%	19	-29	33%	79%
3 bed	£680	6.1%	9.5%	14.5%	30	-13	34%	63%
All	£569	8.6%	10.9%	20.0%	20	-32	30%	75%

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
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	112.8	114.3	113.4
2020	115.3	109.9	117.6	120.8
2021	119.5	119.3		

Yield by Popular Postcodes (Flats)

	2016	2017	2018	2019	2020
PA1	7.4%	7.1%	7.5%	7.0%	7.4%
PA2	7.1%	7.0%	6.7%	6.9%	6.4%
PA3	10.0%	9.6%	9.8%	8.9%	8.4%
PA4	7.8%	7.8%	7.9%	7.2%	7.7%
PA5	8.4%	9.1%	8.8%	8.7%	8.2%



Jacqueline McLelland - Castle Residential

"Following on from the first quarter of 2021, the rental market within Renfrewshire has been in high demand. With the pandemic restrictions having remained in tier 2 for some time now, we are starting to see more elements of normality within the business dynamic. We have seen the market for Renfrewshire grow tremendously with Paisley being named "Britain's property hotspot" for 2021. The summer season is coming along and with that, there has been a significant desire for properties with garden access. With the end of Covid-19 restrictions insight, we hope to see the rental market's momentum continue to grow."



Agent Views

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

Winchesters, Aberdeen – Chris Minchin



"The past quarter in Aberdeen and the north east has been full on with quality properties not lasting long on the open market. The number of tenants waiting for 2 bed houses + in outlying areas has increased dramatically with most houses attracting record numbers of viewings – subsequently the market does lack supply in these areas. 1 bedroom properties are proving less popular unless they are presented in a modern and fresh style. The student market is returning well in anticipation of universities resuming in the new semester – this is welcome and refreshing for landlords operating in this market."

Finlayson Gore, Dundee – Eilidh Finlayson



"Q2 has shown a positive upsurge in student lettings and we have welcomed the return to this normally very busy sector of the market. Our student tenants have been very proactive in securing good quality accommodation some months in advance of the new academic year instead of leaving their choices until the last minute. Elsewhere, demand for varied properties remains strong with minimal voids and quick turnaround times between tenancies. On the horizon the anticipated end to the JRS is concerning – again strong communication with our tenants will remain key to preserving stable tenancies."

Aberdein Considine, Perth – Adam Campbell



"Demand continues to outstrip supply in the Perth rental market as we enter quarter 2 and the summer months. This has led to an increase in rental prices not seen in the Perthshire market for a number of years. Properties of all sizes have let well with family sized homes being particularly attractive and short in supply right across Perth and Kinross. There is no sign of this demand decreasing through the summer months and landlords should feel confident in sourcing a tenant for their empty properties in this current market."

Western Lettings, Glasgow – Jack Gallagher



"Sensibly priced properties are experiencing strong demand in spite of the continuing lack of students. We have recently seen a rise in the number of tenants serving notice, many of whom are buying their first property, or taking advantage of the relaxation of restrictions to relocate. While demand for high end properties is currently rising, we feel that it has not yet returned to pre-pandemic levels."

1LET, Edinburgh – Ken Bell



"Q2 has seen the momentum build from the latter half of Q1 with the lettings market continuing to go from strength to strength. If I was to sum up Q2 in one word, I would use the word "movement" and lots of it. The market has exploded with tenants moving into and out of properties, landlords buying and selling and enquiries for available properties at an all-time 2021 high. Where previously rental values had dipped, I am confident we will see steady growth as demand increases as the year progresses."



Agent Views cont...

Northwood, Aberdeen – Scott Morrison



"Q2 has been very encouraging with an increased level of enquiries and properties being let since moving to Level 2 at the end of April. There has been a surge in students looking to secure accommodation for the start of the new term and HMOs have been more popular than this time last year showing a growing confidence that things will begin to return to normal by September. In general, there is still a great demand for 3+ bed properties. Those that come on the market are very popular as tenants still look to accommodate working from home or for their own private outdoor space to enjoy."

Umega Lettings, Edinburgh – Danielle Kerr



"We've been delighted to see the Edinburgh rental market spring to life in Q2 at Umega. Our potential tenant enquiries have steadily increased throughout the quarter and this has translated across to the number of lets agreed, where we've seen a huge amount of action. All this activity has had a positive impact on our market list, which is decreasing gradually. The market remains competitive, and strong visuals are still a must. Rents are holding up, but tenants are more discerning than ever when it comes to the standard of properties – rightly so! We're gearing up for an incredibly busy Q3 as we welcome more students back to the city in the next few months."

GF Property Leasing, Aberdeen – Grant Fairbairn



"Q2 has seen a significant increase in rental activity in Aberdeen. Good quality houses in the west end and suburbs seem to be in the highest demand, some receiving multiple offers and renting in just a few days. One and two bed flats in the city centre remain over supplied, however, are still renting if well-presented and the price is correct. With students gradually returning and the price of Brent crude oil getting closer to \$75 a barrel, I forecast a busy Q3."

Cullen Property Ltd, Edinburgh – Steve Coyle



"Q2 saw mixed results for different sectors in the PRS. One and two bed properties fared well, with rents holding steady despite recent significant rises in recent years, and sensibly priced units letting well. HMO student properties remained challenging,

these still being affected by a still-settling PRT regime, Covid problems and a lack of summer work/festivals to encourage students to maintain a lease through summer. However, broadly half 'stayed-on' and lettings and enquiries remain strong for those which became available. Landlord and investor appetite continued to grow steadily as increasing confidence in property asset performance continues."

ESPC Lettings, Edinburgh – Nicky Lloyd



"After a relatively quiet and uncertain start to 2021, Q2 saw a resurgence in the market with tenant demand doubling from where we'd started at the beginning of the year. Landlords were seeing shorter time to let, and after a spell of rents being reduced, we saw most hold steady and some increases. The market for new landlords and investors also started to pick up with more new properties coming to the market."

Macleod Lettings, Glasgow – Helen Hall



"Despite an uncertain start to Q1, Q2 has seen whirlwind of activity across the market. The easing of restrictions and reopening of universities has meant the student market has surged. This has meant the demand for our HMO properties now outweighs the supply, with students keen to secure good quality housing for the next academic year. The city centre appears to be slowly bouncing back and interest in our central properties has increased, although an element of uncertainty is still present. With the booming sales market offering an attractive cash injection for sellers, we have seen a handful of clients dispose of their assets. Notwithstanding, our stock levels continue to rise at a controlled rate, with clients continuing to invest in properties and refurbishment projects, increasing the supply of good quality rental properties in Glasgow and the West of Scotland."

Rettie & Co., Edinburgh – Karen Turner



"With peak letting season now in full flow, we are seeing new stock letting very quickly. Demand is high for properties out with the city boundary as they tend to have gardens. Demand here is pushing rents beyond where we would normally expect to see them. Properties which are up for re let are where we are seeing pressure on the rents as they are competing with the more keenly priced new to market. This will be short lived as the market settles and stock reduces. Overall though, the market is strong and it's great that we are seeing buoyancy in our city centres once more."

At Home In Edinburgh, Edinburgh – Rick McCann



"We started the quarter with a high level of stock on the market and long time to lets. We saw demand steadily increase throughout the quarter. By June, depressed rent levels were returning close to pre pandemic levels and there was a noticeable reduction in time to let. The profile of new tenants reflected more moves from the rest of the UK and internationally as restrictions lifted. The student market remained tricky with most student properties serving notice before the end of May. We managed to keep the time to let low by discounting rents for the summer period. Confidence is returning and we are hopeful that we will see this continue into Q3."

Agent Views cont...

Martin & Co, Aberdeen – Eduardo Prato



"The Aberdeen market has woken up! Last quarter we reported a slow start of the year and this was again the mood for the two months of Q2 2021. However, June brought a market that resembled the boom of 2013-2014. It's interesting to note an increased demand for very good quality properties in the west end, Cults and Bieldside areas. Clearly this buoyant market is linked with the expected increased activity in the summer months, but this summer has started with a bang! The message to landlords of high end properties is: 'this is the time to let your property in Aberdeen. Don't miss this window opportunity.'"

Cox & Co., Edinburgh – John Cox



"As Covid restrictions ease and we all begin to see light at the end of the tunnel, the future is bright for the PRS in Edinburgh. Tenant enquiries have increased exponentially, allowing us to fill many of the vacant properties that fell foul of the pandemic.

Our average TTL has reduced and demand has most definitely increased. We have also seen a sharp rise in overseas investor enquiries looking to take advantage of the upturn in the local market."

Glenham Property, Edinburgh – Charlie Innes



"The pandemic has hit the Edinburgh market harder than most other places, with much of this due to the large amount of short term stock being dumped onto the long term market. We expect the downward pressure on rents in the capital to ease somewhat and the trajectory to flatten into the next quarter. We are seeing the green shoots of recovery and renewed activity in the market with the oversupply gradually reducing and expect the market to continue to stabilise into 2022."

Burgh Property, Edinburgh – Andrew Markham



"The Edinburgh market in Q2 has settled into a steady rhythm with an uptake in activity across all sectors – particularly for the 1 bed and HMO markets where we had seen a relative slowdown in 2020. The easing of restrictions has seen tenants being more willing to view properties and they are more open to thinking about moving – so as life returns closer to normality, we are seeing the tenant demand increase and the tenant pool widen. Whilst stock levels are still high across the market, the demand for attractive properties remains good with rents holding at the same level or sometimes higher than the previous rent achieved. With the anticipated ending of restrictions due in August, we expect the market to react positively in to Q3 with more tenants searching and more stock coming off the market – further impacting positively on rents."

The Flat Company, Edinburgh – Matthew Wilcken



"Quarter 2 has been an exceptionally busy time – we have been carrying out our management inspections and letting our student properties that were delayed due to the Covid restrictions. We have also seen a bounce back in short term letting. The pandemic has resulted in an evolution in the way that properties are viewed and reserved with potential tenants expecting floor plans, video tours and high quality photos before arranging a viewing. The market is not quite back to normal and tenants have more choice than ever but if your property is well maintained, has good marketing material and is priced correctly (Edinburgh rents have dropped slightly), then you will be at the front of the queue for getting your property let."

Littlejohns Ltd, Edinburgh – Grant Denholm



"We have found that up to June this year, although we were letting a good number of properties, this was being outweighed by the number of notices we received. This changed in June and the amount of our available stock has reduced dramatically in a short period of time. We feel this is mainly down to the student market and despite universities not being able to guarantee on site learning in the short term, confidence has returned to this sector which has led to HMO's and smaller properties letting quickly."

Indigo Square, Glasgow – Brian Gilmour



"The rental market remains strong. There was a period during the last quarter where we saw a dip in activity for 2 bedroom properties, specifically for those properties that would appeal to younger renters finding accommodation together and sharing the costs due to a lack of students and the limitation of new professional jobs. In comparison, we have seen an increase in the number of people listing houses with gardens in their viewing criteria and any such properties have moved very quickly. One of the challenges for potential tenants are the restrictive viewing times. Agents can only get a fraction of the number people per hour out to a property, and this is accelerating the usual speed of decision making among tenants keen to secure a property before future viewings can take place."

Clan Gordon, Edinburgh – Jonathan Gordon



"As we enter the second half of 2021, we can see that the Edinburgh lettings market has stabilised and things slowly but surely are approaching some sense of normality. For Clan Gordon, our overall available properties have reduced which is the complete opposite from this time last year; there is no more 'over supply' of properties, allowing us to achieve good rentals and tenants for our clients."

Postcode & Towns - Average Rents & TTL - Q2 21

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	836	(47)	1071	(50)	1802	(22)
EH3	932	(36)	1232	(40)	1721	(33)
EH4	841	(31)	964	(35)	1192	(39)
EH5	715	(31)	840	(41)		
EH6	702	(33)	870	(38)	1198	(39)
EH7	721	(34)	931	(41)	1436	(41)
EH8	736	(39)	947	(40)	1516	(39)
EH9	757	(43)	1073	(33)	1585	(24)
EH10	804	(36)	1052	(34)	1543	(37)
EH11	689	(40)	892	(40)	1294	(50)
EH12	772	(40)	962	(39)	1290	(28)

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£741	(36)	£973	(46)		
G2	£691	(27)	£921	(48)		
G3	£729	(29)	£970	(35)	£1,397	(29)
G4	£684	(38)	£867	(41)	£1,406	(25)
G5	£739	(20)	£780	(32)		
G11	£685	(23)	£915	(28)	£1,292	(30)
G12	£768	(18)	£1,080	(29)	£1,595	(29)
G13	£606	(27)	£693	(14)		
G14	£544	(22)	£600	(21)		
G20	£615	(19)	£828	(34)	£1,103	(33)
G21			£580	(22)		
G31	£549	(24)	£745	(26)	£942	(39)
G32	£495	(19)	£603	(23)		
G33			£653	(19)		
G40			£664	(37)		
G41	£637	(12)	£797	(19)		
G42	£565	(27)	£752	(16)		

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£445	(56)	£624	(46)	£923	(45)
AB11	£430	(48)	£593	(57)	£833	(79)
AB12	£485	(26)	£600	(29)		
AB15	£516	(43)	£763	(48)	£1,153	(44)
AB21	£595	(18)	£729	(50)	£1,035	(14)
AB22			£674	(30)		
AB24	£438	(51)	£615	(47)	£974	(40)
AB25	£431	(49)	£593	(53)	£892	(41)

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£455	(35)	£742	(33)	£854	(26)
DD2	£463	(47)	£590	(39)		
DD3	£396	(29)	£554	(21)		
DD4	£418	(32)	£541	(31)		
DD5			£693	(11)		
DD8			£540	(38)		
DD11	£389	(39)	£506	(45)		

Towns - £pcm (TTL days)

Town	1 Bed		2 Bed		3 Bed	
Airdrie			£529	(23)		
Alloa			£585	(20)		
Arbroath	£386	(30)	£517	(34)	£594	(30)
Ayr			£519	(42)		
Bathgate			£636	(19)	£777	(22)
Bearsden			£808	(18)		
Bishopbriggs			£765	(11)		
Bo'ness			£552	(13)		
Bonnyrigg			£770	(8)		
Bridge of Weir			£603	(27)		
Broughton	£742	(38)	£1,002	(46)	£1,445	(38)
Cambuslang			£580	(31)		
Carluke	£382	(18)				
Coatbridge			£531	(18)		
Cumbernauld			£569	(20)	£706	(23)
Dalgety Bay			£652	(15)		
Dalkeith			£769	(18)		
Dalry	£690	(37)	£882	(42)	£1,304	(49)
Dumfries			£505	(15)		
Dunfermline	£449	(26)	£580	(19)	£768	(21)
East Kilbride	£426	(14)	£543	(14)	£743	(12)
Elgin	£439	(25)	£536	(23)	£719	(16)
Ellon			£634	(26)		
Falkirk	£417	(14)	£542	(21)		
Forfar	£376	(27)	£522	(27)	£659	(22)
Glenrothes			£515	(16)	£599	(14)
Greenock	£373	(21)	£480	(33)		
Hamilton	£421	(19)	£559	(14)	£686	(13)
Hillhead	£799	(26)	£995	(26)	£1,451	(36)
Hillside	£839	(24)	£1,014	(34)		
Inverurie			£628	(28)		
Johnstone	£422	(28)	£507	(34)		
Kilmarnock			£479	(25)		
Kirkcaldy	£437	(24)	£525	(13)		
Largs	£409	(33)	£506	(49)		
Linlithgow			£679	(18)		
Livingston	£566	(10)	£665	(16)	£804	(16)
Merchiston			£1,034	(38)		
Montrose			£472	(36)		
Motherwell			£563	(24)		
Musselburgh	£638	(21)	£793	(21)		
Newton			£780	(25)		
Paisley	£416	(24)	£530	(21)	£690	(27)
Penicuik			£748	(27)	£900	(14)
Perth	£427	(42)	£585	(38)	£829	(37)
Renfrew	£423	(20)	£632	(18)	£732	(15)
Rutherglen	£495	(20)	£655	(20)		
St Andrews	£815	(22)	£1,330	(30)	£1,673	(17)
Stirling Town	£522	(23)	£742	(36)	£1,085	(39)
Thornliebank			£643	(22)		
Trinity	£748	(33)	£915	(31)		
Uddingston			£716	(14)		
Woodlands	£731	(28)	£930	(37)	£1,378	(45)

Build To Rent News

BTR Scotland – Pipeline v's Performing

Despite a multitude of challenges to viability – Covid, planning, build cost inflation – the BTR **pipeline** (Scotland) has grown c.10,000 units. Notably however, only one third of these are **performing** – or “live” (operational or on site).

For a full map, listing and stats of Scotland BTR deals see Scarlett Land and Development <https://www.scarlettdev.co.uk/services/build-to-rent-btr/btr-pipeline/>

	In Planning	Consented	Operational	Total	"LIVE" (Operational or on site)
Glasgow	2,155	3,340	36	5,531	1,633
Edinburgh	259	2,783	236	3,278	887
Aberdeen	-	460	634	1,094	634
TOTAL	2,414	6,583	906	9,903	3,154



Will Scarlett, Director of Scarlett Land and Development.



Key messages:

- Strong and increasing appetite for BTR from institutional investors, but...
- ...of c.10,000 pipeline BTR units, only 3,154 are live – i.e. on site or operational

Trends:

- Build cost inflation and supply chain uncertainty is a major issue currently
- Single family housing BTR becoming established as a viable format – but in its infancy in Scotland
- IndyRef2 “noise” has had some negative impact – but a healthy number of funds are committed to BTR in Scotland, particularly to Edinburgh due to strong fundamentals
- BTR may replace other use classes – such as retail – as the market reacts to shifting demand patterns

BTR Meeting our ESG Goals

Covering a broad range of issues and practicalities, ESG has implications for all in BTR

Addressing the physical asset, ESG is an increasingly relevant consideration for investors and operators for practical, not just ideological, reasons, with government targets for carbon net zero aimed for by 2045 in Scotland.



For residents, ESG has a greater relevance for their health and wellbeing. The scale and design of BTR schemes, with an emphasis on communal space, on-site facilities, often sporting facilities, social space and networks, as well as investment in green public realm and activity travel measures, elevate many BTR schemes above standard rental units in terms of lifestyle, health and wellbeing.

ESG is highlighted in the importance of local knowledge and nuance in the application of operational management. Highlighted by the pandemic, there has been a growing acknowledgement that one size of service does not fit all. The understanding of regional difference can impact the success of a BTR scheme, is one well established in our own approach at Rettie & Co, local experts across Scotland.

As the BTR sector continues to emerge in Scotland, the integration of forward-thinking planning, proactive ESG strategy, and the nuanced application of asset management, will be central to the success of new schemes being delivered.



Mid-Market Rent News

PDL completing 112 new MMR units in Leith & North Edinburgh

Port of Leith Housing's wholly-owned subsidiary business, Persevere Developments Ltd (PDL), is delighted to be bringing another fine selection of affordable MMR properties to market this year.

13 brand new units have been completed at their Bonnington Mill development, working with builders, Queensberry Properties.

By September 2021, 59 new units (58 for MMR) at Heron Place (Granton Harbour), built in collaboration with CCG (Scotland) Ltd, will complete. This development consists of 3-bed duplex flats with private gardens, with 1 and 2 bed flats on the upper levels.



Heron Place, Granton Harbour

Towards the end of 2021, their next build at Ocean Drive will complete, offering 82 new units (41 for MMR) via Hart Builders (Edinburgh) Ltd.

PDL Manager, Mark Hastie said: "Throughout this year, Port of Leith Housing Association and Persevere Developments Ltd will have brought to market a further 154 social & mid-market units in total, each development offering a mixture of high-quality new homes to the public. We are immensely proud of what's been achieved. It's all thanks to our committed team and external colleagues, who have all worked tremendously hard making us reach these goals, together with the funding and support of the Scottish Government and the City of Edinburgh Council."



Partnership Pays off for Lar

There has been much coverage in the press recently about the significant problems which Scotland faces with empty homes falling into disrepair.

The photographs show what a fabulous change can be made to these homes – at a cost which is significantly less than the cost of building greenfield new homes.



Lar Niddrie Development before and after

Lar's development in Niddrie, Edinburgh, is a fantastic example of partnership working between the City of Edinburgh Council, the Health and Social Care Partnership and Lar. This building, which six months ago was a boarded up, disused tenement, vandalised and with drug paraphernalia apparent throughout the building now houses six fully refurbished, high specification flats for autistic adults. Having received EPC ratings of Bs and high Cs (originally from an E), this project also demonstrates that sustainable, energy efficient, high quality homes can be quickly and sympathetically created from Scotland's many empty homes. With so many difficulties faced in construction at the moment due to a lack of available materials and skills shortages, I suspect Lar will not be the only one to turn our attention to stripping down and refurbishing sites like this one so as to ensure both a steady supply of good quality "new" homes and also to enhance and regenerate our existing communities.



Eviction is Always the Very Last Resort

Landlords act responsibly and tenants must too, writes John Blackwood, Chief Executive of the Scottish Association of Landlords (SAL)

Throughout the pandemic, SAL has called for two main responses. First, landlords to be flexible and understanding with tenants who are in difficult circumstances beyond their own control. Second, for effective government intervention to remind tenants of the importance of paying rent and to help them to do so.

The first, I was never concerned about and sure enough, our member landlords have acted with the kind of compassion and understanding I have come to expect. The second has taken a little longer. SAL was successful in lobbying for landlord and tenant loans, unique to Scotland. They have helped some, however, restrictive criteria reduced their effectiveness. I am hopeful that the announcement of a £10m grant fund to support tenants struggling to pay their rent due to Covid will be more successful. SAL will lobby for the grant to be much more helpful to those in need and for safeguards to ensure tenants pay the money to their landlords.

A few days after the fund was announced, it was also gratifying to see the Scottish Government acknowledge that paying rent is an important tenant responsibility. They also recognised the positive nature of the landlord response to the pandemic. We know the responsible way in which landlords act and the

importance of our sector but it is helpful for government to be so clear in its own position. This bodes well for the future and shows how far we have come in recent years.

I do however, remain concerned around the potential for unnecessary future restriction of eviction proceedings and believe that to



John Blackwood, Chief Executive of SAL

be disproportionate. It could even increase the risk of tenants running up large rent arrears that they would struggle to repay.

As always, and including throughout the pandemic, private landlords have only ever used eviction as a measure of absolute last resort, when all other avenues have been exhausted and a tenancy is no longer sustainable.

An analysis of cases at the First-tier

Tribunal bears this out, showing a 53% reduction in private rented sector (PRS) eviction applications compared to the pre-pandemic year. This demonstrates that much of the debate and discussion regarding this topic is fuelled by politics rather than informed by fact. We must continue to fight back against that.

It is unclear what the future might hold in terms of the pandemic and we must stay the course and ensure that we continue to clearly demonstrate to government and others that the overwhelming majority of landlords will act responsibly. We know that a further housing bill is in the pipeline. The actions we take now will help us show the PRS as a responsible partner and a key part of the housing sector in Scotland. Only by doing that and having a seat at the table, can we hope to influence future legislation and ensure any changes are based on fact and not political rhetoric.

Demand for Homes Remains High in the First Half of 2021

The first half of 2021 has seen a strong and consistent trend for high demand in the Scottish re-sale property market, with this continuing well into the spring and early summer.

April, May and June have seen a continuation of the high demand in the housing market, with a rise in activity from both buyers and sellers, showing continued confidence in the market as we exit lockdown restrictions.

It appears that buyers are becoming increasingly aware of the competitive nature of the current market, resulting in faster selling times as buyers act quickly to secure their chosen property.

During this time, properties have sold quicker than the same period in both 2020 and 2019, with the median sales time now just 16 days. There are fluctuations across Edinburgh, the Lothians, Fife, and the Borders, with the increasingly popular locations of East Lothian and West Fife and Kinross both experiencing a median selling time of only 12 days, as buyers look for homes in more rural areas.

Another indicator of a competitive market is the continued rise in homes selling for a higher proportion of their Home Report valuation, as buyers top up their offers to give themselves the best chance of success. During the period of April to June 2021, properties achieved an average of 104.4% of their Home Report valuation, up from the previous two years.

Properties situated in the south west of Edinburgh, such as Balerno, Currie and Juniper Green, were in particularly high demand, achieving 109.1% of their Home Report value on average, with

houses proving particularly popular.

There has also been a steep annual rise of 517% of new properties being listed in April to June 2021 in comparison to the same period in 2020. However, as heavy lockdown restrictions were still in place during that time frame, looking at the period of April to June 2019 gives us a fairer and more balanced



comparison to the current market, with an overall increase in new listings of 6%. This can perhaps be attributed to homeowners having new requirements from their homes, such as a need for outdoor space or a home office; a factor also worth taking into account for rental properties.

Across the water in Fife, while sales are up in comparison to 2020, an overall decrease has been recorded when compared to 2019. West Fife and Kinross has seen 18% less sales in April to June 2021 than the same time frame in 2019, while East Fife has reported a 9.6% decrease on 2019 figures.

However, this may not be due to a lack of people looking to buy, but rather a lack of available stock; we have seen a downward trend in the number of properties coming to market in both of these areas in comparison to 2019 listings.

Paul Hilton, CEO of ESPC, said: "We've consistently witnessed high levels of activity in the property market since the easing of home moving restrictions last June. This three-month period has been no exception. It is clear from the speed of sale and the volume of properties achieving in excess of their Home Report valuation that there is strong buyer demand, with people actively looking to move to their next home.

"As highlighted in these figures, there is strong demand for homes outside of Edinburgh, particularly in East Lothian, Midlothian and West Fife and Kinross. This could be great time for homeowners in these areas to be selling if they are looking to do so, and for investors to consider purchasing a rental property in these areas, to satisfy increasing demand. We've seen some fantastic property listings in these areas recently and it's clear that there are lots of people looking to make the move to these locations."

This article was written in July 2021 and property market activity may have changed between then and the time of reading.

Measures Introduced to Protect Tenants from Eviction Extended

Scottish Government passes Coronavirus (Extension and Expiry) (Scotland) Bill 2021 to further extend the provisions of the Coronavirus (Scotland) Act 2020

Landlords and letting agents will by now be familiar with the protective measures introduced by the Coronavirus (Scotland) Act 2020 and Coronavirus (No.2) (Scotland) Act 2020, including the extended notice periods and removal of mandatory eviction grounds. These were initially introduced in April 2020 and were due to end on 30 September 2021.

The Coronavirus (Extension and Expiry) (Scotland) Bill was passed on 25th June 2021 having been introduced to parliament as an emergency bill only a week earlier. The Bill extends the protective measures which will now apply until at least 31 March 2022 but can once again be extended further until 30 September 2022. The Bill does, however, allow the Scottish Government to review matters every two months. If specific measures are no longer considered necessary they can be lifted before the expiry date.

Interestingly, in other areas of the law, the Government has decided to let certain measures expire as planned in September 2021. For example, the 12 month time limit when applying for a moratorium and extended notice periods of commercial leases. However, most measures applicable to the Private Rented Sector were deemed to remain 'essential' and thus will be

extended.

For the time being, extended notice periods will continue. This means that for the majority of grounds, including rent arrears, landlords require to give six months' notice



before eviction proceedings can be raised in the First-tier Tribunal.

Further, all grounds for possession for private sector tenancies will remain discretionary. As such, the First-tier Tribunal must be satisfied not only that an eviction ground is established but that it is reasonable to grant an eviction order on that basis. Removal of the mandatory grounds has seen an increase in

the number of defended eviction cases before the Tribunal and it seems likely this will continue in the coming months.

Additionally, the Scottish Government have indicated that the Pre-Action Requirements initially introduced in October 2020 will likely become permanent. As such, letting agents and landlords must continue to ensure they engage with tenants who fall into arrears and offer advice and assistance so that eviction is the very last resort. Documenting such correspondence is vitally important as it will be considered by the Tribunal in determining whether it is reasonable to evict in rent arrears cases.

Understandably, many have been concerned over the 'eviction ban'. Whilst there has never been a blanket ban on evictions entirely, the legislation prohibiting evictions in Level 3 and 4 areas will remain in place until 30 September 2021. With all of Scotland now in Level 0 from 19 July 2021, where a landlord has obtained an eviction order from the Tribunal it can be enforced. Despite calls to do so, the Scottish Government have not yet announced any plans to impose restrictions on evictions.

Scotland's Deposit Trends

Mike Smith, Operations Manager at SafeDeposits Scotland, takes a trip around the country to look at tenancy deposit patterns

Pre-pandemic, the SafeDeposits team would often be travelling around Scotland to deliver training and attend events, and while such opportunities have been largely limited to online alternatives over the past year and a half, it has still been possible for us to study our statistics and get a sense of the deposit protection landscape in different parts of the country.

At the time of writing, the average value for deposits we protect across Scotland is £786 – interestingly this is lower than the country's average monthly rental value of £826 identified for 2021 Q1 in Citylets' previous report, suggesting the majority of our customers stay closer to one month's rent than going towards the maximum two months' permitted when calculating the deposit they take.

When we drill down geographically, the G postcode covering Glasgow and much of the surrounding areas comes closest to the national trend with its average deposit of £770. Only one postcode area has an average deposit higher than the Scotland-wide figure. Influenced by a number of higher value deposits in Edinburgh – some in the region of £10,000 – the average deposit in the EH postcode area is £952. The Dumfries and Galloway (DG) area has the lowest average deposit

at £470.

During 2020-21 a lone dispute in the Orkney Islands secured the KW postcode area the lowest rate in the country for tenancies ending with a dispute surrounding the repayment of the deposit. There was only one



Mike Smith, Operations Manager of SDS

dispute in the Shetlands (ZE) too, however, Dumfries and Galloway pipped them at the post for the second lowest dispute rate. The big urban areas dominate the opposite end of the scale but disputes in locations including Aberdeen, Ellon and Inverurie place the AB postcode area in the highest dispute rate spot, ahead of the G, EH and DD areas. Out of curiosity, we also researched where was the largest

town in Scotland that we recorded no disputes last year – that turned out to be Bishopbriggs (population 23,540) in East Dunbartonshire.

Unclaimed deposits are those where a landlord or agent has instructed repayment to the tenant at the end of the tenancy, but the tenant has not yet provided the necessary bank details for us to be able to send funds to them. Currently there are approximately 3,060 unclaimed deposits with some in places including Paisley, Perth and Elgin with tenancy end dates as far back as 2013. The combined value of unclaimed deposits is £809,352 with nearly half of that amount due to tenants in the EH and G postcodes alone. The largest unclaimed deposit at this time is £3,484, for an Edinburgh tenancy that ended in June 2019. At SafeDeposits we work proactively to track down tenants and reunite them with unclaimed deposits where we can.

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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**SafeDeposits
Scotland**

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

This document was published in July 2021. 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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