CITYLETS
Home of Scottish Letting

Quarterly Report
Q2 2025 ▪ Issue 74

Inflation Tracker

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- Spotlights: Edinburgh, Glasgow, Aberdeen, Dundee & more
- Agent Views ▪ Postcode & Town Analysis: Localised Rental Prices
- Pipeline: BTR & MMR news
- SAL: New Minimum EPC Proposals
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- TC Young: Housing (Scotland) Bill
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Market Overview

The second quarter of 2025 saw a return towards balance for the Scottish Private Rented Sector after a sustained period of excess properties relative to demand in many areas. Rents in major cities broadly treaded water whilst national growth continued to edge lower at just 3.6% Year on Year (YOY), a far cry from the 11.7% recorded just one year earlier and precisely in line with inflation as at June 2025.

Dundee, however, posted a heavy reduction at minus 9.9% YOY allowing the average property to rent in Aberdeen to remain above Dundee, its long-standing historical position.

The fact that the Scottish PRS is cooling at the same time as legislation to control rents from powers within the current Housing Bill is more than of just passing interest. Landlords who have been operating for a decade or more will remember that the first version of rent controls progressed through parliament at the same time the Aberdeen market was falling from its peak in what became the steepest market turnaround in the history of Citylets reporting.

Rents in Aberdeen currently sit at around 2010 levels, a full 50% reduction in real terms when factoring in inflation.

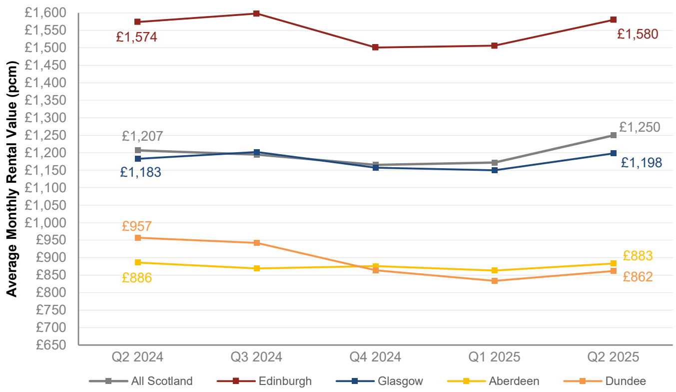
Pervasive lobbying from industry bodies has helped ensure that any would-be Rent Controlled Area (RCAs) would operate under a CPI plus one basis to a maximum of 6%. A compound rate of 6% would comfortably outperform the very best performance of any BTL market in Scotland over the long term.

If CPI settled at 3% in any RCA, assuming strong market conditions prevailed, landlords can still increase rents 48% (3+1 compounded) over 10 years. This is approximately the rate of rental price appreciation in the 10 years pre-covid for Edinburgh; a decade of unrelenting upward pressure on rents before any arguable post Covid market distortions when growth exceeded this benchmark. In this light, Scotland's PRS has reason to be optimistic, for both tenants and landlords.

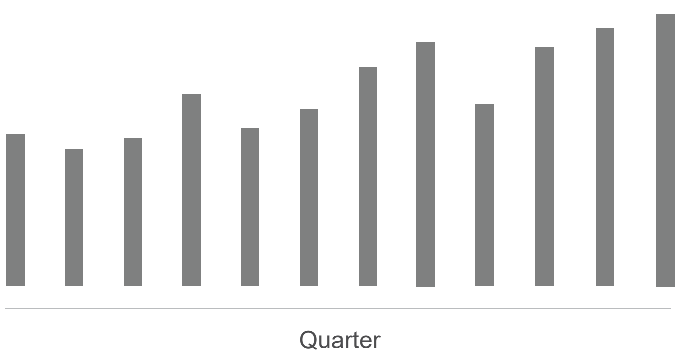
Scotland, meanwhile, continues to operate as a free market both within and between tenancies and this will remain the case for another two years at least given the extended deadline for councils to report on their local market.This would seem to suit landlords at this time. After a period of unprecedented price appreciation post Covid, a sustained period of relative calm or indeed decline will soften the figures that will ultimately be presented by councils to Scottish ministers. It may become difficult for any council to demonstrate that rents are currently rising at more than CPI + 1.

Of concern to the Scottish PRS is that the hyper-inflated figures for rental growth in major conurbations in recent years have been directly distorted by emergency legislation, a concern which if left unchecked could feed into decision-making for more permanent measures of rent control and requires a full and authoritative airing.

Scottish Monthly Rent Analysis (Q2 2024 - Q2 2025)



Scotland - Average Stock Levels (Q3 2022 - Q2 2025)



Citylets commentary is provided by Thomas Ashdown. Please direct media enquiries to press@citylets.co.uk or hello@citylets.co.uk for general enquires about our reports and statistics.

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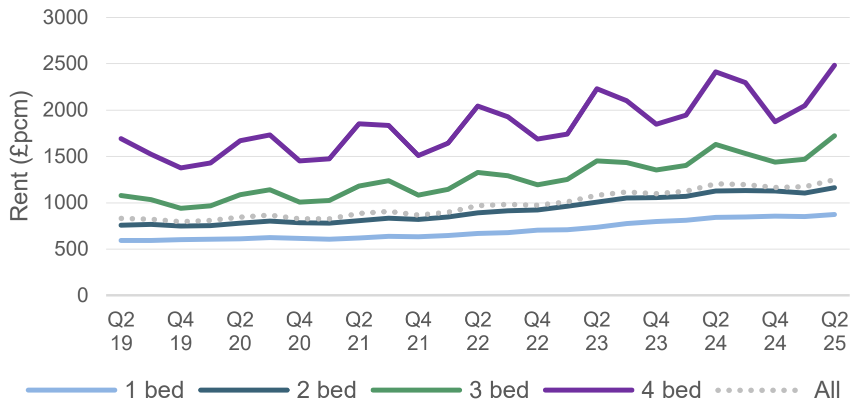
Scotland

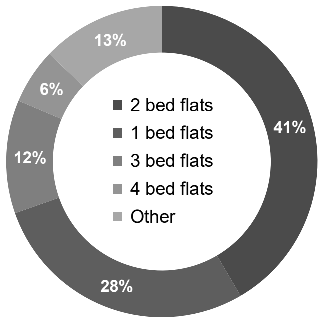
Market Overview - Q2 25

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	£875	4.0%	43.4%	59.1%	25	5	20%	70%
2 bed	£1,161	3.1%	49.2%	62.4%	29	5	15%	62%
3 bed	£1,722	5.8%	58.1%	79.0%	29	0	17%	65%
4 bed	£2,486	3.1%	48.8%	76.7%	30	5	18%	65%
All	**£1,250**	**3.6%**	**48.1%**	**64.0%**	**28**	**4**	**17%**	**65%**

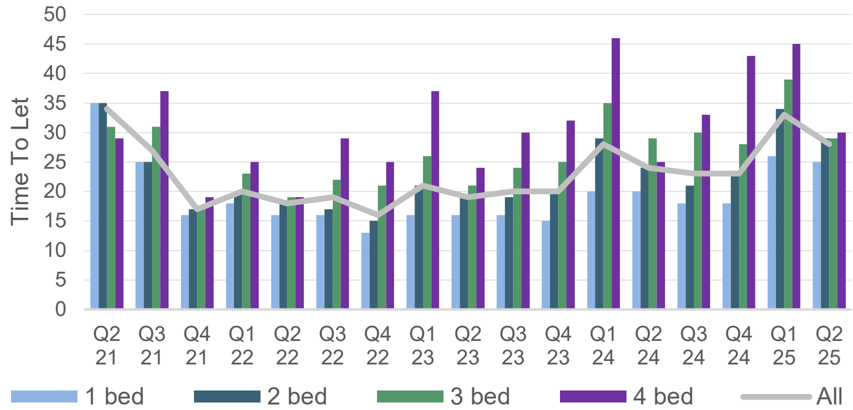
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.6	102.8	100.2
2009	98.8	98.1	99.2	97.7
2010	98.9	101.4	100.6	99.8
2011	100.3	102.8	103.9	101.7
2012	102.9	104.2	105.0	104.0
2013	104.7	107.4	106.5	105.1
2014	108.4	112.1	114.1	113.5
2015	116.4	118.1	117.4	115.7
2016	118.9	120.5	120.2	114.6
2017	119.1	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	140.5	134.7
2022	138.9	150.4	152.1	150.7
2023	156.1	167.6	172.9	170.1
2024	174.1	187.1	185.3	180.6
2025	181.7	193.8		

DJ Alexander - Adrian Sangster

"The appointment of Màiri McAllan as Scotland's new Housing Minister brings renewed hope for a more collaborative relationship between the Scottish Government and the PRS. With demand continuing to rise and supply tightening, housing policy must be evidence led, not ideological. The Housing (Scotland) Bill should avoid repeating past missteps, and proposed energy efficiency targets must be realistic and properly funded. With around 340,000 properties, the PRS remains vital to Scotland's housing provision. The rental market continues to show resilience, underpinned by strong tenant demand. Expectations around condition and energy efficiency are rising, rewarding landlords who invest and adapt to tenants evolving needs."

More Homes More Quickly

We believe that Scotland's housing emergency can only be addressed with an approach centred on providing **More Homes More Quickly**.

We work with stakeholders from across the private, public and political spectrum to highlight the positive social and economic benefits derived from the provision of **More Homes More Quickly**.

We seek to inform, educate and influence the policies and politics to provide a stable and transparent legislative framework that encourages the delivery of **More Homes More Quickly**.

The current Housing (Scotland) Bill includes proposals for rent control which could cause significant damage to the rented sector.

To support our efforts to amend this please sign up to support us at:

www.mhmq.co.uk

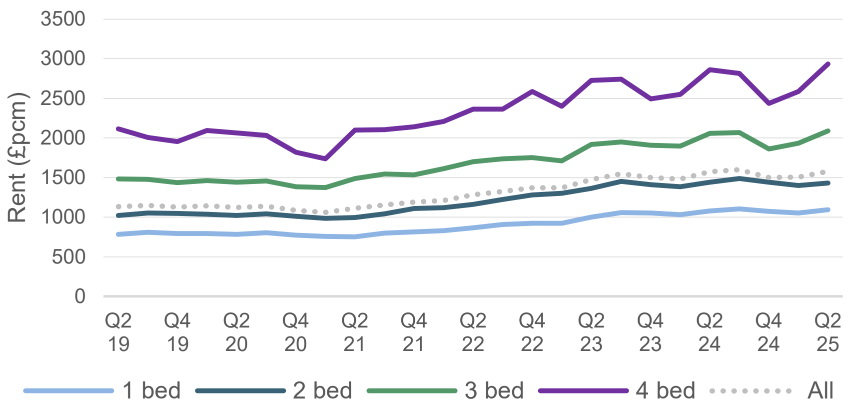
More Homes More Quickly

Edinburgh

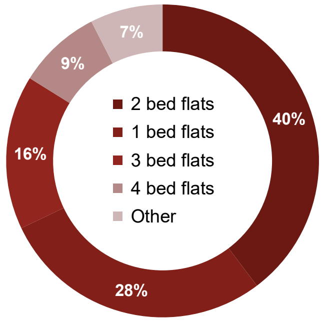
Market Overview - Q2 25

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	£1,097	1.6%	40.1%	73.9%	23	6	19%	72%
2 bed	£1,430	-0.9%	40.1%	68.2%	30	7	13%	61%
3 bed	£2,089	1.5%	44.7%	73.1%	28	-1	17%	67%
4 bed	£2,933	2.5%	42.1%	77.3%	26	5	23%	72%
All	**£1,580**	**0.4%**	**40.8%**	**71.2%**	**27**	**5**	**17%**	**67%**

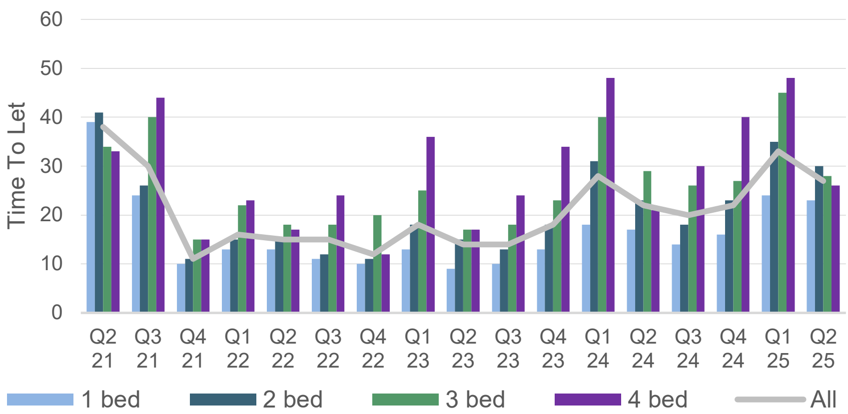
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index (base: Q1 08)

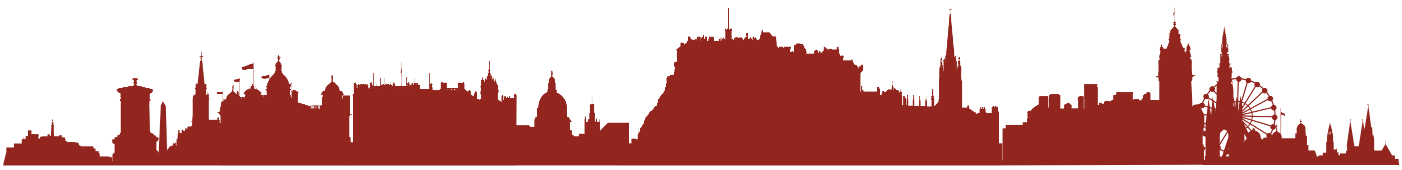
Year	Q1	Q2	Q3	Q4
2014	113.5	115.1	117.3	120.5
2015	122.1	123.6	126.1	127.2
2016	130.1	132.0	135.6	131.7
2017	136.9	138.8	140.3	136.0
2018	142.2	145.5	148.3	146.6
2019	149.3	151.5	153.7	151.4
2020	152.9	150.2	152.5	145.2
2021	142.3	149.3	154.9	159.6
2022	162.5	171.8	177.6	183.4
2023	183.7	197.7	207.0	201.2
2024	198.3	210.7	213.9	200.9
2025	201.6	211.5		

Yield by Popular Postcodes (Flats)

	2020	2021	2022	2023	2024
EH3	3.6%	3.8%	4.0%	4.7%	4.8%
EH7	5.0%	5.1%	5.5%	6.5%	6.3%
EH8	6.6%	6.4%	6.8%	8.2%	8.5%
EH9	4.7%	4.8%	5.2%	5.4%	6.3%
EH10	3.8%	3.9%	4.0%	5.0%	4.7%
EH11	5.6%	5.3%	5.6%	6.5%	7.0%
EH12	4.7%	4.6%	5.0%	5.8%	5.8%

Hannah Doig - Clan Gordon

"Edinburgh's rental market in Q2 continues to undergo a significant shift. After years of limited supply, the influx of new listings and a slowdown in tenant demand are leading to longer letting times and more competitive pricing. However, demand remains strong for HMO and student properties, with high levels of interest per property and rents continuing to rise. Additionally, the Scottish Government's proposed changes to Energy Performance Certificate (EPC) regulations, expected to be introduced in 2026, should hopefully provide clearer information on energy efficiency and emissions, and landlord responsibilities."

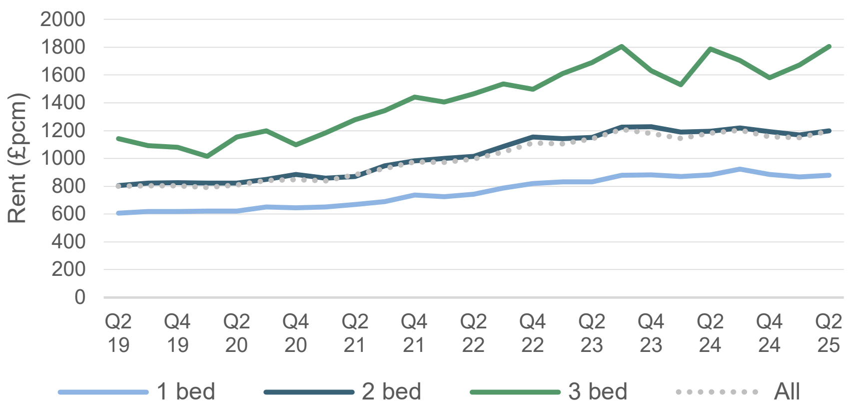


Glasgow

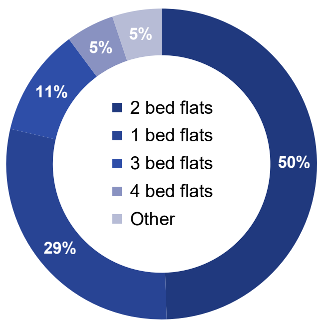
Market Overview - Q2 25

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	£880	-0.2%	41.5%	73.2%	24	2	25%	71%
2 bed	£1,198	0.3%	45.4%	71.9%	29	1	15%	63%
3 bed	£1,807	1.1%	56.6%	85.3%	27	-3	15%	70%
4 bed	£2,756	2.3%	48.3%	98.7%	20	-3	15%	75%
All	**£1,198**	**1.3%**	**47.9%**	**74.9%**	**27**	**1**	**18%**	**67%**

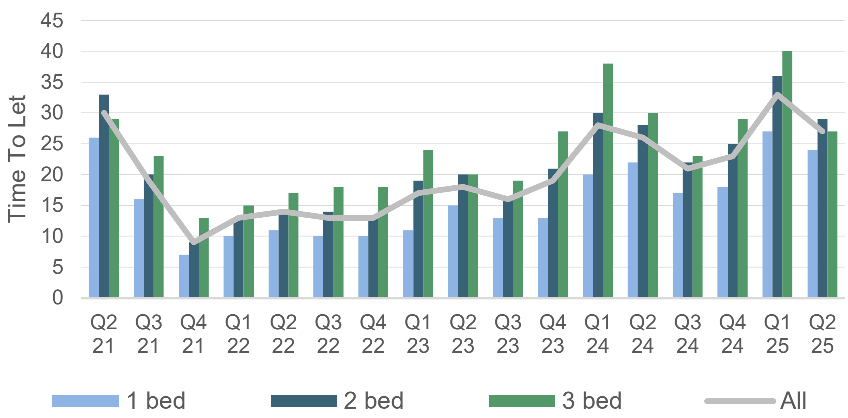
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

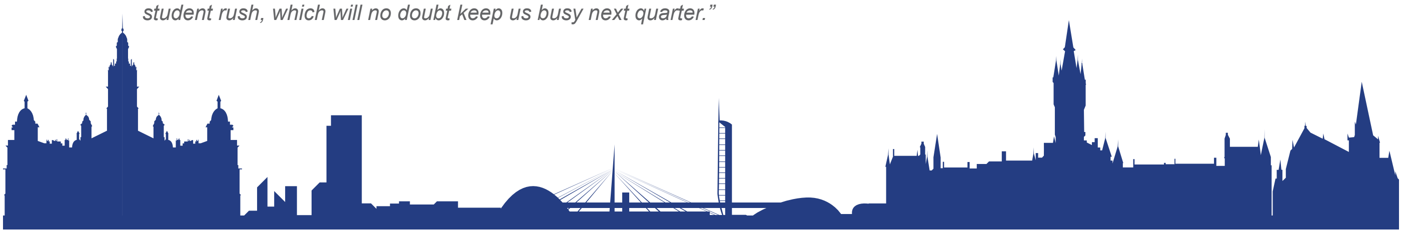
Year	Q1	Q2	Q3	Q4
2014	110.8	115.7	118.0	118.7
2015	119.8	120.8	120.6	123.6
2016	125.2	126.8	129.3	128.6
2017	130.5	133.2	131.9	130.9
2018	132.1	134.6	138.4	136.0
2019	136.2	140.9	141.6	141.4
2020	139.7	142.9	148.3	149.4
2021	147.8	155.6	163.7	172.0
2022	171.4	175.8	184.3	195.9
2023	194.9	201.2	213.1	207.9
2024	201.8	208.6	212.0	204.1
2025	202.8	211.3		

Yield by Popular Postcodes (Flats)

	2020	2021	2022	2023	2024
G1	5.8%	6.2%	7.1%	8.1%	7.8%
G2	5.9%	6.6%	8.9%	9.9%	9.0%
G3	5.3%	5.0%	5.8%	6.4%	6.3%
G4	5.9%	6.0%	6.3%	7.8%	8.0%
G5	6.4%	6.7%	6.8%	8.0%	7.4%
G11	5.2%	5.3%	5.7%	6.5%	6.2%
G12	4.2%	4.5%	4.7%	5.0%	5.3%

Colin Macmillan - Glasgow Property Letting

"Q2 has been our busiest ever period with quality properties coming on the market and quickly being occupied with quality tenants. The market in general has been fairly buoyant with demand outstripping supply, especially in popular areas such as the west end, city centre and Southside. This has driven up rents in these areas, pushing lower-budget tenants to look further from the city centre. New bridges across the river are attracting tenants who previously overlooked these areas, now seriously considering them as accessibility improves. We're awaiting the annual student rush, which will no doubt keep us busy next quarter."

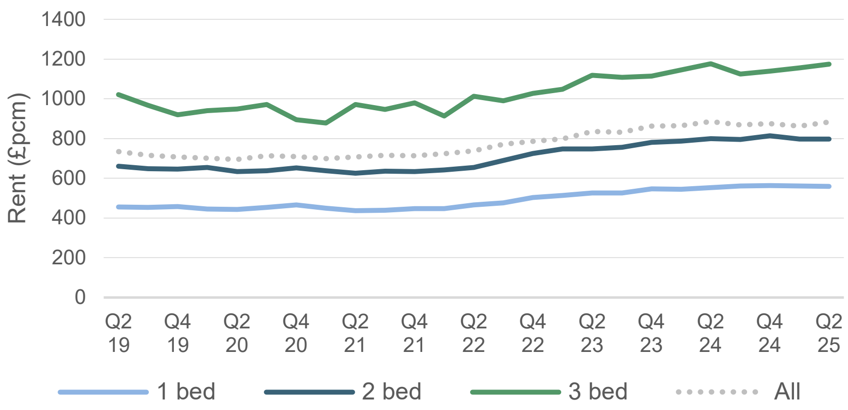


Aberdeen

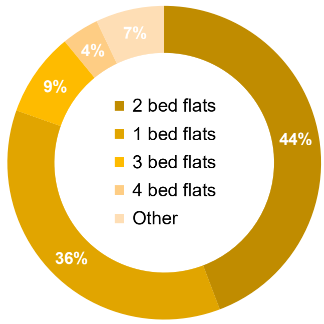
Market Overview - Q2 25

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	£560	1.3%	26.4%	-17.6%	35	8	12%	58%
2 bed	£798	-0.2%	26.1%	-19.3%	36	8	9%	54%
3 bed	£1,174	-0.3%	23.7%	-12.0%	38	5	11%	55%
4 bed	£1,618	-5.0%	30.0%	-14.8%	43	14	4%	44%
All	**£883**	**-0.3%**	**26.9%**	**-15.3%**	**36**	**8**	**10%**	**55%**

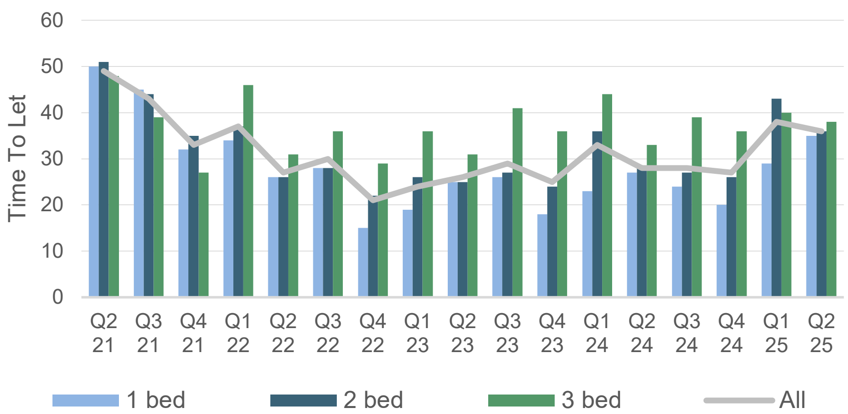
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	80.7	80.1
2021	79.0	79.9	80.8	80.7
2022	81.7	83.4	87.2	88.8
2023	90.2	94.4	94.0	97.5
2024	97.6	100.1	98.2	99.0
2025	97.5	99.8		

Yield by Popular Postcodes (Flats)

	2020	2021	2022	2023	2024
AB10	5.3%	5.3%	6.0%	7.2%	7.7%
AB11	6.2%	6.1%	6.6%	8.3%	8.4%
AB15	5.2%	5.4%	5.5%	7.0%	6.3%
AB24	7.3%	7.4%	8.2%	9.9%	9.9%
AB25	5.6%	5.8%	6.7%	7.9%	8.4%

Eduardo Prato - Martin & Co.

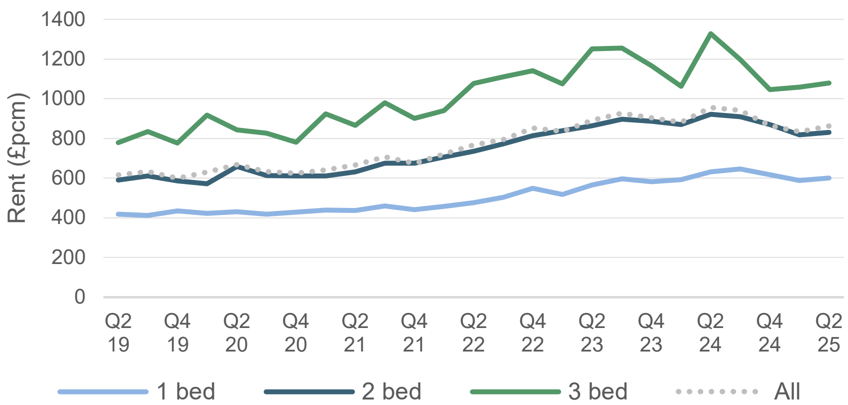
"The second quarter of 2025 highlights the ongoing strength of Aberdeen's property letting market. Rents continue to rise steadily, correcting the downward trend seen from 2015 to 2020. Growth is especially strong in 3+ bedroom homes and new builds of all sizes. Notably, new build 1 and 2 bedroom flats are commanding significant premiums over older granite properties. Tenants are willing to pay more for energy efficiency, allocated parking, and modern amenities. Traditional properties are also letting faster than in 2024, provided they meet high standards. The takeaway: demand remains strong for quality homes offered by service-minded landlords."

Dundee

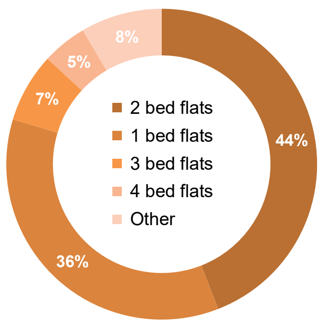
Market Overview - Q2 25

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	£600	-4.9%	39%	51%	35	4	21%	55%
2 bed	£831	-9.9%	26%	47%	41	4	14%	50%
3 bed	£1,079	-18.8%	28%	32%	38	0	4%	50%
All	**£862**	**-9.9%**	**29%**	**44%**	**39**	**3**	**15%**	**51%**

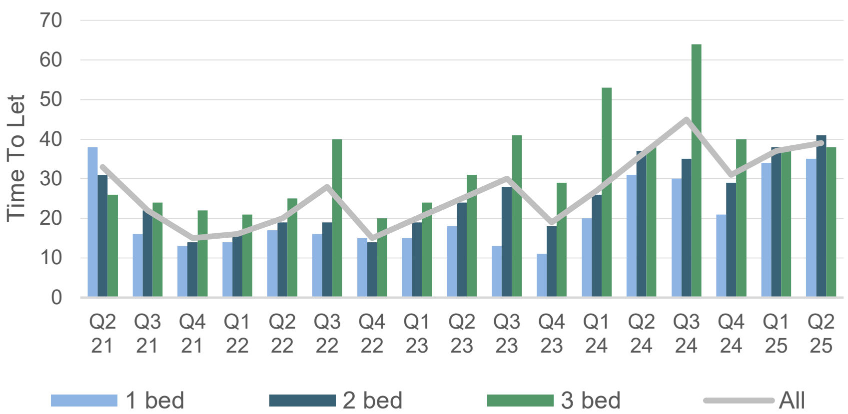
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 10)

Year	Q1	Q2	Q3	Q4
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	122.7	117.2
2022	125.3	133.2	137.8	148.1
2023	145.0	154.7	161.1	156.9
2024	153.1	166.1	163.5	150.0
2025	144.8	149.7		

Yield by Popular Postcodes (Flats)

	2020	2021	2022	2023	2024
DD1	6.7%	7.1%	8.9%	9.5%	9.0%
DD2	6.3%	6.3%	7.6%	9.0%	8.9%
DD3	7.3%	7.1%	8.4%	9.5%	10.2%
DD4	7.0%	7.0%	8.8%	11.0%	10.3%
DD5	4.5%	4.5%	4.8%	5.8%	5.2%

Eilidh Finlayson - Finlayson Gore

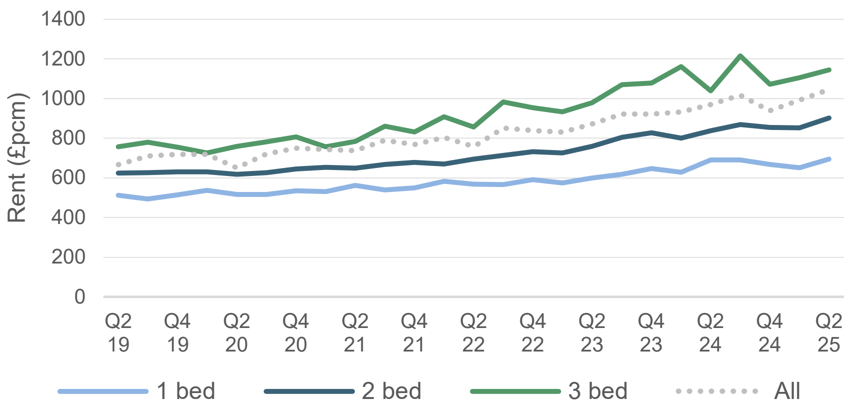
"Q2 of 2025 has been fairly stable with landlords seeing improved yields following the removal of rent increase restrictions. Many have been able to negotiate reasonable uplifts while retaining their long-term tenants. In the student market, the continued influx of purpose built student accommodation (PBSA) in the city has prompted existing investors with traditional student accommodation and HMO's to carefully plan and implement upgrades to their available properties to ensure that they remain attractive to tenants. As a result, student rents have stabilised, showing little increase over the last two years."

West Lothian

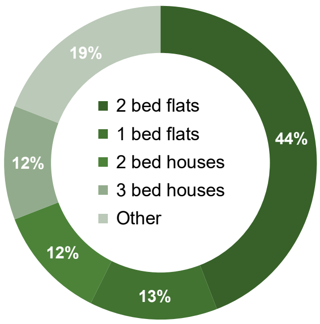
Market Overview - Q2 25

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	£695	0.7%	34.7%	56.2%	14	3	10%	90%
2 bed	£901	7.5%	45.8%	62.3%	24	10	16%	66%
3 bed	£1,144	10.2%	50.9%	73.6%	31	6	7%	64%
All	**£1,046**	**7.9%**	**60.9%**	**70.6%**	**26**	**10**	**12%**	**66%**

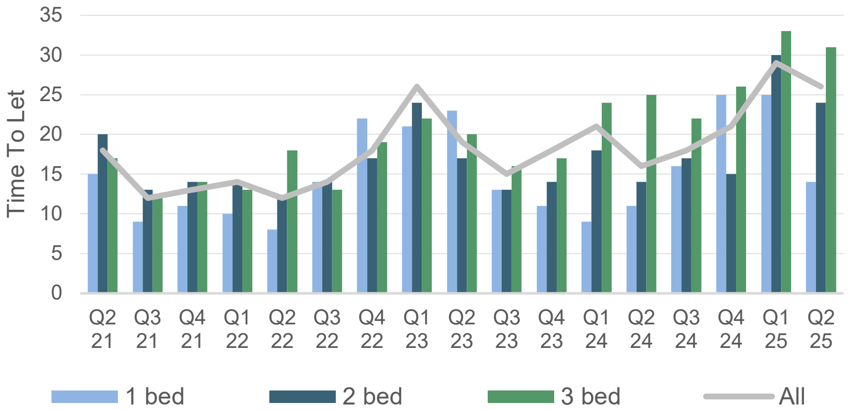
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	136.0	132.6
2022	138.4	130.5	146.7	144.5
2023	143.1	150.2	159.0	159.0
2024	160.5	167.1	175.3	161.9
2025	170.9	180.3		

Yield by Popular Postcodes (Flats)

	2020	2021	2022	2023	2024
EH48	7.0%	6.8%	6.8%	7.2%	7.7%
EH49	5.2%	4.8%	4.1%	5.6%	5.2%
EH54	6.7%	6.7%	6.8%	7.0%	7.7%

Pat Mavor - Mavor & Company

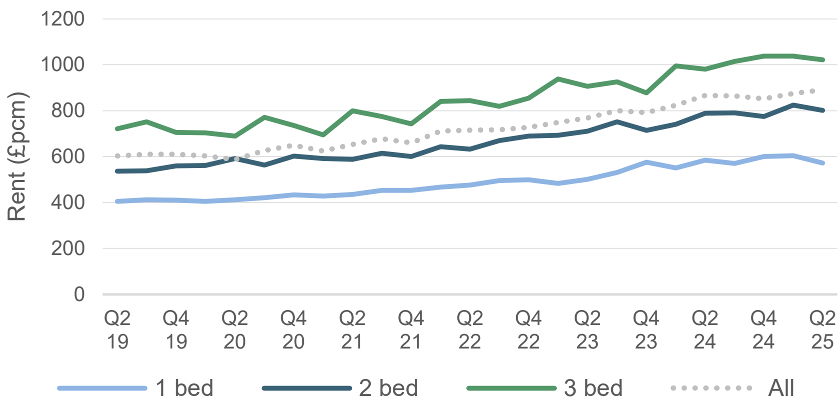
"The Q2 lettings market has again highlighted the urgent need for more quality rental properties as demand remains high. At Mavor & Company, we're seeing professional tenants widen their search to West Lothian and Lanarkshire, where rents are lower than Glasgow and Edinburgh, and improved transport links make commuting easier. Reviewing rents to levels acceptable to both tenants and landlords is creating stagnation - only more supply will ease this. Properties coming to market are being let at first viewings, proving demand is strong. Encouragingly, we've seen increased interest from portfolio landlords and remain hopeful for a positive second half of 2025."

South Lanarkshire

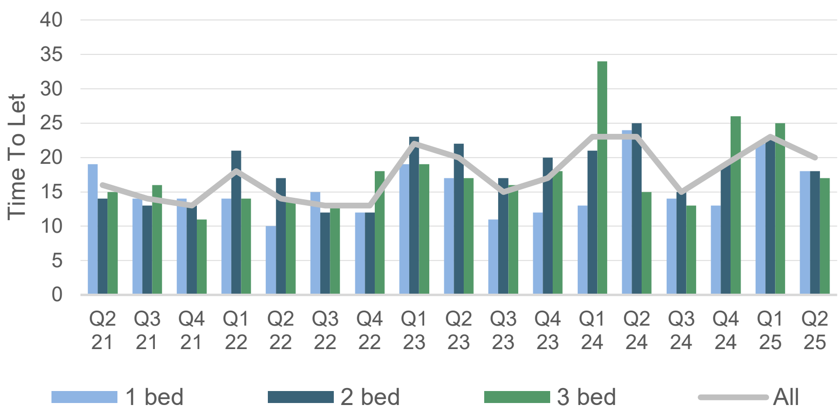
Market Overview - Q2 25

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	£572	-2.1%	38.5%	54.6%	18	-6	28%	78%
2 bed	£801	1.5%	35.5%	59.6%	18	-7	27%	80%
3 bed	£1,021	4.1%	48.0%	64.4%	17	2	33%	83%
All	**£891**	**2.9%**	**51.8%**	**57.7%**	**20**	**-3**	**29%**	**79%**

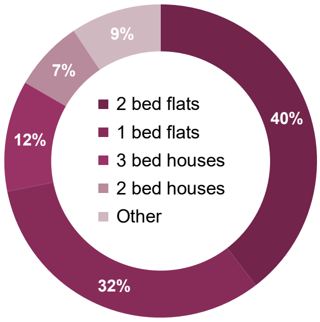
Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms



Market Composition



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
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	115.5	119.7
2021	115.1	120.3	124.7	121.5
2022	131.1	131.7	132.0	134.1
2023	137.9	141.4	147.3	145.7
2024	151.7	159.5	159.3	156.9
2025	161.1	164.1		

Yield by Popular Postcodes (Flats)

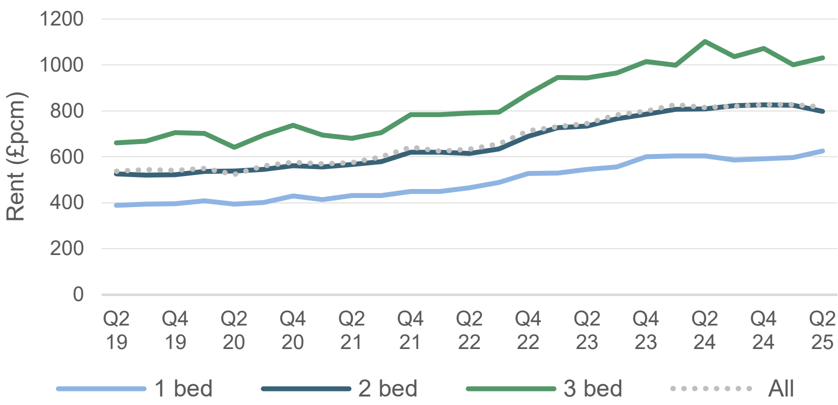
	2020	2021	2022	2023	2024
G71	4.9%	6.1%	5.5%	5.9%	5.3%
G72	7.4%	8.2%	7.7%	9.0%	8.2%
G73	6.6%	6.5%	7.1%	7.2%	8.0%
G74	6.7%	6.6%	7.1%	8.1%	8.2%
G75	7.9%	8.0%	7.9%	9.1%	9.2%

Renfrewshire

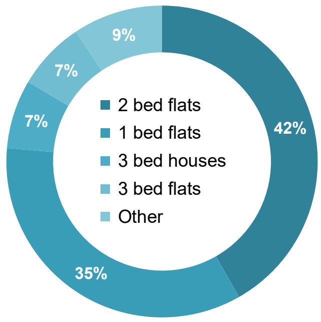
Market Overview - Q2 25

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	£626	3.6%	58.9%	68.3%	19	7	30%	82%
2 bed	£797	-1.5%	47.9%	54.8%	23	5	25%	70%
3 bed	£1,031	-6.4%	60.8%	61.6%	36	9	12%	50%
All	**£817**	**0.4%**	**55.9%**	**57.7%**	**24**	**6**	**24%**	**70%**

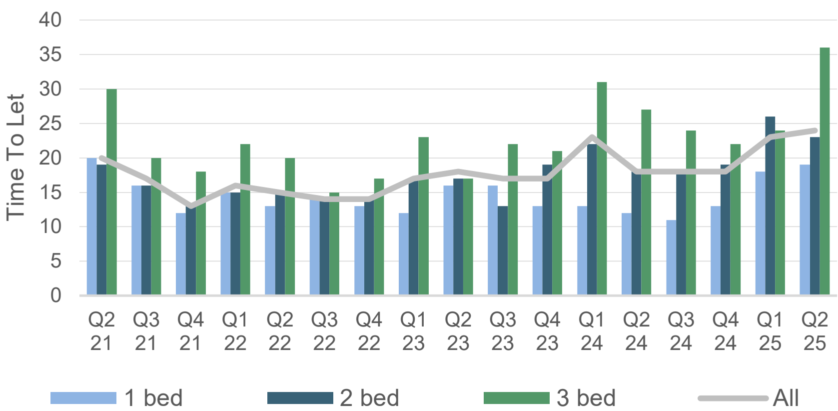
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index (base: Q1 08)

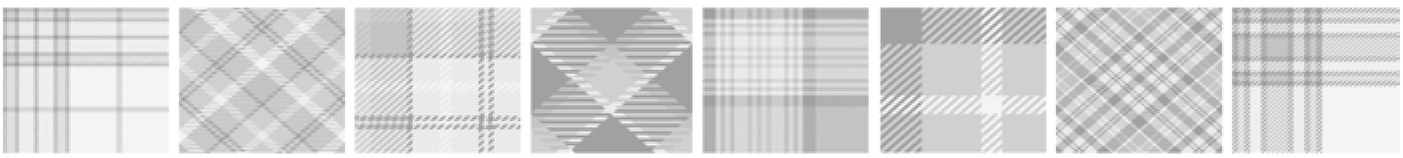
Year	Q1	Q2	Q3	Q4
2014	100.6	98.1	103.8	104.0
2015	100.2	108.6	105.5	104.8
2016	107.5	107.5	106.1	108.2
2017	102.9	108.6	111.3	110.3
2018	107.1	110.9	110.7	109.2
2019	109.0	112.8	114.3	113.4
2020	115.3	109.9	117.6	120.8
2021	119.5	120.3	125.8	134.6
2022	130.8	132.7	137.7	149.5
2023	153.2	156.2	164.2	167.3
2024	173.4	170.6	171.9	173.4
2025	173.4	171.3		

Yield by Popular Postcodes (Flats)

	2020	2021	2022	2023	2024
PA1	7.4%	7.3%	7.5%	9.0%	8.9%
PA2	6.4%	6.6%	7.4%	8.9%	8.0%
PA3	8.4%	8.4%	8.7%	10.6%	11.2%
PA4	7.7%	7.3%	7.4%	8.7%	8.8%
PA5	8.2%	7.8%	7.3%	8.6%	9.5%

Daryl Harper - Castle Residential

"The rental market in Paisley and Renfrewshire continues to perform strongly through Q2 2025, with noticeable shifts in tenant demand. Smaller properties, in particularly one and two bedroom homes are seeing a marked increase in interest, accompanied by rising rental values. While demand for larger family homes remains stable, the focus has clearly shifted towards more compact accommodation. Another key trend this quarter is the equal popularity of both furnished and unfurnished properties, offering landlords greater flexibility in how they present their rentals. Properties across the board are letting quickly, underscoring the competitiveness of the current market."



Agent Views

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

Northwood, Aberdeen – Scott Morrison

"Q2 has been, as expected, very positive, with plenty of tenant enquiries, viewings and check ins. June, as in previous years, saw a high number of checkouts with students starting to finish up their studies but a continuing trend of landlords also looking to sell up which is ultimately leading to higher rents as stock reduces and demand increases, particularly as we enter the busiest Q3 period. HMO properties have done well this quarter when we've seen them struggle a little in the past few years. This has been encouraging and a shift away from some of the more expensive purpose built student accommodation in the city as their occupancy levels have reduced."

One Stop Properties, Glasgow – Wendy Fuller

"Q2 started with a quieter rental market. During this time, the number of available rental properties was higher than the number of people looking to rent. This oversupply led to longer TTLs (time to let). However, the market has since shown positive signs. The trend of landlords leaving the market has slowed down, and new landlords have started to invest. Additionally, rent increases were implemented for existing properties to ensure they are priced at or near market value. The rental market is expected to get much busier in the coming months with the return of students, which is likely to increase demand and bring a more competitive atmosphere to the market."

Cox & Co., Edinburgh – Mike Erskine

"Tenant change overs have slowed a touch into Q2 2025 returning to a more normal level of natural movement. TTLs have reduced slightly from the last two quarters, and the market has definitely shown some settlement in terms of property rental prices with more balance being noticed. Demand remains high though for mid-market properties where the prices are set fairly. The rent increase opportunity to fair market value has been welcome, but from experience so far, the assessment by rent officers is falling short of true value in areas and are leaning to a much lower value than the open market is showing."

Rentlocally.co.uk, Edinburgh – Derek Hawson

"Tenant enquiries have remained brisk throughout the last quarter across the board which is entirely predictable given the continued reluctance of investors to expand their portfolios or for new landlords to enter the market. However, the easing of mortgage rates may herald a more appealing economic climate so we earnestly hope that this will change things in the months ahead. Build to rent developers are in some part filling the gap but much of their focus is aimed squarely at students. Rents remain high in the capital and despite a bit of softening in the one and two bedroom sector, certain preferred areas are now beyond many peoples' reach highlighting the urgent need for more investment in the sector."

Arden Property Mgt, Edinburgh – Catriona Smith

"This quarter has been all about students and HMO properties, the busy part of the year now having moved to May and June, instead of the traditional September influx. Rents in this sector have stabilised, though demand for 3 bedroom properties has been less strong. The possibility of void periods has increased over the past couple of years for HMO landlords, with properties not being let for June, sitting empty until September and sometimes beyond. The 8% ADS has been a factor in landlords not selling in this sector, as this added cost reduces potential yield from such an investment in areas like Marchmont, but investors are looking further afield to areas like Sighthill, attractive to Heriot Watt and Napier students, where a better ROI is possible."

Cullen Property Ltd, Edinburgh – Steve Coyle

"Q2 delivered the anticipated strong demand and robust rental levels from Edinburgh's student market, with average rents up to £750-£800 per room, assuming properties could meet customer expectations on quality. Larger 5 beds were slightly slower though as 2nd year students appeared to delay forming groups. The professional (1 and 2 bed) market remained steady, again with strong demand across all areas. Rent controls ending have seen the sector level off as natural market forces take effect again. Time to Lets continue to be low for most properties. Landlord confidence has increased; many potential sellers opting to become new landlords instead."

Glenham Property, Edinburgh – Charlie Innes

"After several years of intense pressure due to a chronic undersupply and high demand, there are now signs that the rental market is beginning to cool. Tenant demand has softened across Scotland over the past year, largely attributable to a decline in immigration for work and study, coupled with a modest uptick in first-time buyers exiting the rental sector. But structural imbalances in the housing market persist, with demand for quality rental accommodation remaining robust. For landlords with a clear strategy and a focus on the right locations, the PRS continues to offer attractive, long-term returns."

iERO, Edinburgh – Matthew Wilcken

"While Q2 data shows a slowdown in Edinburgh's rental market for larger HMO properties, at iERO we have continued our proven festival let strategy to eliminate costly void periods and significantly boost income during the summer, even as other properties sit empty. This targeted approach is particularly effective for larger HMO properties, offering landlords reliable occupancy and enhanced returns."

Rettie & Co., Edinburgh – Karen Turner

"The rental market had a slow start in 2025 with lets taking longer than normal. It took a long time to kick start itself. Properties that were perceived to be too high were sticking and stock that was deemed more reasonably priced was letting. The market, now that we are into summer has taken off and demand is back but still some price sensitivity in play. If rents are at the higher end then the finished specification has match up. Tenants will rightly shop around to save £50/£100 month. The demand for student HMO's is still high even with the volume of PBSA's."

Burgh Property, Edinburgh – Harry Crombie

"We are in the midst of the historically busy summer period, after a fairly stagnant first half of 2025. The supply/demand balance is shifting more towards lower levels of available properties and more urgency from prospective tenants, stronger rent levels and lower time to let. I fully expect these figures to improve this summer, with strong growth by the end of Q3, as festival fever and returning students ramp up demand. There is greater supply to the market in general, with better incentives for tenants to buy and holiday let properties entering the long-term rental market being two key factors. Steady annual growth, more in line with inflation, is now apparent. It remains a great time to be a landlord in Edinburgh and continued investment in rental property is vital to maximise the demand."

Watt Property, Edinburgh – Pauline Smith

"Our agency has found that tenant demand in Edinburgh remains resilient, with the market beginning to rebalance against the higher availability of rental properties earlier this year. We continue to see increased rental listings, among the highest we've seen for a few years, which has eased the pressure on tenants, offering more choice. Our one and two-bedroom flats are still in strong demand, particularly among young professionals and couples but listings are taking slightly longer to let. Overall tenant demand is steady, while landlords face modest pressure to be competitive and ensure that their properties meet the high standards expected by tenants in today's market."

1LET, Edinburgh – Ken Bell

"'Going steady' is how I would describe the rental market in Q2 2025. Supply and demand are closer than they have been for quite a while and as a consequence, rents are stabilising and more normal market activities have resumed. This market is benefiting those landlords who price competitively and invest in maintaining and presenting their properties to a high standard. Those that don't are seeing longer 'time to lets' given the greater availability of homes."

Have Your Say!

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

Postcode & Towns - Average Rents & TTL - Q2 25

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	£1,249	(24)	£1,696	(37)	£2,340	(27)
EH3	£1,339	(22)	£1,743	(27)	£2,250	(28)
EH4	£1,131	(23)	£1,451	(35)	£1,652	(27)
EH5	£985	(23)	£1,252	(30)		
EH6	£1,000	(19)	£1,304	(28)	£1,850	(30)
EH7	£1,023	(22)	£1,382	(28)	£1,912	(32)
EH8	£1,056	(23)	£1,459	(26)	£2,237	(26)
EH9	£1,077	(18)	£1,471	(22)	£2,286	(15)
EH10	£1,085	(22)	£1,488	(31)	£2,168	(26)
EH11	£973	(24)	£1,305	(26)	£1,942	(31)
EH12	£1,043	(21)	£1,355	(32)	£1,849	(38)

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£1,004	(25)	£1,301	(23)		
G2			£1,266	(34)		
G3	£932	(26)	£1,384	(29)	£1,932	(23)
G4	£899	(15)	£1,159	(28)	£1,800	(23)
G5	£910	(24)	£1,053	(29)		
G11	£939	(22)	£1,290	(27)	£1,897	(29)
G12	£929	(15)	£1,367	(23)	£2,011	(22)
G13			£996	(28)		
G14	£750	(32)	£929	(29)		
G20	£849	(29)	£1,193	(24)		
G21			£845	(31)		
G31	£738	(19)	£1,064	(31)		
G32			£828	(27)		
G40			£1,064	(32)		
G41	£852	(16)	£1,105	(29)		
G42	£816	(25)	£1,028	(21)		
G44	£776	(34)				

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£578	(40)	£808	(38)	£1,078	(43)
AB11	£546	(40)	£788	(38)	£1,161	(39)
AB12			£855	(46)		
AB15	£630	(41)	£972	(43)	£1,263	(38)
AB21			£720	(57)		
AB22			£871	(30)		
AB24	£561	(36)	£770	(38)	£1,171	(38)
AB25	£547	(37)	£771	(36)	£1,113	(41)

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£663	(29)	£928	(27)		
DD2	£605	(33)	£769	(39)	£1,186	(49)
DD3	£567	(23)	£801	(49)		
DD4	£575	(24)	£769	(49)		

Towns - £pcm (TTL days)

based on 12 month rolling average

Town	1 Bed		2 Bed		3 Bed	
Airdrie			£690	(22)		
Bathgate			£794	(14)		
Bearsden					£1,525	(30)
Broughton	£1,045	(14)	£1,374	(21)		
Cumbernauld			£662	(18)		
Dalkeith			£1,003	(13)		
Dalry	£949	(16)	£1,317	(20)	£1,917	(33)
Dunfermline	£622	(14)	£799	(12)	£1,146	(20)
East Kilbride	£563	(12)	£701	(14)	£991	(16)
Elgin			£640	(7)		
Ellon			£709	(18)		
Falkirk			£788	(16)		
Hamilton	£557	(12)	£735	(17)	£980	(14)
Hillhead			£1,394	(19)	£2,023	(27)
Hillside			£1,524	(20)		
Inverurie	£526	(24)	£760	(20)		
Johnstone			£700	(18)		
Kilmarnock			£756	(14)		
Kirkcaldy			£730	(24)		
Largs	£495	(28)	£681	(35)		
Livingston			£870	(16)	£1,165	(16)
Musselburgh	£859	(13)	£1,128	(16)		
Paisley	£594	(12)	£807	(19)	£1,092	(21)
Penicuik			£997	(9)		
Peterhead			£587	(53)		
Renfrew	£612	(11)	£861	(18)	£1,005	(33)
Rutherglen			£867	(21)		
St Andrews			£1,497	(24)		
Stirling Town			£1,025	(20)	£1,463	(25)
Trinity	£1,009	(11)	£1,307	(32)		
Woodlands			£1,362	(32)	£1,887	(31)

Mid-Market and Build to Rent News

Recycling Drive for Lar

Our team at Lar Housing Trust was once described as being the Wombles of the housing sector. That 'accolade' came about because of our desire to reuse and recycle whatever and whenever we can, sometimes even moving materials from one development site to another. And it's a moniker we rather like, as it sums up our drive to preserve and salvage.

Reclaimed timber

At the outset of any complex regeneration project of old buildings, we assess what can be retained and reused to maintain the integrity of the site. A perfect example of this is at the old and abandoned naval barracks at Port Edgar, where construction work has recently started.

Small scale demolition of one building at the 17-acre site was carefully undertaken as we were mindful that lintels, timber and bricks could be used in the future and elsewhere in the development.

It's often easier and cheaper to replace materials with newer versions, but maintaining the integrity of such a historically important site was uppermost in our minds. Making good use of what the Wombles might describe as 'bad rubbish' means the red bricks, lintels and salvaged timber can be reused even if that means a more complex construction process.

LAR HOUSING TRUST

HITs the shelves

The much awaited report by the Housing Investment Taskforce (HIT) has been released Government page.

Dr John Boyle, Director of Research, Rettie

As with most Scottish Government futurist reports, it is more strategy than action plan, but it does formally recognise the importance of institutional investment in creating more housing supply, particularly through Build to Rent (BTR) and Mid-Market Rent (MMR).

The report calls for:

- More strategic use of public guarantees and blended finance to unlock stalled or marginal developments
- Closer alignment of planning, infrastructure and investment to help derisk delivery
- A greater role for Scottish National Investment Bank and closer consideration of how Scottish pension funds could be mobilised for long-term housing investment.

By itself, it is not going to solve the housing emergency but there is now a commitment from government to work with the funds and see them as part of the solution in building our way of the current crisis. And is a clear tonal shift from three years ago, when the sector was not even consulted before emergency rent caps were introduced, causing investment into housing in Scotland to walk away.

RETTIE

It's a start.

Mid-Market and Build to Rent News cont.

Invest in Scotland


Will Scarlett - Founder/Director
Scarlett Land and Development

By the end of this year, all going well, we anticipate that Scotland will have re-asserted its position as a place worth investing in for large scale rental housing. By then we should have unwound some of the damage caused by political interference. Given that Scotland has a building safety system that is very much more attractive than the equivalent in England, investors and developers should look north.

By end 2025 we SHOULD have:

1. A Housing Bill which exempts professionally managed new build rental housing from rent control; the rest of the UK will have a Renters Reform Bill.
2. PBSA removed from rent control (it should never have been included).
3. Clarity that 28 day notice for PBSA only applies in exceptional circumstances.
4. Recognition by politicians of all parties that knee-jerk political interference into the housing market is seriously damaging to the wider economy.

By end 2025 we WILL have:

1. A tried and tested Building Warrant system which compares very favourably with the Building Safety Act in England (the dreaded "Gateway" system).
2. An enormous supply gap for BTR, given that there have been zero new start BTR schemes in Scotland since September 2022 when rent control was introduced.
3. A significant and proven build-up of demand for BTR.
4. An even bigger supply gap and demand for Single Family Housing; only 4 schemes in all of Scotland.

At Scarlett we are optimistic that if trust can be recovered, the market will respond positively.
All Scotland BTR and SFH sites are on our interactive map:
https://www.scarlettdev.co.uk/services/build-to-rent/pipeline-scotland/

SCARLETT

New Minimum EPC Proposals

SAL discusses new EPC proposals and warns of cost underestimates and risks to housing supply.

The Scottish Government has published a consultation and draft regulations to introduce a minimum energy efficiency standard (MEES) in the private rented sector (PRS) in Scotland. This is the 7th consultation in just over eight years relating to energy efficiency in the PRS in Scotland.

The latest plan is to require a MEES equivalent to energy performance certificate (EPC) level C from 1/4/2028 (for new tenancies) and by 2033 for all remaining PRS properties. It is proposed that the standard will require properties to have an EPC with a heat retention rating (HRR) of C. The HRR is not on current EPCs but will be the headline metric on the new style EPCs expected to be introduced from autumn 2026 and will show how well insulated a property's roof, walls, windows and floor are. The alternative of using a list of measures to demonstrate compliance (as proposed in the last consultation in 2023) is no longer being considered. According to the consultation paper, about 80% of properties with a current EPC rating of C will achieve a HRR of C on the new EPC.

There will be exemptions available to ensure that landlords will not be required to install measures which are technically unsuitable for the type of property they own, for which they cannot attain the required consent from tenants, neighbours or planning authorities, or which would be prohibitively expensive (a total expenditure cap of £10,000 is proposed).

There are plans to introduce a new technical assessment (called a Heat & Energy Efficiency Technical Suitability Assessment (HEETSA)) to help landlords establish which energy saving measures to install in their property and which are not suitable. For example, this assessment would identify situations where cavity wall insulation may lead to problems with dampness, or where certain measures are not suitable because the property is listed or in a conservation area.

Author: Caroline Elgar, Policy Manager at SAL

SAL has raised concerns that the introduction of MEES will exacerbate the country's housing crisis and increase homelessness, as landlords choose to exit the PRS because of this legislation, or are forced to keep their properties empty for prolonged periods while they undertake assessments and work to meet the new standard.

SAL has also challenged the government's figures on the cost of improvement works. The consultation suggests the average cost of installing loft insulation, cavity wall insulation, suspended floor insulation and draught proofing the external door of a property would be just £1400. It also implies windows could be double glazed for a further £1300. These figures do not reflect the reality of actual costs charged by contractors for this work, which are typically at least double the amounts quoted. So the actual cost to improve the 144,000 PRS properties that the government believe are below EPC C could be more than £600 million. Based on the government's published emissions figures, SAL has calculated that this expenditure would reduce the country's greenhouse gas emissions by only 0.04%.

You can read the consultation/draft regulations and respond to the consultation at https://consult.gov.scot/energy-and-climate-change-directorate/private-rented-minimum-energy-efficiency-standard/. The deadline for responses is 29 August 2025.

Edinburgh Buyers Continue to Enjoy Plenty of Options on the House Market

Rising property listings from March–May and strong sales showed the market was very active.

As usual, spring marks the season when the property market gains momentum, and following an exceptionally active start to 2025, the March-May period reflected a market already well underway. The trends highlighted in our previous report, rising property listings, which came as welcome news for buyers, and the strong sales activity, continued steadily throughout March-May.

Sales volumes stayed much the same in March-May 2025 as the previous year, with a slight decline of 1.3%. However, the volume of properties coming onto the market increased by 4.8%, meaning that there were plenty of options available for buyers, lessening competition and allowing buyers more opportunities to secure their ideal home. With a rise in properties coming to market, coupled with a marginally slower market pace and fewer homes going to a closing date, buyers can feel a little less pressure to act competitively.

Dunfermline came out on top for both the highest volumes of sales and listings, followed by the family-friendly areas of Leith and Corstorphine. Two-bedroom flats in Leith remained the most popular in terms of both buying and selling, followed by Dunfermline, with two-bedroom flats being the second most sold, and four-bedroom houses being the second most listed property. However, there was also a huge boost for one-bedroom flats in the up-and-coming area of Polwarth: sales for this type of property rose by 35.3%, indicating that this area is becoming increasingly popular with investors and first-time buyers.

While Edinburgh was the most expensive region to buy a property, areas such as New Town, Old Town, Stockbridge, West End, and Comely Bank, saw a sharp rise in average house prices by 8.4%, bringing the new average price to £341,289 and highlighting the desire for these popular neighbourhoods.

Edinburgh buyers remained more likely to snap up a bargain than in previous years: our data reveals that 72.6% of homes sold for at least their Home Report valuation, a slight rise from 72.1% the previous year.

Properties in Edinburgh sold for an average of 101.8% of their Home Report valuation, matching last year's figure. The south west of the city saw particularly strong demand, with successful offers averaging 103%. Meanwhile, the sought-after neighbourhood of Easter Road commanded the highest overall premium across Edinburgh, with buyers paying 106% of their valuation.

Edinburgh's overall median selling time held steady at 26 days, matching the previous year. However, certain neighbourhoods moved at a much quicker pace. In the south west of the city, properties in popular areas such as Balerno, Currie, and Juniper Green sold in just 17 days, a significant improvement of 15 days compared to the same period last year.

ESPC's CEO, Paul Hilton, commented: "The Scottish property market has remained resilient through the spring of 2025, with steady growth in average selling prices, consistent buyer activity, and an encouraging rise in new property listings. With an increased supply balancing demand, both buyers and sellers are navigating a market that offers choice and stability, underpinned by continued confidence."

This article was written in June 2025 and market activity may have changed since publication.

ESPC's Property Lounge on George Street

Housing (Scotland) Bill

TC Young discuss proposed new tenant right to withhold rent for unaddressed serious repairs.

Readers will no doubt be aware that the Housing (Scotland) Bill is currently making its way through the Scottish Parliament, currently at Stage 2. This stage of the Bill is an opportunity for ministers to propose amendments and this article seeks to highlight one such proposal.

It is proposed, where a tenant has notified the landlord of the need for repair and the work has not commenced within 30 days of the tenant notifying the landlord, the tenant may withhold payment of the rent payable to the landlord under the tenancy.

Thereafter, it would be for the landlord to apply to the First-tier Tribunal for a determination of whether the withheld rent should be paid to the landlord. The proposal provides that the First-tier Tribunal may determine that the rent withheld should be repaid to the landlord if the landlord demonstrates that the work required to be carried out for the purposes of meeting the repairing standard was completed within a reasonable time of the landlord being notified by the tenant, or otherwise becoming aware, that the work is required.

It has been said this proposal “will make it easier for renters to stand up to rogue landlords and to get vital repairs done quickly”.

However, rather cynically, one could argue that this proposal would penalise all landlords. It certainly marks a seismic change in respect of the burden of proof.

Shifting the burden of proof

Tenants have always had a self-help common law remedy of withholding rent. However, exercising this remedy required an element of good faith and an obligation to place the withheld funds in a separate account to evidence that once the works were undertaken the sums could be handed over to the landlord (subject to a claim for abatement). There appears to be no such requirement in the proposal. Indeed, the Bill would invert the established structure such that the landlord would require to go to the Tribunal to justify release of rent. Given the current lengthy timescales associated with eviction and repairing standard actions in the FTT, this could mean months of delay with no guarantee of recovering the funds in the event the tenant has spent the money.
Such a shift creates an incentive for bad faith tenants to withhold rent without grounds in the knowledge that the burden is on the landlord.

While the intent may be to protect tenants from neglectful landlords, the proposal in its current form appears to be open to abuse. Furthermore, at a time of a housing crisis, it could be that this proposal will disincentivise landlords from investing in the sector.

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Latest Deposit Dispute Statistics See Two Trends Continue

David Morgan, Resolution Manager at SafeDeposits Scotland, on adjudication trends.

The financial year 2024-25 saw a 12% increase in tenancy deposit disputes handled by SafeDeposits Scotland proceeding to formal adjudication. This was the highest number of such disputes recorded by the scheme in five years, however it has not quite been a constant trend over that period as there were fewer adjudications in 2022-23 than there had been in the preceding two years.

Fluctuation has been a theme of the past half decade in disputes. The statistics on rent arrears disputes requiring adjudication for example have been a rollercoaster, perhaps driven by the COVID-19 pandemic and cost of living crisis. In 2020-21 15% of disputes involved claims for arrears, but after going down and then up in the subsequent two years this figure has reduced to 8% for the past two years running. And whilst the average claim for rent arrears in 2024-25, £500, is more than double what it was in 2021-22, it has actually dropped from £653 in 2023-24.

Generally, cleaning is the head of claim present in the highest proportion of deposit disputes, while gardening features the least. This has remained the same over the past five years, but digging into each we again find variations. The percentage of cleaning claims has risen and fallen twice since 2020-21, with 58% in 2024-25 being not only the lowest figure in five years but also compared to 71% in 2021-22 the biggest change across all heads of claim. Although the average cleaning claim of £212 in 2024-25 is higher than that for the first three years of the decade, like its rent arrears counterpart, it reduced compared to 2023-24.

Damage and Redecoration Claims Show Steady Growth

Where many of the statistics have seesawed over five years, there have been two constants and they have both had an upwards trajectory. The first relates to claims for damage. Starting at £194 in 2020-21, the average damage claim has risen every year to reach just over double that amount, £390, in 2024-25. The presence of damage claims is however at its lowest for the same period – 39% versus a peak of 46% in 2021-22. Despite this five-year low, a point worth noting is that the gap between percentage of damage claims and percentage of cleaning claims is smaller than it has been across the period.


David Morgan, Resolution Manager at SafeDeposits Scotland

The rise in value of redecoration claims has been the other constant. Starting from a similar base to damage of £196 in 2020-21, the average redecoration claim has also risen consistently to a high of £336 in 2024-25. With the exception of a 17% anomaly in 2022-23, the percentage of disputes involving redecoration claims has been a more stable statistic, its 25% in 2024-25 being just 1% lower than the previous year and on par with 2021-22.

When discussing dispute statistics it is important to remember one in particular. The number of disputes requiring formal adjudication represents less than 3% of deposits held by SafeDeposits Scotland. The majority of tenancies end with no dispute, and even where there are initial disputes our dedicated ADR team and online portal can help parties reach agreement through self-resolution, avoiding the need for an adjudicator's involvement.

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 and 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 and 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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