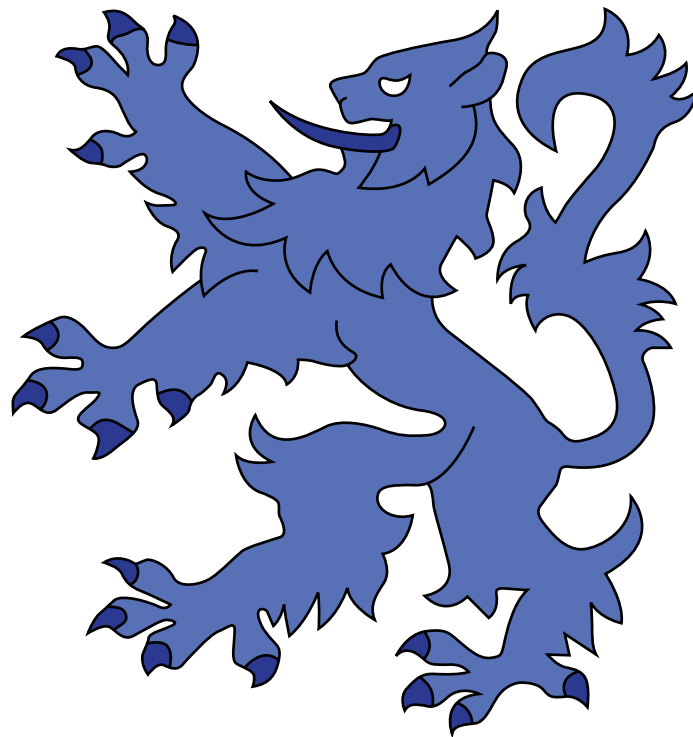


# Glasgow Lion



- Market Overview ■ National Trends
- Spotlights: Edinburgh, Glasgow, Aberdeen, Dundee & more
- Agent Views ■ Postcode & Town Analysis: Localised Rental Prices
- Build To Rent News
- Mid-Market Rent News
- SAL - Don't Throw the Baby Out with the Bath Water
- SafeDeposits Educates Scotland's Private Rented Sector
- TC Young - First-tier Tribunal Housing and Property Chamber

# Market Overview

Whilst letting agents in Scotland will have been preparing for compulsory registration introduced at the end of Q3 2018, Scotland's Private Rented Sector continued unabated with noticeable uptick in Glasgow where rental growth spiked sharply. 4 bed properties recorded the largest rise across the country as a whole for the 3rd consecutive quarter, seemingly underlining the strong demand for family accommodation. Rents in Scotland were up on Q3 2017 by a modest 2.2% overall year on year (YOY) to stand at £789 per month on average and taking 31 days to let, just 1 day faster than last year.

The rate of rental growth in Edinburgh, which quickened last quarter, has been sustained in Q3, now up 5.6% YOY to another all time high at £1107. Positive annual growth in the capital has now been recorded for 32 consecutive quarters, 8 full years. 4 bed properties again saw the largest rises over the one year and ten year perspective, up 10.8% and 53% respectively. The average time to let in Edinburgh during the peak Q3 period was just 21 days and just 17 days for 1 bed

properties. The large majority of properties in Edinburgh are let within a month (76%).

Aberdeen continued its progress towards leveling off with minus 3.6%

- **Scottish PRS grows at 2.2% YOY**
- **Glasgow records sharp rise at 4.9%**
- **Edinburgh rises for 32nd consecutive quarter**
- **Negative annual growth eases in Aberdeen**
- **Strong demand for large properties continues**



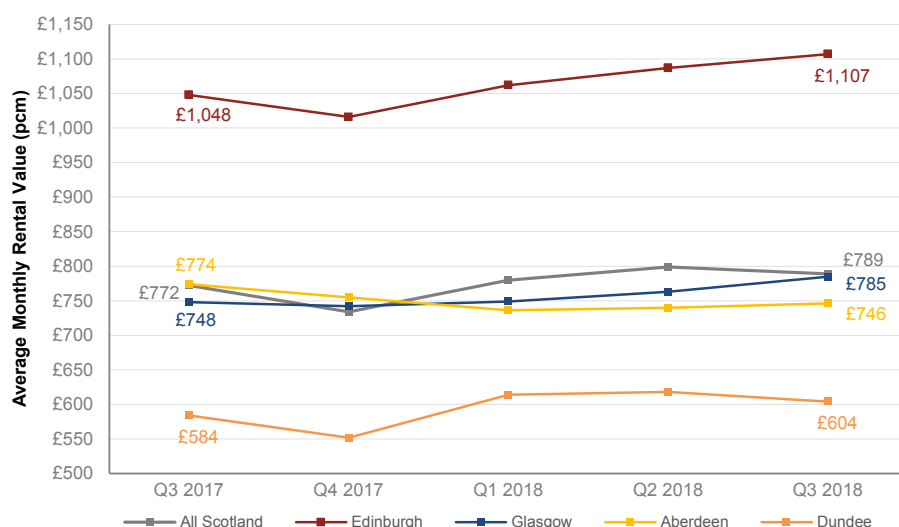
annual growth in Q3 2018 and a market speed which has improved by 4 days- £746 per month and 45 days respectively. 1 bed properties again fared best at minus 2.7% annual growth and 42 days time to let (TTL). 42% of all Aberdeen rentals are let within a month, up from

37% last year. Numerous positive announcements for oil projects in the region have been made, though they will take their time to filter through to the property market. The price of oil has trended broadly upwards from its low 3 years ago.

Property to rent in Glasgow posted a sharp uptick in Q3 2018 from its long established low rate of growth. Average rents rose a substantial 4.9% over the year to average £785 per month, widening the gap with Aberdeen materially and cementing its position as Scotland's second priciest rental city. As per Edinburgh, large 4 bed properties posted the strongest growth from both the one and ten year view, up 17.1% and 46.7% respectively. The market continues to move at approximately the same speed as last year at 24 days. Again as per Edinburgh, 1 bed properties let fastest at 22 days with a significant 31% let within a week and 74% within 1 month.

Dundee rentals continued to post positive annual growth in Q3 2018, up 3.4% to £604. Larger 3 and 4 bed properties fared based at 11% and 7.9% respectively. Properties are letting quicker than last year by 4 days at 47 days on average. Property to rent in West Lothian continued to rise above 4% YOY to average just under £700 (£697) and, as per last quarter, the market is moving a full 9 days faster than last year at 30 days. The majority of properties in the region are let within a month (64%). South Lanarkshire posted positive annual growth of 1.9% led by larger properties, whereas Renfrewshire fell by 0.6%.

Scottish Monthly Rent Analysis (Q3 2017 - Q3 2018)

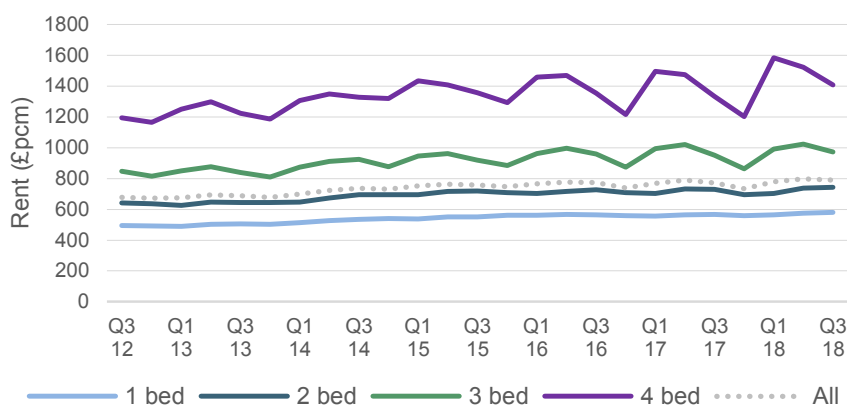


# Scotland

## Market Overview - Q3 18

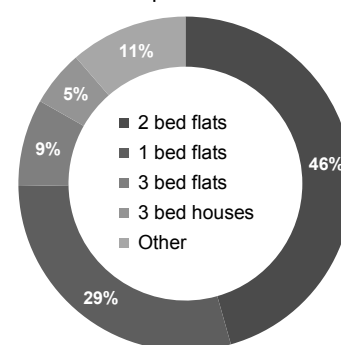
Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£581	2.7%	14.8%	18.6%	29	-1	23%	64%
2 bed	£743	1.8%	15.4%	19.1%	31	-1	18%	61%
3 bed	£973	2.3%	15.8%	16.1%	34	1	16%	55%
4 bed	£1,408	5.5%	15.0%	18.9%	34	-2	15%	55%
<b>Total</b>	<b>£789</b>	<b>2.2%</b>	<b>14.8%</b>	<b>19.0%</b>	<b>31</b>	<b>-1</b>	<b>19%</b>	<b>61%</b>

## Average Rent (pcm) by Number of Bedrooms

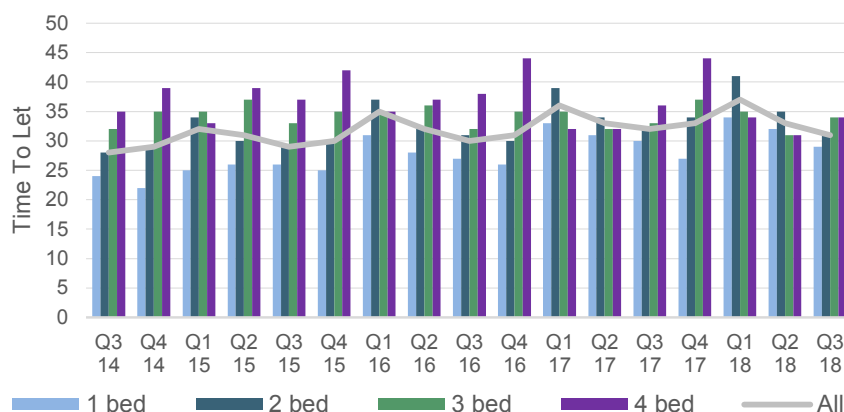


## CITYINFO

## Market Composition



## Average Time To Let (TTL) by Number of Bedrooms

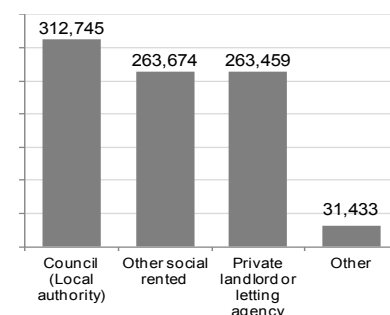


## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	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	

## Households: Rented



Source: Census 2011, Edinburgh



### Adrian Sangster - Aberdeen Considine

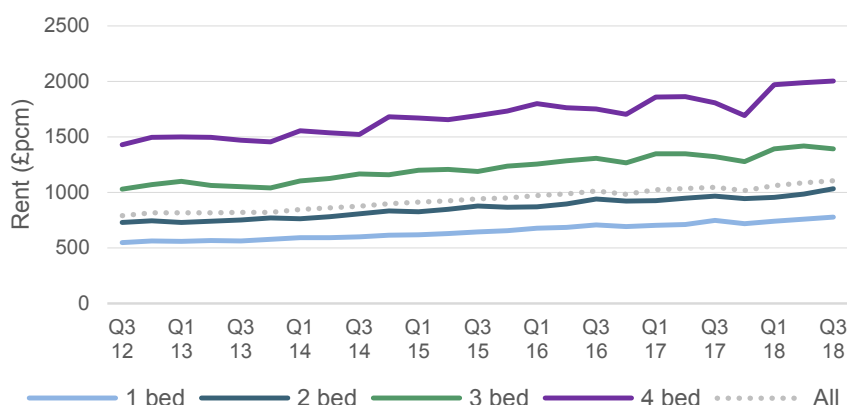
"In the north of Scotland we are continuing to experience a market where stock is not an issue, whilst in the south there is insufficient availability of properties to meet tenant demand. This is resulting in the almost inevitable increase of rent values in the south compared to the continued reduction in the north, albeit at a much slower pace. Whilst there are some encouraging sounds from the oil industry with several new projects being announced I do not anticipate it making too much of an impact in the north in the short to medium term. However whilst the country's legislators seem hell bent on discouraging landlords to remain in the sector I can only see the rental trends in the south continuing unabated."

# Edinburgh

## Market Overview - Q3 18

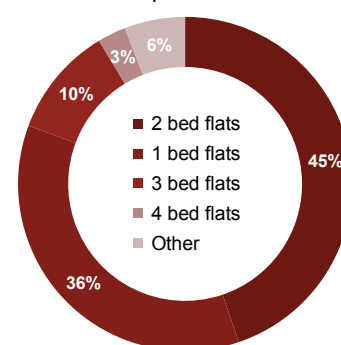
Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£780	4.4%	38.3%	43.4%	17	0	35%	83%
2 bed	£1,033	6.8%	37.5%	47.2%	21	-1	25%	76%
3 bed	£1,394	5.4%	32.4%	41.7%	29	0	20%	60%
4 bed	£2,003	10.8%	36.1%	53.0%	29	-3	21%	65%
<b>Total</b>	<b>£1,107</b>	<b>5.6%</b>	<b>35.0%</b>	<b>45.3%</b>	<b>21</b>	<b>-1</b>	<b>28%</b>	<b>76%</b>

## Average Rent (pcm) by Number of Bedrooms

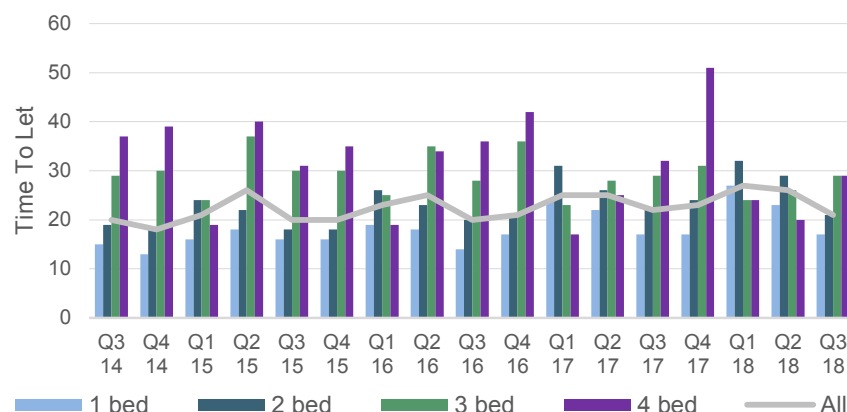


## CITYINFO

## Market Composition



## Average Time To Let (TTL) by Number of Bedrooms



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	100.1	102.0	102.3
2009	99.2	96.9	97.6	98.3
2010	99.1	101.1	100.7	103.2
2011	102.5	102.9	104.8	104.3
2012	105.5	105.9	106.2	109.6
2013	109.4	109.5	109.8	110.0
2014	113.5	115.1	117.3	120.5
2015	122.1	123.6	126.1	127.2
2016	130.1	132.0	135.6	131.7
2017	136.9	138.8	140.3	136.0
2018	142.2	145.5	148.2	

## Yield by Popular Postcodes (Flats)

	2013	2014	2015	2016	2017
EH3	3.9%	3.9%	4.1%	4.1%	4.0%
EH7	5.4%	5.5%	5.6%	5.6%	5.6%
EH8	6.8%	6.8%	6.6%	7.2%	7.0%
EH9	4.8%	4.7%	4.9%	5.1%	4.8%
EH10	4.5%	4.4%	4.3%	4.3%	4.2%
EH11	5.9%	5.8%	5.9%	6.1%	5.8%
EH12	4.9%	4.9%	5.1%	5.4%	4.7%



### Ian Lawson - Lomond Capital

"Central belt activity in Edinburgh and Glasgow still very busy and prominent as we head into Q4. We are still seeing investors seeking good quality property in Edinburgh and coming to the table with exciting growth/investment plans for stock in the 1-2 bed range. Despite a slight influx in landlords wanting to dip their toe in short term lets, we are comforted by enough landlord enquiries choosing long term rentals, having seen the market post-PRT maintain itself and adapt."

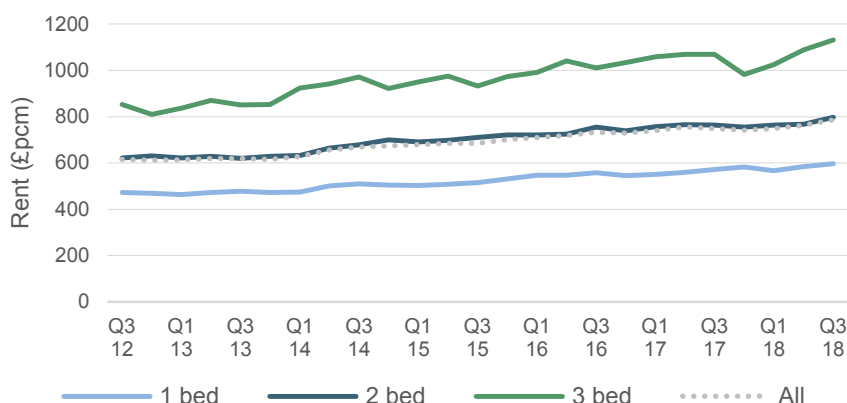


# Glasgow

## Market Overview - Q3 18

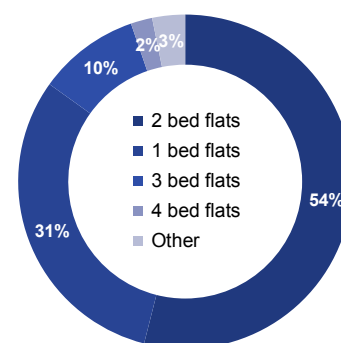
Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£596	4.2%	24.7%	27.6%	22	1	31%	74%
2 bed	£798	4.5%	28.7%	33.7%	24	1	25%	69%
3 bed	£1,132	5.9%	33.2%	37.4%	31	3	16%	59%
4 bed	£1,633	17.1%	28.1%	46.7%	30	4	14%	65%
<b>Total</b>	<b>£785</b>	<b>4.9%</b>	<b>27.0%</b>	<b>32.4%</b>	<b>24</b>	<b>1</b>	<b>26%</b>	<b>70%</b>

## Average Rent (pcm) by Number of Bedrooms

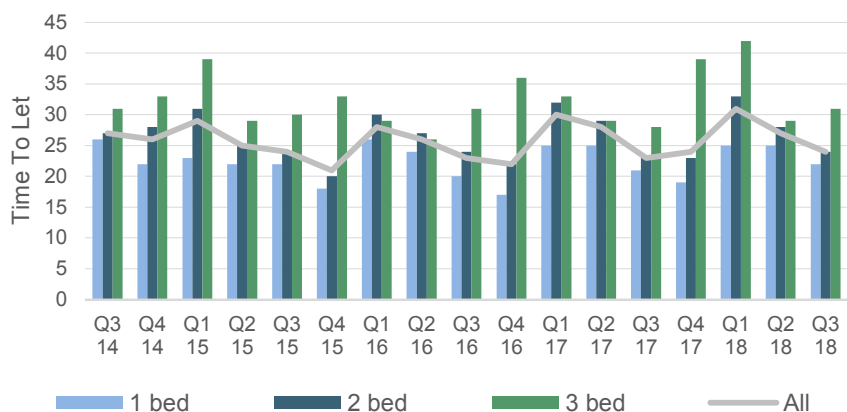


## CITYINFO

## Market Composition



## Average Time To Let (TTL) by Number of Bedrooms



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	102.6	104.6	101.8
2009	102.3	101.4	103.0	100.7
2010	104.2	104.1	103.9	103.7
2011	102.3	106.0	106.7	105.6
2012	105.1	107.4	108.5	107.9
2013	108.1	109.0	109.0	108.5
2014	110.8	115.7	118.0	118.7
2015	119.8	120.8	120.6	123.6
2016	125.2	126.8	129.3	128.6
2017	130.5	133.2	131.9	130.9
2018	132.1	134.6	138.4	

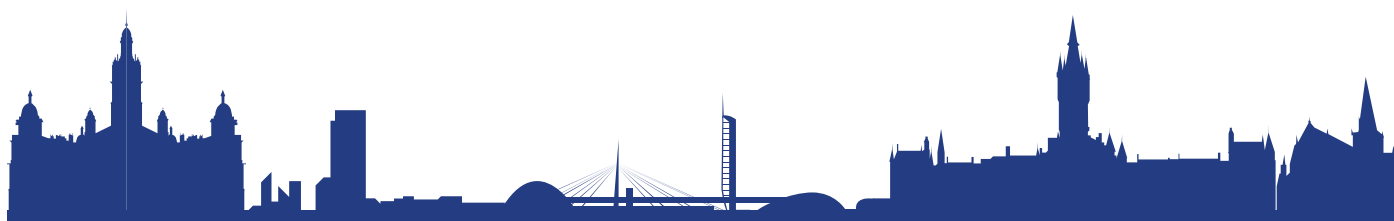
## Yield by Popular Postcodes (Flats)

	2013	2014	2015	2016	2017
G1	6.7%	6.1%	6.0%	6.2%	5.7%
G2	5.6%	8.8%	7.3%	7.5%	6.7%
G3	5.4%	6.0%	4.8%	5.5%	5.4%
G4	6.4%	6.4%	6.4%	6.5%	6.6%
G5	7.2%	7.0%	7.1%	6.8%	6.7%
G11	5.1%	5.5%	5.7%	5.4%	5.3%
G12	4.6%	4.7%	4.6%	4.8%	4.7%



### Ross W Macleod - Macleod Lettings

"The last quarter has seen continued growth in rents across the city, with particular demand for quality 1 & 2 bedroom properties. On average there are 3 – 4 tenants for each property listed so this is a positive sign for investors looking to enter the Glasgow market. The Scottish Government Letting Agent Registration will have a further impact on the market and landlords should be fully aware of their agent's complicity in this to avoid any potential pitfalls or disaster."

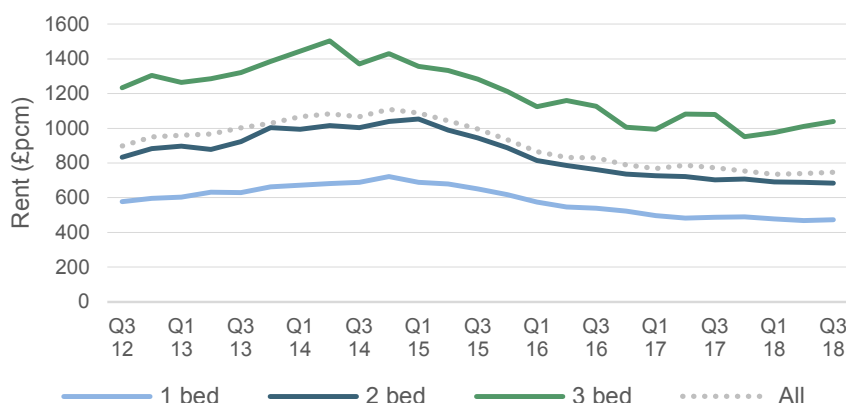


# Aberdeen

## Market Overview - Q3 18

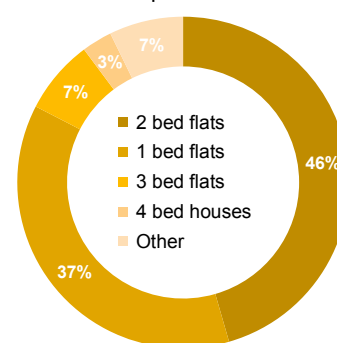
Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£474	-2.7%	-24.6%	-17.6%	42	-5	11%	45%
2 bed	£683	-3.0%	-26.1%	-17.1%	46	-4	7%	41%
3 bed	£1,040	-3.6%	-21.3%	-8.7%	49	3	7%	36%
4 bed	£1,437	-7.1%	-28.5%	-23.6%	43	-5	11%	42%
<b>Total</b>	<b>£746</b>	<b>-3.6%</b>	<b>-25.5%</b>	<b>-16.3%</b>	<b>45</b>	<b>-4</b>	<b>9%</b>	<b>42%</b>

## Average Rent (pcm) by Number of Bedrooms

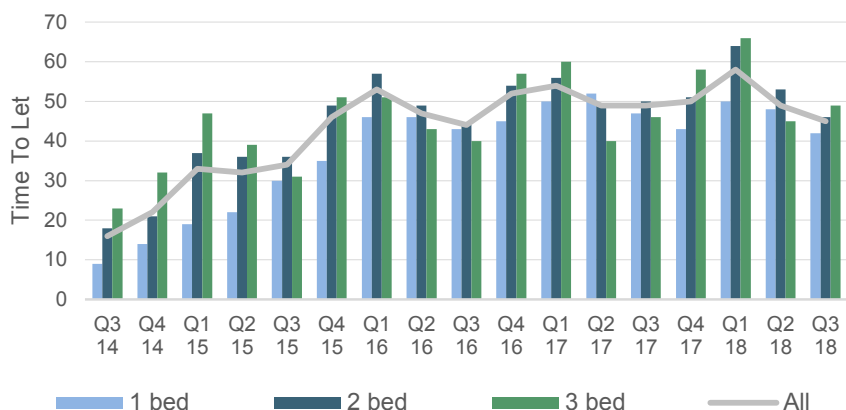


## CITY INFO

### Market Composition



## Average Time To Let (TTL) by Number of Bedrooms



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.5	100.7	98.8
2009	97.1	94.6	93.8	96.8
2010	96.9	96.5	96.3	98.3
2011	102.5	97.4	99.2	101.0
2012	103.2	101.8	101.6	107.3
2013	108.6	109.3	113.2	116.2
2014	120.5	122.5	120.6	125.4
2015	123.1	117.9	112.4	105.5
2016	97.7	93.9	93.7	89.2
2017	86.8	89.0	87.5	85.3
2018	83.2	83.6	84.3	

## Yield by Popular Postcodes (Flats)

	2013	2014	2015	2016	2017
AB10	5.8%	5.4%	5.2%	4.9%	5.2%
AB11	6.0%	6.6%	6.3%	6.1%	5.6%
AB15	5.8%	5.7%	4.8%	5.1%	5.1%
AB24	7.4%	7.1%	7.0%	7.4%	6.6%
AB25	6.2%	5.9%	6.2%	5.5%	5.5%



### Matt Pullinger - Northwood

"Q3 has been an exceptionally busy period for us at Northwood Aberdeen with quick turnarounds of competitively priced properties that are presented to a high standard. A number of properties have been let within a week of advertising, a significant improvement compared with previous quarters, hence landlord expectations are being exceeded. The student market has continued to show high demand for quality properties and we have also seen positive movement in the leasing of larger properties. Current demand for quality one bedroom properties is high and there continues to be a lack of supply to meet demand."

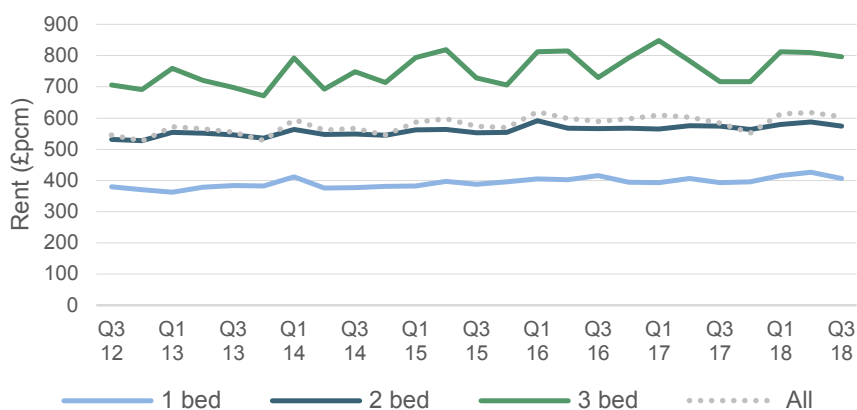


# Dundee

## Market Overview - Q3 18

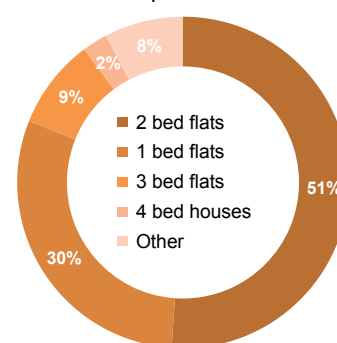
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£406	3.3%	4.9%	6.0%	48	-1	12%	48%
2 bed	£574	0.0%	3.8%	5.1%	45	-7	15%	48%
3 bed	£796	11.0%	9.3%	14.0%	48	-7	18%	50%
4 bed	£1,078	7.9%	2.8%	16.0%	46	1	19%	44%
<b>Total</b>	<b>£604</b>	<b>3.4%</b>	<b>5.2%</b>	<b>8.8%</b>	<b>47</b>	<b>-4</b>	<b>15%</b>	<b>48%</b>

## Average Rent (pcm) by Number of Bedrooms

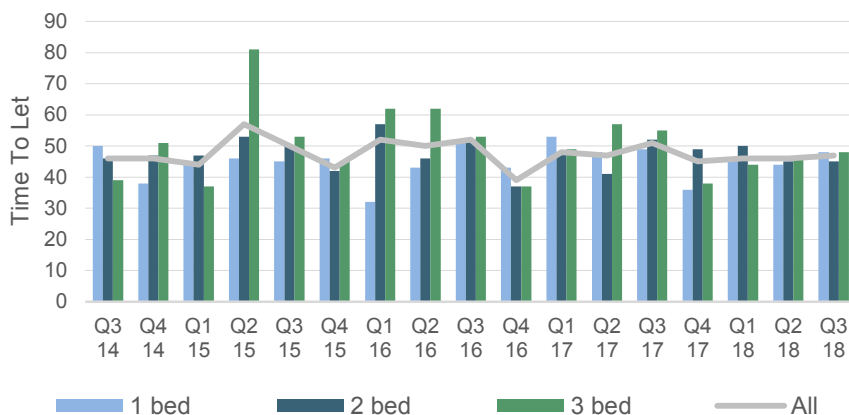


## CITY INFO

### Market Composition



## Average Time To Let (TTL) by Number of Bedrooms



## Rental Index

(base: Q3 10)

Year	Q1	Q2	Q3	Q4
2010	100.0	94.3	94.3	93.4
2011	102.8	95.5	91.8	86.1
2012	96.2	93.2	94.6	91.5
2013	99.3	98.1	96.4	91.7
2014	103.3	97.4	98.4	94.6
2015	101.9	103.8	99.7	99.0
2016	107.6	104.0	102.4	103.6
2017	105.9	104.7	101.4	95.8
2018	106.6	107.3	104.9	

## Yield by Popular Postcodes (Flats)

	2013	2014	2015	2016	2017
DD1	6.7%	7.0%	7.8%	7.8%	7.7%
DD2	6.3%	6.2%	6.2%	6.6%	6.4%
DD3	7.4%	6.3%	7.1%	7.5%	7.8%
DD4	8.1%	8.5%	8.0%	8.1%	8.7%
DD5	5.1%	4.3%	4.8%	5.0%	5.0%



### Robert Murray - Lickley Proctor Lettings

"Lickley Proctor Lettings have been extremely busy this third quarter. We have experienced a significant increase in demand from prospective tenants to the extent it has been outstripping the supply. This is all good news for the private rented sector in Dundee and encouraging for landlords who are considering investing in the city."



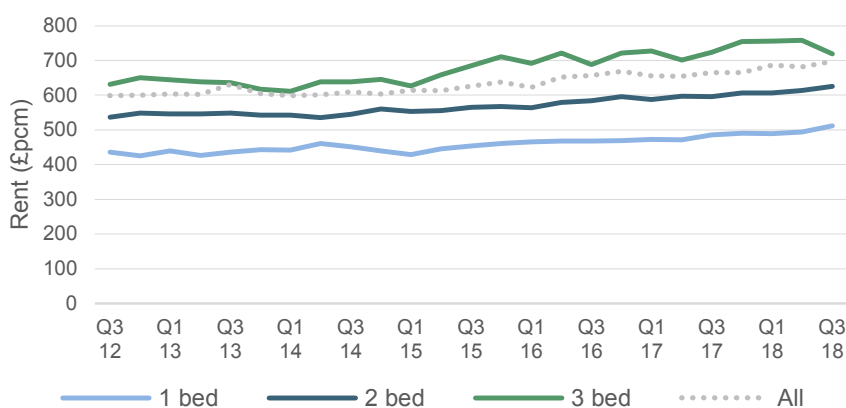


# West Lothian

## Market Overview - Q3 18

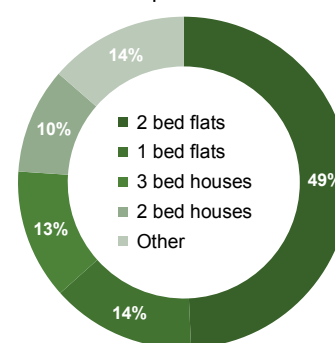
Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£512	5.3%	17.4%	25.2%	33	-1	22%	53%
2 bed	£625	4.9%	14.1%	10.6%	28	-15	24%	68%
3 bed	£719	-0.7%	13.1%	10.6%	31	-2	15%	63%
4 bed	£1,019	4.0%	7.2%	6.1%	31	-1	11%	44%
<b>Total</b>	<b>£697</b>	<b>4.8%</b>	<b>10.5%</b>	<b>14.6%</b>	<b>30</b>	<b>-9</b>	<b>21%</b>	<b>64%</b>

## Average Rent (pcm) by Number of Bedrooms

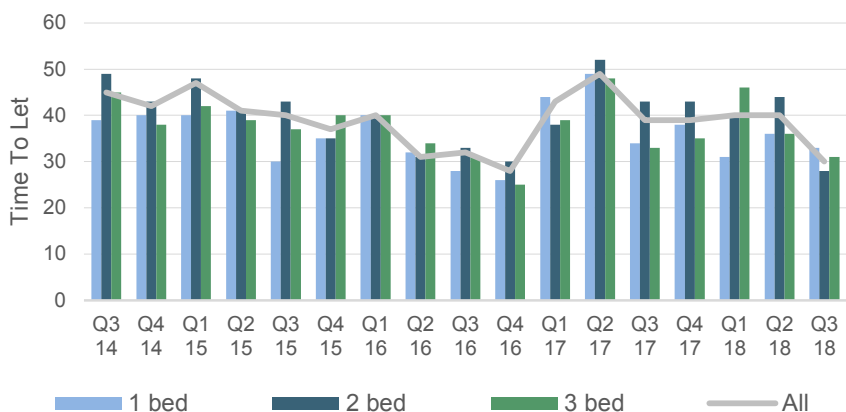


## CITYINFO

## Market Composition



## Average Time To Let (TTL) by Number of Bedrooms



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.4	104.8	101.2
2009	101.9	98.4	100.5	99.7
2010	100.9	100.2	100.2	100.3
2011	100.7	104.8	100.5	100.9
2012	98.1	102.8	103.3	103.4
2013	104.1	103.8	108.8	104.3
2014	103.3	103.6	105.2	104.1
2015	105.9	105.7	107.9	110.0
2016	107.4	112.4	113.3	115.3
2017	113.1	112.9	114.7	114.7
2018	118.3	117.6	120.2	

## Yield by Popular Postcodes (Flats)

	2013	2014	2015	2016	2017
EH48	8.2%	8.1%	6.5%	6.8%	7.5%
EH49	5.6%	5.2%	5.2%	5.1%	5.1%
EH54	7.3%	6.9%	7.0%	6.9%	7.0%



### Robert Young - The Key Place

"West Lothian remains strong, with a moderate increase in rent and a reduction in time to let. Demand for rental properties in Falkirk and the surrounding area is down a wee bit at the moment because of a combination of Brexit – both its general uncertainty and the reduced number of new people coming into the area – and, to a lesser extent, the number of new properties that have been built and the incentives to first time buyers for these – which has meant some past renters are now buying their own homes. This is meaning that high quality, sensibly priced properties are still being rented out quickly but the less attractive properties are taking longer to rent."



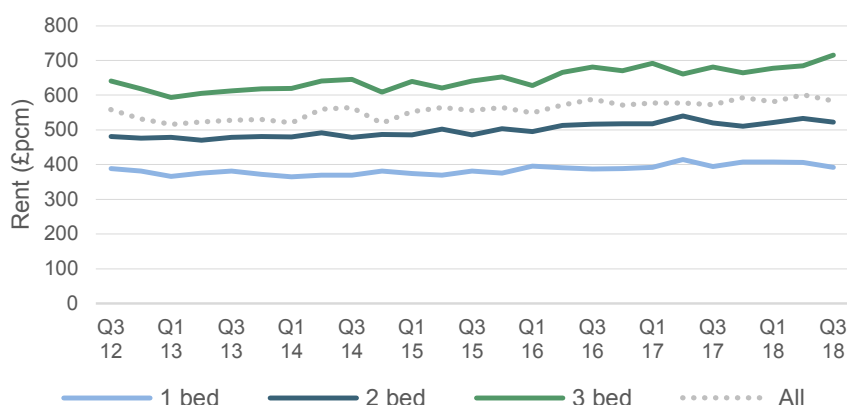


# South Lanarkshire

## Market Overview - Q3 18

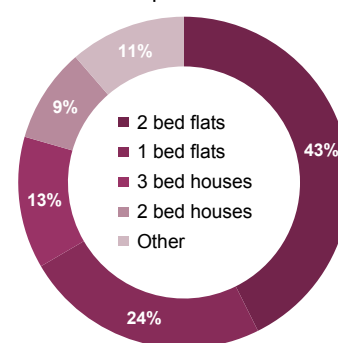
Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£392	-0.8%	2.6%	-4.4%	36	-8	13%	51%
2 bed	£522	0.4%	9.2%	2.0%	33	-3	18%	56%
3 bed	£716	5.1%	16.8%	17.8%	30	-1	23%	61%
4 bed	£1,075	1.7%	21.9%	5.6%	36	11	14%	50%
<b>Total</b>	<b>£584</b>	<b>1.9%</b>	<b>10.6%</b>	<b>6.2%</b>	<b>33</b>	<b>-3</b>	<b>17%</b>	<b>55%</b>

## Average Rent (pcm) by Number of Bedrooms

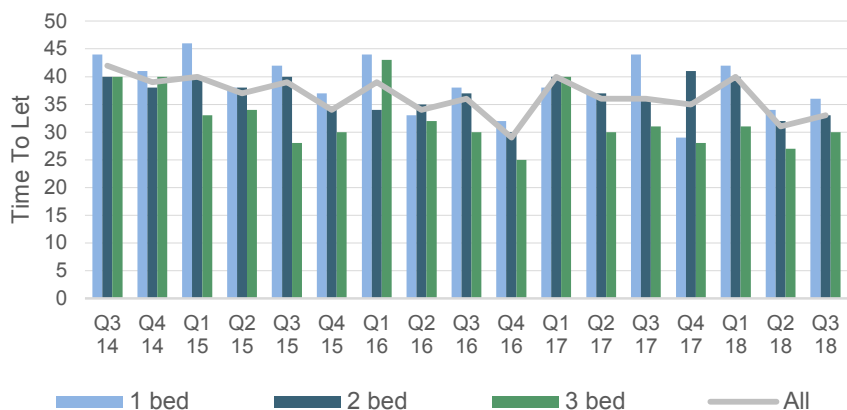


## CITYINFO

## Market Composition



## Average Time To Let (TTL) by Number of Bedrooms



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.3	101.3	102.4
2009	103.3	96.7	95.6	103.3
2010	104.1	99.4	99.8	104.8
2011	96.3	99.4	100.4	97.2
2012	100.6	99.3	102.9	97.8
2013	95.0	96.3	97.2	97.6
2014	95.9	103.1	104.1	95.6
2015	101.8	104.1	102.4	104.1
2016	101.1	105.3	108.3	105.3
2017	106.3	106.4	105.5	109.2
2018	107.0	110.7	107.6	

## Yield by Popular Postcodes (Flats)

	2013	2014	2015	2016	2017
G71	5.0%	5.4%	5.3%	5.5%	5.4%
G72	9.1%	8.5%	8.0%	7.5%	8.3%
G73	7.9%	7.5%	7.1%	6.7%	7.0%
G74	6.5%	8.3%	7.4%	7.4%	6.8%
G75	9.3%	9.0%	6.6%	9.6%	8.9%



### David Kendall - Lets Make Homes

"All well-presented houses continue to attract good quality tenants. Larger family homes have become increasingly sought after but are in very low supply, leading to an inevitable increase in prices and often competition among prospective tenants. The improved sales market is tempting some landlords to sell, whilst those committed for the long term are beginning to see some increase in the value of their portfolio. Prospective landlords and portfolio landlords are constrained by complex underwriting requirements from lenders so it has become increasingly difficult to do a 'quick' deal putting cash buyers at a real advantage."

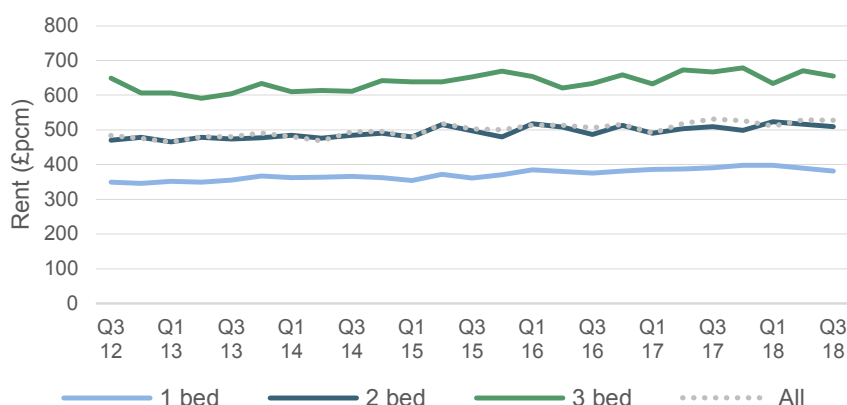


# Renfrewshire

## Market Overview - Q3 18

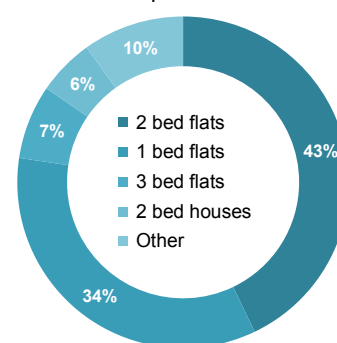
Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£382	-2.3%	7.6%	5.2%	39	5	15%	52%
2 bed	£509	0.0%	7.4%	4.9%	37	5	9%	52%
3 bed	£655	-1.8%	8.4%	7.9%	38	10	8%	54%
4 bed	£1,064	-4.7%	18.2%	8.9%	28	-10	15%	62%
<b>Total</b>	<b>£528</b>	<b>-0.6%</b>	<b>10.0%</b>	<b>6.5%</b>	<b>38</b>	<b>6</b>	<b>11%</b>	<b>53%</b>

## Average Rent (pcm) by Number of Bedrooms

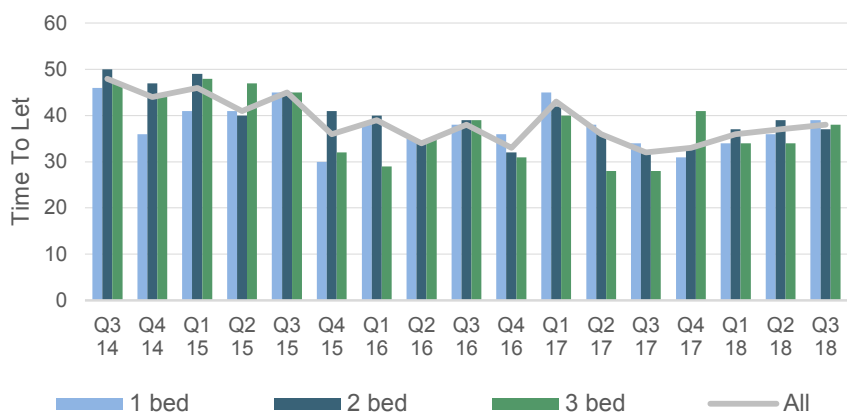


## CITY INFO

### Market Composition



## Average Time To Let (TTL) by Number of Bedrooms



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.8	104.0	100.0
2009	98.7	99.0	96.2	96.2
2010	104.6	96.6	101.9	100.0
2011	98.5	99.4	101.0	100.8
2012	101.0	101.5	101.5	99.8
2013	97.5	100.6	100.6	102.9
2014	100.6	98.1	103.8	104.0
2015	100.2	108.6	105.5	104.8
2016	107.5	107.5	106.1	108.2
2017	102.9	108.6	111.3	110.3
2018	107.1	110.9	110.7	

## Yield by Popular Postcodes (Flats)

	2013	2014	2015	2016	2017
PA1	8.0%	7.7%	6.5%	7.4%	7.1%
PA2	7.8%	7.4%	7.5%	7.1%	7.0%
PA3	9.6%	10.7%	10.7%	10.0%	9.6%
PA4	9.2%	7.8%	8.0%	7.8%	7.8%
PA5	10.2%	8.5%	9.5%	8.4%	9.1%



### Denise Rhodes - Belvoir Lettings

"Belvoir entered the market in Renfrewshire in 2009 and it has never been as buoyant as now. Demand is outstripping supply for quality properties and consequently rents are increasing. As always, houses are in particular demand, with well presented 2 or 3 bed ex local authority properties in decent areas giving excellent returns."



## Agent Views

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

### Aberdeen Considine, Aberdeen – Karolina Robertson



"After difficult first 2 quarters of this year, the Aberdeen leasing market has improved during the summer months, with the city centre recording increased number of enquiries and viewings. These two factors had an immediate effect on number of lets secured. With a varied portfolio of properties on our books, we managed to attract all types of tenants. However, one bedroom properties generated most interest which has been confirmed by the latest Citylets report. We have also noted slightly increased interest in our higher end properties from private tenants and relocation agents. However, rental values remain low. Rents in Aberdeen remain below the national average and properties are taking an average of 50 days to let."

### Grant Fairbairn PL, Aberdeen – Grant Fairbairn



"Q3 2018 has been very busy in Aberdeen. The student demand has been very healthy despite various new student accommodation blocks being built throughout the city. We are also seeing more oil companies letting properties for new staff coming to Aberdeen, which is promising to see. However, it is still very important for landlords to have their property priced correctly, in good condition and to have good professional photos when advertising for rent, although there has been an increase in activity, there is still a lot of supply for tenants to choose from."

### Newton Property Mgt, Glasgow – Riccardo Giovanacci



"Q3 has undoubtedly been our busiest quarter, with most of our properties reserved at the first viewing and receiving several notes of interest from applicants. One and two bedroom flats in the West End tend to dominate the market with prices increasing. We've even seen some one bedroom flats achieve £1000pcm. The demand for property is far outweighing the supply, with landlords being able to reap the benefits. Areas such as the City Centre and Southside are also performing well with increased rents and interest levels."

### Castle Residential, Renfrewshire – Matt McCusker



"Q3 has brought with it pending registration for letting agents and all conscientious agents will have been consolidating and preparing their process to make sure compliance. Traditionally this quarter is the busiest time of year for agents and this year has not disappointed. With new student terms beginning and the regular summer boost in property sales, we've had another manic one. With light now at the end of the tunnel, I do not use the term 'inundated' loosely. Across the board, from short-term rentals to longer term and sales, both of our Glasgow and Paisley branches have been doing all we can to make sure we keep up with demand. The number of enquiries received in Q3 gives a true reflection on how necessary the PRS really is."

### The Flat Company, Edinburgh – Matthew Wilcken



"Q3 has been an extremely busy period at The Flat Company, with the colourful and challenging requirements of the Edinburgh Festival being followed by a hectic period ensuring that properties are shipshape for student tenants returning from the summer. Our ability to offer clients a combination of short and long term lets is of increasing importance and has provided very good returns. For our professional lets demand continues to be very strong and thankfully the Edinburgh market appears to have absorbed the new PRT with only minor adverse issues."

### Cullen Property Ltd, Edinburgh – Steve Coyle



"Q3 saw the high demand for quality properties continue its 2018 trend. TTL's for Edinburgh central properties are generally less than 14 days. Rents have steadily risen and Cullen's own data show YOY increases marginally above the wider market levels, notably in the 3 and 4 bed HMO sector. PRT's for student properties have now commenced and are working well to date. Landlord enquiries are rising but tending to be for larger properties. Govt policies in recent times and lending restrictions, coupled with the recent BoE rates rise, seem to have curtailed smaller property BTL activity. CEC pressure on the Airbnb market is likely to cause some properties to move back into the private rented sector too which may ease rents. Property values continue to rise though so rental demand is likely to continue to also rise steadily in the short to medium term."



## Agent Views cont...

### Cox & Co., Edinburgh – Mike Erskine



"Q3 has been strong, with rents continuing their upward trend and a reduction in TTL. Looking ahead, we are not seeing any signs of it slowing in the short term, with properties being marketed in advance and a lot of interest in the 1 and 2 bedroom markets. We expect a quieter festive period, but are still excited by the PRS and its potential for our investors. We have seen instances of tenants leaving early in their lease with the PRT now, but we are limiting void periods for our clients, maximising rent and getting the best tenants possible quickly."

### Glenham Property, Edinburgh – Charles Innes



"Demand levels for good quality residential stock in Edinburgh remain high and continue to grow. Competition for rental property in the city is increasing as the continued rise in the short term let market and some landlords exiting the PRS constrain stock and availability. Interest from overseas investors has grown especially in the 1-2 bed markets and there is still strong demand for HMO's. The impact of the PRT seems to have been minimal and the PRS continues to operate as normal. In general we feel the PRS is robust and even with the headwinds of political and economic uncertainty should remain buoyant going forward with opportunities for investors."

### Glasgow Property Letting, Glasgow – Colin McMillan



"The third quarter of 2018 has been an exceptionally busy period with the takeover and integration of another business. The market has been very buoyant with the usual student peak rush period and new landlords looking for solid investment opportunities. All this has been happening while preparing for the imminent deadline and launch of the Letting Agents Register in Scotland in October which we feel will be the historic defining moment in the Scottish lettings industry and will showcase diligent lettings agents as a professional industry. We at GPL embrace this new chapter in our industry."

### Be-Rented, Glasgow – Graeme McEwan



"2018 continues to be profitable for landlords, with reduced void times and time to lets – signals of a strong market leading into 2019. Glasgow, in particular, has outperformed most other areas of Scotland (and England for that matter), with recent rent growth heading towards double digits in some cases. Investor sentiment is also strong with some interesting variables such as returns for furnished property. Student accommodation is proving to be a great asset all round with Glasgow now in the top three cities in the UK for investor returns."

### Clan Gordon, Edinburgh – Jonathan Gordon



"As 2018 progresses, the influx of landlords switching their property from short-term to long-term lets accelerates. This is partly due to difficulty securing lets consistently in a saturated market and landlords realising, despite the promise of prime rents, the income generated is not being significantly more than that for long-term lets due to higher outgoings and the seasonally influenced market. Despite this, the lack of quality properties remains an issue, with numerous applications for each, particularly 1 and 2 bedroom flats. Landlords are responding to tenant demand by upgrading their properties, especially important since the introduction of the PRT."

### Umega Lettings, Edinburgh – Andrew Whitmey



"We've got through another September (traditionally our busiest month of the year) and our student tenants are now settling in for the year. It will be fascinating to watch how these tenancies play out and to see whether students exercise their rights to vacate next summer, or before, under the new PRT regime. Rents continue to climb across the board and over the past 2 months we've seen 25% of our properties letting at a higher rent than we advertise; with these properties achieving an average of 5% over the asking rent. With the threat of tighter regulations around the holiday letting market and a saturation of property numbers on portals like Airbnb, many holiday let landlords are turning their backs on holiday letting and moving across to a more stable long-term letting option to provide some much needed supply to the long-term letting market."

### Aberdeen Considine, Glasgow – Kenneth Urquhart



"Q3 has again been a very busy time for Aberdeen Considine with high levels of applicants for every property. There has been plenty of activity throughout the city with the number of tenants outstripping supply which will no doubt be the main reason for the increase we have seen in monthly rents. If this trend continues, against a backdrop of more stringent regulations for buy to let finance and tax changes coming into force, then it is likely that supply will decrease among all types of property, leading to greater competition for the best homes to let and therefore higher asking prices."

### Let-it, Glasgow – Chris Cockburn



"This past quarter has seen another busy period in relation to demand for rental stock for all styles of property. The ratio of supply once again outstripping demand is driving rents upwards, but the increasing tax and legislative burdens on landlords are also playing their part in the increase in rental levels. The private rented sector would arguably be healthier however, if the government created an environment more conducive to more landlords entering the market. However, new instructions are steadily increasing in number as new investor landlords become accustomed to the regulatory landscape."



# Postcode & Towns - Average Rents & TTL - Q3 18

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	£844	(12)	£1,164	(15)	£1,659	(23)
EH3	£1,016	(22)	£1,384	(27)	£1,703	(30)
EH4	£864	(14)	£1,045	(22)	£1,239	(29)
EH5	£662	(16)	£848	(18)	£1,175	(26)
EH6	£686	(18)	£880	(18)	£1,151	(29)
EH7	£722	(13)	£952	(21)	£1,321	(23)
EH8	£741	(17)	£964	(18)	£1,311	(30)
EH9	£713	(24)	£1,075	(20)	£1,532	(23)
EH10	£801	(14)	£1,044	(21)	£1,422	(24)
EH11	£693	(17)	£889	(14)	£1,163	(17)
EH12	£736	(16)	£1,020	(24)	£1,192	(26)
EH13			£811	(45)		
EH14	£670	(20)	£835	(19)	£997	(29)
EH15	£645	(19)				
EH16	£666	(19)	£821	(20)	£1,132	(27)
EH17			£726	(22)		
EH19			£719	(12)		
EH21	£607	(18)	£757	(16)		
EH22			£678	(36)		
EH26			£715	(35)	£898	(28)
EH47			£527	(43)		
EH48	£500	(37)	£633	(29)		
EH49			£634	(28)		
EH51	£369	(40)	£489	(26)		

## Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£486	(46)	£655	(45)	£1,015	(54)
AB11	£460	(44)	£659	(49)	£956	(58)
AB12	£544	(29)				
AB15	£492	(38)	£797	(48)	£1,181	(45)
AB21	£674	(42)	£731	(46)		
AB22	£492	(51)	£684	(39)		
AB24	£487	(44)	£658	(47)	£1,024	(56)
AB25	£460	(40)	£663	(45)	£1,031	(50)
AB41			£632	(35)		
AB51			£660	(44)		

## Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£410	(36)	£681	(33)		
DD2	£394	(44)	£581	(34)	£819	(26)
DD3	£398	(44)	£501	(58)		
DD4	£399	(55)	£512	(53)		
DD5			£640	(32)		
DD8			£477	(55)		
DD10	£359	(48)				

## Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£682	(22)	£991	(22)		
G2	£773	(23)	£936	(23)		
G3	£653	(20)	£892	(21)	£1,299	(35)
G4	£653	(19)	£809	(25)	£1,306	(38)
G5	£589	(23)	£726	(23)	£940	(34)
G11	£625	(18)	£875	(26)	£1,218	(37)
G12	£717	(22)	£950	(25)	£1,403	(35)
G13	£506	(15)	£662	(23)		
G14	£476	(24)	£574	(29)		
G20	£584	(28)	£765	(23)	£933	(20)
G21			£538	(33)		
G31	£489	(18)	£679	(21)	£814	(20)
G32	£431	(31)	£544	(35)		
G33			£568	(36)		
G40	£491	(17)	£627	(26)		
G41	£565	(19)	£689	(23)		
G42	£479	(27)	£634	(28)		
G44	£497	(14)	£614	(34)	£670	(33)
G51	£487	(23)	£623	(23)		
G52					£597	(32)
G67			£471	(45)		
G69			£626	(44)		
G71			£642	(27)	£832	(41)
G72			£548	(26)		
G73			£509	(41)		
G74	£383	(44)	£498	(27)		
G75	£373	(24)	£475	(32)	£656	(33)
G81			£509	(32)		
G84			£541	(60)		

## Towns - £pcm (TTL days)

Town	1 Bed		2 Bed		3 Bed	
Airdrie			£493	(74)		
Ayr	£416	(43)	£517	(47)		
Bathgate	£507	(30)	£628	(28)		
Bo'ness	£369	(40)	£489	(26)		
Cumbernauld			£503	(41)	£575	(52)
Dalkeith			£681	(32)		
Dunfermline	£430	(28)	£561	(33)	£685	(46)
East Kilbride	£381	(39)	£487	(30)	£652	(29)
Glenrothes			£473	(20)	£556	(33)
Hamilton	£406	(30)	£526	(33)	£677	(28)
Inverness	£549	(27)	£661	(27)	£802	(35)
Kilmarnock	£360	(52)	£453	(65)	£580	(58)
Kirkcaldy	£384	(42)	£504	(24)		
Linlithgow			£634	(28)		
Livingston	£538	(13)	£636	(24)	£768	(25)
Motherwell	£415	(44)	£517	(50)		
Paisley	£378	(37)	£483	(40)	£612	(44)
Perth	£416	(43)	£538	(52)		
Stirling Town	£514	(13)	£725	(12)	£863	(16)
Troon			£551	(48)		

## Build To Rent News

### Living with Build to Rent by Rettie & Co.

Our Summer 2018 Market Reviews – ‘Build to Rent in Scotland’ and ‘Mid-Market Rent in Scotland’ – highlighted the growing investor interest in Scotland’s build to rent (BTR) sector. It is perhaps coincidence that the pipeline of c.4,000 homes has seen particular growth in the twelve months since the last Build to Rent Forum Scotland, where Scottish Government officially launched its ‘Build to Rent Opportunity Document’.

Whilst most of the homes in the pipeline are city centre apartments for market rent, the significant latent demand for mid-market rent (MMR) sector (or affordable BTR) should not be underestimated.

In June, Scottish Government announced a £47.5m investment in MMR, in partnership with PfP Capital, with the aim of creating a £150m fund to deliver 1,000 MMR homes, with Rettie appointed to identify and appraise suitable sites.

In September, our second collaboration with The Cruden Group on behalf of Forth Ports, launched the second MMR development at Edinburgh’s Western Harbour – Harbour Gateway. As with Harbour Point, we were massively oversubscribed, with over 3,000 applications for 138 homes. There are plans to deliver a further 1,600 homes.

We passionately advocate collaboration in the industry – bringing together respective strengths for the greater good – ultimately for those ‘living with build to rent’.



Harbour Gateway

### Forbes Place Scotland’s First BTR by Dandara

Forbes Place, Scotland’s first ever purpose-designed BTR scheme was launched by Dandara Living in September 2016. Comprising 292 fully-furnished studio, one and two bedroom apartments and 3-bedroom townhouses, this designed for rent development reached full occupancy just 20 months after launch, and is bucking the trend by achieving average rents of £850pcm – some 15% higher than the Aberdeen market average – ranging from £660pcm for a studio apartment to £1,340pcm for a 3-bedroom townhouse.



Forbes Place BBQ

In addition to high-quality accommodation, residents also have access to a wide range of inclusive benefits such as free parking, free high-speed broadband, regular social events, and an on-site customer service and property management team. This value proposition has resulted in Forbes Place achieving a 100% customer satisfaction rating in its 2018 resident survey, and a broad resident demographic which includes graduates, professionals from the oil & gas and energy sectors, flight crew and pilots.

## Mid-Market Rent News

### Landmark Development for LAR

Housing Minister, Kevin Stewart MSP, is shortly to officially open our new development in East Lothian, which our Chair has previously described as a 'game changer' for the organisation.

Our 26 homes in Cockenzie have been built by Hart Builders and the development was the first contract to be called off from our £5 million building framework. It consists of 22 two bed and four one bed flats.

It is our first design and build project and is a superb site with fantastic harbour views. Tenants are moving in during September and October.



Cockenzie from the shoreline

The development has been built for the future, but it also has an eye on the past. It is on the site of a former boatyard, run by the Weatherhead family for 70 years, which closed in 1969. We were approached by a local heritage group, Boatie Blest, together with Councillors and the Weatherhead family asking if some form of recognition could be given to the site's past history. A beautiful carving depicting the site as a boatyard is the result, created by local stonemason, Gardner Malloy – the perfect example of true local collaboration.

### New Fund to Deliver 1,000 Mid-Market Homes Across Scotland

PfP Capital in partnership with the Scottish Government, has launched a fund to deliver 1,000 new mid-market rent homes across Scotland.

PfP Capital (part of the regeneration group Places for People) is targeting a total fund size of £150 million. A loan of £47.5 million from the Scottish Government has been secured in addition to an initial £10 million equity investment from Castle Rock Edinvar Housing Association. PfP Capital are looking to raise an additional £87.5 million capital from third parties, targeting institutional and pension fund investors, with the focus on Local Government Pension Schemes (LGPS). Investors are expected to benefit from index-linked returns derived from the rental income.



Commenting on the news, Chris Jones Managing Director at PfP Capital said: "This investment will allow us to operate a strategy delivering a significant number of affordable homes to people across Scotland and we are delighted to work with the Scottish Government on this exciting initiative. This fund will also provide a great opportunity for institutional investors to fund the next generation of Scotland's affordable homes and secure stable, inflation-linked returns."

The fund will contribute to the Scottish Government's commitment to deliver 50,000 affordable homes by 2021.



## Time for Enforcement

### SAL discuss recognition of good practice

While many of us were enjoying the warm summer, our letting agent members were busy getting ready for regulation and applying to the Scottish Government's Letting Agent Register, writes SAL Chief Executive, John Blackwood. SAL and our CLA, representing our letting agent members, have long since campaigned for the introduction of compulsory training and regulation of letting agents which is broadly supported by landlords, tenants and responsible letting agents alike. This became reality on 1 October when all letting agents in Scotland were required to be registered.

For too long letting agents, who abide by the law, invest in training and compliance and offer a good service to customers, have been undercut by competitors providing poor service and value for money to customers. Thankfully the tide is now turning and hopefully regulation will not only weed out the rogue operators but also promote existing good practice, making it the norm.

For years this has been an aspiration in the private rented sector, a wish waiting to be realised, but now we must all play our part in making it a reality. It is true to say that the experience to date of regulation of the private rented sector in Scotland has been met with increasing criticism over the years and SAL, with others, have often voiced concern about the

apparent lack of enforcement of current regulations and the ability of landlords to avoid being tackled for poor and quite frankly criminal behaviour.

While we know that any form of regulation requires action from both policy and law makers, it also requires consumers to play their



part in making the system work for all. In an ideal world no tenant will let from an unregulated landlord or letting agent and the regulators will robustly enforce the law of the land. However, all too often tenants choose their next home based not on the 'qualification' of their landlord or agent but on location and affordability of available accommodation and regulators are quick to protest about lack of resources to enforce legislation.

Over the next few months, as letting agent registration beds in, we all

have a part to play in ensuring that regulation is enforced. SAL will continue to champion the cause of having good practice recognised and we will ensure that unregistered agents are reported to the Scottish Government. The Minister for Housing & Local Government, Kevin Stewart MSP, is on record speaking at our National Landlord Day conference, on more than one occasion, stressing his mission to ensure that regulation is enforced and appropriate and proportionate action taken when required.

At SAL we want our members to be able to operate on a level playing field where market forces dictate not only cost to consumers but also quality of service that should not fall below an acceptable standard. One thing is for certain, governments will continue to regulate and impose taxes and will still be faced with the increasing problem of finding enough houses for people to call home – often too much of a challenge for governments of today.

Find out more via  
[www.scottishlandlords.com](http://www.scottishlandlords.com)

## SafeDeposits Educates Scotland's Private Rented Sector

The organisation discusses the programmes it provides

As the only tenancy deposit protection scheme based in Scotland and the only not-for-profit provider, SafeDeposits is committed to improving the private rented sector (PRS) for all involved in it.

Over the last year, the team has travelled the length and breadth of the country talking to landlords, tenants and agents. The events have allowed us to listen to the concerns of our members, answer their questions and deliver training in tenancy deposit protection.

Since October 2017, we've attended or hosted 42 events from Galashiels to Aberdeen and Oban to Edinburgh.

One of the most popular programmes has been our adjudication workshops. The average attendance at the 16 workshops we ran over the last year was around 40 people, and some even had waiting lists. Landlords and agents clearly have an appetite for further insight and training on tenancy deposits and disputes, and we're proud to be delivering it for them.

The courses aim to make landlords and agents prepared for tenancy issues, but some scenarios are impossible to predict. At one of the workshops, a landlord had to leave early after he received a call from his tenant to say that there was a pigeon stuck in the chimney breast and, in an attempt to free it, the tenant had started hammering holes in the wall.

As well as the adjudication workshops, this year we also launched the Scottish Tenancy Deposit Academy in conjunction with Landlord Accreditation Scotland (LAS). It provides training in tenancy management, deposit protection and tenancy deposit disputes.

Along with providing practical insights and advice, the sessions will also count towards hours of Continuing Professional Development (CPD) for



Victoria Smith

letting agents and landlords.

The training provided through the Academy scheme is delivered by leaders within the industry and aims to help landlords and agents become better-rounded professionals with a deep knowledge of deposit protection, tenancy management and dispute resolution.

One agent who attended the Glasgow Academy event in August, Nick Ponty of Arc Property, said: "I found the course very informative

and useful. I'd like to think that all my tenants will get their deposits back, but sometimes things happen. The course was incredibly valuable in learning how to implement systems and procedures that will help avoid deposit disputes. I'd definitely recommend it to other property professionals."

We've hosted five Academy events since the programme launched – Glasgow, Edinburgh, Aberdeen, Fife and Aberdeen – and further dates will be announced in the near future.

It's not just landlords and agents we've been engaging with over the past 12 months. At Freshers' Fairs across the country, we've spoken to countless student tenants about their rights and responsibilities. We've also hosted and attended tenant forums and information events and conducted the largest ever tenant feedback survey of its kind in Scotland.

We're dedicated to spreading knowledge and information for everyone engaged in the private rented sector, and it's a commitment we'll be continuing for many years to come.

To find out more about SafeDeposits Scotland's education programmes and courses, please visit: [www.safedepositsscotland.com](http://www.safedepositsscotland.com).

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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# First-tier Tribunal Housing and Property Chamber

## Raising applications where the tenants whereabouts are unknown

One of the benefits of the Private Housing (Tenancies) (Scotland) Act 2016 was the inclusion of the new abandonment ground. Importantly, this ground is only applicable to private residential tenancies. Most landlords will be glad to see the inclusion of a ground to assist them where a tenant has disappeared.

Ground 10 states:

*"It is an eviction ground that the tenant is not occupying the let property as the tenant's home".*

However, a practical difficulty is now anticipated in connection with this ground – how can you arrange service of an application for eviction on someone who is no longer in occupation at the property?

In terms of the rules, the First-tier Tribunal for Scotland (Housing and Property Chamber) arranges service of the eviction application on tenants. They instruct Sheriff Officers to effect service. Sheriff Officers will not serve eviction applications where they are unable to verify if the tenant is occupying the property.

This creates a practical problem with service, given the very nature of the ground.

Many landlords may ask - what is the problem? Surely, if the tenancy is empty you can recover possession?

However, in terms of the Act, a private residential tenancy can only be ended in one of three ways:

1. By the tenant giving notice to leave and leaving,
2. By the landlord giving notice to leave and the tenant leaving or;
3. By an eviction order granted by the Tribunal.



Serving the notice to leave where the landlord considers the tenant to have abandoned the property should not pose problems if the tenancy agreement provides for service of the notice to leave by email. However, the landlord is likely to encounter difficulties when proceeding with an application for eviction to the Tribunal under this ground.

In the Sheriff Court there is a

procedure to request service by walls of court or advertisement where the defender cannot be located. Unfortunately, there is no such provision within the Tribunal rules. Currently the Tribunal rules do not provide the remedies available to the landlord under the 2016 Act.

Indeed, the recent Tribunal case of *Scott v Bachhaznadj* demonstrates the problem. In this case the landlord raised an application for possession following termination of a short assured tenancy. The application was received and a case management discussion was fixed. Thereafter, the Tribunal instructed Sheriff Officers to serve papers on the tenants advising them of the case management discussion. The Sheriff Officer reported that the tenants had vacated the property and were therefore unable to effect service of the Tribunal papers. The landlord could not provide a forwarding address for the tenants. The Tribunal rules provide an application for possession of a short assured tenancy must state "the name and address of the tenant". The Chamber President held that the application for eviction should be rejected on the basis that the application did not meet these requirements.

If you believe your tenant is not occupying the property you should seek advice on the options available to you.

# 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 Oct 2018. Whilst we have made every effort to ensure information published in this report is correct, Citylets gives no warranty or representation as to the accuracy or completeness of the information. The report does not constitute legal or other professional advice. We reserve the right to change methodology, discontinue or revise indices or other analysis at any time.

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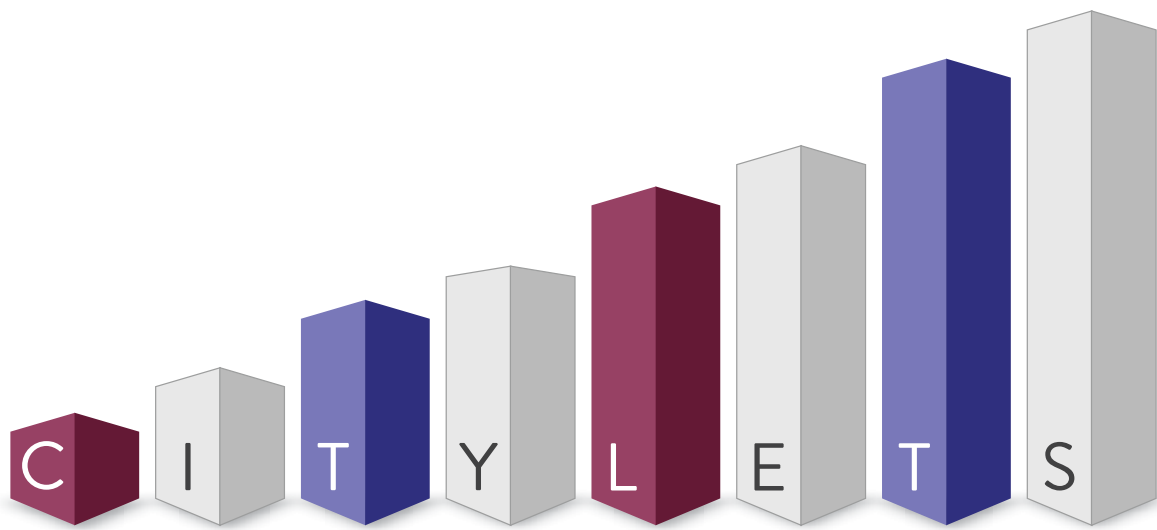
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