

## PRS Discovery



- 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 - Finding the Right Balance
- ESPC - Property Sales Continue to Rise in Scotland
- SafeDeposits Scotland - Half a Million Deposits Protected
- TC Young - Changes to Private Landlord Registration

# Market Overview

With broadly the same and uncertain macro-economic environment persisting throughout Q3 2019 as the previous quarter, it is perhaps unsurprising the characteristics of the Scottish PRS were generally consistent. Rents rose 4.1% Year on Year (YOY) overall to stand at £821 per month on average and Time To Let (TTL) remained unchanged at 33 days. Larger 3 & 4 bed properties posted the strongest annual gains at 6.2% and 8.3% respectively driven in part by strong student demand throughout summer 2019 and reflecting new market dynamics introduced by the new PRT. Dundee posted the largest yearly gain of the major cities at 4.8% and continues its long and steady upward trend.

Rents in Edinburgh continue to rise for all property types (1-4 bed) but the trend of reduced annual growth also persists. Property to rent in Edinburgh now costs £1148 per month on average- a record high- and takes 27 days to let. TTL lengthened a full 6 days on the previous year, however 1 bed properties in particular continue to rent quickly at 20 days on average.

With noteworthy change in TTL for the capital it will be interesting to see if annual growth in rental values will continue to decline.

- **National rents up 4.1% YOY**
- **Edinburgh rate of growth continues to decline**
- **Glasgow breaks through £800 to average £803**
- **Dundee posts strong 4.8% YOY rise**



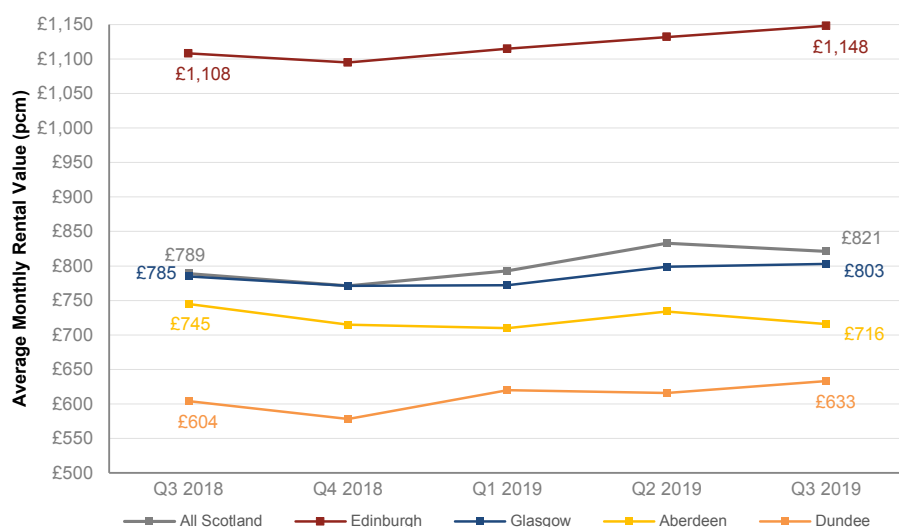
The Glasgow rental market continues to operate at a sustained and fast pace with the average property to rent now above £800 for the first time at £803 per month and taking 27 days to let. Whilst this was 3 days slower than Q3 2018, it is less of a reduction compared to the capital and anecdotal feedback from agents has surfaced little systemic

concern. As per Edinburgh, 1 bed properties rented fastest at 22 days, unchanged on last year. Overall 67% of properties are let within a month, identical to Edinburgh.

The data from Q2 2019 pointed towards a final leveling off in the Aberdeen rental market with annual growth at just minus 0.8% YOY. However, Q3 2019 surprises with annual rents down minus 3.9% at £716 per month and average TTL up 3 at 48 days. TTL had reduced 4 days YOY in the previous quarter. However good properties in good locations continue to perform well and landlords remain strongly incentivised to improve the condition of their properties. All property types (1-4 bed) saw negative annual growth in Q3 2019 and lengthening TTLs. A third of Aberdeen properties are let within a month.

With rents in Aberdeen falling further, Dundee posted strong annual growth at 4.8% and for the first time the gap between the two cities is beginning to suggest possible convergence. The average property to rent in Dundee now stands at £633 per month and rents in 45 days. The rental data for the city is consistent with the resurgence of Scotland's 4th largest city and its considerable positive economic and redevelopment. Elsewhere South Lanarkshire was the stand out area posting growth of 4.5% YOY to stand at a record high of £610 per month taking 1 month to rent on average (31 days).

Scottish Monthly Rent Analysis (Q3 2018 - Q3 2019)

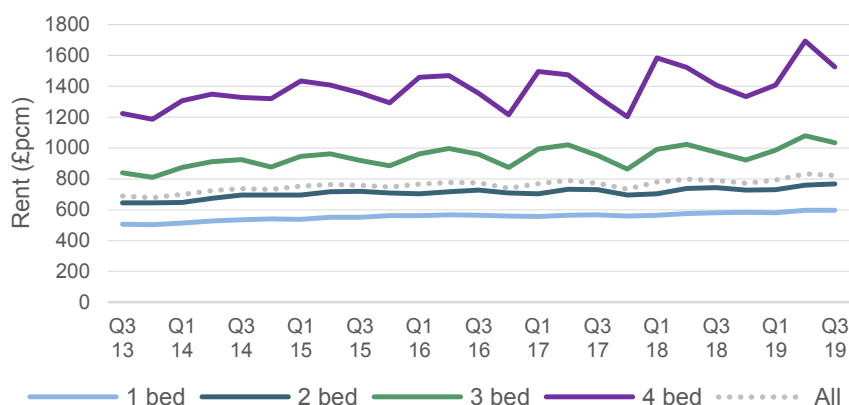


# Scotland

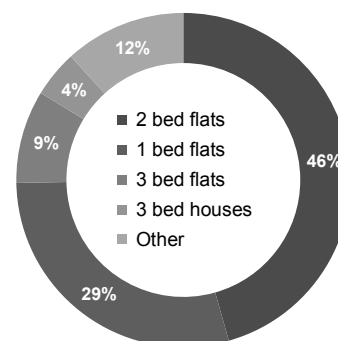
## Market Overview - Q3 19

| Beds         | Average Rent | Rent Change 1yr | Rent Change 5yrs | Rent Change 10yrs | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|--------------|--------------|-----------------|------------------|-------------------|----------------|----------------|-------------------|--------------------|
| 1 bed        | £595         | 2.4%            | 11.0%            | 24.7%             | 30             | 1              | 21%               | 63%                |
| 2 bed        | £767         | 3.2%            | 10.4%            | 27.8%             | 33             | 2              | 17%               | 58%                |
| 3 bed        | £1,033       | 6.2%            | 11.8%            | 29.0%             | 37             | 3              | 13%               | 52%                |
| 4 bed        | £1,525       | 8.3%            | 14.9%            | 32.0%             | 40             | 6              | 11%               | 48%                |
| <b>Total</b> | <b>£821</b>  | <b>4.1%</b>     | <b>11.5%</b>     | <b>28.3%</b>      | <b>33</b>      | <b>2</b>       | <b>17%</b>        | <b>58%</b>         |

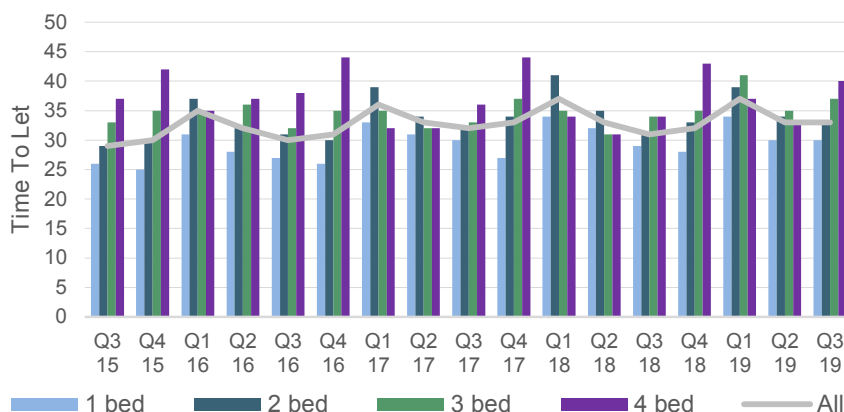
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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

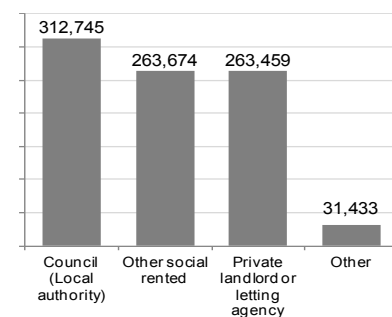


## Rental Index

(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 |       |

## Households: Rented



Source: Census 2011, Edinburgh



### Karen Turner - Rettie

"Overall, the rental market continues to perform well despite political headwinds with 1 and 2 bed flats in high demand in the key areas of the main cities. Rents are holding up well with the Scottish market continuing to attract interest from investors south of the border who are looking to diversify, as well as international investors who are looking to take advantage of currency rates. This is especially true in the Edinburgh market. Year-on-year the main cities have shown rising rents and increased yields. Interest from renters continues to be strong which is down to the lack of supply being there to meet the demand, especially in core urban markets."

# Move over Jack.



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PRS



Student



Housing Association



Estate Agency

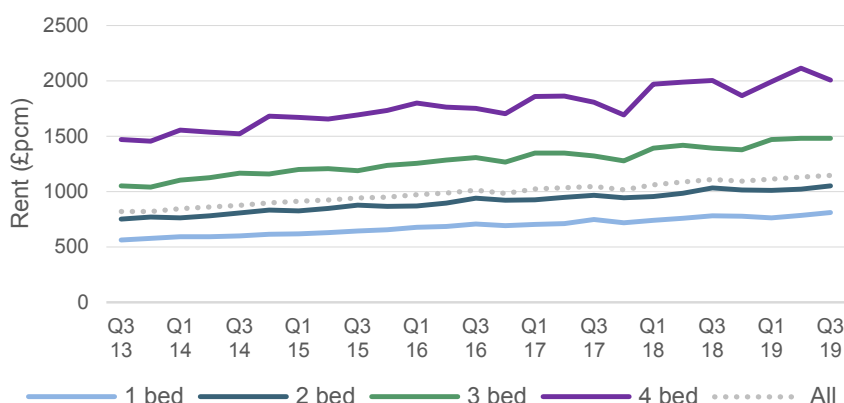


# Edinburgh

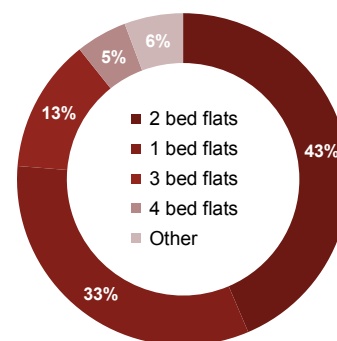
## Market Overview - Q3 19

| Beds         | Average Rent  | Rent Change 1yr | Rent Change 5yrs | Rent Change 10yrs | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|--------------|---------------|-----------------|------------------|-------------------|----------------|----------------|-------------------|--------------------|
| 1 bed        | £810          | 3.7%            | 34.6%            | 57.0%             | 20             | 3              | 27%               | 78%                |
| 2 bed        | £1,054        | 2.0%            | 30.3%            | 59.0%             | 27             | 6              | 18%               | 67%                |
| 3 bed        | £1,480        | 6.2%            | 26.7%            | 59.3%             | 39             | 10             | 14%               | 52%                |
| 4 bed        | £2,009        | 0.3%            | 31.9%            | 50.5%             | 41             | 12             | 10%               | 49%                |
| <b>Total</b> | <b>£1,148</b> | <b>3.6%</b>     | <b>31.1%</b>     | <b>57.5%</b>      | <b>27</b>      | <b>6</b>       | <b>20%</b>        | <b>67%</b>         |

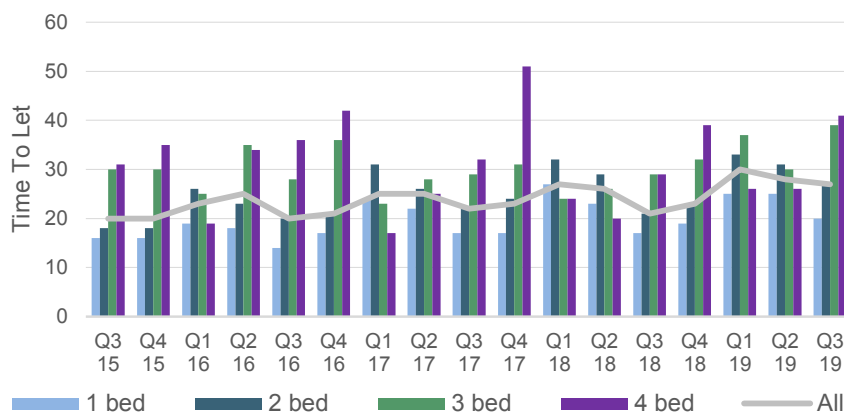
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

| Year | Q1    | Q2    | Q3    | Q4    |
|------|-------|-------|-------|-------|
| 2008 | 100.0 | 100.1 | 102.0 | 102.3 |
| 2009 | 99.2  | 96.9  | 97.6  | 98.3  |
| 2010 | 99.1  | 101.1 | 100.7 | 103.2 |
| 2011 | 102.5 | 102.9 | 104.8 | 104.3 |
| 2012 | 105.5 | 105.9 | 106.2 | 109.6 |
| 2013 | 109.4 | 109.5 | 109.8 | 110.0 |
| 2014 | 113.5 | 115.1 | 117.3 | 120.5 |
| 2015 | 122.1 | 123.6 | 126.1 | 127.2 |
| 2016 | 130.1 | 132.0 | 135.6 | 131.7 |
| 2017 | 136.9 | 138.8 | 140.3 | 136.0 |
| 2018 | 142.2 | 145.5 | 148.3 | 146.6 |
| 2019 | 149.3 | 151.5 | 153.7 |       |

## Yield by Popular Postcodes (Flats)

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



### Jonathan Gordon - Clan Gordon

"We have continued to be amazed at the level of demand for all types of flats anywhere near central Edinburgh. Rental yields are now pushing even higher too, as rental growth outstrips sale price growth. Even when we push the rent higher to follow the market trend, it still seems that we get inundated with viewing enquiries and subsequently multiple applications to rent the property. If we are getting 20 enquiries for each good flat and only one can get it, where do the other 19 go? There must be a significant shortage of accommodation and is that impacting on employment and anything else in the capital?"

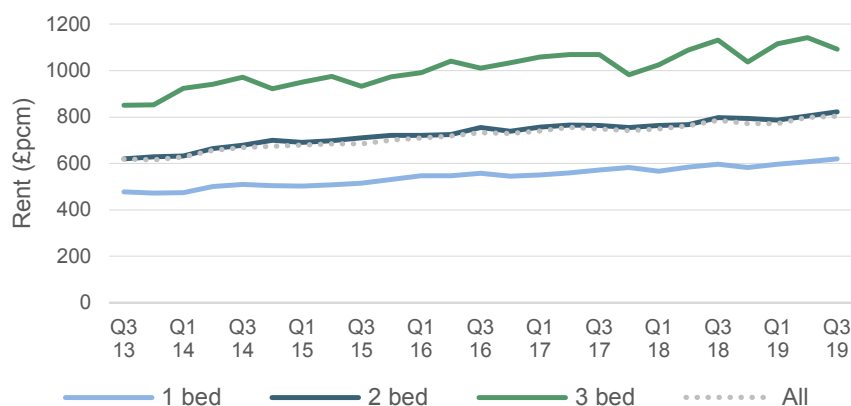


# Glasgow

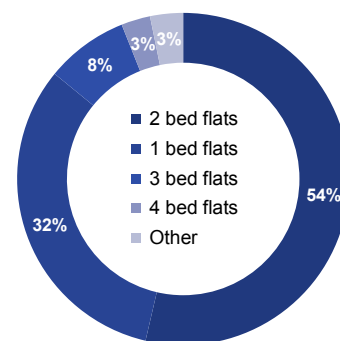
## Market Overview - Q3 19

| Beds         | Average Rent | Rent Change 1yr | Rent Change 5yrs | Rent Change 10yrs | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|--------------|--------------|-----------------|------------------|-------------------|----------------|----------------|-------------------|--------------------|
| 1 bed        | £619         | 3.9%            | 21.4%            | 34.6%             | 22             | 0              | 31%               | 75%                |
| 2 bed        | £823         | 3.1%            | 21.2%            | 40.0%             | 28             | 4              | 26%               | 66%                |
| 3 bed        | £1,093       | -3.4%           | 12.6%            | 38.0%             | 32             | 1              | 15%               | 55%                |
| 4 bed        | £1,665       | 2.0%            | 24.9%            | 44.2%             | 35             | 5              | 7%                | 56%                |
| <b>Total</b> | <b>£803</b>  | <b>2.3%</b>     | <b>20.0%</b>     | <b>37.5%</b>      | <b>27</b>      | <b>3</b>       | <b>26%</b>        | <b>67%</b>         |

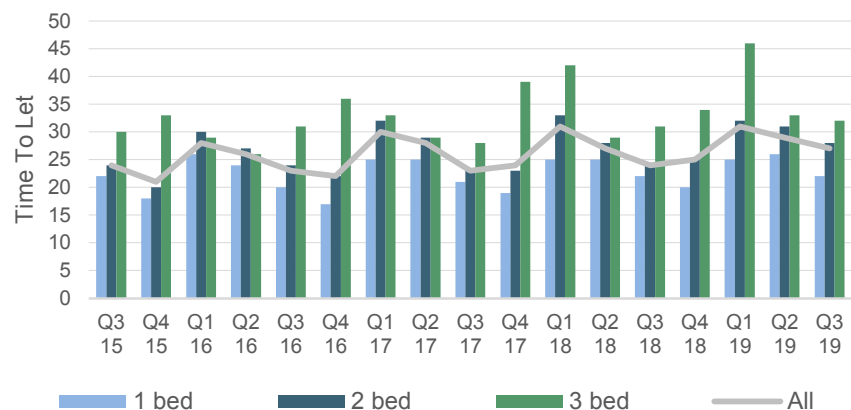
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

| Year | Q1    | Q2    | Q3    | Q4    |
|------|-------|-------|-------|-------|
| 2008 | 100.0 | 102.6 | 104.6 | 101.8 |
| 2009 | 102.3 | 101.4 | 103.0 | 100.7 |
| 2010 | 104.2 | 104.1 | 103.9 | 103.7 |
| 2011 | 102.3 | 106.0 | 106.7 | 105.6 |
| 2012 | 105.1 | 107.4 | 108.5 | 107.9 |
| 2013 | 108.1 | 109.0 | 109.0 | 108.5 |
| 2014 | 110.8 | 115.7 | 118.0 | 118.7 |
| 2015 | 119.8 | 120.8 | 120.6 | 123.6 |
| 2016 | 125.2 | 126.8 | 129.3 | 128.6 |
| 2017 | 130.5 | 133.2 | 131.9 | 130.9 |
| 2018 | 132.1 | 134.6 | 138.4 | 136.0 |
| 2019 | 136.2 | 140.9 | 141.6 |       |

## Yield by Popular Postcodes (Flats)

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



### Wendy Gallagher - One Stop Properties

"One Stop Properties have just experienced our busiest quarter to-date (in over a decade). The Glasgow letting market is booming with property prices in certain hotspots across the city rising and TTL's reducing. Lots of exceptionally high standard properties are available to rent at the moment and demand currently outweighs supply, with up to 4 tenants wanting the same property. The growth of new investor landlords in the buy to let market has also increased. However, we are seeing some landlords reluctantly selling their properties as a result of the new tax laws, bringing about a decline in good quality rental property availability."





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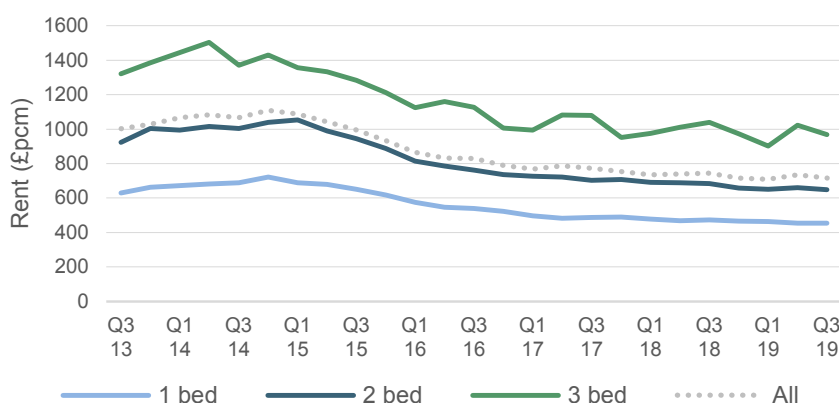
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# Aberdeen

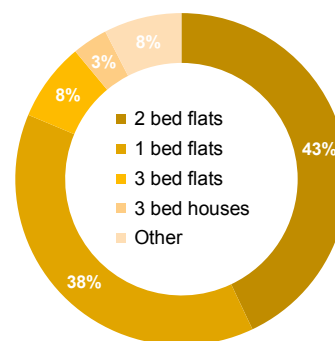
## Market Overview - Q3 19

| Beds         | Average Rent | Rent Change 1yr | Rent Change 5yrs | Rent Change 10yrs | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|--------------|--------------|-----------------|------------------|-------------------|----------------|----------------|-------------------|--------------------|
| 1 bed        | £454         | -4.0%           | -34.2%           | -15.9%            | 47             | 5              | 9%                | 39%                |
| 2 bed        | £648         | -5.1%           | -35.5%           | -15.1%            | 47             | 1              | 7%                | 37%                |
| 3 bed        | £968         | -6.9%           | -29.4%           | -17.2%            | 51             | 2              | 8%                | 36%                |
| 4 bed        | £1,425       | -0.8%           | -30.0%           | -6.5%             | 52             | 9              | 6%                | 30%                |
| <b>Total</b> | <b>£716</b>  | <b>-3.9%</b>    | <b>-32.9%</b>    | <b>-13.7%</b>     | <b>48</b>      | <b>3</b>       | <b>8%</b>         | <b>37%</b>         |

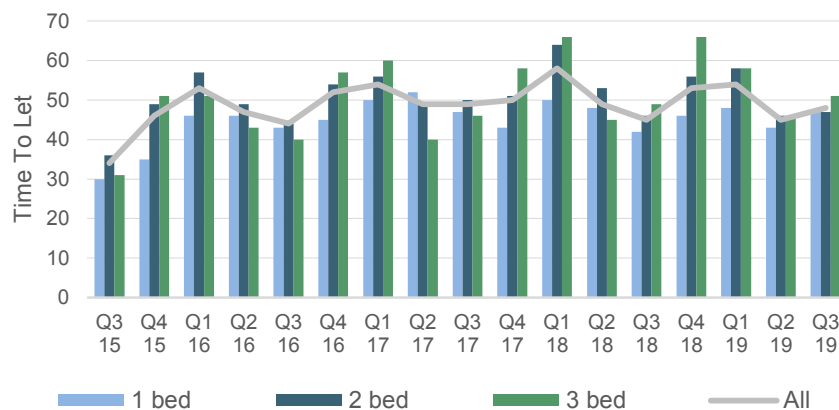
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

| Year | Q1    | Q2    | Q3    | Q4    |
|------|-------|-------|-------|-------|
| 2008 | 100.0 | 99.5  | 100.7 | 98.8  |
| 2009 | 97.1  | 94.6  | 93.8  | 96.8  |
| 2010 | 96.9  | 96.5  | 96.3  | 98.3  |
| 2011 | 102.5 | 97.4  | 99.2  | 101.0 |
| 2012 | 103.2 | 101.8 | 101.6 | 107.3 |
| 2013 | 108.6 | 109.3 | 113.2 | 116.2 |
| 2014 | 120.5 | 122.5 | 120.6 | 125.4 |
| 2015 | 123.1 | 117.9 | 112.4 | 105.5 |
| 2016 | 97.7  | 93.9  | 93.7  | 89.2  |
| 2017 | 86.8  | 89.0  | 87.5  | 85.3  |
| 2018 | 83.2  | 83.6  | 84.2  | 80.8  |
| 2019 | 80.2  | 82.9  | 80.9  |       |

## Yield by Popular Postcodes (Flats)

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



### Karolina Robertson - Aberdeen Considine

"The third quarter of 2019 has been extremely busy with a record month for number of signed lets recorded in August. With a large portfolio of properties on our books, we have been able to attract all types of tenants, with one and two bedroom properties generating most interest. We also noted a slightly increased interest in higher end properties from private tenants and relocation agents which again may indicate that the feel good factor in the energy sector is reaping tangible benefits. It has undoubtedly been a challenging couple of years in the region, but the market is certainly showing signs of recovery."



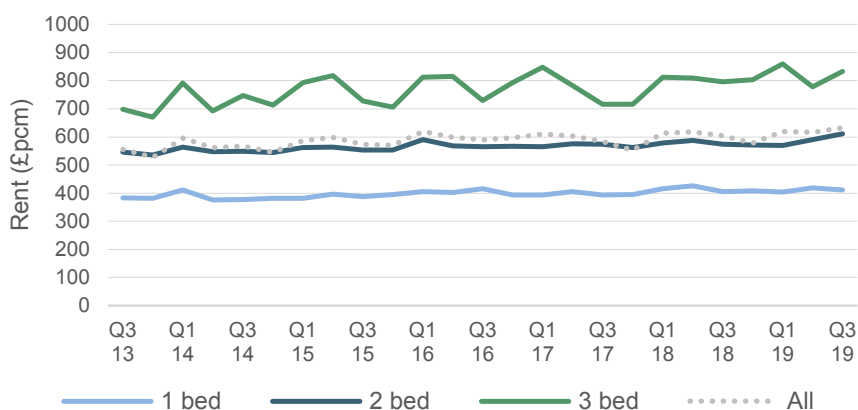


# Dundee

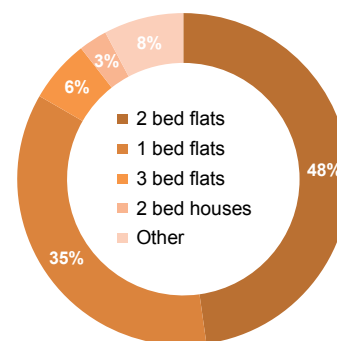
## Market Overview - Q3 19

| Beds         | Average Rent | Rent Change 1yr | Rent Change 3yrs | Rent Change 5yrs | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|--------------|--------------|-----------------|------------------|------------------|----------------|----------------|-------------------|--------------------|
| 1 bed        | £411         | 1.2%            | -1.0%            | 9.0%             | 45             | -3             | 16%               | 51%                |
| 2 bed        | £611         | 6.4%            | 8.0%             | 11.3%            | 44             | -1             | 15%               | 48%                |
| 3 bed        | £834         | 4.8%            | 14.2%            | 11.5%            | 53             | 5              | 6%                | 39%                |
| 4 bed        | £1,168       | 8.3%            | 10.5%            | 13.6%            | 41             | -5             | 7%                | 57%                |
| <b>Total</b> | <b>£633</b>  | <b>4.8%</b>     | <b>7.3%</b>      | <b>11.6%</b>     | <b>45</b>      | <b>-2</b>      | <b>14%</b>        | <b>48%</b>         |

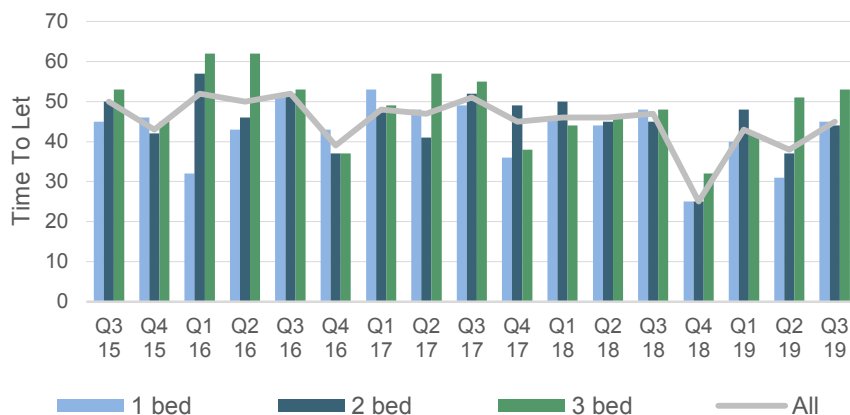
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q3 10)

| Year | Q1    | Q2    | Q3    | Q4    |
|------|-------|-------|-------|-------|
| 2010 | 100.0 | 94.3  | 94.3  | 93.4  |
| 2011 | 102.8 | 95.5  | 91.8  | 86.1  |
| 2012 | 96.2  | 93.2  | 94.6  | 91.5  |
| 2013 | 99.3  | 98.1  | 96.4  | 91.7  |
| 2014 | 103.3 | 97.4  | 98.4  | 94.6  |
| 2015 | 101.9 | 103.8 | 99.7  | 99.0  |
| 2016 | 107.6 | 104.0 | 102.4 | 103.6 |
| 2017 | 105.9 | 104.7 | 101.4 | 95.8  |
| 2018 | 106.6 | 107.3 | 104.9 | 100.3 |
| 2019 | 107.6 | 106.9 | 109.9 |       |

## Yield by Popular Postcodes (Flats)

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



### Robert Murray - Lickley Proctor Lettings

"As far as Lickley Proctor Lettings can determine the rental market in Dundee continues to show encouraging signs. Market rentals sought are being achieved and shorter periods are being experienced in the time to let of the majority of our properties. Rental levels are showing marginal increases. All in all, we consider Dundee is continuing to perform steadily in the residential rental property market."

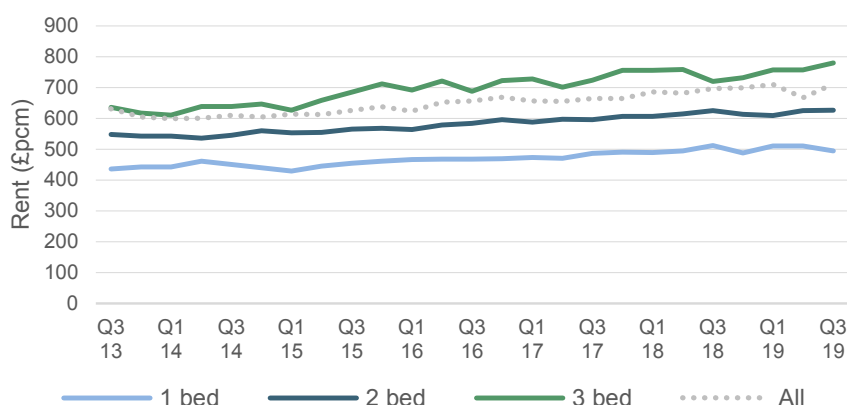


# West Lothian

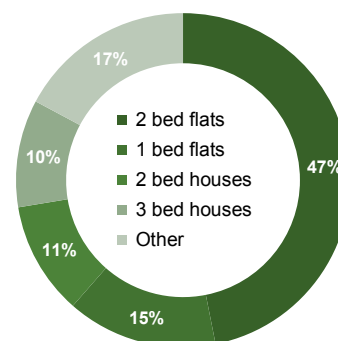
## Market Overview - Q3 19

| Beds         | Average Rent | Rent Change 1yr | Rent Change 5yrs | Rent Change 10yrs | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|--------------|--------------|-----------------|------------------|-------------------|----------------|----------------|-------------------|--------------------|
| 1 bed        | £494         | -3.5%           | 9.5%             | 10.8%             | 25             | -8             | 26%               | 65%                |
| 2 bed        | £626         | 0.2%            | 14.9%            | 18.8%             | 29             | 1              | 20%               | 59%                |
| 3 bed        | £780         | 8.5%            | 22.1%            | 24.6%             | 29             | -2             | 23%               | 60%                |
| 4 bed        | £1,141       | 12.0%           | 32.5%            | 39.8%             | 29             | -2             | 20%               | 60%                |
| <b>Total</b> | <b>£711</b>  | <b>2.2%</b>     | <b>16.6%</b>     | <b>22.0%</b>      | <b>29</b>      | <b>-1</b>      | <b>22%</b>        | <b>60%</b>         |

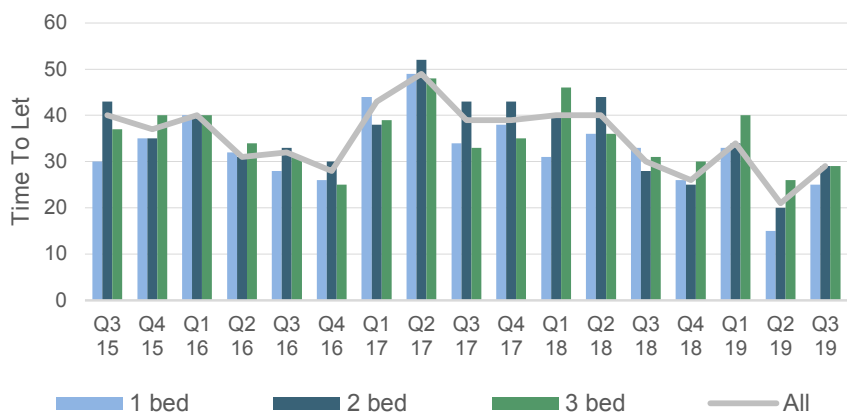
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

| Year | Q1    | Q2    | Q3    | Q4    |
|------|-------|-------|-------|-------|
| 2008 | 100.0 | 101.4 | 104.8 | 101.2 |
| 2009 | 101.9 | 98.4  | 100.5 | 99.7  |
| 2010 | 100.9 | 100.2 | 100.2 | 100.3 |
| 2011 | 100.7 | 104.8 | 100.5 | 100.9 |
| 2012 | 98.1  | 102.8 | 103.3 | 103.4 |
| 2013 | 104.1 | 103.8 | 108.8 | 104.3 |
| 2014 | 103.3 | 103.6 | 105.2 | 104.1 |
| 2015 | 105.9 | 105.7 | 107.9 | 110.0 |
| 2016 | 107.4 | 112.4 | 113.3 | 115.3 |
| 2017 | 113.1 | 112.9 | 114.7 | 114.7 |
| 2018 | 118.3 | 117.6 | 120.0 | 120.5 |
| 2019 | 122.4 | 115.0 | 122.6 |       |

## Yield by Popular Postcodes (Flats)

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



### Robert Young - The Key Place

"The rental stock in central Scotland is improving through a combination of the impact of Brexit and the introduction, nearly 2-years ago now, of the Private Residential Tenancy with its 28-day notice period for tenants, which is resulting in stronger demand/longer rental periods for better quality properties and weaker demand/shorter rental periods for poorer quality ones. In addition, we are finding that rent levels are following this trend, so they are increasing for better stock and staying relatively static for less good stock. It would be worth landlords taking this into account next time there is consideration given to improving the condition of one of their properties."

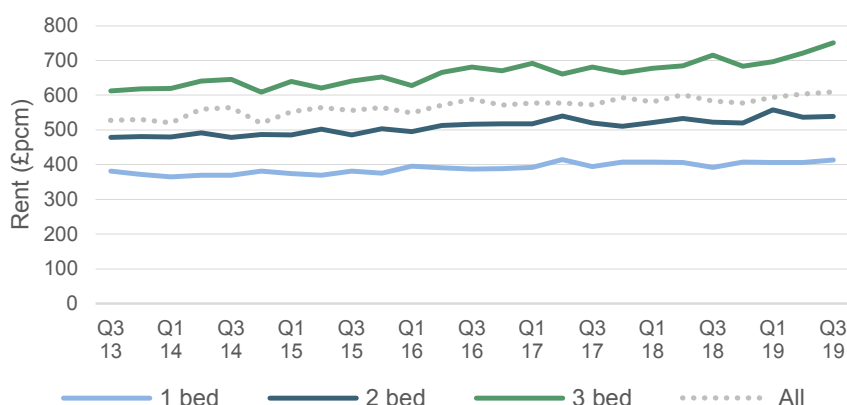


# South Lanarkshire

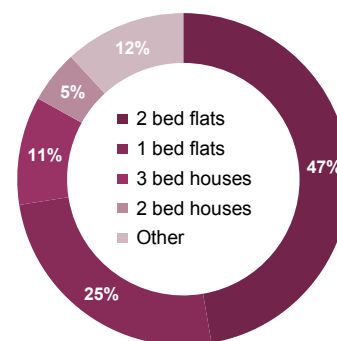
## Market Overview - Q3 19

| Beds         | Average Rent | Rent Change 1yr | Rent Change 5yrs | Rent Change 10yrs | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|--------------|--------------|-----------------|------------------|-------------------|----------------|----------------|-------------------|--------------------|
| 1 bed        | £413         | 5.4%            | 11.6%            | 8.1%              | 32             | -4             | 30%               | 63%                |
| 2 bed        | £539         | 3.3%            | 12.8%            | 9.8%              | 34             | 1              | 18%               | 60%                |
| 3 bed        | £751         | 4.9%            | 16.3%            | 30.6%             | 23             | -7             | 25%               | 67%                |
| 4 bed        | £1,021       | -5.0%           | 6.2%             | 22.0%             | 20             | -16            | 38%               | 77%                |
| <b>Total</b> | <b>£610</b>  | <b>4.5%</b>     | <b>8.0%</b>      | <b>17.5%</b>      | <b>31</b>      | <b>-2</b>      | <b>23%</b>        | <b>63%</b>         |

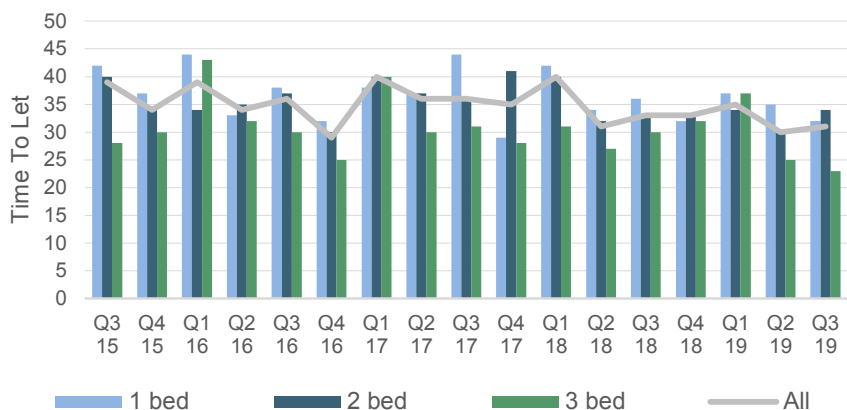
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

| Year | Q1    | Q2    | Q3    | Q4    |
|------|-------|-------|-------|-------|
| 2008 | 100.0 | 99.3  | 101.3 | 102.4 |
| 2009 | 103.3 | 96.7  | 95.6  | 103.3 |
| 2010 | 104.1 | 99.4  | 99.8  | 104.8 |
| 2011 | 96.3  | 99.4  | 100.4 | 97.2  |
| 2012 | 100.6 | 99.3  | 102.9 | 97.8  |
| 2013 | 95.0  | 96.3  | 97.2  | 97.6  |
| 2014 | 95.9  | 103.1 | 104.1 | 95.6  |
| 2015 | 101.8 | 104.1 | 102.4 | 104.1 |
| 2016 | 101.1 | 105.3 | 108.3 | 105.3 |
| 2017 | 106.3 | 106.4 | 105.5 | 109.2 |
| 2018 | 107.0 | 110.7 | 107.6 | 106.3 |
| 2019 | 109.4 | 111.0 | 112.3 |       |

## Yield by Popular Postcodes (Flats)

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



### David Kendall - Let-it

"Autumn 2019 continues to be extremely buoyant with well-presented properties in the right locations being let within a few days. It has been possible to edge asking prices upwards with the biggest increases on houses and especially those with 3 or 4 bedrooms. Pet friendly homes are in high demand with many tenants prepared to pay a premium due to the limited number of landlords who will accept animals. A significant proportion of prospective renters state that the reason for their move is that 'my landlord is selling'. Punitive taxation regimes, tighter lending regulations and an uncertain political outlook have all combined to restrict the supply of new homes into the rental market, whilst demand from tenants continues to strengthen."

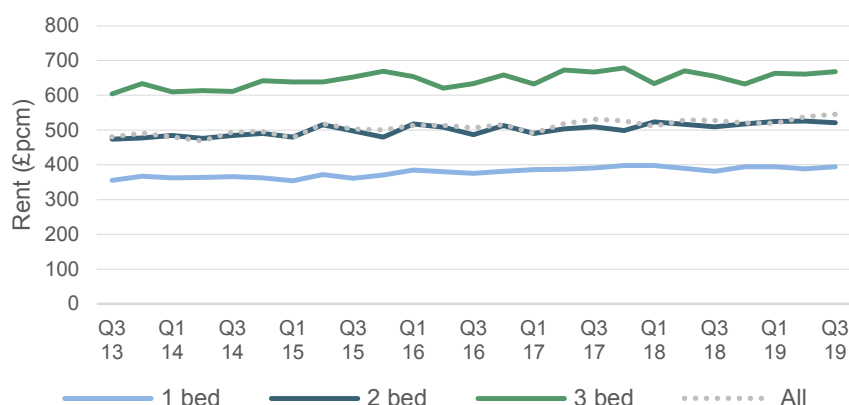


# Renfrewshire

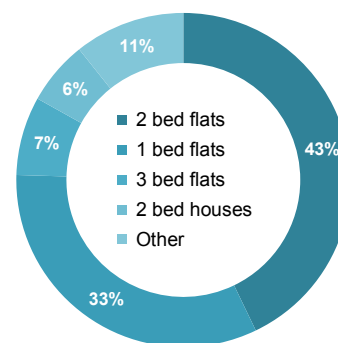
## Market Overview - Q3 19

| Beds         | Average Rent | Rent Change 1yr | Rent Change 5yrs | Rent Change 10yrs | Av. TTL (days) | TTL Change YoY | Let within a week | Let within a month |
|--------------|--------------|-----------------|------------------|-------------------|----------------|----------------|-------------------|--------------------|
| 1 bed        | £394         | 3.1%            | 7.7%             | 18.0%             | 34             | -5             | 13%               | 55%                |
| 2 bed        | £521         | 2.4%            | 7.4%             | 15.3%             | 35             | -2             | 16%               | 52%                |
| 3 bed        | £668         | 2.0%            | 9.3%             | 11.7%             | 35             | -3             | 9%                | 55%                |
| 4 bed        | £1,179       | 10.8%           | 17.9%            | 40.4%             | 34             | 6              | 20%               | 50%                |
| <b>Total</b> | <b>£545</b>  | <b>3.2%</b>     | <b>10.1%</b>     | <b>18.7%</b>      | <b>34</b>      | <b>-4</b>      | <b>14%</b>        | <b>54%</b>         |

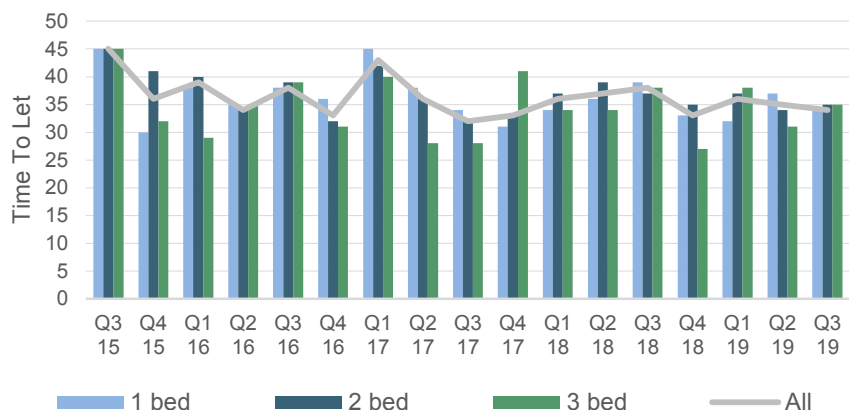
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

| Year | Q1    | Q2    | Q3    | Q4    |
|------|-------|-------|-------|-------|
| 2008 | 100.0 | 99.8  | 104.0 | 100.0 |
| 2009 | 98.7  | 99.0  | 96.2  | 96.2  |
| 2010 | 104.6 | 96.6  | 101.9 | 100.0 |
| 2011 | 98.5  | 99.4  | 101.0 | 100.8 |
| 2012 | 101.0 | 101.5 | 101.5 | 99.8  |
| 2013 | 97.5  | 100.6 | 100.6 | 102.9 |
| 2014 | 100.6 | 98.1  | 103.8 | 104.0 |
| 2015 | 100.2 | 108.6 | 105.5 | 104.8 |
| 2016 | 107.5 | 107.5 | 106.1 | 108.2 |
| 2017 | 102.9 | 108.6 | 111.3 | 110.3 |
| 2018 | 107.1 | 110.9 | 110.7 | 109.2 |
| 2019 | 109.0 | 112.8 | 114.3 |       |

## Yield by Popular Postcodes (Flats)

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



### Colin Roe - Let-it

"With the political climate doing nothing for confidence, landlords are, for the most part, hanging fire in deciding whether to add to an existing portfolio or dip their toe in property investment. In addition, the abolition of tax relief for landlords for interest on their investment property is really beginning to bite and we have seen an unprecedented number of clients exiting the market over the last 3 months, leaving us questioning 'where will it end?' The natural effect of less supply to the market is, of course, rent increases with several applicants now fighting for the same property."



## Agent Views

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

**Northwood, Aberdeen – Matt Pullinger**



*"Q3 has been a very busy period with nearly double the activity compared to this time last year. Times to let continue to improve with some properties letting within days of marketing, as well as record levels of enquires being received over the summer period.*

*Now that the market has stabilised somewhat, we have also seen a new wave of investors looking to buy portfolios, seeking out new opportunities in an increasingly busier market. Stock levels continue to reduce balancing up the supply and demand which will have a continued stabilising effect on price and provide a healthier market."*

**Aberdeen Considine, Perth – Adam Campbell**



*"The Perth rental market continues to be strong into Q3 with demand outstripping supply through all areas of the market, from one bed bedroom flats to executive family homes. This demand has led to a slight increase in rental values and plenty of*

*viewings for each property. There are no signs that this pace will decrease into the winter market and new properties at all levels of the market are likely to continue to be popular. Aberdeen Considine's Perth landlords should have no hesitation in looking for a tenant for any of their empty properties in the foreseeable future. The market remains strong."*

**Newton Letting, Glasgow – Riccardo Giovanacci**



*"With the summer coming to a close, the rental market in Glasgow is still showing no signs of slowing down. The last few months have seen a surge in rental prices, with the number of tenants looking to rent outweighing the available stock. The main beneficiary of this buoyant market must be our landlords, who are not only seeing an increase in their rents, but also having the pick of the bunch when it comes to selecting a tenant. Most of our properties are being taken at the first viewing, cutting down the vacant periods between tenancies and giving landlords peace of mind that they've got someone else lined up."*

**Capital Letters, Glasgow – Steven Strachan**



*"The Citylets figures further solidify our own findings at Capital Letters through our offices in Aberdeen, Glasgow and Stirling, where we have continued to see rents increase steadily each quarter since Q1 2018. This is due to an ever-increasing demand for rental properties as the population continues to grow, as well as a new-found consumer confidence in the Private Rented Sector which is, undoubtedly, down to the increased legislative requirements for rental properties and letting agents. All of which is underpinned with the First-tier Tribunal in Scotland, giving that added peace of mind to landlords and tenants alike."*

**1LET, Edinburgh – Ken Bell**



*"Q3 of 2019 has been a particularly busy period for 1LET. The effects of the PRT on the student market has been laid bare, with tenancies ending/starting over the whole period rather than the historic September time. 1LET have experienced a noticeable increase in the amount of enquires from very worried students finding it difficult to secure a property for the coming academic year. It would seem the removal of a defined tenancy end date is making life much harder for Edinburgh's student population. On a broader market note, demand continues to outstrip supply with viewing requests for one and two bedroom properties at a near all-time high."*





## Agent Views cont...

### Clyde Property, Glasgow – Craig Moody



*"You could be forgiven for thinking the housing market in general would be impacted given the current economic uncertainty surrounding Brexit, however, I'm delighted to report that we have only noticed increased activity in letting within Q3 of*

*2019. We have seen notable growth in the number of landlords buying investment properties. We are frequently seeing landlords who are looking to secure a second and, in some cases, a third property. Furthermore, we have also noticed a significant increase in the number of people looking to invest in property and become landlords."*

### Littlejohns Ltd, Edinburgh – Grant Denholm



*"With this being the first full year of dealing with HMO's under the PRT lease we have found that many students delayed looking for flats thinking there would be a more plentiful supply after the summer. In reality there is still a large shortfall in*

*supply of this kind of property and we have found that the vast majority of our HMO's have let easily, and with good rent increases. The main difference being under the PRT, there has been a vast increase in changeovers taking place with existing tenancies."*

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



*"Demand as always at this time of year has been excellent and a strong 3rd quarter allowed us to let our properties exceptionally fast. We are working with new and existing clients to grow further so we have more stock for quarter 4. Rents have shown*

*a steady increase and TTL's are well below average. As our portfolio grows across central Scotland, we have seen a greater interest in some rural communities and have been able to let properties quicker than anticipated for our clients. We look forward to the challenges ahead and to getting more quality properties to the market."*

### Grant Fairbairn PL, Aberdeen – Grant Fairbairn



*"Q3 2019 has been very encouraging for Aberdeen, this may be due to a steadier oil price. Properties have been getting more viewing requests and the average time to let a property is reducing. Some properties have even been renting in a few days if*

*they are priced correctly and well presented. Properties in below average condition will continue to struggle. In Q3 there also seems to have been an oversupply of HMO properties. Landlords must continue to invest in their rental properties to ensure empty periods are kept to a minimum."*

### Glasgow Property Letting, Glasgow – Colin MacMillan



*"At GPL we have seen a steady stream of new properties coming on to the market in the last quarter and this added to increase in re-lets due to the traditional student intake period has resulted in a very busy period in the PRS. The Time to Let for*

*better quality stock has been reduced with demand exceeding supply, while properties in more outlying areas are taking slightly longer to source suitable high calibre tenants. We are looking forward to the final quarter where some housekeeping can be caught up on and systems can revisited and implemented."*

### Glenham Property, Edinburgh – Charlie Innes



*"The Edinburgh rental market has continued to be resilient in the face of the ongoing wider political and economic turmoil we are witnessing. Demand levels remain strong for good quality rental accommodation and as a result time to let numbers remain stable and*

*rents have shown some uplift. The summer HMO rush is now behind us and the student market seemed to perform well. Through communication and professional management, we have been able to mitigate some of the negative impacts of the PRT on this niche market. We are also seeing no reduction in interest from individuals looking to invest into the residential market in the city as rental yields remain strong."*



## Agent Views cont...

### Burgh Property, Edinburgh – Andrew Markham



*"Q3 saw us reach our busiest on record for student turn over, as we saw every single one of our HMO student properties turn over in summer 2019 – not the norm for our portfolio. A symptom of the new PRT notice period, along with high student rents mean that students are not staying on over the summer in order to save money on rent. This has seen all of our HMO student stock re-let earlier in the summer for the 19-20 move in, in order for us to keep voids to a minimum. Students have been taking tenancies from July and August so they can secure the property they want, so demand has been as strong as ever from students, but rents have levelled off somewhat as a consequence. A notable change to the student market as it settles into the new tenancy regime."*

### Margaret Duffus Leasing, Aberdeen – Sarah Harley



*"This summer saw some the strongest demand for property in Aberdeen since the oil price crash, so the real test will be whether this trend will continue, and thankfully we are still seeing the total number of properties available coming down. Having sustained a drop of over a third in rental values over the last few years it will be a long climb back, but with the right advice landlords can be reasonably confident of keeping void periods to a minimum. Tenant's expectations are high and now that the Private Residential Tenancies are bedded in and the Agents are being held more accountable under the mandatory registration scheme and the Code of Practice, excellence is rightly expected in all aspects of the Leasing Industry to stand out from the crowd."*

### Castle Residential, Renfrewshire – Jacqueline McLelland



*"During the summer months, rental within the centre of Paisley and Renfrew is of high demand, however, the demand for rental outwith the town centres in Renfrewshire has increased in recent months, and brought with it longer term lets and a variation in tenant circumstances. Terraced, semi-detached and detached properties have become more and more popular, in turn bringing in higher rental figures, which is against previous market findings. With the sales market improving in recent months, we have seen some landlords decide to sell up and exit the lettings game, however, on the other hand we are also seeing an increase in new buy to let investors entering the market and current landlords trying to grow their portfolios. Thankfully, thus far, Brexit, nor recent legislation and tax changes have detracted these landlords from investing in the private rented sector."*

### Be-Rented, Glasgow – Graeme McEwan



*"The Glasgow rental market is increasing month after month, with the student market growing at a faster rate than first thought. Rents during the last ten years within Glasgow and the surrounding areas have now doubled. Very strong and fruitful time for BTL."*

## Have Your Say!

If you'd like to contribute to forthcoming issues please contact [jon@citylets.co.uk](mailto:jon@citylets.co.uk)

# Postcode & Towns - Average Rents & TTL - Q3 19

Landlords and Letting Agents continue to require timely, accurate data to help them value rental properties in a variety of locations. At Citylets, robust information is paramount so we only include rents for postcode districts where there is substantial quarterly volume.

## Edinburgh - £pcm (TTL days)

| Postcode | 1 Bed  |      | 2 Bed  |      | 3 Bed  |      |
|----------|--------|------|--------|------|--------|------|
| EH1      | £1,015 | (26) | £1,193 | (34) | £1,617 | (42) |
| EH3      | £997   | (23) | £1,383 | (28) | £1,701 | (36) |
| EH4      | £857   | (21) | £1,071 | (38) | £1,465 | (45) |
| EH5      | £752   | (16) | £877   | (29) | £1,031 | (31) |
| EH6      | £711   | (17) | £911   | (19) | £1,188 | (25) |
| EH7      | £750   | (16) | £987   | (24) | £1,424 | (44) |
| EH8      | £790   | (21) | £1,014 | (21) | £1,554 | (31) |
| EH9      | £801   | (17) | £1,133 | (20) | £1,544 | (34) |
| EH10     | £813   | (18) | £1,090 | (30) | £1,513 | (41) |
| EH11     | £727   | (15) | £935   | (20) | £1,328 | (44) |
| EH12     | £808   | (17) | £1,051 | (29) | £1,295 | (46) |
| EH13     |        |      | £827   | (29) |        |      |
| EH14     | £708   | (19) | £876   | (24) | £1,070 | (37) |
| EH15     |        |      | £880   | (32) |        |      |
| EH16     | £706   | (17) | £909   | (23) | £1,095 | (27) |
| EH17     |        |      | £793   | (25) |        |      |
| EH21     | £656   | (15) | £838   | (27) |        |      |
| EH22     |        |      | £719   | (29) |        |      |
| EH26     |        |      | £691   | (32) | £834   | (33) |
| EH30     |        |      | £735   | (43) |        |      |
| EH48     |        |      | £609   | (27) |        |      |
| EH49     |        |      | £653   | (33) |        |      |
| EH51     |        |      | £516   | (29) |        |      |
| EH54     | £516   | (15) | £646   | (23) | £773   | (19) |

## Aberdeen - £pcm (TTL days)

| Postcode | 1 Bed |      | 2 Bed |      | 3 Bed  |      |
|----------|-------|------|-------|------|--------|------|
| AB10     | £460  | (41) | £632  | (52) | £864   | (63) |
| AB11     | £445  | (45) | £650  | (50) | £985   | (51) |
| AB12     |       |      |       |      | £856   | (31) |
| AB15     | £517  | (44) | £764  | (46) | £1,090 | (48) |
| AB16     |       |      | £563  | (52) |        |      |
| AB21     | £575  | (30) | £672  | (58) |        |      |
| AB22     | £535  | (46) | £703  | (48) |        |      |
| AB24     | £459  | (52) | £633  | (52) | £953   | (40) |
| AB25     | £454  | (46) | £627  | (44) | £872   | (38) |
| AB41     |       |      | £625  | (47) |        |      |

## Dundee - £pcm (TTL days)

| Postcode | 1 Bed |      | 2 Bed |      | 3 Bed |      |
|----------|-------|------|-------|------|-------|------|
| DD1      | £432  | (35) | £701  | (32) |       |      |
| DD2      | £433  | (29) | £612  | (44) | £867  | (51) |
| DD3      | £390  | (54) | £492  | (68) |       |      |
| DD4      | £414  | (47) | £534  | (30) |       |      |
| DD5      |       |      | £659  | (41) |       |      |
| DD8      |       |      | £481  | (41) |       |      |
| DD10     |       |      | £507  | (33) |       |      |
| DD11     | £368  | (37) | £513  | (29) |       |      |

## Glasgow - £pcm (TTL days)

| Postcode | 1 Bed |      | 2 Bed |      | 3 Bed  |      |
|----------|-------|------|-------|------|--------|------|
| G1       | £724  | (20) | £983  | (30) |        |      |
| G2       | £707  | (14) | £927  | (23) |        |      |
| G3       | £677  | (28) | £917  | (28) | £1,278 | (44) |
| G4       | £663  | (26) | £874  | (26) | £1,226 | (34) |
| G5       | £593  | (32) | £759  | (25) |        |      |
| G11      | £653  | (16) | £881  | (24) | £1,247 | (32) |
| G12      | £700  | (23) | £991  | (25) | £1,265 | (40) |
| G13      | £497  | (26) | £685  | (25) |        |      |
| G14      | £485  | (23) | £585  | (35) |        |      |
| G20      | £612  | (16) | £790  | (26) | £1,019 | (44) |
| G21      |       |      | £533  | (36) |        |      |
| G31      | £508  | (16) | £703  | (23) | £917   | (24) |
| G32      | £429  | (22) | £529  | (26) |        |      |
| G33      |       |      | £593  | (24) |        |      |
| G40      | £537  | (16) | £670  | (35) |        |      |
| G41      | £590  | (25) | £712  | (23) |        |      |
| G42      | £475  | (19) | £674  | (30) |        |      |
| G43      |       |      | £682  | (30) |        |      |
| G44      | £509  | (21) | £604  | (41) | £646   | (29) |
| G51      | £472  | (23) | £657  | (24) |        |      |
| G52      |       |      | £573  | (25) |        |      |
| G61      |       |      | £867  | (25) |        |      |
| G66      |       |      | £597  | (49) |        |      |
| G71      |       |      | £674  | (22) |        |      |
| G72      |       |      | £544  | (37) |        |      |
| G73      | £456  | (26) | £545  | (32) | £737   | (29) |
| G74      | £395  | (19) | £516  | (21) | £780   | (13) |
| G75      |       |      | £502  | (22) |        |      |
| G81      | £435  | (20) | £511  | (30) |        |      |

## Towns - £pcm (TTL days)

| Town          | 1 Bed |      | 2 Bed |      | 3 Bed |      |
|---------------|-------|------|-------|------|-------|------|
| Airdrie       |       |      | £472  | (44) |       |      |
| Ayr           | £426  | (32) | £506  | (31) |       |      |
| Bathgate      |       |      | £612  | (28) |       |      |
| Bo'ness       |       |      | £516  | (29) |       |      |
| Cumbernauld   |       |      |       |      | £510  | (41) |
| Dalkeith      |       |      | £727  | (32) |       |      |
| Dunfermline   | £441  | (21) | £540  | (28) | £692  | (25) |
| East Kilbride | £398  | (21) | £510  | (21) | £794  | (12) |
| Glenrothes    |       |      | £490  | (25) |       |      |
| Hamilton      | £397  | (35) | £520  | (45) | £689  | (25) |
| Inverness     | £545  | (13) | £673  | (26) | £920  | (21) |
| Kilmarnock    | £359  | (48) | £450  | (50) | £555  | (30) |
| Kirkcaldy     | £408  | (51) | £518  | (42) | £631  | (32) |
| Linlithgow    |       |      | £653  | (33) |       |      |
| Livingston    | £518  | (16) | £646  | (23) | £782  | (19) |
| Motherwell    |       |      | £520  | (48) |       |      |
| Paisley       | £385  | (37) | £496  | (38) | £676  | (32) |
| Perth         | £441  | (54) | £557  | (50) | £725  | (43) |
| Stirling Town | £530  | (13) | £724  | (24) | £898  | (23) |

# Build To Rent News

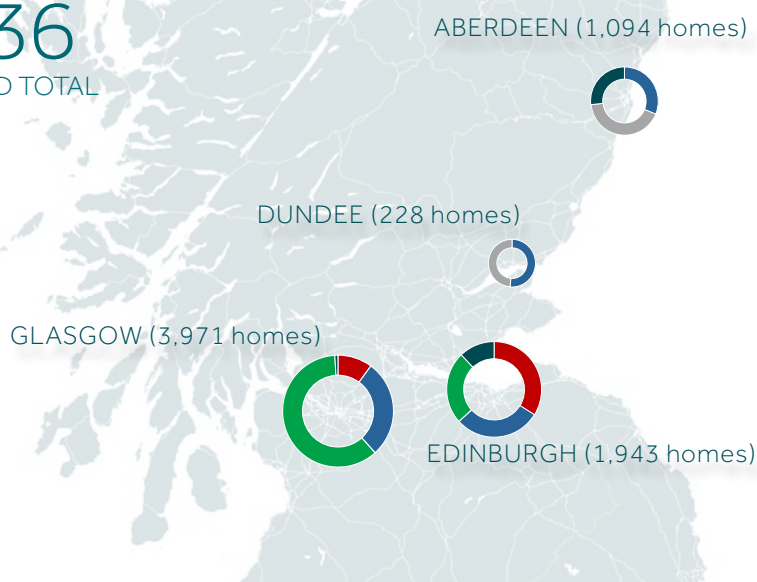
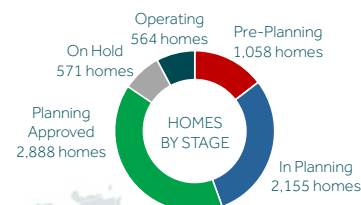
## BTR Pipeline in Scotland Stands at Over 7,200 Homes

2019 has been somewhat of a watershed year for the Scottish Build to Rent (BTR) sector as major masterplans have been progressing through the planning system and some are now breaking ground, taking us one step closer to the reality of an active BTR sector within Scotland. It has also been encouraging to see the understanding of, and interest in, the BTR sector expand across investor, central government, and local authorities, albeit still with differing levels of support across the country.

Institutional investment and major site acquisitions from the likes of Apache Capital, L&G, Drum, Stamford and Platform are now creating a more diverse BTR market, with planned schemes set to offer a range of service and affordability levels. The emergence of Mid-Market Rent and family rental housing models in Scotland over the past year, through the likes of PFP Capital and Sigma, look set to increase the diversity of BTR homes that will become available in Scotland in coming years.



### SCOTLAND BTR BY STAGE



Underlying this investment in the sector are strong economic drivers, a stable legislative and regulatory environment, and a government intent on encouraging and growing the sector. These factors are now benefiting from a better understanding of the BTR offer, as well as an emerging realisation of the positive contributions BTR can make to both the economy, and the pace and volume of much needed new housing delivery.

The BTR pipeline in Scotland is up a third from a year ago, standing at over 7,200 homes. What do we need to do to make sure we maximise the BTR offering, and what skills do we need on the ground to deliver operational efficiencies across all tenures? To do this, I believe we must have collaboration and positive promotion. Collaboration between the private and public sectors, with cross-party agreement on housing strategy, in addition to collaboration within the BTR sector itself to promote the positive contribution the sector can make to our cities, towns and economy. With the perception of BTR homes, for many, still being one of 'yuppie flats', it is important that the industry is open, honest and positive in discussions on the housing crisis we face and how BTR can be part of the solution.



## Mid-Market Rent News

### GHA Transforms Bell Street Stables into Mid-Market Rent Flats

Once home to working horses, the B-listed Bell Street Stables in Glasgow, have now been converted into 52 new one and two bedroom flats for mid-market rent. This £7 million regeneration project was built by contractor CCG, with the help of Scottish Government funding of £2 million and support from Glasgow City Council.

Let and managed by GHA's partners in Wheatley Group, Lowther Homes, this newly restored 19th century building, retains many of its original features, including the façade, the entrance gate from 1898, water fountains, horse drinking troughs (now used as planters) and the original cobbles (relaid in the courtyard and on the decks).



Derek Mackay MSP and GHA Chair Bernadette Hewitt with Clydesdale horse Spencer at Bell Street

The Bell Street Stables transformation project generated 13 jobs and training opportunities for the local community.

David Fletcher, Wheatley Regeneration Director said: "This project has brought great quality, much-needed affordable homes to the city centre – while restoring a building in a way that pays tribute to its history."

Derek Mackay, Economy Secretary commented: "I am delighted to see the difference these high-quality, new homes are already making to people and the positive impact this development will have on the wider community, bringing together elements of the old and new to create a vibrant and unique space."

### 45 New Mid-Market Rent Homes Come to Govanhill

The site of the former Victoria Primary School, which was demolished in 2017, has been redeveloped by GHA to provide much-needed affordable homes. The Batson Street regeneration project, brought to the Govanhill area by CCG contractors, consists of 40 flats and five houses. It features a communal landscaped courtyard and 25 car parking spaces. Each house also comes with its own garden.

The new homes are let and managed by Lowther Homes and the monthly rental cost is between £400 and £505. They were built to ensure enhanced levels of quality and environmental performance.



New MMR Homes at Batson Street

CCG Managing Director, David Wylie said: "Our capabilities in 'offsite' methods of construction mean that these new homes have an enhanced building fabric ensuring that residents can reduce energy consumption and lower their fuel bills."

The development was made possible thanks to a £1.6 million grant from the Scottish Government, with the total cost of the project reaching £5.9 million.

Five jobs and two apprenticeships were created by the contractor, who also demonstrated involvement with local schools and contributed towards a new wheelchair ramp for a nearby community garden as part of the contract.

Image Source: Scottish Housing News



## Finding the Right Balance

Regulation is on the political agenda, what is the truth about short term lets?

With the influx of summer tourists, short term letting has been under the spotlight. We have all seen images of Edinburgh doors with multiple key lock boxes, which now seem to be the poster image of Airbnb. So unsurprisingly the question of regulation is a hot topic this autumn, writes John Blackwood, Chief Executive of SAL.

Tourism is growing in Scotland, with our favourable landscapes, food, drink and culture, so there is no question that tourist numbers and demand for accommodation will increase over the next 10-15 years. In fact, during 2016/17, 36% of tourists who visited Edinburgh, stayed in self-catering accommodation, other areas are similar.

Questions over the rise in short term letting versus the social impact including housing market concerns, anti-social behaviour and tax avoidance have been inevitable. When the Association of Scotland's Self Caterers (ASSC) commissioned the report 'Far More than Just Houses: The Benefits of the Short-Term Rental Sector to Scotland', these issues were addressed.

There is a housing crisis in Scotland, yet, can short term letting be accused of exacerbating the problem? Scotland's population is at its highest level and is expected to grow. It would be easy to blame

Airbnb and similar models for the lack of social and affordable housing. Figures published state that in Edinburgh alone there is one Airbnb property for every 42 people, which can bring a sense of negativity. However, when you delve deeper, there are 79,000 homes sitting empty across Scotland and



John Blackwood, Chief Executive of SAL

the number of social housing units being completed at the end of 2016 had dropped by 16%. These figures offer some perspective. There is and has been, a longstanding problem in the housing sector predating the short term lets boom.

It has also been suggested from a variety of sources, including SAL members, that with the rise in short term lets, there has been an increase in anti-social behaviour. Further negativity surrounding the sector has been the accusation that

hosts avoid tax and don't have the same levels of safety and repair as other landlords. These are all concerns that landlords who let properties as homes for people to live in, share with me.

There have been some interesting suggestions on curtailing and regulating this model and moving forward, including looking at Dutch and Danish models. From the ASSC report, it does seem that regulation is needed and SAL fully supports and welcomes this. However, we all need to work together to ensure the right regulation is in place and is proportional to prevent an adverse effect on our tourism sector, which is a vital component to the Scottish economy, bringing in £5.5bn in 2017/2018.

The Scottish Government has recently held a consultation on short term lets. We await the outcome to see how the politicians will respond and potentially plan to regulate the sector in future. I only hope that I will not be, once again, using that all too familiar term in describing new legislation affecting landlords as being a "sledgehammer to crack a nut".

## Volume of Residential Property Sales Continue to Rise in Scotland

The number of residential property sales in Scotland continued to rise YOY in the spring months according to Registers of Scotland data

The latest ROS quarterly report revealed that between April and June 2019, the number of residential properties sold in Scotland was up by 4.6% compared to the same period last year. This increase was particularly pronounced in Argyll and Bute, which saw the greatest year-on-year increase in sales volume of 18.0%.

The total value of residential property sales in Scotland rose by 6.2% compared to the previous year, while the average selling price in the country rose by 1.5% year-on-year to £178,832. Properties in East Lothian experienced the largest increases in average selling price, which rose by 14.4% to £260,499. Dundee saw the greatest increase in total value of residential properties sold, rising by 22.2% compared to last year.

Properties in Edinburgh were sold for the highest price on average at £265,131, which was a 1.4% increase compared to the previous year. Properties in East Lothian and East Dunbartonshire experienced the second and third highest average selling prices at £260,499 and £252,105 respectively.

The average selling price for Glasgow properties during this period was £159,204, which was a 2.8% increase compared to last year. Glasgow achieved the greatest volume of residential property sales from April to June 2019, with 2,976 sold properties, which comprised 11.5% of the total sales volume in Scotland and was 6.9% up compared to the previous year.



Edinburgh was just behind Glasgow with 11.3% of the sales volume in Scotland (2,907 sold properties), and this was a 7.4% increase compared to the previous year.

In the south of Scotland, properties in the Scottish Borders saw a dip in average selling prices, dropping by 5.8% to £167,210. The volume of properties sold decreased by 4.3%. In Dumfries and Galloway, average selling prices remained relatively steady, rising by 1.1% year-on-year to £141,062. However, there was a reasonably significant increase in the number of residential properties sold in these areas, rising by 9.6% compared to the previous year.

North of the central belt, average selling prices in Dundee rose by 5.5% to £148,415, while sales volume increased by 15.8% year-on-year, suggesting relatively strong demand

for properties in the city. Selling prices in Aberdeen remained relatively steady, rising by 0.8% to £201,801. However, the volume of residential properties sold in the Granite City dipped by 10.4% year-on-year.

Paul Hilton, Chairman of SPC Scotland, said: "The most recent quarterly statistics from Registers of Scotland suggest the Scottish property market remains relatively stable in the face of political uncertainty in the UK. The average selling price rose slightly year-on-year while the sales volume also increased.

"There appears to be strong demand for properties in East Lothian and Dundee, with the former experiencing the greatest increase in average selling price year-on-year, and the latter achieving the greatest increase in total sales value year-on-year."

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## Half a Million Deposits Protected

Ian Potter, Chairman of SafeDeposits Scotland, looks at a major milestone for deposit protection

Cast your minds back to July 2, 2012 – what were you doing? At SafeDeposits Scotland we were protecting our first ever deposit for a property in Fort William. Last month we celebrated protecting our 500,000th deposit. This time the tenants were a couple in Dunfermline who'd moved in to their first home together.

We marked the occasion by giving the couple – Carla and Craig – a £500 IKEA gift card to help them get set up in their new home.

Carla told us it was quite a surprise to hear from us. She'd had her deposit protected in previous flats and said it was a real peace of mind knowing there was a third party to keep her deposit safe, and be there to settle any issues that might come up when she left the property. Her partner Craig says that the IKEA voucher came at just the right time and they're planning on buying a sofa.

We also gave Carla and Craig's landlord a £500 IKEA gift card from us. He said he'd been fortunate to have consistently had great tenants and had never had any disputes.

He's used us for his properties before and had also been a renter himself telling us that he appreciates the importance of deposit protection and how it makes a big difference to

the confidence tenants have in the rental market.

Half a million deposits is a major milestone for SafeDeposits Scotland and we're proud to be the first scheme in Scotland to get there.

Set up with backing from industry



Ian Potter, Chairman of SafeDeposits Scotland

specialists; RICS, Scottish Association of Landlords (SAL), Association of Residential Letting Agents (ARLA) and The Dispute Service (which runs the Tenancy Deposit Scheme in England and Wales) we're serious about being the safeguard between landlords and tenants.

We're the largest of the three approved schemes covering Scotland, accounting for approximately 60% of the market

and hold more than 130,000 individual deposits worth more than £96m. We're the only tenancy deposit scheme to be based in Scotland and also the only one to be operated on a not-for-profit basis.

Our running costs are met purely from the interest we receive from the tenancy deposits we keep safe and any surplus not required for reserves we make goes to the SafeDeposits Scotland Charitable Trust, which awards grants to improve education and training in the private rental market.

Every single deposit we protect is unique and even though we've protected an average of 180 deposits a day since we started, we never lose sight of the investment made in the property by the landlord and the fact that each deposit represents a tenant's home.

We're completely impartial between tenants, landlords and letting agents and it's great to hear that the service is delivering for all: Carla, Craig and their landlord.

To find out more about SafeDeposits Scotland, 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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**SafeDeposits  
Scotland**

# Changes to Private Landlord Registration

## How will this affect landlords?

Landlord registration was introduced in Scotland in 2006. This system requires local authorities to maintain a public register of landlords. Landlords must provide prescribed information when they apply to be registered. Local authorities must determine whether the landlord is “fit and proper” to be registered. Landlords must declare any offences involving fraud or other dishonesty, violence, drugs or any other relevant offences and must also disclose any finding of a court or tribunal that the landlord has practised unlawful discrimination or contravened the law relating to housing or landlord/tenant law.

### What has changed?

On 16 September 2019, The Private Landlord Registration (Information) (Scotland) Regulation 2019 was introduced. These provisions require landlords to make further declarations with a view to ensuring a more comprehensive, rigorous application process.

Private landlords must now declare whether or not they comply with their specific landlord legal duties including:

- That properties let meet the tolerable standard and the repairing standard
- That gas installations are maintained in safe condition

They must also confirm that:

- Tenants have been provided with a copy of the current EPC, Gas Safety Certificate and EICR
- Any advertisement included details of the landlord registration status and the EPC indicators
- Where the property forms part of a tenement building confirmation



that it is appropriately insured and the landlord is aware of his/her obligations in terms of common repairs

- Legionella risk assessment has been undertaken and details of any necessary steps taken as a result of the assessment
- Tenancy deposit has been protected with an approved scheme or that it will be entered into such a scheme before expiry of the relevant period

The purpose of the changes is to raise general awareness amongst private landlords of their legal

requirements at the point of registration. This is intended to provide better assurance to private rented sector tenants of landlord competence and compliance.

In short, the regulations are changing the landlord registration process with the aim to improve standards within the private rented sector to ensure tenants' homes are of good quality and are being managed professionally.

These new regulations do not impose new duties. They merely ask landlords to confirm that they are complying with their existing duties. The changes are likely to identify those landlords who fail to meet the necessary standards at the point of registration.

In terms of enforcement, it is anticipated local authorities will seek to validate declarations made and seek evidence of compliance as part of the application process.

Please remember it is an offence to let property in Scotland where you are not registered either due to a failure to register or due to removal from the register. If convicted there is a fine of up to £50,000.

Claire Mullen, Associate  
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# 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 2019. 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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