

Demandemic



- Market Overview ■ National Trends
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Market Overview

What began as a resurgence of tenant demand late in Q2 2021 quickly evolved into what many letting agents in Scotland have described as simply the strongest and most sustained period of lettings activity on record. Stock levels in Scotland plummeted a full 65% over the quarter.

Q3 2021 will likely be remembered as a unique period where demand for property to rent was simultaneously high in all regions covered by our report. Major cities, satellite towns and rural locations all posted positive annual growth of up to more than 10%.

Larger properties, in general, continued to fare best with 3 and 4 beds posting annual growth of 8.4% and 5.8% respectively driving the Scottish average up 4.7% Year on Year (YOY) to a new all time high of £906 per month.

Demand was rekindled across all property types and sizes with additional late demand from students returning to their university cities for in-person learning. The pace of the market accelerated dramatically, down 14 days on average for Scotland-wide average Time to Let

(TTL) of just 27 days. 3 and 4 bed properties in Glasgow and Aberdeen let a full 3 weeks faster than last year.

Property to rent in Edinburgh rose on average by 1.6% ending its run of rental retraction over the 5 previous quarters to now emerge at a new all time high. The market for 1 and 2 beds still remain in modestly negative territory YOY, however it seems likely that the oversupply from the short term holiday market has now been absorbed by demand which may begin to exceed supply sending rents higher again in future quarters. The average property in Edinburgh lets for £1157 per month and takes 30 days to let, down 16 on last year.

TTLs in commuter belt areas continue to fall, most notably in West Lothian where the average TTL just breaks double digits at 12 days. 1 bed properties in the region let in 9 days, however larger properties still command the largest increase in rent.

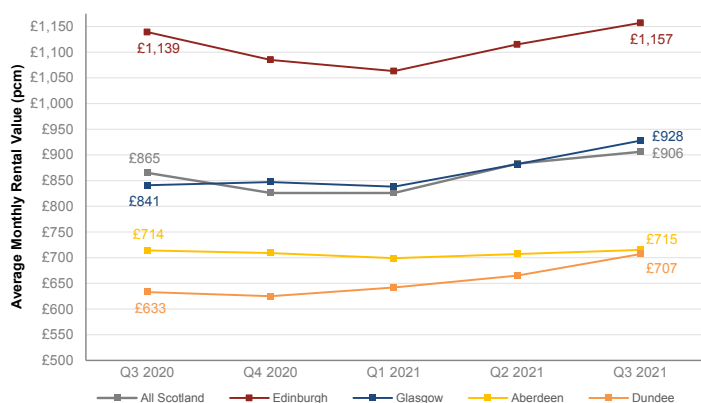
Rental growth in Glasgow continues to accelerate, up 10.3% over the quarter compared with annual growth of 8.9% in Q2. Demand, already underpinned by strong fundamentals, will likely have received further boost from the upcoming COP26 summit

with supply reduction from some landlords switching to short term rentals, stock which may re-avail towards the end of the year. On any view, the rental market in Glasgow is currently subject to dry high demand relative to supply pushing rents up ever higher to stand at £928 on average as at Q3 2021.

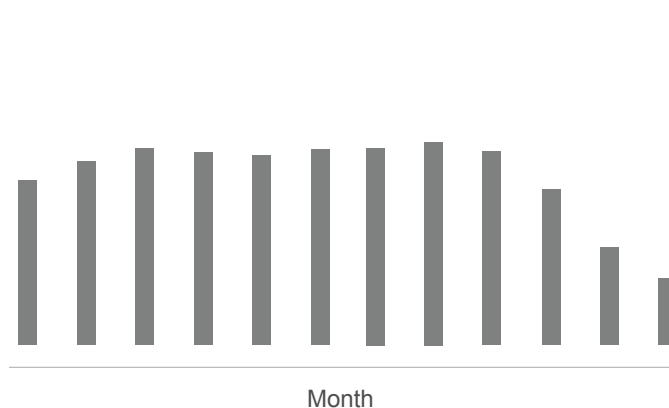
Demand in Aberdeen is evident, in particular, through materially reduced TTLs for the larger 3 and 4 bed properties, down 21 and 27 days on last year. Whilst minimal rental growth was recorded for the city as a whole, at 0.1%, the reductions in TTL and anecdotal reports for good demand for quality properties suggest positive annual growth across more local markets in the future as oil prices rise whilst the granite city simultaneously positions itself as a future centre for renewable energy.

Dundee, as per Scotland's other major cities, witnessed strong demand relative to supply for all property types recorded, 1-3 beds, associated with sharp drops in TTL by 18 days to 22 on average. Property to rent in Dundee averages £707 per month, up 11.7% on last year.

Scottish Monthly Rent Analysis (Q3 2020 - Q3 2021)



Scotland - Average Stock Levels (Q4 2020 - Q3 2021)

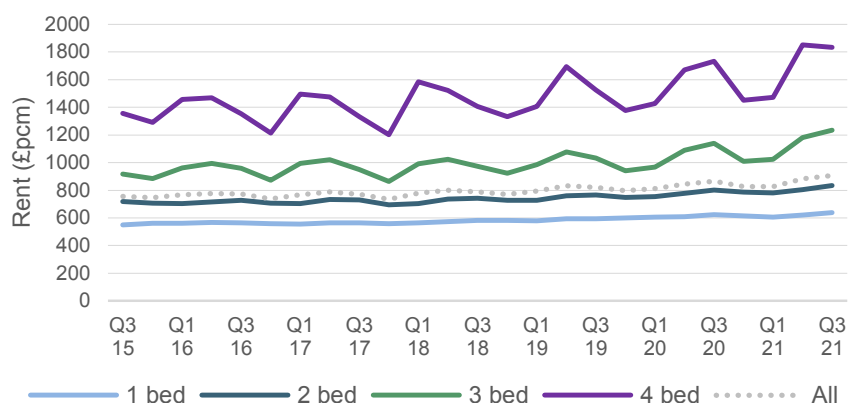


Scotland

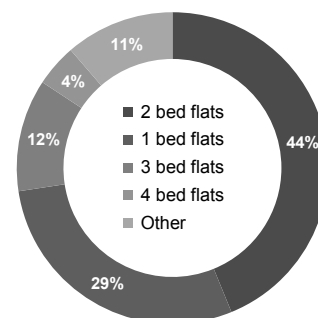
Market Overview - Q3 21

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£638	2.4%	13.1%	29.9%	25	-11	34%	70%
2 bed	£835	4.2%	14.7%	31.5%	25	-15	31%	69%
3 bed	£1,236	8.4%	28.8%	50.4%	31	-15	28%	62%
4 bed	£1,833	5.8%	35.4%	51.0%	37	-15	22%	51%
All	£906	4.7%	16.9%	35.2%	27	-14	31%	67%

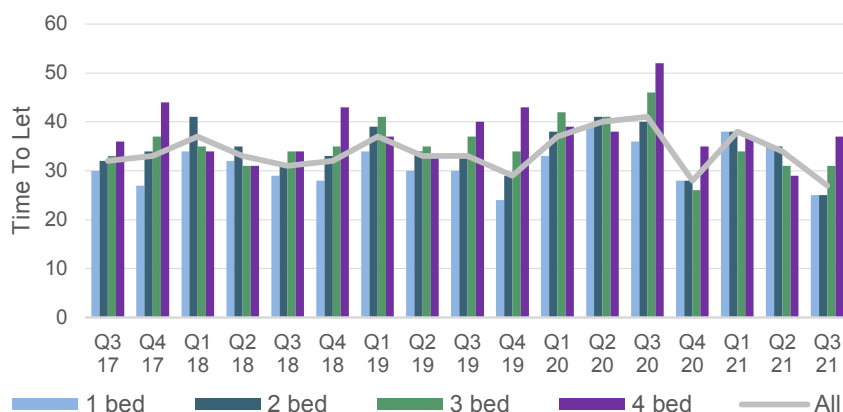
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

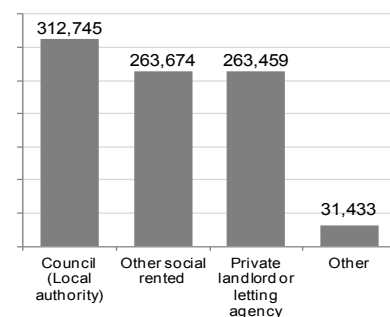
Year	Q1	Q2	Q3	Q4
2010	98.9	101.4	100.6	99.8
2011	100.3	102.8	103.9	101.7
2012	102.9	104.2	105.0	104.0
2013	104.7	107.4	106.5	105.1
2014	108.4	112.1	114.1	113.5
2015	116.4	118.1	117.4	115.7
2016	118.9	120.5	120.2	114.6
2017	119.1	122.3	119.7	113.8
2018	120.9	123.9	122.3	119.5
2019	122.9	129.1	127.3	123.6
2020	125.7	130.9	134.1	128.1
2021	128.1	136.9	140.5	



Adrian Sangster - Aberdeen Considine

"When commenting on the market I feel like a broken record. High demand, low stock. Post-lockdown we experienced a 100% increase of enquiries from people looking for properties across Scotland, especially family sized homes. This demand has continued throughout quarter 3. With insufficient properties to meet demand it leaves many people feeling upset and frustrated because they can't find a home. The PRS in Scotland is the most heavily regulated in the UK therefore is a matter of deep concern to hear increased anti-landlord rhetoric from the coalition. If this continues, I fear many landlords will leave the sector reducing further the choice of properties available."

Households: Rented



Source: Census 2011, Edinburgh

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- ✓ Letting Manager
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PRS



Student



Housing Association



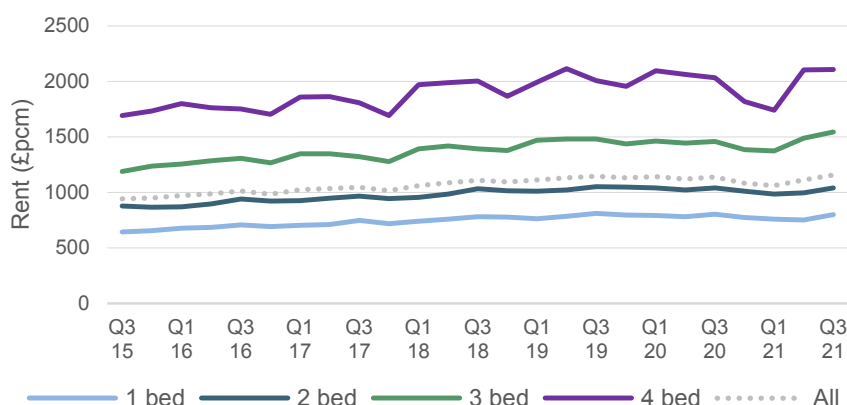
Estate Agency

Edinburgh

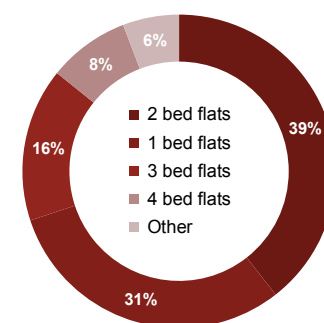
Market Overview - Q3 21

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£799	-0.6%	12.9%	46.9%	24	-14	37%	70%
2 bed	£1,041	-0.1%	10.6%	44.6%	26	-19	30%	66%
3 bed	£1,544	5.8%	18.1%	53.2%	40	-16	20%	49%
4 bed	£2,106	3.6%	20.3%	49.2%	44	-14	19%	41%
All	£1,157	1.6%	14.2%	47.8%	30	-16	29%	62%

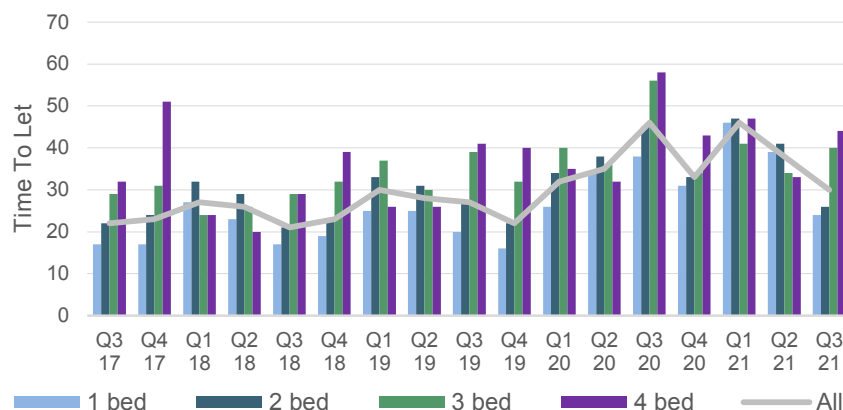
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2010	99.1	101.1	100.7	103.2
2011	102.5	102.9	104.8	104.3
2012	105.5	105.9	106.2	109.6
2013	109.4	109.5	109.8	110.0
2014	113.5	115.1	117.3	120.5
2015	122.1	123.6	126.1	127.2
2016	130.1	132.0	135.6	131.7
2017	136.9	138.8	140.3	136.0
2018	142.2	145.5	148.3	146.6
2019	149.3	151.5	153.7	151.4
2020	152.9	150.2	152.5	145.2
2021	142.3	149.3	154.9	

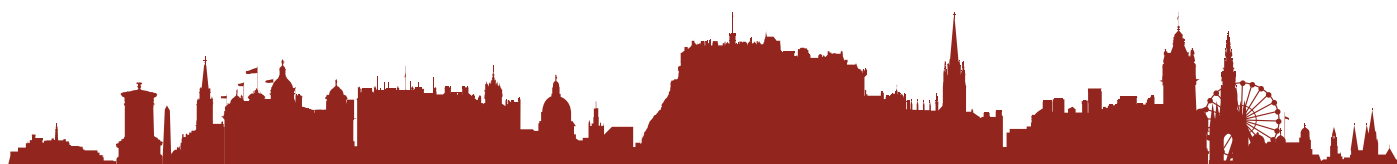
Yield by Popular Postcodes (Flats)

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



Charlie Inness - Glenham Property

"The pandemic initially created an oversupply of stock in Edinburgh in some locations, which in turn led to deflationary pressure on rents as the market adjusted. This oversupply is now filtering out and the market looks to be stabilising. As restrictions are eased and the world returns to what we are told is the "new normal", we have seen a spike in activity both in the student and professional sectors, with good quality properties letting fast. Our expectation is the downward pressure on rents we saw last year and in the first half of this year has now ended. We expect TTL figures to drop and rents to recover, as long as there is not a return to restrictions in the winter."

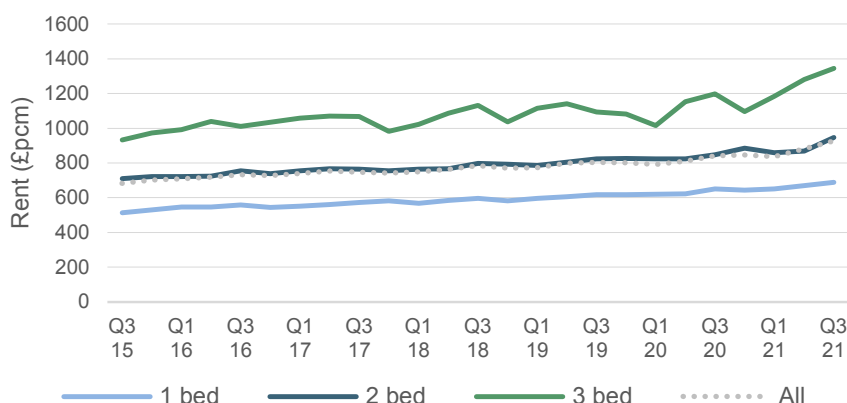


Glasgow

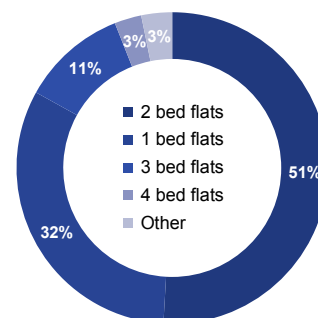
Market Overview - Q3 21

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£689	6.0%	23.5%	48.5%	16	-11	44%	83%
2 bed	£946	11.6%	25.5%	54.1%	20	-17	43%	78%
3 bed	£1,345	12.3%	33.2%	59.9%	23	-21	32%	70%
4 bed	£1,923	6.7%	34.7%	64.2%	30	-21	22%	61%
All	£928	10.3%	26.6%	53.4%	19	-17	41%	78%

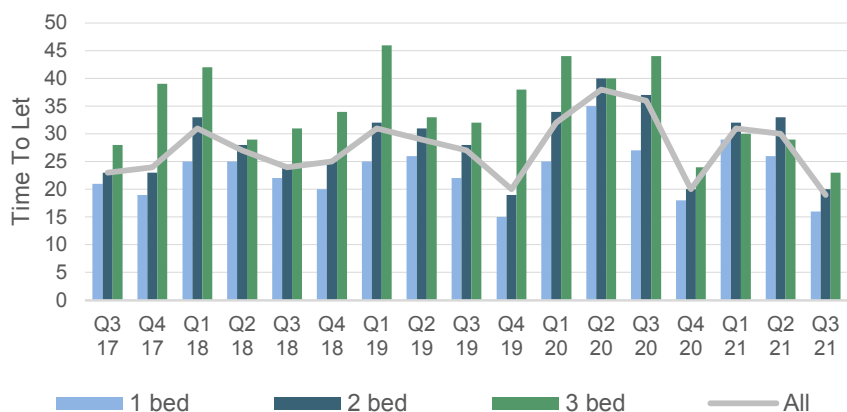
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2010	104.2	104.1	103.9	103.7
2011	102.3	106.0	106.7	105.6
2012	105.1	107.4	108.5	107.9
2013	108.1	109.0	109.0	108.5
2014	110.8	115.7	118.0	118.7
2015	119.8	120.8	120.6	123.6
2016	125.2	126.8	129.3	128.6
2017	130.5	133.2	131.9	130.9
2018	132.1	134.6	138.4	136.0
2019	136.2	140.9	141.6	141.4
2020	139.7	142.9	148.3	149.4
2021	147.8	155.6	163.7	

Yield by Popular Postcodes (Flats)

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



Colin Macmillan - Glasgow Property Letting

"Q3 has seen unprecedented demand for properties in the private rented sector. There has been a limited supply of quality property available and this has led to inflated rental values across the city. The traditional student rush for properties has also been in the mix as many universities and colleges have decided to carry out face to face learning culminating in a late surge of demand for traditional student hotspots. With COP26 looming many landlords are seeking to profit from the short term rental demand opportunities available to delegates and visitors for the duration of the conference and we may well see these properties arrive on the market around the turn of the year."

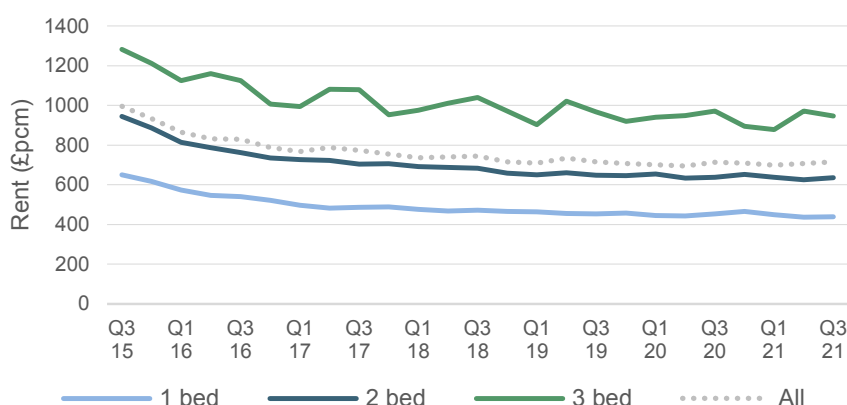


Aberdeen

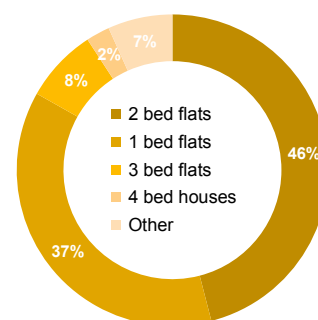
Market Overview - Q3 21

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£439	-3.3%	-18.7%	-23.3%	45	2	17%	45%
2 bed	£635	-0.6%	-16.8%	-21.8%	44	-7	11%	45%
3 bed	£947	-2.5%	-15.9%	-17.4%	39	-21	19%	52%
4 bed	£1,489	5.2%	-4.4%	-17.9%	33	-27	14%	52%
All	£715	0.1%	-13.8%	-18.6%	43	-7	14%	46%

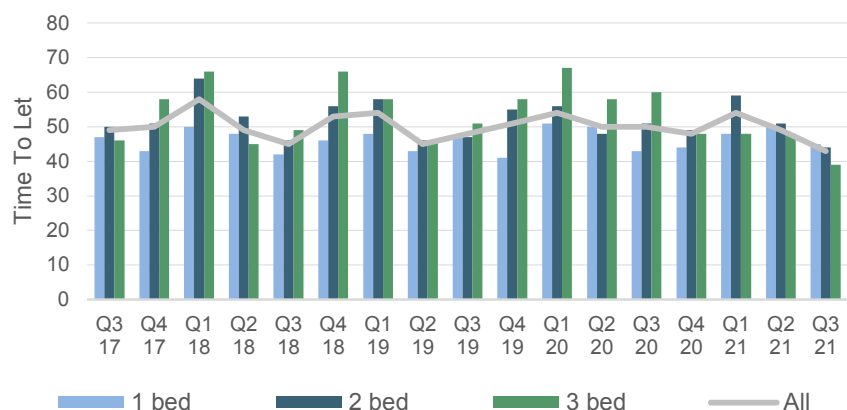
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2010	96.9	96.5	96.3	98.3
2011	102.5	97.4	99.2	101.0
2012	103.2	101.8	101.6	107.3
2013	108.6	109.3	113.2	116.2
2014	120.5	122.5	120.6	125.4
2015	123.1	117.9	112.4	105.5
2016	97.7	93.9	93.7	89.2
2017	86.8	89.0	87.5	85.3
2018	83.2	83.6	84.2	80.8
2019	80.2	82.9	80.9	80.0
2020	79.3	78.6	80.7	80.1
2021	79.0	79.9	80.8	

Yield by Popular Postcodes (Flats)

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



Chris Minchin - Winchesters

"Aberdeen has been a hive of activity in the past quarter with record viewing numbers and multiple applications on properties across the board. The uptake of HMO properties has been healthy with the much awaited return of universities to in person lectures. Aberdeen still lacks a supply of 3+ bedroom homes, with these properties not lasting long on the market. While the level of viewings is starting to fall, they are still higher than yearly averages while stock levels are continuing to fall. As always, landlords with a quality, modern property are being rewarded with sharp increases in rental from the average."

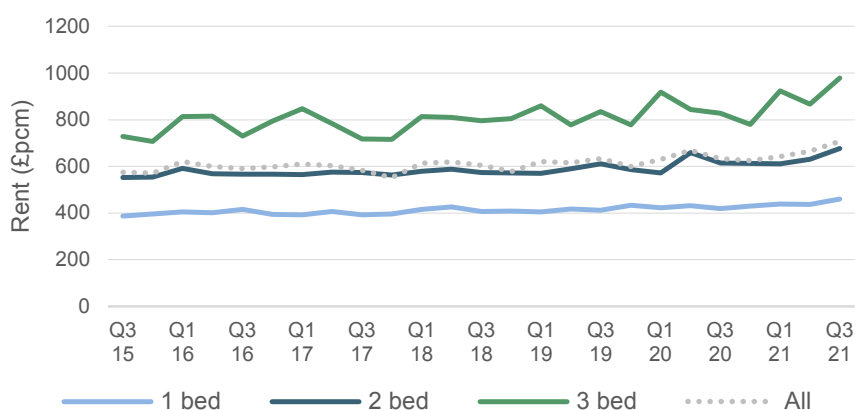


Dundee

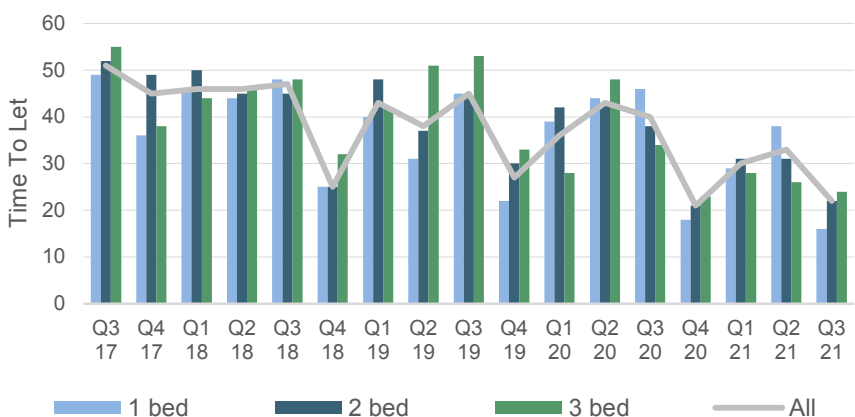
Market Overview - Q3 21

Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£460	9.8%	13.3%	10.8%	16	-30	46%	83%
2 bed	£676	10.1%	17.8%	19.4%	22	-16	40%	75%
3 bed	£979	18.4%	23.0%	34.1%	24	-10	24%	71%
All	£707	11.7%	17.1%	19.8%	22	-18	38%	75%

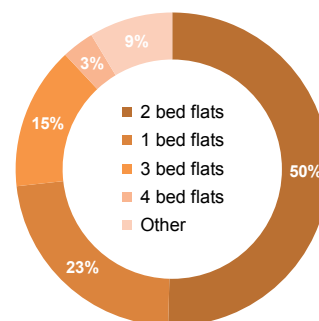
Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms



Market Composition



Rental Index

(base: Q1 10)

Year	Q1	Q2	Q3	Q4
2010	100.0	94.3	94.3	93.4
2011	102.8	95.5	91.8	86.1
2012	96.2	93.2	94.6	91.5
2013	99.3	98.1	96.4	91.7
2014	103.3	97.4	98.4	94.6
2015	101.9	103.8	99.7	99.0
2016	107.6	104.0	102.4	103.6
2017	105.9	104.7	101.4	95.8
2018	106.6	107.3	104.9	100.3
2019	107.6	106.9	109.9	104.2
2020	109.4	116.0	109.9	108.5
2021	111.5	115.5	122.7	

Yield by Popular Postcodes (Flats)

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



Alasdair Bain - Tay Letting

"Throughout Q3 we have seen the demand outweighing the supply. We have experienced what can only be described as an intense need for well-presented good quality properties. Now that things are returning to normal, we are pleased that in turn we are seeing more and more people comfortable and keen to move home again. We have seen a surge of students coming into Dundee and not all looking for HMOs, many now turning to 2 bedroom properties."

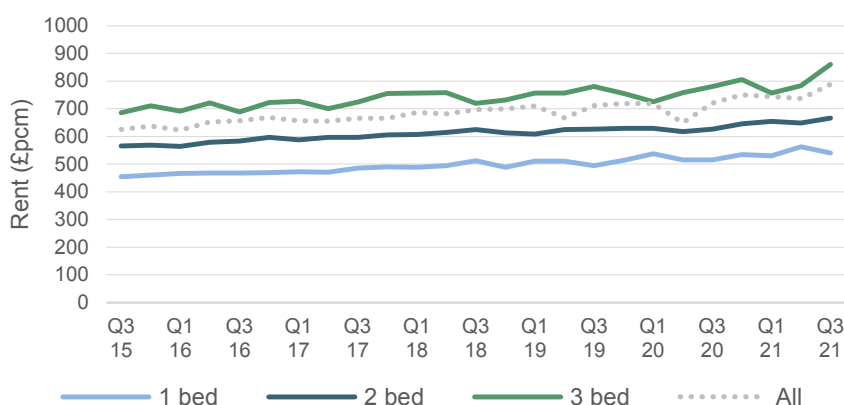


West Lothian

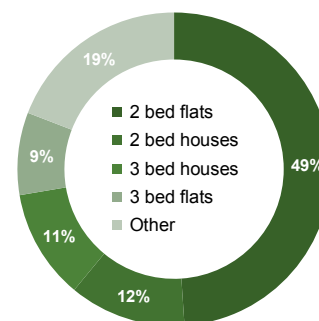
Market Overview - Q3 21

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£540	4.7%	15.4%	23.0%	9	-11	47%	94%
2 bed	£667	6.5%	14.2%	26.6%	13	-15	42%	90%
3 bed	£861	10.2%	25.1%	38.4%	12	-18	50%	82%
All	£789	9.6%	20.1%	35.3%	12	-15	45%	88%

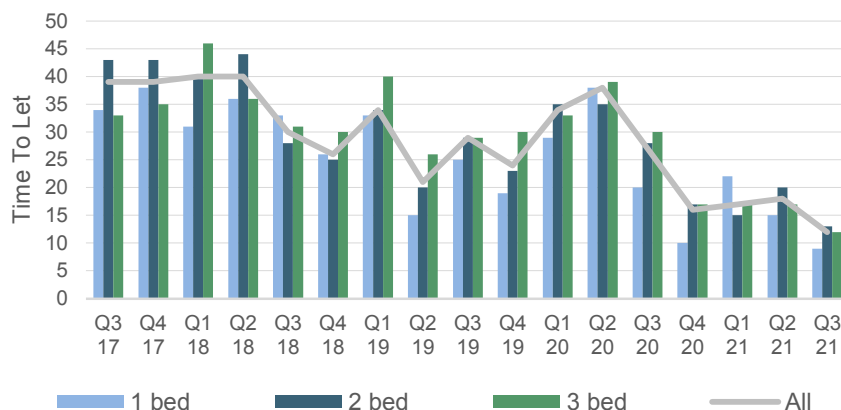
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2010	100.9	100.2	100.2	100.3
2011	100.7	104.8	100.5	100.9
2012	98.1	102.8	103.3	103.4
2013	104.1	103.8	108.8	104.3
2014	103.3	103.6	105.2	104.1
2015	105.9	105.7	107.9	110.0
2016	107.4	112.4	113.3	115.3
2017	113.1	112.9	114.7	114.7
2018	118.3	117.6	120.0	120.5
2019	122.4	115.0	122.6	124.0
2020	124.0	112.1	124.1	129.3
2021	128.3	126.9	136.0	

Yield by Popular Postcodes (Flats)

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



Callum McQueenie - Mavor & Company

"Rental property demand continues to surge in West Lothian with available stock remaining low and properties being let in a matter of days. On a positive note, investment landlords are now appearing to be active in the market to add to their current portfolios. The prospect of high rental returns and minimum Time To Let turnarounds, appear to be attractive factors to new and existing landlords. Demand is also pushing rental prices up with tenants still appearing to be relocating to the area from city centres. West Lothian is continuing to prove to be a strong area for the rental market."

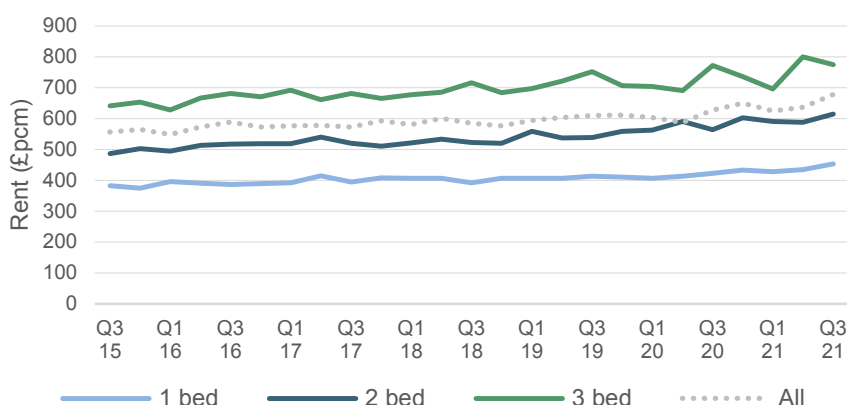


South Lanarkshire

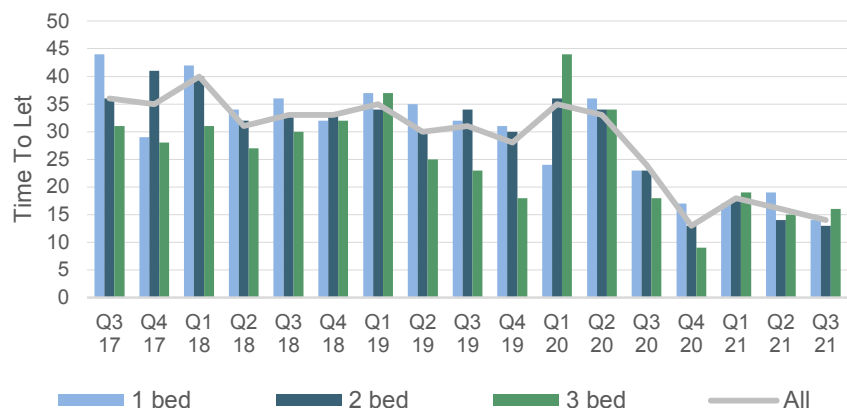
Market Overview - Q3 21

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£453	7.3%	17.1%	21.4%	14	-9	39%	87%
2 bed	£614	8.9%	18.8%	22.8%	13	-10	43%	87%
3 bed	£774	0.4%	13.7%	25.2%	16	-2	41%	81%
All	£677	8.0%	15.1%	24.2%	14	-10	42%	86%

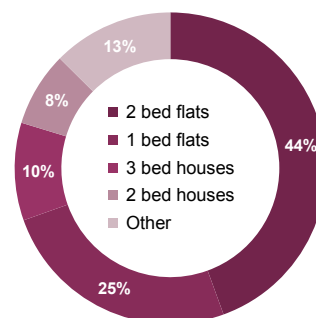
Average Rent (pcm) by Number of Bedrooms



Average Time To Let (TTL) by Number of Bedrooms



Market Composition



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2010	104.1	99.4	99.8	104.8
2011	96.3	99.4	100.4	97.2
2012	100.6	99.3	102.9	97.8
2013	95.0	96.3	97.2	97.6
2014	95.9	103.1	104.1	95.6
2015	101.8	104.1	102.4	104.1
2016	101.1	105.3	108.3	105.3
2017	106.3	106.4	105.5	109.2
2018	107.0	110.7	107.6	106.3
2019	109.4	111.0	112.3	112.5
2020	111.0	108.1	115.5	119.7
2021	115.1	117.3	124.7	

Yield by Popular Postcodes (Flats)

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



David Kendall - Lets Make Homes

"The exceptionally buoyant rental market shows no sign of slowing down. Increasingly home owners are deciding to rent for a while after selling their property in the hope this will give opportunity to find a suitable new home and place them in a stronger position if they have nothing to sell. Many landlords are still keen to increase their portfolios but are holding back as they are reluctant to pay over asking price in the heated housing market, whilst those who do wish to dispose of their portfolio are taking the opportunity to achieve a quick sale very often at well above Home Report value."

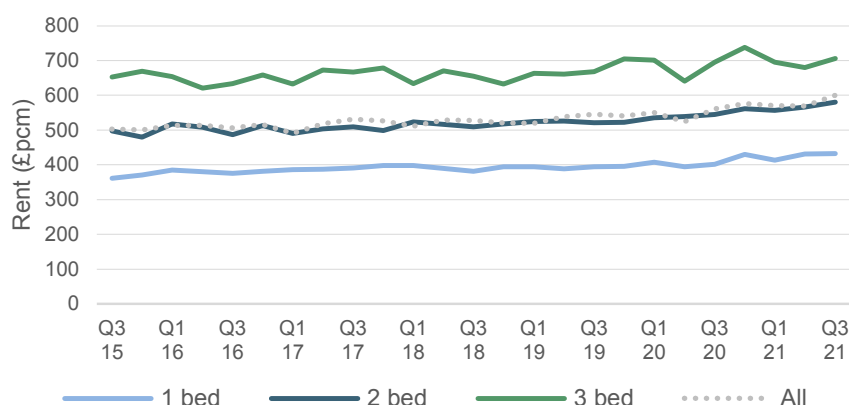


Renfrewshire

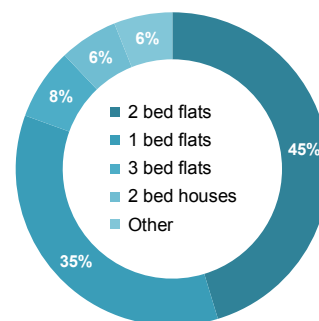
Market Overview - Q3 21

Beds	Average Rent	Rent Change 1yr	Rent Change 5yrs	Rent Change 10yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£432	7.5%	15.2%	19.7%	16	-18	45%	87%
2 bed	£580	6.4%	19.1%	23.4%	16	-17	35%	81%
3 bed	£706	1.6%	11.4%	10.3%	20	-12	35%	65%
All	£600	7.0%	18.6%	24.5%	17	-16	38%	81%

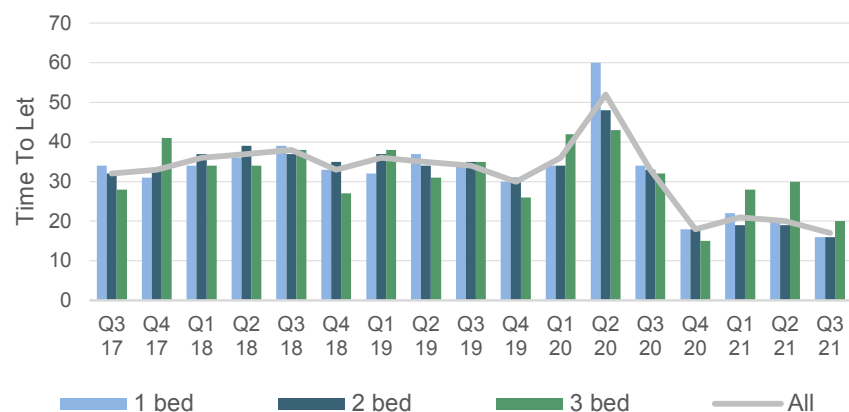
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2010	104.6	96.6	101.9	100.0
2011	98.5	99.4	101.0	100.8
2012	101.0	101.5	101.5	99.8
2013	97.5	100.6	100.6	102.9
2014	100.6	98.1	103.8	104.0
2015	100.2	108.6	105.5	104.8
2016	107.5	107.5	106.1	108.2
2017	102.9	108.6	111.3	110.3
2018	107.1	110.9	110.7	109.2
2019	109.0	112.8	114.3	113.4
2020	115.3	109.9	117.6	120.8
2021	119.5	119.3	125.8	

Yield by Popular Postcodes (Flats)

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



Ben Sweeney - Castle Residential

"The rental market within Renfrewshire has been extremely active in the summer months, seeing an unprecedented demand coupled with proportionately low supply. With the student market returning as universities and colleges open to blended learning, this reopened this sector of the market which has previously been stifled by the restrictions and online learning. With the substantial easing of restrictions allowing for the most normality lettings have seen in some time now, there has also been a positive adoption of proficient procedures due to the Covid-19 pandemic. Now, with the autumn season peaking around the corner, we hope to see the rental market continue at this high momentum going forward."



Agent Views

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

Margaret Duffus Leasing, Aberdeen – Sarah Harley



"The last 3 months have seen a high demand for rental properties in Aberdeen and a welcome return to life after lockdown. There is a definite shortage of 3 and 4 bed family homes, but flats in good, fresh condition are getting snapped up quickly too. This is great news for landlords and we're seeing more willing to invest and make the necessary changes to their portfolio. Pressure on rents will surely follow if demand continues, but with tenants facing other current financial pressures over the coming months, it will be a balancing act for all involved to ensure that the recovery is sustainable in the longer term."

Finlayson Gore, Dundee – Eilidh Finlayson



"Q3 has been a period of diverse climates in the industry. While the student market remains in a state of some flux – a hangover from students not being residents in their university cities for the last academic year – the rest of the market is extremely buoyant with rents significantly up on the previous quarters and multiple applications for almost all properties. The competition to secure good quality property is fierce for tenants. It remains to be seen what impact the end of the JRS may have on our tenants – hopefully Q4 will continue to enjoy the strong market we are currently experiencing."

Aberdein Considine, Perth – Adam Campbell



"The Perth rental market continues to flourish. Demand is strong for all types of properties however 2, 3 and 4 bedroom houses are in very short supply; this had led to a continued increase in rental prices. Rural properties are especially attractive with tenants re-evaluating their work life balance as home working continues to be an import factor when looking for a new home. There is no sign of this demand decreasing as we enter the winter months."

Capital Letters, Glasgow – Steven Strachan



"Our Glasgow office has seen a continuation of the rise in figures produced in Q2 with even further easing of Covid restrictions leading to an even larger increased demand for property, and with supply and demand also seeing rental figures achieved increasing. We have witnessed more first time tenants entering the PRS, with renting now viewed as a lifestyle choice as the PRS becomes more popular with the realisation of the benefits renting has to offer in terms of flexibility, stability and continuity in expenditure each month for tenants. We have also witnessed an increase in new landlords coming into the market as well as existing landlords increasing their portfolio due to the increase in demand."

Clan Gordon, Edinburgh – Jonathan Gordon



"The Edinburgh rental market has been strong in terms of demand for the last 13 years since we started but I'm not sure tenant demand has ever been as high as it has been in the last 2 months. Student lets in particular have been really difficult to find, but demand has been strong for all types of property and especially for those in good condition that we focus on in the city centre. We are also seeing very strong interest from new investors and landlords looking to rent out for the first time, suggesting that confidence in the market remains high despite continued regulation of the sector."



Agent Views cont...

Northwood, Aberdeen – Matt Pullinger



"During Q3 we have experienced increased levels of activity in both Aberdeen and Aberdeenshire with positive increases in daily online page views of properties listed, enquires and viewing requests. Family homes remain very popular with demand high and supply short for good quality homes. Two-bedroom apartments with parking, gas central heating and en-suites have proved very popular with record levels of interest too. It has been a very encouraging to see consistent levels of demand returning to the granite city."

Cox & Co., Edinburgh – Mike Erskine



"With the relaxation of lockdown and travel rules, the ongoing vaccination programme, and the return of students, the PRS in the cities particularly has seen a huge uptake of properties and an increase in rental value. The light is ever getting brighter at the end of the Covid tunnel. TTL have reduced significantly and investment remains strong allowing us to continue to offer quality properties to prospective tenants. The start of Q4 will likely continue this trend and we expect further improvement into 2022 and hopefully we will step out of the tunnel into the light away from the pandemic."

Martin & Co, Aberdeen – Eduardo Prato



"Summer 2021 has been a phenomenal period for the rental market in Aberdeen. Rents have consistently held their position, which is a good change to the down trend that we experienced until 2020. The upper end of the market, especially properties in the West End, Cults, Milltimber and Bieldside have been extremely strong. Relocation companies have been more active in 2021, with four and five-bedroomed properties being snapped up quickly. This is where our stronghold position is based. For those interested in the low end of the market, it's important to note that there is a clear surplus of 1 bedroom properties. In this segment of the market only extremely well presented properties sensibly priced will let. It will be really interesting to see what happens in the last quarter of 2021."

At Home In Edinburgh, Edinburgh – Rick McCann



"We predicted a return of confidence in Q3 but the level of demand for properties has far outweighed our expectations. The return of students has put pressure on a limited supply of stock and has increased rent levels and reduced time to lets to pre pandemic levels. The acceleration of the market has caused us to evaluate how we manage advertising and viewing properties. Properties have been made available on selected portals for a limited period and screening of enquires has increased to ensure tenants are a perfect match. We expect demand to remain high throughout Q4."

Macleod Lettings, Glasgow – Ross Macleod



"Quarter 3 in Glasgow has seen unprecedented demand for rental properties. With the easing of lockdown restrictions coupled with a buoyant sales market, the PRS once again is under pressure with a lack of supply. Glasgow, Stirling & Edinburgh have seen sharp rent increases and on some properties, 'bidding wars' from tenants eager to secure a property. University students in particular have struggled to find suitable accommodation, despite the increase in student beds across the numerous Student Residency Halls that have been built over the last 5 years. The Scottish Government need to entice private landlords back into the market, rather than consistently targeting them as a means of revenue generation."

Rettie & Co., Edinburgh – Karen Turner



"Both Edinburgh and Glasgow are seeing unprecedented demand across all price points. The volume of enquiries shows no signs of slowing. We did say it would take 12/18 months for the oversupply of Airbnb stock to be reversed in Edinburgh. Rents are beginning to get back to pre-Covid levels. Glasgow rents are still increasing and are showing no signs of abating. Investment appetite still remains across for both cities."

Let it, Glasgow – Chris Cockburn



"The glaringly dominant theme we have seen during Q3 is that of massive demand vs massive undersupply of stock. The main factors appear to be that tenants are staying for longer, and some landlords (mainly from the BTL 'boom days' as I call them) are choosing to exit the sector due to a mix of strong sale prices and the legislative landscape. This means that a symptom of the resulting undersupply allows rents to continue to be on the increase, which in turn leads to a spiral of more undersupply and higher rents. The Scottish Government would do well to take heed and instead of proposing rent controls, encourage more BTL investment, which would allow a more natural redress of the balance of availability and more affordable rents."

Cullen Property Ltd, Edinburgh – Steve Coyle



"Quarter 3 saw our HMO stock move rapidly as students started returning to Edinburgh for in-person teaching once more. Small professional properties fared well too, with rents holding steady. Signing of rental agreements for our remaining HMO properties gained significant momentum towards the end of August, leaving no stock left on the market for this year's student flat-hunters. With the 'leave it til last minute' mentality, there are still large numbers of students hastily enquiring about properties with immediate availability – often from abroad, currently residing in B&Bs in the city. It would seem that the market has misjudged how quickly properties would 'move' this year."

Agent Views cont...

Western Lettings, Glasgow – Jack Gallagher



"Tenant demand is at an all-time high and we are routinely seeing over 50 applicants within a couple of hours of a property being advertised for rent. The frantic market has been partly caused by a sudden return of students in greater numbers than pre-pandemic, but a reduction of supply is also contributing to the squeeze. Many landlords have taken advantage of the run-up in property prices and sold up. Others have returned to the booming short-term rental market. There is also some evidence that HMO properties have changed hands and reverted to owner occupancy during lockdown."

Burgh Property, Edinburgh – Andrew Markham



"The Edinburgh market has seen a positive upturn in activity over recent weeks with tenant demand increasing in all sectors of the market – including students for the HMO market. An easing of pandemic restrictions and a general return to normal working and living practices has seen a degree of normality return to the capital's fast-paced market – a very welcome change compared to recent months. Although stock levels are decreasing and tenant demand is increasing, the market still remains competitive and to attract the best tenants, you need to have the best product – as tenants still choose to shop around."

Rentlocally.co.uk, Edinburgh – Derek Hawson



"There is a clear continuation of the recovery we saw commence toward the end of the second quarter, although rents generally are not yet fully reflecting that. Bigger properties are in constant demand to accommodate home working and a general desire for more living space. Flats and houses are renting faster than this time last year and it is to be hoped that more available property will make its way back into the market as yields increase and confidence returns. We think that by the end of the year rents will have returned to pre pandemic levels and will set an optimistic tone for 2022."

One Stop Properties, Glasgow – Wendy Gallagher



"Covid has had a larger impact on the housing market than people realise. Throughout the year, many landlords have decided to sell, taking advantage of a tremendous sales market. Some new landlords have entered the market but not enough to satisfy demand. There is a substantial lack of rental properties in and around Glasgow, highlighting the importance of the PRS. This further proves the rental market is exceptionally short on housing stock. This has led to a significant increase in rents in Q3 across all postcodes. For the first time in history, I had no stock available. There is a massive void in social housing and not everyone is in a position to buy. Therefore, in my opinion the Scottish Government need to start thinking about incentivising private landlords instead of penalising them. Without private landlords the housing market would be in crisis."

GF Property Leasing, Aberdeen – Grant Fairbairn



"Q3 has been one of the busiest periods we have seen in Aberdeen for a long time. The student market has been strong, with many students willing to pay more for better quality accommodation; we often see some students with bigger budgets than most professionals. Professional lets also seem to be back to normal. The price of oil being steady at around \$70 per barrel seems to be helping the local oil and gas industry."

Umega Lettings, Edinburgh – Danielle Kerr



"The big story of Q3 2021 has been the significant switch in the supply and demand imbalance. Going into this quarter we had started to see the volume of properties on the market dropping, but as the quarter progressed we've reached unexpected record lows in the number of available properties across Edinburgh. This is coupled with an all-time high in terms of tenant demand, with enquiries for Q3 2021 sitting at triple the number for the same period in 2020, and twice the number for Q3 2019. We received an average of 100 enquiries per advertised property throughout the quarter and tenants are really feeling that pinch, with those who can afford it bidding higher rents to try and secure their preferred property."

1LET, Edinburgh – Ken Bell



"One of the busiest quarters 1Let have experienced for many years. Pent up demand combined with low stock levels have seen the Edinburgh rental market balloon. Students, professionals and a surge in people relocating to Edinburgh from abroad, especially Hong Kong, have come together to create a fiercely competitive rental market. As we move into Q4 we see no signs of this slowing which will be a relief for many landlords who have experienced challenging times during the pandemic."

Postcode & Towns - Average Rents & TTL - Q3 21

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

Edinburgh - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
EH1	895	(29)	1185	(28)	1696	(48)
EH3	977	(22)	1346	(22)	1713	(36)
EH4	826	(13)	1046	(19)	1372	(19)
EH5	717	(24)	887	(23)	1226	(18)
EH6	750	(20)	930	(23)	1247	(34)
EH7	757	(19)	1012	(23)	1469	(31)
EH8	760	(18)	998	(31)	1547	(54)
EH9	839	(14)	1098	(24)	1629	(37)
EH10	816	(22)	1137	(20)	1579	(42)
EH11	723	(22)	948	(23)	1409	(56)
EH12	775	(23)	1048	(23)	1431	(25)

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£796	(17)	£1,053	(22)		
G2	£736	(21)	£1,051	(22)		
G3	£753	(10)	£1,135	(20)	£1,698	(21)
G4	£689	(11)	£960	(19)	£1,354	(22)
G5	£699	(21)	£807	(24)		
G11	£730	(9)	£1,000	(11)	£1,571	(27)
G12	£807	(15)	£1,149	(16)	£1,567	(16)
G13			£780	(14)		
G14	£595	(10)				
G20	£637	(17)	£889	(16)		
G21			£582	(12)		
G31	£552	(10)	£808	(17)		
G32	£504	(20)	£629	(13)		
G33			£669	(25)		
G40	£554	(12)	£761	(20)		
G41	£664	(17)	£833	(11)		
G42	£547	(13)	£767	(14)		

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£447	(45)	£625	(44)	£917	(48)
AB11	£431	(44)	£611	(39)	£914	(51)
AB12	£508	(31)	£656	(27)		
AB15	£550	(28)	£807	(40)	£1,049	(11)
AB21	£586	(17)	£747	(27)		
AB22	£455	(39)	£634	(23)		
AB24	£435	(36)	£605	(46)	£928	(36)
AB25	£434	(45)	£610	(38)	£760	(31)

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£497	(15)	£760	(19)	£1,014	(28)
DD2	£472	(22)	£679	(18)	£993	(12)
DD3	£426	(18)	£602	(22)		
DD4	£439	(14)	£616	(17)	£936	(19)
DD8	£387	(31)	£536	(25)		
DD9			£526	(27)		
DD11			£534	(34)		

Towns - £pcm (TTL days)

based on 12 month rolling average

Town	1 Bed		2 Bed		3 Bed	
Arbroath	394	(32)	520	(38)		
Ayr			558	(22)		
Bathgate			653	(18)		
Brechin			500	(37)		
Broughton	745	(33)	1022	(41)	1459	(25)
Coatbridge			536	(17)		
Cumbernauld			557	(15)		
Dalkeith			777	(17)		
Dalry	703	(33)	914	(35)	1346	(53)
Dumfries			507	(12)		
Dunfermline			591	(15)		
East Kilbride	427	(14)	554	(12)	769	(13)
Elgin	445	(21)	543	(19)		
Ellon			625	(30)		
Falkirk	430	(12)	572	(18)		
Forfar			554	(30)		
Glenrothes			519	(11)	597	(8)
Greenock			518	(31)		
Hamilton	435	(18)	569	(14)	747	(15)
Hillhead	795	(26)	1036	(28)	1477	(27)
Hillside			1032	(27)		
Inverurie			647	(29)		
Johnstone			517	(21)		
Kilmarnock			505	(14)		
Kirkcaldy	453	(22)	545	(11)		
Largs	407	(33)				
Livingston			681	(13)	818	(15)
Merchiston			1103	(40)		
Motherwell			593	(32)		
Musselburgh	661	(21)	792	(21)		
Newton			793	(23)		
Paisley	425	(19)	546	(18)	691	(20)
Penicuik			750	(24)		
Perth	425	(41)	589	(37)	840	(34)
Renfrew	432	(17)	645	(17)	774	(15)
Rutherglen	498	(16)	657	(12)		
St Andrews			1372	(24)	1855	(17)
Stirling Town	542	(15)	756	(25)	1192	(31)
Trinity	740	(28)	919	(32)		
Woodlands			984	(24)	1459	(19)

Build To Rent News

BTR Scotland – Rental Boom Caused by Undersupply

As highlighted in this Q3 report (on page 2), there is a frenzy of rental activity in Edinburgh and Glasgow right now. Supply of rental accommodation is at an all-time low. Letting agents would normally expect 10-15% of their managed stock to be available for rent at any one-time; current levels are at 2%-4%. Meanwhile, demand for rental accommodation post pandemic (exacerbated by returning students) is exceptionally strong.

Edinburgh and Glasgow have long been favoured targets for institutional investment due to compelling supply/demand demographics. However, the supply of Operational or On-Site BTR schemes (i.e. “live” schemes) is unbelievably low. Glasgow - only 1,637 BTR units “live” and 1,739 consented; Edinburgh - only 824 units “live” and 2,102 BTR units consented.

Questions need to be asked (of politicians?) as to why supply of rental stock in Scotland (both institutional and private landlord) is not growing faster? The consequence, of course, is high demand and higher rents.

Contrast Manchester, where 7,652 BTR units have been completed in the last four years, with another 1,241 still to be completed in 2021 (figures courtesy of Urban Bubble); that’s a total of 8,893 BTR units delivered over four years. Despite such strong institutional supply, Manchester is sold out.

It’s no wonder Edinburgh and Glasgow are experiencing unprecedented rental activity. The solution (of course) is to encourage, not discourage, investment in housing.



Will Scarlett, Director of Scarlett Land and Development.



Aberdeen is Recovering from the Pandemic

Despite the Covid-19 pandemic, we haven’t stopped increasing our occupancy throughout. In Q3, Forbes Place achieved up to 96% occupancy. We have noticed that renters are now thinking more about the quality of the property and neighbourhood when renting and don’t mind spending a little bit more money for better quality or for living a little bit out of the city centre. We have noticed an increase in enquiries from professionals that are coming back to work in Aberdeen, and have welcomed back lots of our previous residents.

At Forbes Place we manage the BTR development consisting of 292 properties including 16 three-bedroom townhouses. At Forbes Place, our tenants enjoy outdoor space on the balconies, free highspeed broadband, country walks - nestled within a wooded area and the benefit of a secure underground car park and bike store. We have noticed a lack of nice family houses within the Aberdeen area, and when one of our townhouses becomes available, clients snap it up and they tend to stay long term.



View from a penthouse within the Forbes Place development

dandara
LIVING

Mid-Market Rent News

Over a Hundred New MMR Homes at Granton Harbour

Port of Leith Housing Association (PoLHA) and its subsidiary Persevere Developments Ltd (PDL) marked Scottish Housing Day 2021 by celebrating the opening of 104 affordable homes on Edinburgh's waterfront. The properties at Heron Place, Heron View, Heron Lane and Hesperus Crossway are situated at Granton Harbour and make up a stretch of the city's large-scale waterfront regeneration programme.

The development has been designed with existing and new communities in mind and has a sunlit central courtyard which residents will be able to enjoy together. In total there are 46 homes for social rent, including two wheelchair accessible flats, and 58 homes for mid market rent. The completion of this development brings the number of affordable homes provided by PoLHA in north Edinburgh to over 3,000.

Heather Kiteley, Group Chief Executive said: "It was a pleasure to visit our new development on Granton's waterfront and to meet some of its new residents this Scottish Housing Day. Focusing on housing and the climate emergency this year is of personal importance to me; I am committed to working closely with colleagues on even more ambitious solutions to the climate challenges we face in the months and years to come."



PoLHA Group CEO Heather Kiteley (4th from left) together with PoLHA Group Director Gordon Cameron (2nd from left), PDL Manager Mark Hastie (far right), and 3 of the development's brand new residents ready for move in, this Scottish Housing Day



The Need for MMR in Rural and Deprived Communities

I'm sometimes surprised that MMR as a tenure is still relatively unknown. Therefore, it was good to see that this tenure of rental housing received a positive mention in the recent BBC Disclosure programme.

MMR can contribute much to the seemingly insatiable desire for good quality rental homes. It offers tenants on low to medium incomes stability and security, enabling them to stay within their communities in homes with affordable rent levels.

It's usually provided by charities, like Lar, or by housing association subsidiaries. We've seen great positivity towards the MMR tenure across all political parties recently and a realisation that there is a need to increase housing options. MMR provides an additional route to desirable housing for a group of people who often miss out.

Whilst it's true that MMR is most viable (and provides the highest financial benefit to its residents) in affluent areas, the potential to use this model in rural and more deprived areas, something I didn't originally think possible, has recently become apparent. It's difficult to make these developments work, but in small communities where there are often few alternatives for local people, we must work together, collectively, to ensure these communities don't miss out.



Ann Leslie, CEO of LAR Housing Trust



New Deal for Tenants Means Cutting the Rhetoric and Focussing on Policy

With the ink barely dry on the new SNP and Scottish Greens co-operation agreement, the Scottish Government is keen to forge ahead with its plans to create a “new deal for tenants”.

Ahead of the recent announcement that Patrick Harvie would be the new Minister for Tenants' Rights, he took the opportunity to set out a caricature of “exploitative” private landlords sitting on piles of growing unearned wealth. I wonder if in Mr Harvie's imagination, landlords all swim through piles of coins like Scrooge McDuck as well?

Mr Harvie puts blame firmly at the door of the landlords' lobbyists being well funded and getting their own way. Well, while I am glad Mr Harvie recognises our effective lobbying on behalf of our members, I can assure him it is a small part of what we do and not where we direct much funding.

Mr Harvie is correct that we do not welcome much of his programme but contrary to his belief this isn't because we don't want change. Private landlords have worked productively with the Scottish Government over the past 15 years to create a much better deal for tenants while offering some safeguards to landlords. For example, we strongly supported the model tenancy reforms; mandatory registration and training of letting agents; improved electrical safety and environmental standards which far exceed those in other housing sectors.

He may also be interested to know

that much of our lobbying efforts are in areas I expect he too will want to see more progress in government.

For example, I would like to see faster implementation of the recommendations of the Scottish Parliamentary Working Group on Tenement Maintenance which would include legislation to allow owners



John Blackwood, Chief Executive of SAL

to compel neighbours to carry out repairs. This would not only help improve conditions in tenements, where there can be more private tenants, but make it easier to reduce carbon emissions from housing. SAL also called for stronger enforcement for more than two decades and welcome Mr Harvie's support on this.

It may surprise Mr Harvie that SAL is also in favour of an open discussion about the correct size of the PRS in

Scotland. Much of the growth in the sector has happened as a result in the reduction of social housing. This has led to tenants with no choice other than to rent privately when they would otherwise have been more appropriately housed in the social housing sector. We must give that choice back to tenants with a massive increase in social housing, leading to a corresponding re-balancing with the size of the PRS.

I wish Mr Harvie success in his new role and hope he is willing to work with us but we must not pretend there are silver bullets or sweeping moves which will solve all of Scotland's housing problems overnight or that the consequences do not require careful consideration.

Protect your business by joining SAL and adding your voice to our campaigns scottishlandlords.com/join-us/

Edinburgh's Property Market Experiences a Busy Summer Period

After a strong first half of 2021, Edinburgh's property market has experienced a flurry of activity over the summer, with buyer demand increasing for larger properties in the popular suburbs.

June-August 2021 was a busy period for Edinburgh's property market. However, as buyer activity increased, seller activity began to decline, with a reduced number of properties coming to market.

During this time, the average property selling price in the capital rose to £292,977 – up 4.6% on 2020. Within these figures, city centre properties saw their average selling price decrease 9.4% year-on-year to £314,014, while the suburbs of North West Edinburgh experienced the biggest increase in the capital, with selling prices rising 18.7% to an average of £276,315.

Buyer demand was high across the capital, as Edinburgh properties sold six days quicker during June-August 2021 compared to 2020, dropping to a median selling time of 15 days. Three-bedroom houses in the suburbs went under offer the fastest, with buyers snapping up homes in Currie, Balerno, Juniper Green and South Queensferry in a median time of just nine days.

This demand was also present in the volume of property sales in Edinburgh, which rose 155.5% year-on-year during June-August 2021. However, as lockdown restrictions were still in place for much of June 2020, a fairer comparison is to look at 2019 figures for the same period. This shows a 0.8% decrease in the number of property sales in the city.

The number of properties coming to

market in Edinburgh during June-August 2021 declined 6.6% on 2020, however, this figure is higher than the levels we saw in 2019. Leith had the highest volume of properties coming to market, although this figure was actually down 4.5% on 2020.

35% of Edinburgh homes went to a closing date during June-August 2021, which is 2.9% higher than 2020, and 0.1% higher than 2019. Edinburgh properties attained an average of 102.6% of Home Report valuation during this time, down 2.2% points year-on-year.

Paul Hilton, CEO of ESPC, commented: "Although the picture largely looks the same across the Edinburgh property market during June to August this year, we are starting to see some changes.

"As the volume of properties coming to

market begins to return to the levels we saw pre-pandemic, we are still seeing higher levels of activity from buyers, which will mean that buyer demand will continue to outweigh the supply of properties available. This, in turn, may affect average selling prices in the months to come, and we may see a further increase in both the amount of homes going to closing dates, and the amount over Home Report valuation that buyers are willing to pay.

"Leith continues to be a strong location in terms of affordability and volume of properties available, offering investors a great opportunity to purchase in this thriving area."

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



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Private Rented Sector Post-Covid-19

Long term implications for private sector landlords.

As the Scottish Government consult on further extending the Coronavirus Acts protections, we consider the potential long term implications for Scottish private sector landlords.

The Coronavirus (Scotland) Acts 2020 made various changes to the legislation affecting the private sector. The Covid-19 reforms were introduced to afford tenants additional protection from eviction during the pandemic. Initially such changes, including longer notice periods and the removal of mandatory eviction grounds, were to be temporary measures. However, the current Scottish Government consultation on 'Covid Recovery' may mean some reforms are here to stay.

In late August 2021, following the SNP and Scottish Greens co-operation agreement, Patrick Harvie was appointed to the new junior ministerial post of Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights. The parties have pledged to work together to build a 'fairer Scotland' which includes publishing a Rented Sector Strategy by the end of the year.

Key proposals include creating a new private rented sector housing regulator to enforce tenants' rights, placing greater restrictions on evictions during winter, creating new rights for tenants (such as decorating and keeping pets) and introducing additional penalties

and compensation for illegal evictions. With such proposals in the pipeline, in addition to the ongoing consultation, it is easy to see why some landlords may be concerned that the 'new deal for tenants' in a fairer Scotland does not appear fair to them.



A significant proposal within the consultation is to make permanent the provisions creating discretionary grounds of eviction and pre-action requirements. If implemented, there would be no return to 'pre-covid' automatic eviction grounds whereby the First-tier Tribunal (FTT) were obliged to grant the Eviction Order providing the landlord established a ground existed (i.e. they intended to sell the property). Instead, the landlord would in all cases also have to satisfy the FTT it is reasonable to grant an Order and it would always be open to tenants to defend actions

on that basis. A permanent removal of the mandatory grounds appears to favour tenants over landlords and is likely to lead to lengthier (and therefore expensive) Tribunal proceedings as evidence relating to reasonableness will be required. It could also see tenants lodging defences simply to buy themselves more time to find alternative accommodation, again affecting landlords who are likely to bear the cost of Tribunal proceedings.

The proposal would also make permanent the present requirements relating to the provision of pre-action information in all rent arrears evictions, bringing the private sector in line with the social sector. Whilst this places an obligation on landlords to give certain information to tenants before raising eviction proceedings, it will hopefully lead to better communication with tenants resulting in recovery of the debt due.

Interestingly, the Government consultation does not cover the preservation of longer notice periods. As such, it seems the extended notice periods - currently three or six months for most grounds - will revert back to the pre-pandemic notice periods. This is likely to be at least some welcome news for landlords.

Responses to the consultation can be made until 9 November 2021.

Preparing for Pets

Mike Smith, Operations Manager at SafeDeposits Scotland, looks into the case for permitting pets in properties.

In August, following his party's cooperation deal with the SNP, it was announced that Scottish Greens co-leader Patrick Harvie had been appointed Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights. The latter part of that brief will see the Minister oversee a pledged "new deal for tenants", the aims of which include championing the right for tenants to decorate and keep pets.

This news from Holyrood is the latest (and most pertinent to Scotland's private rented sector yet) chapter in a story that has been gaining momentum over the past year. Alongside developments here in Scotland, industry press has featured stories about the "pet-friendly debate" taking place south of the border, while academic studies have presented the benefits to tenants' health and wellbeing of living with a pet.

It is a hot topic which looks set to remain a talking point in the sector. Many landlords welcome pets but others have reservations, so what points can be considered by landlords and letting agents to help them overcome concerns?

There is a business case for allowing pets in a property. The "Making a Home in the Private Rented Sector" guide, produced from research lead by Dr Kim McKee of the University of Stirling

and funded by the SafeDeposits Scotland Charitable Trust, states "...pet owners tend to stay longer, because they don't want the disruption of moving, so they can offer a really stable long-term income." Statistics meanwhile point to a significant market to tap



Mike Smith, Operations Manager of SDS

into – the 2018 PDSA Paw Report showed that 45% of adults in Scotland own a pet. 25% of adults in Scotland own a dog – that's 800,000 canine companions.

In most cases, hesitancy to permit pets is likely due to perceived risk of property damage rather than a simple dislike of animals. This is not unreasonable given that accidents do happen, and pets bring natural behaviours not generally associated with humans

into the house.

At the end of the day, if a property is not returned to the landlord in the condition it was found at the start of the tenancy and they need to make a deduction from the deposit, the deposit scheme adjudicator will be looking for proof of the damage done – regardless of whether this has been caused by a pet, its owner or a visitor. It is nonetheless advisable for the landlord to include a clause regarding whether a pet is permitted or not on the tenancy agreement. Other suggestions to consider are taking out a landlord's insurance policy that covers for accidental damage caused by pets, or asking the tenant to provide a reference for the pet from their previous landlord.

Tenants, for their part, can take measures to help prevent mishaps arising. Examples here include making sure dogs are toilet trained, providing cats with toys and scratching posts (to divert their claws and attention from furniture and fittings) and supervising small pets like hamsters and gerbils when they are out of their cages to avoid gnawing on wires and cables.

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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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 October 2021. Whilst we have made every effort to ensure information published in this report is correct, Citylets gives no warranty or representation as to the accuracy or completeness of the information. The report does not constitute legal or other professional advice. We reserve the right to change methodology, discontinue or revise indices or other analysis at any time.

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