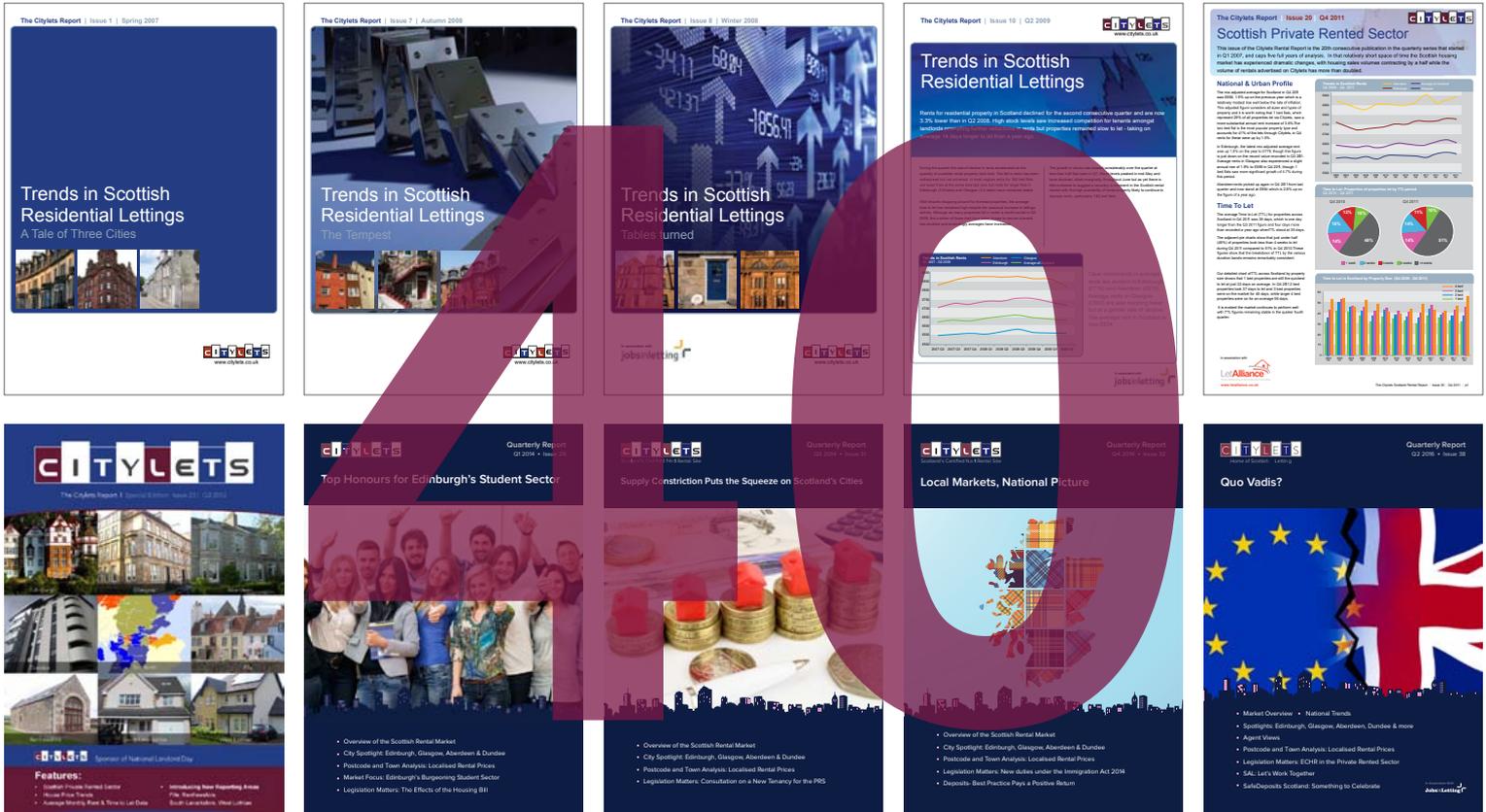


Seasonal Cooling As Citylets Report Hits 40



- Market Overview ■ National Trends
- Spotlights: Edinburgh, Glasgow, Aberdeen, Dundee & more
- Agent Views ■ Postcode & Town Analysis: Localised Rental Prices
- Mid Market Rent News
- SAL - Taxing Time For Landlords
- Build To Rent News
- SafeDeposits Scotland - Help Our Sector
- TC Young - Impacts On Private Landlords

Market Overview

Ten years ago, Citylets published its first Quarterly Report 'Trends In Residential Lettings', the culmination of over 6 months work refining all the data from previous years. We can safely say fewer initiatives required as much endeavor as getting our first edition out and confident it represented the market. Publish and be damned as they say.

Over the years it has given us great satisfaction to see our reports evolve and become accepted by the Lettings Industry as the de facto source of market trends in Scotland and at a time where the PRS has unprecedented significance in Scotland's housing mix. As we head into another year, we look forward with interest to see where the market in Aberdeen will settle and whether growth in the central belt will maintain its 6-7% annual momentum.

Indeed, rents in the Scottish PRS as a whole recorded an uncharacteristic dip in Q4 2016, down 0.9% on the year to stand at £739 per month on average. The national average has experienced significant drag from Aberdeen for 8 quarters however it is

usually countered by circa 6% growth in Edinburgh and, more recently, in Glasgow too resulting in overall positive growth. However a slight, possibly seasonal, cooling in the central belt in Q4 saw annual growth slip into mild negative territory. It will be interesting to see

- **Aberdeen settles at circa minus 15% YOY**
- **National rents fall 0.9% to £739**
- **Growth in Edinburgh cools to 3.6%**
- **West Lothian up 4.9% YOY**



whether this returns to positive next quarter or if growth in Edinburgh in particular has finally cooled.

Rents in Aberdeen began to level off last quarter at 16.7% down year on year (YOY), less than the minus 20% previously recorded, and Q4 2016

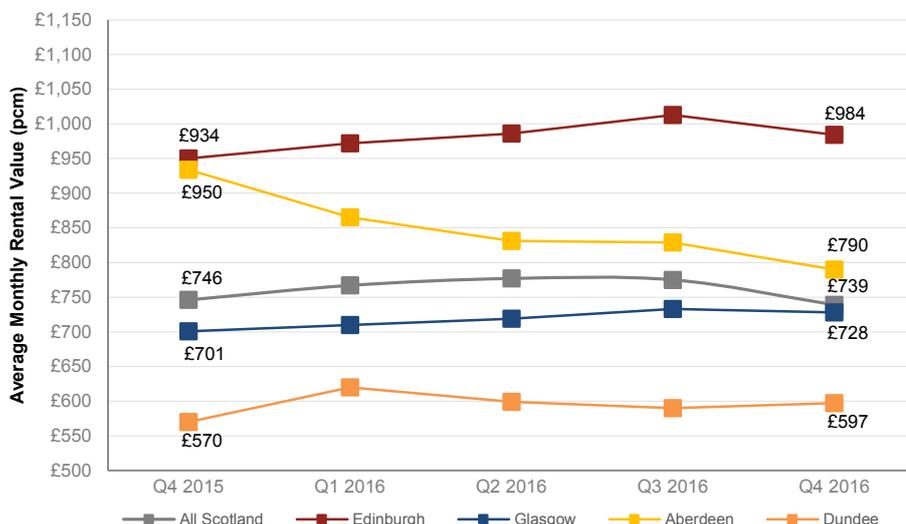
shows this continuing trend. Average rents in the city stand at £790 per month, down 15.4% YOY similar to last quarter. It is likely that rents in Aberdeen will hit national average later this year. The average property in Aberdeen currently takes 52 days to let, up a modest 6 days on last year and further evidence of a market settling at a new level.

Average rents in Edinburgh, which broke through the £1000 mark to reach £1014 last quarter, fell back below to stand at £984 per month, up 3.6% YOY. With average TTLs at a steady 17 and 21 days for the large 1 and 2 bed markets respectively, it is likely this is a seasonal dip in average rents rather than a clear cooling in Scotland's capital though it is also hard to believe the growth rate recorded at each quarter over the last 2 years can continue.

On the other side of the central belt, the Glasgow market continues its rise recording 3.9% annual growth to stand at £728 on average. This is down from the 7.2% recorded last quarter and, as with Edinburgh, possibly seasonal. Indeed the % of properties let within a month rose from 70% as at Q3 to 72% with average TTLs for the city as a whole at 22 days.

Dundee posted a 4.7% YOY rise to average £597 per month in a quickening market where average TTLs fell by 4 days to 39 and with 49% of properties now letting within a month. Rents in West Lothian again recorded strong growth, up 4.9% YOY to stand at £669. Average TTLs for the region fell sharply to 28 days, down from 37 at Q4 2015, with 62% of properties letting within a month.

Scottish Monthly Rent Analysis (Q4 2015-Q4 2016)

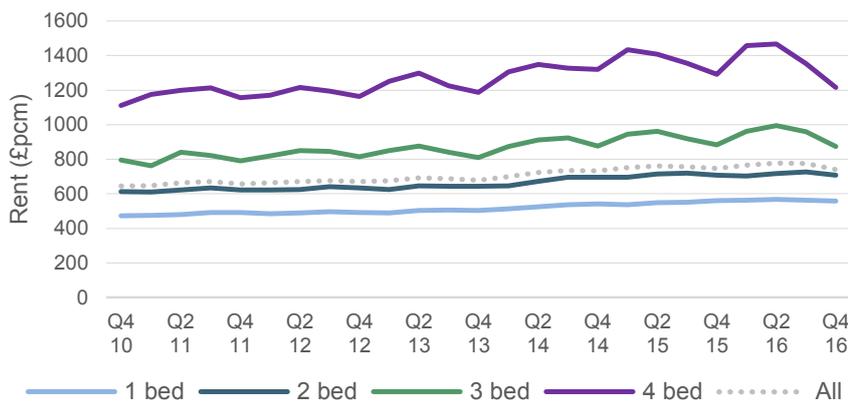


Scotland

Market Overview - Q4 16

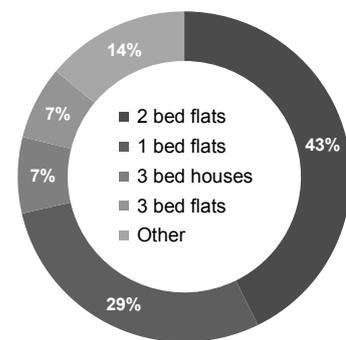
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£559	-0.4%	10.9%	13.8%	26	1	22%	68%
2 bed	£707	0.0%	9.6%	13.7%	30	0	18%	61%
3 bed	£873	-1.2%	7.9%	10.4%	35	0	14%	53%
4 bed	£1,215	-6.0%	2.4%	5.0%	44	2	12%	43%
Total	£739	-0.9%	9.0%	12.7%	31	1	19%	61%

Average Rent (pcm) by Number of Bedrooms

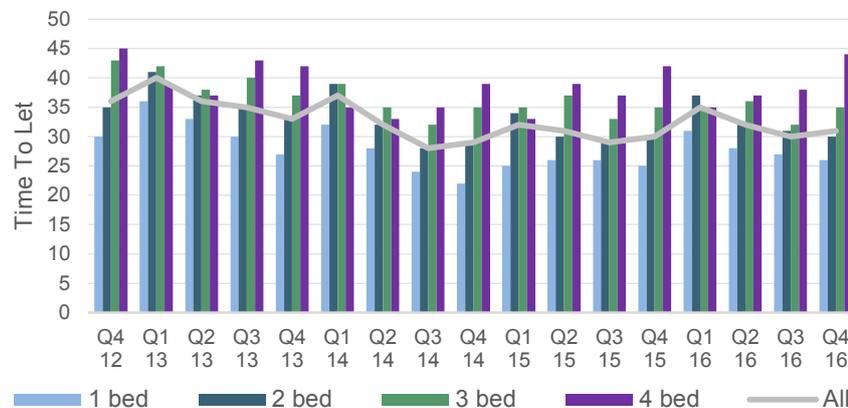


CITYINFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

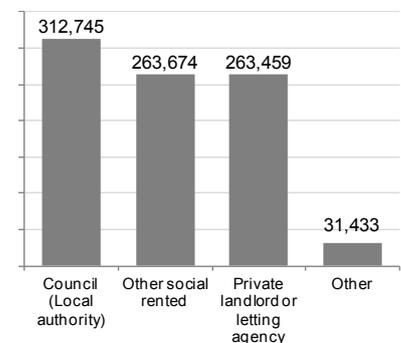


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.6	102.8	100.2
2009	98.8	98.1	99.2	97.7
2010	98.9	101.4	100.6	99.8
2011	100.3	102.8	103.9	101.7
2012	102.9	104.2	105.0	104.0
2013	104.7	107.4	106.5	105.1
2014	108.4	112.1	114.1	113.5
2015	116.4	118.1	117.4	115.7
2016	118.9	120.5	120.2	114.6

Households: Rented



Source: Census 2011, Edinburgh



Fiona Hindshaw - Clyde Property

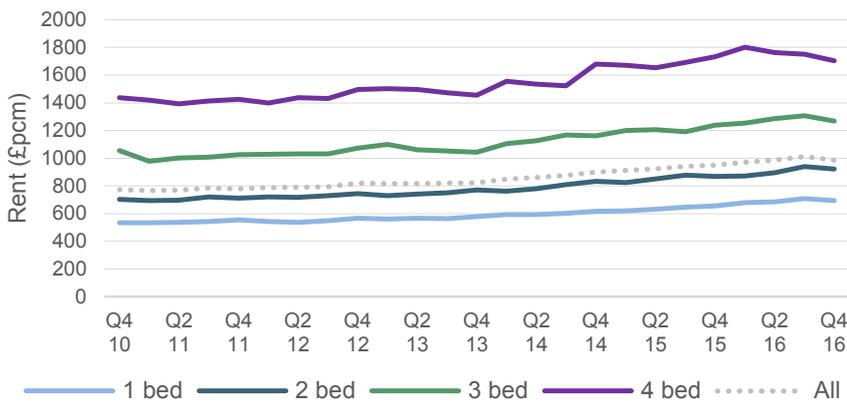
"Q4 marks the end of a busy year for Scotland's property and letting market with legislative changes, the imposition of the 3% second property LBTT and of course Brexit all hitting the headlines. That being said, the general consensus across the board in Scotland is that the lettings market demonstrated continued strength and growth when compared to the same period in 2015 and we expect to see this growth continue in 2017. Positive trends include record low interest rates leading to further buy-to-let investment and as rental prices continue to rise with increasing tenant demand, fuelled in part by a housing shortage, we also see this shortage fuel strong capital growth, reaffirming property as a sound investment for the future."

Edinburgh

Market Overview - Q4 16

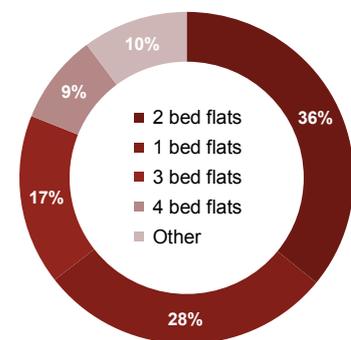
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£694	6.0%	20.1%	25.0%	17	1	31%	82%
2 bed	£921	6.1%	19.3%	29.5%	21	3	26%	73%
3 bed	£1,268	2.3%	21.7%	23.7%	36	6	13%	52%
4 bed	£1,703	-1.7%	17.0%	19.4%	42	7	5%	46%
Total	£984	3.6%	19.7%	26.3%	21	1	26%	74%

Average Rent (pcm) by Number of Bedrooms

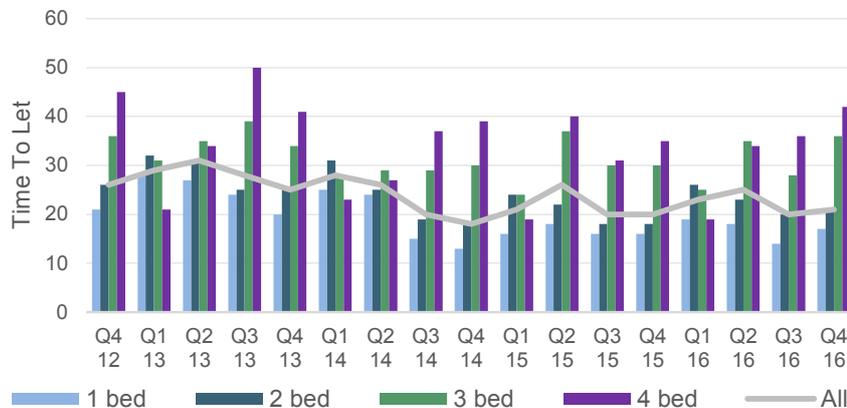


CITYINFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

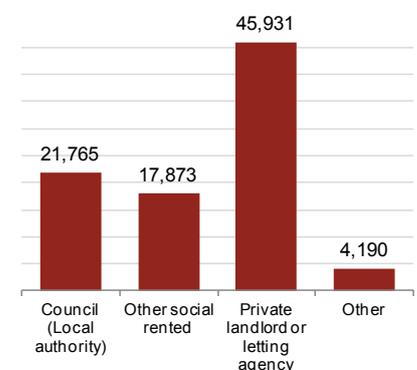


Rental Index

(base: Q1 08)

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

Households: Rented



Source: Census 2011, Edinburgh



Jamie Kerr - Ben Property

"Again in Q4 of 2016 there has been high demand for all levels of rental properties across the spectrum and with the time to let and average rent remaining both low and strong respectively. The market continues to strengthen with demand exceeding supply, a problem which the government must look to address in the early part of 2017. This being said we are still seeing a strong appetite for investor landlords or those looking to let their existing assets and we expect this to continue well into 2017."

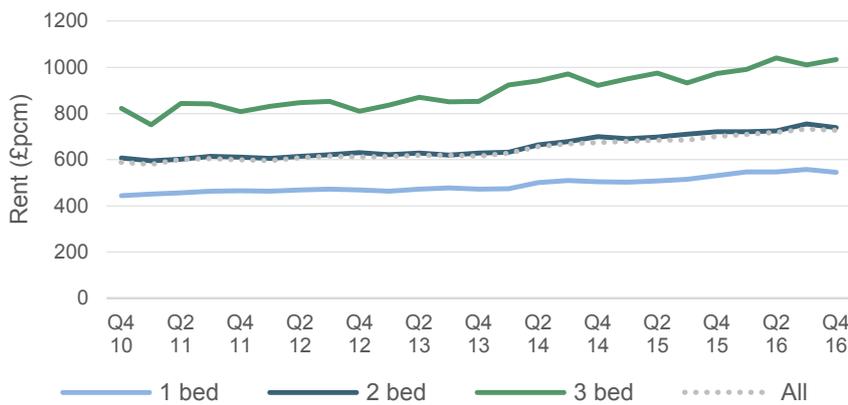


Glasgow

Market Overview - Q4 16

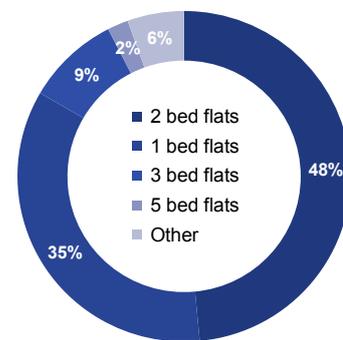
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£545	2.6%	15.2%	17.2%	18	0	28%	81%
2 bed	£739	2.5%	17.7%	20.9%	22	2	25%	71%
3 bed	£1,034	6.2%	21.2%	28.0%	36	3	15%	51%
4 bed	£1,409	12.2%	20.1%	10.8%	43	8	6%	31%
Total	£728	3.9%	18.4%	21.5%	22	1	25%	72%

Average Rent (pcm) by Number of Bedrooms

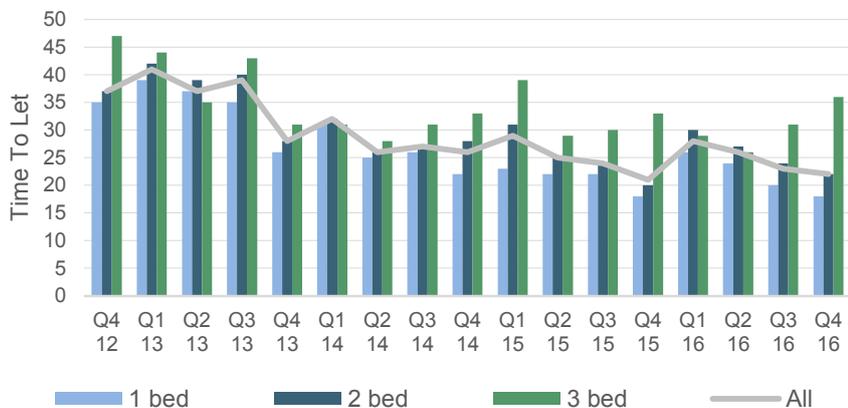


CITYINFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

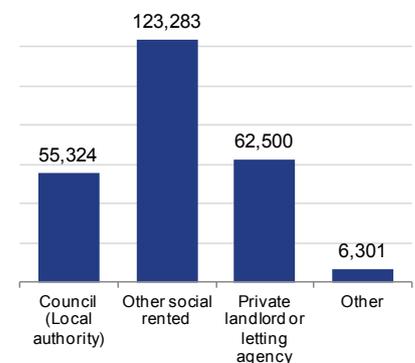


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	102.6	104.6	101.8
2009	102.3	101.4	103.0	100.7
2010	104.2	104.1	103.9	103.7
2011	102.3	106.0	106.7	105.6
2012	105.1	107.4	108.5	107.9
2013	108.1	109.0	109.0	108.5
2014	110.8	115.7	118.0	118.7
2015	119.8	120.8	120.6	123.6
2016	125.2	126.8	129.3	128.4

Households: Rented



Source: Census 2011, Greater Glasgow



Colin Macmillan - Glasgow Property Letting

"2016 has been an exceptionally busy year in the PRS with many agents working tirelessly to ensure their ducks are in a row with respect to the myriad of compliance issues. As such, we've seen many landlords now in the situation where they've had enough of self-management and are seeing them turn to letting agents to take on their workload and ensuring their portfolios are fully compliant with all current legislation. Looking forward to 2017 we anticipate that the housing stock will be in a much better condition as a result and are looking forward to the challenges ahead."

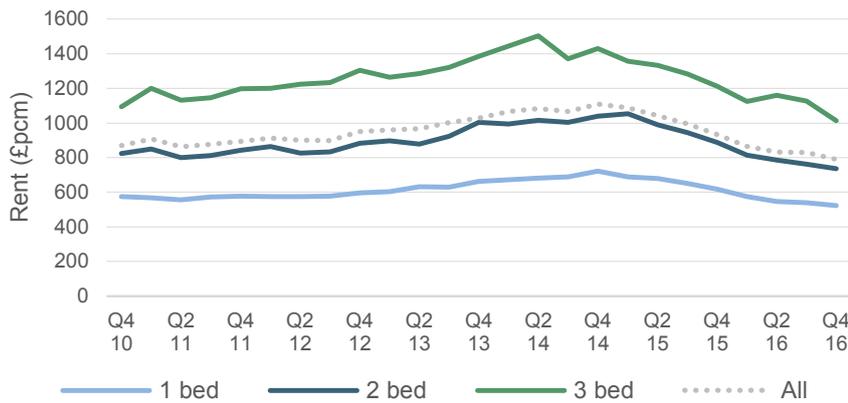


Aberdeen

Market Overview - Q4 16

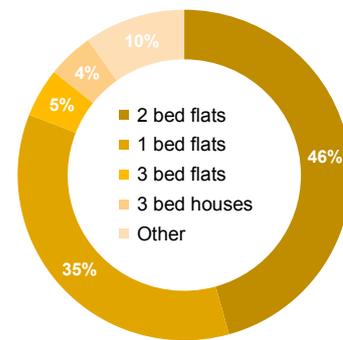
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£522	-15.4%	-21.1%	-9.7%	45	10	10%	37%
2 bed	£736	-17.0%	-26.8%	-12.6%	54	5	6%	30%
3 bed	£1,014	-16.4%	-26.8%	-15.4%	56	5	5%	31%
4 bed	£1,454	-14.6%	-26.6%	-10.9%	65	0	5%	24%
Total	£790	-15.4%	-23.2%	-11.6%	52	6	7%	32%

Average Rent (pcm) by Number of Bedrooms

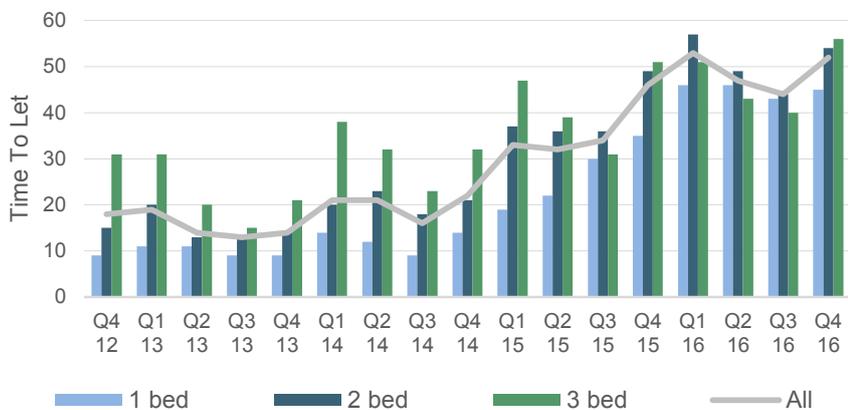


CITY INFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

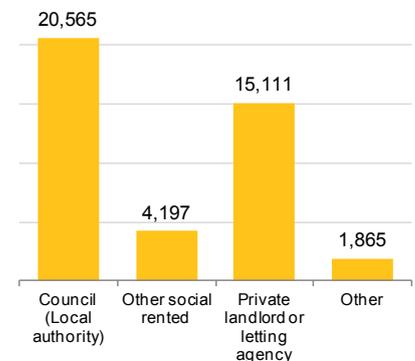


Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.5	100.7	98.8
2009	97.1	94.6	93.8	96.8
2010	96.9	96.5	96.3	98.3
2011	102.5	97.4	99.2	101.0
2012	103.2	101.8	101.6	107.3
2013	108.6	109.3	113.2	116.2
2014	120.5	122.5	120.6	125.4
2015	123.1	117.9	112.4	105.5
2016	97.7	93.9	93.7	89.3

Households: Rented



Source: Census 2011, Aberdeen



Adrian Sangster - Aberdeen Considine

"We had a busy final quarter of 2016 with more new properties coming on the market and increased lets which is encouraging and hopefully a sign of things to come in 2017. It is my opinion that whilst the Aberdeen market has passed the worst, I am anticipating further minor falls in average rentals during the first half of 2017 before we start to see the beginning of a slow recovery. To paraphrase Winston Churchill I would suggest it is not the beginning of the end, but it is perhaps the end of the beginning."

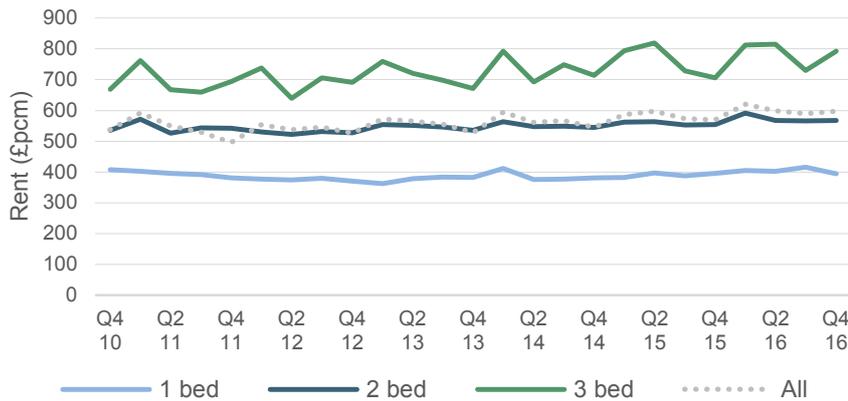


Dundee

Market Overview - Q4 16

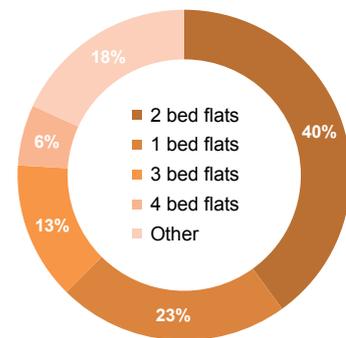
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£394	-0.3%	3.1%	3.4%	43	-3	6%	45%
2 bed	£567	2.3%	6.0%	4.6%	37	-5	16%	50%
3 bed	£793	12.3%	18.2%	14.3%	37	-8	17%	55%
4 bed	£1,091	6.5%	23.4%	40.8%	44	4	17%	39%
Total	£597	4.7%	13.1%	20.4%	39	-4	14%	49%

Average Rent (pcm) by Number of Bedrooms

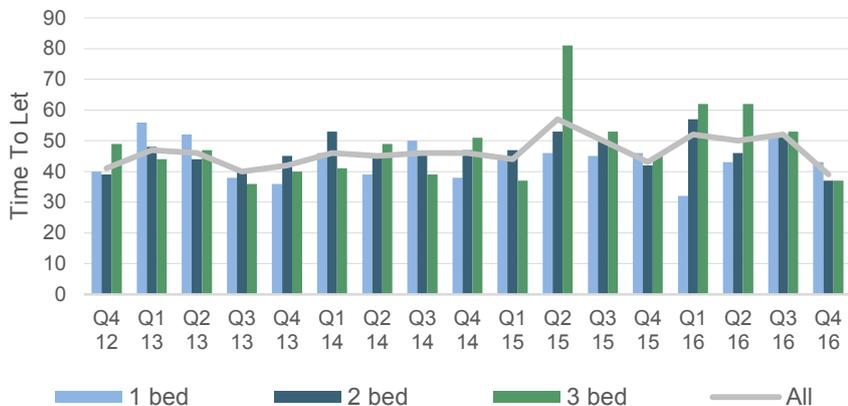


CITY INFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

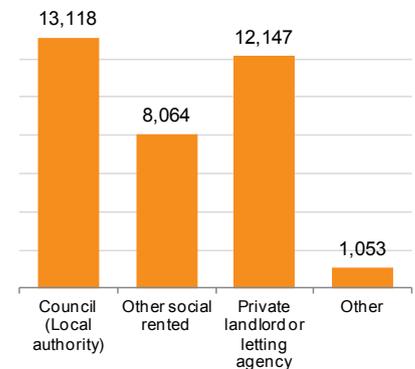


Rental Index

(base: Q1 10)

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

Households: Rented



Source: Census 2011, Dundee



Robert Murray - Lickley Proctor Lettings

"Lickley Proctor Lettings have experienced a great deal of activity in the last quarter. There has been a fluctuation in viewings recently but this tends to be the case at the tail end of the year. Rental levels, however, are being maintained which is good news for prospective landlords looking to invest in Dundee."

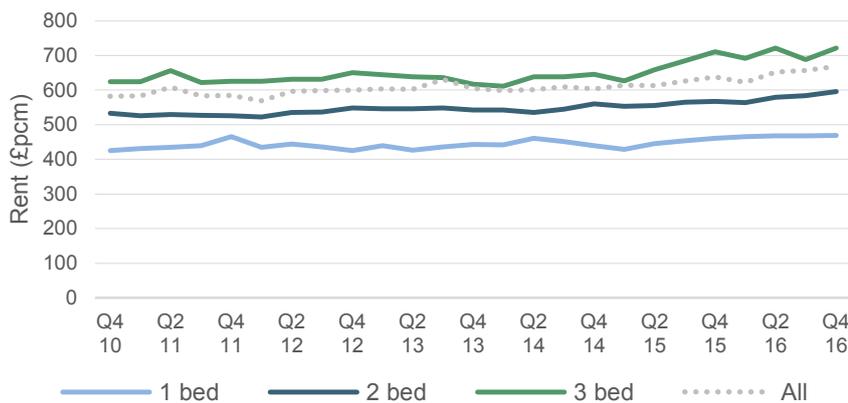


West Lothian

Market Overview - Q4 16

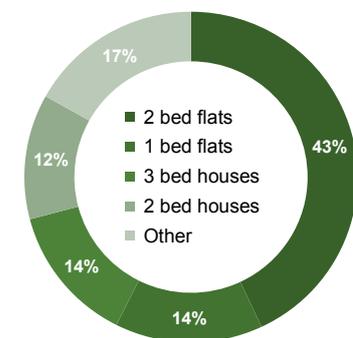
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£469	1.7%	5.9%	0.6%	26	-9	13%	57%
2 bed	£596	4.9%	9.8%	13.3%	30	-5	4%	60%
3 bed	£722	1.5%	17.0%	15.3%	25	-15	26%	69%
4 bed	£1,016	13.6%	14.7%	24.8%	24	-16	14%	71%
Total	£669	4.9%	10.6%	14.4%	28	-9	11%	62%

Average Rent (pcm) by Number of Bedrooms

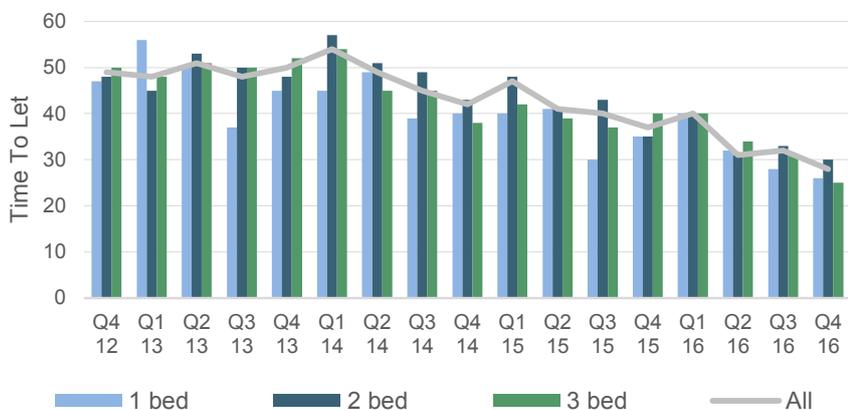


CITYINFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

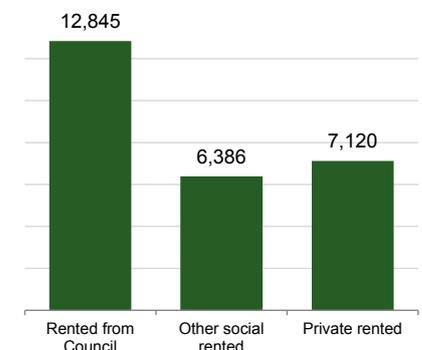


Rental Index

(base: Q1 08)

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

Households: Rented



Source: Census 2011, West Lothian



Alistair J McMurdo - Castlebrae Letting

"Another year ends in the ever changing world of property rental in West Lothian. With all of the changes imposed this year, we expected a turbulent ride, however, confidence in general remains high with many investors actually adding to their portfolios, seeing property as a sound long term investment. Strong trading in Q3 and Q4 reflects this. However, whilst demand is outstripping supply and rents are rising it is important to ensure we, as an industry, have an obligation to offer our clients good quality properties which are fully 'let compliant'."

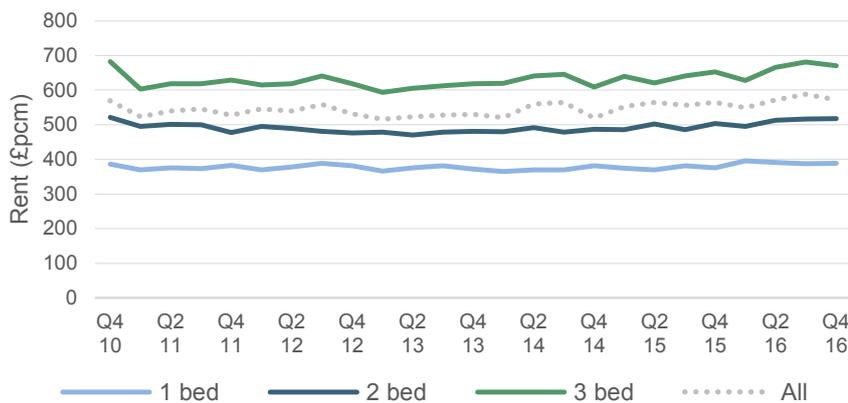


South Lanarkshire

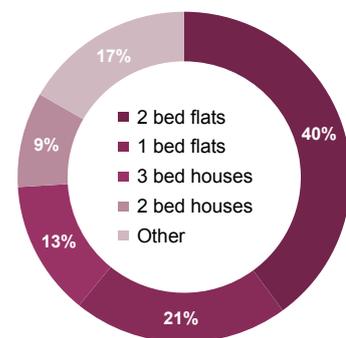
Market Overview - Q4 16

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	£389	3.7%	4.6%	1.6%	32	-5	12%	49%
2 bed	£518	3.0%	7.7%	8.6%	30	-4	20%	57%
3 bed	£670	2.6%	8.4%	6.5%	25	-5	23%	66%
4 bed	£981	-1.4%	5.9%	14.3%	23	-17	31%	69%
Total	£572	1.2%	7.9%	8.3%	29	-5	19%	57%

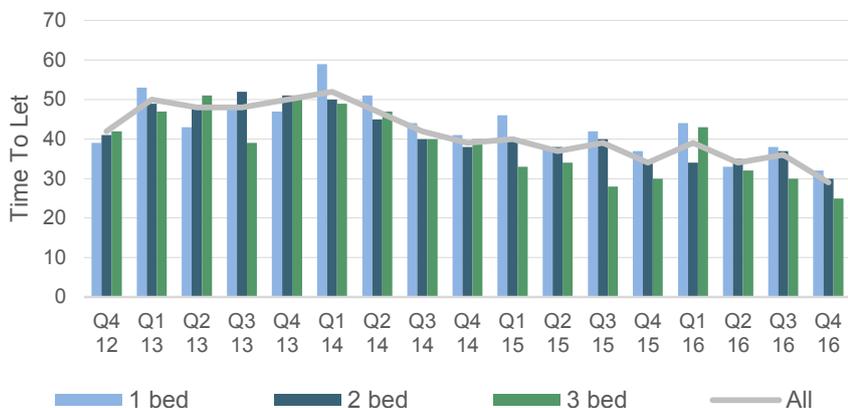
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms

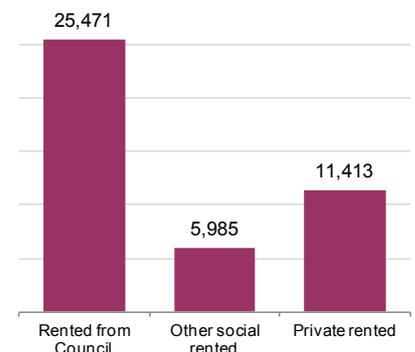


Rental Index

(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

Households: Rented



Source: Census 2011, South Lanarkshire



David Kendall - Let's Make Homes

"High rental demand throughout South & North Lanarkshire has continued, showing little sign of any seasonal slowdown towards the end of the year, which gives strong confidence for a buoyant lettings market as we enter 2017. Investors have seen capital returns of over 7% across Lanarkshire during 2016. This fact combined with the ability to also achieve rental returns in excess of 7% have further heightened the appeal of the area for serious landlords. With the long awaited M8, M74, A725 roads infrastructure due for completion in early 2017, travelling times will be vastly reduced across the Central Belt making Lanarkshire a prime choice for potential tenants."

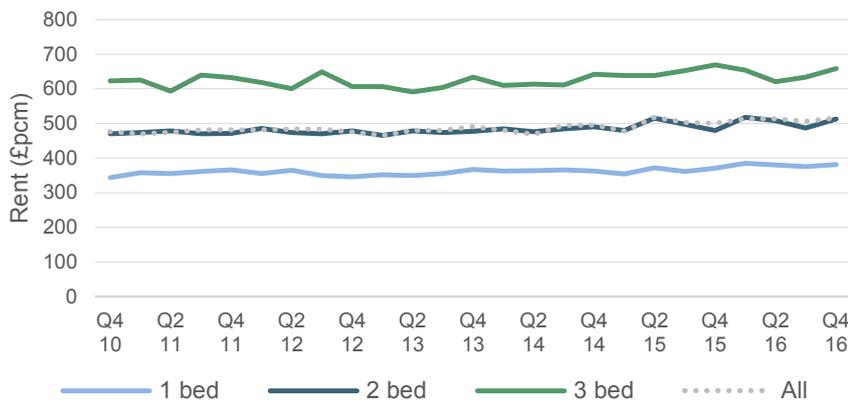


Renfrewshire

Market Overview - Q4 16

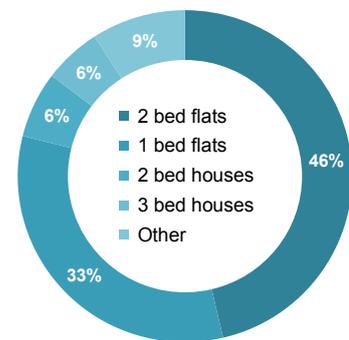
Beds	Average Rent	Rent Change 1yr	Rent Change 3yrs	Rent Change 5yrs	Av. TTL (days)	TTL Change YoY	Let within a week	Let within a month
1 bed	£381	2.7%	3.8%	4.1%	36	6	13%	57%
2 bed	£513	6.9%	7.5%	8.7%	32	-9	14%	57%
3 bed	£659	-1.5%	3.9%	4.3%	31	-1	14%	64%
4 bed	£1,021	5.0%	14.3%	15.2%	19	-14	22%	78%
Total	£516	3.2%	5.1%	7.3%	33	-3	14%	59%

Average Rent (pcm) by Number of Bedrooms

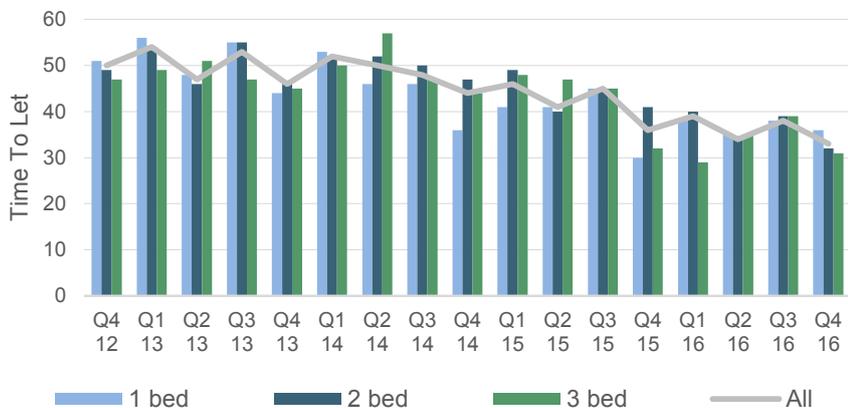


CITY INFO

Market Composition



Average Time To Let (TTL) by Number of Bedrooms

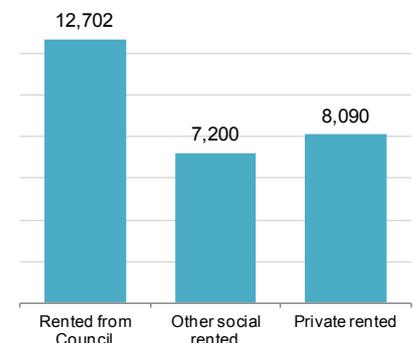


Rental Index

(base: Q1 08)

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

Households: Rented



Source: Census 2011, Renfrewshire



Colin Roe - Let It

"The end of 2016 seen a higher number of landlords putting their properties on the sales market than in previous years reducing available stock even further. On a positive note, however, more investment landlords are on the hunt for new stock to grow existing portfolios so 2017 is looking a little brighter. Rents remain on the increase almost everywhere for 1 and 2 bedroom apartments."



Agent Views

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

Margaret Duffus Leasing, Aberdeen – Sarah Harley



“Reviewing 2016, the year has been as expected with a drop in rent across the board from the all-time highs Aberdeen had been lucky to enjoy a couple of years ago, but demand has remained strong enough to mean property is still a very respectable investment. 2017 will bring us more stability on this front, but the upcoming Tenancy Reform and adjusting to tax changes mean that there is still a lot for landlords to negotiate around and ensuring you have the best advice has never been more important.”

Northwood, Aberdeen – Matt Pullinger



“Q4 statistics show a continuing stabilisation in rental values. We are also encouraged to see time to let improving compared to previous quarters. There has been good movement across the market. Properties that are realistically priced have seen good levels of demand. There remains lots of choice for tenants so the key is to be competitively priced as well as presenting a property that is maintained to a high standard.”

Macleod Lettings, Glasgow – Ross Macleod



“The last quarter has seen unseasonably high demand for quality rental properties in the prime markets of G1, G12 & G41. A lack of landlords willing to commit to the PRS as a result of the Brexit vote, coupled with the impending tax law changes outlined by the SNP Government, has, from a tenant’s point of view, had an adverse effect on the market, with rents creeping higher and fewer properties on the market. When things settle, hopefully landlord confidence will improve and the market will grow.”

DJ Alexander Lettings, Edinburgh – David Alexander



“Hit by a triple whammy from three camps – government legislation, taxation and, of course, uncertainty caused by Brexit – 2016 has perhaps been the most challenging year yet for the residential rental sector. Yet the Edinburgh and Glasgow markets have shown their underlying resilience by not only surviving such circumstances but continuing to flourish. Indeed our general tenant applications are running at a greater rate than ever before and the feared fall in demand from other EU citizens has simply not happened. True, executive take-up has slightly paired back but overall the picture is one of continuing confidence.”

Braemore, Edinburgh – Ian Lawson



“As we head into the New Year of 2017, we have witnessed a superbly dynamic and interesting year pan out within the residential PRS markets. Investors and landlords having ridden the early 2016 waves of market uncertainty, have now adjusted their commercial models and are taking full advantage of the very positive year ahead. Rents continue to grow at record levels, especially in the 1 and 2 bed markets, and tenant enquiries are plentiful with a continuing shortage of quality stock to match ever increasing demand. This rental surge also encourages further capital growth to potential would be landlords.”



Agent Views cont...

The Key Place, Bo'ness – Linda Bendle



"Rents are continuing their upward trend throughout the areas in which The Key Place operates, and time to let and voids remain low. The Central Belt has a chronic undersupply of rental housing stock, as the population continues to grow at a phenomenal rate due to longer life expectancy, a high birth rate, relocation and net immigration.

With business analysts suggesting that the Central Belt is set to be one of world's richest business hubs with 7 million residents by 2025, it presents itself as an ideal buy to let investment area."

Murray & Currie, Edinburgh – John Forsyth



"The PRS remains strong with a consistent appetite from sophisticated investors in key rental areas. These new properties are going some way to feeding the increasing tenant demand in almost every area in Edinburgh. The quality of applicants is also very high, with high net worth tenants competing for the better properties resulting in quick time to let (TTL) and strong rentals. We are forecasting for Q1 2017 to be one of the busiest on record with fresh buy to let properties launching in Edinburgh's Quartermile and key streets in East & West New Town."

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Be-Home Group, Glasgow – Graeme McEwan



"It's quite clear that investors are already looking beyond Brexit and now seem largely immune to the idea of Indyref2 as market fundamentals are confirmed by strong investor sentiment. Market affordability in cities like Glasgow will drive property price inflation into positive territory, probably around 3-5%, with the rental sector following close behind or even matching returns. The environment for property investment, bar any unexpected political or economic shocks in Scotland, is as near perfect as possible particularly as 2017 will prove to be quite the opposite for the property market in London, the South East and many European cities."

Click-let, Edinburgh – Ross MacDonald



"Demand has remained strong throughout 2016 with our average TTL dropping to just 11 days. Without doubt, lack of supply is having a big impact on the PRS. Many factors have affected the number of new properties appearing: 1) 'reluctant landlords' selling due to recovery of the sales market. 2) Fewer new landlords as increased legislation & associated costs make it appear a less attractive investment. 3) Existing landlords moving properties into the short-term market. However, while renting continues to become a tenure of choice for many, there will be opportunities on offer for savvy investors in 2017 with strong investment returns, minimal void periods and strong forecasted rental growth."

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ESPC Lettings, Edinburgh – Nicky Lloyd



"2016 has seen many dramatic developments across the worldwide stage, most of which we're yet to feel the outcome of. What we can say is that 2016 was a positive year for growth in the PRS. The BTL market in Edinburgh has seen substantial growth, with landlords who may have invested elsewhere choosing the strong Edinburgh market to make their investment. The New Housing Bill will no doubt make changes within our industry over the next 12 months, but armed with the correct knowledge and information we would hope that landlords, tenants and agents can work together so that everyone can benefit from these changes. Generally Q4 can be the quietest quarter of the year, but this year has seen the demand remain steady. As we enter 2017 we do so with a strong and growing market where confidence in the rental market remains positive and fruitful."

Letting Solutions, West Lothian – Brian Callaghan



"The year ended as we started with extraordinary tenant demand. This is reflected mostly in a rush for 2 bed flats, although 3/4 bed houses are also sought by growing families. Landlords are reflecting demand for 2 bed flats in acquisition targets. This has led to brisk competition among purchasers. So far no evidence of landlords selling in response to the anti-landlord policies of the Scottish and UK Governments, although too early to assess, with the full impact of this yet to arrive. Sales arising generally involve landlords around retirement ages, reflecting a key aim of buy-to-let in providing income then."

Umega Lettings, Edinburgh – Judy Shields



"As the year end approaches the only thing currently reminding us that we are in the middle of winter is the calendar! The rental market is still buzzing away with a great number of new properties being brought to the rental market and each viewing being full. Historically rental values ease back a little around this time of year but with the current housing shortage summertime figures are holding strong, even in December. It is also great to see a large number of new investment landlords entering the PRS who do not seem put off by Brexit, tax changes or the tenancy reforms. Long may it continue!"

Postcode & Towns - Average Rents & TTL - Q4 16

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	£809	(26)	£1,004	(21)		
EH3	£852	(21)	£1,217	(31)	£1,761	(37)
EH4	£736	(21)	£948	(25)	£1,120	(39)
EH5	£617	(15)	£765	(18)	£1,054	(42)
EH6	£616	(14)	£795	(17)	£1,063	(19)
EH7	£669	(16)	£848	(20)	£1,150	(37)
EH8	£664	(18)	£814	(16)		
EH9	£710	(18)	£1,018	(24)	£1,352	(44)
EH10	£711	(19)	£975	(33)	£1,369	(35)
EH11	£636	(18)	£791	(19)		
EH12	£637	(26)	£914	(23)	£1,244	(41)
EH13			£715	(23)		
EH14	£607	(22)	£808	(18)	£961	(36)
EH15			£797	(24)		
EH16	£638	(13)	£767	(18)		
EH17			£697	(25)		
EH21	£557	(20)	£689	(36)		
EH22			£654	(21)	£759	(10)
EH26			£684	(20)		
EH48			£589	(28)		
EH49			£610	(26)		
EH51			£483	(23)		
EH54			£604	(31)	£742	(17)

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£622	(14)	£974	(19)		
G2	£621	(25)	£958	(18)		
G3	£607	(15)	£897	(19)	£1,409	(41)
G4	£587	(18)	£786	(26)		
G5			£670	(15)		
G11	£607	(20)	£855	(23)		
G12	£680	(13)	£958	(28)	£1,326	(49)
G13	£491	(17)	£626	(21)		
G14	£470	(22)	£571	(29)		
G20	£576	(18)	£718	(27)		
G21			£518	(29)		
G31	£479	(18)	£612	(21)		
G32	£418	(19)	£534	(30)		
G33			£548	(32)		
G40	£452	(16)	£599	(22)		
G41	£514	(19)	£652	(19)	£828	(31)
G42	£443	(25)	£601	(23)		
G43			£599	(16)		
G44	£478	(17)	£591	(31)	£651	(41)
G46			£627	(23)		
G51	£438	(17)	£564	(27)		
G52			£549	(29)		
G71	£437	(33)	£666	(26)		
G72			£503	(29)		
G73			£498	(19)		
G74	£377	(21)	£482	(21)	£725	(20)
G75			£474	(28)	£662	(20)
G77			£724	(31)		
G81			£513	(33)		
G84	£419	(37)	£517	(44)		

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£531	(51)	£725	(57)		
AB11	£506	(49)	£696	(57)	£868	(45)
AB12			£683	(40)	£1,007	(43)
AB15	£607	(37)	£842	(58)	£1,171	(48)
AB21	£537	(33)	£812	(40)		
AB22			£712	(55)		
AB24	£502	(40)	£723	(48)		
AB25	£509	(49)	£686	(58)		
AB32			£754	(55)		
AB41			£645	(32)		
AB51			£642	(41)		

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1			£584	(50)	£936	(20)
DD2			£590	(35)	£855	(32)
DD3	£386	(48)	£513	(45)	£732	(55)
DD4	£387	(31)	£501	(30)	£761	(24)
DD5			£640	(43)		
DD8	£443	(55)	£557	(73)		
DD11	£452	(47)				

Towns - £pcm (TTL days)

Town	1 Bed		2 Bed		3 Bed	
Airdrie			£469	(48)		
Ayr	£393	(35)	£522	(29)		
Bathgate			£588	(26)		
Bo'ness			£483	(23)		
Cumbernauld			£456	(28)		
Dalkeith			£638	(20)		
Dunfermline	£433	(23)	£521	(20)	£677	(20)
East Kilbride	£377	(19)	£480	(23)	£689	(20)
Glenrothes			£495	(24)	£575	(34)
Hamilton	£374	(45)	£528	(29)	£633	(28)
Inverness	£517	(19)	£651	(27)	£811	(29)
Kilmarnock	£364	(46)	£458	(40)	£584	(28)
Kirkcaldy	£413	(16)	£490	(24)	£624	(20)
Linlithgow			£610	(26)		
Livingston			£612	(31)	£731	(17)
Motherwell			£514	(29)	£644	(27)
Paisley	£374	(31)	£480	(34)	£671	(33)
Perth	£432	(39)	£559	(40)	£705	(25)
Stirling Town	£449	(22)	£633	(21)	£804	(23)

Mid Market Rent News

New Mid Market Rentals coming to Edinburgh in 2017

Link Group Ltd has a number of Mid Market Rent properties which are due for completion in Edinburgh in 2017.

At City Park (just off Ferry Road) we have 87 one, two and three bedroom properties and at Annandale Street we have 15 one and two bedroom properties.

The City Park properties offer contemporary living spaces with various choice of styles and layouts. The double bedrooms offer ample storage with walk in wardrobes and the large lounges with separate kitchen facilities offer the perfect living space for entertaining. The Annandale Street development boasts a central setting in the heart of Edinburgh's New Town. Its generous room sizes with built in wardrobes add to the sense of space and the large windows let natural light flood in. There is also limited parking round the back of the development, which is accessible by a fob controlled barrier.

Both of these developments are conveniently situated for local amenities offering excellent access to the abundant attractions, which Edinburgh city centre has to offer.

All of our Mid Market Rent properties include oven, hob, extractor fan, fridge freezer and washer dryer. They are neutrally decorated with beige carpets and cream blinds.

The properties will be advertised on our website www.linkhousing.org.uk and Citylets www.citylets.co.uk. For more information please call our team on 0330 303 0125 or if you would like to be considered for these properties please complete the online application form at linkhousing.org.uk/link2let.



A big 2017 for NHC

After adding 100 new homes to their portfolio in 2016, last year was big for Northern Housing Company (NHC) and 2017 promises to be even bigger.

NHC, part of the Hillcrest Group of Companies, will deliver an additional 71 Mid Market Rental (MMR) properties in the first half of 2017.

One of Scotland's leading MMR landlords, NHC will expand into South Queensferry when work completes on their Aglient development in April.

The eye-catching apartment complex will bring 31 affordable two bedroom properties to the popular commuter town.

Before delivering Aglient to the people of South Queensferry, NHC will expand their already robust Edinburgh stock and handover 12 two bedroom homes in Currie in March.

NHC's presence in Edinburgh will expand further in 2017 when construction completes on their 28 home development at Inglis Green Road in late summer.

NHC provides affordable, well-maintained and energy efficient homes across Edinburgh, Dundee, Perth and Fife.



Taxing Times For Landlords

SAL continues to drive the tax campaign despite disappointment in the Autumn Statement.

UK changes to the way landlords are taxed risk choking off the supply of affordable homes to rent in Scotland, increasing rents for tenants and making home ownership more difficult. The Scottish Association of Landlords (SAL) has been campaigning on this issue since it was announced in Summer 2015. SAL recently held a roundtable event at Westminster with MPs and peers and a series of meetings with constituency MPs throughout Scotland this autumn. SAL now asks all landlords to check if and how they will be affected and take action.

Westminster Chancellor, Phillip Hammond, disappointed landlord organisations and Scottish Association of Landlords (SAL) members by ignoring pleas to think again on new landlord taxation in his recent Autumn Statement. Despite campaigning by all the trade bodies against the new unfair taxation, which will affect many from 2017 onwards, there was no change announced.

SAL continues the campaign against the tax changes contained in "Section 24" and invites landlords to get in touch with details of how it will affect them and consequently their tenants via info@scottishlandlords.com.

Call to action: Please contact your Westminster MP and let SAL know how you get on. [Click here](#) to find out how to contact your MP. Some key points to make, alongside information on the negative effects the tax

changes will have on your tenants, are below:

The 2015 UK wide Finance Act changed the basis of taxation for landlords with income tax charged on income and not profit for some landlords.

Relief on mortgage interest for landlords will only be allowed to be claimed at the basic rate in a change



to be phased in over four years from 2017.

The change to taxing gross income will push many landlords into a higher rate of tax despite their income not increasing. No other business is taxed in this way.

Tax rises will inevitably be passed on to tenants in the form of higher rents.

SAL believes that the 2016 Finance Bill now before Parliament should include a provision that the right to deduct mortgage interest before tax is calculated, should be retained even if interest is only relieved at the basic rate.

Scotland needs more homes for rent: 14.8% of all households in Scotland are in the private rented sector (PRS).

Research has predicted that Scotland is set to be one of the fastest growing private rented sectors in the UK and that the PRS will account for 16% of all households in Scotland by 2025 as the proportion of owner occupied households is forecast to fall by 7% over the same period.

Research published by SAL last year found that over 40% of people who had tried to find private rented accommodation in Scotland over the previous five years had found it difficult to do so.

It is vital that changes are made to recent tax reforms to encourage the development of new homes and to support landlords who might be encouraged to sell properties to a sitting tenant.

See more at www.scottishlandlords.com.

More than ever landlords now must work together against the many threats to our industry. Please consider joining SAL to add your voice and importantly your membership fee to our resources.

Together we can do more.

Build To Rent News

Dandara introduces Scotland's first scale Build To Rent development

Constructed by Dandara and owned by LaSalle Investment management, Forbes Place in Aberdeen's AB21 postcode is Scotland's first scale Build To Rent development. Comprising of 276 fully furnished apartments and 16 townhouses located close to the ABZ and D2 business parks and Aberdeen International Airport, the first block of apartments is now occupied with the remaining three blocks of apartments to follow over the course of this year.

The development's onsite management suite is open 6 days a week, offering a range of customer services including parcel receipt and refrigerated storage facilities for online grocery deliveries. Residents also receive allocated underground parking, dedicated bike storage and high-speed broadband as part of the package and there's the added benefit of a brand new M&S Simply Food store less than 500m away.

Given Forbes Place's convenient location, onsite management facilities and 'all-inclusive' offering, it's perhaps not surprising it has attracted a high percentage of residents who are professionals working in the Oil & Gas sector and is fast becoming Aberdeen's most sought after rental community.

The development also continues to secure some of the city's highest rental rates even in a softening market, with studio apartments achieving up to £745, 1 bedroom units up to £950, 2 bedroom apartments up to £1,340 and three bedroom townhouses renting for up to £1,950 pcm.



Moda Living's first Build To Rent scheme in Scotland

Moda Living is a specialist investor and developer operating within the UK's Private Rented Sector, delivering high quality housing for rent in city centre locations nationwide.

It has several large Build To Rent developments in England and is now expanding to Scotland with its plan of transforming the former Strathclyde Police Headquarters at Pitt Street, Glasgow, into rental apartments.

The £105m scheme designed by Haus Architects will contain 365 apartments purpose built for the Private Rented Sector with cafes, restaurants, workspaces and gardens. Tenants will have a choice of studio, one or two bedroom flats.

A community environment is important to Moda Living. Their management team will be responsible for organising regular tenant events within the resident's lounge, outdoor gardens and rooftop BBQ areas. The complex will also contain a cinema room, gym, meeting rooms, cafés and restaurants.

Moda Living will be working closely with city planners to create a new vibrant cultural quarter to meet a pressing need for decent rental accommodation. It will retain ownership of the properties and operate them for rent only.



Have You Got A Great Idea To Help Our Sector?

Significant funds available for original schemes that will advance education in the private rental sector.

You'll probably know that SafeDeposits Scotland is the only deposit scheme to be based in Scotland but another of the reasons that we're unique is that we're not for profit. Any surplus that we make is passed to the SafeDeposits Scotland Trust which was set up to improve education in the private rental sector in Scotland.

We gave the Trust the first amount of cash late last year and it's been working through the various applications with a view to giving its initial grants very soon. It's going to be exciting to see where the first awards are made.

The making of the first awards are just the first steps for the Trust and it's actively seeking more applications from groups and individuals who have innovative and creative ideas that will advance education in the private rental sector.

The Trust has a number of areas where it plans to make a difference. Principally, it hopes to facilitate the sharing of best practice in the industry. And that's not just landlords and agents, it wants to increase awareness among tenants of their rights and obligations too.

The Trust is keen that more people use alternative dispute resolution services (ADR) and I'm sure

you'll be aware of their benefits. We offer ADR as a free service at SafeDeposits Scotland and it is a great way for landlords and tenants to have any disputes reviewed by someone with an impartial eye.

The Trust is particularly keen to hear about groups seeking funding for training, whether this is for vulnerable tenant groups, lettings



industry apprentices, disadvantaged students or to train student lawyers in housing law to be able to volunteer to help vulnerable groups. It is also looking for inventive projects that help agents comply with the training requirements that come into play in 2018.

It also wishes to hear about academic research in the PRS that needs financing, innovative projects that encourage tenants and

landlords to resolve issues during the tenancy rather than at the end, website development and ways of helping students understand their obligations at the end of a tenancy.

If you've got an idea - or know someone that does - that would improve education in the private rental sector in Scotland, have a look at the Trust application form here or you can go to www.safedepositsscotlandtrust.com to find out more.

SafeDeposits Scotland looks forward to 2017, in what is likely to be a challenging period for landlords and agents, to working with them to ensure they are ready for the changes happening at the end of 2017 by being able to make further funding available to the Trust to deliver its independent objectives.

Victoria Nixon is Client Account Manager for SafeDeposits Scotland.

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.

www.safedepositsscotland.com | Twitter: @SafeDeposits | LinkedIn: SafeDeposits Scotland



How The New Housing And Property Chamber Impacts On Private Landlords

There has been significant commentary of late on the new Private Housing (Tenancies) (Scotland) Act 2016 and the profound impact it will have on the private rented sector in Scotland. The changes include abolition of assured and short assured tenancies, security of tenure for tenants with the introduction of private rented tenancies (PRTs), new grounds and a new procedure for evictions and rent pressure zones.

However, recent and more pressing changes appear to have escaped widespread attention.

On 1st December 2016 the Private Rented Housing Panel (PRHP) was abolished and replaced with the new Housing and Property Chamber of the First-tier Tribunal for Scotland. The Tribunal will now deal with those functions previously conferred upon the PRHP such as determinations of rent, ensuring the Repairing Standard is adhered to and provision of access to enable landlords to undertake repairs.

Eventually, the functions of the sheriff court are to be transferred to the Tribunal in respect of regulated, assured and short assured tenancies although the date for this is yet to be confirmed. This means all private sector tenancy related matters, including rent arrears and eviction, will fall within the

jurisdiction of the Tribunal. Inevitably, a transfer of power such as this has necessitated the drafting of procedural rules for the Tribunal and certain administrative changes. Accordingly, the First-tier Tribunal for Scotland Housing and Property Chamber (Procedure) Regulations 2016 came into effect on 1st December 2016.



Claire Mullen

One key change provided for in these regulations is the revision of the various forms private landlords will be all too familiar with in relation to assured and short assured tenancies.

Since 2nd January 1989 there has been a requirement to serve prescribed forms on tenants or prospective tenants in order to propose new terms (Form AT1), to increase rent (Form AT2), to create a short assured tenancy (Form AT5)

or to give notice of an intention to raise proceedings for possession (Form AT6).

On 1st December 2016 these forms were replaced. The new forms can be found in schedule 2 of the 2016 regulations. The most crucial aspect of this change is the revised Form AT5. Landlords will be aware that an AT5 must be served on a tenant prior to creation of the tenancy in order to create a short assured tenancy. The AT5 is a prescribed form and as such it is essential that the new form is used from 1st December 2016 to ensure that a short assured tenancy is created. Arguably, if the old version of the AT5 is used a landlord could inadvertently create an assured tenancy.

The Tenant Information Pack (TIP), which requires to be provided to all tenants at commencement of the tenancy, has also been revised and is available to download from the Scottish Government's website.

If you require any further advice with regards to the change in legislation, please feel free to contact Claire Mullen or a member of TC Young's experienced court team.

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. The team recently launched **OptiletPro**, 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 available:

- Localised average monthly rental prices
- Localised stock levels
- Supply and demand analysis
- Gross rental yield levels
- Localised demographics
- Affordable rent modelling

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 Jan 2017. Whilst we have made every effort to ensure information published in this report is correct, Citylets gives no warranty or representation as to the accuracy or completeness of the information. The report does not constitute legal or other professional advice. We reserve the right to change methodology, discontinue or revise indices or other analysis at any time.

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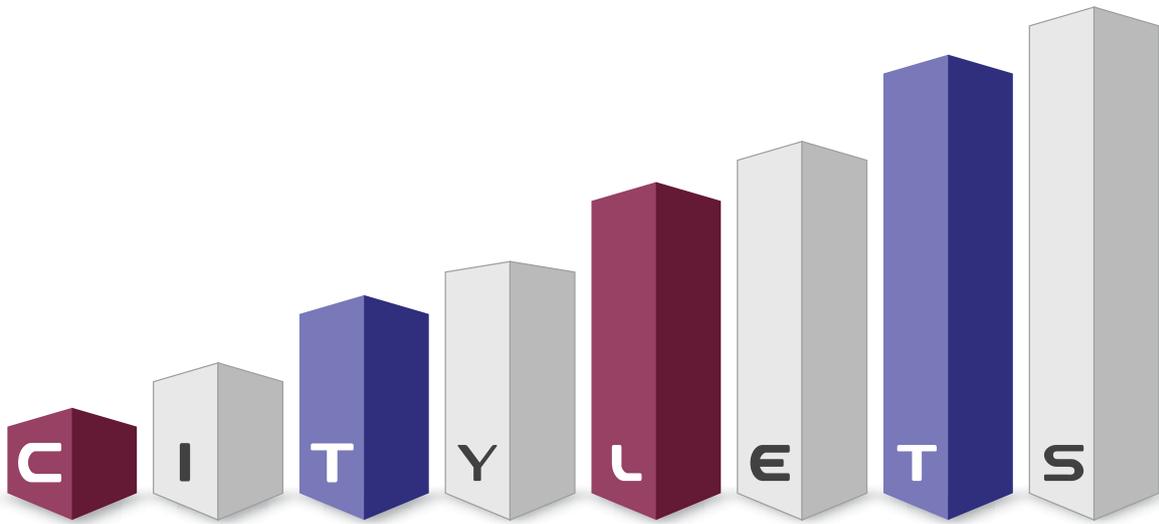
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