

# Capital Unrest



- Market Overview ■ National Trends
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# Market Overview

Rental property search remained buoyant in Q4 2020 as Scotland moved onto a tiered approach to the coronavirus restrictions. The creeping inevitability of stronger measures grew throughout the quarter as evidence of a second wave began to build, however the property market was allowed to remain open and once again many tenants were minded to think carefully about their domestic environment and suitability for home working.

However, the impact of Edinburgh's standing as an international capital for learning, work and tourism on the PRS seems set to be put into sharp relief through its temporary absence. Driven by city centre postcodes, rents for the city as a whole fell materially for the first time in over ten years.

Property to rent in Scotland, on average, rose 3.6 % over the quarter to stand at £826 per month, less than the 5.4% reported in the previous quarter with material drag now exerted by falling rents in Edinburgh for the first time.

The deluge of stock onto the Edinburgh market from the effective

closure of short term holiday rentals in particular saw the capital record a significant annualised fall at minus 4.1%. The average property to rent in Edinburgh stood at £1085 over the last quarter of 2020. Stock levels in the city remained high by classic standards and rents look set to fall further as we enter 2021. TTL lengthened significantly on last year by 11 days to 33 days. 54% of properties let within a month.

Once again Glasgow and surrounding Local Authority regions of South Lanarkshire and Renfrewshire posted the largest year on year rises as a systemic imbalance between demand and supply tightened. Rents in Glasgow rose 5.7% to stand at £848 on average with a TTL of just 20 days. 75% of properties to rent in Glasgow let within a month. The reported figures for the Greater Glasgow region add further countenance to conjecture that the pandemic was leading to widespread exodus from cities. Should the vaccine programme be delivered on schedule and to effect, Scotland's urban rental markets may emerge relatively intact.

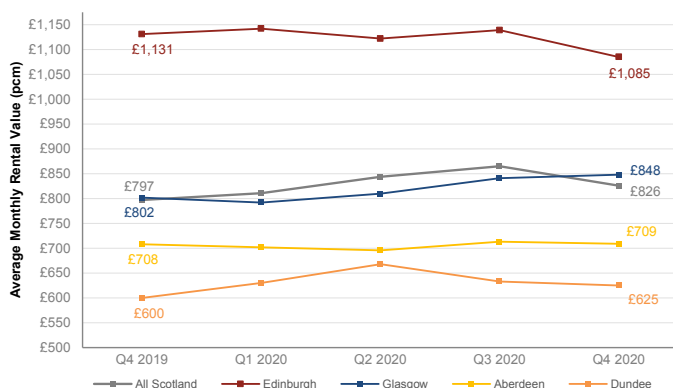
The Aberdeen rental market has been stable in Q4 2020 recording a

minor annual increase of 0.1% year on year (YOY), the first rise since Q1 2015. The average property to lease in Aberdeen sits at £709 per month giving landlords cause for optimism at the end of a difficult number of years.

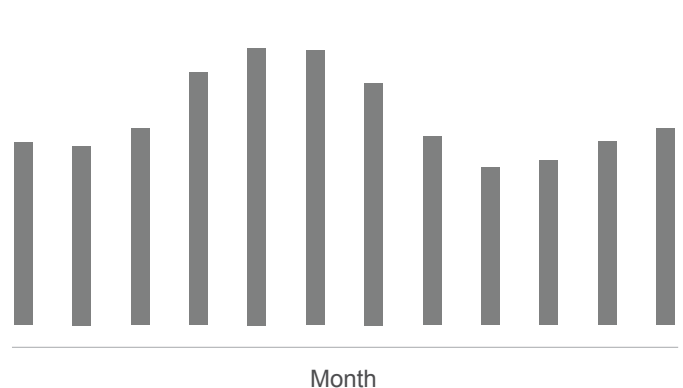
Out-with challenges in the student market, Dundee posted another positive annual gain of 4.2% YOY to average £625 per month. The market in Dundee moved swiftly at just 21 days TTL, down 6 on the previous year.

Despite the acceleration to full lockdown at quarter end, the rental market is likely to remain buoyant as the need to choose home environments suitable to some degree of home working continues for many. Edinburgh however, primarily due to increased supply, will likely see rental values fall further with little prospect of holiday stock returning to its original sector in 2021 which, for the first time, will also be a regulated market. Additionally, the student market will likely come under renewed pressure as more students, who had returned to their University cities optimistic of a near normal student experience at the start of the academic year, decide to return home.

Scottish Monthly Rent Analysis (Q4 2019 - Q4 2020)



Scotland - Average Stock Levels 2020

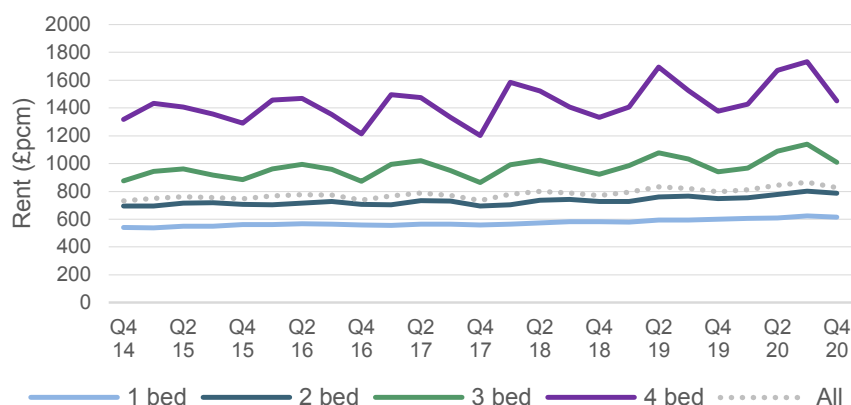


# Scotland

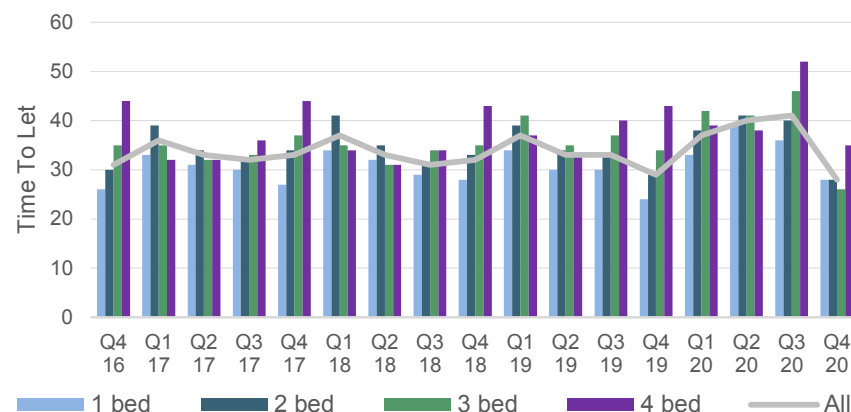
## Market Overview - Q4 20

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	£616	2.5%	9.8%	30.0%	28	4	21%	61%
2 bed	£786	5.2%	11.2%	28.2%	28	-1	23%	63%
3 bed	£1,009	7.1%	14.1%	26.8%	26	-8	24%	67%
4 bed	£1,452	5.4%	12.4%	30.8%	35	-8	21%	55%
<b>All</b>	<b>£826</b>	<b>3.6%</b>	<b>10.7%</b>	<b>28.3%</b>	<b>28</b>	<b>-1</b>	<b>22%</b>	<b>63%</b>

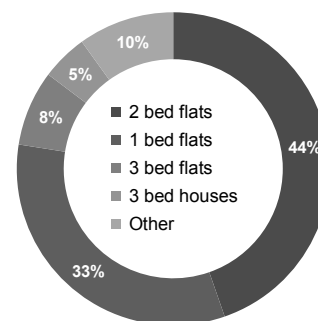
## Average Rent (pcm) by Number of Bedrooms



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



## Market Composition

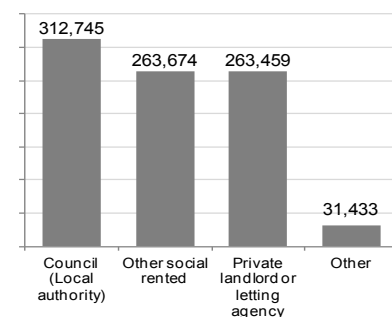


## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.6	102.8	100.2
2009	98.8	98.1	99.2	97.7
2010	98.9	101.4	100.6	99.8
2011	100.3	102.8	103.9	101.7
2012	102.9	104.2	105.0	104.0
2013	104.7	107.4	106.5	105.1
2014	108.4	112.1	114.1	113.5
2015	116.4	118.1	117.4	115.7
2016	118.9	120.5	120.2	114.6
2017	119.1	122.3	119.7	113.8
2018	120.9	123.9	122.3	119.5
2019	122.9	129.1	127.3	123.6
2020	125.7	130.9	134.1	128.1

## Households: Rented



Source: Census 2011, Edinburgh



### Adrian Sangster - Aberdeen Considine

"During previous times of social uncertainty (ie financial crash of 2008), I witnessed that the flexible nature of the PRS appealed to a wider selection of people. This has been the case again, with those who are not prepared (or perhaps not in a position to) to commit to buying a property looking to rent instead. We have experienced first-hand increased demand for larger family homes. It's not all good news for landlords however, as we have also witnessed a decline in demand for student HMO's. This has been due to a huge reduction of international students, home studies and others seeking just sole occupancy or sharing with one other."

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PRS



Student



Housing Association



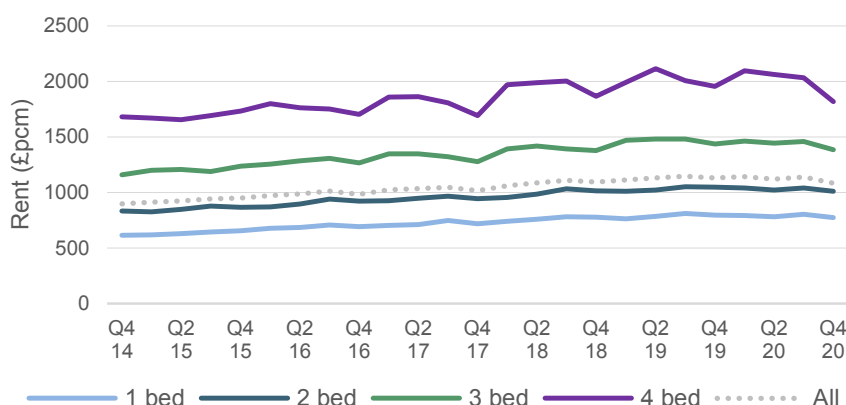
Estate Agency

# Edinburgh

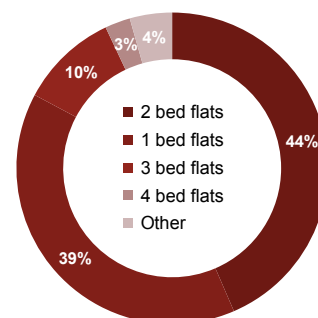
## Market Overview - Q4 20

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	£775	-2.6%	18.3%	45.4%	31	15	14%	54%
2 bed	£1,012	-3.6%	16.6%	43.8%	33	11	12%	54%
3 bed	£1,386	-3.7%	11.9%	31.5%	34	2	14%	55%
4 bed	£1,818	-7.1%	5.0%	26.4%	43	3	13%	44%
All	£1,085	-4.1%	14.2%	40.7%	33	11	13%	54%

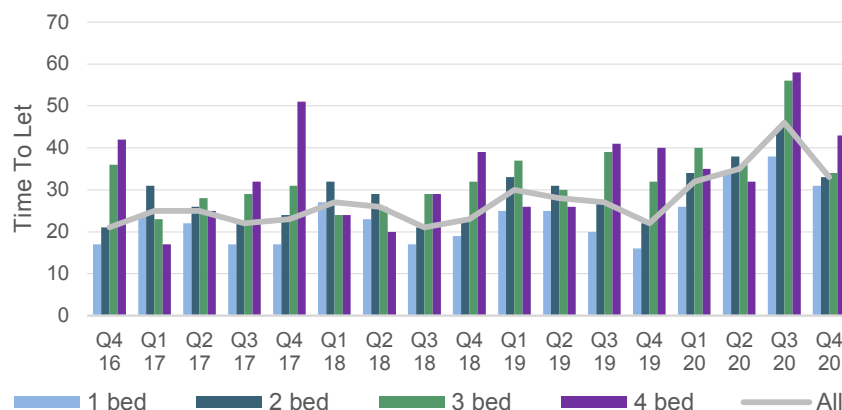
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	100.1	102.0	102.3
2009	99.2	96.9	97.6	98.3
2010	99.1	101.1	100.7	103.2
2011	102.5	102.9	104.8	104.3
2012	105.5	105.9	106.2	109.6
2013	109.4	109.5	109.8	110.0
2014	113.5	115.1	117.3	120.5
2015	122.1	123.6	126.1	127.2
2016	130.1	132.0	135.6	131.7
2017	136.9	138.8	140.3	136.0
2018	142.2	145.5	148.3	146.6
2019	149.3	151.5	153.7	151.4
2020	152.9	150.2	152.5	145.2

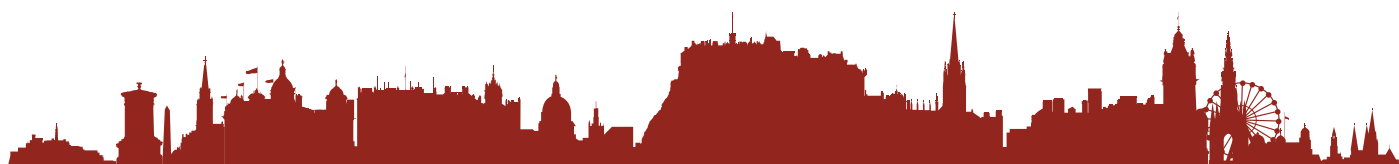
## Yield by Popular Postcodes (Flats)

	2015	2016	2017	2018	2019
EH3	4.1%	4.1%	4.0%	3.7%	3.9%
EH7	5.6%	5.6%	5.6%	5.0%	5.5%
EH8	6.6%	7.2%	7.0%	7.0%	6.3%
EH9	4.9%	5.1%	4.8%	4.8%	5.1%
EH10	4.3%	4.3%	4.2%	4.1%	4.2%
EH11	5.9%	6.1%	5.8%	5.8%	5.8%
EH12	5.1%	5.4%	4.7%	4.9%	4.9%



### Ken Bell - 1Let

"After the boom of Q3 2020, the lettings market slowed considerably in Q4 as we moved towards the end of the year and saw a large oversupply of property with far fewer enquiries from potential tenants. Covid was the main driving force of this trend as the country realised we were going backwards rather than forwards. A number of our student tenants handed in their notice as they came to terms with the proposed restrictions coming into force on Boxing Day. Rather than just go home for the Christmas holidays, as they would normally, they gave up their tenancies and moved home for the foreseeable future. This micro-trend within the whole market contributed, in part, to the large oversupply of property seen in Edinburgh during Q4."



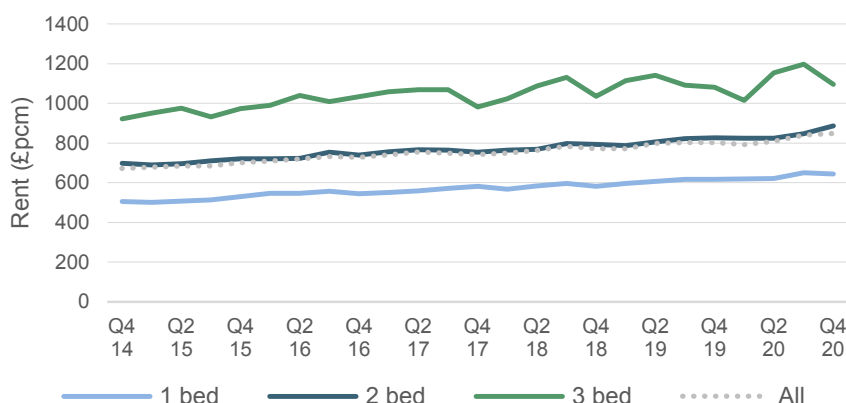


# Glasgow

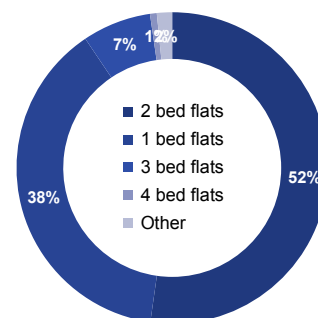
## Market Overview - Q4 20

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	£644	4.4%	21.3%	45.0%	18	3	34%	78%
2 bed	£886	7.3%	22.9%	46.0%	20	1	34%	74%
3 bed	£1,097	1.5%	12.6%	33.3%	24	-14	28%	70%
4 bed	£1,698	5.5%	35.2%	77.4%	43	-1	11%	22%
All	£848	5.7%	21.0%	44.2%	20	0	33%	75%

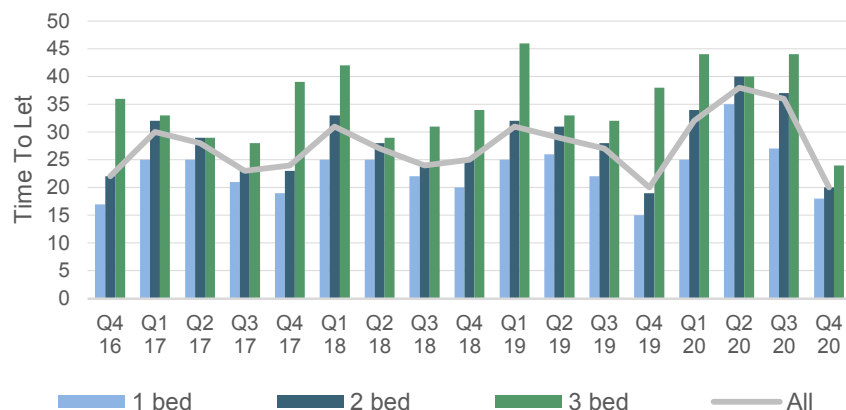
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	102.6	104.6	101.8
2009	102.3	101.4	103.0	100.7
2010	104.2	104.1	103.9	103.7
2011	102.3	106.0	106.7	105.6
2012	105.1	107.4	108.5	107.9
2013	108.1	109.0	109.0	108.5
2014	110.8	115.7	118.0	118.7
2015	119.8	120.8	120.6	123.6
2016	125.2	126.8	129.3	128.6
2017	130.5	133.2	131.9	130.9
2018	132.1	134.6	138.4	136.0
2019	136.2	140.9	141.6	141.4
2020	139.7	142.9	148.3	149.6

## Yield by Popular Postcodes (Flats)

	2015	2016	2017	2018	2019
G1	6.0%	6.2%	5.7%	4.9%	6.0%
G2	7.3%	7.5%	6.7%	7.0%	6.6%
G3	4.8%	5.5%	5.4%	5.3%	5.3%
G4	6.4%	6.5%	6.6%	5.3%	6.0%
G5	7.1%	6.8%	6.7%	6.4%	6.7%
G11	5.7%	5.4%	5.3%	5.0%	5.2%
G12	4.6%	4.8%	4.7%	4.4%	4.8%



### Brian Gilmour - Indigo Square

"The final quarter of 2020 saw the greater Glasgow area placed into Tier 4 restrictions which caused some confusion among tenants and landlords, with some thinking no house moves were possible and others thought it was business as usual. The number of properties vacated was low, restricting the availability of properties for rent and resulting in those properties placed up for let moving very quickly. We saw existing landlords increasing their portfolio size and whilst there was an obvious issue in areas popular with students, we also saw a new entrant in the requirement of tenants – renting a base close to vulnerable parents."

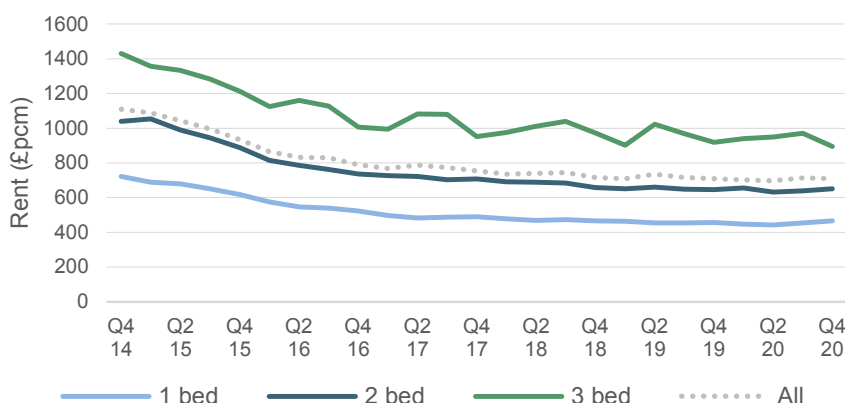


# Aberdeen

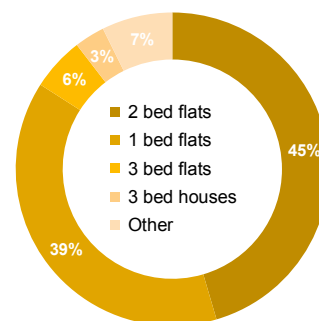
## Market Overview - Q4 20

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	£465	1.8%	-24.6%	-19.1%	44	3	9%	37%
2 bed	£652	0.8%	-26.5%	-21.0%	49	-6	9%	36%
3 bed	£894	-2.7%	-26.3%	-18.3%	48	-10	8%	37%
4 bed	£1,440	3.7%	-15.4%	-15.6%	61	0	5%	21%
All	£709	0.1%	-24.1%	-18.5%	48	-3	9%	36%

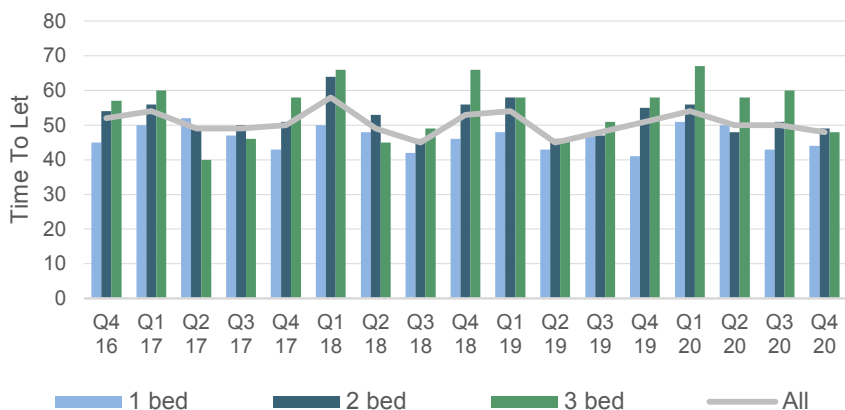
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.5	100.7	98.8
2009	97.1	94.6	93.8	96.8
2010	96.9	96.5	96.3	98.3
2011	102.5	97.4	99.2	101.0
2012	103.2	101.8	101.6	107.3
2013	108.6	109.3	113.2	116.2
2014	120.5	122.5	120.6	125.4
2015	123.1	117.9	112.4	105.5
2016	97.7	93.9	93.7	89.2
2017	86.8	89.0	87.5	85.3
2018	83.2	83.6	84.2	80.8
2019	80.2	82.9	80.9	80.0
2020	79.3	78.6	80.6	80.1

## Yield by Popular Postcodes (Flats)

	2015	2016	2017	2018	2019
AB10	5.2%	4.9%	5.2%	5.4%	5.2%
AB11	6.3%	6.1%	5.6%	5.7%	6.0%
AB15	4.8%	5.1%	5.1%	4.9%	5.2%
AB24	7.0%	7.4%	6.6%	6.7%	6.4%
AB25	6.2%	5.5%	5.5%	5.3%	4.9%



### Scott Morrison - Northwood Aberdeen

"During Q4 we have witnessed a higher than normal volume of tenants giving notice to vacate especially in December. As universities continue with their blended learning models rather than introducing more in-class learning as previously planned, this is one of the main contributing factors to tenants vacating earlier than anticipated, with many student rental properties now becoming surplus to requirement. Constantly changing tenant circumstances have also meant that some properties are back on the market soon after being let out. We watch with much scrutiny to see how Brexit and COVID-19 further impact on tenants' circumstances and the PRS in Aberdeen City & Shire."

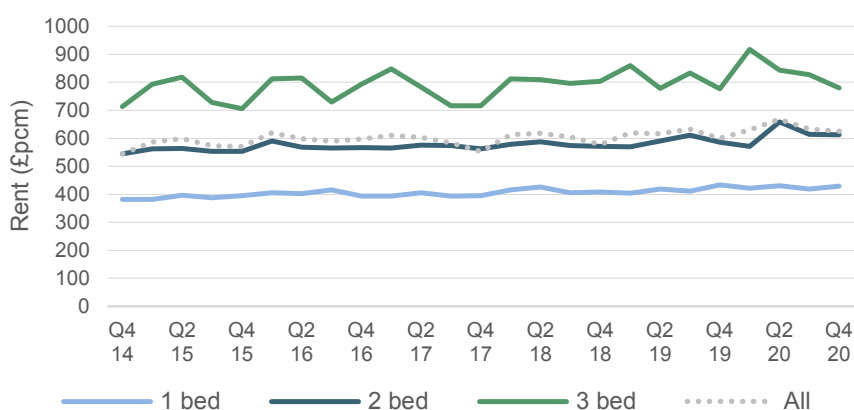


# Dundee

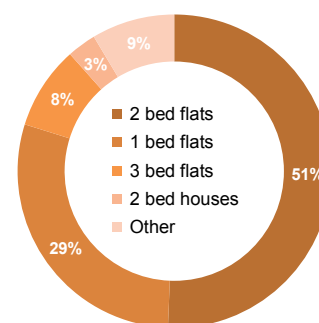
## Market Overview - Q4 20

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	£429	-1.2%	8.6%	8.6%	18	-4	30%	80%
2 bed	£612	4.4%	8.7%	10.5%	21	-9	28%	74%
3 bed	£780	0.4%	8.9%	10.5%	23	-10	35%	87%
All	£625	4.2%	13.2%	9.6%	21	-6	29%	78%

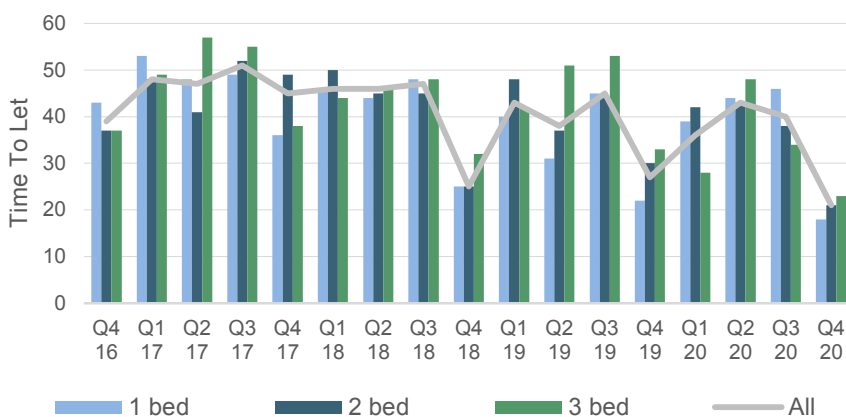
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q3 10)

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

## Yield by Popular Postcodes (Flats)

	2015	2016	2017	2018	2019
DD1	7.8%	7.8%	7.7%	6.7%	6.7%
DD2	6.2%	6.6%	6.4%	6.6%	6.2%
DD3	7.1%	7.5%	7.8%	7.1%	7.1%
DD4	8.0%	8.1%	8.7%	7.4%	7.2%
DD5	4.8%	5.0%	5.0%	4.5%	4.5%



### Eilidh Finlayson - Finlayson Gore

"Q4 has presented agents and landlords alike with a unique set of circumstantial challenges most notably evident in the student market. The 'perfect storm' of the move by universities to offer only virtual learning along with the closure of the hospitality industry, has resulted in students needlessly staying away from home, often without the financial benefit of their part time jobs. With the ability under the PRT to serve 28 days' notice, we have experienced many of our student tenants wishing to vacate properties which would otherwise be occupied until July."



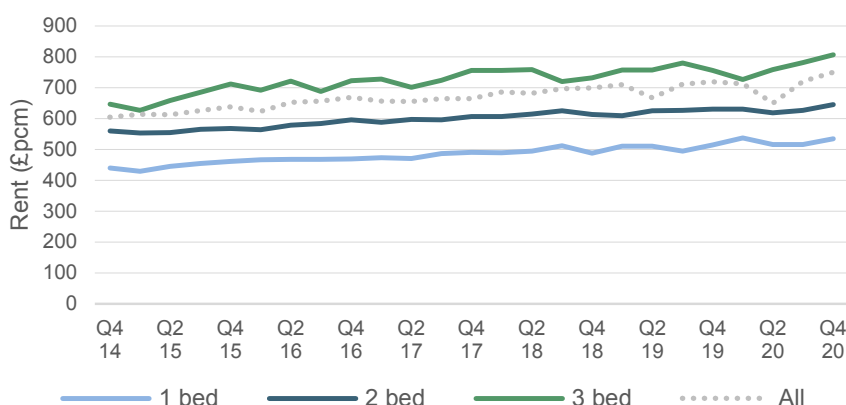


# West Lothian

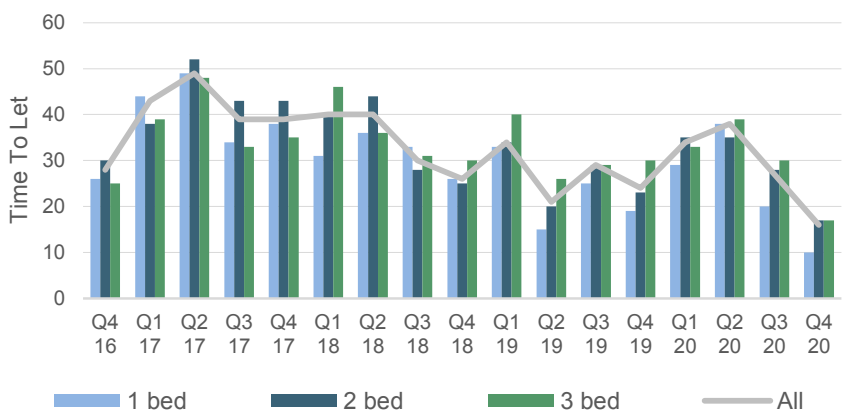
## Market Overview - Q4 20

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	£535	4.1%	16.1%	25.9%	10	-9	46%	92%
2 bed	£645	2.4%	13.6%	21.0%	17	-6	41%	82%
3 bed	£806	6.8%	13.4%	29.2%	17	-13	35%	73%
All	£749	4.2%	17.4%	28.7%	16	-8	40%	82%

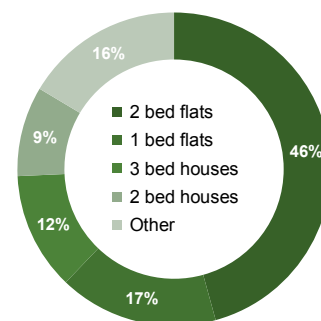
## Average Rent (pcm) by Number of Bedrooms



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



## Market Composition



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	101.4	104.8	101.2
2009	101.9	98.4	100.5	99.7
2010	100.9	100.2	100.2	100.3
2011	100.7	104.8	100.5	100.9
2012	98.1	102.8	103.3	103.4
2013	104.1	103.8	108.8	104.3
2014	103.3	103.6	105.2	104.1
2015	105.9	105.7	107.9	110.0
2016	107.4	112.4	113.3	115.3
2017	113.1	112.9	114.7	114.7
2018	118.3	117.6	120.0	120.5
2019	122.4	115.0	122.6	124.0
2020	122.8	112.1	124.1	129.1

## Yield by Popular Postcodes (Flats)

	2015	2016	2017	2018	2019
EH48	6.5%	6.8%	7.5%	7.2%	7.2%
EH49	5.2%	5.1%	5.1%	5.3%	5.1%
EH54	7.0%	6.9%	7.0%	6.8%	7.1%



### Callum McQueenie - Mavor & Company

"We have found that the rental market in West Lothian has continued to perform strongly in Q4 with applications being accepted within days of properties being marketed, along with the annual surge of tenants looking to move in before Christmas. There is demand particularly for 2 or 3 bed houses where tenants can have access to an additional bedroom as well as outdoor space during continued restrictions. A further encouraging sign is the number of new instructions post lockdown which again proves the strength of the rental market within West Lothian and that the area continues to entice new landlords to invest."

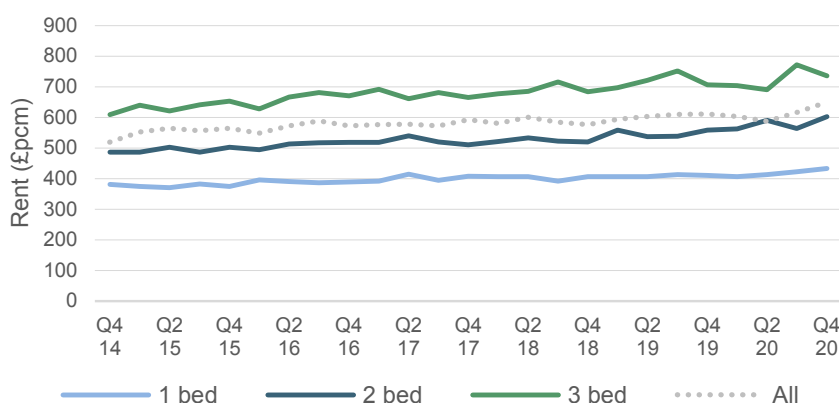


# South Lanarkshire

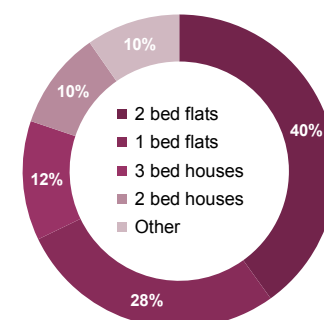
## Market Overview - Q4 20

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	£433	5.4%	15.5%	12.2%	17	-14	32%	77%
2 bed	£602	7.7%	19.7%	15.5%	13	-17	47%	90%
3 bed	£735	4.1%	12.6%	7.8%	9	-9	49%	97%
All	£650	6.4%	15.0%	14.2%	13	-15	44%	88%

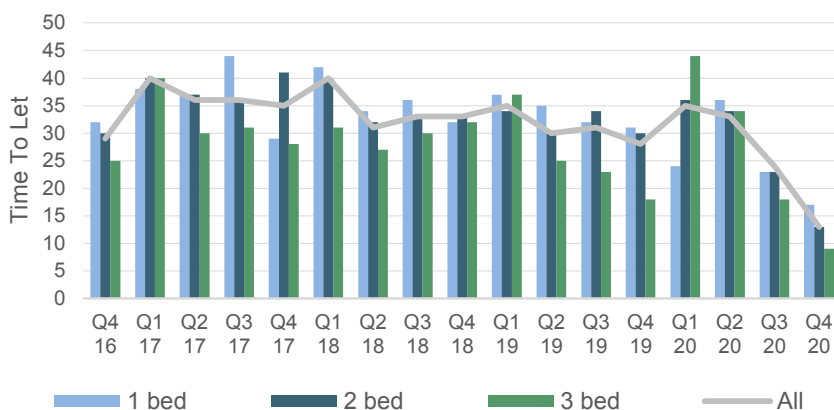
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.3	101.3	102.4
2009	103.3	96.7	95.6	103.3
2010	104.1	99.4	99.8	104.8
2011	96.3	99.4	100.4	97.2
2012	100.6	99.3	102.9	97.8
2013	95.0	96.3	97.2	97.6
2014	95.9	103.1	104.1	95.6
2015	101.8	104.1	102.4	104.1
2016	101.1	105.3	108.3	105.3
2017	106.3	106.4	105.5	109.2
2018	107.0	110.7	107.6	106.3
2019	109.4	111.0	112.3	112.5
2020	111.0	108.1	113.6	119.7

## Yield by Popular Postcodes (Flats)

	2015	2016	2017	2018	2019
G71	5.3%	5.5%	5.4%	5.5%	5.9%
G72	8.0%	7.5%	8.3%	7.5%	7.5%
G73	7.1%	6.7%	7.0%	6.6%	6.8%
G74	7.4%	7.4%	6.8%	7.0%	6.6%
G75	6.6%	9.6%	8.9%	8.8%	8.7%



### David Kendall - Lets Make Homes

"Despite all the negative headlines of 2020 the rental market ended the year in a remarkably strong position with high tenant demand, very little available stock and often the opportunity to increase prices upon a change of tenant. Turnover of existing tenancies during 2020 was below the norm, as was the supply of new properties to the rental market. A mini housing boom for sales has given accidental landlords the chance to sell their properties. All these factors combined mean that regardless of the uncertainties caused by the pandemic, new properties to the market are generating multiple enquiries with houses particularly sought after and in short supply."

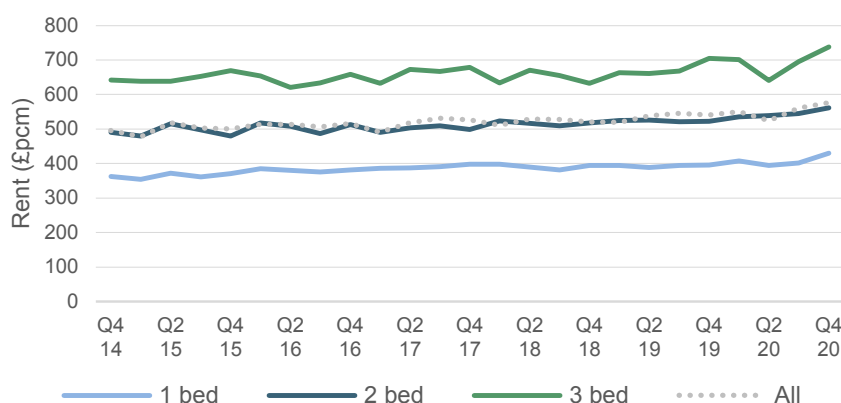


# Renfrewshire

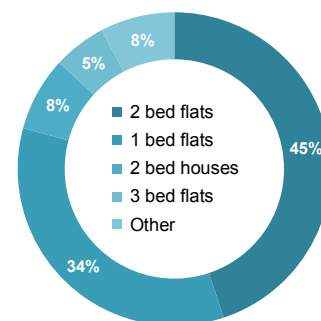
## Market Overview - Q4 20

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	£430	8.6%	15.9%	25.4%	18	-12	31%	80%
2 bed	£562	7.7%	17.1%	19.6%	18	-13	36%	81%
3 bed	£738	4.7%	10.3%	18.5%	15	-11	33%	93%
All	£576	6.5%	15.2%	20.8%	18	-12	34%	82%

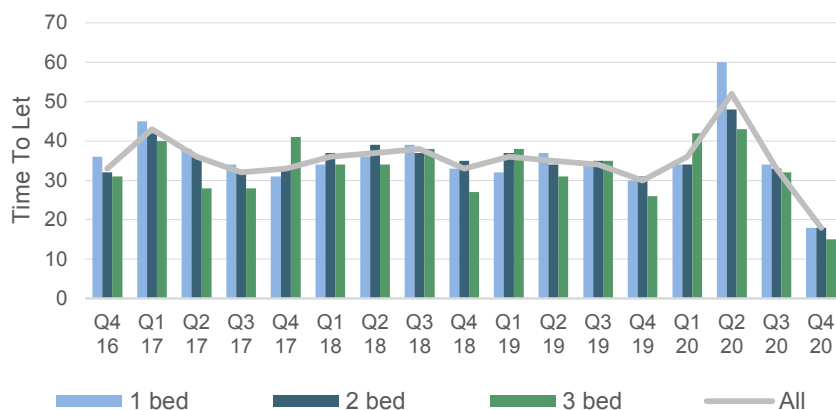
## Average Rent (pcm) by Number of Bedrooms



## Market Composition



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



## Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2008	100.0	99.8	104.0	100.0
2009	98.7	99.0	96.2	96.2
2010	104.6	96.6	101.9	100.0
2011	98.5	99.4	101.0	100.8
2012	101.0	101.5	101.5	99.8
2013	97.5	100.6	100.6	102.9
2014	100.6	98.1	103.8	104.0
2015	100.2	108.6	105.5	104.8
2016	107.5	107.5	106.1	108.2
2017	102.9	108.6	111.3	110.3
2018	107.1	110.9	110.7	109.2
2019	109.0	112.8	114.3	113.4
2020	115.3	109.9	117.6	120.8

## Yield by Popular Postcodes (Flats)

	2015	2016	2017	2018	2019
PA1	6.5%	7.4%	7.1%	7.5%	7.0%
PA2	7.5%	7.1%	7.0%	6.7%	6.9%
PA3	10.7%	10.0%	9.6%	9.8%	8.9%
PA4	8.0%	7.8%	7.8%	7.9%	7.2%
PA5	9.5%	8.4%	9.1%	8.8%	8.7%



### Holly Campbell - Castle Residential

"It can be said that the year 2020 as a whole has challenged all aspects of life, including the rental market. With the changes globally, the issues we all faced did have an impact on interest in rental as well as density of properties on the market. The last quarter proved to be an anticipated conclusion to an uncertain year, where we have found new ways to promote, rent and manage properties. Most of us would agree that we are ready to get back to a less isolated way of working, as well as the freedom to complete viewings, rent tasks and maintenance management without PPE and restrictions."



## Agent Views

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

### GF Property Leasing, Aberdeen – Grant Fairbairn



*"Q4 started strongly following on from a remarkably busy Q3. However, from mid-November onwards we did notice a lot less enquires per property listing. Historically we find the run up to Christmas does tend to be a little slower. We normally find most people will not choose to move at the end of Q4, unless necessary. In addition, Covid-19 is still causing uncertainty in the local job market which decreases the amount of people coming to the city to start new jobs etc. With the vaccine now being introduced, we hope this will help the local market early next year."*

### Aberdeen Considine, Perth – James McKay



*"The Perth and Dundee rental markets remained strong throughout the late autumn and early part of winter. Demand continued to outstrip supply for all types of properties from 1 bedroom flats priced around £400 per month to large family homes in excess of £1,000 per month. There is no sign of the market slowing up during the early part of 2021 with a shortage of stock in all areas being the problem to the successful functioning of the market, rather than the lockdown restrictions themselves."*

### One Stop Properties, Glasgow – Wendy Gallagher



*"Due to the pandemic, we anticipated a drop in student lets in Q4 as we learned that some university classes would be offered online, so we were delighted that there was the usual uptake of properties and rental amounts stayed strong."*

*However, there have been a few instances of student tenants moving out after just a few months, as their university campuses are closed and students are not able to embrace the usual student experience. We think that isolation and preservation of mental health too, has led to some tenants giving up their tenancies to be with family, rather than living in a city flat when that city is like a ghost town."*

### Glenham Property, Edinburgh – Charlie Innes



*"The initial surge in tenant demand that the end of lockdown released has now tailed off with activity returning to near normal. Stock levels, however, have remained stubbornly high in certain postcodes. The result is that the market is patchy and price sensitive with downward pressure on rents and longer time to let periods. Properties that are being advertised need to be competitively priced and also must present well to generate interest from tenants."*

### Arden Property Mgt, Edinburgh – Catriona Smith



*"The last quarter of the year has been as challenging as the preceding three! The number of properties becoming available steadied at the end of last quarter with the return of students to the city, but this has increased again towards the end of the year. This, coupled with weak demand, has meant that properties are taking longer to let and consequently rents are dropping. We have as many properties available now as we did at the height of the pandemic back in April/May. It is worth noting for landlords that properties which are of a high standard are letting more quickly, so if their property has become empty, they should consider refurbishing to secure a let at the start of next year."*





## Agent Views cont...

Aberdein Considine, Aberdeen – Jade Shepperdson



*"Q4 brought a very patchy market, however, this is normal for the lead up to Christmas. Surprisingly December was extremely busy with a lot of tenants eager to move in before the festive period. We continue to find houses with outside space in high demand across the market from more affordable areas to the West End. Houses are receiving multiple offers after a matter of days on the market, which continues to show the shift in the market due to the lockdowns. The most recent lockdown will bring more uncertainty to the market, however, we are off to a strong start."*

Cox & Co., Edinburgh – Mike Erskine



*"Investment has been significant in Q4 and it has been a busy few months with new property being brought to the market. With the festive season, our TTL showed their usual increase at this time of year and rents recorded a slight decrease due to the ongoing pandemic, but overall the market is turning over and remains strong. We look forward to the TTL's reducing come spring and to getting our teeth into the challenges ahead."*

Aberdein Considine, Glasgow – Kenneth Urquhart



*"Last year ended with a booming private rental market in Glasgow and following lockdown in the summer, activity took off at some pace. As we moved into the autumn months, demand remained steady and there was definitely increased interest in larger properties, possibly driven by tenants searching for more homeworking office space as well as gardens, and close proximity to other outdoor spaces such as parks. Due to Covid-19 restrictions this has also meant that a number of students who leased flats for the start of the university year decided to give up their tenancies & leave Glasgow with a number of courses all being distant learning."*

ESPC Lettings, Edinburgh – Nicky Lloyd



*"Historically Q4 sees the market become a little quieter, however we found demand remained high throughout October and November, with the market only becoming quiet during December. There had been concerns about student tenants returning to the city following the festive break as many courses have been moved online. With the exception of some overseas students, the majority remained in the property and we have not seen an increase in notice being given by students. We are already starting to receive enquiries from students looking to secure accommodation for the next academic year. Whilst there has been a reduction in rent achievable over the last quarter, it is worthwhile considering they have only been slight reductions and from all-time highs we saw the previous year. The rental market is still moving steadily and we hope that continues into 2021."*

Glasgow Property Letting, Glasgow – Colin MacMillan



*"The final quarter of what has been a very unusual and unprecedented year, has again been busy but most of the stock seem to be appealing to the professional sector in the PRS, and landlords are realising that to ensure longer tenancies, their properties must be presented in very good order. Home office working is high on the agenda and many landlords are considering applications from a more secure sector such as NHS and key workers, where there are less restrictions than in other sectors such as hospitality and the arts. The student market is relatively slow with many students still not able to return to studies and being advised that this may continue for the next semester at least. As such, many students have been providing notice to leave and this is giving the landlords the opportunity to upgrade their properties to a more professional standard."*

Cullen Property Ltd, Edinburgh – Steve Coyle



*"Q4 has relatively slowed after a busy Q3 in which Edinburgh's student community returned en masse. Despite the vast majority of these tenants settling in, and for the meantime staying put, remaining student stock in the city remains unusually high. One noticeable cause is that fully virtual learning - although not encouraged by university - is becoming the preferred option for a small proportion of student tenants, as they choose to move back to their hometowns to be with family. Increased supply has suppressed average rents and increased time to let figures. With prospective tenants spoiled for choice, high quality marketing of properties has become increasingly important with many tenants' final decision being noticeably influenced by their experience at the initial enquiry stage. We anticipate this growingly competitive rental market, and the increasing expectation of flexibility on the agents' and landlords' part to carry well into Q1 of 2021."*

Western Lettings, Glasgow – Jack Gallagher



*"Tenant demand in Q4 was muted relative of the same quarter in recent years, particularly from students. As expected, we saw an earlier than normal slowdown at the end of the year, with demand starting to drop off in early November, rather than December. Broad market data echoes our experience, with roughly 25% more properties available in Glasgow in December compared to the same month the previous year. The expectation is now that we will see a larger than normal surge in demand in the New Year, as pent-up demand is unleashed. However, tenant demand is tempered by both the threat of stricter lockdowns and the promise of relief from vaccines."*



## Agent Views cont...

**Macleod Lettings, Glasgow – Ross Macleod**



*"2020 has certainly been an interesting year for the lettings market! In spite of the restrictions put on the industry by the Covid-19 outbreak, lettings has remained consistently strong throughout the year. The demand for good quality accommodation has still been prevalent. We have seen a 15% growth in our managed stock throughout the year, as a result of referral business and further landlords coming to market. 2021 will undoubtedly see further growth in the PRS with increased investment when the market settles and the vaccine ensures a return to normality."*

**Martin & Co, Aberdeen – Eduardo Prato**



*"Q4 2020 saw an expected decline in the HMO student market. Many landlords who had been unsuccessfully trying to let their property by themselves, instructed us. We had to manage their expectations and put a marketing plan together. In December though, this plan paid the results we expected. Early birds for 2021 started knocking on the door. As we go through the peak of the COVID-19 lockdown, vaccination results kick in and confidence in a return to 'face-to-face' classes at the local universities in the second half of 2021 increases, we see a strong HMO market performance ahead."*

**Burgh Property, Edinburgh – Andrew Markham**



*"The last quarter of 2020 ended amidst a fog of uncertainty relating to Coronavirus and Brexit, so inevitably, available stock levels were high and the number of tenants looking to move were low. Although the early part of January has come around with a flurry of activity, there is still a high number of available properties in the market, meaning tenants have a lot of choice when searching for their ideal property. Rent levels need to be keen and competitive in order to compete in the market and in some market sectors, we may see rents dipping slightly in order to minimise expensive void periods. We do expect high available stock levels to be a constant for the first half of 2021 at least. Our student portfolio is yet to be affected, but with the Q1 lockdown restrictions, we do anticipate an impact if students decide to leave Edinburgh early before the end of the spring term."*

**Clan Gordon, Edinburgh – Jonathan Gordon**



*"Quarter 4 for us has seen a significant uptick in new landlords with quality flats to let in central Edinburgh. Some, but not all, are ex-Airbnb flats but others are new buy to let investments or the landlord has moved home and is letting their old home. All in all, we are continuing to see better quality flats and landlords who understand the need to do this in order to get the best tenants. We are probably seeing slightly higher numbers of notices to quit from tenants than usual for this time of year and demand from new tenants down a little. Higher supply and slightly lower demand is now starting to have downward pressure on rents but nothing too significant yet. Very difficult to plan ahead and know what will happen after Christmas but the need to renovate and provide flats in good condition is becoming more and more obvious."*

**At Home In Edinburgh, Edinburgh – Rick McCann**



*"The start of Q4 was a period of relative stability following a turbulent Q2 & Q3. We had a low level of stock on the market and relatively low turnover of properties. Our biggest concern for the end of Q4 was that students would not return and continue tenancies after the Christmas break, but this has not materialised. Some student properties negotiated lower rents, but they remain occupied. Available stock increased during December as tenants moved to larger properties to accommodate working from home and to move in with partners. The traditionally easy-to-let one-bedroom flats had a much longer TTL. We experienced a further spike in tenants giving notice with announcement of the Boxing Day restrictions."*

**Rettie & Co., Edinburgh – Karen Turner**



*"Like most others we too are glad to see the back of 2020. It has been a year like no other but also one which has seen positives with the market having recovered and performed well from the lockdown period. Tenant demand is still high for properties offering a bit more by way of outside space and the space to work from home. We have seen increased demand for properties out with the city which have private gardens or access to the amenities of the countryside. More rural locations have never been so popular. Tenants' requirements are changing. Spring 2021 will be interesting to see how the market and landlords respond once the emergency Covid restrictions are lifted for evictions."*

### Have Your Say!

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

# Postcode & Towns - Average Rents & TTL - Q4 20

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	£900	(36)	£1,206	(42)		
EH3	£890	(30)	£1,357	(30)	£1,712	(39)
EH4	£826	(31)	£999	(34)	£1,370	(24)
EH5	£736	(32)	£852	(29)		
EH6	£697	(34)	£875	(31)	£1,153	(29)
EH7	£723	(32)	£944	(36)	£1,356	(39)
EH8	£742	(34)	£930	(35)	£1,320	(39)
EH9	£723	(29)	£1,020	(35)	£1,429	(38)
EH10	£783	(31)	£1,022	(36)	£1,292	(29)
EH11	£702	(34)	£869	(31)	£1,247	(35)
EH12	£754	(28)	£964	(34)	£1,223	(28)
EH13			£790	(32)		
EH14	£649	(41)	£872	(25)	£1,139	(35)
EH15			£877	(27)		
EH16	£667	(45)	£837	(23)	£1,201	(25)
EH17			£800	(40)		
EH21			£807	(19)		
EH22			£775	(15)		
EH26			£741	(24)	£883	(16)
EH48			£629	(16)		
EH53	£561	(10)				
EH54			£652	(17)	£791	(15)

## Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£525	(49)	£620	(58)	£945	(54)
AB11	£440	(38)	£606	(39)	£856	(36)
AB12			£616	(34)		
AB15	£509	(48)	£807	(53)	£1,076	(43)
AB16			£570	(45)		
AB21	£589	(40)	£704	(36)		
AB22			£690	(55)		
AB24	£434	(38)	£630	(49)	£749	(55)
AB25	£441	(47)	£620	(52)	£826	(51)
AB41			£652	(28)		

## Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£447	(17)	£688	(15)		
DD2	£399	(13)	£605	(20)		
DD3	£393	(27)	£511	(28)		
DD4	£426	(19)	£538	(25)		
DD5			£659	(26)		
DD8	£359	(18)	£523	(17)	£656	(20)
DD11	£421	(24)	£501	(24)		

## Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£725	(16)	£1,048	(29)		
G2	£702	(28)	£995	(20)		
G3	£727	(21)	£1,053	(21)	£1,531	(17)
G4	£677	(18)	£877	(35)		
G5			£776	(13)		
G11	£669	(15)	£939	(19)	£1,154	(17)
G12	£760	(10)	£1,060	(18)	£1,460	(25)
G13			£696	(11)		
G14			£638	(25)		
G20	£628	(24)	£796	(12)		
G31	£549	(16)	£751	(19)		
G32			£587	(21)		
G40	£539	(22)	£723	(20)		
G41	£617	(17)	£789	(22)	£850	(18)
G42	£563	(21)	£692	(24)		
G43			£758	(18)		
G44	£560	(22)	£687	(21)	£649	(32)
G51	£502	(20)	£639	(34)		
G52			£604	(31)		
G71			£750	(15)		
G72			£602	(12)		
G73	£510	(22)				
G74	£428	(11)	£545	(10)		
G75			£551	(11)		

## Towns - £pcm (TTL days)

Town	1 Bed		2 Bed		3 Bed	
Ayr			£526	(36)		
Bathgate			£631	(17)		
Dalkeith			£781	(14)		
Dunfermline			£578	(15)		
East Kilbride	£430	(13)	£548	(11)	£745	(9)
Glenrothes			£500	(15)	£590	(6)
Hamilton	£424	(19)	£577	(11)	£692	(8)
Kilmarnock			£529	(35)		
Kirkcaldy	£448	(14)	£520	(7)		
Livingston			£655	(16)	£790	(15)
Paisley	£424	(19)	£534	(16)	£782	(31)
Perth	£426	(41)	£589	(31)		
Stirling Town	£549	(13)	£725	(29)	£985	(23)
Troon			£566	(8)		

# Build To Rent News

## The Rise of Single Family Housing Built to Rent

Call it SFR (Single Family Housing) or SBTR (Suburban BTR), investment in Built-to-Rent is spreading from city apartment to suburban house as institutional investors react to demand for rental houses out with the city centre.

Whilst the likes of Sigma Capital, Hearthstone IM and Grainger Plc have been pioneering this space for several years, others are following including L&G, Moorfield, Goldman Sachs, and Packaged Living to name but a few.

Hearthstone IM has already acquired c.1,000 homes into HRF1 (launched in 2017) and has now launched HRF2 with a target of £300m. In November 2020, L&G announced the expansion of its BTR offer to the traditional single-family suburban home market with the target of 1,000 homes each year from 2024. Most recently in January 2021, Goldman Sachs acquired a £150m single-family housing portfolio from Gatehouse Bank (developed in a JV with Sigma).



A typical suburban development

The appeal of Suburban BTR to tenants and institutional investors goes hand in hand. In a Covid world tenants are being pulled by the allure of more space (home working), flexibility, less need to commute, lower rental levels and higher amenity levels. Some tenants are also being pushed by economic uncertainty, affordability constraints on home ownership and mortgage availability.

Meanwhile, institutional investors are being pulled by tenant demand, asset diversity, lower turnover, fewer operating costs, greater flexibility of break-up options and wider demographic appeal (two-thirds of households in England and Wales live in suburban areas).

Richard Otten, Director of Hearthstone makes the point: "Many tenants are driven by lifestyle choice not just because of an inability to buy but because they are changing jobs, moving areas, or changing partners. At the same time, institutional portfolios which are well run and maintained can provide long-term quality housing for families which was never available in the past."

Jonathan Ivory, MD Single Family Housing at Packaged Living, summarises the investment appeal: "Investors are now recognising the benefits of Single Family Rental (SFR), namely the same stable income returns found in multifamily, but with lower operating costs as a result of longer leases (i.e. less churn), minimal common area maintenance and the absence of expensive amenity spaces."

In our last article (Q3 2020, p.17) we observed that as an asset class, BTR, PBSA and Co-living were coalescing into a single PBRA (Purpose Built Residential Accommodation) umbrella; SFR (or SBTR) can be added to that growing umbrella term.

**SCARLETT**  
LAND AND DEVELOPMENT

# Build To Rent News cont...

## Constructing the New Rental Sector

While there will be those waiting for things to return to 'normal', the Scottish Real Estate sector has already changed, and we are operating under a new set of rules.

When you consider that our BTR operational management team maintained a rent roll and occupancy rates in the high 90% range, at a time when rental collection rates of between 25% and 65% have been seen for hospitality, retail and office funds, then it is clear that we are in a period of new conventions.

While the momentum behind BTR has been building in Scotland over the past 5 years, 2020 was a watershed moment. In late 2020 and early 2021, there has been a clear shift in investment requirement, planned changes in use classes and, crucially, a growing interest and weight of money seeking a home in the Scottish BTR sector.



Western Harbour

As advisors to most of the leading investors and operators, and on the majority of BTR schemes in Scotland, we have witnessed a marked shift in appetite in the market first hand. Sandy Gilmour, Head of Land & Development for Rettie & Co. commented that: "Already in 2021 I've met with a number of investors reappraising their strategy and seeking to reallocate investment into BTR opportunities in Scotland for development and funding."



Western Harbour

The announcement by John Lewis that they will be looking to reallocate retail space to BTR at a number of locations is perhaps the most high-profile illustration of this shifting use pattern towards BTR in the UK. Within Scotland, our Research and Consultancy Team is advising on a number of schemes across central Scotland that are now considering development for BTR from other planned use classes. This shift is not only from office and retail, but also from the PBSA and residential for sale.

While it will take time for this shift in investment patterns to manifest in completed homes, the total number of planned BTR homes in Scotland continued to rise by over 1,200 over the course of 2020. This increase does not count the thousands of units currently being reviewed for BTR use on which we are advising. What is notable in the forthcoming pipeline is both the scale and diversity of the sites being considered for BTR.

At one end of the scale is the Western Harbour Masterplan, which will aim to deliver over 2,000 units designed to be a fully rented community, including affordable, mid-market rent and private rental tenures. Having worked with Forth Ports for over a decade, and following the success of Harbour Point and Harbour Gateway, Rettie & Co. are excited to see the 542-unit Phase One of the masterplan ready to start this year. Other major schemes, on which we are also advising, such as Parabola at Edinburgh Park, MODA at Springside and Holland Park in Glasgow, represent some of the most exciting schemes currently in the sector. In addition to these large-scale flagship schemes, we are also advising on boutique urban schemes in prime city locations and suburban family-orientated BTR developments across the Central Belt. These schemes would traditionally have been 'bread and butter' For Sale developments but now are being repurposed for BTR.

With a perspective that covers all aspects of the sector, from site acquisition, through consultancy, structured finance, development management, and ongoing asset & property management, the change in attitude accelerated by the Covid-19 pandemic has been visible across all levels of Scotland's BTR sector. From our vantage point, it feels safe to say 2021 will be the year that BTR is elevated to the main table in Scotland's Real Estate sector.





## Mid-Market Rent News

### Hillcrest Enterprises Cancels 2020 Rent Increase to Ease Financial Pressure on Tenants

In order to ease the financial burden and to support tenants at this difficult time, with the ongoing Covid-19 pandemic continuing to affect many households, Hillcrest Enterprises has taken the decision to cancel their 2020 rent increase which originally took effect from 1st July 2020.

For 2021 a modest increase based on the Consumer Price Index (CPI) has been agreed, which is lower than the often used RPI measure of inflation. This means rents will be maintained at an affordable level while allowing Hillcrest Enterprises to continue to run their usual level of customer service and ambitious investment programme.

A rent harmonisation exercise and affordability study by consultants Arneil Johnston has also recently begun, which aims to reshape and simplify the company's rent setting and service charge policy.



### The Rise of Single Family Housing Build to Rent

We're delighted to start clearance work on our most ambitious project to date.

Planning permission to convert a semi-derelict, disused church on Edinburgh's Union Canal into mid-market rental homes was granted just before Christmas. St Kentigern's Church, which has been bricked up for years, will be transformed into sought-after mid-market family housing.

We're always prepared to take on difficult projects if it result in homes that will have a positive impact on communities. This site does just that, as the church is a beautiful building in a lovely part of the city and once converted it will allow families who have roots in the area to be able to remain there. This is a complicated job on a tricky site, but we are really looking forward to making use of this fantastically located brownfield site.



St Kentigern's Church

The building has a colourful past. The external facade is superb and once converted, this will be a special place to live, right on the canal and within easy reach of the city centre.

The end result will be two three-bed and two four-bed homes in the church as well as a new block of ten one and two-bed flats in the grounds.

By Ann Leslie, Chief Executive of LAR





# Policy Should Follow Data on Rent, not the Other Way Around

Landlords are in favour of reform, however, it must be properly thought out

“Improving housing” is a tricky area for governments and others. As a policy objective it is critical because it impacts on all of our lives as well as the wider economy. As a political goal it is attractive because voters know its importance and feel they understand it.

The difficulty arises in agreeing specific objectives and how to achieve them, because “housing” is a lot more diffuse and complicated than sometimes thought.

It is in that spirit we have been engaging constructively with Pauline McNeill MSP as her Fair Rents (Scotland) Bill progresses through the Scottish Parliament and I fully understand why she is pursuing this legislation. The stated aim of the Bill, “to improve the way rents are set in private rented housing... reduce poverty and support low-income tenants and their families”, is one we would agree with and want to help pursue.

The Bill contains some very helpful proposals, including a requirement for landlords to provide more information on actual rent levels and an analysis of how affordable the sector is. Having this kind of information could help improve the private rented sector in any number of ways.

My concern, however, is that the Bill proposes solutions before any of

that helpful information is available. Why not swap this round? Get the information, absolutely, but then let's agree an effective way forward to use this information to actually deliver the Bill's objectives.

Implementing new measures without detailed information and data could have a negative effect or, at the very least some unintended



John Blackwood, Chief Executive of SAL

consequences. For example, it would quite possibly lead to more frequent rent increases. The Bill proposes rent rises be limited to inflation plus 1% each year which landlords would be likely to implement in such a system, even though more than two-thirds do not currently increase rents mid tenancy.

A second unintended consequence of limiting rent rises like this would be to take away the flexibility

currently available to landlords to reduce rents. For example, 41% of landlords have reduced rents for their tenants during the Covid-19 pandemic but a cap on rent increases would prevent any return to the “old” rent and thus act as a barrier to those considering reducing rents to help tenants in financial difficulty.

Finally, a rent cap would increase risk and cost for landlords and investors. This could lead to a reduction in supply of private rented housing at a time of increased demand and, combined with a shortage of social housing, leave people struggling to find a suitable home at all.

I want to be clear that landlords are not against reform and change, quite the opposite. To continue to be successful, we must be innovative and adapt to the changing needs of our customers and society. But that change must achieve clear goals and be based on real data and expert analysis.

Please add your voice to SAL campaigns: <https://scottishlandlords.com/join-us/>

# 2020 and the Scottish Property Market

## ESPC reviews Scottish property market activity in 2020

2020 was a very unique year for the Scottish property market, from property sales volumes and listings dropping to very low levels in the spring due to lockdown restrictions, to a surge in activity in the summer and autumn as a result of pent-up demand.

Over the whole of 2020, the volume of property sales in Edinburgh, the Lothians, Fife and the Borders was down 20.1% compared to 2019. The number of homes coming to market was down 5.9%.

However, these declines were heavily concentrated during the spring lockdown period, during which the Scottish Government advised against house moves unless reasonably necessary. In the latter half of 2020, we saw a 3.5% increase in property sales volume compared to 2019 and there was a significant 44.8% increase in new property listings.

When the lockdown restrictions on the property market were eased in June, activity surged and the market quickly became very competitive with homes selling very well.

For the whole of 2020, the average selling price of properties in Edinburgh, the Lothians, Fife and the Borders was £260,783, up 4.7% compared to 2019. In Edinburgh, the average property selling price was £278,589, up 4% compared to last year.

The average percentage of Home Report valuation achieved was 103.4% in Edinburgh, the Lothians, Fife and the



Borders, compared to 102.9% in 2019.

During 2020, the median time it took for a property to be placed under offer in Edinburgh, the Lothians, Fife and the Borders was 20 days, which is two days faster than the previous year. In Edinburgh, it was 19 days, one day faster than in 2019.

Paul Hilton, CEO of ESPC, said: "2020 was a very different year for all of us, and for the Scottish property market. The lockdown restrictions of last spring resulted in the volume of property sales and number of homes coming to market falling to much lower levels than usual for that time of year.

"Pent-up demand to move as a result of the lockdown restrictions, combined with the 'LBTT holiday' and additional investment in the First Home Fund resulted in property market activities rising to exceptionally high levels in the second half of 2020, once restrictions had been eased.

"Anecdotal evidence from our agents

also suggested that the pandemic has led to people re-evaluating their priorities when it comes to looking for a property, with private gardens and home offices higher on wish lists. The rise in working from home has also led people to consider other locations further away from the office.

"It's very difficult to predict what the year ahead holds, particularly due to the new lockdown restrictions. The current guidance from the Scottish Government states that house moves and associated activities are permitted, but it may be advisable to postpone if possible.

"However, the high levels of activity in recent months along with recent reports from agents suggest that demand to buy and sell property in Scotland remains strong."

*Please note that this article was written on 15th January 2021 and Scottish Government guidance on house moves during the COVID-19 pandemic may have changed since then.*

ESPC advertise thousands of properties through their website, weekly paper and information centres, offering unrivalled knowledge and expertise from their own team and member solicitor estate agents.

[www.espc.com](http://www.espc.com) | [facebook.com/espc.property](https://facebook.com/espc.property) | [@espc](https://twitter.com/espc)

**espc**

## Charitable Trust Awards Over £150k to Good Causes in 2020

Mike Smith looks at the work of the SafeDeposits Scotland Charitable Trust during a year like no other

SafeDeposits Scotland is a not-for-profit organisation, and any surpluses generated are donated to our grant giving charity, the SafeDeposits Scotland Charitable Trust. The Trust was set up with the aims of promoting education, training and best practice in Scotland's private rented sector, and advancing conflict resolution through the promotion of alternative dispute resolution.

During 2020 the SafeDeposits Scotland Charitable Trust awarded a total of £156,740 in funding grants to a variety of organisations across Scotland. Half of this sum was awarded during lockdown with trustees, chaired by John Duff, continuing to meet virtually throughout the year. Support for charities has never been more crucial, and we expect the projects and services they deliver to play a vital part in the post-pandemic world.

Taking the most recent grant recipient, Airdrie Citizens Advice Bureau, for example. The Bureau was awarded funds to deliver a Housing Mediation and Representation Service with aims including the provision of a free service to private rented tenants and their landlords within North Lanarkshire, ensuring that all parties are aware of their individual legal rights and responsibilities within the private rented sector. With new laws

having been implemented and others updated as a result of COVID-19, this kind of service is very important.

Similarly, the planned toolkit for supporting Scottish landlords and tenants who are deaf or affected by hearing loss from Edinburgh-based Deaf Action (awarded funding in



Mike Smith, Operations Manager of SDS

September for its Safe & Sound project) would be a welcome resource at any time but made all the more significant in a period stacked with challenges for everyone.

An award granted earlier in the pandemic was to the University of Stirling for a project titled Making a House a 'Home' in the Private Rented Sector: Good Practice Guidance for Landlords. The applicants stated that COVID-19 brought into sharp focus

the need for everyone not to simply have a roof over their heads, but to live in a property that provides for their social, emotional, creative and wellbeing needs, and which they can have reasonable support in retaining for the medium to long term.

Meanwhile we have been inspired by the response to the pandemic by those operating projects funded by the Trust which had already started or were due to start when the first lockdown came into effect.

Organisations like Positive Action in Housing and Clackmannanshire Citizens Advice Bureau had no choice but to stop face to face appointments, but have continued to deliver advice and support related to their projects via means such as telephone, videoconference and email. Lockdown meant that Under One Roof could not hold its planned Common Repairs fairs in venues across Scotland, however, they adapted to the circumstances and instead educated landlords via a series of well attended webinars.

If you would like to find out more about the SafeDeposits Scotland Charitable Trust, including how to apply for funding, visit [www.safedepositsscotlandtrust.com](http://www.safedepositsscotlandtrust.com)

SafeDeposits Scotland is Scotland's largest tenancy deposit scheme with a 60% share of the market and the only not-for-profit scheme based in Scotland.

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# Energy Efficiency Regulations in the Private Rented Sector

TC Young discuss the changes due to come into force this year

New rules about energy efficiency in private rented properties, which were delayed last year because of the impact of the Coronavirus pandemic, are now expected to be brought into force on 1st April 2021. These rules will require that property leased in the private sector meets minimum energy efficiency standards as part of the Government's long term plans to reduce carbon emissions and fuel poverty.

The Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations 2020 were set to come into force on 1st April 2020. This was initially delayed until 1st October 2020 following a parliamentary report.

Unsurprisingly, commencement of the Regulations was delayed further due to COVID-19. At the time of writing, it is understood amended Regulations will soon be laid before Parliament. New guidance is also expected in January 2021. The Regulations are now expected to take effect from 1st April 2021 but further delays may be foreseeable given the ongoing pandemic and Scotland's recent return to lockdown.

The various postponements recognise the impact COVID-19 has had on the ability of landlords to access properties and carry out necessary upgrades when Government advice continues to

encourage physical distancing and travel for essential activities only. When they are eventually enforced, it is understood the Regulations will be amended to remove requirement to achieve EPC "E" standard and will jump straight to "D". Omitting this interim step again recognises the delays caused by COVID-19.



As such, private rented sector properties in Scotland will require to achieve at least EPC rating of D at change of tenancy from 1 April 2022 and for all tenancies by 31 March 2025.

The Government will also combine the previous cost caps of £5,000 for each rating, meaning landlords now have a cost cap of £10,000 to reach EPC rating D before the proposed dates. It will remain that

landlords can register properties as exempt (for a period of 5 years) where the appropriate EPC rating cannot be achieved for certain reasons including the tenant refusing consent for works to be carried out or where the works would result in a negative impact on fabric or structure of the building. Landlords who wish to rely on such exemptions must be able to demonstrate that they have attempted to achieve the desired standard.

Under the Regulations, local authorities will be responsible for enforcing the provisions and will be required to establish and maintain the PRS Exemption Register. Where a landlord is in breach of the Regulations, the local authority may issue a penalty notice of up to £5,000 per breach and per property.

Although it is not part of the Regulations currently being considered by the Scottish Parliament, in terms of the Government's Energy Efficient Scotland Programme, the long-term aim is for all private rented sector Properties to achieve EPC Rating C by 2030.



# 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 January 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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