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# Scottish Private Rented Sector

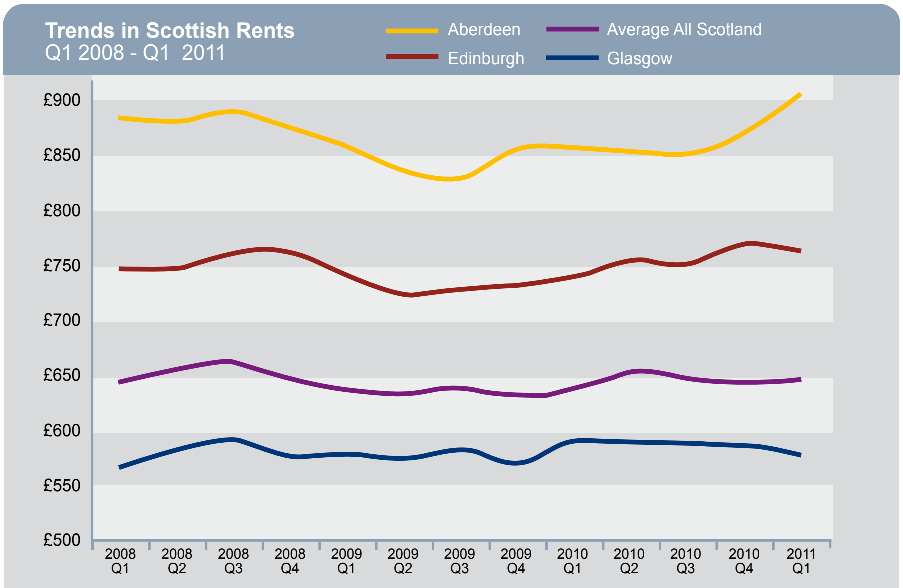
In the first quarter (Jan, Feb, March) of the year Citylets normally experiences a seasonal upturn in Web visitors but this March we actually beat our monthly traffic record which normally occurs in the busy third quarter of the year. This is indicative of a steadily growing demand in the Private Rented Sector (PRS).

## National & Urban profile

There were significant annual gains in the mix adjusted monthly rent figure for Aberdeen (up 5.7% in Q1 2011 to £907) and Edinburgh (up 3.5% in Q1 2011 to £766). The Glasgow average fell slightly in the same period (down 1.9% in Q1 2011 to £580). Overall the mix adjusted average for Scotland in Q1 2011 was 1.4% up on the previous year and now stands at £647.

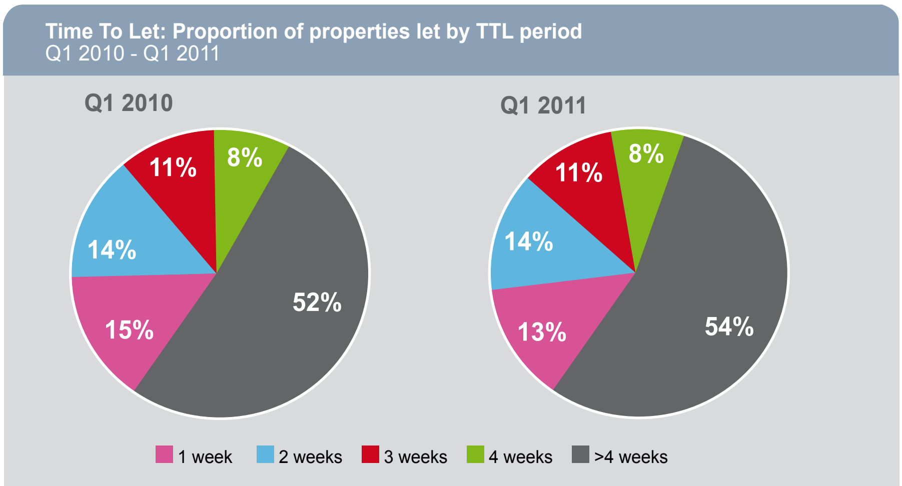
It is worth highlighting that the Aberdeen figure of £907 is the highest we have recorded for the City and reflects a strong local economy. It might not be a coincidence that the Brent Crude oil price now stands at over $120, a rise of 60% since July 2010.

In Edinburgh, the average rent of £766 is only £6 down from the record high recorded in Q4 2010.

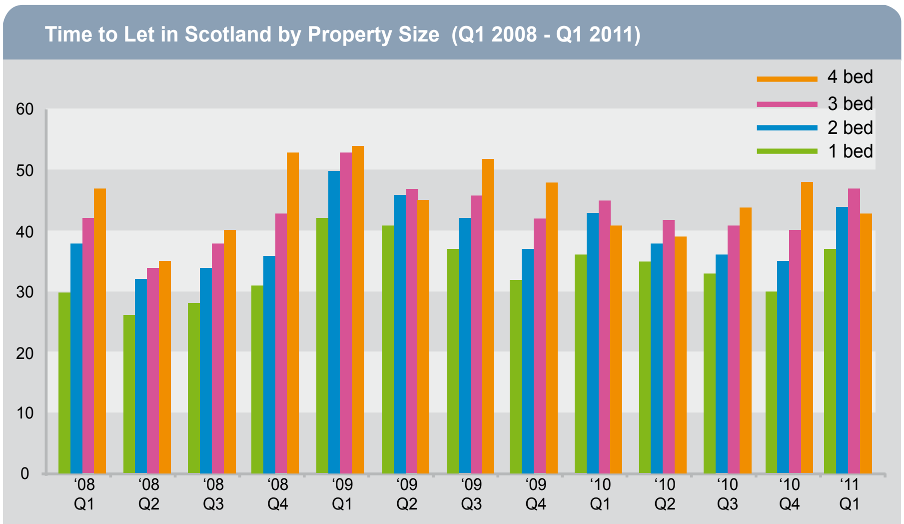



## Time To Let

The average Time to Let (TTL) generally increases during the first quarter of the year and reflects the slightly slower turnover of property during the New Year festive period. The TTL was not helped by icy weather in the first half of January. In Q1 2011 just under half (46%) of properties were let within 4 weeks which is down from the 48% seen in Q1 2010.




The detailed chart of TTL by property size shows that 1 bed properties were still the quickest to let at 37 days. 2 bed properties took 44 days and 3 beds 47 days while larger 4 bed properties actually took 43 days. The national TTL average stood at 42 days which is 7days more than the Q4 2010 figure but only a day longer than the equivalent figure from 2010. If the market performs like it has done in previous years we will see TTL figures come down steadily during the rest of the year.




In association with jobsinletting

# Economic and Social Trends

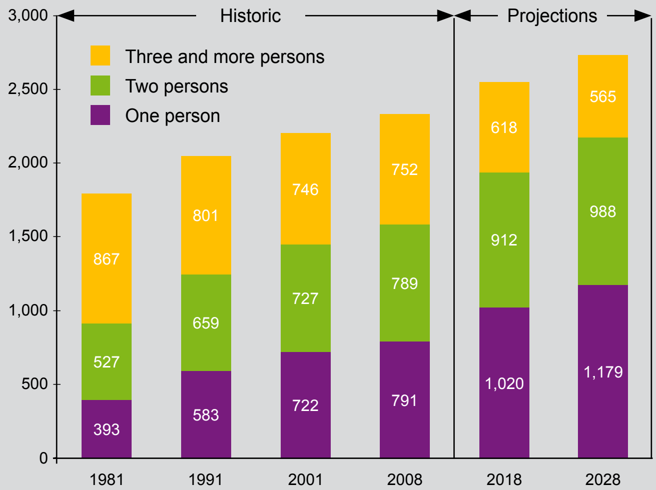
## Percentage tenure breakdown of Scottish housing stock, by age of household

| | 1999 | 2001 | 2003 | 2005 | 2007 | 2009 |
|---|---|---|---|---|---|---|
| **All Ages** | | | | | | |
| Owner occupied | 61 | 64 | 65 | 66 | 66 | 66 |
| Social rented | 32 | 28 | 26 | 25 | 23 | 22 |
| Private rented | 5 | 6 | 6 | 8 | 9 | 10 |
| Other | 2 | 2 | 2 | 2 | 2 | 2 |
| **16 to 34** | | | | | | |
| Owner occupied | 53 | 53 | 53 | 50 | 46 | 43 |
| Social rented | 32 | 28 | 27 | 25 | 25 | 24 |
| Private rented | 13 | 17 | 19 | 23 | 27 | 31 |
| Other | 2 | 2 | 2 | 3 | 2 | 2 |
| **35 plus** | | | | | | |
| Owner occupied | 63 | 67 | 68 | 69 | 70 | 71 |
| Social rented | 32 | 28 | 26 | 25 | 23 | 22 |
| Private rented | 3 | 3 | 3 | 4 | 5 | 5 |
| Other | 2 | 2 | 2 | 2 | 2 | 1 |

The Scottish housing system: selected economic and social trends Scottish Government Communities Analytical Services February 2011

The table above highlights the growth of the PRS in Scotland and while it has doubled its share of the housing stock from 5% in 1999 to 10% in 2009 the more dramatic figure is that 31% of younger aged households were in PRS in 2009. We anticipate that this figure will only have moved up since then.

## Number and composition of households in Scotland (thousands)

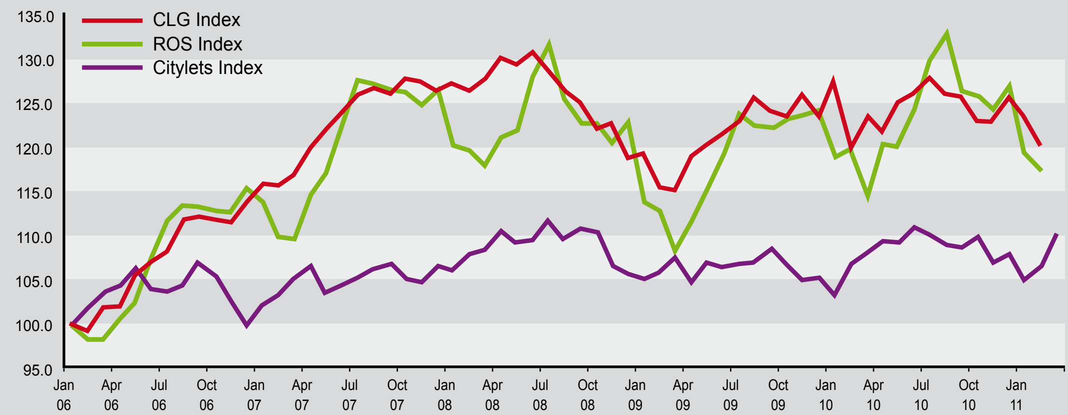



The Scottish housing system: selected economic and social trends Scottish Government Communities Analytical Services February 2011

One of the key drivers for the growth in the PRS has been the steady increase in the total number of households in Scotland. This chart highlights that it is the smaller households of one and two persons that have been responsible for this increase over the last 20 years and where all of the projected expansion will happen in the future.

## Citylets Rental Index v CLG House Price Index v ROS Index (Jan 2006 - March 2011)

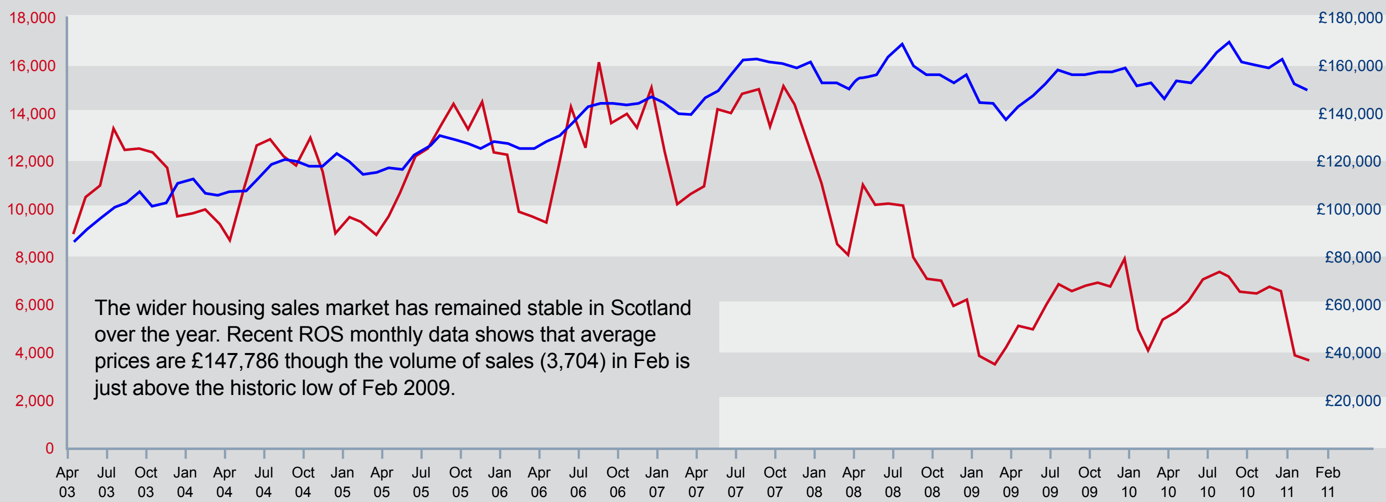
Index level (Jan 2006=100)




The Citylets Rental Index stood at 110.2 at March 2011, a swift upturn from 104.9 at Jan 2011.

In the same period house prices as measured by both Communities & Local Government and Registers of Scotland (ROS) have fallen quite steeply, though this is not unexpected at this time of year.

## Monthly Residential Sales in Scotland — Monthly Residential Average Price in Scotland — *Source: Registers of Scotland*



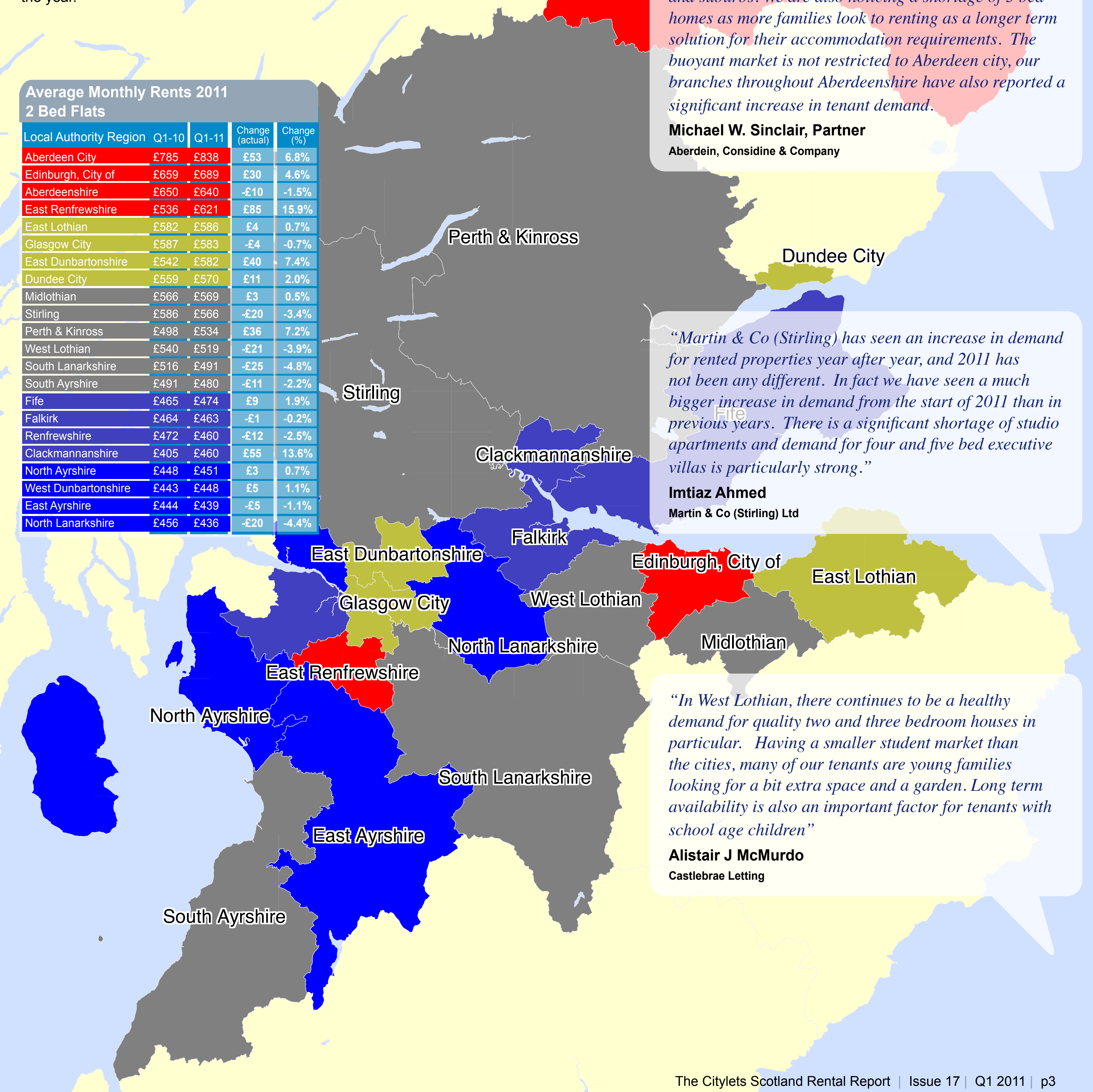

The wider housing sales market has remained stable in Scotland over the year. Recent ROS monthly data shows that average prices are £147,786 though the volume of sales (3,704) in Feb is just above the historic low of Feb 2009.

# Average Monthly Rent for 2 Bed Flats at Local Authority Level Q1 2011

Our Q1 2011 rent map of Scotland highlights the difference in average rents at the Local Authority level. Data for 2 bed flats is used as the standard indicator because it is the property type that is most frequently let and represents 41% of all the properties let through Citylets.

Aberdeen City tops the table as the most expensive Local Authority to live where the average rent for a 2 bed flat is £838 up 6.8% on last year. It is worth pointing out that the very slight discrepancy between these figures and our Aberdeen statistics produced on the back page is down to differences in boundary used.

North Lanarkshire is currently the most affordable Local Authority for a 2 bed flat with a monthly average of £436 in Q1 2011 which is down slightly (4.4%) on the year.




**Average Monthly Rents 2011 2 Bed Flats**

| Local Authority Region | Q1-10 | Q1-11 | Change (actual) | Change (%) |
|---|---|---|---|---|
| Aberdeen City | £785 | £838 | £53 | 6.8% |
| Edinburgh, City of | £659 | £689 | £30 | 4.6% |
| Aberdeenshire | £650 | £640 | -£10 | -1.5% |
| East Renfrewshire | £536 | £621 | £85 | 15.9% |
| East Lothian | £582 | £586 | £4 | 0.7% |
| Glasgow City | £587 | £583 | -£4 | -0.7% |
| East Dunbartonshire | £542 | £582 | £40 | 7.4% |
| Dundee City | £559 | £570 | £11 | 2.0% |
| Midlothian | £566 | £569 | £3 | 0.5% |
| Stirling | £586 | £566 | -£20 | -3.4% |
| Perth & Kinross | £498 | £534 | £36 | 7.2% |
| West Lothian | £540 | £519 | -£21 | -3.9% |
| South Lanarkshire | £516 | £491 | -£25 | -4.8% |
| South Ayrshire | £491 | £480 | -£11 | -2.2% |
| Fife | £465 | £474 | £9 | 1.9% |
| Falkirk | £464 | £463 | -£1 | -0.2% |
| Renfrewshire | £472 | £460 | -£12 | -2.5% |
| Clackmannanshire | £405 | £460 | £55 | 13.6% |
| North Ayrshire | £448 | £451 | £3 | 0.7% |
| West Dunbartonshire | £443 | £448 | £5 | 1.1% |
| East Ayrshire | £444 | £439 | -£5 | -1.1% |
| North Lanarkshire | £456 | £436 | -£20 | -4.4% |

*Demand is outstripping supply for 1 bed flats in city and suburbs. We are also noticing a shortage of 3 bed homes as more families look to renting as a longer term solution for their accommodation requirements. The buoyant market is not restricted to Aberdeen city, our branches throughout Aberdeenshire have also reported a significant increase in tenant demand.*

**Michael W. Sinclair, Partner**

**Aberdein, Considine & Company**

*"Martin & Co (Stirling) has seen an increase in demand for rented properties year after year, and 2011 has not been any different. In fact we have seen a much bigger increase in demand from the start of 2011 than in previous years. There is a significant shortage of studio apartments and demand for four and five bed executive villas is particularly strong."*

**Imtiaz Ahmed**

**Martin & Co (Stirling) Ltd**

*"In West Lothian, there continues to be a healthy demand for quality two and three bedroom houses in particular. Having a smaller student market than the cities, many of our tenants are young families looking for a bit extra space and a garden. Long term availability is also an important factor for tenants with school age children"*

**Alistair J McMurdo**

**Castlebrae Letting**

# Edinburgh

Edinburgh again maintained steady rental growth across all property sizes. Annual growth rates were 5.4% for 4 bed properties and 2.7% for 1 bed properties. 2 bed properties which made up 42% of the Edinburgh rental market by volume in Q1 2011 saw a substantial 4.5% annual increase in average rents to £694.

Over the year to Q1 2011 properties across the City saw a shortening in the TTL of between 1 and 6 days. Precisely a quarter of 4 bed Edinburgh properties are snapped up within a week of being advertised and 61% are let within a month. This supports feedback from agents that demand from families looking to rent continues to grow.

## Edinburgh Analysis Q1 2011

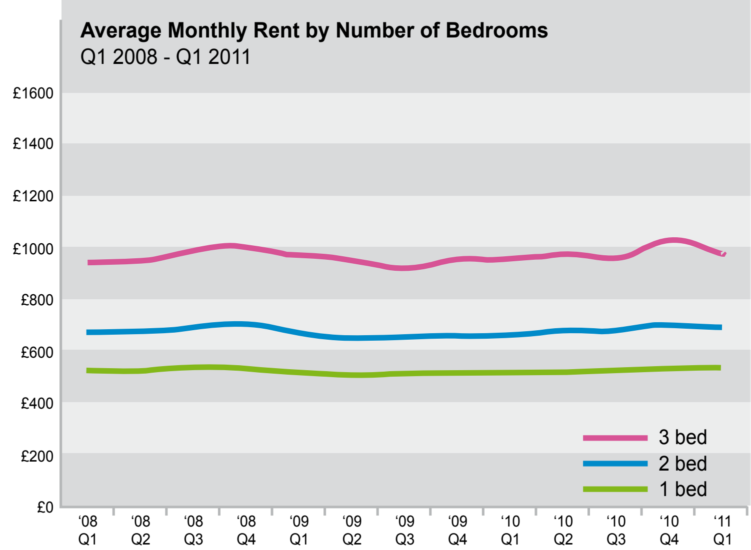
| Beds | Average Rent Q1 2011 | Growth Q1 2010 Q1 2011 | Average TTL (days) Q1 2011 | Change Q4 '10 - Q1 '11 | Let within a week | Let within a month |
|---|---|---|---|---|---|---|
| 1 bed | £534 | 2.7% | 34 | -3 | 18% | 57% |
| 2 bed | £694 | 4.5% | 32 | -1 | 15% | 52% |
| 3 bed | £979 | 2.7% | 36 | -4 | 18% | 55% |
| 4 bed | £1,418 | 5.4% | 35 | -6 | 25% | 61% |

Four bed houses saw an annual jump in average rents from £1,241 in Q1 2010 to £1,719 in Q1 2011. While this rise is significant it is worth highlighting that this property type currently makes up just 1.2% of the total volume of quarterly lettings in Edinburgh.

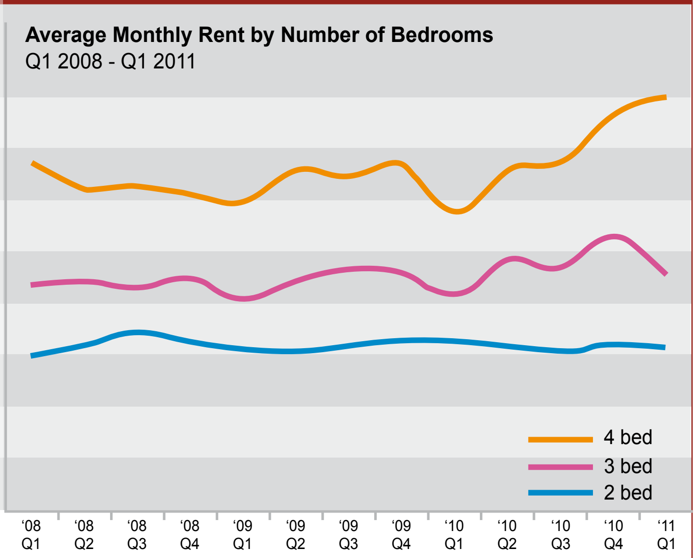
## Edinburgh Average Monthly Rents Q1 2011

| postcode | 1 bed | 2 bed | 3 bed | 4 bed | All | TTL(days) |
|---|---|---|---|---|---|---|
| EH1 | £579 | £805 | £1,188 | £1,533 | £840 | 26 |
| EH2 | £622 | £908 | £1,374 | £2,413 | £1,052 | 36 |
| EH3 | £594 | £846 | £1,337 | £1,647 | £886 | 27 |
| EH4 | £587 | £707 | £871 | £1,330 | £764 | 33 |
| EH5 | £513 | £622 | £811 | £1,688 | £654 | 36 |
| EH6 | £495 | £640 | £875 | £1,040 | £639 | 35 |
| EH7 | £514 | £674 | £925 | £1,305 | £657 | 30 |
| EH8 | £520 | £653 | £1,025 | £1,314 | £769 | 27 |
| EH9 | £564 | £764 | £1,061 | £1,421 | £979 | 27 |
| EH10 | £556 | £777 | £1,059 | £1,670 | £935 | 30 |
| EH11 | £496 | £640 | £867 | £1,172 | £606 | 30 |
| EH12 | £539 | £701 | £949 | £1,379 | £807 | 36 |

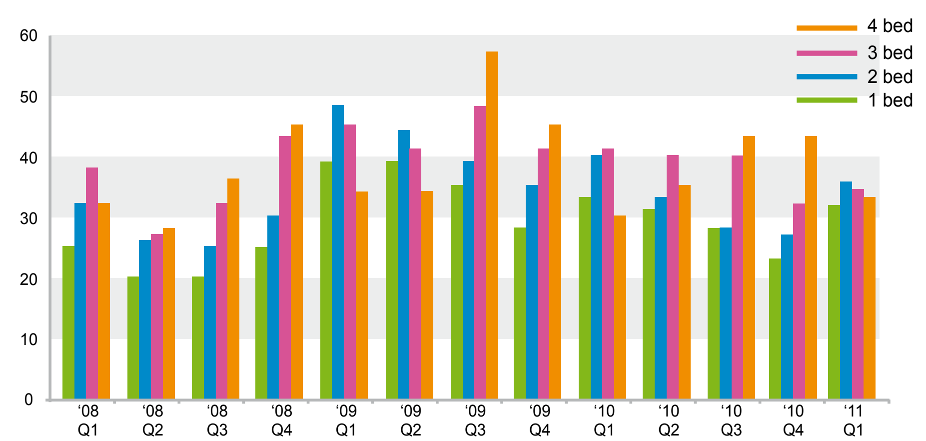
## 1,2,3 Bed Flat Rent Trends




## 2,3,4 Bed House Rent Trends




## Time to Let in Edinburgh by Property Size (Q1 2008 - Q1 2011)




*"Edinburgh now has a large stock of properties available to rent that would normally have been sold. This means that the quality of rental accommodation has dramatically improved. Tenants are happy to pay the stronger rental asking prices for good property with quality furniture, fixtures and fittings"*

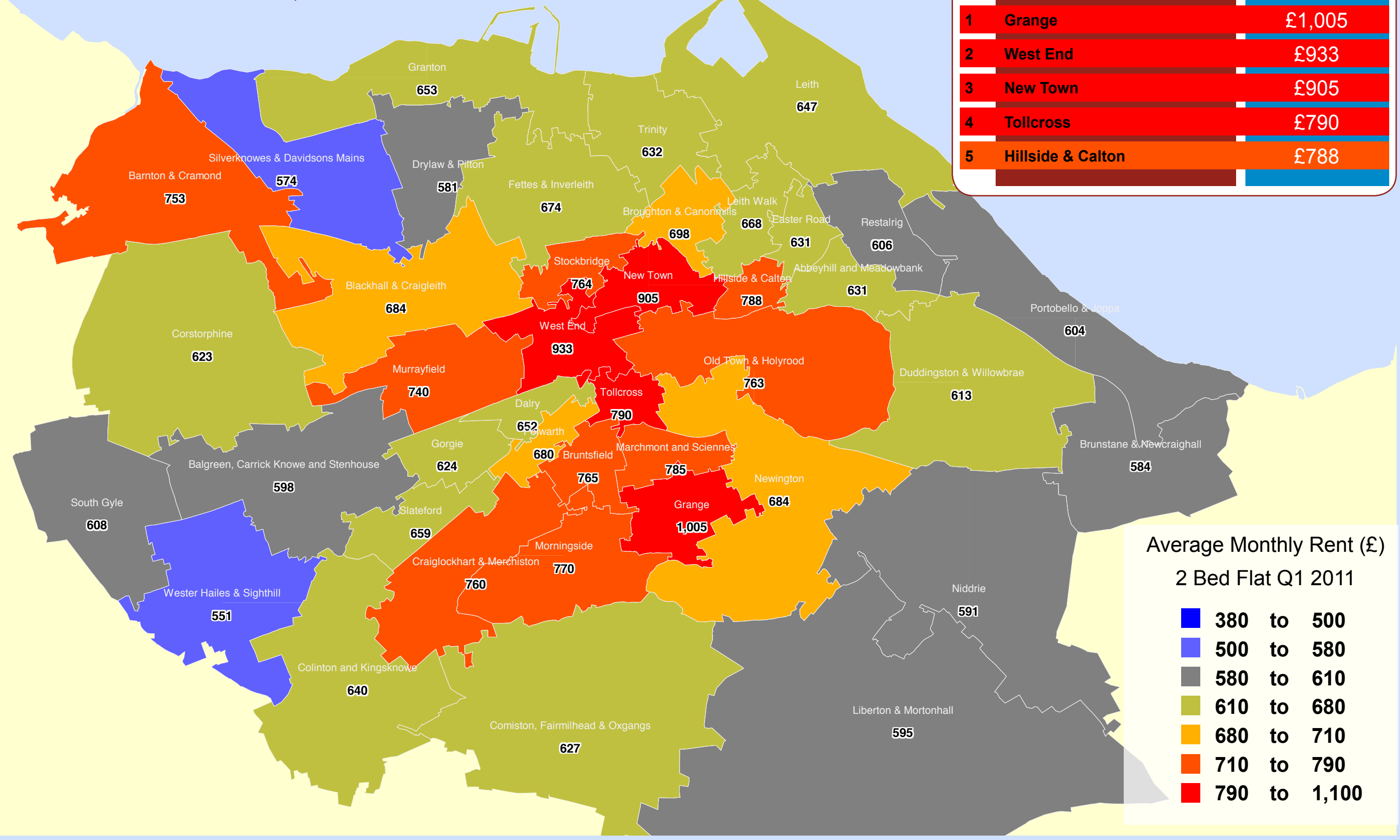
**Steven Currie**
**Murray & Currie**

## Average Monthly Rents for 2 Bed Flats in Edinburgh (all figures in pounds)

In Q1 2011 the Grange (£1,005) became the most expensive area to rent a 2 bed flat in Edinburgh, breaking through the thousand pound barrier for the first time and taking over the title from West End, Aberdeen as the most expensive area to rent in Scotland. Tollcross entered the top 5 with an average rent of £790 for a 2 bed flat in Q1 2011.

### 5 Most Expensive Areas in Edinburgh

| | Neighbourhood | Average Monthly rent for 2 bed flat |
|---|---|---|
| 1 | Grange | £1,005 |
| 2 | West End | £933 |
| 3 | New Town | £905 |
| 4 | Tollcross | £790 |
| 5 | Hillside & Calton | £788 |

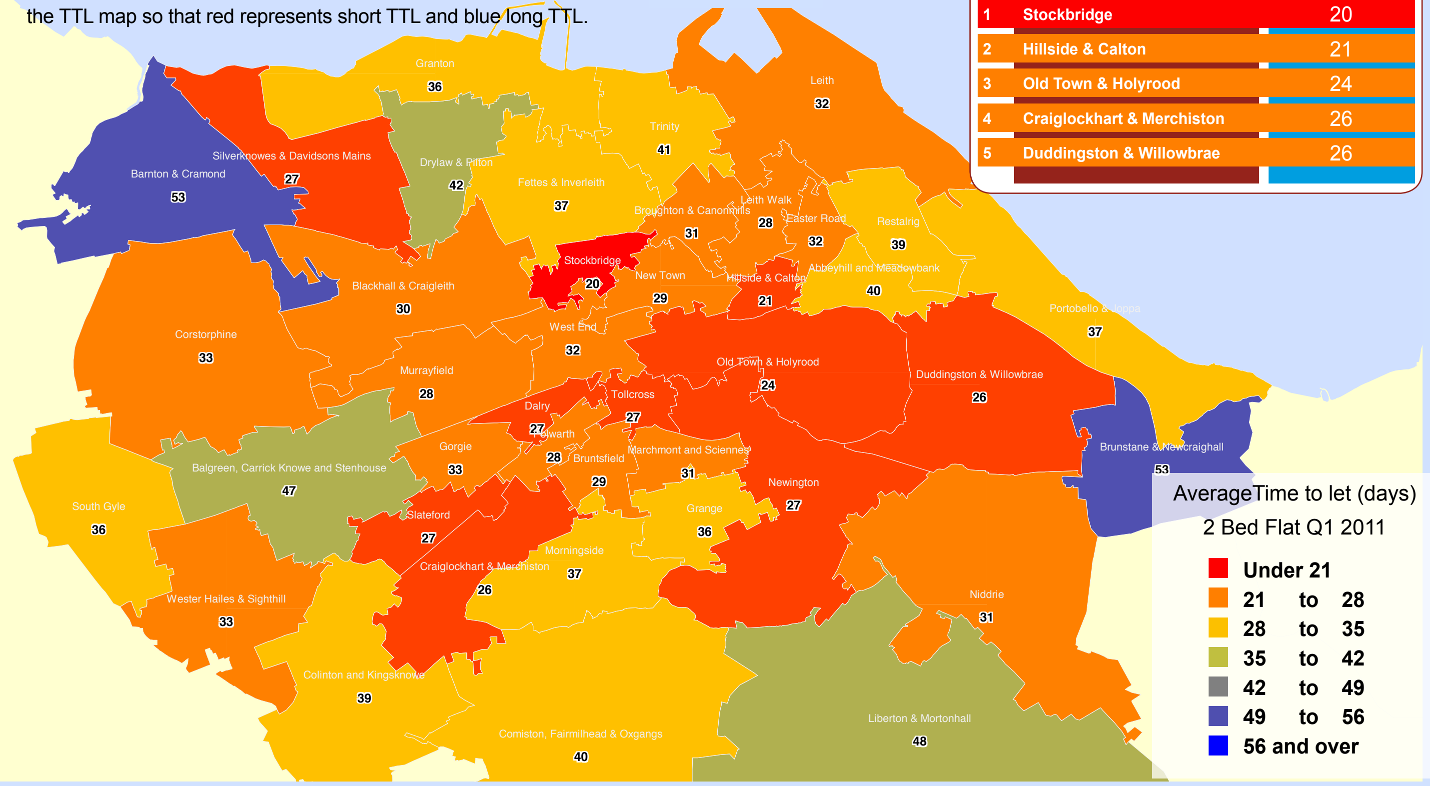



## Average Time to Let (days) 2 Bed Flat Q1 2011

The TTL map shows how quickly 2 bed flats are letting across the City. The central City locations were taking around four weeks to let during Q1 2011 but Stockbridge still tops the list with a sub 3 week TTL of 20 days. Other locations with particularly short TTL figures in the period include Hillside & Calton (21 days) and Old Town & Holyrood (24 days). Note we have changed the colour scale of the TTL map so that red represents short TTL and blue long TTL.

### 5 Shortest Time to Let in Edinburgh

| | Neighbourhood | TTL (days) 2 Bed Flats |
|---|---|---|
| 1 | Stockbridge | 20 |
| 2 | Hillside & Calton | 21 |
| 3 | Old Town & Holyrood | 24 |
| 4 | Craiglockhart & Merchiston | 26 |
| 5 | Duddingston & Willowbrae | 26 |



# Glasgow

The Glasgow average rent fell slightly (1.9%) over the year to Q1 2011. The 7.3% drop in rent for 3 bed properties reversed the 6.9% gain that was seen in the previous quarter. 2 bed properties which made up half of the Glasgow private rental lets in Q1 2011 had a slight fall of 1.5% and the average is now £595. Over the year the TTL for 1 bed properties has come down by 4 days and now stands at 34 days. Larger 3 bed properties were taking nearly two weeks (13 days) longer to let in Q1 2011 than a year ago and now take an average 51 days to let.

## Glasgow Analysis Q1 2011

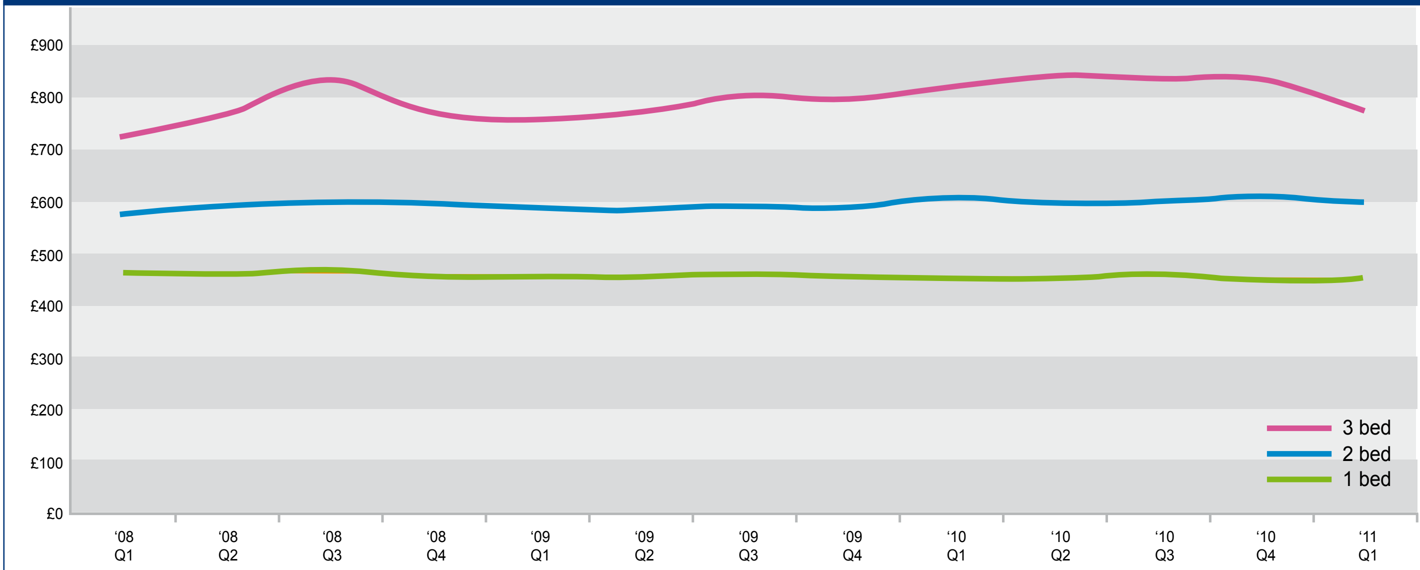
| Beds | Average Rent Q1 2011 | Growth Q1 2010 Q1 2011 | Average TTL (days) Q1 2011 | Change Q1 2010 - Q1 2011 | Let within a week | Let within a month |
|---|---|---|---|---|---|---|
| 1 bed | £450 | 0.4% | 34 | -4 | 17% | 55% |
| 2 bed | £595 | -1.5% | 44 | 3 | 12% | 46% |
| 3 bed | £752 | -7.3% | 51 | 13 | 8% | 36% |

## Glasgow Average Monthly Rents Q1 2011

| postcode | 1 bed | 2 bed | 3 bed | 4 bed | All | TTL(days) |
|---|---|---|---|---|---|---|
| G1 | £533 | £736 | £1,321 | | £647 | 26 |
| G2 | £486 | £699 | | | £621 | 31 |
| G3 | £500 | £696 | £1,082 | | £686 | 27 |
| G4 | £479 | £625 | £847 | | £606 | 28 |
| G5 | £471 | £576 | £728 | | £583 | 34 |
| G11 | £488 | £712 | £1,036 | | £640 | 34 |
| G12 | £513 | £765 | £1,031 | £1,560 | £802 | 35 |
| G20 | £447 | £600 | £662 | £831 | £587 | 37 |
| G31 | £381 | £507 | £641 | | £462 | 38 |
| G32 | £353 | £476 | | | £444 | 43 |
| G40 | £393 | £523 | | | £489 | 39 |
| G41 | £437 | £548 | £678 | | £541 | 44 |
| G42 | £392 | £498 | £636 | | £461 | 39 |
| G44 | £400 | £519 | £560 | | £485 | 43 |
| G51 | £370 | £495 | £594 | | £475 | 46 |

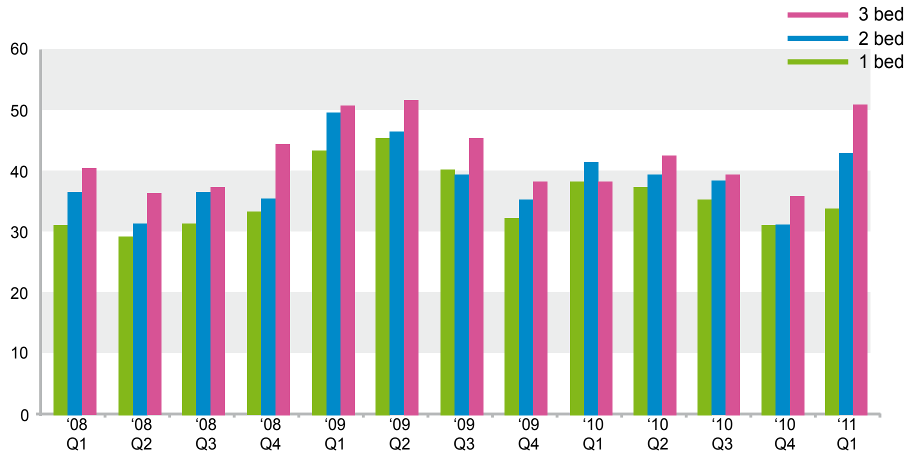
## 1,2,3 Bed Flat Rent Trends

**Average Monthly Rent by Number of Bedrooms** Q1 2008 - Q1 2011




## Time to Let in Glasgow by Property Size (Q1 2008 - Q1 2011)

The gradual TTL improvements in Glasgow seen during 2010 year have been reversed during Q1 2011. While an increase in TTL is not unexpected in Q1 the scale of the increase for 2 and 3 bed properties was larger than anticipated. 2 bed properties are now taking an average of 44 days to let but this figure is expected to be a high for the year.

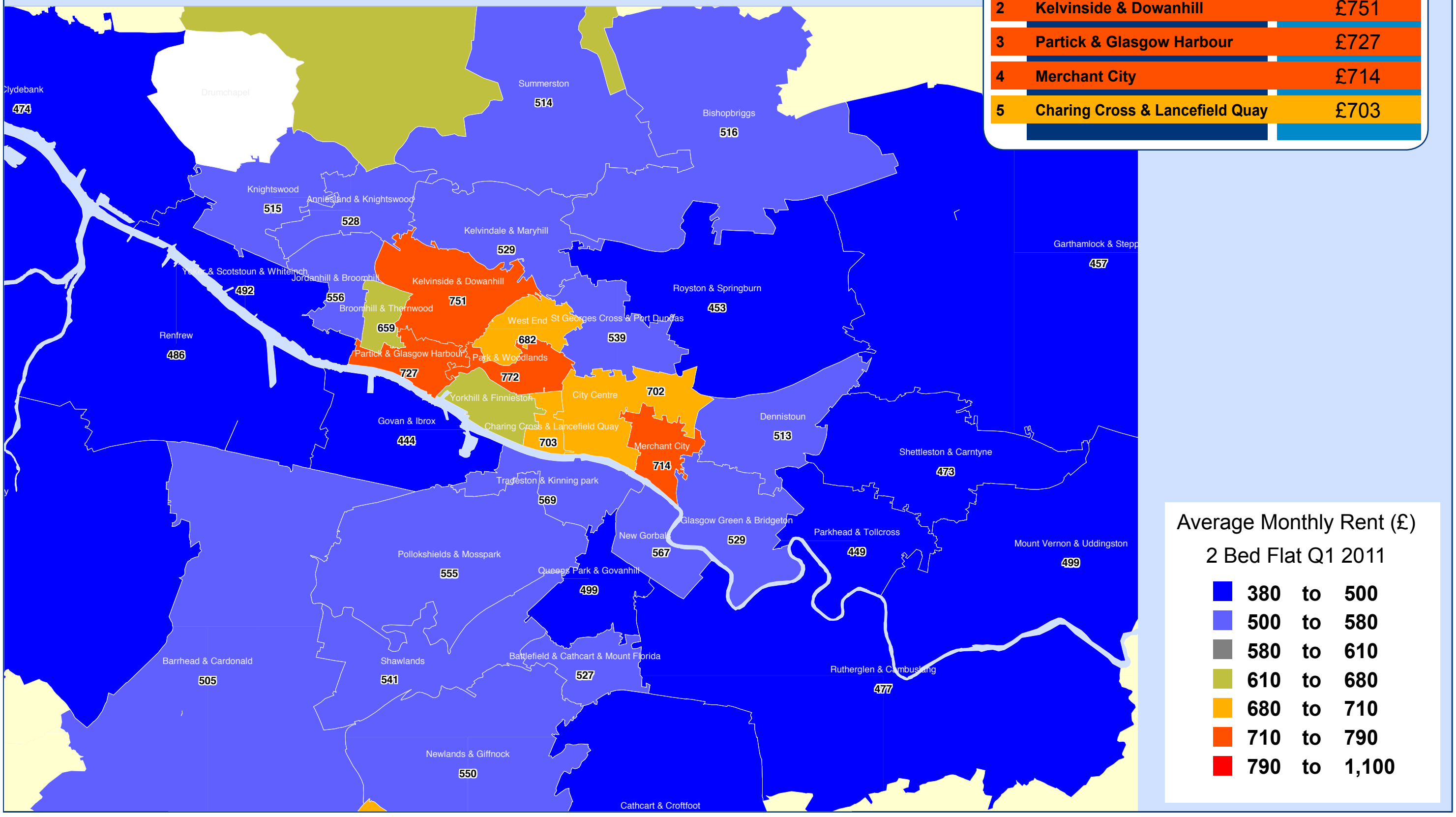


## Average Monthly Rents for 2 Bed Flats in Glasgow (all figures in pounds)

The map of average rents for 2 bed flats at the neighbourhood level highlights how the majority of the popular and therefore expensive areas are close to the City centre. Park & Woodlands (£772) again tops the list of premium areas to rent a 2 bed flat in Glasgow. Kelvinside & Dowanhill (£751) and Partick & Glasgow Harbour (£727) come in 2nd and 3rd respectively.

### 5 Most Expensive Areas in Glasgow

| | Neighbourhood | Average Monthly rent for 2 bed flat |
|---|---|---|
| 1 | Park & Woodlands | £772 |
| 2 | Kelvinside & Dowanhill | £751 |
| 3 | Partick & Glasgow Harbour | £727 |
| 4 | Merchant City | £714 |
| 5 | Charing Cross & Lancefield Quay | £703 |

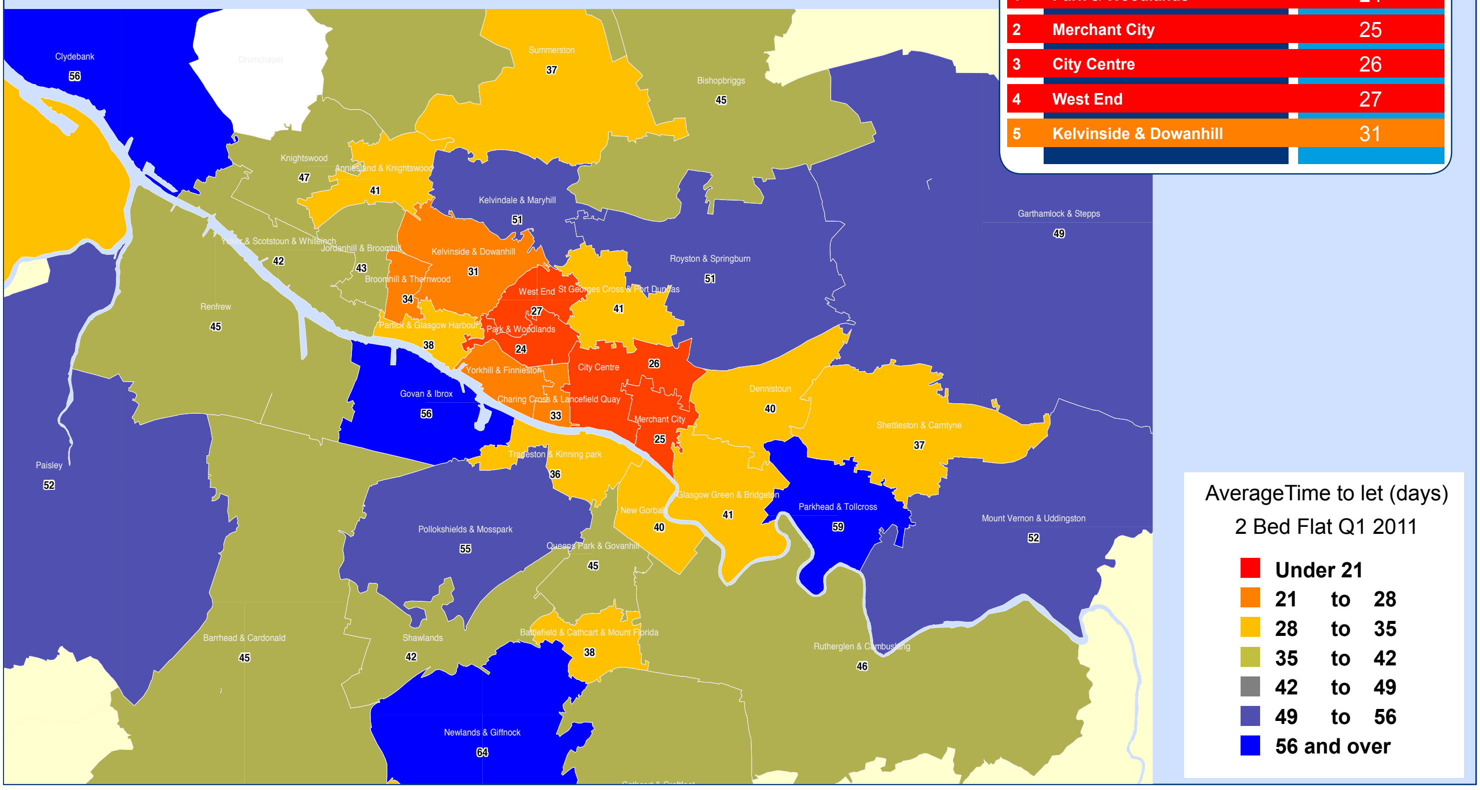



## Average Time to Let (days) 2 Bed Flat Q1 2011

Park & Woodlands is now the area with the shortest Time To Let (24 days) just beating Merchant City (25 days) in to 2nd spot. Most of the busy City centre locations have TTL figures of under 4 weeks which is a reflection of the high demand for city centre life.

### 5 Shortest Time to Let in Glasgow

| | Neighbourhood | TTL (days) 2 Bed Flats |
|---|---|---|
| 1 | Park & Woodlands | 24 |
| 2 | Merchant City | 25 |
| 3 | City Centre | 26 |
| 4 | West End | 27 |
| 5 | Kelvinside & Dowanhill | 31 |



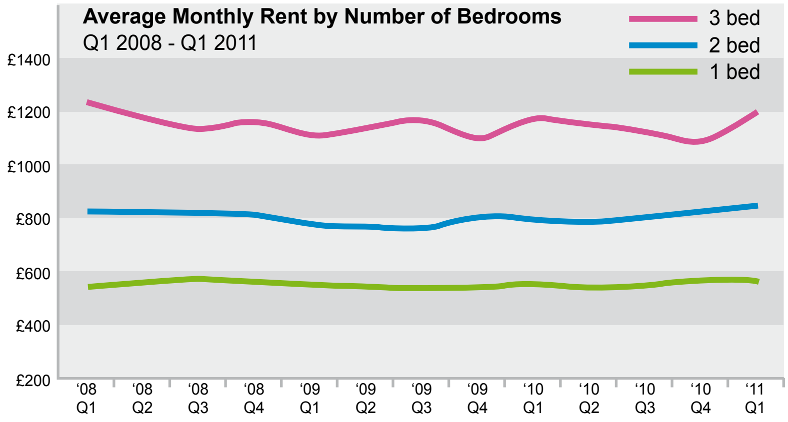
# Aberdeen

Aberdeen remains the most expensive City to rent in Scotland with an average property costing £907 per month, it also experienced the largest jump in rents over the year (5.7%) of any of the major Cities.

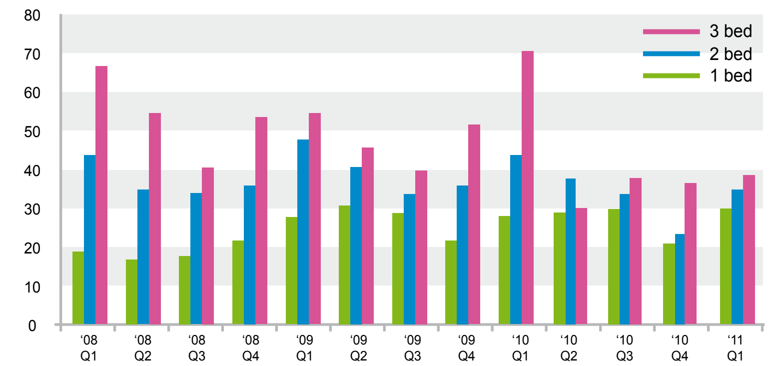
The tightening of the market seen during 2010 continued in the first quarter of 2011 and this applied to rental property of all sizes. 2 bed properties appreciated at 6.9% to £851 and 3 bed properties were up 2.5% to £1,201 in the year to Q1 2011. The time to let figures for 2 and 3 bed properties have again improved over the year by 8 and 32 days respectively.

## Aberdeen Analysis Q1 2011

| Beds | Average Rent Q1 2011 | Growth Q1 2010 Q1 2011 | Average TTL (days) Q1 2011 | Change Q1 '10 - Q1 '11 | Let within a week | Let within a month |
|---|---|---|---|---|---|---|
| 1 bed | £568 | 2.2% | 30 | 2 | 26% | 63% |
| 2 bed | £851 | 6.9% | 36 | -8 | 18% | 53% |
| 3 bed | £1,201 | 2.5% | 39 | -32 | 25% | 45% |



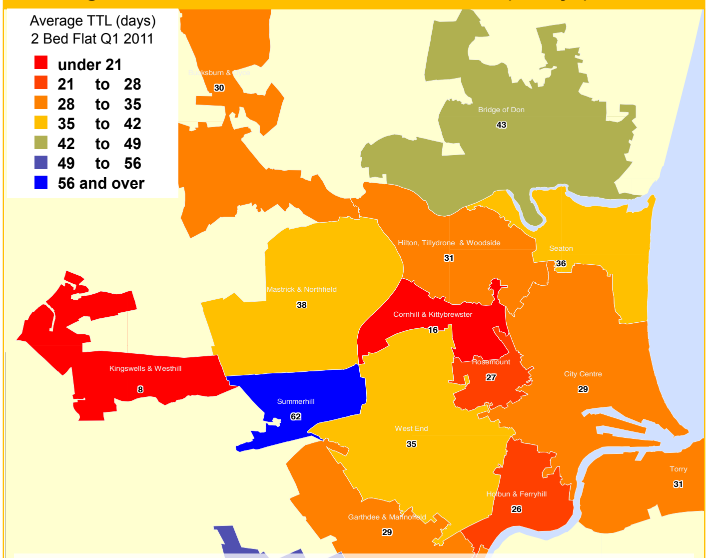

## Time to Let in Aberdeen by Property Size (Q1 2008 - Q1 2011)




## Aberdeen Average Monthly Rents Q1 2011

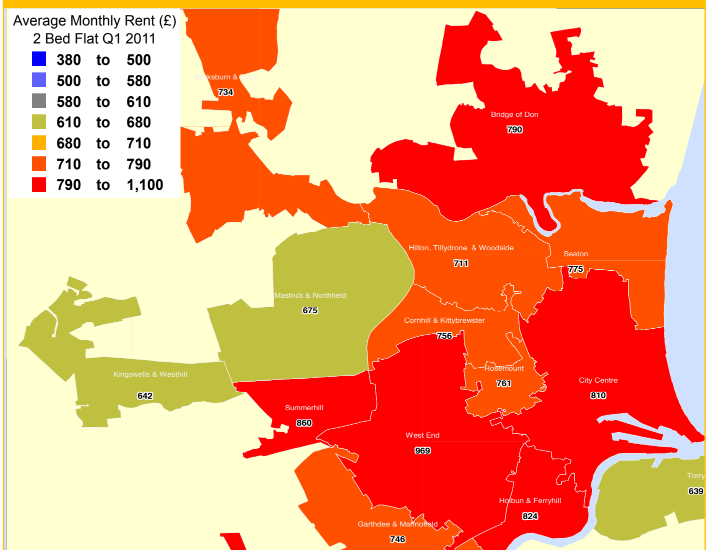
| postcode | 1 bed | 2 bed | 3 bed | 4 bed | Total | TTL days |
|---|---|---|---|---|---|---|
| AB10 | £573 | £770 | £1,167 | £1,645 | £762 | 27 |
| AB11 | £563 | £857 | £1,204 | £1,779 | £821 | 31 |
| AB15 | £653 | £1,006 | £1,173 | £1,920 | £1,289 | 48 |
| AB24 | £573 | £767 | £981 | | £745 | 29 |
| AB25 | £559 | £757 | £1,071 | | £666 | 29 |

## Average Time to Let for 2 Bed Flats in Aberdeen (in days)




While TTL rates are up slightly on the previous quarter the more important year on year comparison is broadly positive. TTL is encouragingly short in those areas with most 2 bed flats: Hobun & Ferryhill is now at 26 days, and City Centre 29 days.

## Average Monthly Rents for 2 Bed Flats in Aberdeen (in £)




The West End (£969), Summerhill (£860) and Bieldside, Cults & Peterculter (£846) are the three most expensive Aberdeen areas for 2 Bed Flats.

## About Citylets

Founded in 1999, Citylets is Scotland and Northern Ireland's original residential lettings portal & network advertising more than 50,000 properties per year on behalf of over 300 letting agents. Citylets Network is an exclusive group of sites for property to rent including s1homes, FindaProperty, Primelocation and Globrix. Privately owned, Citylets is fully independent of any estate / letting agent group, media or financial organisation and is managed by its founding team in the West End of Edinburgh.

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## Enquiries

Please feel free to get in touch with us if you would like to discuss any aspect of this report or would like to consider advertising property on the Citylets Web site.


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**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.

**Disclaimer**

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.