

Cap Trap?



- Market Overview ▪ National Trends
- Spotlights: Edinburgh, Glasgow, Aberdeen, Dundee & more
- Agent Views ▪ Postcode & Town Analysis: Localised Rental Prices
- Pipeline: BTR & MMR news
- SAL: Changes to the Repairing Standard
- ESPC: Edinburgh Market Returning to Pre-Pandemic Levels
- TC Young: Rent Cap Controls
- SafeDeposits Scotland: Funds Available to Support PRS Education

Market Overview

Scotland's PRS enjoyed relative calm in the first quarter of 2023 with some easing of pressure on landlords as mortgage rates drifted lower and the rent freeze was replaced with a 3% increase cap with discretionary scope for up to 6%. However material concerns for supply persist with Industry consensus that recent legislation, however well intent, will increasingly exacerbate the root causes of the problem.

It could be argued that it was the turn of administration which brought such rapid change to the residential lettings landscape to feel the pressure with an unexpected resignation of the First Minister as surprising and sudden as the manner of the introduction of the legislation.

A legitimate question of unintended consequences will increasingly come to the fore from the measures which aimed at a part of the market for which there is little to no information to quantify and qualify the scale of the problems it sought to address. Doubtless matters for tenants within existing tenancies have improved with assured price stability, however arguably at the expense of those seeking new properties who continue to experience considerable price appreciation and availability challenges.

Records of the unenviable kind have fallen for the second time in consecutive quarters post the introduction of the Cost of Living (Tenant Protection) (Scotland) Act. The average property to rent in Scotland passed the £1000 mark for the first time in Q1 2023 and the rate of growth has continued to climb Year on Year (YOY).

Many agents report a very frenetic and difficult experience for would-be tenants at the coalface. Fears of a vicious circle of low supply and rising open market rents seem well founded as tenants increasingly understand the gap between existing tenancy rents and new tenancies. The longer the cap remains in place, the wider the gap will grow further de-incentivising moves within the PRS and constraining supply at a time when many plans for homeownership have also been postponed in the hope mortgage interest rates will slowly return to longer term norms of recent decades.

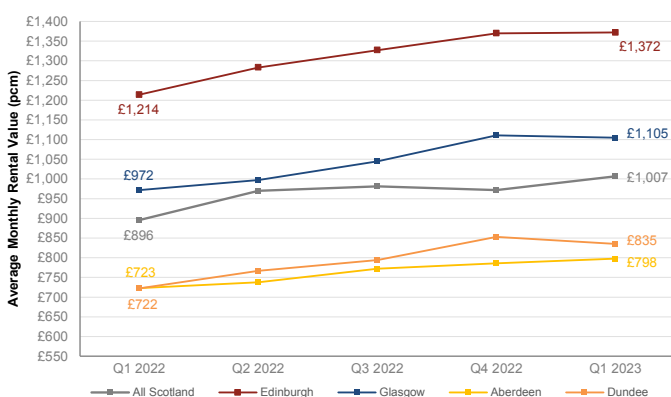
Q4 2022 sparked intense debate and speculation around supply of rental property and evergreen concerns that changes to legislation, in this instance coupled with higher mortgages and ADS tax, would see a material net reduction. Anecdotal evidence from letting agents, bell-weather of the overall market, is however mixed with some reporting

clear net reduction with others reporting balance and in some cases even growth. The next Scottish Household Surveys, disrupted by Covid, will be greatly anticipated indicators of overall impact on the size of Scotland's PRS.

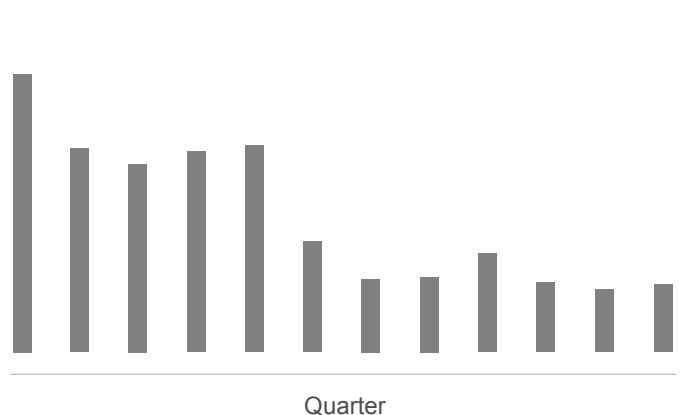
There is little dubiety as to the outlook for 2023; continued imbalance between supply and demand. The introduction of new stringent short term lets legislation may introduce additional capacity in some urban areas such as Edinburgh where councils will seek to use their new powers to aggressively reduce holiday let volumes, refusing licenses to operate leaving owners to consider other options such as residential letting.

Average rents in Scotland rose 12.4% Year on Year (YOY) in the first quarter of 2023 to average £1,007 per month with properties taking just 21 days to let. Keen competition for property to rent around the country persists evidenced by widespread double digit growth in rents and low time to lets. Aberdeen recorded growth above 10% for the second consecutive quarter seeing rents starting to head back to parity with Citylets Index 2008 base, however adjusted for inflation rents remain significantly lower in real terms.

Scottish Monthly Rent Analysis (Q1 2022 - Q1 2023)



Scotland - Average Stock Levels (Q2 2020 - Q1 2023)

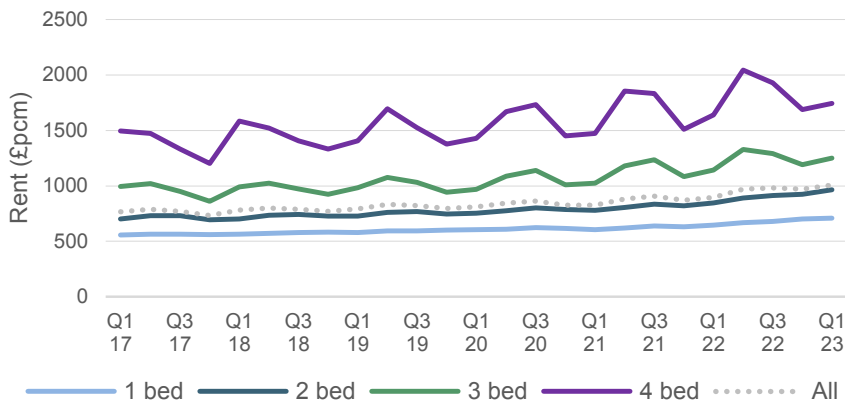


Scotland

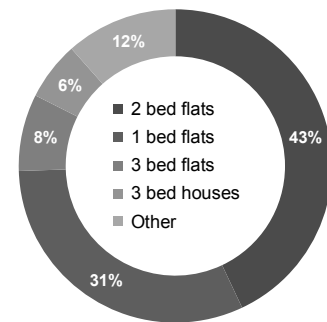
Market Overview - Q1 23

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	£710	9.9%	25.7%	45.2%	16	-2	41%	83%
2 bed	£964	13.8%	37.1%	54.2%	21	1	31%	76%
3 bed	£1,252	9.4%	26.3%	47.1%	26	3	24%	68%
4 bed	£1,742	6.2%	9.9%	39.4%	37	12	21%	55%
All	£1,007	12.4%	29.1%	49.2%	21	1	33%	76%

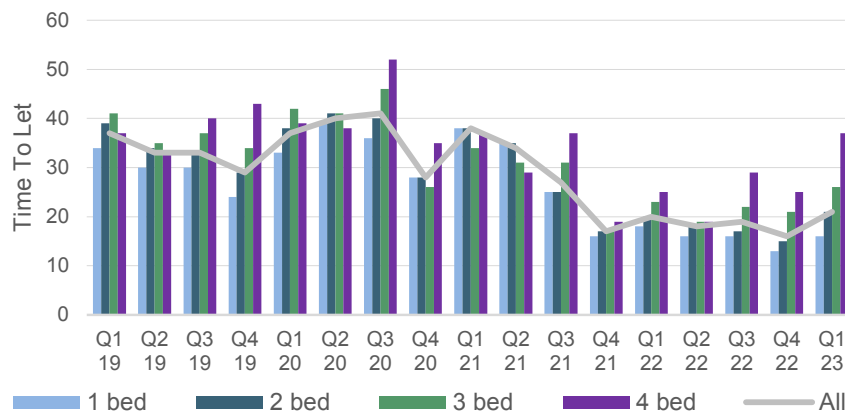
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

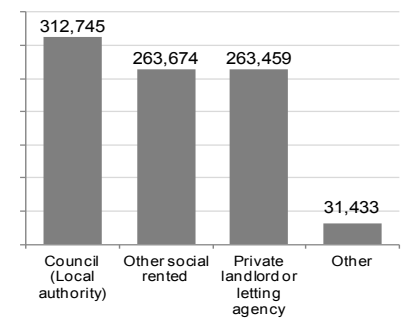
Year	Q1	Q2	Q3	Q4
2012	102.9	104.2	105.0	104.0
2013	104.7	107.4	106.5	105.1
2014	108.4	112.1	114.1	113.5
2015	116.4	118.1	117.4	115.7
2016	118.9	120.5	120.2	114.6
2017	119.1	122.3	119.7	113.8
2018	120.9	123.9	122.3	119.5
2019	122.9	129.1	127.3	123.6
2020	125.7	130.9	134.1	128.1
2021	128.1	136.9	140.5	134.7
2022	138.9	150.4	152.1	150.7
2023	156.1			



Karen Turner - Rettie & Co.

"The rental market remains strong in Scotland. In the main, most properties are receiving high demand for viewings with several notes of interest coming off the back of the viewing. There is strong demand for student HMO properties but we are seeing limited notices coming from students, which would have been the norm at this time of year pre-Covid. The demand from renters is there but there is still not enough stock to satisfy the demand. We need to see positive action from government to encourage both landlords and corporate investors to enter the market and aid the housing supply to help increase the stock across all tenures."

Households: Rented



Source: Census 2011, Edinburgh

Meet JiL.



Your Jack of all trades.

With over 12 years' experience in the property market, Jobs in Letting (JiL) placement expertise covers all roles in the sector.

- ✓ Property Manager
- ✓ New Business

- ✓ Marketing
- ✓ Accounts

- ✓ Maintenance
- ✓ Office Support

- ✓ Letting Manager
- ✓ Sales Negotiator



PRS



Student



Housing Association



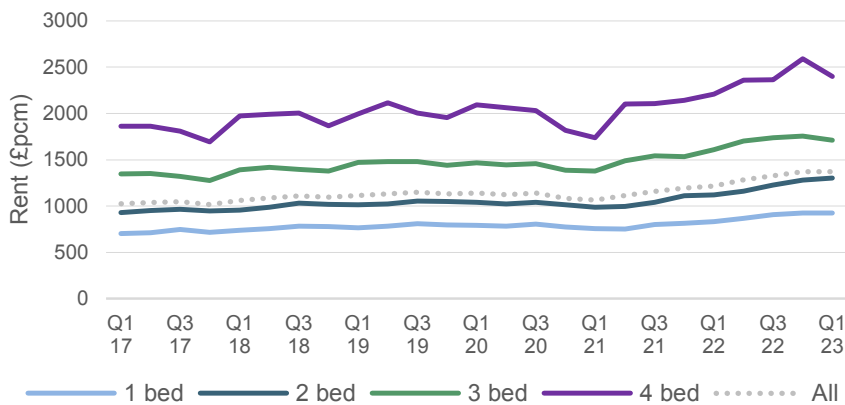
Estate Agency

Edinburgh

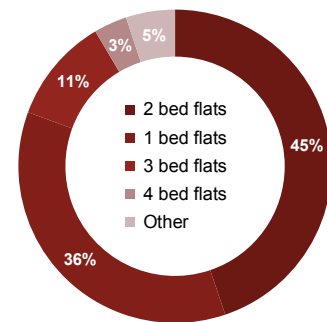
Market Overview - Q1 23

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	£926	11.6%	25.1%	65.4%	13	0	49%	89%
2 bed	£1,303	16.2%	36.3%	78.5%	18	3	34%	80%
3 bed	£1,712	6.3%	22.9%	55.6%	25	3	23%	68%
4 bed	£2,401	8.6%	21.8%	59.9%	36	13	23%	63%
All	£1,372	13.0%	29.2%	67.9%	18	2	38%	81%

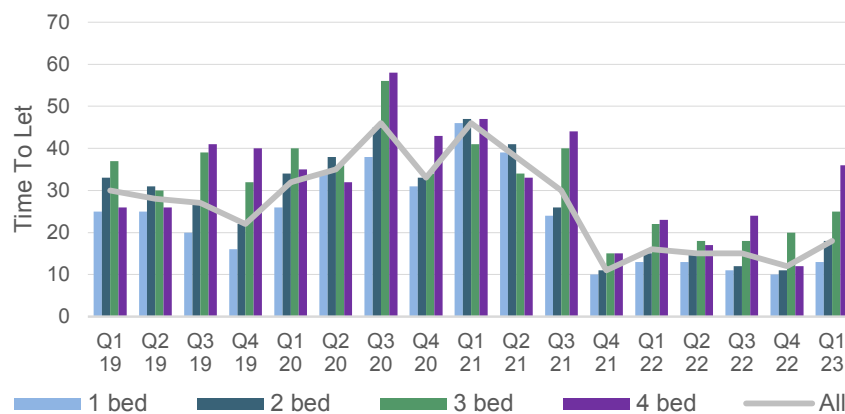
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2012	105.5	105.9	106.2	109.6
2013	109.4	109.5	109.8	110.0
2014	113.5	115.1	117.3	120.5
2015	122.1	123.6	126.1	127.2
2016	130.1	132.0	135.6	131.7
2017	136.9	138.8	140.3	136.0
2018	142.2	145.5	148.3	146.6
2019	149.3	151.5	153.7	151.4
2020	152.9	150.2	152.5	145.2
2021	142.3	149.3	154.9	159.6
2022	162.5	171.8	177.6	183.4
2023	183.7			

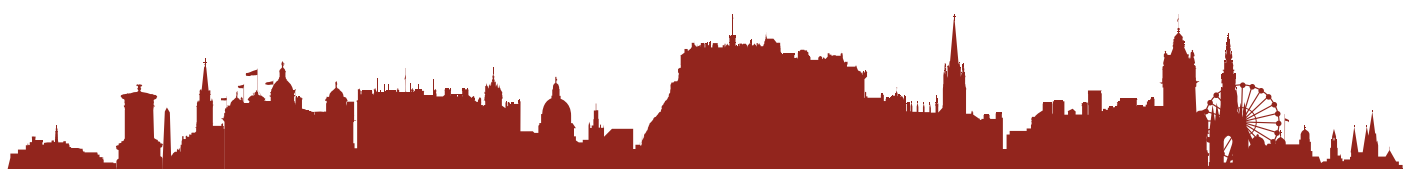
Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
EH3	3.7%	3.9%	3.6%	3.8%	4.0%
EH7	5.0%	5.5%	5.0%	5.1%	5.5%
EH8	7.0%	6.3%	6.6%	6.4%	6.8%
EH9	4.8%	5.1%	4.7%	4.8%	5.2%
EH10	4.1%	4.2%	3.8%	3.9%	4.0%
EH11	5.8%	5.8%	5.6%	5.3%	5.6%
EH12	4.9%	4.9%	4.7%	4.6%	5.0%



Paula Russell - Aberdeen Considine

"The start of 2023 has continued as 2022 left off and is still very busy with new landlords looking to add to their rental portfolios. Whilst stock levels remain low across the market, the demand for good quality properties is strong. Economic uncertainty, the energy crisis and energy performance are factors very much in tenants' minds and will be decision making factors when shopping around for a property to rent. Overall, we continue to see high occupancy levels across the portfolio we manage and with tenant demand up, we are hopeful the supply chain will respond positively."

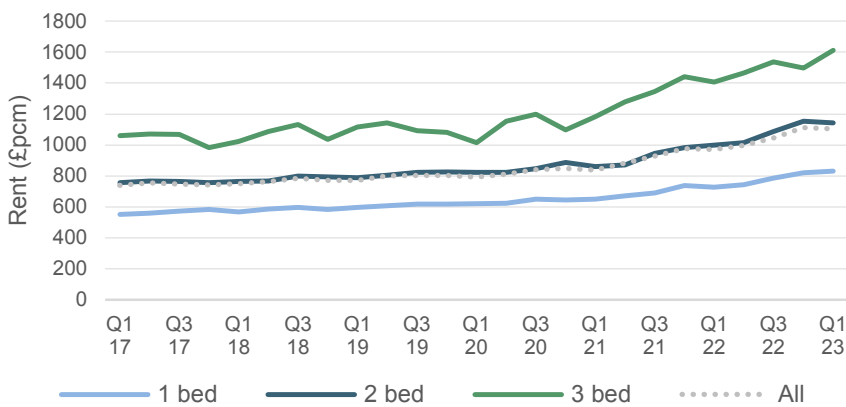


Glasgow

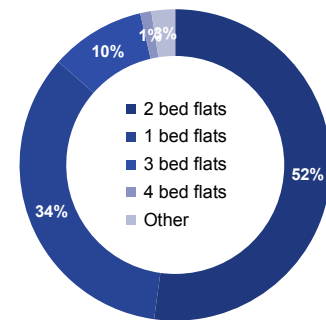
Market Overview - Q1 23

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	£830	14.3%	46.4%	78.9%	11	1	54%	90%
2 bed	£1,143	14.4%	49.6%	83.8%	19	6	35%	78%
3 bed	£1,611	14.5%	57.3%	92.5%	24	9	32%	65%
4 bed	£2,022	7.6%	26.4%	60.5%	38	17	18%	45%
All	£1,105	13.7%	47.5%	80.3%	17	4	41%	80%

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
2012	105.1	107.4	108.5	107.9
2013	108.1	109.0	109.0	108.5
2014	110.8	115.7	118.0	118.7
2015	119.8	120.8	120.6	123.6
2016	125.2	126.8	129.3	128.6
2017	130.5	133.2	131.9	130.9
2018	132.1	134.6	138.4	136.0
2019	136.2	140.9	141.6	141.4
2020	139.7	142.9	148.3	149.4
2021	147.8	155.6	163.7	172.0
2022	171.4	175.8	184.3	195.9
2023	194.9			

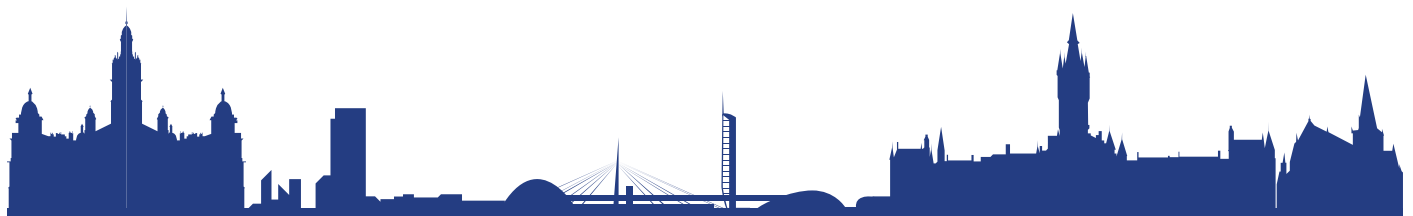
Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
G1	4.9%	6.0%	5.8%	6.2%	7.1%
G2	7.0%	6.6%	5.9%	6.6%	8.9%
G3	5.3%	5.3%	5.3%	5.0%	5.8%
G4	5.3%	6.0%	5.9%	6.0%	6.3%
G5	6.4%	6.7%	6.4%	6.7%	6.8%
G11	5.0%	5.2%	5.2%	5.3%	5.7%
G12	4.4%	4.8%	4.2%	4.5%	4.7%



Cameron Haddow - Sandstone

"There was little change to the market in Q1, with no improvement in the supply and demand shortage we saw at the tail end of last year. As a result of this, rents in our portfolio have seen double digit % growth. There continues to be a lack of properties becoming available, which means more tenants competing for a finite number of homes. This will be exacerbated further with the peak letting season for students on the horizon – I don't foresee any let up in the coming weeks and months."

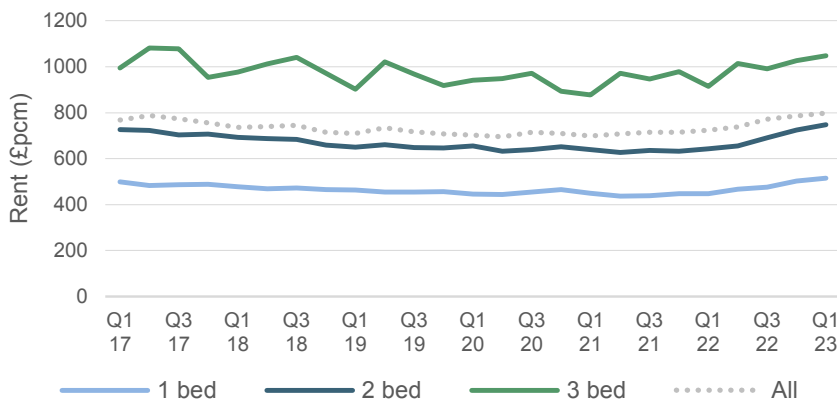


Aberdeen

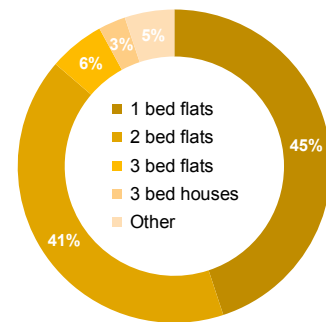
Market Overview - Q1 23

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	£514	14.7%	7.8%	-14.9%	19	-15	27%	77%
2 bed	£747	16.4%	7.9%	-16.8%	26	-11	23%	68%
3 bed	£1,048	14.7%	7.4%	-17.2%	36	-10	15%	52%
4 bed	£1,471	-2.3%	0.5%	-23.5%	48	12	30%	45%
All	£798	10.4%	8.4%	-17.0%	24	-13	24%	70%

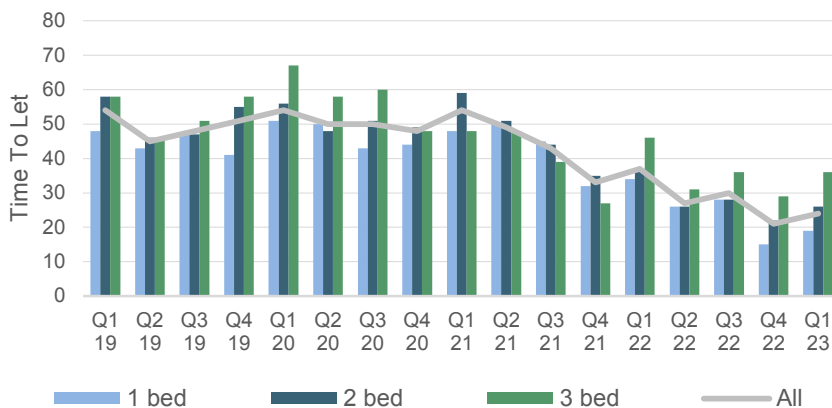
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2012	103.2	101.8	101.6	107.3
2013	108.6	109.3	113.2	116.2
2014	120.5	122.5	120.6	125.4
2015	123.1	117.9	112.4	105.5
2016	97.7	93.9	93.7	89.2
2017	86.8	89.0	87.5	85.3
2018	83.2	83.6	84.2	80.8
2019	80.2	82.9	80.9	80.0
2020	79.3	78.6	80.7	80.1
2021	79.0	79.9	80.8	80.7
2022	81.7	83.4	87.2	88.8
2023	90.2			

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
AB10	5.4%	5.2%	5.3%	5.3%	6.0%
AB11	5.7%	6.0%	6.2%	6.1%	6.6%
AB15	4.9%	5.2%	5.2%	5.4%	5.5%
AB24	6.7%	6.4%	7.3%	7.4%	8.2%
AB25	5.3%	4.9%	5.6%	5.8%	6.7%



Sarah Harley - Margaret Duffus Leasing

"Rents are rising in Aberdeen and with some landlords looking to get out of the market due to their own rising costs, the pressure on tenants is going to continue. The rent freeze coming to an end in March will see a rise for a lot of existing tenants coming into effect by July, but the cap has meant that some tenants are not only forced to move, but will pay a higher rent on the open market. Many properties are receiving several offers so landlords are looking for tenants to provide good references and a solid term credit history to be able to stand out from the crowd."

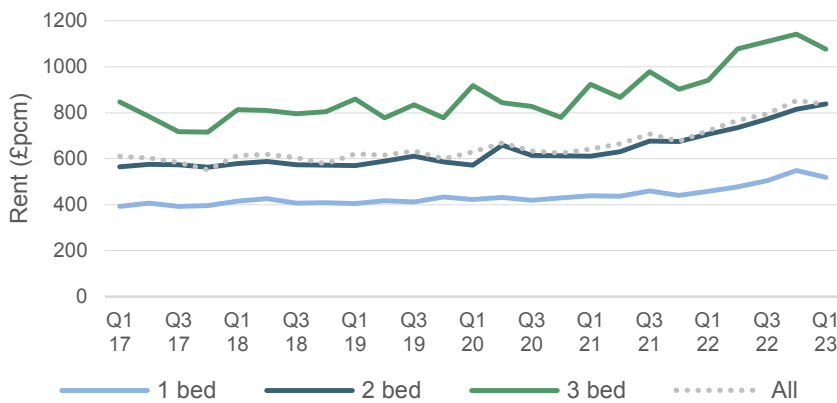


Dundee

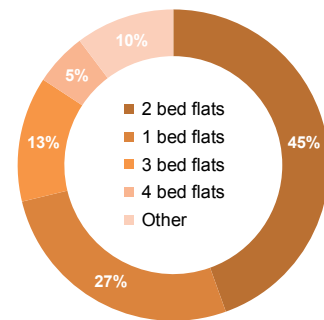
Market Overview - Q1 23

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	£518	13.1%	22.7%	24.8%	15	1	46%	85%
2 bed	£839	18.8%	46.9%	44.9%	19	3	37%	78%
3 bed	£1,076	14.3%	17.2%	32.3%	24	3	16%	72%
All	£835	15.7%	32.5%	36.0%	20	4	35%	77%

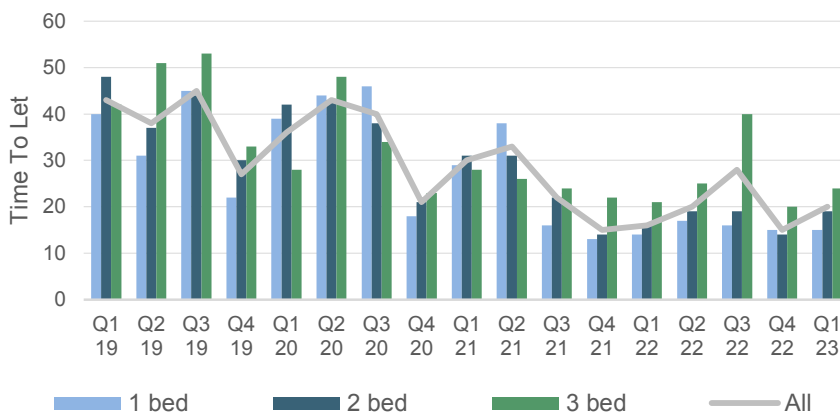
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 10)

Year	Q1	Q2	Q3	Q4
2012	96.2	93.2	94.6	91.5
2013	99.3	98.1	96.4	91.7
2014	103.3	97.4	98.4	94.6
2015	101.9	103.8	99.7	99.0
2016	107.6	104.0	102.4	103.6
2017	105.9	104.7	101.4	95.8
2018	106.6	107.3	104.9	100.3
2019	107.6	106.9	109.9	104.2
2020	109.4	116.0	109.9	108.5
2021	111.5	115.5	122.7	117.2
2022	125.3	133.2	137.8	148.1
2023	145.0			

Yield by Popular Postcodes (Flats)

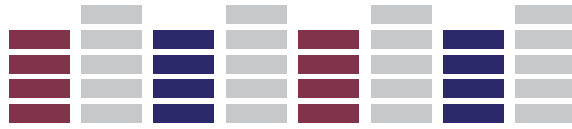
	2018	2019	2020	2021	2022
DD1	6.7%	6.7%	6.7%	7.1%	8.9%
DD2	6.6%	6.2%	6.3%	6.3%	7.6%
DD3	7.1%	7.1%	7.3%	7.1%	8.4%
DD4	7.4%	7.2%	7.0%	7.0%	8.8%
DD5	4.5%	4.5%	4.5%	4.5%	4.8%



Eilidh Finlayson - Finlayson Gore

"Q1 of 2023 saw an unprecedented upsurge in the asking prices for rents in Dundee, directly influenced by a continued demand for good quality property outstripping available market supply. Additionally tenant contact for not only advertised properties but speculative enquiries for any property becoming available in the coming months increased. Competition between tenants is fierce and completed applications are being received ahead of viewings in an attempt by interested parties to secure tenancies ahead of others. We attribute this to existing tenants staying on in their rental properties and their reluctance to move on in an uncertain renters market."





LET S TALK

Podcast channel dedicated to all things property letting- investment, legislation, rights, responsibilities and more.

Stay up to date with the news and views from around the world of property letting.

Subscribe now:



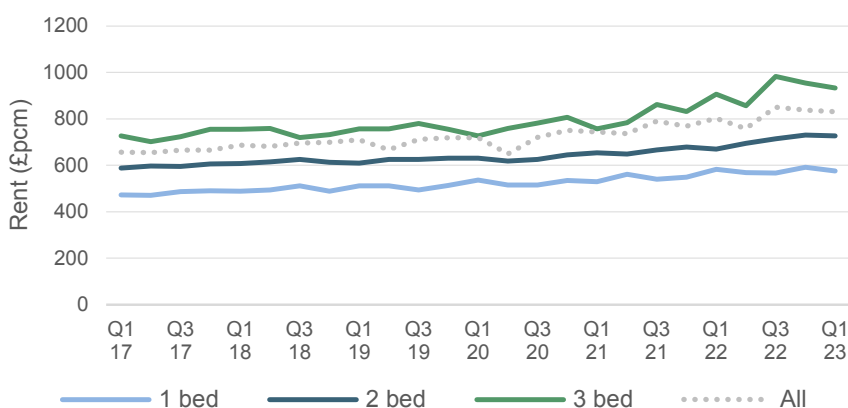
citylets.co.uk/podcasts

West Lothian

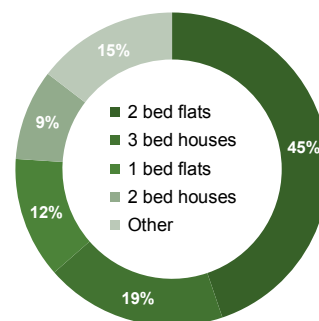
Market Overview - Q1 23

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	£575	-1.2%	17.6%	31.0%	21	11	36%	71%
2 bed	£726	8.5%	19.6%	33.0%	24	10	23%	73%
3 bed	£932	2.8%	23.3%	44.7%	22	9	33%	67%
All	£830	3.4%	21.0%	37.4%	26	12	27%	69%

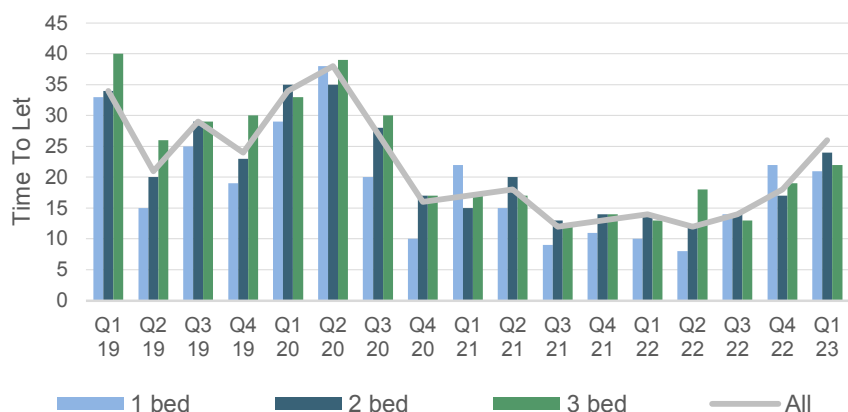
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2012	98.1	102.8	103.3	103.4
2013	104.1	103.8	108.8	104.3
2014	103.3	103.6	105.2	104.1
2015	105.9	105.7	107.9	110.0
2016	107.4	112.4	113.3	115.3
2017	113.1	112.9	114.7	114.7
2018	118.3	117.6	120.0	120.5
2019	122.4	115.0	122.6	124.0
2020	124.0	112.1	124.1	129.3
2021	128.3	126.9	136.0	132.6
2022	138.4	130.5	146.7	144.5
2023	143.1			

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
EH48	7.2%	7.2%	7.0%	6.8%	6.8%
EH49	5.3%	5.1%	5.2%	4.8%	4.1%
EH54	6.8%	7.1%	6.7%	6.7%	6.8%



Callum McQueenie - Mavor & Company

"We have yet to see that spike in the market towards the end of Q1, which has resulted in an unusually quiet start to 2023. The severe lack of stock across the county, along with other factors such as the cost of living crisis, means tenants seem to be staying put which is impacting available properties. Properties that are being marketed are still receiving high levels of interest and are reserved within a matter of days. Landlords are looking to get into the rental market or expand their portfolios, however, economic factors and lack of support seem to be having an adverse effect on the plans to bring new properties into the PRS."

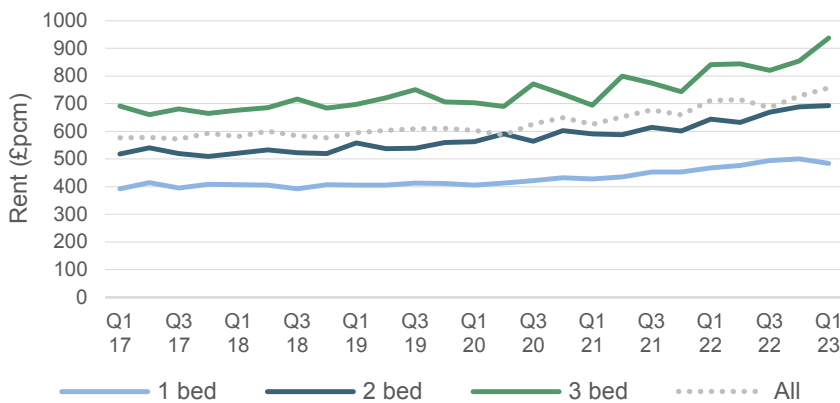


South Lanarkshire

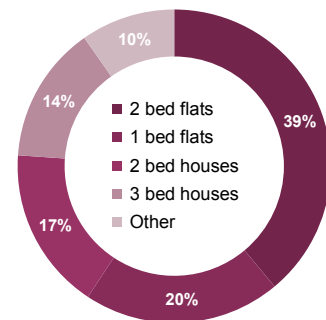
Market Overview - Q1 23

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	£484	3.4%	18.9%	32.2%	19	5	41%	81%
2 bed	£693	7.6%	33.0%	45.0%	23	2	27%	76%
3 bed	£938	11.5%	38.6%	57.9%	19	5	6%	83%
All	£757	6.3%	30.3%	46.7%	22	4	27%	77%

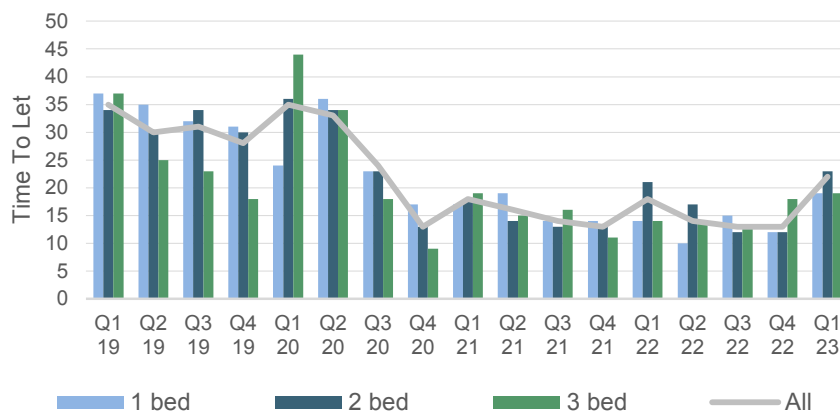
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2012	100.6	99.3	102.9	97.8
2013	95.0	96.3	97.2	97.6
2014	95.9	103.1	104.1	95.6
2015	101.8	104.1	102.4	104.1
2016	101.1	105.3	108.3	105.3
2017	106.3	106.4	105.5	109.2
2018	107.0	110.7	107.6	106.3
2019	109.4	111.0	112.3	112.5
2020	111.0	108.1	115.5	119.7
2021	115.1	120.3	124.7	121.5
2022	131.1	131.7	126.3	134.1
2023	139.4			

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
G71	5.5%	5.9%	4.9%	6.1%	5.5%
G72	7.5%	7.5%	7.4%	8.2%	7.7%
G73	6.6%	6.8%	6.6%	6.5%	7.1%
G74	7.0%	6.6%	6.7%	6.6%	7.1%
G75	8.8%	8.7%	7.9%	8.0%	7.9%



Lorraine Robb - The Property Store

"As landlords continue to exit the market at alarming rates, this has been accompanied by a steady rise in rent levels. As an ever-increasing number of potential tenants look to rent a decreasing number of rented properties, the basic economic principal of supply and demand will continue to increase rent levels in coming months. Whilst the Scottish Government continue to pursue an anti-landlord agenda, I see no prospect of this changing."

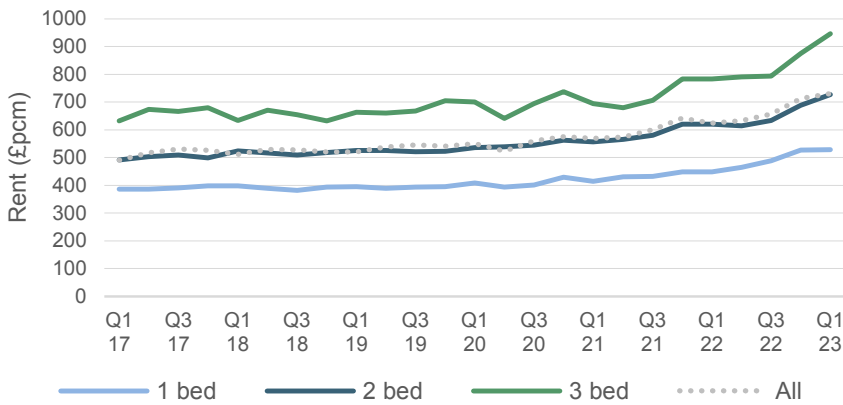


Renfrewshire

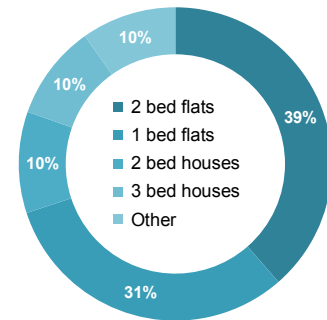
Market Overview - Q1 23

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	£529	17.8%	32.9%	50.3%	12	-3	39%	92%
2 bed	£727	17.3%	38.7%	56.0%	17	2	37%	83%
3 bed	£946	20.8%	49.2%	56.1%	23	1	35%	77%
All	£731	17.1%	43.1%	57.2%	17	1	37%	84%

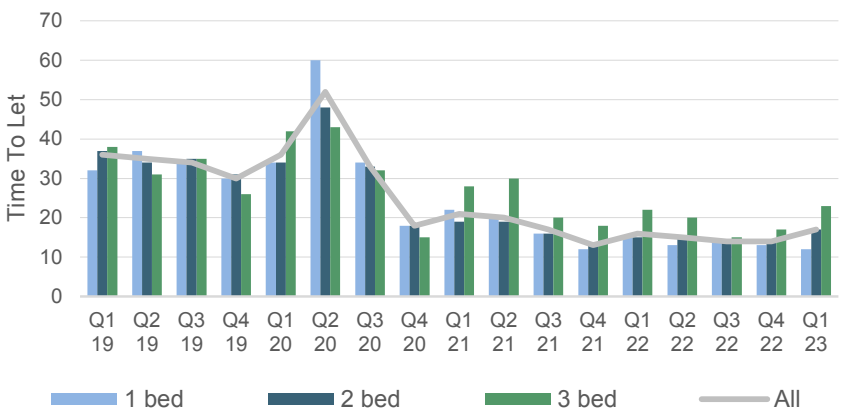
Average Rent (pcm) by Number of Bedrooms



Market Composition



Average Time To Let (TTL) by Number of Bedrooms



Rental Index

(base: Q1 08)

Year	Q1	Q2	Q3	Q4
2012	101.0	101.5	101.5	99.8
2013	97.5	100.6	100.6	102.9
2014	100.6	98.1	103.8	104.0
2015	100.2	108.6	105.5	104.8
2016	107.5	107.5	106.1	108.2
2017	102.9	108.6	111.3	110.3
2018	107.1	110.9	110.7	109.2
2019	109.0	112.8	114.3	113.4
2020	115.3	109.9	117.6	120.8
2021	119.5	120.3	125.8	134.6
2022	130.8	132.7	137.7	149.5
2023	153.2			

Yield by Popular Postcodes (Flats)

	2018	2019	2020	2021	2022
PA1	7.5%	7.0%	7.4%	7.3%	7.5%
PA2	6.7%	6.9%	6.4%	6.6%	7.4%
PA3	9.8%	8.9%	8.4%	8.4%	8.7%
PA4	7.9%	7.2%	7.7%	7.3%	7.4%
PA5	8.8%	8.7%	8.2%	7.8%	7.3%



Daryl Harper - Castle Residential

"The Renfrewshire rental market has remained strong in Q1, despite landlords facing challenges from changes in legislation. We've seen a significant increase in demand due to a shortage of affordable housing. This has led to an increase in rental prices, with some properties seeing a rise of up to 50% in the last five years. The market is highly competitive, with many tenants struggling to find suitable properties within their budget. Landlords face further challenges, including increased competition from short-term rental services. Despite this, the market remains strong and there are opportunities for both landlords and tenants to succeed. The Renfrewshire rental market is dynamic and constantly evolving."



Agent Views

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

Martin & Co, Aberdeen – Eduardo Prato



“The local economy strengthening that we experienced in 2022 has continued in the first quarter of 2023. High end houses of three bedroom and above continue to outperform the rest of the market in terms of high rents. The negative rhetoric from Holyrood is having an acute effect on landlords, particularly the ones with one and two-bedroom properties. Due to the level of uncertainty, more landlords are leaving the sector. The end result is – a rather small stock of one and two-bedroom properties, which puts tenants in an undesirable position (with properties being snapped in incredibly short times), and an oversupply of one and two-bedroom properties in the sales market pushing pressure on the property values, which in Aberdeen have continuously fallen since 2015.”

Aberdeen Considine, Perth – Jordan Jack



“We have seen demand in Q1 continue to rise, with viewings for properties still oversubscribed and the average time to let low. The cost of living crisis is likely to mean that more people have to rent for longer, so encouraging good landlords to stay or enter the letting market is key to keeping a strong supply of property and ensuring the quality and affordability on offer. It is hard for a tenant to find a rental property and with the current legislation in place not helping the matter. Demand remains high and we expect this to continue as we go further into 2023.”

Indigo Square, Glasgow – Brian Gilmour



“The rent freeze and eviction moratorium has now been in place since September with only a marginal change allowed, meaning that landlords will have restrictions in place for a full 12 months. When the proposals were announced, there were many predictions of a mass exodus from the lettings market, however, initial data is showing that has not been the case. The moves were brought in to deal with spiralling rents but this was a problem of lack of availability and whilst we’ve not seen people leaving en masse, we have also not seen new investment with Scottish Government ADS income down 15% in first two months of 2023. Tenant demand has followed usual seasonal patterns and we expect this to continue.”

At Home In Edinburgh, Edinburgh – Rick McCann



“The continuing shortage of all types of PRS properties in Edinburgh is making finding a home very difficult for many tenants. Upward pressure on rents continued in Q1 due to limited supply and landlords maximising rent rises between tenancies to mitigate against the in-tenancy rent increase restrictions set by the Cost of Living Act. We saw reduced turnover of our existing stock as tenants chose to remain in properties with rents below market rent levels. We expect more movement once rent restrictions are lifted. Our focus has been on helping landlords with increased mortgage rates manage expenses and analysing the EPC ratings of our portfolio ahead of the minimum EPC requirements coming into force in 2025.”



Agent Views cont...

Northwood, Aberdeen – Scott Morrison



"Q1 has followed the trend of the past three quarters of being exceptionally busy. Enquiries and viewings still continue to be the highest on record. An arrival of international students with their families for Jan/Feb intake has increased demand, with supply still low. This has meant that re-lets and new properties hitting the market are being let at a higher rent quickly, which will be welcome news for landlords who are seeing mortgage rates and other costs increasing. We anticipate another busy quarter ahead with students already trying to secure property for September and increasing oil and gas activity, but are finding more landlords looking to exit the market, which could cause further supply issues in the summer."

Cox & Co., Edinburgh – Mike Erskine



"Rents are at record highs and time to let is as low as it has ever been. Demand is outstripping supply and I expect this to continue looking ahead to the rest of the year. It has been a good first quarter and quality stock is still becoming available to the market via natural turnover and client acquisition. Not sure this is the impact the government predicted, as their actions to freeze rents and ban evictions don't seem to have affected our clients that much. That said, we welcome the rent increase capacity of 3% coming in April."

Aberdeen Considine, Glasgow – Kenneth Urquhart



"Q1 2023 has seen significant demand and a further lack of stock driving rental prices upwards, showing landlords that there is still an opportunity to add to their portfolios. Tenants are coming to the realisation that they can keep a lid on their rent by not moving home. As time passes, this will become a significant factor, with tenants looking to keep rent payments manageable. Landlords are seemingly concerned about their own cost of living and with the added pressure of the costs associated with their investment (rising mortgage interest rates, maintenance costs, etc.), some are questioning continuing within the PRS."

1LET, Edinburgh – Tina-Dawn Hopking



"We have entered 2023 with a continuing increase in demand from those struggling to find affordable rental properties in line with the challenge in increased living costs. Whilst demand is on the rise, supply of affordable rentals cannot keep up. We are receiving endless enquiries following landlords selling, migrants new to the city, as well as those that cannot afford to get on to the property ladder due to increased mortgage rates and who have decided to continue renting. Due to the increasing rents and challenging living costs, we are seeing extremely high levels of interest on cheaper rentals and less so with the larger, more expensive properties. Along with this, in response to the student accommodation challenges last year, we are already seeing people anxious to secure accommodation before the summer competitiveness begins."

Glenham Property, Edinburgh – Charlie Inness



"The market in Edinburgh continues to be dominated by constrained supply and very high demand resulting in further upward pressure on rents for new tenancies. The other cumulative effect is that tenants are finding it more and more difficult to find a home, as competition for any available stock is now at historically high levels for all types of properties within the PRS in the capital. We are experiencing multiple applications for any property listed for rent and time to let figures remain at extremely low levels as a result."

Cairn Letting, Glasgow – Sally Turnbull



"Heading into the spring, we are noticing an increase in demand for a range of letting properties within Glasgow and the surrounding areas. Whilst the market quietened down over the winter months, we are now seeing a huge influx in renters looking to move. As we approach our HMO season, we are noticing a lot of our current tenants are looking to stay in their current properties to avoid another potential crisis in student accommodation. Now that landlords can implement the 3% rent increase from the 1st April, we are working with tenants to ensure a suitable agreement is put in place and they can still afford to rent their properties."

Milards, Edinburgh – Amir Fard



"The market has kicked off the year with the typical post new year boost. There has been a lack of stock available, which has proved frustrating for potential tenants. The market up to £1500 rentals continues to be very active. The government legislative changes continue to cause landlords difficulties. It would appear that some landlords are leaving the market and it will be interesting to see what will happen in the coming year."

Agent Views cont...

Homes for Good, Glasgow – Alice Simpson



"The market has been unprecedented and it's clear, in our opinion, that the growing housing crisis is exacerbated by government intervention. Receiving an average of 300 enquiries for every property marketed, it is clear there are not enough homes available and tenants are becoming increasingly desperate. In this market the most vulnerable will find it impossible to find a safe place to call home. As landlords experience increased costs, uncertainty caused by restrictions on rents and evictions, and high tax bills coupled with a buoyant sales market, it is no surprise that many are choosing to exit the PRS."

One Stop Properties, Glasgow – Wendy Gallagher



"As predicted last quarter, regular increase in mortgage costs together with the rising cost of living, has forced the hand of many landlords, pushing them to leave the market. Many landlords are now having to financially contribute to their portfolio costs. For some, letting property is not the attractive investment that it once was. The reduced amount of available properties continues to put heightened pressure on the existing rental stock, a frustrating situation for prospective tenants. Our landlords feel that they have been penalised by the rent freeze. The 3% increase doesn't match their increase in costs and it seems grossly unfair that social housing providers will be able to increase rents by up to 11%. We are going through uncertain times and this uncertainty has meant that the market has slowed somewhat. It'll be interesting to see how Q2 unfolds."

Cornerstone Letting, Edinburgh – Richard Burgoyne



"Demand is far outstripping supply, creating chaos for the people seeking a rental property. Mindless intervention from the Scottish Government carries on demonising landlords and making it less attractive to be in the market, leading to major supply issues. Properties are therefore commanding higher and higher rents, at the expense of the tenants."

Aberdein Considine, Aberdeen – Adrian Sangster



"2023 will see 1000's of people look to Scotland's PRS for their accommodation needs. However, swaths are likely to be left disappointed as supply issues continue. In addition to landlords seeking to exit the sector, tenants staying longer in properties are contributing to the shortage. Historically when there have been less new properties entering the market, supply could be sustained by re-lets. But why should tenants move? Rents are capped at below market levels, financial instability has resulted in many deciding to 'wait and see' before leaping to property ownership, and the predictable unpredictability of the political landscape continues to damage confidence. It's people who are looking for a home within the PRS who are suffering most. The PRS needs supply and government rhetoric must change to encourage investment in Scotland's PRS and not drive investors away."

Western Lettings, Glasgow – Jack Gallagher



"Tenant demand is picking up strongly as we head into spring. We are fielding more than the usual volume of enquiries from tenants looking to secure properties for the next academic year. We're also getting a lot of enquiries from tenants who are having to move because their landlords are selling. Meanwhile, landlords who are re-letting their properties are willing to suffer longer than usual void periods to secure a higher rent, because they are aware that they cannot increase it by more than 3% per year after the tenancy starts."

Rentlocally.co.uk, Edinburgh – Derek Hawson



"Q1 started quite slowly but has steadily picked up to the point that those properties that are coming to market are snapped up in record time. New property is still filtering through, albeit more slowly than previous years, and landlords are increasingly interested in the standard of service they are receiving and obtaining advice that matches their own particular circumstances. This may be a presage to the industry moving toward a different kind of fee structure for agents, as a more tailored approach to clients looks like the way forward. Rents are very strong across the board but especially in the one and two bed category, irrespective of location."

Agent Views cont...

Winchesters, Aberdeen – Chris Minchin



“Q1 has seen record demand for properties across all areas of Aberdeen and Aberdeenshire. Rents are recovering quickly from previous lows due to high tenant demand and government’s restrictions in the market. Supply is slowing due to ADS increases, further heightening demand. Aberdeen is seeing tenants from many groups, such as international and local students, professionals and executives, relocating due to work. Moving forward to next quarter, this will be dominated by the student changeover and further corporate moves in time for the new school years. Prediction – houses and 2 bed properties will be in high demand.”

Cullen Property Ltd, Edinburgh – Steve Coyle



“2023 has commenced at the same pace as 2022 ended. New listing rental values continue to rise in a high demand/low supply market, with landlords needing the increase to help offset higher ownership, taxation and regulation costs. Excessive government intervention in a free open market is generating the unwanted results predicted by the industry over several years. Student HMO ‘staying on’ intentions so far seem significantly higher than previous years. HMO rents are due to be higher too this year with 3-6% increases correcting Covid reduced levels, again in a very high demand market fuelled by total number of HMO’s reducing by c.30% in the city in recent years, all causing upward rent pressure. Only solution is more housing and the investment policies to encourage it.”

Burgh Property, Edinburgh – Andrew Markham



“Q1 has looked a little different compared to the early part of previous years, in that we are seeing fewer tenants vacating compared to the norm. Unsurprisingly, the cost of living pressures are seeing more tenants stay in their homes, partly because their rent is protected by legislation from increasing above 3%, and partly because stock levels are so low that tenants have very little choice when searching for a new place to live. In contrast, those properties that are re-letting are seeing significant rent increases with massive demand from tenants searching, creating a competitive environment. The quality of tenants searching is also a notable change, with us seeing a slight increase in failed applications due to employment insecurity or adverse credit. A very unbalanced market, mostly created by punitive government legislation and a chronic undersupply of rental stock. We anticipate the spring/summer months to generate more activity, more tenant movement and therefore a freeing up of the market.”

Glasgow Property Letting, Glasgow – Colin MacMillan



“The main topic of interest and relative excitement in the PRS recently has been permission of the lifting of the ban on rent increases with approx 86% of landlords in Scotland stating that they will be notifying their tenant of an impending increase on 1/4/23 (to take effect 1/7/23), just because they can! Even the 3% increase, though not ideal, is something and some landlords at least saw a glimmer of light at the end of the tunnel. Some landlords though have had enough and are exiting the market. Having said that, we are also seeing more investors entering the market through tenanted sales and we hope this will bring some welcome stability to the market.”

Have Your Say!

If you’d like to contribute to forthcoming issues please contact info@citylets.co.uk

Postcode & Towns - Average Rents & TTL - Q1 23

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

Edinburgh - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
EH1	£1,060	(9)	£1,450	(23)	£2,175	(30)
EH3	£1,128	(14)	£1,595	(22)	£2,114	(18)
EH4	£1,021	(17)	£1,317	(21)	£1,560	(28)
EH5	£853	(18)	£1,095	(15)		
EH6	£845	(9)	£1,176	(19)	£1,516	(25)
EH7	£887	(11)	£1,239	(17)		
EH8	£882	(8)	£1,183	(12)	£1,777	(20)
EH9	£982	(9)	£1,393	(19)	£1,894	(23)
EH10	£954	(12)	£1,356	(17)	£1,795	(28)
EH11	£854	(11)	£1,166	(14)	£1,467	(15)
EH12	£890	(16)	£1,363	(17)		

Glasgow - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
G1	£929	(9)	£1,215	(15)		
G2			£1,198	(20)		
G3	£898	(17)	£1,357	(26)	£1,979	(30)
G4	£856	(15)	£1,159	(23)		
G5			£1,005	(26)		
G11	£907	(10)	£1,281	(24)	£1,626	(19)
G12	£927	(11)	£1,426	(25)	£1,887	(34)
G13			£898	(19)		
G14			£825	(20)		
G20	£750	(9)	£1,046	(21)		
G31	£732	(7)	£1,030	(11)		
G32			£751	(12)		
G40			£828	(12)		
G41	£804	(14)	£1,016	(14)		
G42	£703	(16)	£954	(17)		
G44			£879	(18)		
G51	£695	(10)	£862	(18)		

Aberdeen - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
AB10	£528	(19)	£756	(32)	£1,028	(33)
AB11	£508	(18)	£689	(22)	£1,008	(29)
AB12	£579	(27)	£761	(31)		
AB15	£624	(21)	£917	(30)	£1,162	(43)
AB16			£675	(18)		
AB21	£691	(21)	£814	(20)		
AB22			£757	(20)		
AB24	£500	(20)	£715	(25)	£1,026	(44)
AB25	£518	(20)	£721	(18)	£1,066	(45)

Dundee - £pcm (TTL days)

Postcode	1 Bed		2 Bed		3 Bed	
DD1	£487	(17)	£948	(17)	£1,182	(23)
DD2			£822	(23)		
DD3	£526	(5)	£730	(13)		
DD4			£775	(16)	£986	(16)
DD8			£573	(28)		
DD11			£555	(26)		

Towns - £pcm (TTL days)

based on 12 month rolling average

Town	1 Bed		2 Bed		3 Bed	
Airdrie			609	(14)		
Arbroath	410	(35)	556	(34)		
Ayr			610	(16)		
Bathgate			687	(16)		
Bearsden			1003	(16)		
Broughton	874	(11)	1285	(20)		
Cambuslang			734	(17)		
Cumbernauld			552	(15)		
Dalkeith			851	(16)		
Dalry	838	(9)	1155	(10)	1582	(24)
Dumfries			537	(11)		
Dunfermline	533	(15)	676	(14)	913	(14)
East Kilbride	487	(9)	638	(13)	904	(16)
Elgin			594	(7)		
Ellon			663	(19)		
Falkirk	482	(14)	624	(12)		
Forfar	405	(22)	560	(27)	750	(33)
Greenock			555	(27)		
Hamilton	478	(12)	633	(13)	840	(13)
Hillhead			1297	(15)	1754	(13)
Hillside			1268	(11)		
Inverurie			721	(27)		
Johnstone	455	(18)	592	(20)		
Kilmarnock	458	(18)	530	(19)	736	(23)
Kirkcaldy	506	(20)	619	(16)		
Kirkintilloch			660	(24)		
Largs	453	(23)	632	(25)		
Linlithgow			731	(14)		
Livingston			755	(15)	937	(15)
Merchiston			1251	(11)		
Motherwell			625	(16)		
Musselburgh	718	(9)	901	(11)		
Paisley	496	(12)	640	(14)	846	(18)
Penicuik			815	(14)		
Perth	467	(33)	639	(21)		
Peterhead			546	(37)		
Renfrew	515	(14)	741	(12)	871	(20)
Rutherglen			807	(13)		
St Andrews			1407	(12)		
Stirling Town	662	(12)	873	(17)	1288	(23)
Stonehaven			674	(33)		
Trinity			1130	(14)		
Woodlands			1238	(15)	1573	(17)
Rutherglen	611	(11)	797	(14)		
St Andrews			1395	(8)		
Stirling Town	635	(13)	858	(17)	1254	(25)
Stonehaven			685	(31)		
Trinity	838	(12)	1100	(14)		
Woodlands			1196	(11)	1517	(13)

Build To Rent News

Dear First Minister,

As you work through your in-tray of critical issues, here is one that you can very easily fix. Since it was introduced in September 2022, the Cost of Living (Tenant Protection) Act has choked the supply of new build rental property in Scotland. Institutional funders have stopped investing in BTR projects in Scotland due to uncertainty, and individual landlords are exiting the sector. Tenants are not being protected; they are being forced to pay higher rents due to chronic lack of new supply.

The housing crisis can be best solved by increasing supply. Given the cost of living crisis there has never been a greater need (and demand) for new build rental housing on a large scale across all tenures.

Institutional investors (often pension funds) are progressive landlords with rigorous ESG credentials. Most require new BTR buildings to be gas free (no fossil fuels). It is in their interests to create communities and treat tenants fairly, in order to achieve long-term stable income; that requires professional management.

Institutional investors do not need to invest in Scotland; capital is fluid and can easily be switched off or diverted elsewhere (as is happening now). For the sake of Scottish tenants, please find time to understand the damaging unintended consequences of this emergency legislation. Please consult the property industry.

Yours sincerely,

Scarlett Land and Development



First Minister, Humza Yousaf

SCARLETT
LAND AND DEVELOPMENT

Rent Controls – Six Months On

As a new member of the Rettie and Co BTR team, I found it extremely insightful to attend the recent UKAA discussion evening on the impact of temporary rent controls in Scotland. The panel discussion was chaired by Gillian McLees, Director of BTR at Rettie & Co, and Chair of UKAA Scotland.

The other panellists were Lyndsey O'Connor, Real Estate Partner at Shoosmiths; Gwynn Thomson, Director of Investment at Sigma Capital Group plc; Dr John Boyle, Director of Research & Strategy at Rettie & Co; and William Kyle MRICS, Fund Director at PfP Capital Limited.



The panellists agreed that temporary rent controls can have both positive and negative impacts on the market, however, the uncertainty that the Scottish Government created when putting the rental control in place, has left much needed investors wary about investing. The need for better communication to be had was discussed, in order to promote more trustworthy relationships between all parties involved.

The evening provided valuable insight and it was fantastic to see members speaking so passionately about an issue that will no doubt shape the road of the rental market for years to come.



Mid-Market Rent News

Demand Soars for Mid-Market Homes

Blink and they've gone - our latest development of six homes at The Wisp on the outskirts of the capital proved to be so immensely popular that we've just concluded a deal to purchase a further 18 homes in the same development. The Wisp is just five miles from the city centre and all homes were allocated within 24 hours of release.

This is a recurring theme for Lar and undoubtedly the attractions of a high-quality home from a reputable landlord, at an affordable price, are proving to be irresistible. The rise and rise of mid-market homes continues unabated.

It's not hard to see why, when you examine the figures. Monthly savings compared to the private sector are huge and make a considerable difference in monthly budgets when inflation and related living costs are soaring.

An average MMR monthly rent for a two-bed property in Edinburgh stands at c. £700 -£750 with the equivalent private rent averaging £1028. This theme is replicated elsewhere with a similar story in Glasgow, where savings for tenants are in the region of £2,500 per annum.

On that basis, demand for a Lar home, as with other MMR homes, is likely to remain extremely high in 2023.



Springbank Gardens



Harbour Lettings Brings Further Affordable Tenures to Market

Offering sought-after affordable accommodation to Edinburgh's private rental sector, recently rebranded Harbour Lettings Ltd (formerly Persevere Developments) has advertised 41 new mid-market rent (MMR) apartments at Ramage Square, Ocean Drive, with developers Cruden Building.

A mix of high-quality 1, 2 and 3 bed homes are currently being allocated to new tenants. Further units are due to be released on Citylets during April at Harbour's other new developments at Bath Road (17 units) with Barratt Homes, and Telford Drive (11 units) with Culross.



Ramage Square at Ocean Drive, Edinburgh

From September and throughout Q3, a further 130 MMR units at Granton Harbour are on target to be completed with developers CCG. Mark Hastie, Harbour Lettings Manager, advised: "This is set to be an exciting, record year for the Harbour Group in delivery of our new stock. A great deal of hard work from all involved has paid off, despite some very challenging economic factors over the last few years. We're delighted to be able to bring so many new homes to the market."

The end of 2023 will see Harbour Lettings managing over 560 MMR properties across Leith and north Edinburgh.



Changes to the Repairing Standard

Landlords have to comply with new property standards by March next year.

All landlords have a legal obligation to ensure their property meets the Repairing Standard at the start of a tenancy and at all times during a tenancy. The Scottish Government made amendments to the Repairing Standard legislation in 2019 to introduce new requirements which come into effect on 1 March 2024. The new elements coming into force on that date are as follows:

- Water pipes must be free of lead (where this cannot be ascertained, water testing must be carried out to check for the presence of lead piping). The use of lead service pipes was phased out during the 1960s and became illegal in 1969. Any property built before this date could contain lead pipes.
- Electrical installations must be protected by a residual current device (RCD).
- Properties must have a fixed space heating system (a permanent installation in the property which is plumbed or hard wired and capable of maintaining a temperature of 21C in at least one room and 18C elsewhere, when the outside temperature is minus 1C).
- Installations for fuels other than gas and electricity must be in a reasonable state of repair and in proper working order.
- Any common parts pertaining to the property must be able to be accessed and used safely.
- The property must have

satisfactory provision for, and safe access to, a food storage area and food preparation space.

- Where the property is in a tenement, common doors must be secure and fitted with satisfactory emergency exit locks and a secure entry system. A tenement is defined as is any building with two or more separate flats which are divided from each other horizontally.

The government has now published revised guidance on all aspects of the Repairing Standard including the new elements set out above. The revised guidance can be found here.



Some landlords may have concerns about their ability to comply with the lead pipe and common door duties when this may require obtaining consent from other flat owners to carry out upgrading works. However, a landlord is not required to carry out work if it requires a majority decision of all owners and the majority is not in favour of the work being done. Landlords should ensure they have

paperwork to demonstrate they have tried to get consent from other owners for the necessary work to be undertaken.

Where a tenant believes their property doesn't meet the Repairing Standard, they can apply to the First-tier Tribunal (Housing and Property Chamber) for a Repairing Standard Enforcement Order (RSEO). If a tenant is vulnerable, the local authority has powers to apply to the Tribunal on their behalf. If a RSEO is issued, the landlord must carry out the work required in the order within a set timeframe.

All landlords should familiarise themselves with the updated guidance and ensure that their properties comply with the new standards, in advance of 1 March 2024.

Edinburgh Market Returning to Pre-Pandemic Levels

City buyers are still willing to pay over the odds for their dream home despite post-Covid cooldown.

Combining the quieter month of December with the traditional popularity of the market in February, the most recent house price data from ESPC gives a clear overview of how the rising cost of living and financial market changes have impacted the property market in Edinburgh.

In December 2022-February 2023, new property listings in Edinburgh were down 6.8% year-on-year as homeowners waited to see how the market panned out before listing a property for sale.

Buyers were keen to secure their dream home between December 2022 and February 2023, with the average selling price of property in the City of Edinburgh increased by 2.3% to £293,096.

Following high demand for properties in the past year, two and three-bedroom properties continued to be popular with Edinburgh buyers.

There was high demand for three-bedroom houses in Corstorphine, Clermiston, South Gyle and East Craigs where the price of this property type increased by 17.5% year-on-year to £394,698. Three-bedroom houses also saw selling price increases in Blackhall, Davidsons Mains and Silverknowes, rising by 10.1% to £492,888.

Another popular property type in

Edinburgh was two-bedroom flats in Morningside and Merchiston which saw average selling prices rise by 16% to £395,673. In Leith, The Shore and Granton two-bedroom flats increased by 9.4% annually to £236,414.

Properties in the City of Edinburgh achieved 103.5% of their valuations on average – a decline of 1.6 percentage points annually. This



is positive news for buyers – in the past year we've seen some properties sell upwards of 10% over Home Report value and this cooling of the market means those who have been waiting to see how the market pans out may be encouraged to come forward.

The median time for Edinburgh properties to go under offer in December 2022-February 2023 was 23 days, three days slower than the previous year. Homes sold the fastest in the west of the city with a median selling time of 19 days.

When analysing specific housing types overall, one-bed flats in Polwarth, Shandon and Tollcross sold quickest.

Paul Hilton, CEO of ESPC, explains: "Buying a home will always be a good long-term investment and the market in Edinburgh is continuing to perform well with strong competition for properties and 80.9% of properties selling for their Home Report valuation or higher.

"There has been continued interest in areas such as Leith, Corstorphine and Blackhall, which are popular with young families and professionals who want homes with more space and good transport links to the city centre.

"There are promising signs that the market is currently continuing to outperform the pre-pandemic levels and other parts of the UK. This highlights once again that there is no 'one market' and local knowledge and insight is imperative if thinking about buying or selling."

This article was written in March 2023 and property market activity may have changed between then and the time of reading.

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 | facebook.com/espc.property | twitter: @espc



Rent Cap Controls

TC Young discuss the rent cap controls originally introduced last autumn by the Cost of Living (Tenant Protection) (Scotland) Act 2022 (COLA) that have recently been extended.

On 1st April 2023 landlords will be able to seek rent increases up to the modified permitted rate of 3% of the existing rental charge (or up to 6% if there are prescribed property costs).

While the rent freeze has ended, landlords remain in a situation where their ability to increase rents is largely restricted by regulation. Many landlords continue to feel the financial effects of the cost of living crisis.

It is perhaps unsurprising that landlords are thinking outside the box, exploring ways to achieve rent increases in a manner which is not prohibited by the legislation.

Rent increase by agreement?

In terms of Section 18 of the Private Housing (Tenancies) (Scotland) Act 2016, rent can only be increased by service of a rent increase notice which complies with all the requirements of that Act, as amended by the COLA provisions. Rent cannot be increased even where there is express agreement between landlords and tenants.

However, new tenancies are not subject to the recent rent cap controls. Are there circumstances where landlords and tenants can agree to terminate an existing PRT and subsequently enter a new agreement with an increased rent?

In an existing tenancy, a landlord, Mrs L, is currently prevented from increasing the rent of her property by more than 3%. Her tenant, Mr T, has approached her indicating he would like a newly fitted kitchen. Mrs L in principle is happy to incur this expense but only if the improved property attracted a commensurately higher rent. Mr T offers to pay an additional £100 p/m rent.



The 2016 Act also restricts the ways a PRT can be terminated. Under Section 44, it cannot be done by simple agreement between the parties. Thus, termination can only be by the tenant or landlord giving notice and the tenant subsequently vacating or by eviction order.

Sections 48 and 49 govern how notice can be given by tenants. The

usual notice period is 28 days, but landlords can agree in writing to a shorter notice period, releasing the tenant early. For notice to be valid, it must be given 'freely and without coercion of any kind'. 'Coercion' is not defined within the 2016 Act.

The potential question is whether notice given by a tenant is given 'freely and without coercion' if the purpose is to give effect to an underlying arrangement effectively designed to increase the rent payable. It remains to be seen how notice given in such circumstances would be viewed by the Tribunal if subsequently challenged.

Where relationships are good, perhaps difficulties are unlikely to materialise. However, landlords should proceed with caution when considering any such arrangement. There may be significant risk that a notice given in these situations may be deemed to have been given 'not freely' and 'under coercion'. If so, the 'new' tenancy agreement may be void. In which case the initial lease and lower rent would prevail, creating an overpayment of rent due to the tenant.

Funds Available to Support PRS Education, Training and Best Practice

Mike Smith, Head of SafeDeposits Scotland, on the tenancy deposit scheme's grant-giving charity.

One of the pleasures of working at SafeDeposits Scotland is having the opportunity to play a part in contributing positively to Scotland's private rented sector, not just in our day to day service, but through our associated grant-giving charity. As a not-for-profit organisation, the scheme donates surpluses generated to the SafeDeposits Scotland Charitable Trust, which is designed to promote education, training and best practice in the sector.

A donation of £200,000 has just been made to the SafeDeposits Scotland Charitable Trust, taking the total donated from the scheme to £1.2 million, since 2016. This came in the same week that the Trust awarded its 35th funding grant to date – a sum of £39,830 to Edinburgh and Lothians Regional Equality Council, for its Tenancy Rights and Support Services project, to offer free guidance and education to low-income BAME and migrant households living in the private rented sector. That takes the total awarded to charities to £938,437 to date.

The charities awarded grants have ranged from small organisations to big household names, and both local and national projects have been funded. From one-off events to long-term services and academic research, there has been a real variety of work funded by the Trust so far.

The trustees of the charity want to award grants to as many projects as possible, and in particular they are truly keen to see landlords, letting agents and tenants alike, benefit from these. Where grants go depends on the funding applications that are received, therefore, we encourage any stakeholders in Scotland's private



Mike Smith, Operations Manager of SDS

rented sector to spread the word about the Trust, and that funds are available.

Projects awarded funding by the SafeDeposits Scotland Charitable Trust have presented landlords and letting agents with a wide range of resources, from mediation techniques workshops, delivered by Scottish Mediation, to seminars and webinars on common repairs from Under One Roof. Energy Action Scotland hosted a

conference on fuel poverty, energy efficiency and sustaining tenancies, while Deaf Action's Safe and Sound project introduced a consultancy service for landlords and letting agents alongside tools for tenants affected by hearing loss.

With fresh funds available, the Trust is inviting individuals and organisations to get in touch now, ahead of the next application deadline on 25th May. We know that people put a lot of effort into submitting applications and don't want the process to be either daunting or more time consuming than it needs to be. That's why we recommend reaching out to the Trust for a chat, before getting to work on the application form – the Trust's administrator, Alan Partridge, will be delighted to hear from potential applicants via info@safedepositsscotlandtrust.com; Alan can gauge, in the first instance, if the proposed project meets the Trust's aims and then provide helpful advice on formally applying.

For further information on the SafeDeposits Scotland Charitable Trust visit 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.

www.safedepositsscotland.com | twitter: @SafeDeposits | linkedin: SafeDeposits Scotland



SafeDeposits
Scotland

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 and 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 and 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 April 2023. 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.

Copyright

This report and all data contained within is copyright Citylets. The information contained within this report may be reproduced if the source is clearly identified.

Citylets

21 Lansdowne Crescent
Edinburgh
EH12 5EH

t: 0131 572 0020
✉ rentalreports@citylets.co.uk
🐦 twitter.com/citylets

CITYLETS

PUT YOUR WEBSITE TO WORK



GET THE NEW CITYLETS VALUATION TOOL

- ✓ Fits seamlessly within your website
- ✓ Drives uplift in landlord enquiries
- ✓ Powered by trusted data
- ✓ Connects with Optilet

citylets.co.uk/vt

vt@citylets.co.uk
0131 572 0020

