



BUILD TO RENT ABERDEEN

Market Review
Autumn 2023



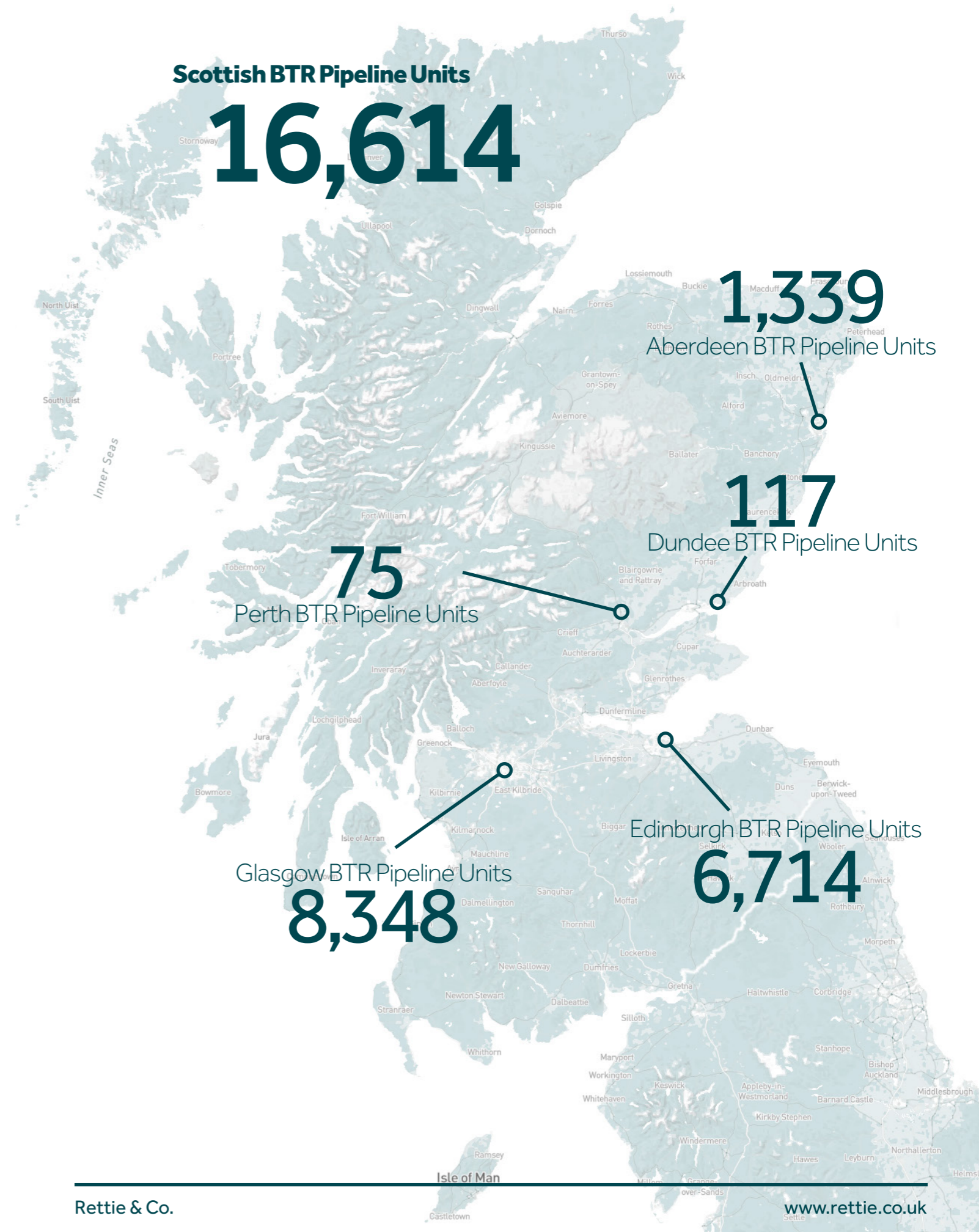
BTR Innovator

The Aberdeen BTR sector is nothing if not interesting. When Dandara delivered Forbes Place in Dyce, it was one of the first, and largest, BTR schemes delivered in Scotland. However, the timing was less than ideal, as it coincided with the collapse in oil prices and subsequent 7 years of subdued market activity although the scheme still performed despite this backdrop. Also hit by macro-economic factors was the landmark proposal for Broadford Works. The regeneration of an historic urban industrial site, which proposed a mixed-use solution, was set to reinvigorate a new urban district of the city. However, the combination of economic factors, rising costs for an already challenging scheme, and falling demand and values in the Aberdeen rental sector, has undermined its viability. Continuing the interesting challenges of BTR in Aberdeen has been the proposed Rubislaw Quarry development, which controversially gained planning after an appeal and Scottish Government adjudication. This

site is now set to deliver a high-quality scheme overlooking the quarry which provided much of Aberdeen's famous granite. Closing out the current schemes in the city, is Dandara Living's Triplekirk scheme. Just as Dandara brought one of the first BTR schemes to Scotland, including Single Family Homes, now The Point development is introducing Co-living to the Scottish PRS. All these challenges, combined with the innovation in the market, has made Aberdeen one of the most interesting BTR markets in Scotland. Looking ahead, rising rents and an economy in transition holds potential for a return of dynamism within the Granite City.

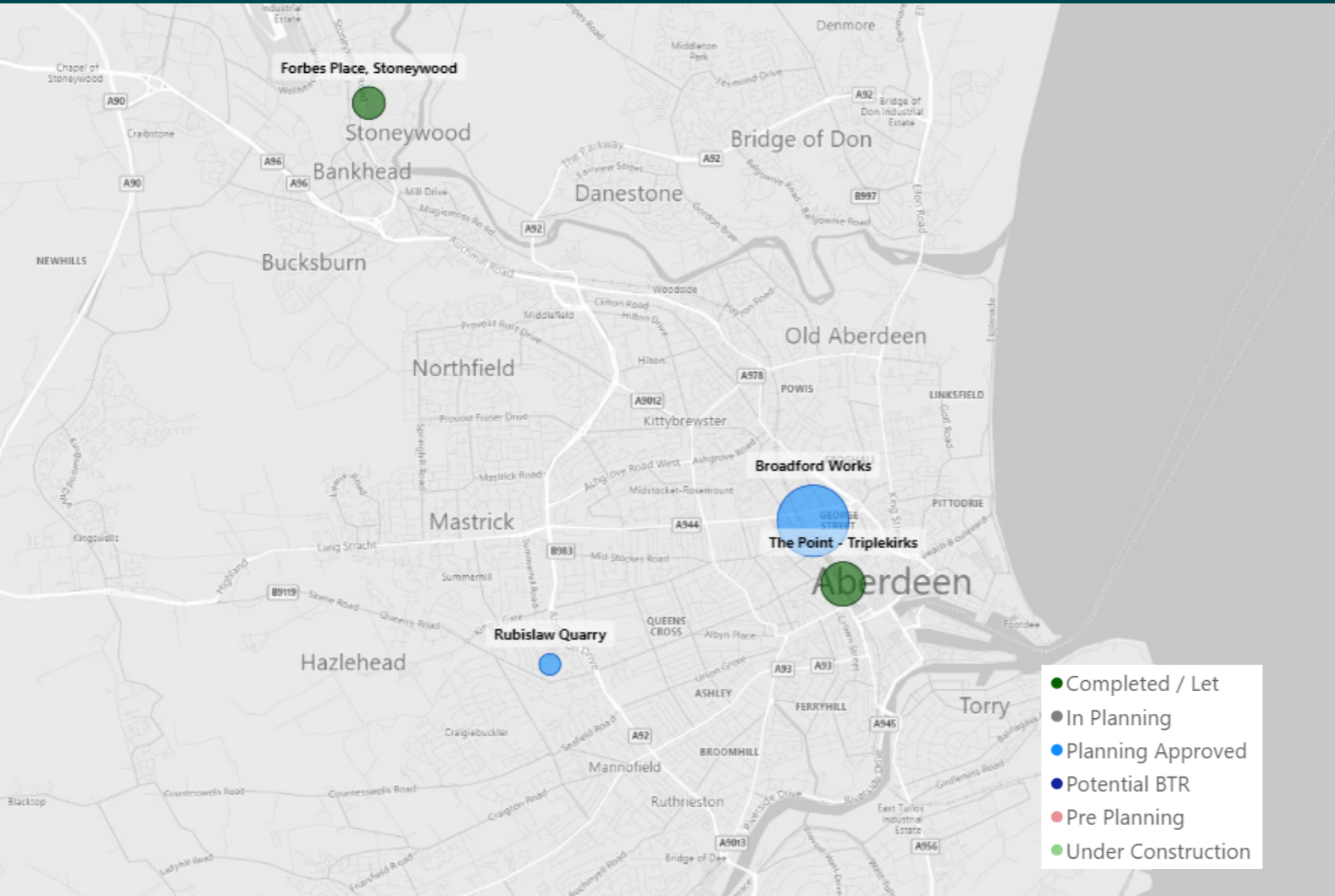


Gillian Mclees
Director of BTR



Aberdeen Pipeline

Aberdeen BTR Pipeline



Forbes Place
Dandara Living
292 Units



One of the original BTR schemes in Scotland. The development comprises furnished studios, 1 and 2 bed flats with a balcony or terrace and 3 bedroom townhouses.

The Point Triplekirks
Dandara Living
342 Units



Dandara Living's Triplekirks scheme has a co-living approach with a mix of flats, including 1-bed, studio apartments and en-suite rooms with a shared kitchen-living room.

Rubislaw Quarry
Carttera
245 Units



In 2021, the site was granted planning permission for 245 flats by the Scottish Government's planning reporter after appeal.

Broadford Works
Inhabit
460 Units



Despite obtaining planning permission in 2016, there is yet to be development at the site.

As home to the one of the first operating BTR schemes in Scotland, the Aberdeen BTR sector, being driven by Dandara, now has two active schemes with over 630 operating units. Outside of the city is Forbes Place in Dyce, which has a mix of apartments and townhouses. The inclusion of single-family rental was also new to the Scottish market at launch. In Aberdeen City, The Point development at Triplekirks has delivered a co-living focused scheme, which again has not yet been delivered at scale elsewhere in Scotland. Currently, average rents across both these schemes sit at the 95th percentile of the PRS market and are achieving an average of around £30/sqft. In terms of BTR pipeline, there are two current schemes, which despite both having planning, are at different stages in the process. The historic industrial mill at Broadford Works was once the largest employer in Aberdeen, and is the 4th oldest known surviving Iron-framed mill in the world. The scheme which was promoted by Inhabit and gained planning in 2016, proposed a mixed-use solution including 460 residential units, while preserving much of the heavily dilapidated listed buildings. To see the site by drone, click [here](#).

Another scheme with current planning is the development at Rubislaw Quarry by Canadian developer Carttera. Having gained planning in 2021, after an appeal supported by the reporter, the site is planned to deliver 245 apartments, with residents' gym, function rooms, a public bistro and public promenade with quarry viewpoint. Click [here](#) for the planning application.

Fig.1 - Count of New Listings by Month (Studio to 4 Beds)

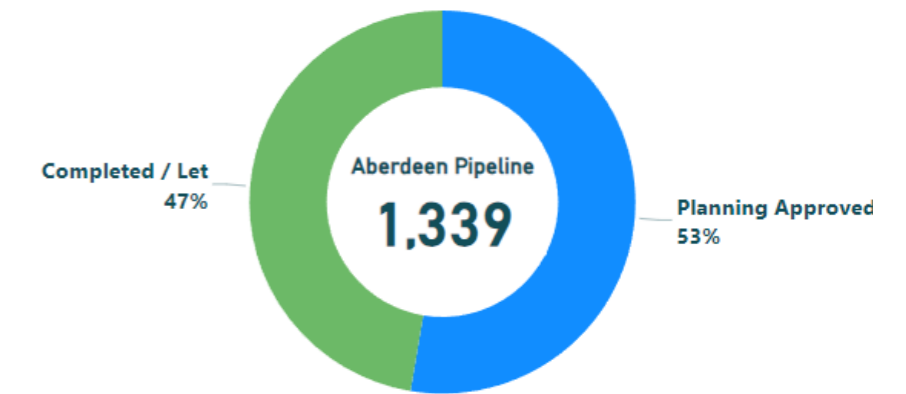


Fig.2 - Pipeline Growth in Aberdeen

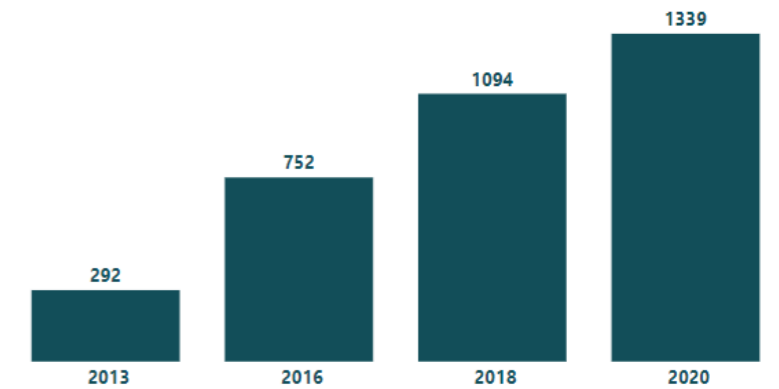
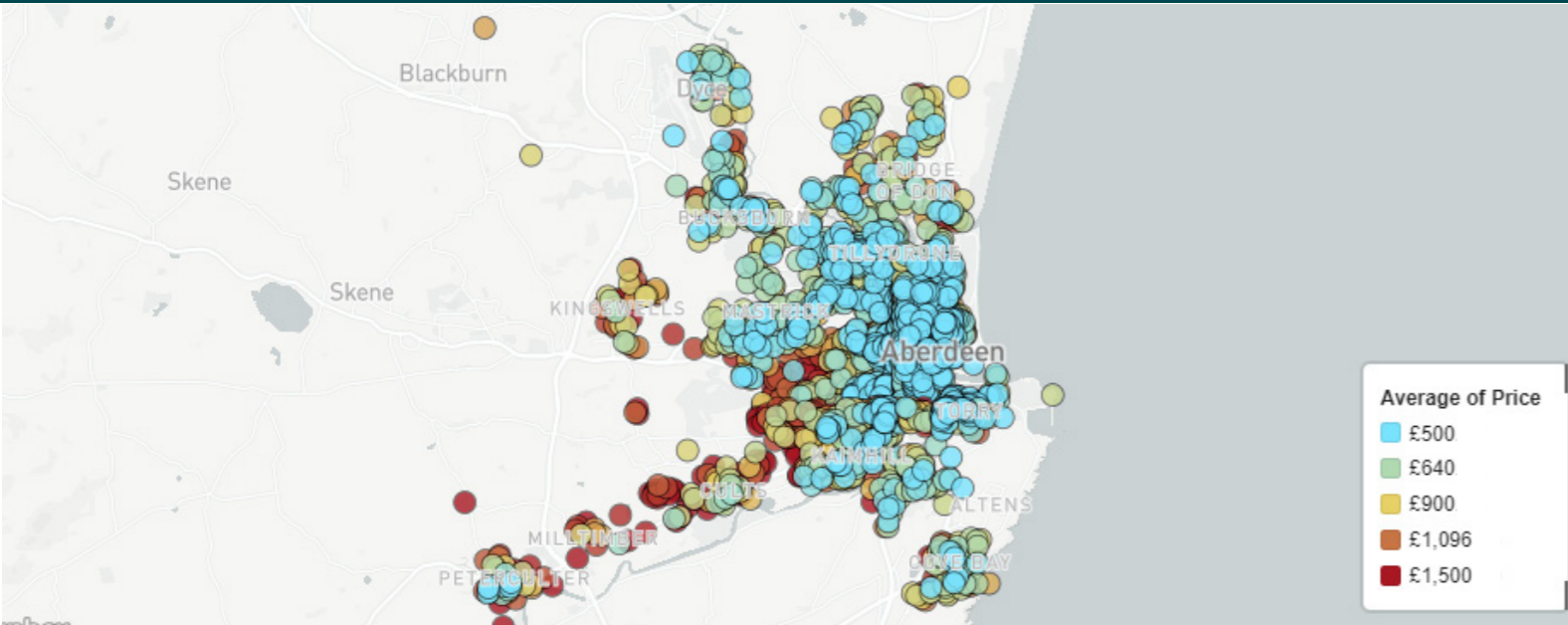


Fig.3 - Average Advertised BTR Rent and £/sqft in Aberdeen



Aberdeen Rental Market



The rental market in Aberdeen has been subject to many of the macro-economic pressures which have shaped the sales market since 2015 and the collapse in oil prices. Over this period, average advertised rents have fallen from a peak of over £1,100pcm in Q4 2014 to a low of under £700pcm in 2020/21, and

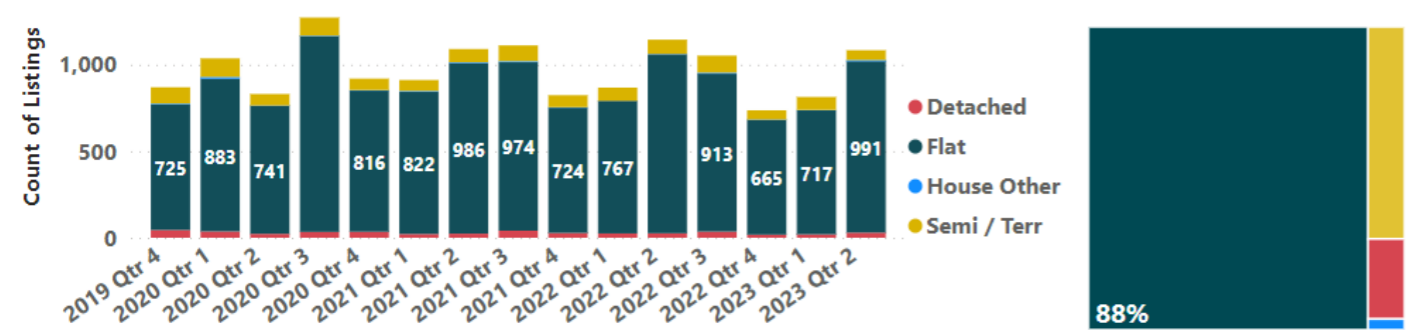
have recently started rising into the mid £700pcm range over 2022/23. This upward rental trend is reflective of wider trends across Scotland as subdued supply and changes in the sales market have driven demand in the PRS. Within the Aberdeen City market, the rental sector is predominantly flatted

with most rental listings occurring under the £1,000pcm level. Whilst there is activity above this level it is typically for prime 2 beds, or larger 3 or 4 bed homes. These upper values reflect the rents being achieved in the BTR sector, which are in the upper 95th percentile of the whole rental market.

Fig.4 - Count of New Listings by Month (Studio to 4 Beds)



Fig.5 - Count of New Listings by Quarter by House Type (Studio to 4 Beds)



Source: Rightmove / Rettie & Co.

Aberdeen Rental Market

Fig.6 - Average Advertised Rent by Month (Studio to 4 Beds)

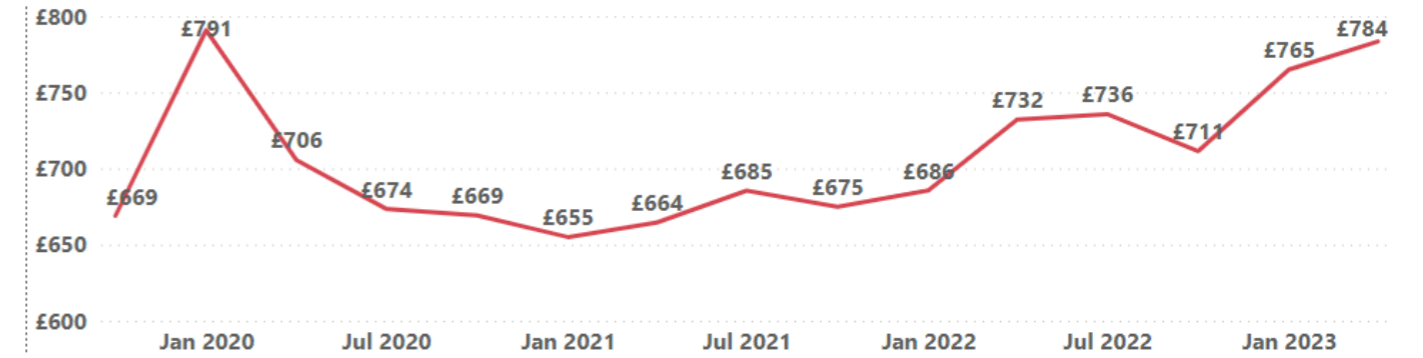


Fig.7 - Count and distribution of rents by House Type (Studio to 4 Beds)

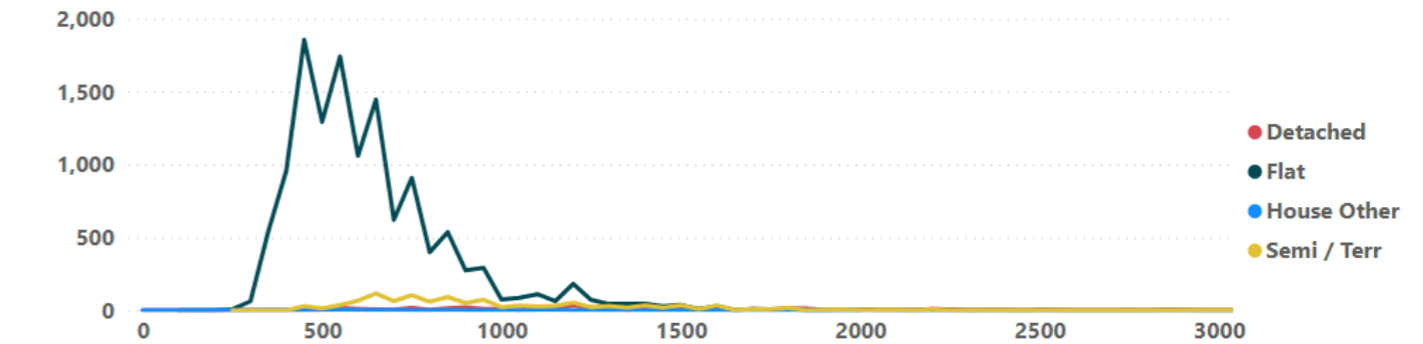


Fig.8 - Count and distribution of rents by Beds (Studio to 4 Beds)

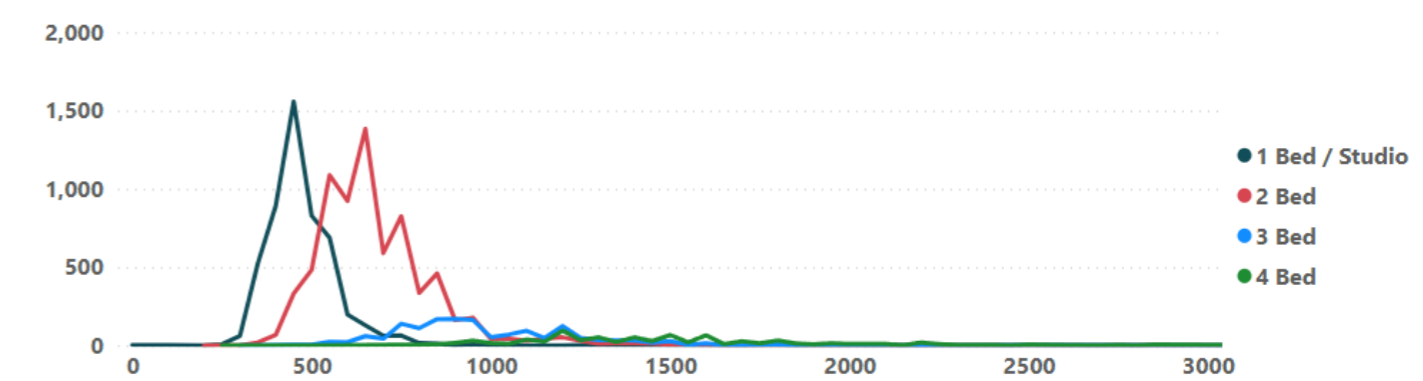
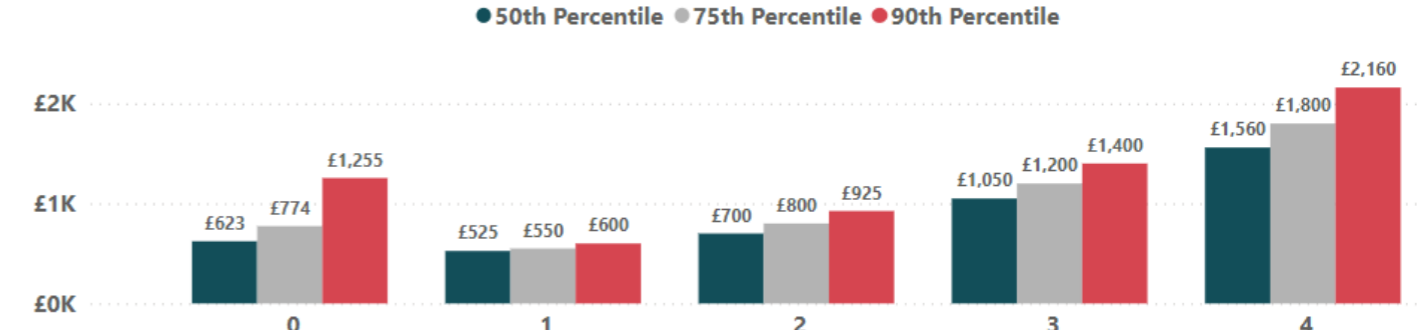


Fig.9 - Percentile Rents by Beds - Past 12 Months (Studio to 4 Beds)



Source: Rightmove / Rettie & Co.

BTR Services

Management & Operations

Our Build to Rent (BTR) team is at the heart of the private rented sector in Scotland, with almost £1bn in assets under management. We provide a comprehensive range of BTR services and have the research expertise, experience and network to make Build to Rent work north of the border.



Consultancy & Research

Our Consultancy & Research team is the largest in the Scottish Private Sector and provides a broad range of services to both private and public sector clients. Covering all parts of the Scottish residential market, the team provides clients with in-depth, reliable and up-to-date information that enables evidence-based decision making.

Land & Development

Our Land & Development team advises on land and property development projects, on residential investments and Build to Rent. We cover residential, nonresidential and mixed-use development sites and advise on every stage of the project cycle, from early appraisals and funding through to site disposals.

Lettings & New Homes

In addition to our development services Rettie & Co. is a multidisciplinary Scottish property company with specialties in sales, new homes sales and lettings. This position, and market exposure, provides Rettie & Co. with a unique insight into the residential property sector in Scotland.

Structured Finance

Our Structured Finance team provides innovative funding solutions for both private and public sector developments. We are expert in all project stages including: initial financial modelling; JV/contract structuring; sourcing and securing short- or long-term funding; legal negotiations; public sector procurement; and asset management and rental.

Contact Us



Gillian McLees
Director of BTR
0131 202 6199
gillian.mclees@rettie.co.uk



Dr John Boyle
Director Research & Strategy
0131 624 4073
john.boyle@rettie.co.uk



Matthew Benson
Director
0131 624 9031
matthew.benson@rettie.co.uk



Sandy Gilmour
Associate Director
0131 603 8350
sandy.gilmour@rettie.co.uk



Sarah Curtis
Director of New Homes
0131 624 4201
sarah.curtis@rettie.co.uk



Callum Beattie
Senior Associate
0131 322 2674
callum.beattie@rettie.co.uk