Build to Rent in Scotland
Still Game…or Game On?

Dr John Boyle
Rettie & Co.

Fixture Programme

- State of the Sector
- Emerging Opportunity
- Outlook

The game is afoot

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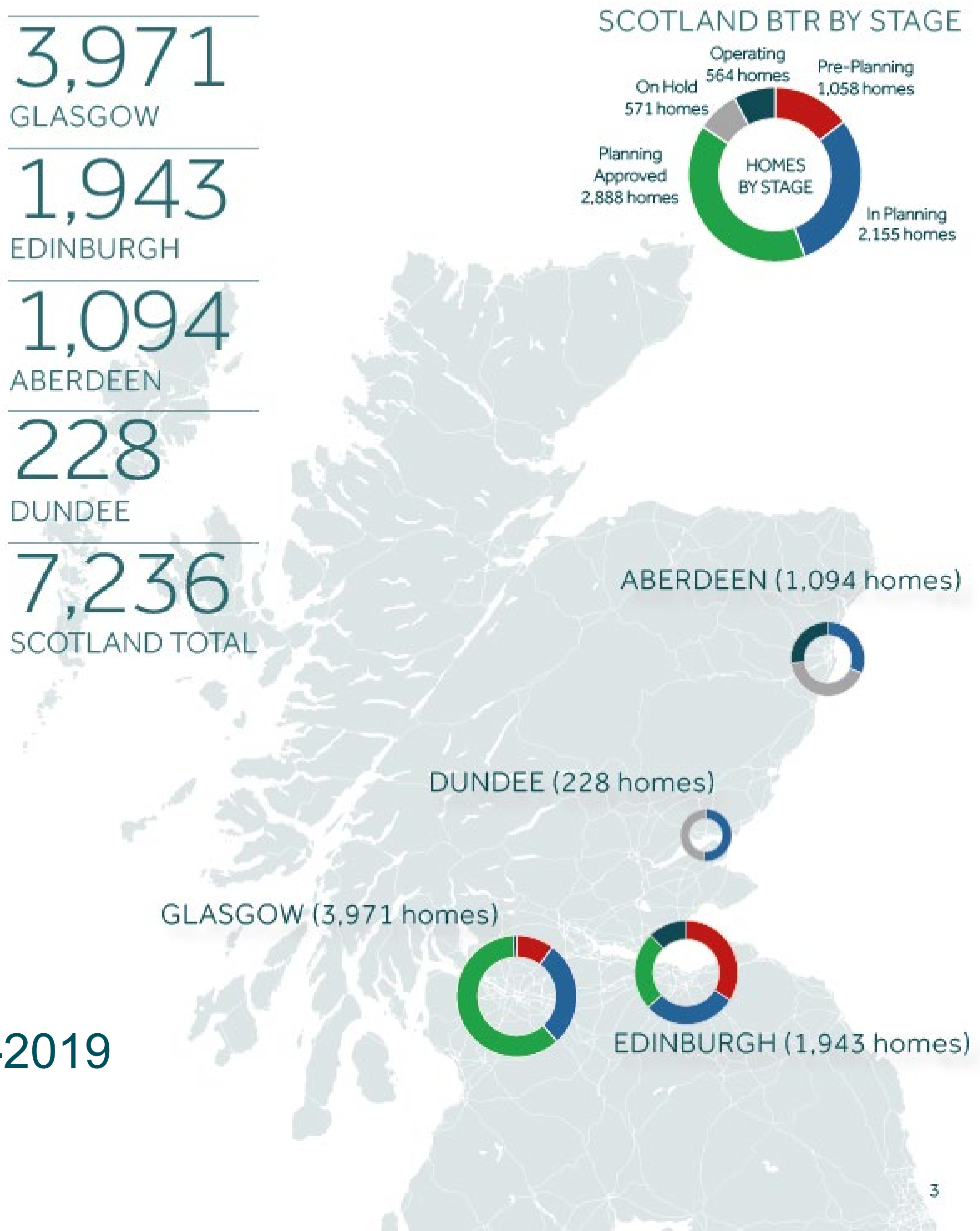
Still Game...

…or Game On!

State of Play

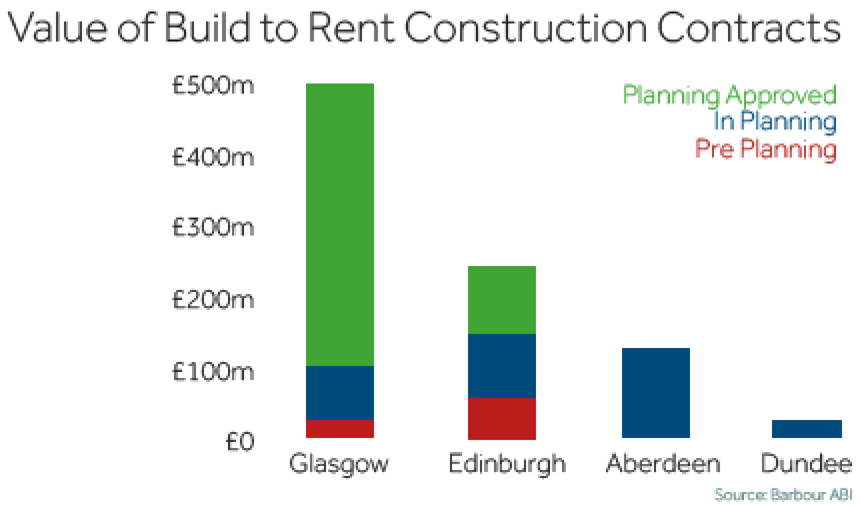
Scottish BTR Pipeline

- Scottish pipeline has increased 1/3rd in a year
- Glasgow leads the way with almost 4,000 units
- Aberdeen has new scheme progressing
- Dundee scheme has stalled
- Edinburgh has potential for rising pipeline



There has been an active transfer season in 2018-2019

Value & Benefit of BTR Development



BTR Benefits / Economic Benefits

- Construction
- Operations
- Resident Spend
- Place Making
- Tax Revenue

BTR can play a major role in the economy and housing crisis

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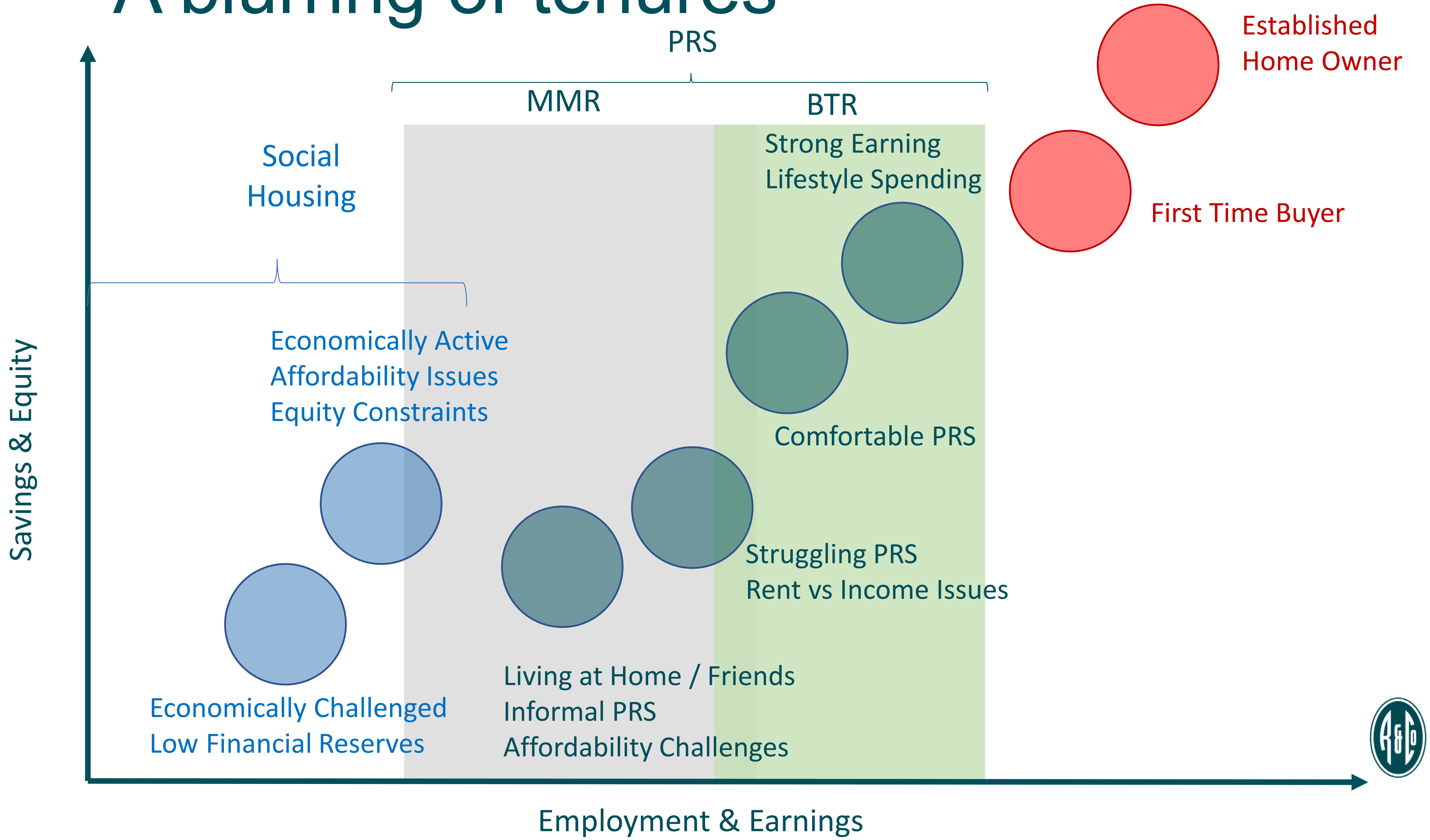
New Rules

Opportunity & Affordable Rent

A blurring of tenures



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New Game in Town

PfP Capital

Sigma Capital Group

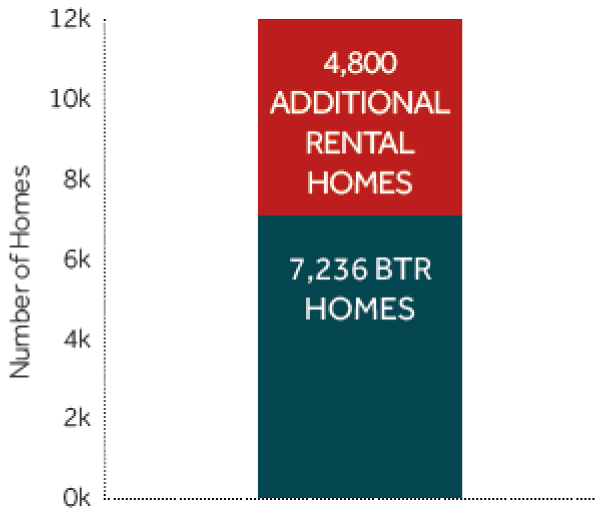
Scottish Government
Riaghaltas na h-Alba
gov.scot

- The Building Scotland Fund has provided credit facilities to enable the delivery of affordable rental stock without grant funding.
- These schemes use Government support to leverage private funding to deliver affordable homes

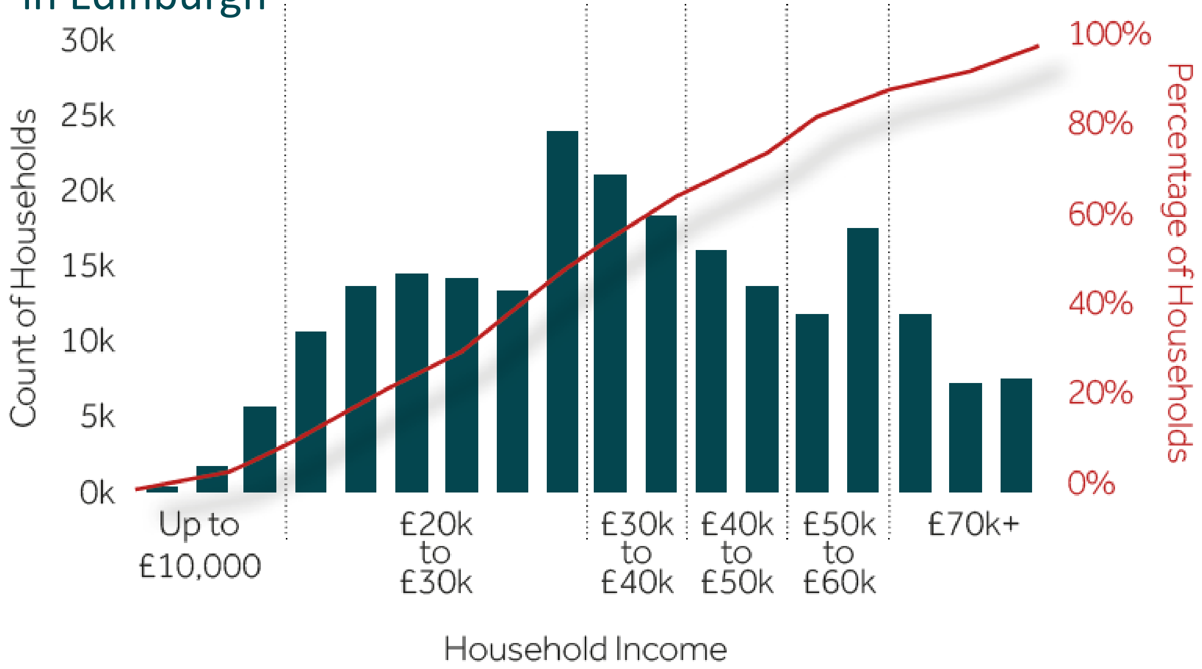
Loans and revolving credit facilities are enabling delivery

Affordable Rent Opportunity

Over 12,000 combined units



70% of households fall within the income criteria for MMR in Edinburgh



The affordable rental sector has mass appeal and the potential to deliver volume at pace

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Grudge Match

The Scottish Derby

GLASGOW vs EDINBURGH

GLASGOW'S MILES BETTER

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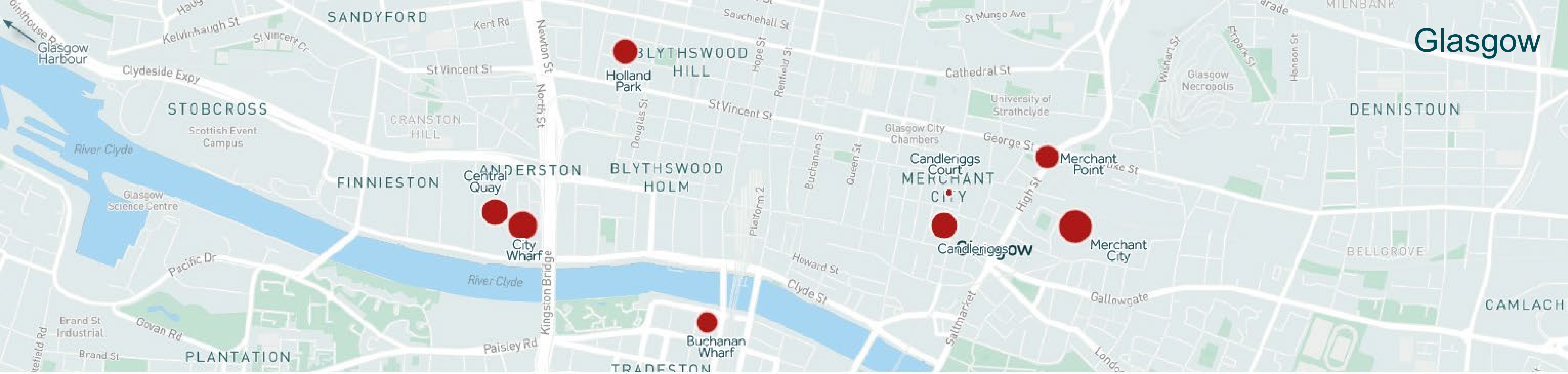
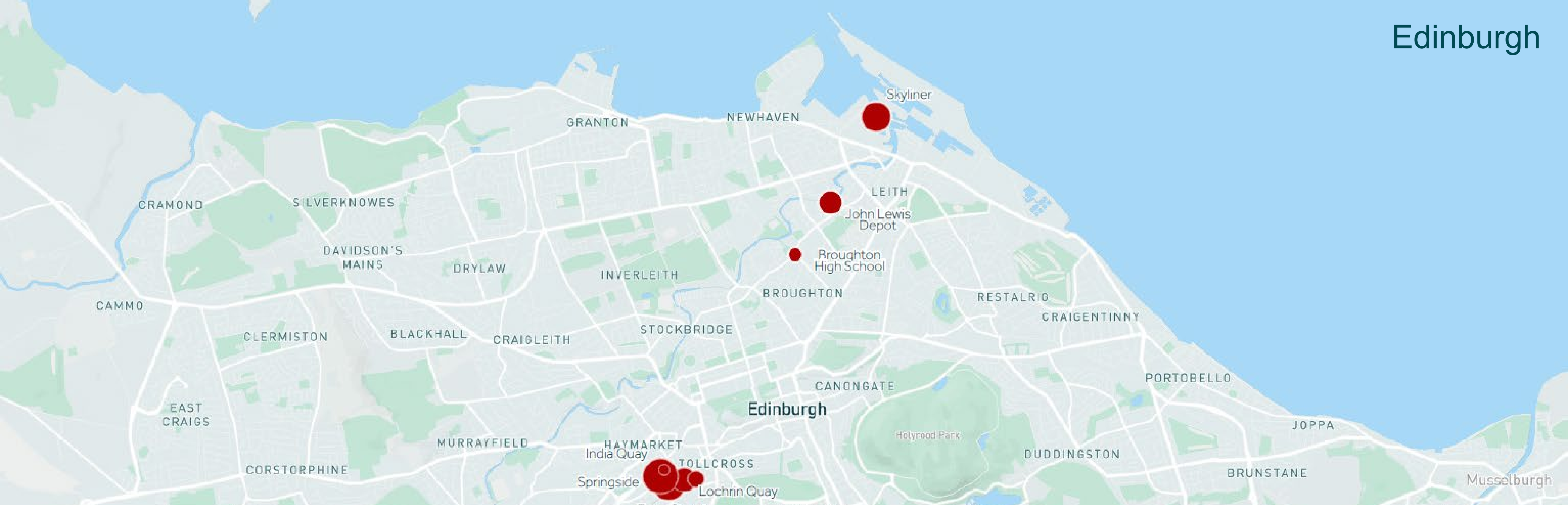
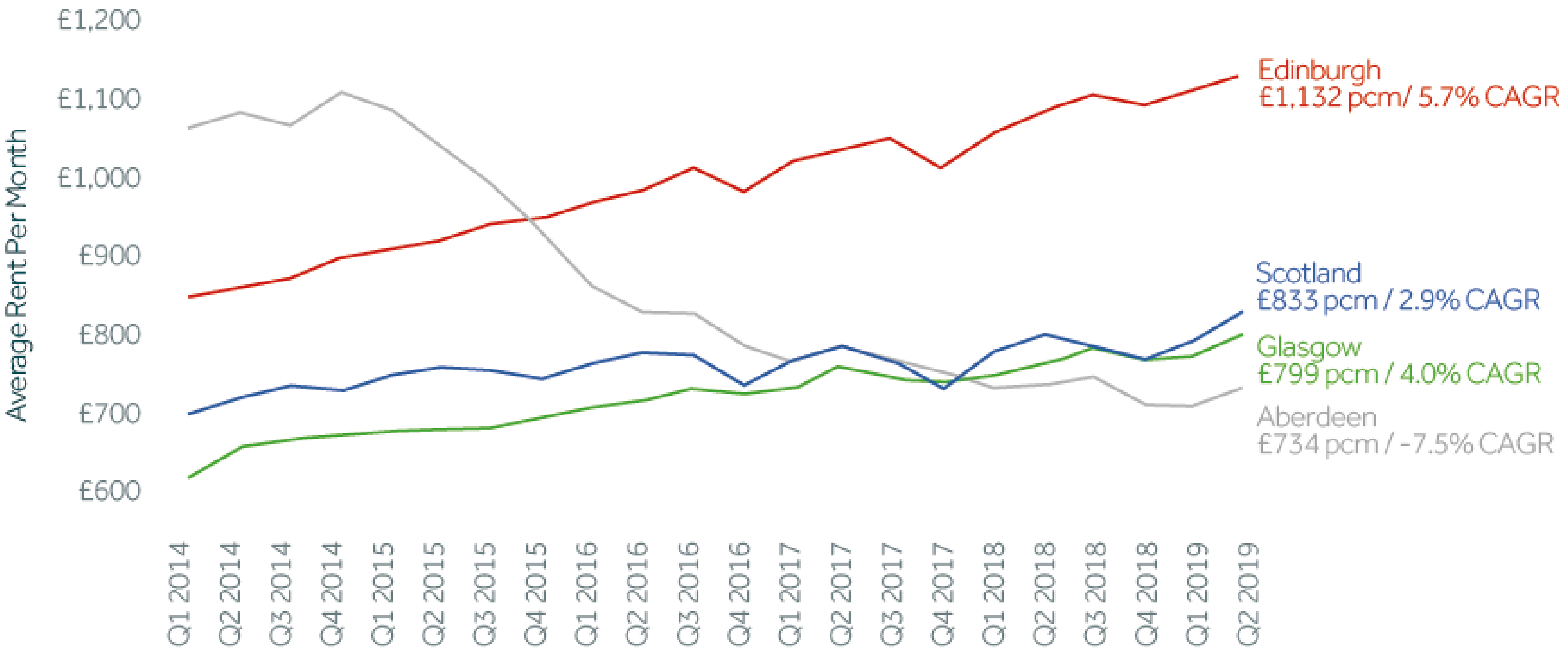


Glasgow
Holland Park
Central Quay
City Wharf
Buchanan Wharf
Candleriggs Court
Candleriggs
Merchant Point
Merchant City
SANDYFORD
BLYTHSWOOD HILL
STOBCROSS
FINNIESTON
ANDERSTON
BLYTHSWOOD HOLM
MERCHANT CITY
DENNISTOUN
BELLGROVE
CAMLACHIE
PLANTATION
TRADESTON
River Clyde
Glasgow Harbour
Scottish Event Campus
Glasgow Science Centre
University of Strathclyde
Glasgow Necropolis
Glasgow City Chambers
Sauchiehall St
St Vincent St
Cathedral St
George St
Clydeside Expy
Kelvinhaugh St
Newton St
North St
Kingston Bridge
Paisley Rd
Pacific Dr
Govan Rd
Howard St
Clyde St
Gallowgate
High St
Saltmarket



Edinburgh
Skyliner
John Lewis Depot
Broughton High School
India Quay
Springside
Lochrin Quay
GRANTON
NEWHAVEN
LEITH
CRAMOND
SILVERKNOWES
DAVIDSON'S MAINS
DRYLAW
INVERLEITH
BROUGHTON
RESTALRIG
CRAIGENTINNY
CAMMO
CLERMISTON
BLACKHALL
CRAIGLEITH
STOCKBRIDGE
CANONGATE
PORTOBELLO
EAST CRAIGS
MURRAYFIELD
HAYMARKET
TOLLCROSS
CORSTORPHINE
JOPPA
DUDDINGSTON
BRUNSTANE
Holyrood Park
Musselburgh

Rising Rental Market



Source: Citylets

Rental growth has been strongest in Edinburgh & Glasgow

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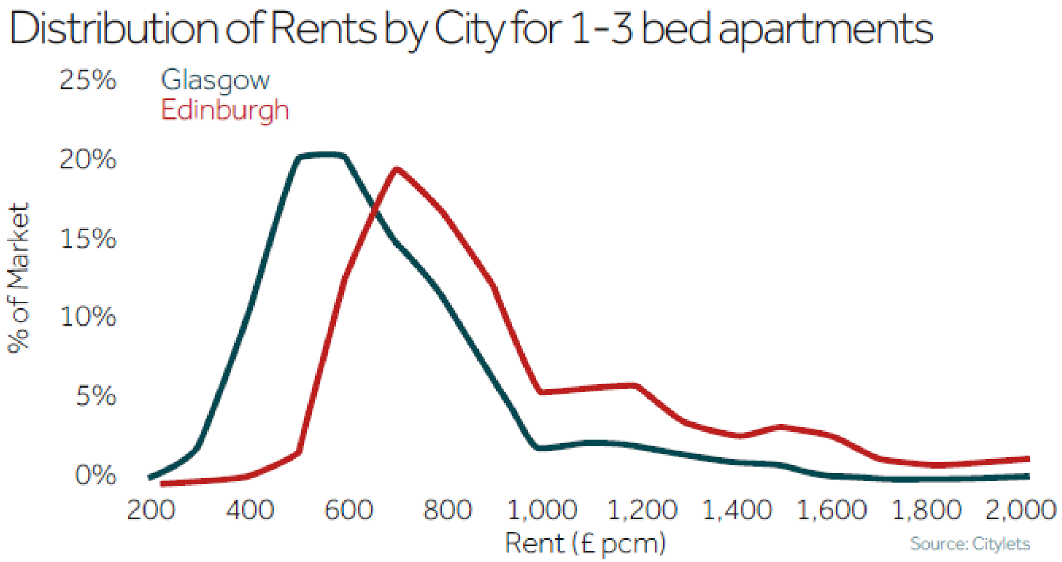
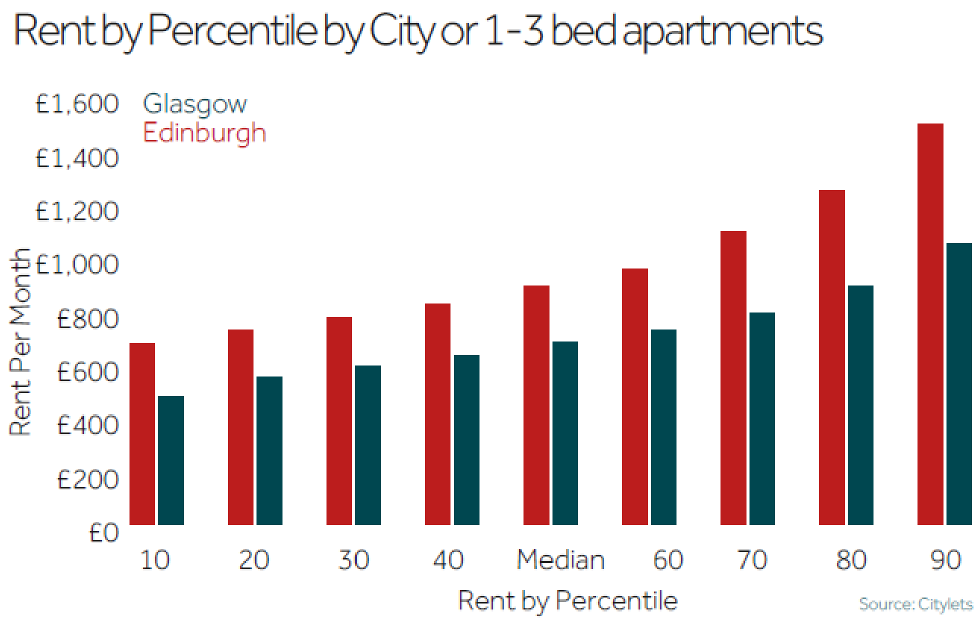
Game of Two Halves





The two cities have distinct market formations

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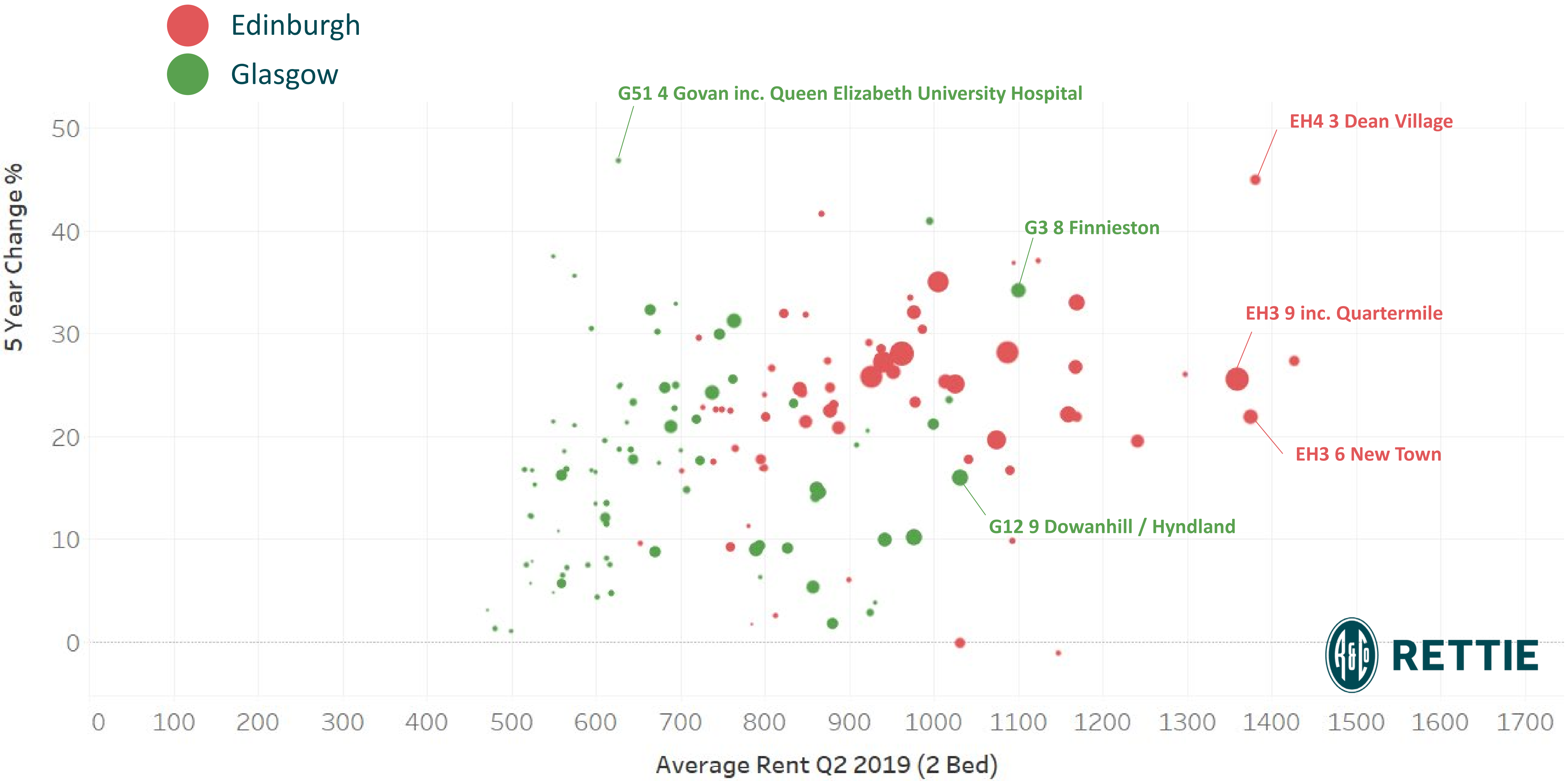
Location & Value of Rents



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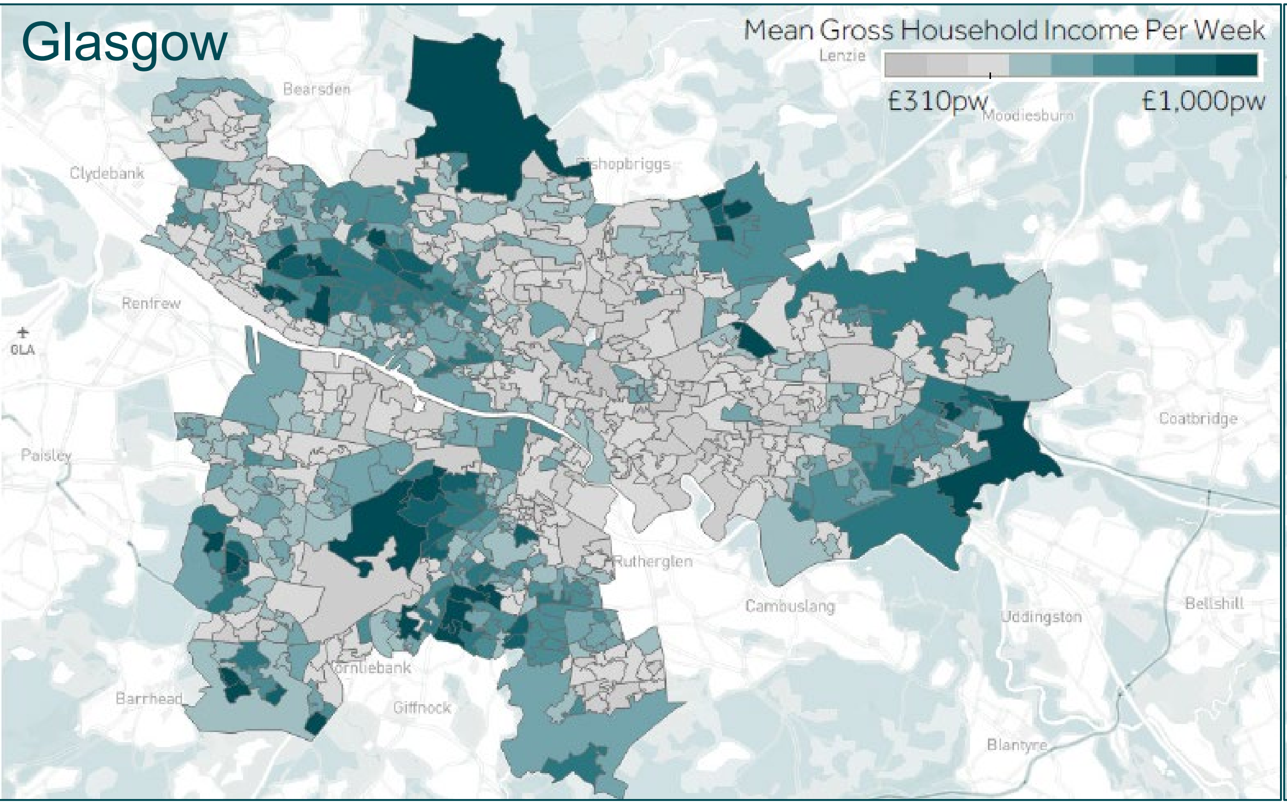
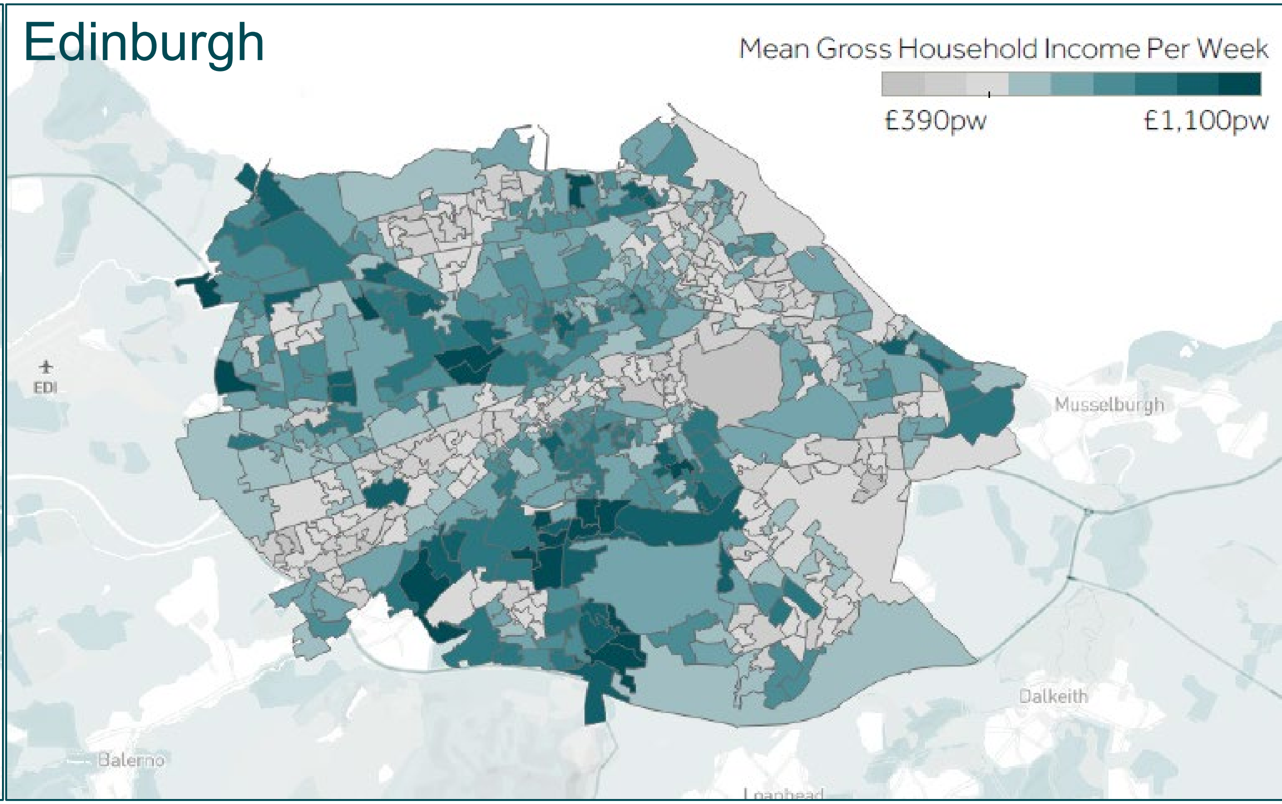
Income & Affordability





Wealth is distributed differently across the cities

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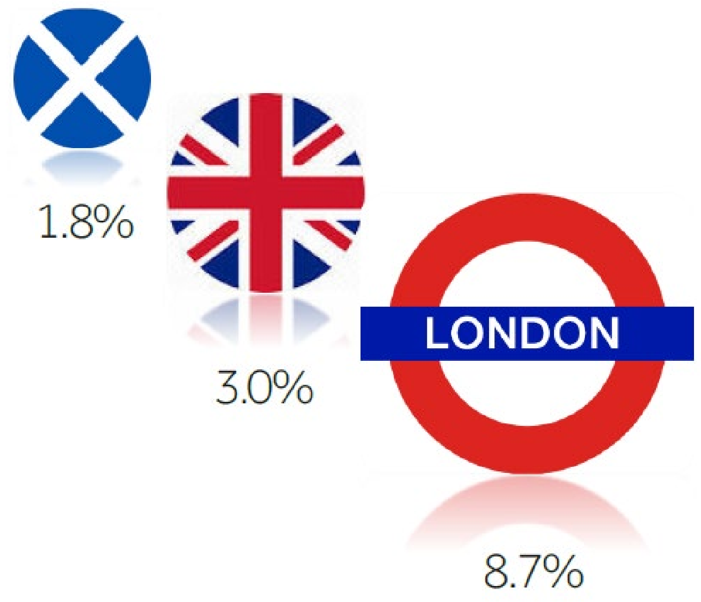
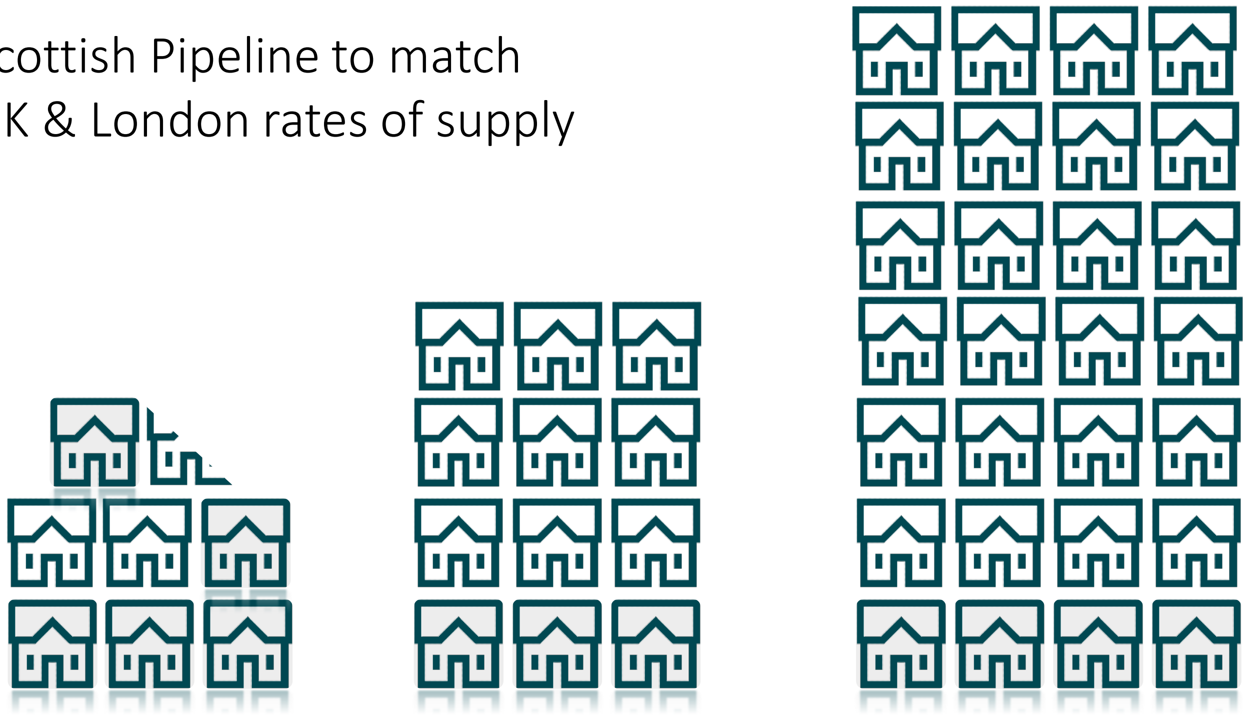
Outlook

BTR Supply

BTR Pipeline as % of PRS Households



Scottish Pipeline to match
UK & London rates of supply



Current	At UK Rates	At London Rates
7,236	12,000	28,000

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The Scottish BTR sector has capacity for growth

BTR SWOT

STRENGTHS

- Market Demand
- Affordability Drivers
- Investment Opportunity
- Stabilised Regime
- Political Support

WEAKNESSES

- Market Uncertainty
- Site Availability
- Competition
- Planning Guidance

OPPORTUNITIES

- Emerging Sector
- Long Term Proposition
- MMR & Affordable Rent
- Investment & Government Support

THREATS

- Political Context for Investment
- Planning & Design
- Economic & Investment Uncertainty





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Not just one game in town

Still Game...and Game On

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