



Rettie & Co highlights that the Scottish residential investment fundamentals remain strong

- ***However, political risk, including the recent continuation of a rent freeze cap as part of emergency legislation has translated to negative investor sentiment towards Scotland***
- ***The firm's Director of Strategy and Research John Boyle says that investor sentiment should be considered as a "major concern", particularly given the housing supply crisis***
- ***While the Built to Rent (BTR) sector continues to grow in Scotland, the speed of development significantly lags behind the trajectory observed elsewhere in the UK***
- ***The report indicates that an improved investment environment, supported by a clear message from Government to pension funds and long-term patient capital that Scotland wants investment in housing will help to drive the approximately 14,000 planned BTR and Mid Market Rent (MMR) units in Scotland, collectively valued at over £3 billion, which are still to reach the construction phase***

3 August, 2023 - Rettie & Co. has highlighted the strong fundamentals underpinning the residential investment opportunity in Scotland, but also negative sentiment towards Scotland's Private Rental Sector (PRS) from UK and International investors. However, political risk, including the continuation of a rent freeze cap as part of emergency legislation has translated to negative investor sentiment towards Scotland.

The views are expressed in Rettie's recently published 'Build to Rent Scotland, Scottish Market Review 2023', with the firm's Director of Strategy and Research John Boyle saying current investor sentiment should be considered as a "major concern" given the scale of the country's housing supply crisis.

John Boyle said: "It's impossible to hide what can only be described as a pessimistic picture of the Scottish PRS and BTR sectors, although we believe the market still has the potential to deliver for those bold enough to invest. So, we're not ruling out a year of discontent moving into more of an Indian Summer."

Gillian McLees, Director of BTR at Rettie & Co, added: "While it was hoped that institutional investors would step in to fill the shortage of housing in the Private Rental Sector, a number of factors including political intervention in the sector continues to

exacerbate the problem of supply. This means that we are getting thousands of applicants for our properties who we are having to turn away, many of whom are in desperate need and we would love to accommodate, but there is nothing close to an adequate supply of housing.”

Also in Rettie’s BTR report, the firm says that while the sector continues to grow in Scotland, the speed of development is still significantly below the trajectory elsewhere in the UK. The report indicates that an improved investment environment will help to drive the approximately 14,000 planned BTR and MMR units in Scotland, collectively valued at around £3 billion, which are still to reach the construction phase.

Of the approximately 17,000 BTR units operating or in the pipeline in Scotland, around 8,500 are in Glasgow, 6,500 are in Edinburgh, and in the region of 1,300 are in Aberdeen.

Rettie now has almost £1 billion in assets under management, working in partnership with organisations including Forth Ports and Moda Living.

Full report available here: [BTR Briefing Summer 2023 - FINAL.pdf \(homeflow-assets.co.uk\)](#)

Notes:

- Full-service property firm Rettie & Co, founded in 1993, is headquartered in Edinburgh with 180 staff across 11 offices - Edinburgh, Glasgow City, Glasgow West End, Bearsden, Shawlands, Newton Mearns, St Andrews, Melrose, Berwick, Newcastle, and London.
- The firm covers residential investment, residential and new home sales, letting and property management, land and development sales and consultancy, mortgage and protection advisory, underpinned by Scotland’s leading research and strategy unit.