

## Headlines

Labour table the Proposed Fair Rents (Scotland) Bill

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Harbour Gateway propose up to 1,000 more Build to Rent homes

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Number of over 50s renting on the rise

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## Key Findings

Consultation is underway on Scottish Labour's 'Mary Barbour Bill'. If passed the bill will include rent control measures.

Build to Rent starts to gain pace in Edinburgh after lagging Glasgow

The rental sector is now becoming home to a wider range of generations, including mature households.

## Themes & Trend Analysis

Labour seek to increase intervention in the rental market through further legislation.

The Labour proposal would seek to introduce the following. Enforce fair rents by introducing a points-based system. Link rents to average wages to ensure affordability. Give tenants powers to challenge rents and seek reductions. Ensure that all private rented properties meet proper standards for health and safety and energy efficiency. Expand the landlord registration scheme, ensuring landlords update the register to include changes in what they charge for rent, building up a picture of market rates.

The first phase at Harbour Gateway with 1,000 further Build to Rent Homes being targeted in the subsequent phases.

Matthew Benson, Director, Development Services at Rettie & Co, said: "We are delighted to have reached a key milestone in this ambitious project and are looking forward to the next phase. These homes bring the total number of Build to Rent properties with which Rettie & co. has been involved to 785." Plans are now set to continue delivery of future phases.

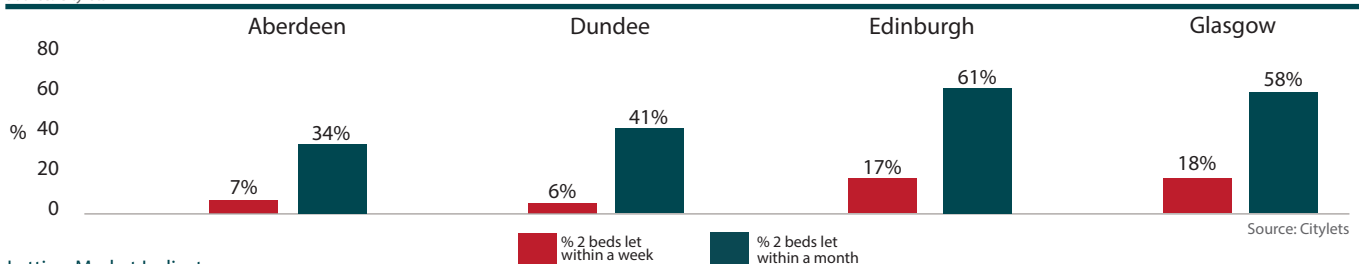
In Scotland 12% of private tenants are now thought to be over 50.

Recently released figures suggest that the number of households in the UK over 50 now account for 15% of the private rental sector, up from 15% in 2012. In Scotland this figure is now 12%. Of the 15% of over 50s in this group, it is estimated that 1/3rd of these are pensioners. This increase means that £1 in every £7 spent in the private rental sector is estimated to be paid by over 50s.

## Lettings Market Statistics

Area	Average Rents								Average Time to Let							
	Two-Bed Property				Three-Bed Property				Two-Bed Property				Three-Bed Property			
	Q1 2018	Q1 2019	Y-onYΔ	Y-onYΔ(%)	Q1 2018	Q1 2019	Y-onYΔ	Y-onYΔ(%)	Q1 2018	Q1 2019	Y-onYΔ	Y-onYΔ(%)	Q1 2018	Q1 2019	Y-onYΔ	Y-onYΔ(%)
Aberdeen	£692	£650	-42	-6.1%	£976	£903	-73	-7.5%	64	58	-6	-9.4%	66	58	-8	-12.1%
Edinburgh	£956	£1,013	57	6.0%	£1,393	£1,470	77	5.5%	32	33	1	3.1%	24	37	13	54.2%
Dundee	£579	£570	-9	-1.6%	£813	£860	47	5.8%	50	48	-2	-4.0%	44	42	-2	-4.5%
Glasgow	£764	£787	23	3.0%	£1,024	£1,112	88	8.6%	33	32	-1	-3.0%	42	45	3	7.1%

Source: Citylets



## Letting Market Indicators

	Mortgage Rates (BoE)					
	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
2 Year Fixed (75% LTV)	2.24%	2.23%	2.17%	2.17%	2.15%	2.18%
5 Year Fixed (75% LTV)	2.01%	2.05%	2.03%	2.02%	2.00%	1.98%
Standard Variable Rate	4.40%	4.48%	4.30%	4.30%	4.31%	4.29%

Source: BoE

	Interest Rates (BoE)					
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Official Bank Rate	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%

Source: BoE

	Mortgage Rates (BoE)				
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
BTL Loans	5,100	5,400	4,800	5,000	5,100
BTL Value (£m)	£700	£700	£600	£700	£700

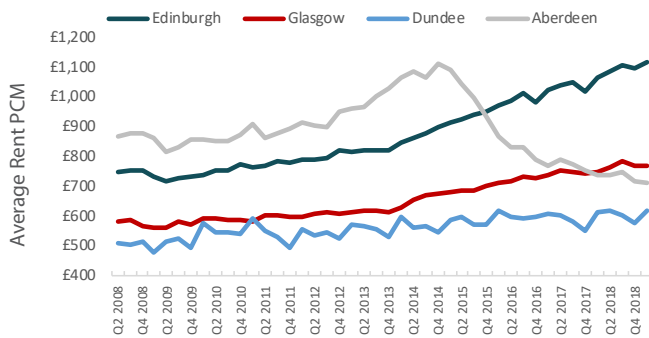
	Year	Complex Buy-to-Let Index			
		Q1	Q2	Q3	Q4
Loan to Value	2018	69%	-	-	-
	2018	66%	67%	67%	68%
	2017	68%	69%	69%	67%
Yield	2018	5.7%	-	-	-
	2018	5.6%	5.5%	5.4%	5.6%
	2017	5.7%	5.5%	5.5%	5.6%

Source: Mortgage for Business

## Edinburgh and Dundee average rents at highest level

The average rents in Edinburgh and Dundee have reached their highest level on record in Q1 2019 while rents in Glasgow and across Scotland have fallen back from peak levels seen in 2018. Conversely rents in Aberdeen have continued to fall reaching their lowest level since values started falling in 2015.

Average Rents by City

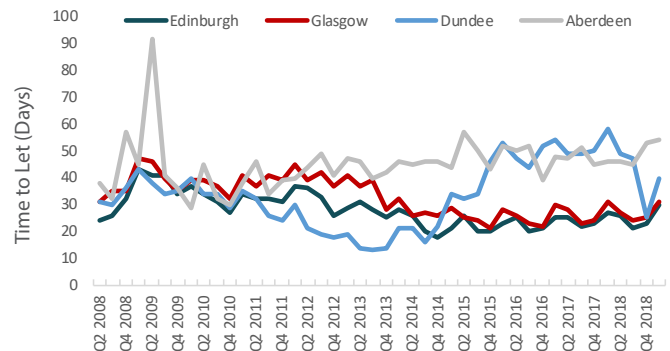


Source: Citylets

## Time to let increases across cities

The days taken to let a property has increased across the board. In Edinburgh the average time to let increased to 30 days in Q1 2019, the first time it has reached this level since 2012 having reached a low of 18 days in 2014. Glasgow has increased to 31 days which is the same as Q1 2018. Having fallen sharply in Q4 2018 time to let in Dundee has rebounded up to 40 days.

Average Time to Let by City

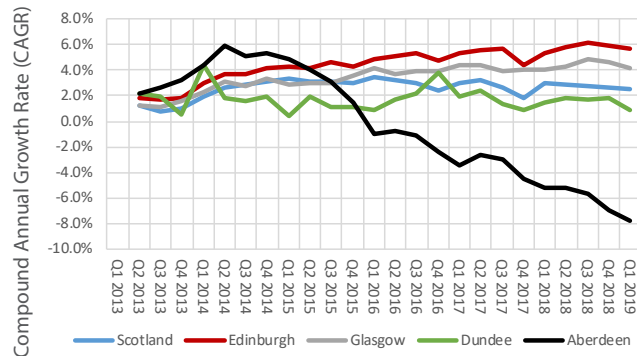


Source: Citylets

## Long term growth rate slows marginally

The 5 year compound annual growth rate of average rents across Scottish cities has shown a slight slow down over the last 2 quarters in Edinburgh and Glasgow but remain historically high. Since rents started rising in 2014 as demand outstripped supply, the 5 year annual growth rate has typically been above 5% in Edinburgh and 4% in Glasgow. Having peaked at over 6% in Edinburgh and almost 5% in Glasgow in 2018, rates have fallen back to 5.6% and 4.2%.

Compound Annual Growth Rate (CAGR) over 5 & 10 Years

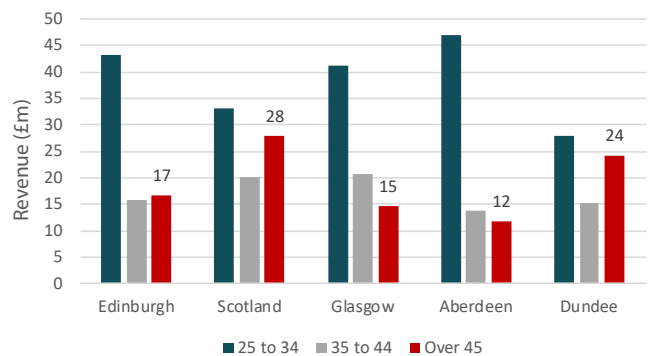


Source: Citylets / Rettie & Co.

## 28% of households over 45 years old now in the PRS

Figures from the Scottish Household Survey (SHS) support the rise of mature households in the PRS. The number of households in Scotland over 45 years of age who are in the PRS is now 28%, up 3.5% in the past 4 years according to the SHS. In Edinburgh the number of households over 45 years in the PRS has remained flat over this period, whilst Glasgow and Dundee have seen increase of 2.5% and 4% respectively.

Percentage of Households in PRS Tenure: Aged 35-59 years



Source: Scottish Household Survey

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**Karen Turner**  
Director of Lettings  
Edinburgh & Glasgow  
0131 622 4160  
karen.turner@rettie.co.uk



**Hugh Rettie**  
Lettings & Investment Valuer  
Edinburgh Lettings  
0131 202 6286  
hugh.rettie@rettie.co.uk



**Grace Reilly**  
Branch Manager  
Glasgow Lettings  
0141 223 7887  
grace.reilly@rettie.co.uk



**Andrew Meehan**  
Associate Director  
Research  
0141 624 9051  
andrew.meehan@rettie.co.uk



**Rachel Fiddes**  
Short Lets Manager  
Edinburgh Festival Rentals  
0131 221 1646  
rachel.fiddes@edinburghfestivalrentals.com