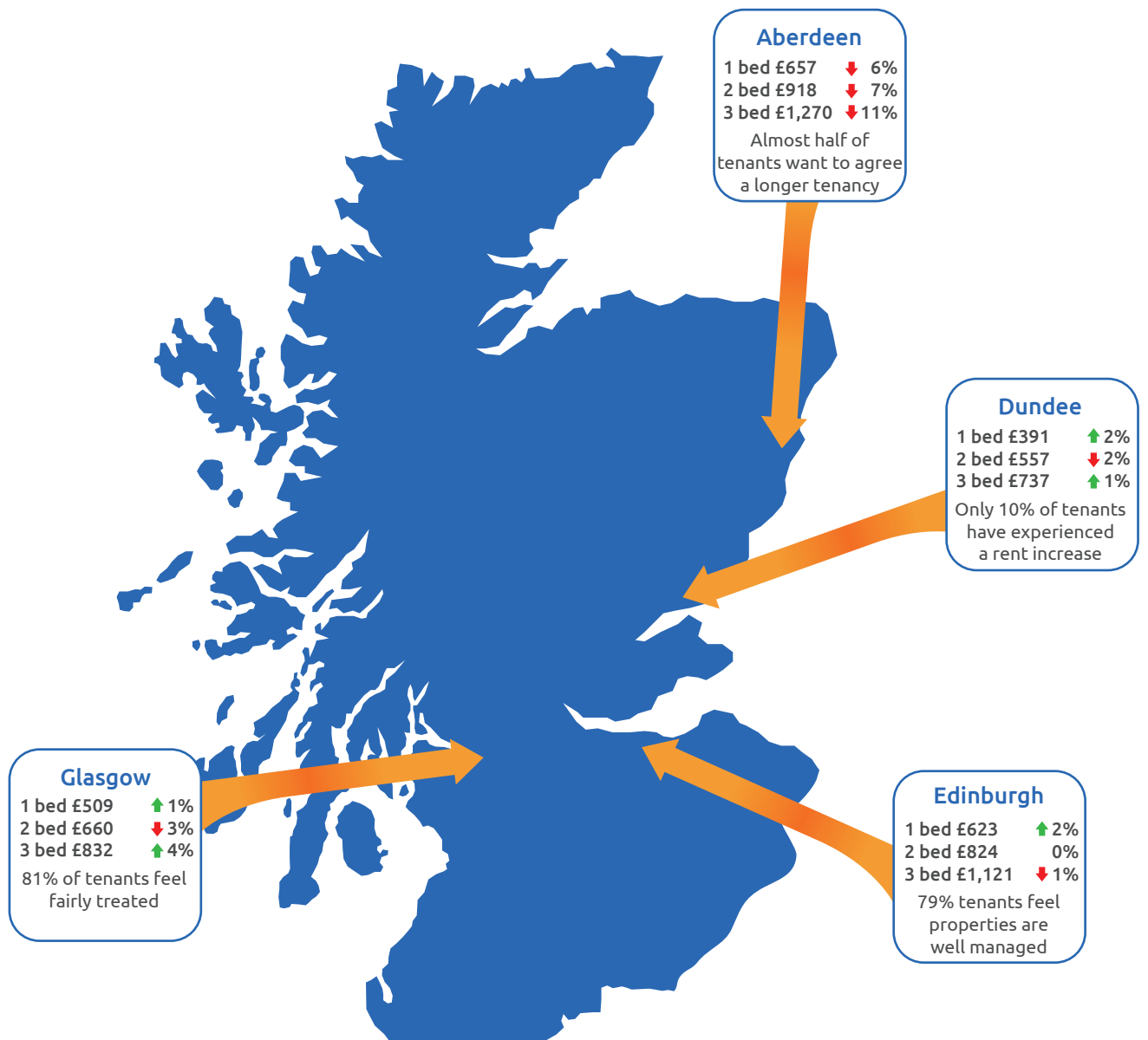


RENTS STABLE ACROSS SCOTLAND

Our Summer 2015 report shows that rents have barely risen across the major Scottish cities, despite an increasing demand for rental accommodation. We highlight the continuing importance of better quality tenant enquiries and question the value of proposed Rent Controls.



Lettingweb's founding purpose, is to "make letting better."

Perhaps on the face of it, a fairly trite statement, but a vision which remains central to everything that we do 15 years on since our inception and one that remains more relevant than ever, at a time when our member agents face tenancy reform, a ubiquitous selection of portals to advertise on and a lack of new business opportunities.

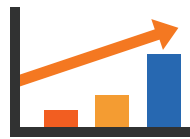
With these challenges, comes great opportunity and I am excited about how Lettingweb can continue to evolve in the future, react to this changing environment and be the portal of choice for the agent community. While for the tenant community, we aim to provide the primary resource for moving home in Scotland.

We see it as our overriding objective to help our customers succeed by delivering membership options that allow our member agents to derive more value than the cost of subscription.

Our progress this year so far demonstrates the popularity of Lettingweb.com and at the time of writing, we have 70% of all live listings in Scotland.



114,000
rental enquiries
in August



215,000
website visits
in August



1.1 million
page views
in August

We continue to innovate and invest to make Lettingweb.com the primary destination for agents, landlords and tenants, with new features such as our school catchment tool and landlord distribution mechanism released recently and already delivering positive results.

It has been a pleasure to meet with 94 of our member agents over the past year and I look forward to meeting many more of you and sharing the exciting journey we have planned for Lettingweb.

Best wishes,

Steven Sibbald



"70% of all available rental properties in Scotland are advertised on Lettingweb."



"We continue to innovate and invest to make lettingweb.com the primary destination for letting agents, landlords and tenants."



"We understand that quality of tenant enquiries is increasingly becoming more valuable than quantity."

Edinburgh Rents: City Summary

The average rent levels of two bed properties advertised during the Summer period remain unchanged vs the same period 2014 and have increased 1% since our last report in the Spring to £824.

During the Summer period, we have also observed the average rent level of a one bed property increasing to £623 up from £609 or 2% since Summer 2014.

Three bed property average rent levels decreased by 1% to £1,121 from £1,133.

Time to let (TTL) decreased 29% to 12 days from last year.

Postcode Analysis (Mean Rents and Marketing Period) Summer 2015

Postcode District	1 Bedroom	2 Bedroom	3 Bedroom	Marketing Period (days)
EH1	£702	£1,015	£1,352	11
EH2	£690	£1,082	£1,964	14
EH3	£729	£1,077	£1,477	14
EH4	£690	£867	£1,080	11
EH5	£605	£724	£928	14
EH6	£593	£773	£1,024	11
EH7	£592	£800	£1,063	12
EH8	£624	£788	£1,262	12
EH9	£655	£889	£1,250	9
EH10	£655	£917	£1,227	11
EH11	£569	£749	£974	10
EH12	£633	£841	£1,200	14
EH13	£609	£671	£963	19
EH14	£573	£751	£935	12
EH15	£559	£701	£1,083	12
EH16	£597	£736	£953	14
EH17	£553	£665	£887	18
City of Edinburgh Annual Change (%)	£623 2%	£824 0%	£1,121 -1%	12



Steven Currie
Murray & Currie
0131 226 5050



"Edinburgh's hard work and effort in boosting its reputation as a business powerhouse has paid off. The St James Development; The Interserve Development at Haymarket; The Donaldson's School Development and The Quatermile Development are all driving interest in Edinburgh and in turn this is questioning the unconditional investment obsession with London.

Edinburgh is for me up there with London, HK and NYC, as not just a place to invest but to live, do business in and enjoy a fantastic quality of life. For those who want it, we have it!"

Edinburgh in August on Lettingweb.com



Glasgow Rents: City Summary

The average rent levels of a two bed property decreased 3% in the Summer period from last year to £660, while one bed properties increased 1% from Summer 2014 to £509.

Three bed properties decreased 4% to £823, down from £860 in the same period 2014.

These findings are following a consistent trend from previous reports.

Time to let (TTL) decreased 36% to 14 days down from 22 for the same period in 2014.

Postcode Analysis (Mean Rents and Marketing Period) Summer 2015

Postcode District	1 Bedroom	2 Bedroom	3 Bedroom	Marketing Period (days)
G1	£636	£866	£1,186	12
G2	£612	£843	£1,280	13
G3	£585	£794	£1,234	10
G4	£554	£760	£999	9
G5	£567	£660	£817	12
G11	£554	£774	£1,018	9
G12	£621	£843	£1,133	12
G13	£474	£620	£662	21
G14	£440	£529	£708	23
G20	£536	£652	£840	12
G21	£399	£498	-	25
G22	£411	£505	£629	19
G31	£406	£580	£707	14
G32	£393	£502	£632	19
G33	£396	£546	£606	22
G34	-	£469	-	25
G40	£418	£530	-	19
G41	£485	£617	£816	12
G42	£413	£563	£629	14
G43	£473	£568	£656	16
G44	£445	£558	£511	16
G45	-	£470	-	37
G46	£466	£571	£833	10
G51	£415	£564	£590	18
G52	-	£511	£570	16
G53	£387	£582	£690	32
Glasgow City Annual Change (%)	1%	-3%	-4%	14



Josh Hardy
HAP Lettings
0141 345 2010



"This year has seen an unbelievable demand for quality properties within the City Centre, West End and parts of the Southside.

Properties have been quickly filled, sometimes before even going to market. On average we've seen 40 viewing requests and 5 applications for each property.

I believe this trend will continue due to the short housing supply and the increase of local employment and education opportunities."



Sally Beard
Fineholm -
Glasgow Branch
0141 221 7993



"With more than usual overseas students coming to Glasgow to study, we have continued to see rents go up and up in the City Centre and surrounding areas. The knock on effect is that there is not enough rental property available for the rest of the prospective tenants.

Our analysis suggests that G1 (City) has seen annual rental increases of over 6%, G3 (Cowcaddens, St Georges X, Woodlands, Park) up 9.4% and G11 (Partick, Broomhill) also by 9%. We have seen properties in the G51 (new Media Quarter, Kinning Park) increase by over 6%, which reflects the interest in the area with the Suinty bridge offering easy access to trendy Finnieston – the new "Go to" spot with its new bars and restaurants.

We have seen a big increase in demand for part furnished and unfurnished properties, with more prospective tenants looking for put their own possessions into the property."

Aberdeen Rents: City Summary

The average rent levels of two bed properties advertised during the Summer period decreased by 7% vs the same period last year and 3% since the release of our Spring report.

Three bedroom properties averaged £1,270 down 11% from last year.

The decline in average rent levels between Summer 2014 and 2015, is no doubt correlated to the sharp adjustments made in the oil and gas industry in the same period.

Time to let (TTL) rose substantially by 53% to 23 days from 15 for the same period in 2014.

Postcode Analysis (Mean Rents and Marketing Period) Summer 2015

Postcode District	1 Bedroom	2 Bedroom	3 Bedroom	Marketing Period (days)
AB10	£666	£932	£1,239	24
AB11	£648	£916	£1,261	24
AB12	£670	£843	£1,145	32
AB14	-	£785	-	33
AB15	£699	£1,106	£1,400	24
AB16	-	£806	-	27
AB21	£604	£810	£983	33
AB22	£668	£971	£1,002	35
AB23	£656	£826	-	30
AB24	£648	£891	£1,305	19
AB25	£655	£907	£1,380	19
Aberdeen City	£657	£918	£1,270	23
Annual Change (%)	-6%	-7%	-11%	



Emma Higgins
The Law Practice Leasing
01224 392392



"The much-publicised turbulence of Aberdeen's oil and gas industry has had a knock-on effect on the rental market. We are still buoyant but higher end properties and large houses remain on the market for longer. Yet all is not quiet – city centre one and two-bedroom properties under £1,000 are still very much in demand and we have seen a steady growth of new landlords."

Looking to the future, we are excited about the proposed introduction of a Code of Practice which will help us fine-tune our service to landlords and tenant to meet the high standards we set ourselves."

Dundee Rents: City Summary

The average rent levels of a two bed properties advertised during the Summer period decreased 2% from last year to £571, while one bed properties rose 2% from last year to £391.

Three bedroom properties increased 1% to £737 vs the same period last year.

Time to let (TTL) increased 13% to 26 days up from 23 days for the same period last year.

Postcode Analysis (Mean Rents and Marketing Period) Summer 2015

Postcode District	1 Bedroom	2 Bedroom	3 Bedroom	Marketing Period (days)
DD1	£411	£614	£795	41
DD2	£399	£552	£775	17
DD3	£367	£500	£647	42
DD4	£382	£515	£638	25
DD5	£449	£616	-	15
Dundee City	£391	£557	£737	26
Annual Change (%)	2%	-2%	1%	



Nick Horan
Belvoir Dundee
01382 228437



"The Dundee property market is, as usual, a diverse and active one. We are seeing an increase in buy to let enquires and of 'higher end' properties coming onto the rental market. The development at City Quay, on-going redevelopment of the water front and upcoming Victoria & Albert museum are all a positive development for lettings in the city."

Do you have a legal Question?

Scottish Government consultation for letting agents' statutory code



Jane Rattray,
Solicitor in Lindsays Housing
and Private Letting team

Letting agents should be aware of the requirements proposed under the draft statutory code of practice and training requirements published by The Scottish Government last month. The strategy is to create:

"A private rented sector that provides good quality homes and high management standards, inspires consumer confidence, and encourages growth through attracting increased investment."

Why it matters

Housing Minister, Margaret Burgess commented:

"...Letting agents are vital to helping achieve this vision, and this new framework, including the code of practice, will support the industry to improve standards, provide a good service to both landlords and tenants, and empower customers."

Who does the consultation apply to?

The Act provides a wide definition of letting agents and therefore the consultation may have an impact on organisations not commonly recognised as letting agents.

Letting agency work is defined in Section 61 of the Housing (Scotland) Act 2014 as covering: any work carried out for a landlord concerning entering into a lease or occupancy agreement where an unconnected person may use the landlord's house as a dwelling; or managing a property (including in particular collecting rent, inspecting the house and making arrangements for the repair, maintenance, improvement or insurance of the house) which is, or is to be, subject to a lease or arrangement.

What does the consultation cover?

The consultation is divided into two sections. Part 1 focuses on the draft Letting Agent Code of Practice. Part 2 addresses the training requirement that must be met prior to being included on the Letting Agent Register.

Section 1.7 proposes a process for landlords and tenants to resolve complaints against letting agents for breaches of the Code.

If a landlord, or tenant, considers that a letting agent has not complied with the Code, they must notify the letting agent in writing. If after submitting a complaint it remains unresolved, a landlord or tenant can apply to the First-tier Tribunal. In assessing whether the letting agent has breached the Code, the Tribunal will review the agents' written agreements, policies and procedures. Therefore, it will be crucial for letting agents to ensure that all their documents and procedures comply with the relevant legal obligations and that they keep accurate records. This process may require seeking legal advice on procedure contents.

Section 3 "Engaging landlords" covers contact with potential clients, what should be included in the written agreement and how to end the agreement.

The Scottish Government proposes that letting agents will have a duty to inform the appropriate authorities if a landlord fails to meet their obligations.

Section 4 covers:

- Marketing and advertising
- Giving correct advice to applicants
- Charging fees, viewings
- Offers
- Reference checks
- Tenancy agreement
- Tenancy deposits
- Inventory checks
- Miscellaneous other points

Section 4.26 also includes that a tenancy agreement "must ensure that it meets all relevant legal requirements and includes all relevant information...and responsibilities on taking care of the property".

Letting agents may require advice to help ensure that tenancy agreements comply with all legal requirements.

Section 7 proposes that letting agents will be required to retain all correspondence (electronic or paper) about a complaint by a landlord or tenant for six years. Letting agents must comply with any Tribunal request for information.

Part 2 – Training Requirements for Letting Agents.

There are four points of training proposed:

- **What** roles and operations require training
 - Legal obligations on letting agency work and landlords' and tenants' rights and responsibilities
 - Handling of tenants' and landlords' money
 - Arranging and managing a tenancy
 - Managing repairs and maintenance
 - Customer communications, complaint handling and equality issues
 - Training will be required on pre-letting procedure, client and tenancy agreements, antisocial behaviour, health and safety, tenancy deposits, eviction and ending the tenancy
- **Who** must undertake training
 - The most senior person in the organisation, unless they have no input in the day-to-day running
 - All persons directly concerned with managing and supervising the letting agency work
- **Qualifications** which must be held by the applicant or other persons
 - A relevant qualification by the end of three years from the date the Letting Agent Register comes into force in order to be admitted to the Register or to renew registration
 - The mandatory qualification will be equivalent to the level of Scottish Higher qualifications
- **Time period**
 - Applicants for renewal of registration must demonstrate they have undertaken at least 20 hours of training over the previous three years on the mandatory subject matters

The code and training proposals will require that all terms, policies, written agreements and training requirements meet the criteria. Letting agents should work with their solicitors to ensure they fully understand all of their obligations and have everything in place.

If you wish to reply to the consultation you can access it on the Scottish Government website. The consultation closes on **15 November 2015**.

Do you have a legal question?

All Lettingweb Members receive a one hour complimentary legal consultation with Lindsays Solicitors.





PRs4SCOT- We need your support

What is our objective?

Lettingweb is supporting PRs 4 Scotland's campaign to lobby MSP's to try and prevent crude rent controls being introduced in Scotland in the upcoming housing bill.

PRs 4 Scotland has been set up specifically and solely to tackle this debate head-on in a constructive and informative manner. It seeks to encourage the Scottish Government to take a more evidence based approach to PRs policy that serves the interests of tenants and landlords alike.

Who we are?

The organisation is an alliance of people and businesses who want to see a strong, modernised and sustainable Private Rented Sector (PRs) in Scotland serving tenants and enhancing supply by contributing to the nation's housing stock.

Principal members of PRs4SCOT are DJ Alexander, Braemore, Citylets, Cullen Property, Lettingweb and Rettie.

Summary

All the evidence suggests that the introduction of simplistic rent controls could damage our industry, discourage badly needed investment into the PRs and hurt our Members' businesses and risks exit from the market of their landlord customers. The fear exists that the Scottish Government's current proposals could be the thin edge of the wedge and though well intentioned the legislation could reduce supply further and exacerbate rather than resolve the housing crisis.

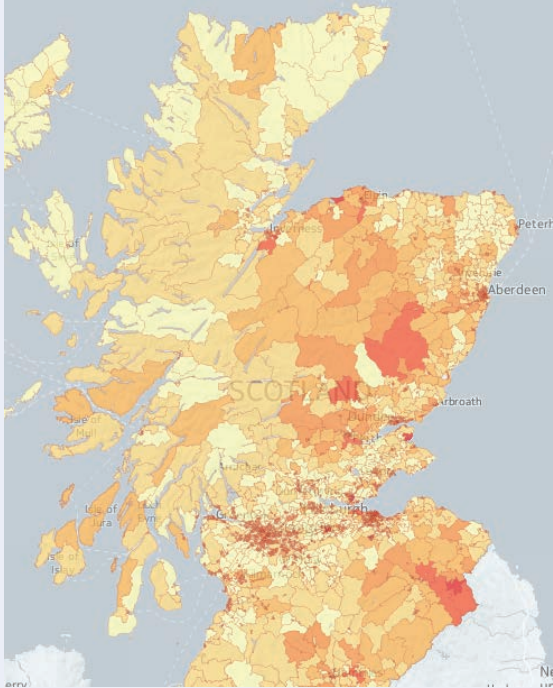
Both Lettingweb and PRs 4 Scotland fully support the Scottish Government's PRs strategy, the aim of which is 'improving management standards and quality of service for tenants and prospective tenants, as well as enabling growth and investment in the sector'. And we certainly recognise the importance of our role in housing the 83,000 families with children who live in the PRs in Scotland.

Lettingstats has also produced detailed interactive Census maps (see j.mp/PRsfamilies) to help the wider housing sector and policy makers understand where families with children in the PRs are actually living. We have made this analysis available via the PRs.SCOT web site to open access to as many as possible.

It is estimated there is £60 billion pounds of investment wanting and waiting to be deployed to grow the UK PRs. The concern is that specific proposal to introduce rent control and other radical tenancy reforms could mean Scotland gets far less of that investment which is so badly needed to grow supply levels of new homes to rent and maintain private rental in Scotland as an affordable housing option.

We would urge you to join us in supporting the campaign and encourage your landlord customers to do so also- we have a very limited window to lobby and try and prevent this happening and as an industry we need to all come together and act now.

For more information please call Steven on **0131 297 0211** or email steven.sibald@lettingweb.com





Lettingweb
making letting better

Get in Touch

We are determined to make letting better. We are run by agents, for agents and we continue to make investments in our platform to ensure that our Member Agents get the best out of Lettingweb. We understand that our Member Letting Agents need good quality tenants to fill their landlords' properties and we strive to ensure that we deliver quality tenant enquiries.



Steven Sibbald
Managing Director



Hamish Robertson
Marketing



Bartosz Przybylski
Finance



Boris Pommier
Technical



Lynsey McMenemy
Account Manager (East)



Lee Fitzpatrick
Account Manager (West)



Mark Richardson
Account Manager (East)

Research Methodology

This report uses advertised rent rates for properties which stopped being advertised between 1 June and 31 August 2015. The data is cleansed to remove duplicates and other anomalies. Mean rents are calculated following the removal of outliers. Time to Let (TTL) periods are calculated based on the median, excluding any properties with a TTL greater than 100 days.

Disclaimer

Lettingweb strives to ensure that all of the information and insight in this report is correct. We will not, however, give any representation or guarantee that the data is 100% accurate. None of the contents of the report should be taken as professional or legal advice of any kind. We reserve the right to change methodology at any time and all data is subject to future adjustments without notice.

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Enquiries

If you have any questions about our research or would like to discuss bespoke Lettingstats analysis, please contact Hamish Robertson on marketing@lettingweb.com or call 0131 297 0210



As always we request your feedback on how we make Lettingweb serve you better.
T: 0131 297 0210
E: support@lettingweb.com

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