

SCOTLAND - BUY-TO-LET INDEX

July 2016

Scotland's rental market remains buoyant over summer months



Fast Facts

- Average rent in Scotland rises by 4.6% in the past year
- Typical Scottish property now let for £574 per calendar month
- Rental market remains strong despite post-Brexit uncertainty
- Landlords enjoy typical yields of 5.8% in Scotland



Quick Quotes

Brian Moran, Lettings Director, Your Move Scotland comments:

- "Rents increased by 5.2% in the last year, suggesting the recent slowdown in rent rises may have come to an end."
- "The UK's vote to leave the European Union has not caused any immediate change in the rental market, although we must wait for longer term trends to develop."
- "For landlords, market sentiment remains positive with the vast majority still looking to add to their portfolio of properties, despite the Brexit vote."
- "The South East was home to the biggest leap in rents, with many Londoners moving further afield in an attempt to escape high rents in the capital."



Key insights about the data

- Properties in Scotland attracted an average rent of £574 in the month of July, Your Move found, significantly higher than a year ago. In July 2015 Scottish rental properties typically were worth £549 per month, meaning rents have increased by 4.6% in the last year. This yearly increase is particularly strong when compared with the 2.8% figure recorded in July 2015. This buoyancy suggests that UK's decision to leave the European Union has had no negative effect on rents.

Edinburgh and Lothians home to highest rents

- On a regional basis, the Edinburgh and Lothians area was home to the highest rents in Scotland. Properties in the capital and surrounding areas attracted rent of £639 in the month of July. This is 4.4% higher than the £611 recorded in the same month last year, although slightly down on April's average rent of £651 – the high point of the year so far.
- Prices in the Glasgow and Clyde area have been quickly catching up in the last 12 months. The average monthly rent in this area grew 11.7% in the past year, rising from £562 to £628.

- The East of Scotland region saw much slower rental growth during the same period. Prices in this area now stand at £539 per calendar month after growing 1.5% since July 2015.
- All areas of Scotland showed growth compared to the same point last year, something which suggests that the UK's decision to exit the European Union has had limited impact on the rental market.

Yields continue upward trend

- The average gross rental yield for properties in Scotland stood at 5.8% in July 2016, much higher than the figure recorded in previous years.
- In both July 2014 and 2015 the average yield was 4%, this improvement is due to both higher rents and rising house prices in many areas of Scotland. The average property price in the nation stood at £143,282 during the month, Your Move found.
- Average Scottish yields of 5.8% compare favourably with all regions of England and Wales. By comparison, the highest yields in England are to be found in the North East, where they reached 5.5% in July. In Wales the typical yield was 5.1% during the same month.

Tenant finances landscape

- Across all areas of Scotland, 12.5% of tenancies had arrears of a day or more, slightly higher than the 11.1% recorded in June 2016, and above the level found in England and Wales for the same period (9%). On an absolute basis, the number of Scottish households in serious arrears – defined as two months or more – was 13,642 in July 2016.
- The methodology used to calculate figures in this report has been revised since the previous edition. This survey is now created and reviewed in partnership with Cebr and is based on analysis of approximately XXX properties across Scotland market.

Links, Downloads & Images

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