

# SCOTLAND - BUY-TO-LET INDEX

August 2017 data, September 2017 report

## Scottish rents edge up in August



### Fast Facts

- Average rents grow in four of five regions surveyed by Your Move
- Typical Scottish rent stands at £579, up 0.7% on July
- Landlords continue to enjoy returns of 4.9%
- The Glasgow and Clyde region is the only region to post a year-on-year fall



### Quick Quotes

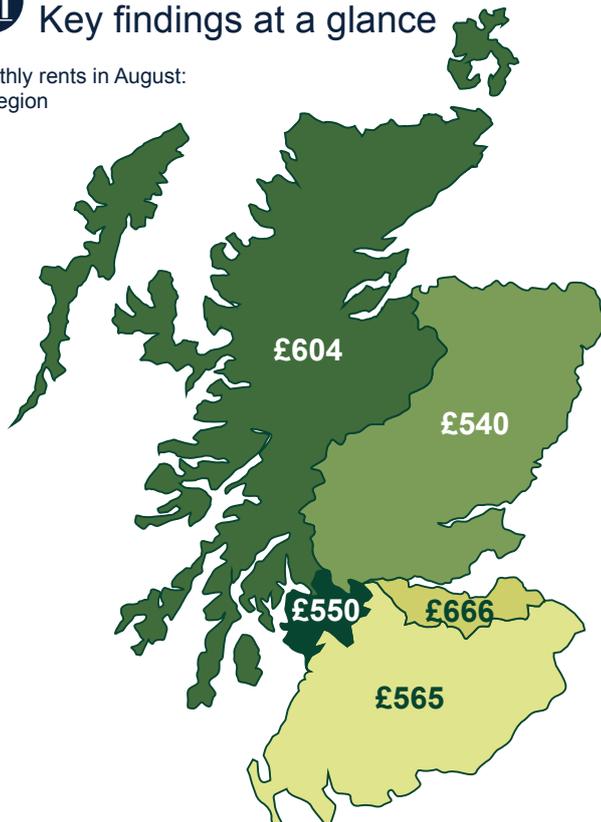
*Brian Moran, Lettings Director, Your Move Scotland comments:*

- “Rental prices are increasing across much of Scotland thanks to high levels of demand and poor supply in many areas, with particular strain in Edinburgh which saw prices rise by 4.1% over the year”
- “Scottish landlords continue to see returns of close to 5%. It’s crucial that all landlords in Scotland start to prepare for the changes on the horizon such as Letting Agent Code of Practice which is due to commence in early 2018.”
- “Landlords should be talking with their agents now to make sure they are prepared for the changes and understand what it means for them, sooner rather than later.”



### Key findings at a glance

Monthly rents in August:  
 By region



### Key insights about the data

- Demand for rental properties in Scotland continues to grow, with prices increasing slightly at the end of the summer due to restricted supply in popular areas.
- The average Scottish rent - not seasonally adjusted - was £579 in August 2017, according to Your Move Scotland. This is more than the £575 recorded last month and 0.5% higher than the same month in 2016.

#### Supply side issues behind rent rises

- Rental prices continued to rise in most areas of Scotland during the last 12 months. On a non-seasonally adjusted basis the average rent was £579 per calendar month in August, 0.7% up on last month and 0.5% higher than a year ago.
- Rents grew in four of the five Scottish regions surveyed - East of Scotland, Edinburgh and Lothians, Highlands and Islands and the South of Scotland. The Glasgow and Clyde region was the only region to post a year-on-year fall, dropping 4.1% in the 12 months to August.
- Edinburgh and Lothians remains the area with the highest rents. The average price in the capital city and surrounding area was £666 this month, a total that is 4.1% higher than in August 2016.
- At the opposite end of the scale it was the East of Scotland region which was home to the lowest average rent. The typical price paid per calendar month was £540 in August, although this is 2.5% more than a year ago.
- Across all of Scotland landlords and letting agents should be preparing themselves for the introduction of the Letting Agent Code of Practice in early 2018.
- From 31 January 2018, agents in Scotland will be able to declare themselves compliant with this new legislation and join a Register of Letting Agents.
- These changes are expected to cause significant disturbance for smaller agencies, with many expected to close or leave the market. Your Move Scotland is urging all landlords and property investors to enquire with their current agent to ensure they will be compliant with the new rules.
- Letting agencies must have submitted an application to join the code of practice by 30 September 2018. From that point it will be a criminal offence to conduct letting agency work if you aren't on the register. Those breaking the rules could face a fine of up to £50,000 and up to 6 months imprisonment.
- These rules are intended to increase professionalism in the sector and make sure that agents are properly able to handle money received from both tenants and landlords.

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### Key insights about the data

#### Scottish property continues to perform

- Those invested in the Scottish property market once again received impressive returns
- The typical property gave a yield of 4.9% during August, exactly the same as a month ago. This is also the same rate of return as recorded by the August 2016 survey.
- Throughout 2017, returns on Scottish property have been between 4.9% and 5%. This demonstrates the stability offered by the rental market in Scotland, and the positive returns on offer to investors.

#### Tenant finances improve in August

- Looking at the whole of Scotland, around 10% of all tenancies had arrears of one day or more during August 2017.
- This arrears rate is a significant improvement on the previous month, when a ratio of 16.6% was recorded, and on June's arrears figures - when it stood at 18.3%.
- On an absolute basis, the number of households in serious arrears - defined as two months or more - was 7,939 in August.

*The methodology used to calculate figures in this report is created and reviewed in partnership with Cebr. It is based on analysis of Your Move's rental properties across Scotland.*

## Links, Downloads & Images

For more information, images, downloads including the full report, visit :

<https://www.your-move.co.uk/media-centre>

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