

# The PRS in Scotland for Houses - Is this meeting the needs of families?

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A Savills research report for the Scottish Futures Trust

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## Executive Summary

# Key Findings

**Suburban homes that are built to rent should be part of Scotland's housing development pipeline and strategy.**

**They offer the potential to deliver high-quality, modern homes available for long-term rent in popular, well connected suburban locations.**

**In supporting this tenure and type of development there is the potential to accelerate the supply of new homes, which will reduce pressure on all parts of the housing market and in turn give those living in the rental sector improved choice and a stronger sense of security.**

- 393,000 or 15% of households in Scotland are estimated to live in the private rented sector and there is an established suburban rental market.
- At the time of the 2011 census, 38% of renters lived in houses and 58% of rental households were out with the four main cities. The Scottish Household Survey suggests that this trend has intensified with suburban areas witnessing strong rental household growth.
- Accessing home ownership has become increasingly challenging as a result of increased demand. House Price Inflation has outstripped wage growth and limited development of new homes has limited supply.
- As a result more people are renting, and renting for longer, often indefinitely with the need for deposits and mortgage limitations constraining access to owner occupation.
- Our Mosaic analysis of renters shows that in most locations analysed they are less affluent than owner occupiers within the same area. Many of these households would qualify for mid-market rent but it is unlikely that the supply of mid-market rented homes would be able to keep up with the levels of demand. Therefore high quality, modern housing delivered at market rents by the private sector would be very beneficial for these renting by improving choice and supply.
- High demand and limited supply of suburban housing for rent is creating affordability pressures in well connected and popular locations.
- Citylets report that average rents in Scotland increased by 5% year on year. Three and four bedroom properties are seeing growth in excess of this, at 7% and 10% respectively reflecting high demand for family accommodation.



# 2

Scope and purpose of report

# Scope and report methodology

## Scope of report

The purpose of this report is to provide our client, Scottish Futures Trust, with an insight into the existing and forecast levels of demand for Private Rented Sector ('PRS') properties in Scotland for couples and families, the family PRS market.

The scope of the report focusses on houses, those with three or more bedrooms and inclusive of detached, semi detached and terraced properties, rather than apartments, and focusses primarily on suburban locations.

The report will comment upon the size of the rental market in each geography (region, local authority and identified hot spots) including the number of households in houses rather than apartments, and the number of households with children.

Further, we will provide analysis of the rental market in each location, both overall and specifically for houses with three or more bedrooms. This will allow us to understand the wider rental market, and specific market factors influencing rents and demand for larger, family orientated rental accommodation.

## Glossary of Terminology

"PRS" or Private Rented Sector means those properties that let out under a market rent (therefore not social housing stock or mid-market rental properties) including 'buy to let' landlord owned properties and Build to Rent.

"Build to Rent" means those properties which are built with the intention of being rented out often on a larger scale by institutional investors. These can include blocks of flats(multi-family) or houses (single family).

"Family PRS Market" means those properties let out by landlords at market rent that are principally houses rather than apartments and hence tend to be in a suburban setting rather than the city centre. The properties will be attractive to couples in long term relationships. These couples may also have children or who may be planning to bring up children. Others might be single adult households who either have children living with them full-time or part time.

"Family BTR Market" means those properties that are let out by institutional landlords at market rent to the Family PRS Market.



## Methodology

In order to fulfil the scope of this report we will have divided the report into three main sections.

### 1. Macro Context

In order to understand the context in which the private sector has grown we have considered three major factors; the housing crisis, challenges arising from low levels of development and a growing population. We have included comment on affordability, the history of the private rented sector and rental market for houses to support this initial analysis.

### 2. Rental Market Area Analysis

In order to best understand the potential opportunity for suburban build to rent in Scotland and we have divided our focus area into five regions; Greater Glasgow, Edinburgh and Lothians, Central, Tayside and Fife. The latter sits between a number of regions and markets, therefore it was decided it would benefit from being reviewed separately despite only being one local authority area.

For each region we have reviewed the demographics including both population and household growth and forecasts, and corresponding implications for the private rented sector.

We have then considered each of the local authorities within that region commenting on individual population and households trends. We have also carried out rental market analysis both overall and specifically for three, four and five bedroom houses before commenting on the scale of the opportunity within that local authority.

We then identified rental market hotspots within that region, methodology for identifying these available overleaf, these hope to demonstrate that there are a number of different markets for whom suburban development for rent would be beneficial.

### 3. English PRS Investment Review

The institutional rental market is more established in England and Wales than it is in Scotland with a number of schemes active. This is particularly true of the suburban build to rent market.

Therefore we have provided a brief history of rental investment market before looking more specifically at suburban rental schemes. We have considered where they have been developed, at what scale and compared let up rates to sales rates.

This helps us understand the role that suburban build to rent is playing in the development and delivery of new homes.

# Suburban rental hotspots methodology

Scotland has a number of potential opportunities for the development of professionally managed suburban rental schemes, some small and some large. Instead of reviewing every market's suitability for this product we have instead sought to identify hotspots where a combination of factors strengthen the suitability of these areas.

Within this analysis we actively sought to identify opportunities of different scales acknowledging that some markets might benefit from developments of less than 50 units, meanwhile others would benefit from large developments. However, we have tried to remain conscious of the management and servicing aspect of these properties. Scale is important and it can be achieved through one large site, or a number of smaller, but relatively close, sites in order to achieve economies of scale.

We considered these factors through a four step process, detailed below. We have made reference to these steps throughout the rental hotspot analysis.

### 1. Public Transport

Our first step, we sought to identify suburban areas which were within a 30 to 45 minute reach of each region's core by public transport. We have assumed that city centers act as main employment hubs and if public transport connectivity to the city centre was poor, this would have implications for the area's attractiveness as a rental market.

### 2. Established Locations

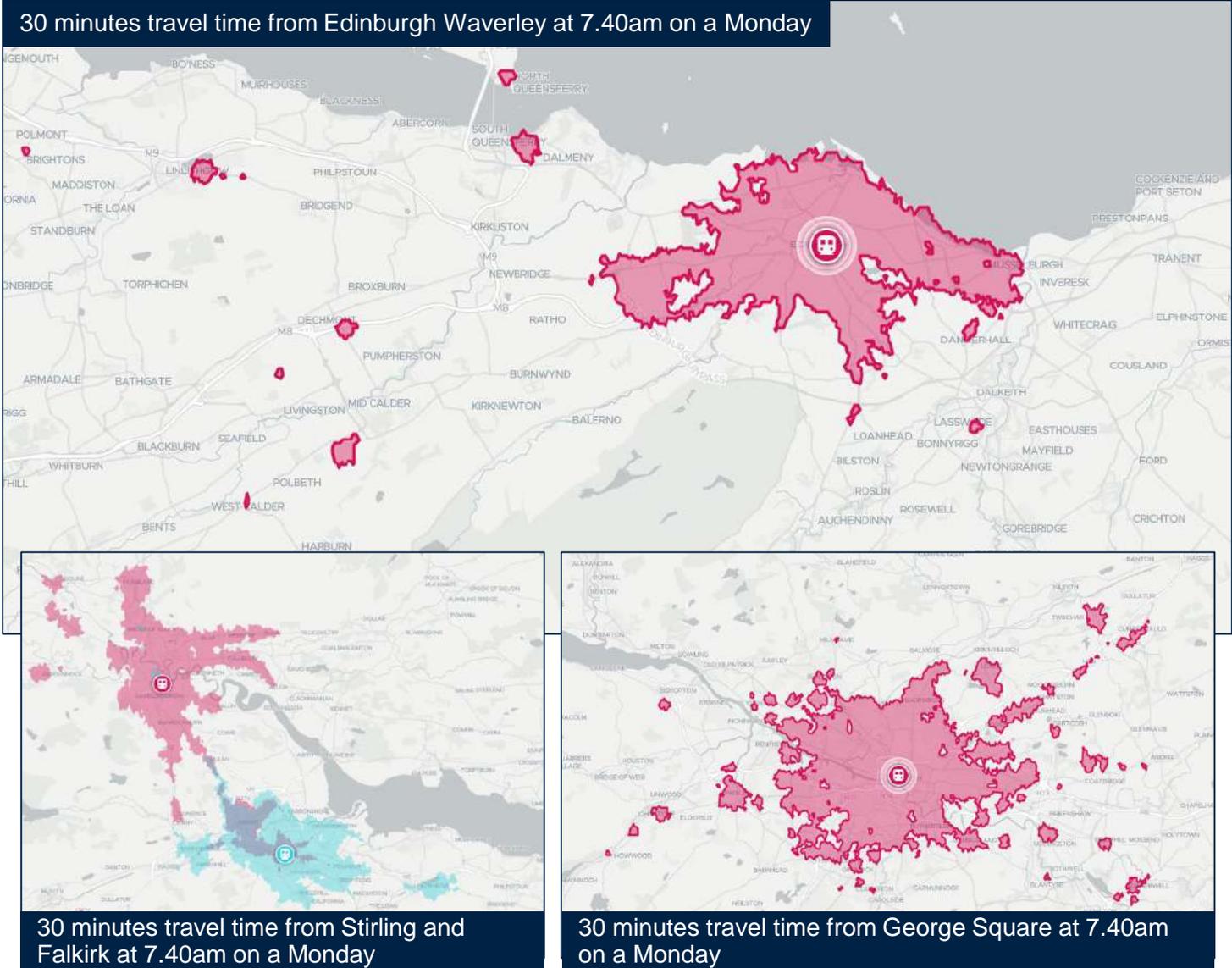
Having identified those within reach of the city core's we then identified the neighbourhoods and towns which had established amenities and offering which make them attractive locations in which to live. For example retail offer and schooling from which any development would benefit.

### 3. Development pipeline

Based upon the first two steps, we then prioritized the areas in which there is a potential development land pipeline. For example through allocated sites, Community Growth Areas or brownfield development. We also considered areas where regeneration initiatives were underway because new development could benefit from, but also contribute to, this process.

### 4. Market Analysis

We then considered the rental market within this area. This included analyzing stock and rent levels for three, four and five bedroom houses which we then supplemented by qualitative research acquired through speaking to local agents about their properties and demand levels. We have supplemented this further through demographic analysis in order to gain insight into who lives there.



# Experian data and mosaic profiles

Our demographic profile has been developed through use of 2011 census data and supplemented with data from Experian's ConsumerView Database.

Experian's UK ConsumerView Database combines public and Experian proprietary data and statistical models. These include the edited Electoral Roll, Council Tax property valuations, house sale prices, self-reported lifestyle surveys, term time students from HESA, social housing information from NROSH, broadband speed information from OFCOM, and other compiled consumer data.

This is developed into Experian's Mosaic UK consumer classification which provides a detailed understanding of the demographics, lifestyles, behaviour and locations of all individuals and households in the UK. There are 15 mosaic groups, which breakdown into 66 household types of varying degrees of affluence.

**Our use of Mosaic Data:**

We have used this data to calculate the number of households within each of our hotspot areas and identify changes in tenure trends since 2011. It should be noted that this data source is an estimate and therefore should not be taken as exact, but instead indicative. For example in areas with very transient populations there may be an under and over counts as they attempt to try and track these regularly moving households.

In addition to this we have identified the largest mosaic groups within both the rental sector and owner occupation within each area in order to give us insight into who lives within an area in respect of their employment and life stage and highlight any differences between renters and owner occupiers. We have also used this data to comment upon incomes and presence of children.

This analysis of affluence helps us understand the types of people who are renting and those who are purchasing and can help us understand the local dynamics. For example for those classified as aspiring home makers includes younger households who are settling down, some will be able to raise a deposit and afford a mortgage, but others will not. For example across the UK the median property value for this group is £141,344 which whilst below national averages, would require income of £31,802 (4x income multiplier) based upon a deposit of £14,000, almost 50% of required income.

**Chart showing median incomes and median property values by Mosaic Group (UK)**



**MOSAIC Groups in order of median affluence**

Mosaic Group	Description
Prestige Positions	Established families in large detached homes living upmarket lifestyles
City Prosperity	High status city dwellers living in central locations and pursuing careers with high rewards
Country Living	Well-off owners in rural locations enjoying the benefits of country life
Domestic Success	Thriving families who are busy bringing up children and following careers
Senior Security	Elderly people with assets who are enjoying a comfortable retirement
Suburban Stability	Mature suburban owners living settled lives in mid-range housing
Urban Cohesion	Residents of settled urban communities with a strong sense of identity
Rural Reality	Householders living in inexpensive homes in village communities
Aspiring Homemakers	Younger households settling down in housing priced within their means
Modest Traditions	Mature homeowners of value homes enjoying stable lifestyles
Rental Hubs	Educated young people privately renting in urban neighbourhoods
Vintage Value	Elderly people reliant on support to meet financial or practical needs
Transient Renters	Single people and young people privately renting low cost homes for the short term
Municipal Challenge	Urban renters of social housing facing an array of challenges
Family Basics	Families with limited resources who have to budget to make ends meet

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Macro market context

# Macro market dynamics: the housing crisis

The UK housing market is facing a crisis. Years of under building and increasing demand, generated by rising life expectancy, immigration and the growing number of one-person households have created a chronic shortage of homes that people can afford to buy in places that need them the most.

### Scotland

Scotland's population grew by 4% between 2008 and 2017, or 221,000 more people. The number of households grew by 125,602 over the past ten years, or by 5.4%, reaching 2,595,031 in 2017. Growth has been focused on the three main cities (Edinburgh, Glasgow and Aberdeen) and their immediate suburbs.

The number of households is forecast to increase across Scotland to 2.7 million in 2041, from 2.4 million in 2018. One person households account for a significant share of the growth, but so do other groups suggesting demand for a range of house types.

Scotland does not have a national housing target but it is generally understood to be around 25,000 homes, and we have not been developing at that level since 2007.

Last year, year to June 2018, 18,182 new homes were built in Scotland. Private sector completions dropped slightly but the total number of completions increased due to increased social housing development; completions by RSL's and local authorities increased by 1,000 units year on year, reaching 4,688 homes.

Despite this, there remained a 7,000 shortfall in development in 2018, the tenth consecutive year, which suggests that Scotland, like the rest of the UK, is seeing a shortage of new housing across all tenures despite a growing population and households.

Therefore, there is need for delivery across a range of tenures and types in order to deliver at the level needed.

### England

In England it is estimated that 300,000 homes are required p.a.; with only 216,000 constructed last year, that implies an 84,000 shortfall.

The nature of housing supply hasn't met the growing demand for smaller, more plentiful households fuelling an increase in shared households which has been exacerbated by affordability constraints on buying.

Household formation rates have increased rapidly since 2003 and outpaced supply since 2008/09. As a result of this, young adults are leaving home later and when they do, they share with other tenants at a higher rate than previously.

Chart showing household growth and forecast for Scotland (2001-2041):

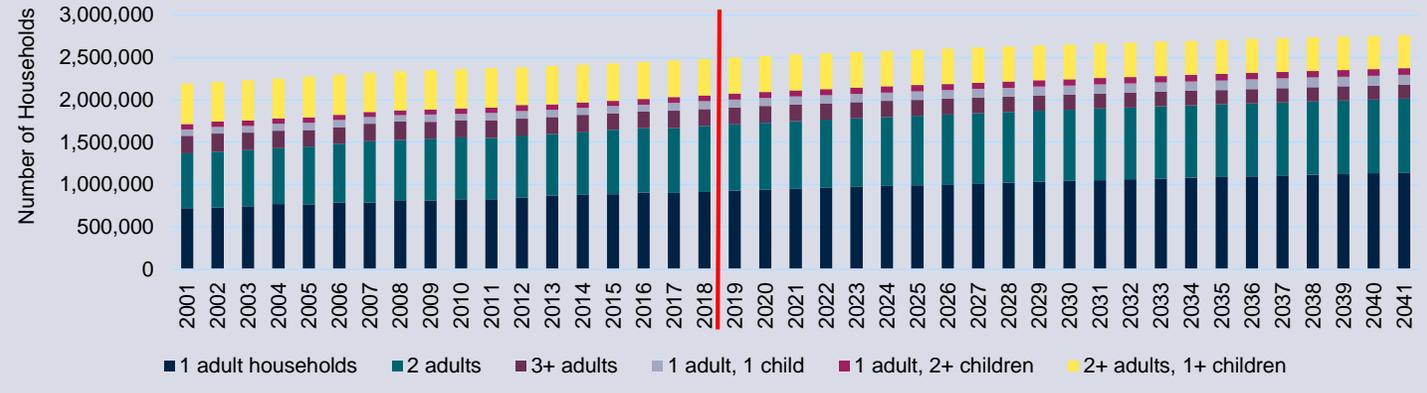
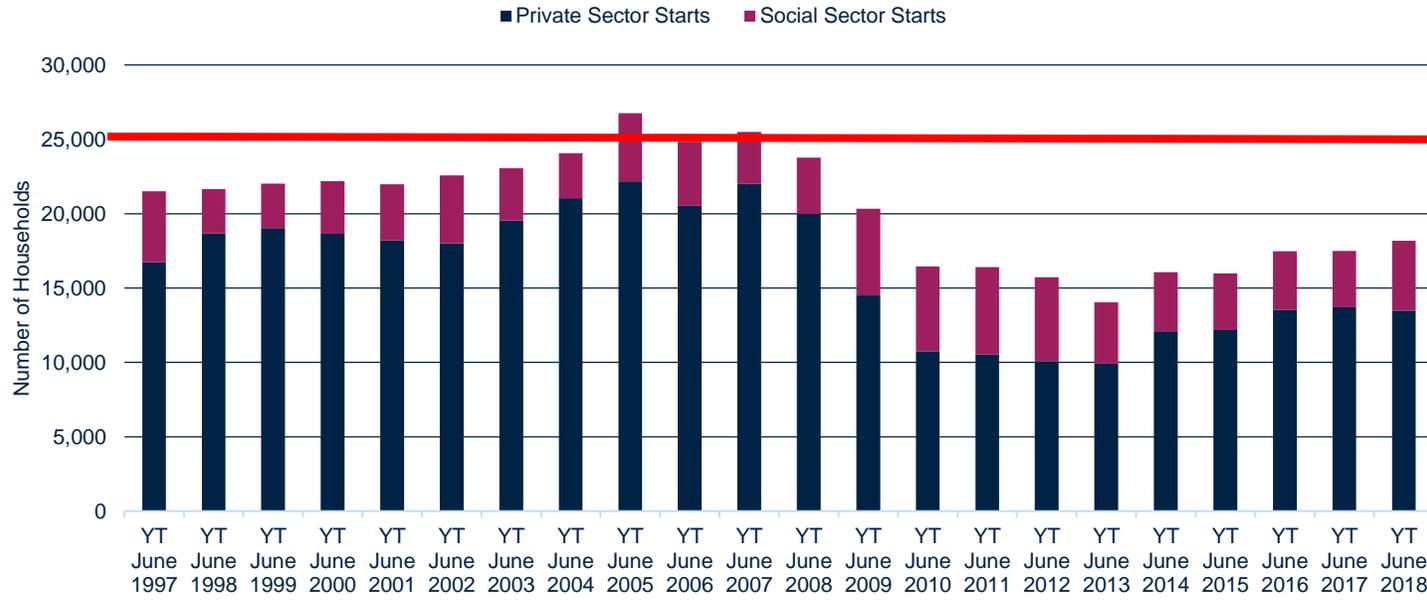


Chart showing number of new build completions in Scotland (1997-2018)



# Macro market: growth in the PRS

## History of the PRS

Private renting was the majority tenure in the UK until after the Second World War. After 1918 large blocks of rental flats were developed in UK cities (especially London), many of which were bought and managed by companies.

Following the war, tightening rent regulations made rental investments uneconomic and the buildings were gradually broken up and sold as individual units.

The PRS declined until the deregulation of rents and tenancies in the 1988 Housing Act and the 1996 introduction of Buy to Let mortgages for small investors provided the conditions for the sub-market to grow.

In 1991 the PRS comprised 9% of UK households, a number that grew to 17% in 2010 and 22% today. Within Scotland it has grown from 7% in 1993, to 15.2% in 2017.

This rapid growth has been fuelled by challenges associated with accessing homeownership, which has been caused by three primary factors; increased demand, House Price Inflation (HPI) outstripping wage growth and limited supply. As demonstrated in the bottom chart, showing data from the English Housing Survey, equivalent data is not available in Scotland but the trends are similar.

## Households in the PRS

The private rented sector today includes all households (e.g. students, sharers, young professionals, couples, families) that rent privately, generally using an Assured Shorthold Tenancy contract in England and Wales, similar to the Short Assured Tenancies previously used in Scotland.

In Scotland The Private Housing (Tenancies) (Scotland) Act of 2016 introduced a new standardised PTS tenancy in Scotland, amongst other reforms to the tenure, and in doing so replaced Short Assured Tenancies in Scotland for new tenancies although some older tenancies remain on SAT agreements.

The National Records of Scotland estimated that there are 393,000 households in the PRS in Scotland (2017). The tenure has grown by 155% growth over 20 years. There were 154,000 households in 1998. 60% of growth in the PRS occurred between 2008 and 2017 (the past ten years).

Families account for around 25% of households in the PRS, or just short of 83,000 households. The Scottish Household Survey estimates that 38% of rental households live in houses which is on par with the share in 2011 despite the changing dynamics of the tenure, with has witnessed more families and more established households living in the tenure; 48% of households in the private rented sector are aged over 35.

Chart showing percentage of rental households by type (2016-2021)

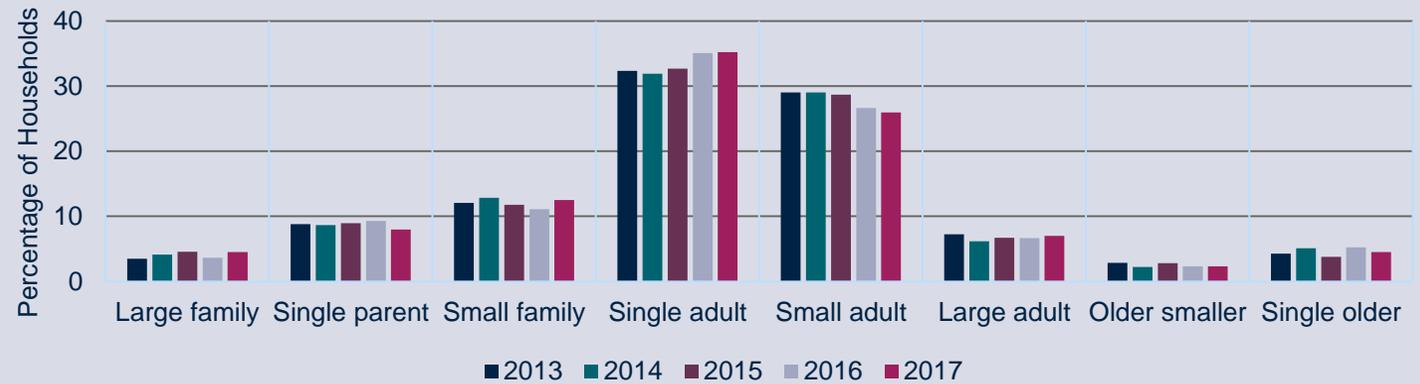
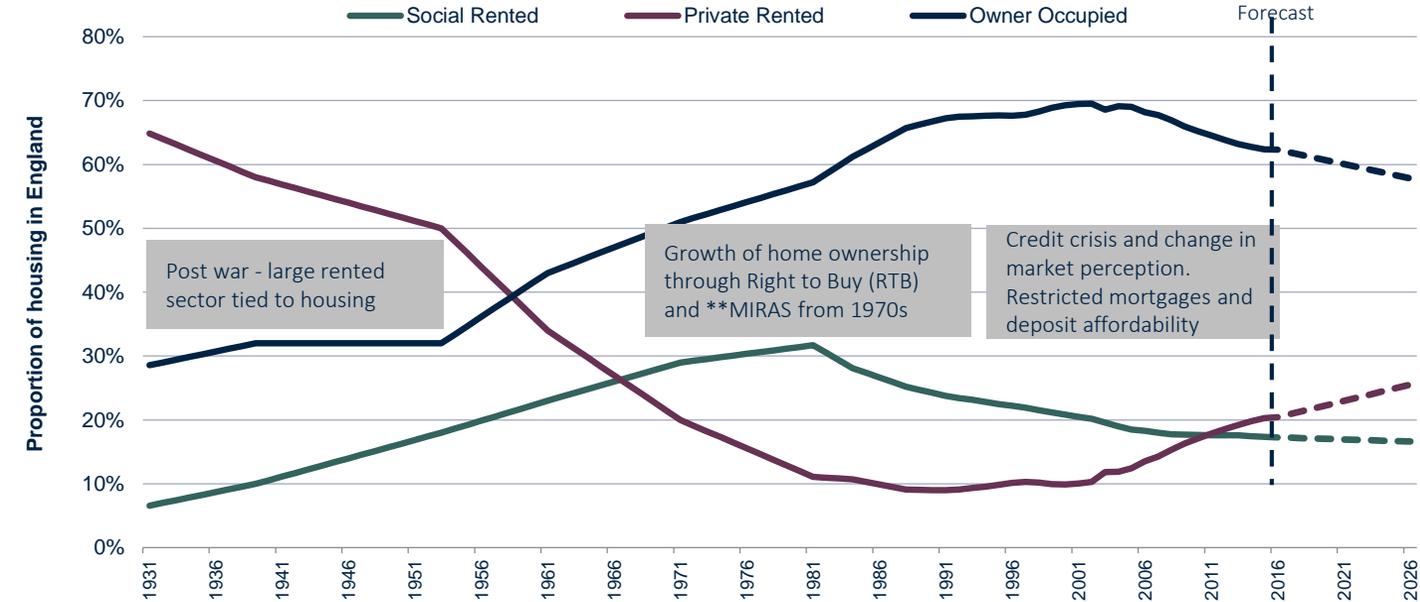


Chart showing change in share of households by tenure (England and Wales)



# Macro market: house price growth and implications for home ownership

The affordability of buying a home in the UK is becoming increasingly constrained. House prices in London are 7x higher than their levels in 1993, compared to 4x nationally.

In 1980 the introduction of Right to Buy cemented the Government's pivot away from social housing. In the following decade, free-market policies sparked a period of significant economic growth that coincided with a housing boom, which peaked in 1989 as mortgage affordability declined.

The mid 1990s saw another period of economic growth as well as the introduction of buy-to-let mortgages, both of which stimulated demand for property. This cycle was largely uninterrupted until the global financial crisis (GFC) in 07/08. Since the GFC prices have been supported by loose monetary policy combined with the continued expansion of buy-to-let. These three cycles demonstrate how price growth has been fuelled by the expanding demand for property ownership since the 1980's.

## Affordability in Scotland

House prices in Scotland during 2018 were 4% higher than they were during the previous year (2017) and 9% higher than the ten year average (2009-2018). However, this hides regional variation. Some local authorities, and some more local markets, command significant premiums on the national average; for example the City of Edinburgh and East Renfrewshire, the average transaction price exceeds £250,000. The central belt of Scotland has witnessed the strongest annual growth, reflecting the high levels of demand within this well connected area.

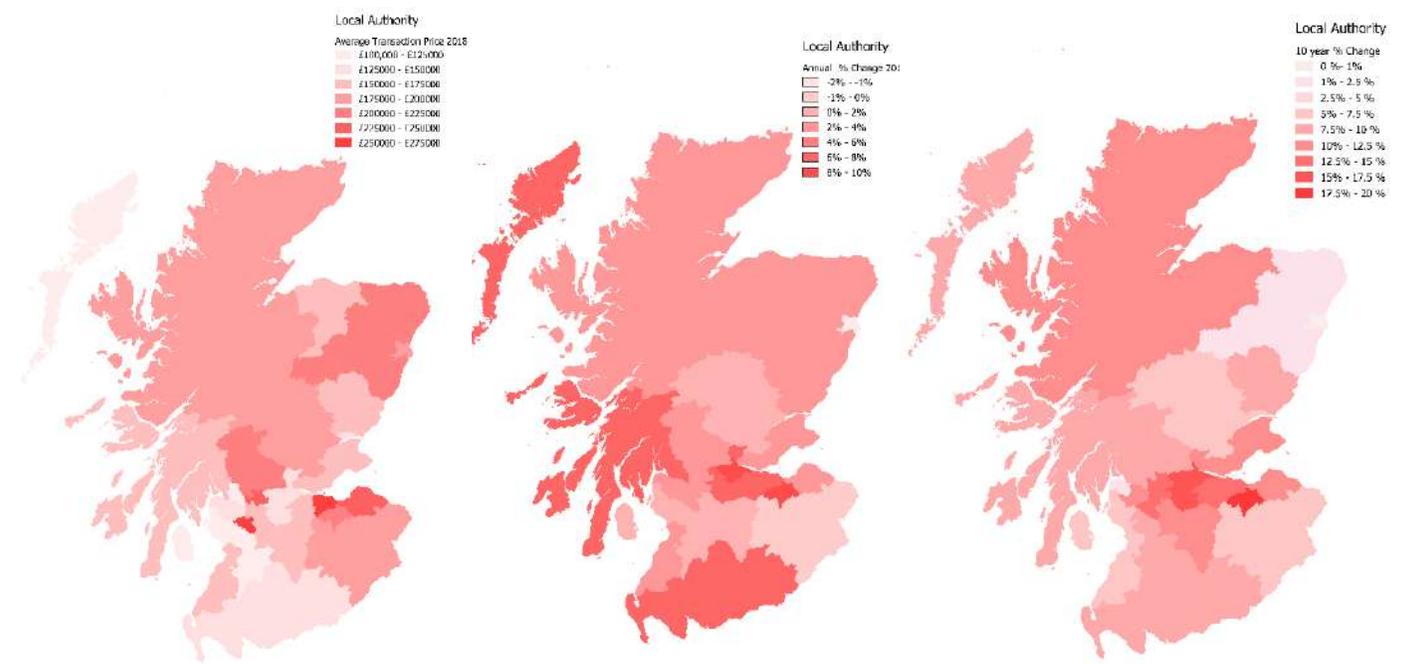
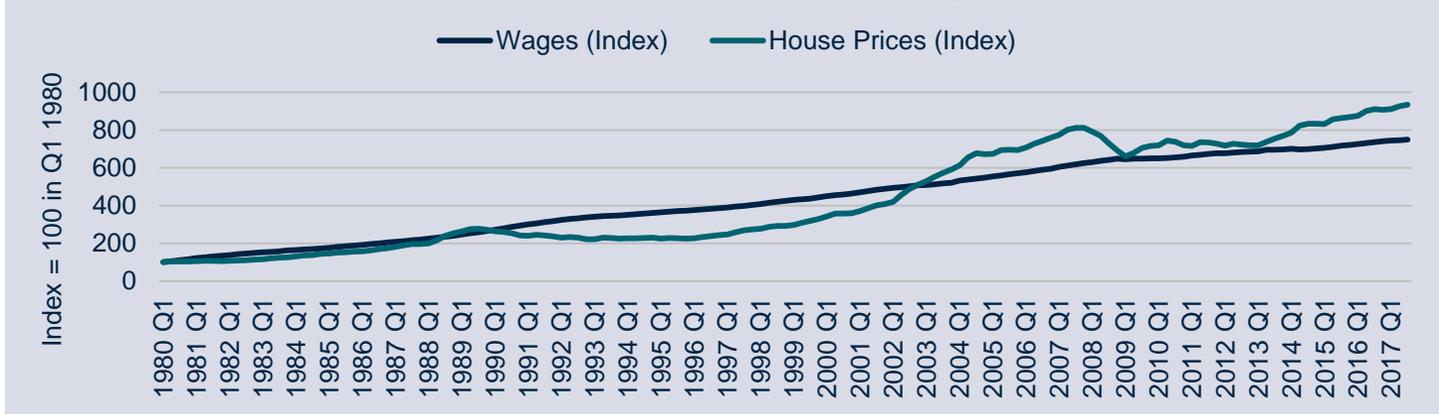
The full time median salary in Scotland was £29,286 in 2018. The average transaction price in Scotland was £179,108 in 2018, or approximately 6 times the median income.

Based upon the average transaction price, a 10% deposit equates to 61% of the median full-time annual gross salary in Scotland. This deposit alongside the standard four times income multiplier, would leave a £44,053 shortfall for those buying on a single income. The picture is more optimistic for those purchasing with two median incomes, but saving a deposit can still prove prohibitive for many.

## Rental Growth exceeds transaction price growth

Citylets reports that average rents in Scotland increased by 5% in 2018 compared to 2017 with three and four bedroom properties seeing growth in excess of this, at 7% and 10% respectively reflecting high demand for family accommodation. Over the past ten years rents have increased by just shy of 20% on average and the average rent stands at £771 per month.

Chart showing both Wages and House Prices indexed to 1980 (United Kingdom)



# Macro market: PRS in Scotland (Houses)

## Cities

The four cities accounted for 135,430 rental households or 42% of all rental households in Scotland. Of these just 14% on average lived in houses with those in Aberdeen (20%) and Dundee (19%) more likely to rent a house, than those in Edinburgh (13%) or Glasgow (10%).

There were 275,710 people living in rental households of which 18% lived in houses equating to a ratio of 2.8 people compared to in the 1.7 for renters in flats. This suggests that rental households in houses are larger than in flats.

## Suburban

Within many suburban areas the share of renters renting housing is typically between 40% and 65% with somewhat of an East/ West Divide.

For example South Lanarkshire (42%), East Renfrewshire (48%) compare to East Lothian (57%), Midlothian (63%) and West Lothian (59%) which suggesting that renting houses is more prevalent in Edinburgh and the surrounds likely a consequence of the higher transaction values in these areas.

Despite this, the total share of households does not change hugely between areas with on average between 4% and 6% of total households within this category with the exception of a couple of outliers – Renfrewshire and West Dunbartonshire.

Across the suburban areas there are typically 2.2 people per households overall and whilst it is lower for the private rented sector overall, those in houses typically had between 2.4 and 2.6 people in them, with larger households more dominant in the West.

## Rural

In many of the predominately rural local authorities the share of renters renting houses is around, or in excess of, 70% of rental households. This reflects the less urban and less dense nature of housing in these areas.

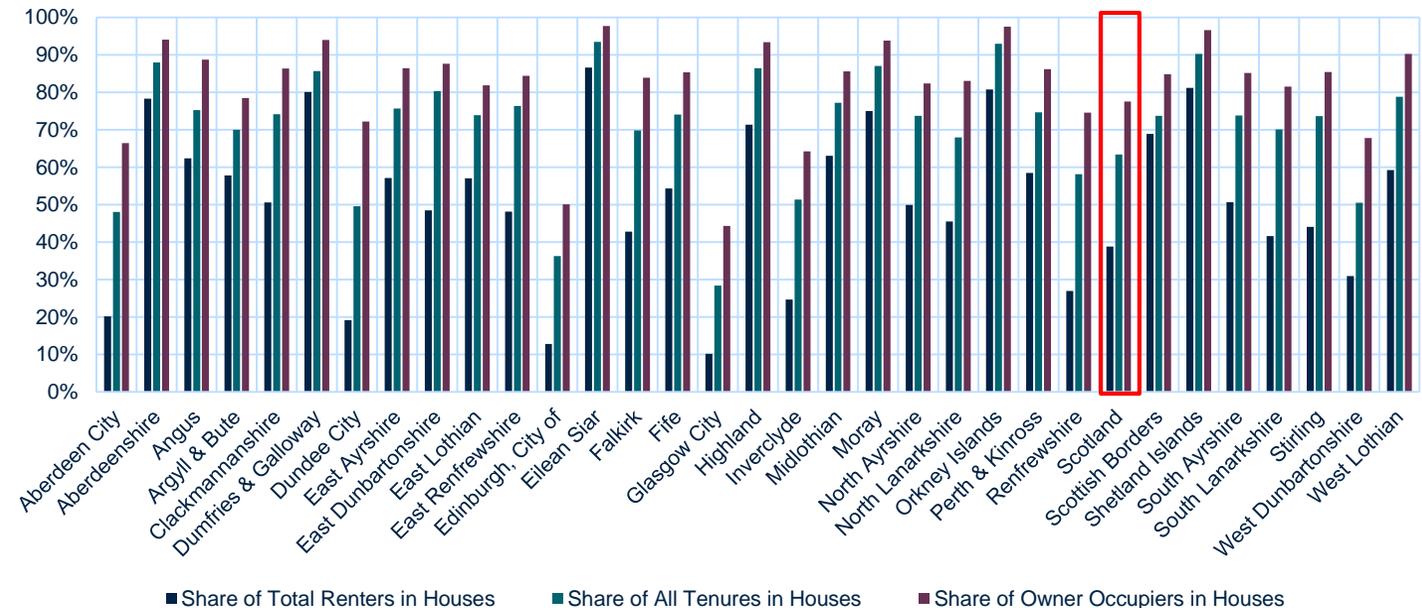
For example in Aberdeenshire (72%), Dumfries and Galloway (80%), Highland (71%), Moray (75%) and Orkney and Shetland (both 81%) the majority of renters rent houses typically accounting for around 10% of total households across all tenures in these areas. These areas are typically slightly smaller than suburban households with on average between 2.2 people and 2.4 people per rental households in a house.

## Households:

- 38% of rental households in Scotland in 2011 lived in houses, this equates to 5% of all households in Scotland at the time or 126,181 households out of a total of 325,372 in the private rented sector.
- This compares to 63% of households across all tenures who live in houses and the 77% of owner occupiers which suggests that houses are predominately occupied by those owner occupying.

## People:

- 45% of renters in 2011, or 304,198 people (6% of Scotland's population), rented a house rather than a flat in Scotland. This equates to 6% of all people.
- Rental households in houses tend to be bigger, at 2.4 people per household, compared to 1.8 people for those renting flats.
- This places them on par with those owner occupying their properties who generally have 2.3 people, which rises for those with a mortgage to 2.66 people.

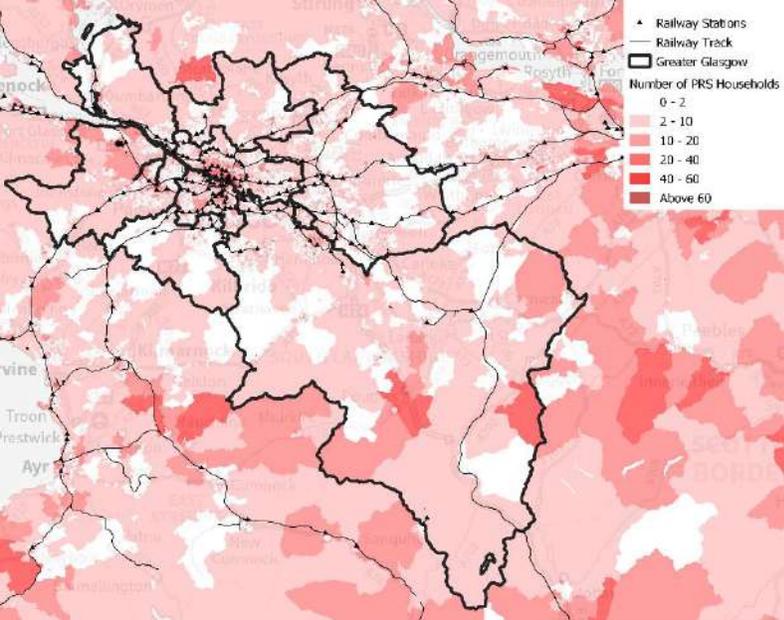


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## Rental market analysis

# Greater Glasgow

Glasgow City, East Renfrewshire, Renfrewshire, East Dunbartonshire, West Dunbartonshire, North Lanarkshire, South Lanarkshire



**Greater Glasgow offers a number of excellent opportunities for suburban BTR development due to region's numerous well connected neighbourhoods' and towns. There is an established suburban rental market, yet listings remain limited. New purpose built homes for rent would improve options for tenants looking for more space or a different type of property.**

Greater Glasgow accounts for in excess of 1.7 million people and just shy of 800,000 households. The majority of these households are within 45 minutes travel by public transport, or 30 minutes drive, of Glasgow's city centre, the region's economic core. The region also contains many economically active towns.

The rental market is primarily concentrated within the City of Glasgow and it's central neighbourhoods such as the West End, Southside and Dennistoun, popular with typical, more transient rental groups including students and young professionals. Properties in these areas are often relatively dense tenement flats of various sizes, interspersed with modern apartments.

Across the region 24% of rental households in 2011 lived in houses, and when the City of Glasgow is excluded the share rises to 40% suggesting the region has an active suburban rental market. This equates to around 16,000 households in the surrounding local authorities, with a further 5,500 in Glasgow.

Since 2011 the private rented sector has continued to grow and proportionally growth has been strongest in the suburban local authority areas; West Dunbartonshire, East Dunbartonshire and South Lanarkshire have all witnessed in excess of 20% growth in rental households between 2011 and 2017, compared to 8% growth in the City of Glasgow, which already had a significant rental share of households.

	Greater Glasgow
Population (2011):	1,706,030
Households (2011):	774,646
Number of PRS Households (2011):	91,974
%Share of PRS Households (2011):	12%
Population (2017):	1,745,251
Households (2017):	799,725
Number of PRS Households (2017):	104,472
%Share of PRS Households:	13%
Growth in PRS since 2011	12,498
% Growth in PRS since 2011	12%
Household forecast (2041):	900,523
% Increase in Households:	13%

Greater Glasgow's population and households have been growing steady and this is forecast to continue. Recent development levels have delivered on average 4,669 units per year, supported considerably by Help to Buy funding and social housing grant funding, both of which are unlikely to be available post 2021 at the same level.

Should the share of households living in the PRS remain at 13% then the Greater Glasgow City Region will have just shy of 14,000 additional households in the private rented sector by 2041. However, if each local authority were to see it's share of households increase by just 3% then the number would reach 40,000 additional homes. These figures are conservative compared to the growth witnessed even over the past six years.

Just under half of this growth is anticipated to be in the City of Glasgow, and therefore would be anticipated to include some more urban rental demand but the remaining share will be in the surrounding local authority areas and consequently, in suburban locations.

Therefore, from household growth alone there is significant potential for suburban build to rent development in Greater Glasgow. However should high quality, professionally managed suburban rental products come forward we anticipate that demand would come not just from new households but existing households looking for a different type or size of property.

# City of Glasgow – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop. (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
593,245	285,693	50,665	18%	619,173	291,115	55,000	19%	4,335	8%	335,927	15%

- Over the ten years to 2017 the private rented sector grew by 15,000 households.
- Two thirds of the growth occurred between 2007 and 2012, when both the proportion of, and number of, households within this tenure increased.
- Growth has been the result of households moving from both the social rental sector and owner occupation, alongside new household formation.
- The inner urban areas have maintained, and grown, their rental populations between 2001 and 2011 but other areas have emerged, particularly along the main train lines with pockets of renters becoming more established.
- If Glasgow maintains the existing 19% of households in the private rented sector, in 2041 this will equate to an additional 8,800 more households living in the private rented sector than there were in 2017, taking the total to 63,826. However, if the share was to increase to 22% then the number would increase by 10,000 to 18,904 more households.

**Glasgow rental market dynamic has changed in respect of both the types of properties people are renting and the tenant profile.**

- The share of rental households living in flats has been declining. In 2017 88% of Glasgow’s renters live in flatted properties, compared to 97% in 2013.
- The share of rental households aged between 35 and 44 has been increasing and now equates to 21% of rental households, up from 13% in 2013.
- The number of households with children have also increased. Single parents, small families and larger families now account for 20% of households in the rental sector or approximately 12,000 households.
- Single person households continue to account for a significant share but the number of small and large adult households have been increasing suggesting that sharing is also becoming more prevalent.

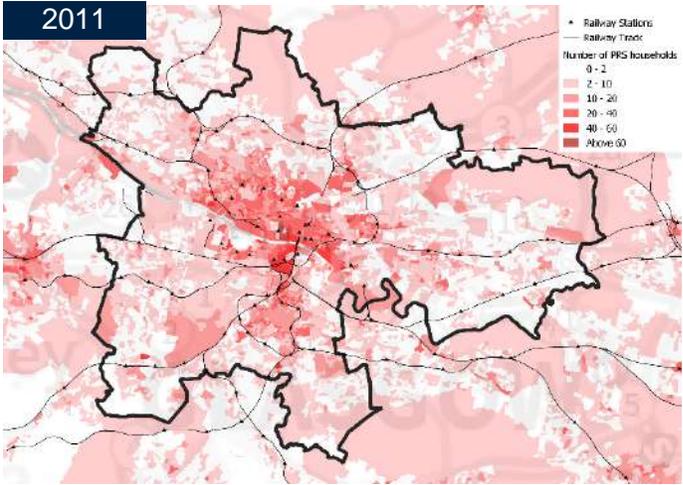
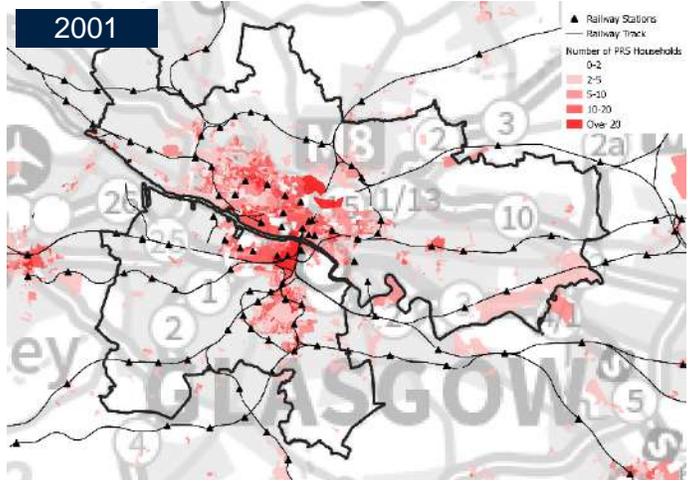
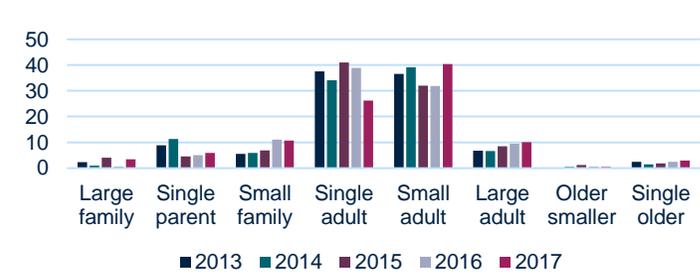


Chart showing average rents by property type



Chart showing change in households by type in the PRS



**Rental Market**

- Flats accounted for 96% of listings within the City of Glasgow during 2018, of the houses listed 50% had three or more bedrooms, accounting for just 2% of the market.
- One and two bedroom properties accounted for 85% of total listings.
- Overall rents increased by 4% annually and this is on par with the five year annualised growth figure for the city.
- Four bedroom flats and three, four and five bedroom houses have witnessed above average growth over the past year.
- It should be noted that some larger properties will be Houses of Multiple Occupation (HMO) properties, which typically command a premium because they cater to the sharer market and therefore students and young professionals.

Sources: 2001 and 2011 Census, National Records of Scotland (NRS) and Scottish Household Survey (SHS), Citylets 2019 Q1

# City of Glasgow – rental market (houses)

Houses account for 4% of Glasgow’s rental market, and houses with three or more bedrooms account for just 2%. Therefore this is a small segment of the city’s rental market but it plays a crucial role in providing the city’s renters with choice in respect of product often situated in the city’s suburban areas.

Increasing rents combined with falling stock levels suggest that this is an area where the market is undersupplied and would benefit from more development. The delivery of new detached, semi-detached and terraced homes for rent would improve options and increase supply for those households seeking to rent in Glasgow and could be popular in regeneration areas alongside more typically suburban locations.

The number of listings for houses with more than three bedrooms has been declining. Listings peaked in the period between 2011 and 2013 and year on year listings have fallen by 21%, and rents have increased by 11% for these bedroom and property types.

### Three bedroom houses

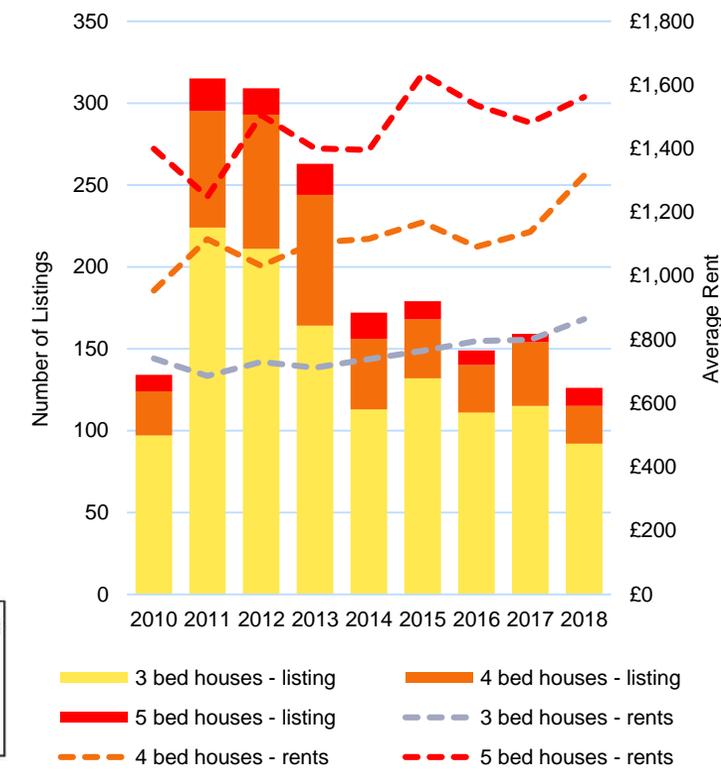
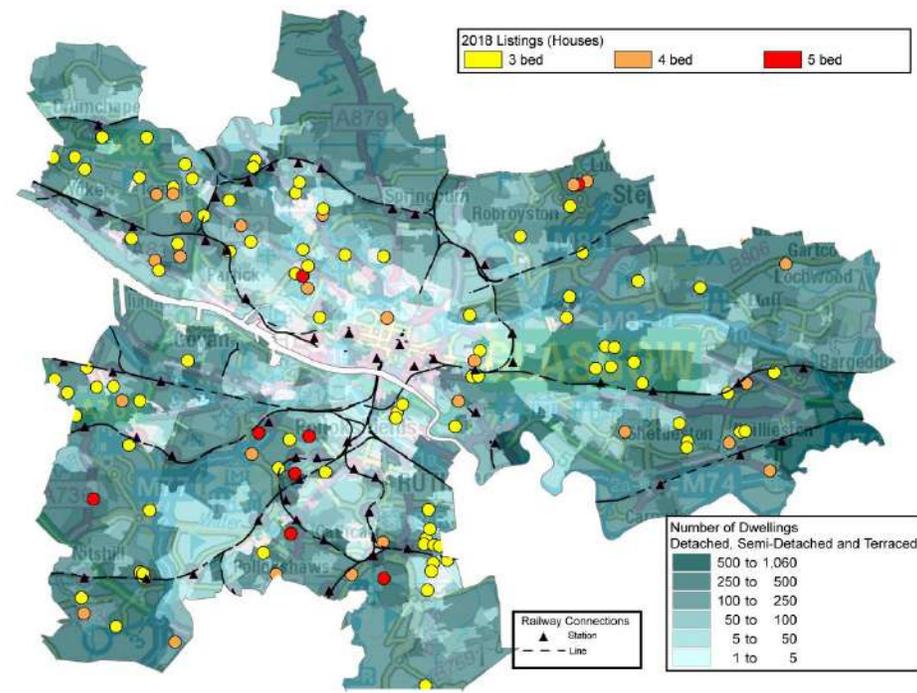
Three bedroom properties account for in excess of 70% of listings for houses in Glasgow. The number of listings have reduced and but rents have increased steadily over the past couple of years, equating to an annualised rate of 4% over the past five years and the average rent stood at £864 in 2018.

### Four bedroom houses

Four bedroom properties have witnessed the most significant annual increase in rents, up 16% annually. Meanwhile listings fell by 40% to 23, the lowest number since 2010. The annualised rate of rent growth over the past five years stands at 4% and the average rent was £1,316 in 2018.

### Five bedroom houses

Five bedroom properties witnessed a small increase in listings. Despite this, the average rent increased by 5% year on year and stands at 3% annualised growth over five years. The average rent was £1,562 in 2018.



# West Dunbartonshire – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop. (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
90,720	42,167	3,052	7%	89,773	42,746	4,280	10%	1,228	29%	44,149	3%

- Over the ten years to 2017 the private rented sector grew by 2,392 households. This is against a backdrop of low household growth, up by 2% over ten years or under 1,000 households.
- The number of private rented households saw an increase between 2007 and 2012, stabilising before increasing again in 2015 and 2016. Growth has been the result of declines in owner occupation because tenants living in the social sector have increased by just short of 2,000 over the past ten years.
- Between 2001 and 2011 West Dunbartonshire witnessed an increase in the number of households renting within established rental areas along the main trains lines and towns such as Clydebanks and Dumbarton.
- Should West Dunbartonshire maintain 10% of households in the PRS in 2041 this would equate to a further 135 households but should the share increase to 13% the number would increase by 1,459 households.

**West Dunbartonshire’s rental households are primarily found in flatted properties. With limited listings for houses this suggests that this might be the result of lack of stock, rather than lack of demand.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation West Dunbartonshire renters are living in.
- At the 2011 Census one third of renters, approximately 1,000 rental households, lived in houses, compared to just over two thirds living in flats. This compares to owner occupation where two thirds of households live in houses and 28% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 Census reported that 47% of households were single people and 30% of households had dependant children.

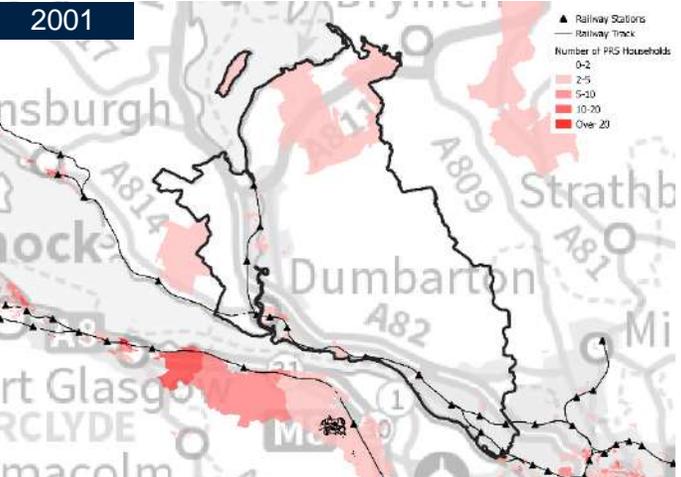
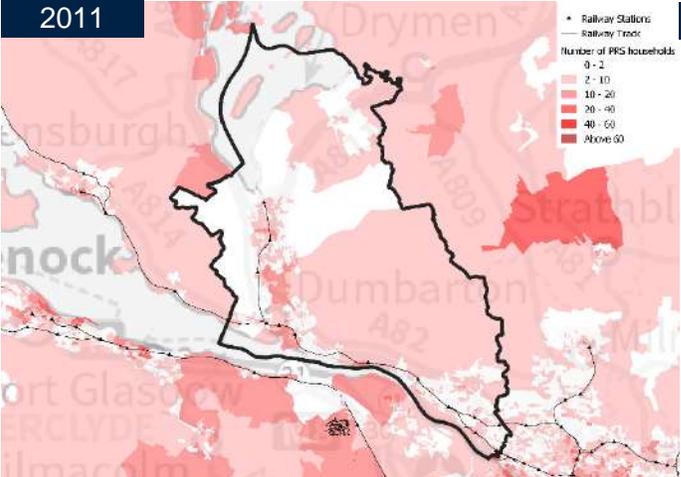


Chart showing average rents by bedrooms



Rental Market

- We do not have the same rental data for West Dunbartonshire as elsewhere.
- However, an initial analysis suggest that houses account for a small number of listings within West Dunbartonshire, despite around 30% of rental tenants living in houses.
- This suggests that many tenants have been in their properties for a long time, with little incentive or reason to move.

Chart showing change in tenure (2008-2017)



Rental levels have been relatively steady within West Dunbartonshire over the past three years, the time for which we have strong data for, with the exception of four bedroom properties which have varied in response to fluctuations in stock levels. For example last year there were 10 listings for four bedroom properties, compared to 20 the year before. The 50% drop in listings has resulted in a 15% rental increase.

# West Dunbartonshire– rental market (all property types)

West Dunbartonshire has a number of well established towns located along train lines leading into Glasgow. It is popular with a variety of different demographic groups, offering waterfront living and proximity to the national park surrounding Loch Lomond.

Limited rent growth and low levels of population growth suggest that this area could have limited demand but small pockets of development could be well received by a market which has limited supply and in doing so provide quality homes with security of tenure.

Despite having one of the fastest growing rental markets in greater Glasgow, data on the rental market in West Dunbartonshire is relatively scarce, particularly for larger properties. Therefore by way of estimate we have provided some comparables as evidence of key price points in the market.



3 bedroom flat  
Roman Crescent, Old Kikpatrick  
£625pcm - Unfurnished



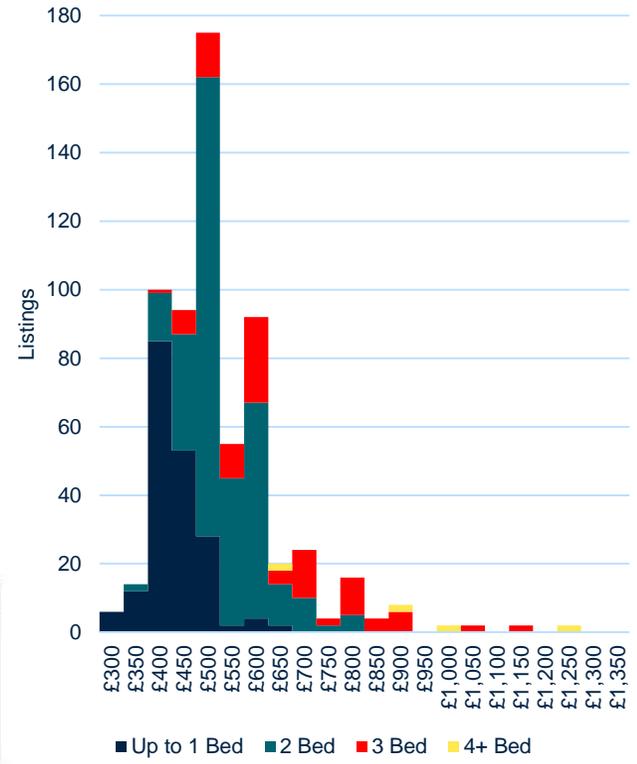
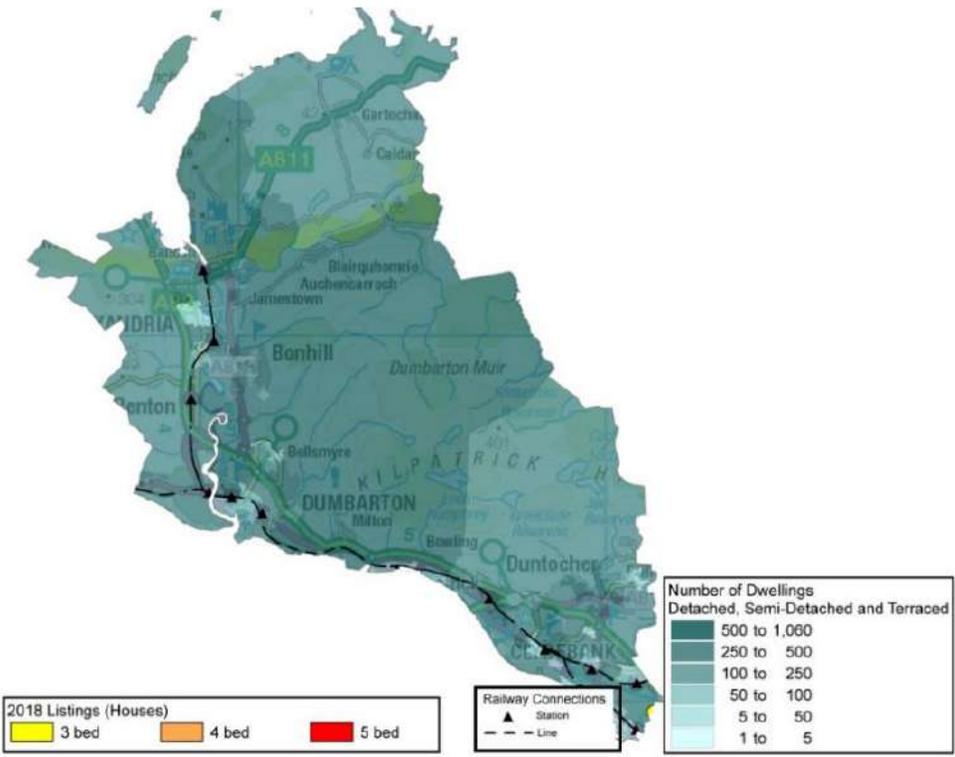
3 bedroom upper flat  
Robert Burns Avenue, Drumry  
£595pcm - Unfurnished



3 bedroom semi detached house  
Inchfad Road, Balloch  
£875pcm -Part-furnished



4 bedroom detached house  
Strathleven Drive, Alexandria  
£950pcm - Part-furnished



# East Dunbartonshire – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
105,026	43,473	2,890	7%	107,950	45,690	3,655	8%	765	21%	52,203	14%

- Over the ten years to 2017 the private rented sector grew by 2,515 households.
- There was a significant jump between 2008 and 2009, when the share of households jumped from 2.6% to 5.2%, from which it has been growing steadily reaching 8% in 2017.
- The most recent increases have been the result of households moving out of the social sector.
- Kirkintilloch has represented East Dunbartonshire’s largest growing rental market between 2001 and 2011. However the number of rental households have increased across the other towns too including in Bearsden and Milngavie.
- Should East Dunbartonshire continue to have 7% of households in the private rented sector in 2041 this would account for an additional 521 households but if it were increase to 10% the number would be 2,087.

**More of East Dunbartonshire’s rental households can be found in houses than elsewhere, reflecting the very suburban nature of the area but low stock levels and rising rents suggest demand is higher.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation East Dunbartonshire renters are living in.
- At the 2011 census 50% of renters, approximately 1,400 households, lived in houses. This compares to owner occupation where 80% of households lived in houses and 48% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 42% of households were single people and 37% of households had dependant children. This equated to just over 1,000 households with children.

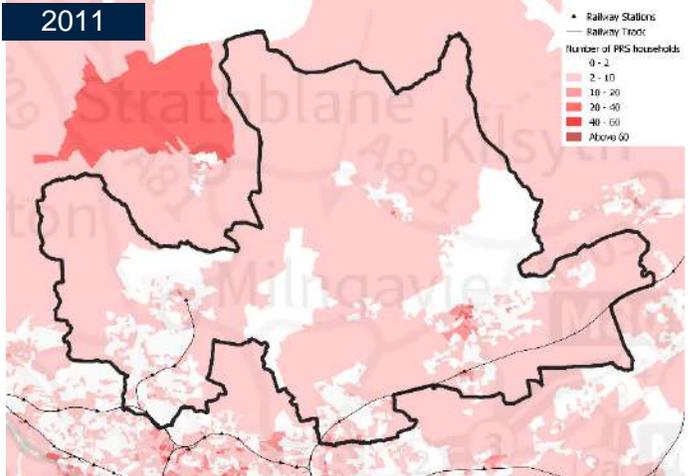


Chart showing average rents by bedrooms

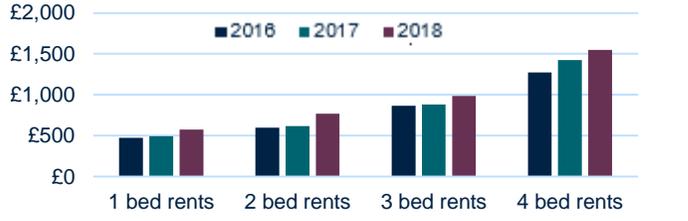
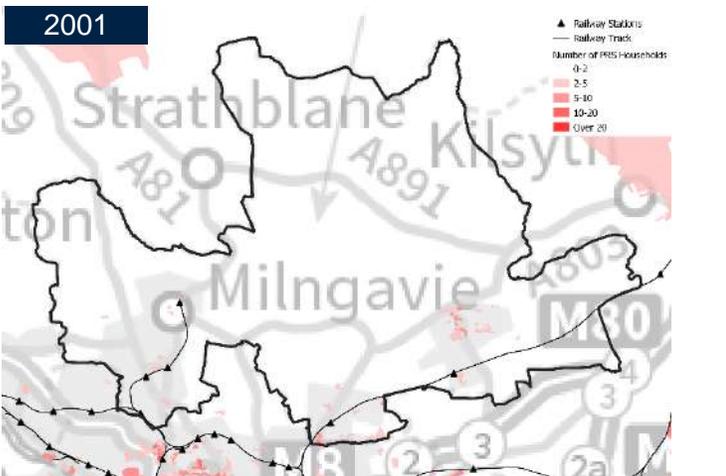
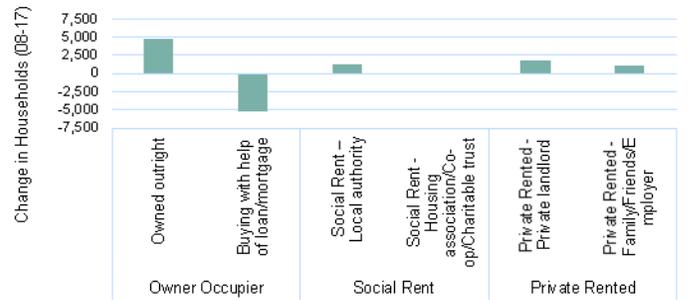


Chart showing change in tenure (2008-2017)



Rental Market

- We do not have the same detail of rental data for East Dunbartonshire as elsewhere.
- However, an initial analysis suggest that houses account for a significant share of listings within East Dunbartonshire, or around 30%.
- Rents across all properties types and sizes have been increasing steadily over the past few years, median rents increased by 14% according to Rightmove.
- Whilst listings for one, two and three bedroom properties have been increasing, those for four bedroom properties have fallen.

# East Dunbartonshire – rental market (houses)

East Dunbartonshire is a popular suburban location with a number of well connected towns which predominately appeal to families due to the well regarded schooling available. The development of quality family homes for rent would provide an opportunity for households to access homes in well connected locations with established family amenities nearby. Whilst some parts of the market would be able to afford premium rents, the majority of development should aim to be at attainable rents to ensure affordability therefore it will be important to support a range of locations and price points.

The number of listings for houses have fallen substantially since they peaked between 2011 and 2012. Last year there were just 7 listings for houses with more than three bedrooms, six of which were three bedroom properties.

### Three bedroom houses

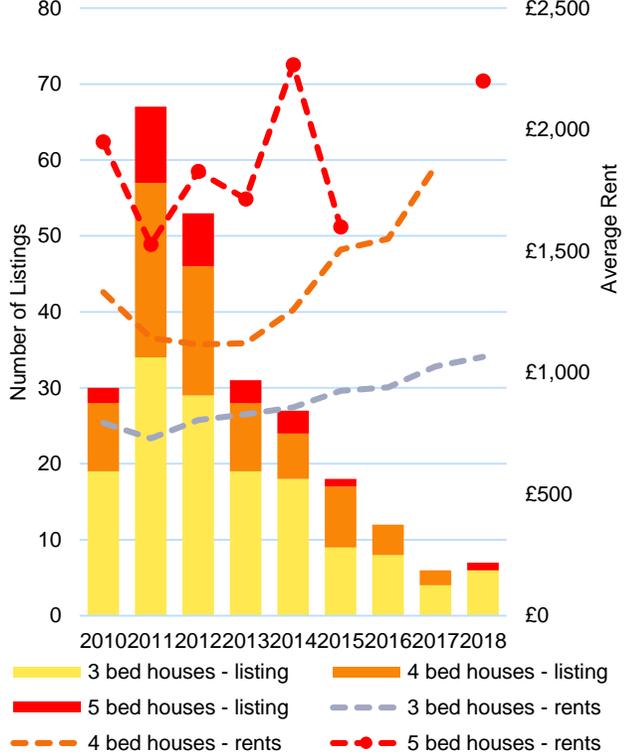
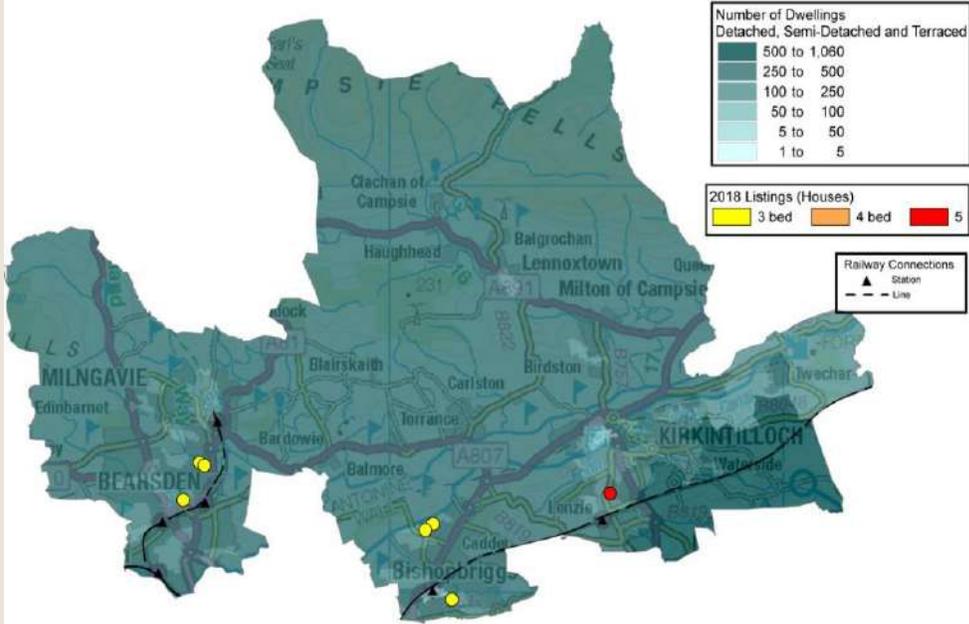
Three bedroom properties account for the majority of listings in East Dunbartonshire and their share has been steadily increasing. Rents have grown at an annualised rate of 6% over the past five years and have increased by 4% in the past year. Average rent stood at £1,065pcm in 2018.

### Four bedroom houses

There were no four bedroom houses available last year in East Dunbartonshire. This follows a number of years declining listings. In 2011 there were 23 listings and in 2017 just 2. Annualised growth stood at 13% (2013-2017). The average rent in 2017 was £1,850pcm.

### Five bedroom houses

Listings for five bedroom properties have been declining too. Rental growth has not been as steady due to lack of stock, but the one listing last year achieved a premium at £2,200pcm.



# South Lanarkshire – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop. (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
313,830	139,188	12,645	9%	317,839	145,182	16,000	11%	3,355	21%	161,318	11%

- Over the ten years to 2017 the private rented sector grew by 9,295 households whilst overall household growth stood at 8,884.
- There was significant growth between 2007 and 2012, when the share of, and number, of households in this tenure increased. It has since been steadily growing and now stands at 11%. A significant share of this growth has been the result of a reduction in owner occupation, with little change in social rented households.
- South Lanarkshire’s rental households have increased across the local authority area but the strongest growth has been in and around the towns closest to Glasgow, including East Kilbride, Hamilton and Blantyre. Growth has also been apparent, but to a lesser degree, in more remote towns such as Lanark and Lesmahagow.
- Should South Lanarkshire maintain its rental households at 9% of all households in 2041. This would equate to an additional 1,745 households in this tenure, if it were to increase to 12% then the number would increase by 6,585.

**Within South Lanarkshire there is a significant difference between rents for flats and houses, particularly for three, four and five bedroom properties**

- The Scottish Household Survey does not have an updated profile on the type of accommodation South Lanarkshire’s renters are living in, but at the 2011 census 42% of renters, approximately 5,265 households, lived in houses.
- This compares to owner occupation where 82% of households live in houses and 47% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 43% of households were single people and 33% of households had dependant children. This equated to just over 4,190 households with children.

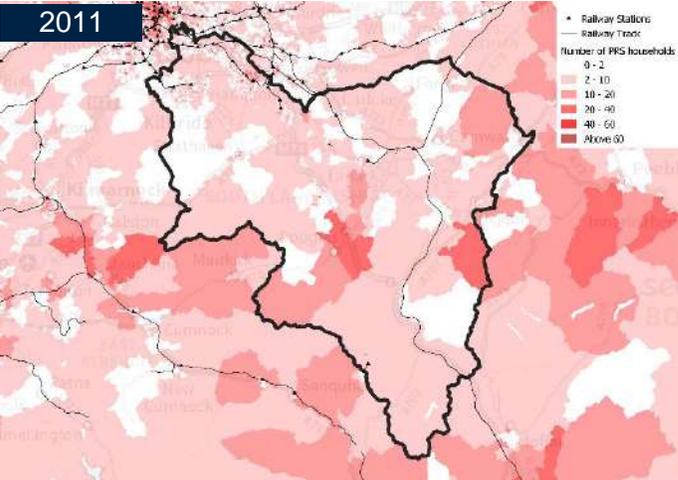


Chart showing average rents by property type

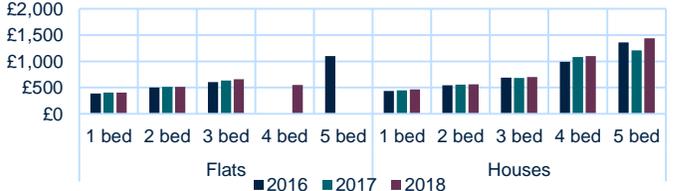
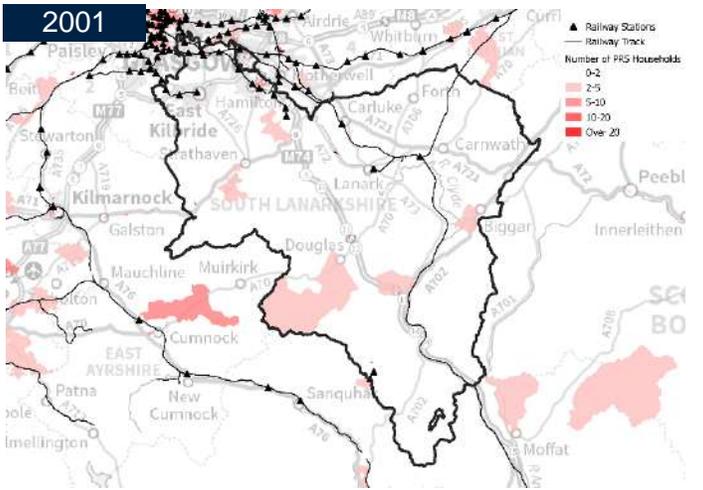
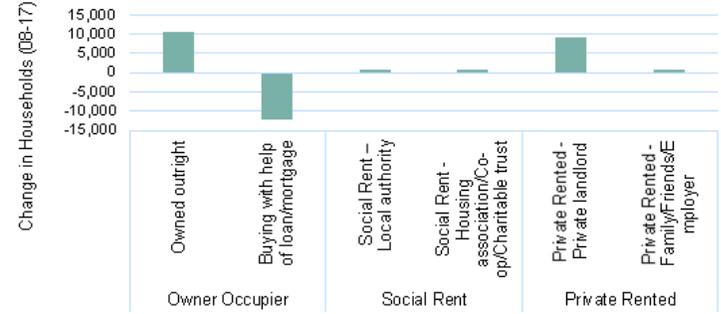


Chart showing change in tenure (2008-2017)



Rental Market

- Over the past five years rental growth has stood at an annualised rate of 2%. But three and four bedroom properties have witnessed growth slightly ahead of this figure at 3% and 4% respectively.
- Houses accounted for 30% of listings within South Lanarkshire. This is a lower share of listings than it has been historically. Meanwhile the number of smaller property listings have been increasing.
- Houses has witnessed slightly stronger rental growth than flatted properties, particularly in the last year in relation to four bedroom houses despite an increase in the number of listings.

# South Lanarkshire – rental market (houses)

South Lanarkshire has an active rental market for housing but the number of listings and average rents for three and four bedroom properties have remained relatively steady. There are a number of attractive and popular towns in South Lanarkshire, many of which have community growth expansion plans in place. Therefore this an area which could benefit from rental development to deliver professionally managed rental options within both new and existing new suburban areas.

The number of listings across South Lanarkshire for three, four and five bedroom houses have remained steady year on year at 241 and are now higher than they have been historically. Meanwhile rents have been increasing at an annualised rate of 3% over the past five years.

### Three bedroom houses

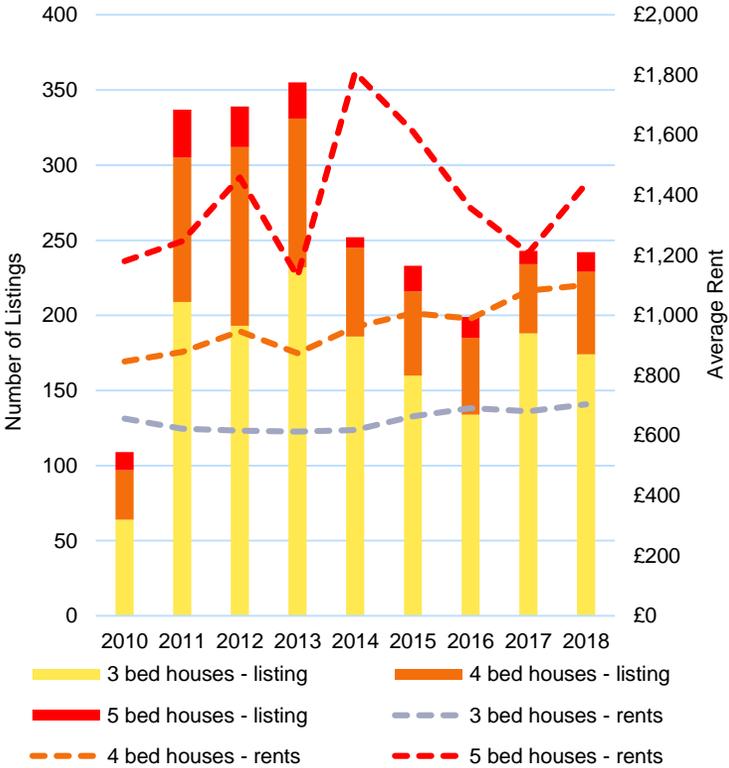
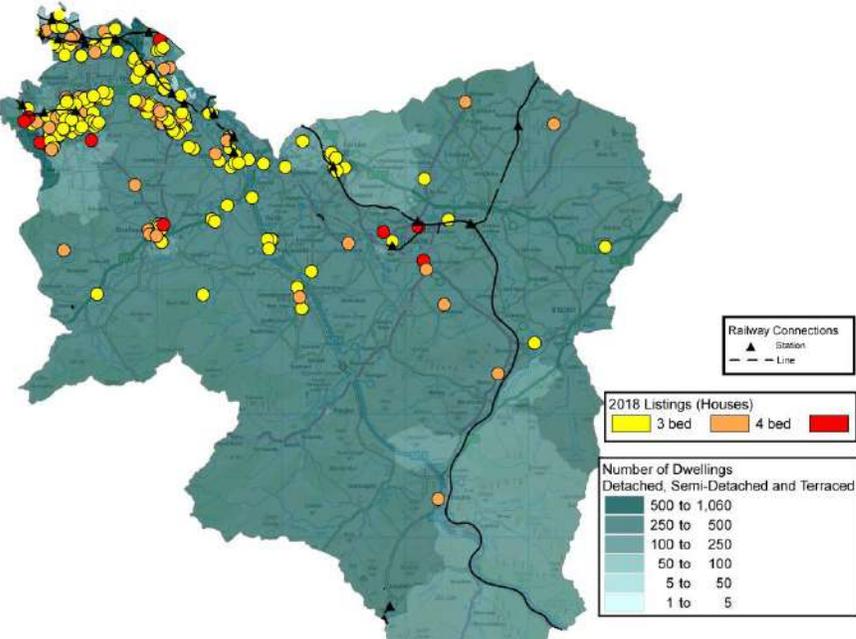
Three bedroom properties account for 72% of house listings in South Lanarkshire. Rents have increased by 3% year on year and this matches the annualised growth figure over the past five years. The average rent in 2018 was £704pcm.

### Four bedroom houses

The number of listings for four bedroom properties increased year on year from 46 to 55, a 20% increase. Meanwhile rents increased by 2%, below the five year annualised growth figure of 3%. The average rent was £1,101pcm in 2018.

### Five bedroom houses

The number of five bedroom listings increased by 4 during 2018 from 9 to 13. This correlated with an increase in the average rent, growing from £1,204pcm to £1,438pcm. This likely represents a change in the location of properties with some listings in Bothwell and Strathaven, both premium markets.



# North Lanarkshire – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop. (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds:	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
337,727	145,998	11,710	8%	339,811	151,155	13,625	9%	1,915	14%	164,319	9%

- The private rented sector accounted for 2.5% of households in 2007 but doubled its share between 2008 and 2012 and has doubled again since then.
- The majority of growth has been the result of reductions in owner occupation, down from 65% to 57% and particularly in those owning their property with a mortgage.
- Between 2001 and 2011 the number of rental households across North Lanarkshire increased and clusters have emerged in all of the main towns within this area and are primarily found in the areas closest to train stations. For example in Cumbernauld, Coatbridge and Motherwell.
- Should the share of households in the PRS remain at 8% by 2041 there will be an additional 1,164 households in the tenure, if it were to increase by 3% to 11% this would equate to 6,093 more households.

**The number of private rental households within North Lanarkshire have increased by 6,400 since 2008 and a significant share of households are in detached houses, but new households have limited choice.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation North Lanarkshire's renters are living in, but at the 2011 census 46% of renters, approximately 5,330 households, lived in houses. This compares to owner occupation where 83% of households live in houses and 44% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 38% of households were single people and 37% of households had dependant children. This equated to just over 4,382 households with children.

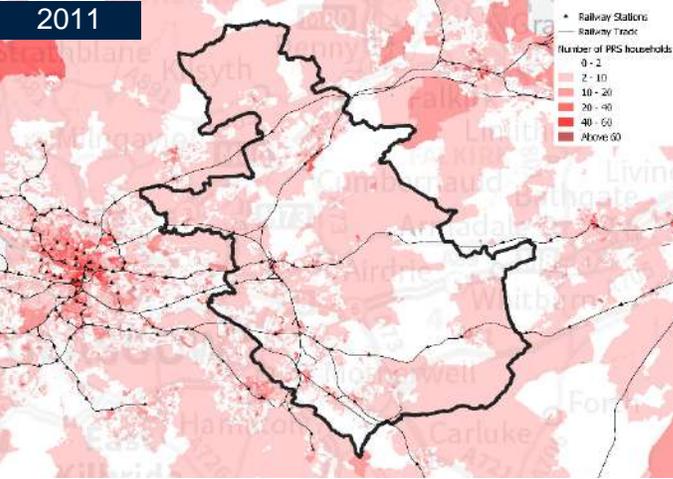
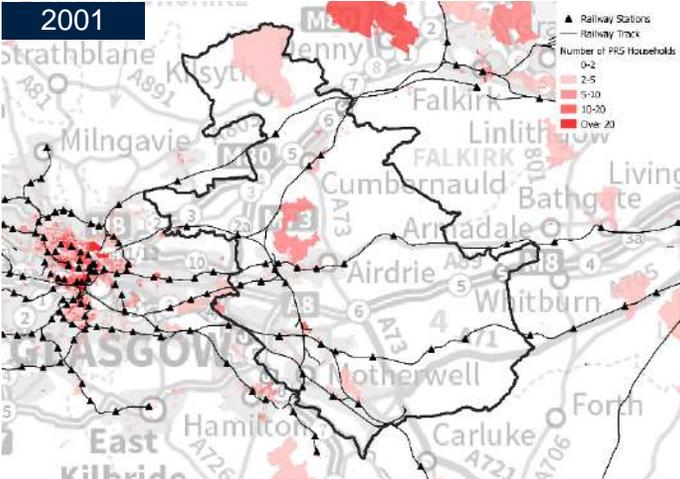
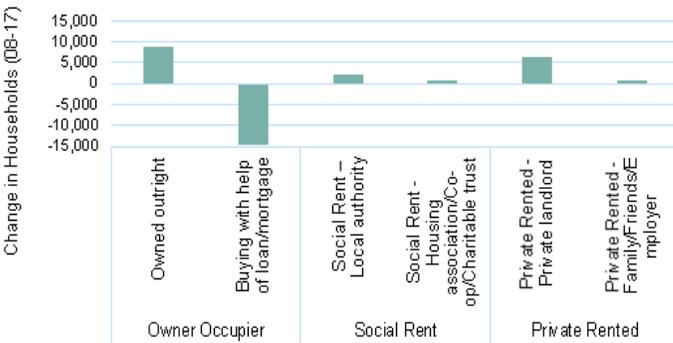


Chart showing average rents by bedrooms



Chart showing change in tenure (2008-2017)



Rental Market

- The rental market in North Lanarkshire is active, particularly for two bedroom properties, which accounted for over 50% of listings.
- Overall the number of four bedroom properties being listed has increased slightly year on year but all other bedroom sizes have witnessed a decline in listings.
- Despite this rents have been relatively steady increasing by 1% with the exception of five bedroom properties which witnessing the strongest rental growth, up 12%.

# North Lanarkshire – rental market (houses)

North Lanarkshire has an active rental market for houses but the number of listings have remained limited despite a growing number of rental households.

The area is well connected and has a number of distinct markets and communities attracting a variety of different demographics. Many areas offer good value for money with rents, particularly for three bedroom properties, remaining steady. There is an opportunity for build to rent development to increase the supply of modern, energy efficient homes for rent.

The listings data we have for three, four and five bedroom rental houses within North Lanarkshire is limited but nevertheless the broad trends emerge.

### Three bedroom houses

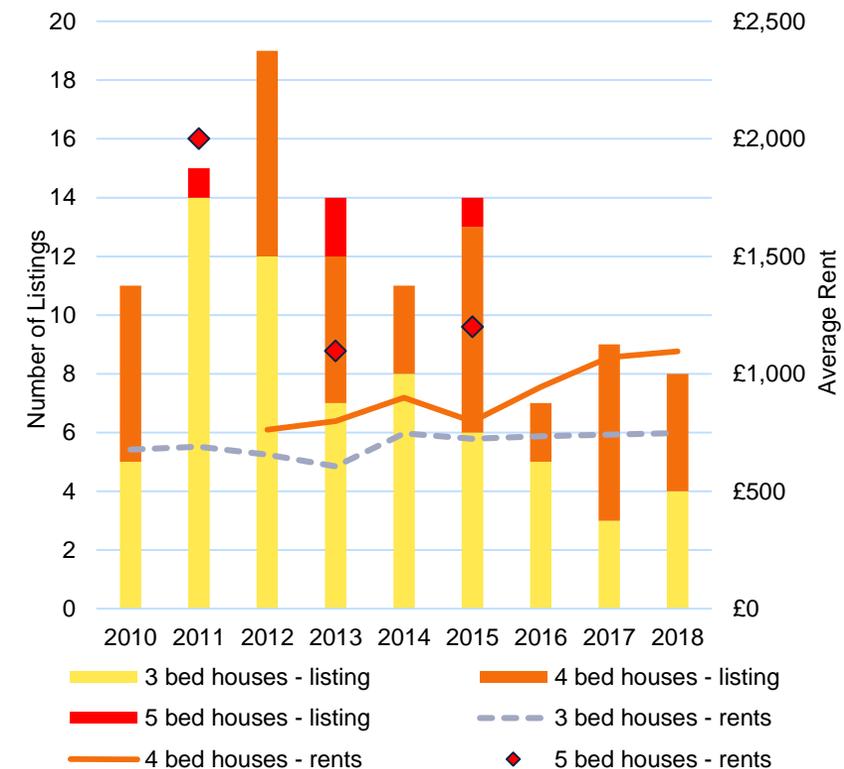
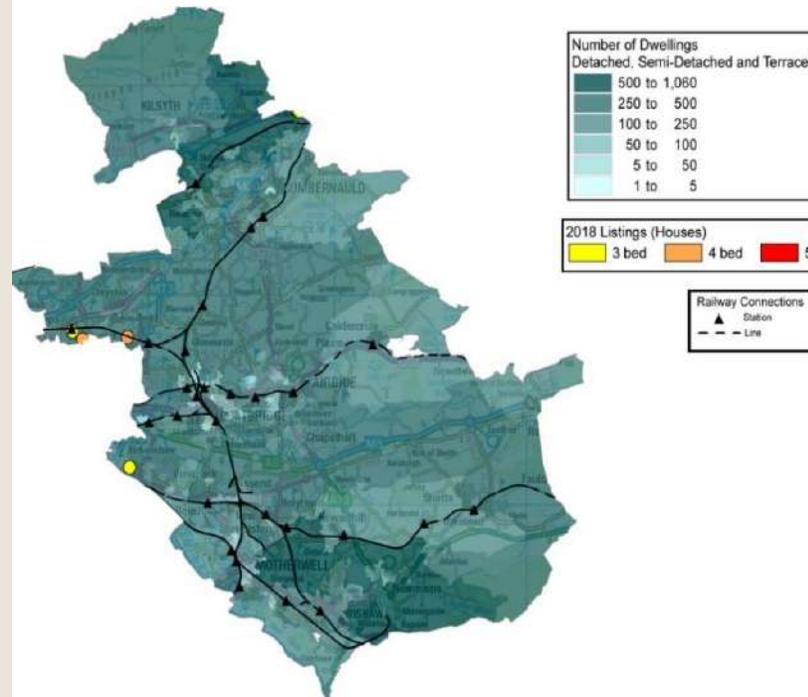
Three bedroom properties account for a significant share of the listings. Rents have remained relatively static over the past eight years, hovering around £750 per month and as a result they have witnessed little in the way of annualised growth.

### Four bedroom houses

Four bedroom properties witnessed 5% annualised growth over the past five years. However over the past year growth levelled out at 2%. Across the market as a whole, rents for all four bedroom properties fell slightly to around £830 per month compared to £1,000 in our house sample.

### Five bedroom houses

These properties account for a very small share of the market. Due to lack of consistent listing data it is hard to identify clear trends for houses. Across the market rents seem to have increased year on year for the handful of listed properties available.



# East Renfrewshire – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop. (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
90,574	37,225	2,381	6%	94,399	38,899	2,695	7%	314	12%	47,649	22%

- Between 2008 and 2012 the share of households in the PRS increased to over 10% but has fallen back since to around 7%, following a slight increase in those owner occupying. 1/3 or 5,000 households have been formed since the 2011 census
- The number of households grew across the local authority area between 2001 and 2011 and the biggest clusters can be seen in Darnley, Barrhead and Neilston but also in the Giffnock and Clarkston areas, all are all well connected by train.
- In 2041 should the private rented sector still account for 7% of households then we would anticipate a further 640 households in the PRS but should the share increase back to 10% then there would be a further 2,070 households.

**East Renfrewshire is a popular suburban market offering good connectivity and well regarded schools but tenants have limited options.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation East Renfrewshire's renters are living in, but at the 2011 Census 48% of renters, approximately 1,147 households, lived in houses.
- The overall PRS sector has grown by approximately 300 households since and therefore we can estimate that there has likely been an increase in the number of rental households in houses. This compares to owner occupation where 84% of households live in houses and 35% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 42% of households were single people and 39% of households had dependant children. This equated to just over 900 households with children.

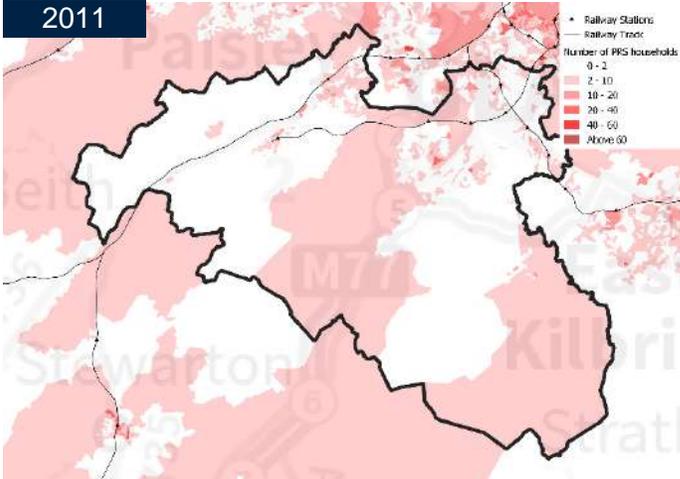


Chart showing average rents by property type

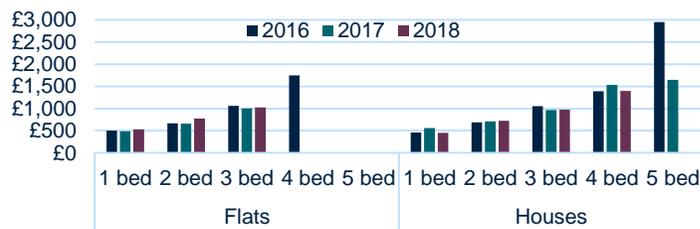
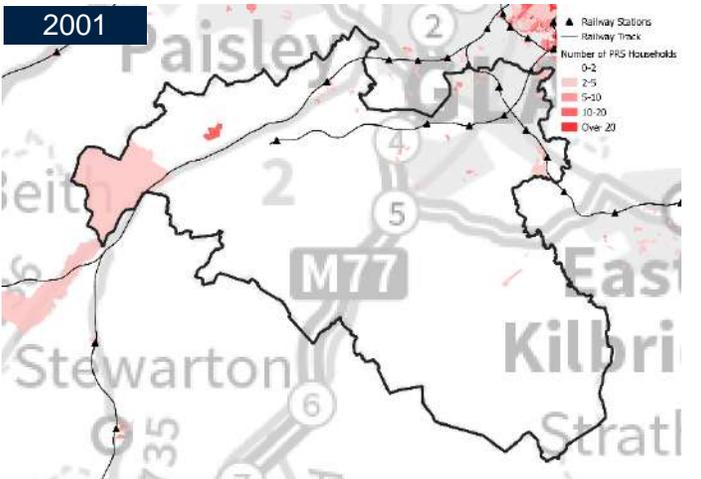
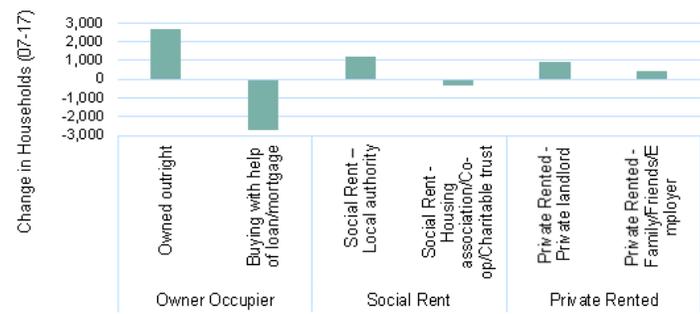


Chart showing change in tenure (2008-2017)



Rental Market

- The rental market within East Renfrewshire is comparatively small but it is active with rents increasing by 3% across all types and sizes from £837pcm to £863pcm.
- One and two bedroom flats have witnessed the strongest growth, both annually and over the past five years.
- Rent and number of listings for four bedroom houses have fluctuated considerably but annualised growth over the past five years has stood at 7%. For example in 2018 the number of listings increased from 5 to 8 and rent fell from £1,530pcm to £1,399pcm on average.

# East Renfrewshire – rental market (houses)

East Renfrewshire is a popular residential area with a number of popular towns and villages. Those on the eastern side are typically higher value and command a significant premium, particularly around Newton Mearns due to the area’s school. Within this area new rental stock will help provide households with options to access this desirable market. Around Barrhead, the markets are more affordable but stock is very limited and the delivery of new rental properties could improve choice and support regeneration.

The average rent across three, four and five bedroom properties increased by 5% year on year but this was linked to a drop in three bedroom listings and an increase in four bedrooms. Over the past five years annualised rent growth has stood at 3%.

### Three bedroom houses

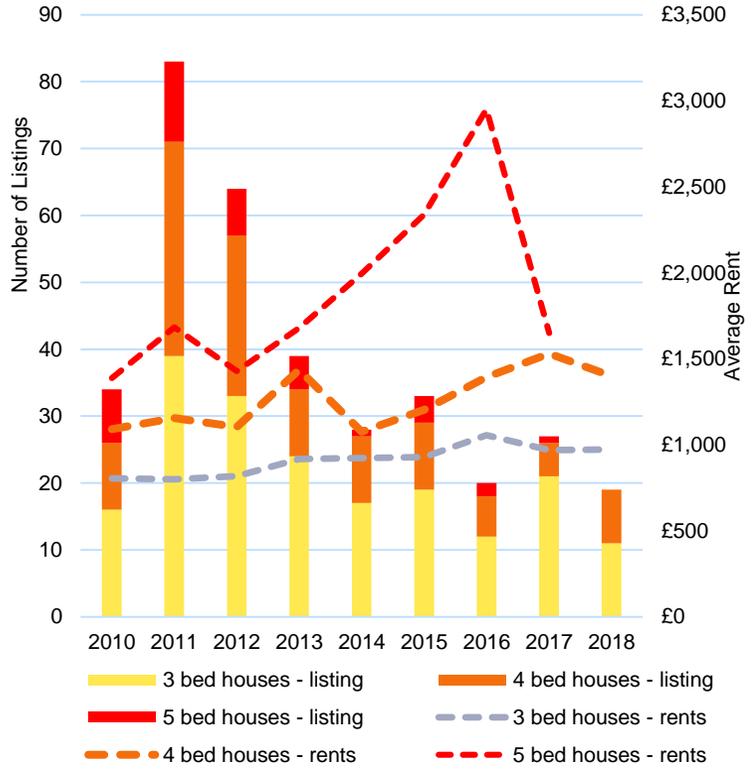
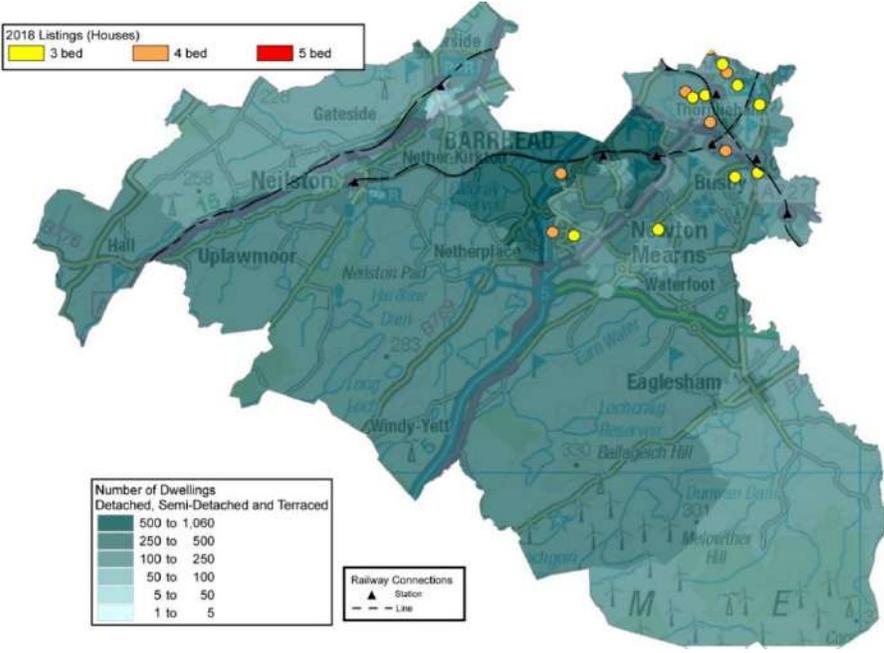
Listings and rent for three bedroom properties have been relatively steady over the past five years, following a peak in listings in 2011-12. Rents have grown at an annualised rate of 1% per year over the past five years, and stood at an average of £972pcm.

### Four bedroom houses

Four bedroom properties have witnessed the strongest growth over the past five years, annualised growth of 7%. However, year on year rents have fallen back as listings have increased from five to eight. The average rent in 2018 was £1,399 per month.

### Five bedroom houses

Five bedroom houses have typically make up a small amount of the rental stock in East Renfrewshire and listings have been reducing over the past few years and there were no listings in 2018. Rents have fluctuated considerably due to low stock levels but the average rent was £1,650pcm in 2017.



# Renfrewshire – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds:	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
174,908	80,902	8,631	11%	176,306	84,938	9,217	11%	586	6%	94,958	12%

- Renfrewshire had a comparatively larger PRS share of households prior to 2008 than the other local authorities in Glasgow's wider conurbations, at 7% of households in 2007. It has increased over the years since, peaking at 13% in 2016.
- Growth has been the result of a combination of households changing from both owner occupation and social rented households.
- Between 2001 and 2011 Paisley's private rented sector has grown and spread beyond the town centre. There has also been significant growth along the train lines to Elderslie and Johnstone, alongside those to Erskine and Bishopton.
- Should the share of households in the PRS remain the same at 11% by 2041 there will be an additional 1,228 households in the tenure but were it to increase to 14% the number would increase by 4,077.

**Renfrewshire's renters are less likely to live in houses than their peers elsewhere but rents in this local authority are relatively steady.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation Renfrewshire's renters are living in, but at the 2011 census 27% of renters, approximately 2,330 households, lived in houses.
- This compares to owner occupation where 75% of households live in houses and 28% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 50% of households were single people and 28% of households had dependant children. This equated to just over 2,456 households with children.

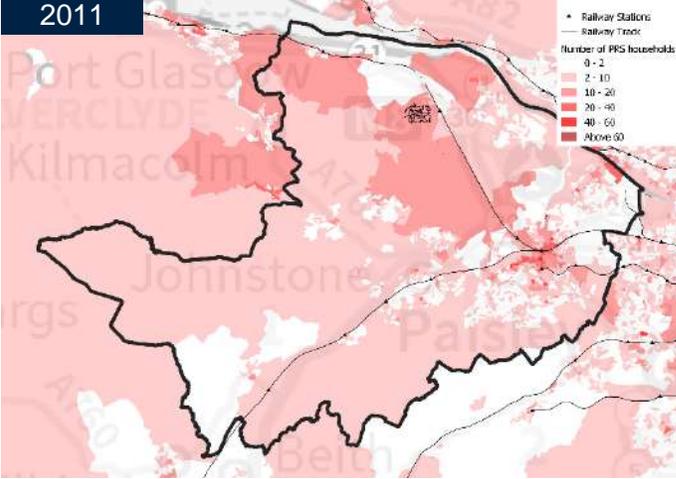


Chart showing average rents by bedrooms

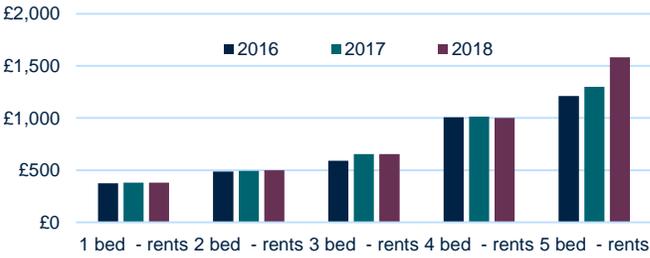
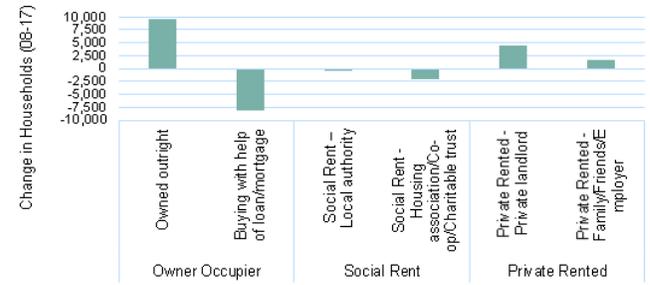


Chart showing a change in tenure (2008-2017)



**Rental Market**

- Renfrewshire has a large rental market primarily located in, and around, the town of Paisley but with significant listings across the other towns of Renfrew, Johnstone, Linwood and Bishopton.
- Houses account for roughly 10% of listings on Rightmove.
- Overall rents have been relatively steady across the market over the past three years at a weighted average £487pcm across all properties.
- Three bedroom properties have witnessed a slight increase in rents during this period.
- Five bedroom properties account for a very small share of the market and have witnessed some of the strongest rental growth.

# Renfrewshire – rental market (houses)

Renfrewshire is a large area, which includes a number of towns including Paisley. Paisley is undergoing significant regeneration and hosts one of the University of the West of Scotland's campuses. New development continues to provide new supply for owner occupation along the main train lines.

This area benefits from strong connectivity and its various towns appeal to a range of occupiers. Rents vary between different areas and overall are relatively. However, rents for those houses in our sample reported strong annualised growth suggesting high demand for family accommodation. The development of purpose built new supply would provide more options and security for tenants.

Renfrewshire has witnessed a slight increase year on year in respect of listings up from 101 to 118 for three, four and five bedroom houses. Rents have grown by an annualised rate of 3% over the past five years.

### Three bedroom houses

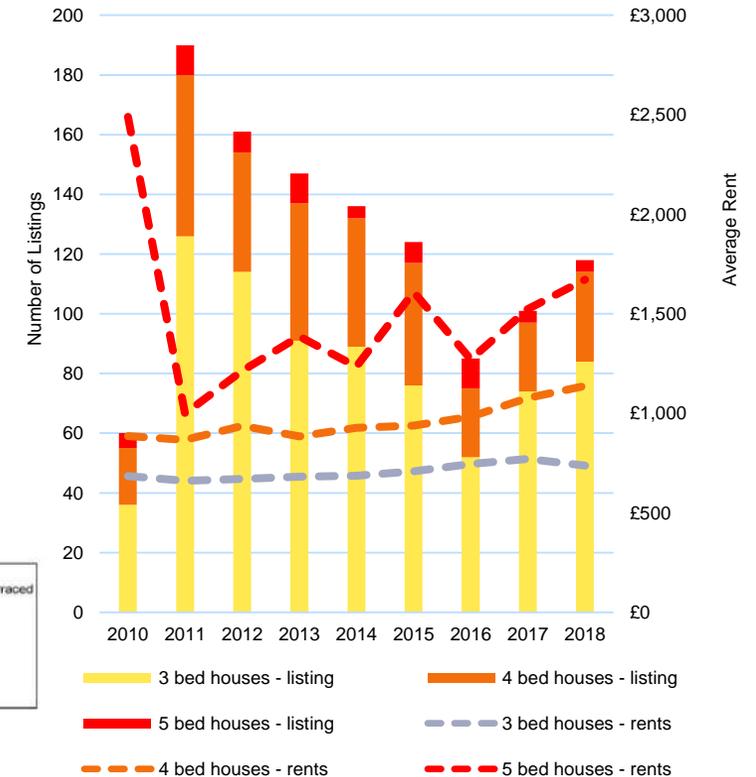
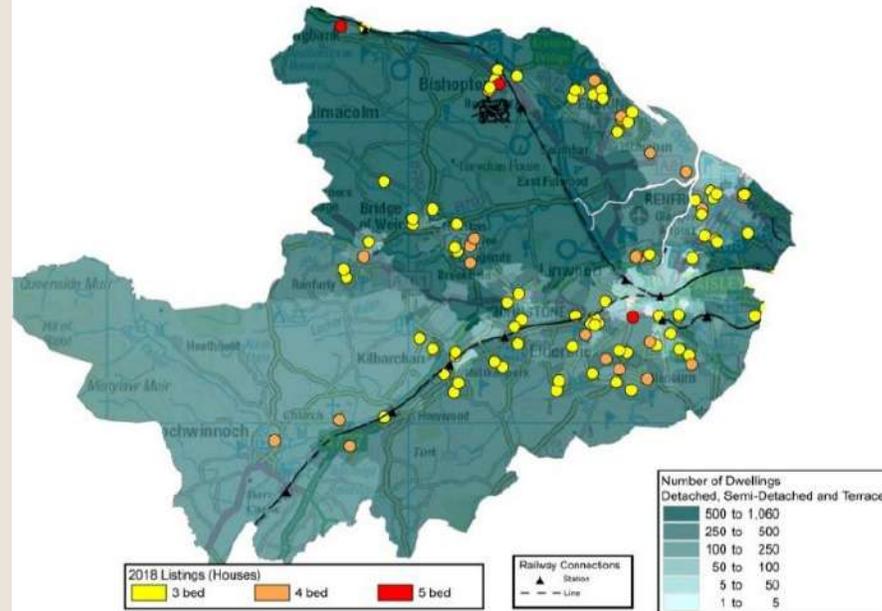
Three bedroom properties account for the majority of listings in Renfrewshire. Year on year the average rent has fallen slightly but annualised growth over the past five years stands at 2%. The average rent was £737pcm in 2018.

### Four bedroom houses

Four bedroom properties have witnessed both an increase in listings and rent year on year, listings have increased from 23 to 30 meanwhile average rent has increased by 7% with annualised growth over the past five years at 5%. This average rent was £1,137pcm in 2018.

### Five bedroom houses

The number of listings have remained steady at 4 but rents have increased by 10% year on year and annualised growth stands at 8%, well ahead of the overall average for this area. The average rent was £1,671pcm in 2018.



# Rental hotspots

## Knightswood/ Old Drumchapel:

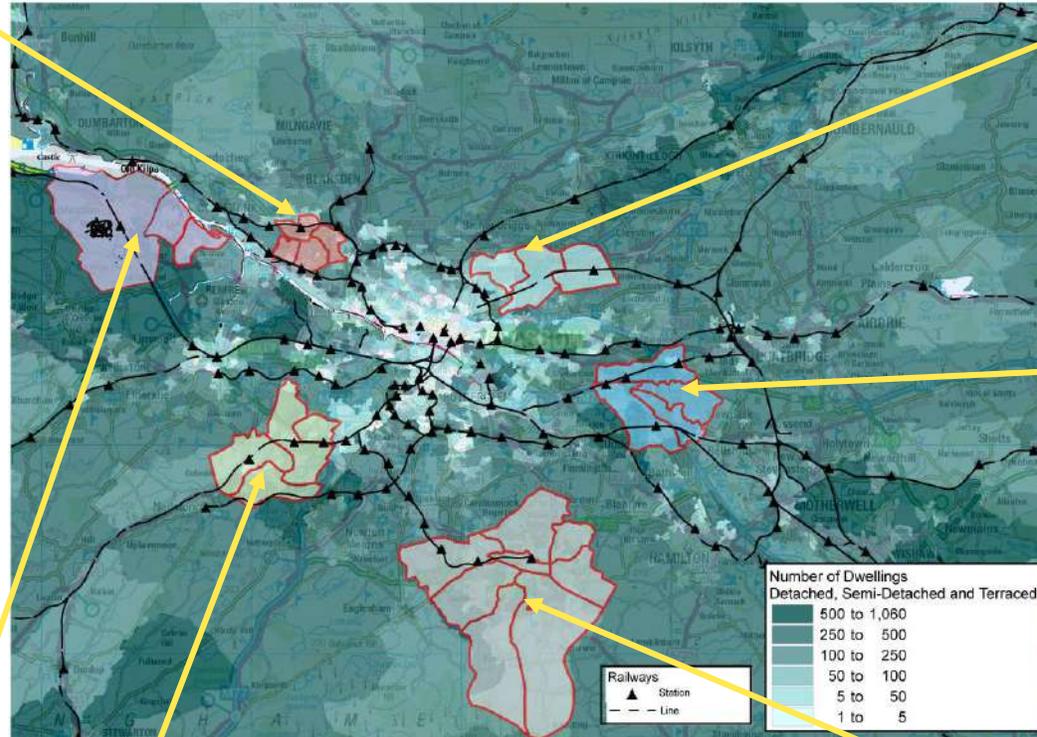
Located just beyond Glasgow's popular West End, the Knightswood, High Knightswood and Old Drumchapel areas offer lots of green space and family amenities within easy reach of the city centre. Out of town shopping centre options can be reached at Clydebank and Braehead, the latter generally accessed using the Clyde Tunnel, which also helps this area appeal to those working at the city's largest Hospital, the Queen Elizabeth University Hospital.

There are a handful of development opportunities available within this area, but there are a number of development sites just beyond it which could, with some investment, help satisfy the demand for larger properties.

## Erskine/ Bishopton/ Inchinnan:

Bishopton was previously a village but the redevelopment of Royal Ordnance Factory (ROF) site has allowed it to grow significantly in size with many of the PLC housebuilders active on this multi-phased site. There is a train station servicing the town from which Glasgow can be reached in 17 minutes and the redevelopment of the ROF site has improved the road networks and connections to the M8.

Nearby Erskine was also a small village which was extended in the 1970s and 1980s, including much of the development around Inchinnan. There have been pockets of recent new development but not to the same scale as in Bishopton. The town has the local high school and the Kingston Bridge connects the area to West Dunbartonshire to the North, and with the proposed new bridge between Yoker and Renfrew will deliver improved connectivity into Glasgow.



## Barrhead/ Darnley/ Priesthill:

These two communities sit along the same train line and Glasgow City Centre can be reached from Barrhead within 15 minutes by train, and the M77 is a major part of Scotland's motorway network.

The M77 was upgraded approximately ten years ago as part of the development of Silverburn Shopping centre, marked by the navy dot on the adjacent map. This shopping centre offers restaurants and cinema alongside retail and is a popular destination for residents in this part of the city region. Further, there are a number of parks and golf courses accessible.

There are a number of sites available in this area and East Renfrewshire Council are working hard to regenerate Barrhead.

## Millerston/ Robroyston/ Steps:

This area is a popular suburban market, regular rail links which connect into central Glasgow within 15 minutes (from Steps) and Edinburgh in under an hour. There are excellent road links with the M80 and M8 within 5 minutes drive. There are a number of schools and parks nearby including the Seven Lochs Wetland Park which covers 7 lochs, 5 local nature reserves and country park.

This area has a number of development sites coming forward including at the under-development Millerston Train Station.

## Baillieston/ Tannochside/ Uddingston:

Served by two train lines these are three popular suburban commuting locations. From Baillieston Glasgow can be reached in 20 minutes by train and from Uddingston Glasgow can be reached in 15 minutes. Nearby Motherwell Station connects the area to Edinburgh, Manchester and London.

Baillieston has witnessed ten years of new development with the redevelopment of Glasgow Zoo. Meanwhile pockets of new development in Uddingston have been readily absorbed by the market and there are further sites coming forward in this area, some short and some longer term.

## East Kilbride:

Previously a small village, East Kilbride was developed in the 1960s as a new town and is now one of the largest towns in Scotland. There is a train station catering to the north of the town from which Glasgow can be reached in 30 minutes, and the area is very well served by road and bus links.

The majority of the housing stock within the original part of the town are two and three bedroom flats, terraces and semi detached with many being purchased through right to buy. There have been a number of new developments over the past fifty years and the town continues to grow and larger properties can typically be found in these areas. Further expansion is anticipated with both brownfield redevelopment and community growth areas proposed.

# Greater Glasgow suburban rental hotspot 1: ROBROYSTON/ STEPPS/ MILLERSTON (G21 3, G33 1, G33 6)

This area is a popular suburban market, regular rail links which connect into central Glasgow within 15 minutes (from Stepps) and Edinburgh in under an hour. There are excellent road links with the M80 and M8 within 5 minutes drive. There are a number of schools and parks nearby including the Seven Lochs Wetland Park which covers 7 lochs, 5 local nature reserves and country park.

There is a significant development pipeline proposed in this area. Including a number of sites around the new station halt which is planned at Millerston. Work to the new train station commenced in September 2018 and around 1,600 new homes are planned as part of the project, the first 400 homes are already underway. Further a new primary school, hotel and sports facilities will also be delivered.

In addition to this there are a number of sites within Stepps proposed for development, primarily by the PLC Housebuilders.

Rents for flats within this area have been increasing at an annualised rate of 2% per year over the past five years. Rents for houses have in comparison have been increasing at an annualised rate of 8%, driven by four bedroom properties. Houses account for on average one third of listings.

### Experian Data:

According to Experian the number of households within this area has increased by 100 to 10,765 likely a result of some new development. The number of households within the private rented sector has fallen to 555 and now accounts for just less than 5% of households.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence and this figures suggest that in this area renters are less affluent than owner occupiers, and therefore could be renting a home due to low paying jobs, lack of savings or are simply young and starting out.

### Mosaic groups of renters:

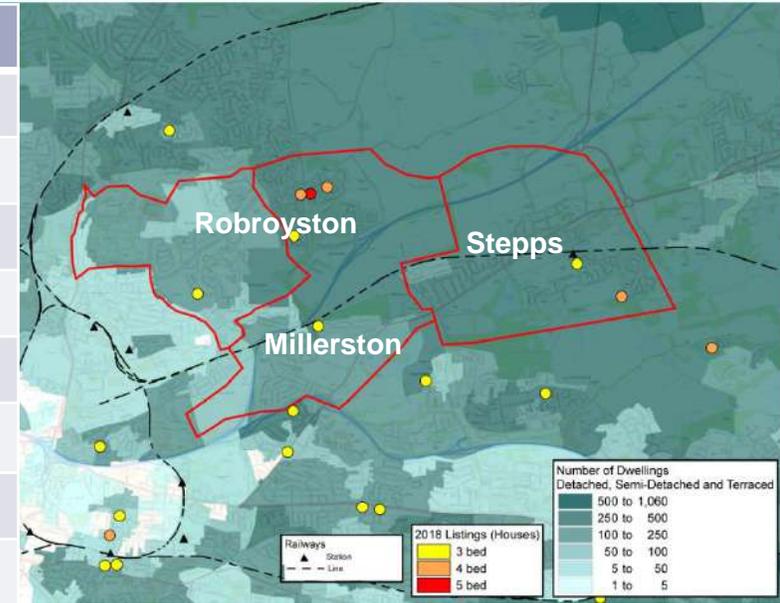
- 17% Modest Traditions.
- 15% Vintage Values
- 14% Transient Renters
- 21% Municipal Challenge

### Mosaic groups of owner occupiers:

- 26% Domestic Success
- 15% Suburban Stability
- 16% Aspiring Homes Makers
- 14% Modest Traditions

53% of rental households have incomes between £15,000 and £30,000 with a further 41% earn between £30,000 and £45,000. 23% of rental households have children compared to 36% of owner occupations.

Number of Households:			
Number of households (2011)		10,670	
Number of PRS households (2011):		599 (6%)	
Number of PRS households with children (2011)		285	
Number of D,SD,T properties:		6,464	
Number of PRS households in D, SD, T properties:		353	
Houses	3 bedroom	4 bedrooms	5 bedrooms
Rents:	£775	£1,249	£1,675
Listings	4	4	2



Colintrave Crescent, Hogganfield	Briarcroft Drive, Robroyston	Cortmalaw Avenue, Robroyston	Whiteford Road, Stepps
3 bedroom mid terraced house	3 bedroom semi-detached house	4 bed detached house	4 bedroom detached house
£750pcm	£775pcm	£949pcm	£1,295pcm
Furnished (basic)	Unfurnished	Furnished	Unfurnished
Really popular with families, properties in this area often generate a lot of interest. Families are either looking for a long term home or a short term stop gap between owning properties. Properties ideally would have good sized bedrooms and with the larger properties garden space was an important factor.			

# Greater Glasgow suburban rental hotspot 2: KNIGHTSWOOD/ OLD DRUMCHAPEL (G13 4, G13 3, G13 2 and G15 6)

Located just beyond Glasgow's popular West End, the Knightswood, High Knightswood and Old Drumchapel areas offer lots of green space and family amenities within easy reach of the city centre. Out of town shopping centre options can be reached at Clydebank and Braehead, the latter generally accessed using the Clyde Tunnel, which also helps this area appeal to those working at the city's largest Hospital, the Queen Elizabeth University Hospital.

This area was designed in the 1930s as an aspirational suburb and offers golf courses, parks and schools. However, the majority of properties here are two and three bedroom terraced and cottage flats. There are few larger properties and very few detached properties in this area.

An abundance of two bedroom cottage flats keeps the area relatively affordable from a purchaser's point of view. But rents have been increasing at an annualised rate of 3% across all types with three bedroom flats and houses seeing growth above this, at 5% and 4% respectively. There were only a handful of listings for four bedroom properties and no five bedroom properties available.

There are a handful of development opportunities remaining within this area but a number just beyond it such as those in Drumchapel, but these areas will need improvements to transport and other amenities to make them appeal.

### Experian Data:

According to Experian the number of households within this area has fallen by 2,000 to 12,283 likely a result of the demolition of affordable housing units for redevelopment. However, the number of households within the private rented sector has doubled to around 1,432 and now accounts for 12% of households.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are generally less affluent than owner occupiers but there is notable cross over between the two, suggesting that some renters may try the area before purchasing meanwhile others will be renting because they are financially unable to buy even if they would aspire to.

### Mosaic groups of renters:

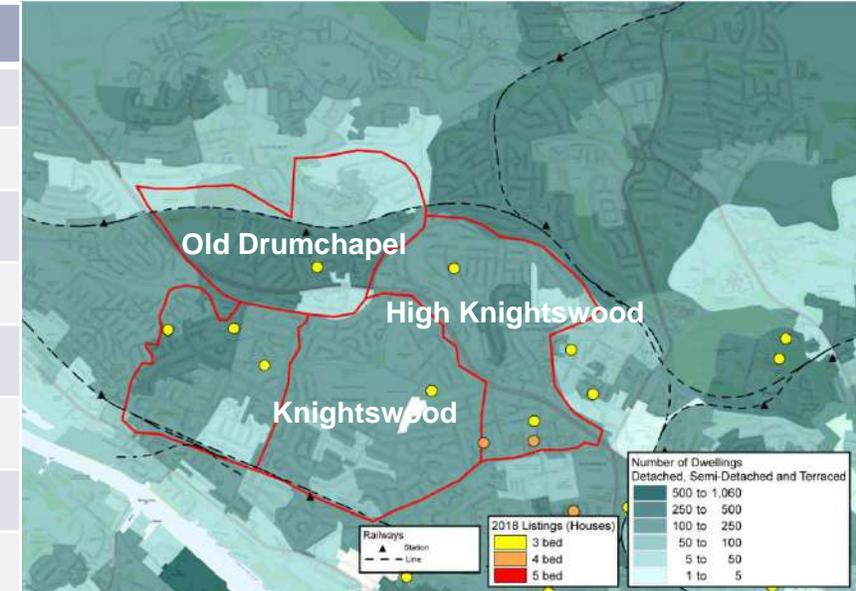
- 11% Aspiring Home Makers
- 23% Modest Traditions.
- 19% Vintage Values
- 17% Municipal Challenge

### Mosaic groups of owner occupiers:

- 10% Senior Security
- 13% Suburban Stability
- 21% Aspiring Homes Makers
- 28% Modest Traditions

53% of rental households have incomes between £15,000 and £30,000 with a further 37% earn between £30,000 and £45,000. Around 20% of rental households are expected to have children.

Number of Households:			
Number of households (2011)		14,478	
Number of PRS households (2011):		790	
Number of PRS households with children (2011)		472	
Number of D,SD,T properties:		6,144	
Number of PRS households in D, SD, T properties:		357	
Houses	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£779	£1,300	N/A
Listings	7	1	



271 Keal Drive, Glasgow

3 bedroom mid terraced house  
£700pcm  
Unfurnished



Reelick Avenue, Knightswood

3 bedroom mid terraced house  
£725pcm  
Unfurnished



Loanfoot Avenue, Knightswood

3 bedroom mid terraced house  
£795pcm  
Unfurnished



Great Western Road, Glasgow, G15 6QW

4 bedroom semi-detached bungalow  
£950pcm  
Furnished

Lots of interest from families attracted by the option of having their own space. Access to quality outside space, particularly a garden was an important feature alongside good sized bedrooms. Houses rarely come available but when they do are very popular.

# Greater Glasgow suburban rental hotspot 3: BARRHEAD/ DARNLEY (G78 1, G78 2, G53 7, G53 6)

These two communities sit along the same train line and Glasgow City Centre can be reached from Barrhead within 15 minutes by train, and the M77 is a major part of Scotland's motorway network.

The M77 was upgraded approximately ten years ago as part of the development of Silverburn Shopping centre, marked by the navy dot on the adjacent map. This shopping centre offers restaurants and cinema alongside retail and is a popular destination for residents in this part of the city region. Further, there are a number of parks and golf courses accessible.

Stock in these markets comprises a mixture of traditional tenements, 1930s houses, 1960s suburban development (often originally social rented) and more modern family housing. New developments have created pockets of attractive modern housing but these have primarily been delivered for owner occupation or occasionally social rented tenures. Extensive regeneration is planned for this area. East Renfrewshire Council have plans for Barrhead, meanwhile the area around Silverburn continues to improve bolstered by Persimmon's Boulevard development and Taylor Wimpey's developments at Crookston. There are therefore a number of opportunities within this area.

Rents for flats within this area have increased at an annualised rate of 1% over the past five years meanwhile houses have increased by an annualised rate of 6%, driven by three and four bedroom houses up 16% and 26% year on year.

### Experian Data:

The number of households recorded by Experian in this area is lower than it was in 2011 at 16,201 but the number of rental households are estimated to have increased from 1,156 to 1,405 and now account for 9% of households.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are typically less affluent than owner occupiers which suggests that they have lower income levels and in the case of family basics, tight budgets.

### Mosaic groups of renters:

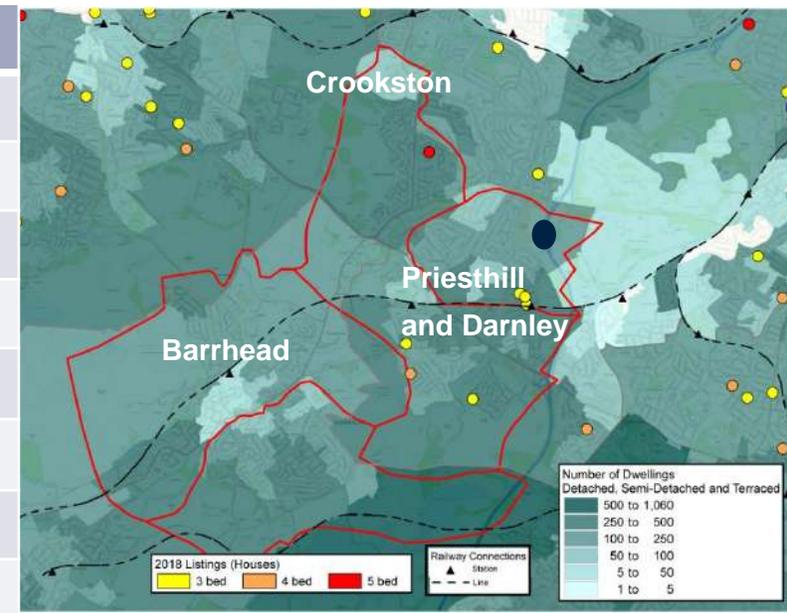
- 23% Modest Traditions
- 15% Vintage Values.
- 20% Municipal Challenge
- 15% Family Basics

### Mosaic groups of owner occupiers:

- 21% Domestic Success
- 18% Suburban Stability
- 24% Aspiring Homes Makers
- 9% Modest Traditions

48% of rental households have incomes between £15,000 and £30,000 with a further 35% earn between £30,000 and £45,000. Around 23% of rental households are expected to have children compared to 36% of owner occupiers.

Number of Households:			
Number of households (2011)	16,751		
Number of PRS households (2011):	1,156		
Number of PRS households with children (2011)	539		
Number of D,SD,T properties:	10,872		
Number of PRS households in D, SD, T properties:	567		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£820	£1,200	£1,425
Listings	5	1	2



Roebank Drive, Barrhead	Whitacres Road, Darnley	Convent Road, Barrhead	Ballochmyle Place, Crookston
3 bedroom semi detached house	3 bedroom detached house	4 bedroom detached house	5 bedroom detached house
£695pcm	£975pcm	£1,200pcm	£1,250
Unfurnished	Unfurnished	Part furnished	Unfurnished

This area is very popular for families, typically looking for long term rentals. When houses come on the market they attract a lot of interest, primarily from local residents because the majority of rental stock is flatted.

Schooling and gardens are very important for those with children but most are attracted to the area and opportunity to have more space, both inside and out.

# Greater Glasgow suburban rental hotspot 4: BAILLIESTON/ UDDINGSTON/ TANNOCHSIDE (G71 5, G71 6, G71 7, G71 8, G69 7)

Served by two train lines these are three popular suburban commuting locations. From Baillieston Glasgow can be reached in 20 minutes by train and from Uddingston Glasgow can be reached in 15 minutes. Nearby Motherwell Station connects the area to Edinburgh, Manchester and London.

Baillieston has witnessed ten years of new development, primarily for owner occupation, on the site of the former Glasgow Zoo which continues to be developed out. Meanwhile Uddingston and Tannochside have enjoyed pockets of development which are being readily absorbed by the market. New development has boosted this area and Uddingston Main Street has welcomed some new retail and restaurant offering adding to the neighbourhood which already offers schooling, golf courses and parks.

Rents within this area have enjoyed annualised growth of 3% over the past five years and are up 7% in the past year alone. Flats, particularly three bedroom flats have witnessed strong rental growth within this area enjoying 6% annualised growth over five years and 9% in the past year. Meanwhile houses have witnessed strong year on year growth, up 18% with three and four bedroom properties driving the increases. Listings remain limited.

### Experian Data:

Experian estimates that the number of households within this area have increased by 700 between 2011 and 2018, reflecting the significant amount of new development which has taken place. During this time the number of rental households have increased by around 300 to 1,321 and now equate to 8% of households.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are typically less affluent than owner occupiers with owner occupiers typically professional and aspiring households meanwhile renters are typically have lower incomes and are less likely to be in professional employment. However, some will be just starting out and aspiring towards home ownership.

### Mosaic groups of renters:

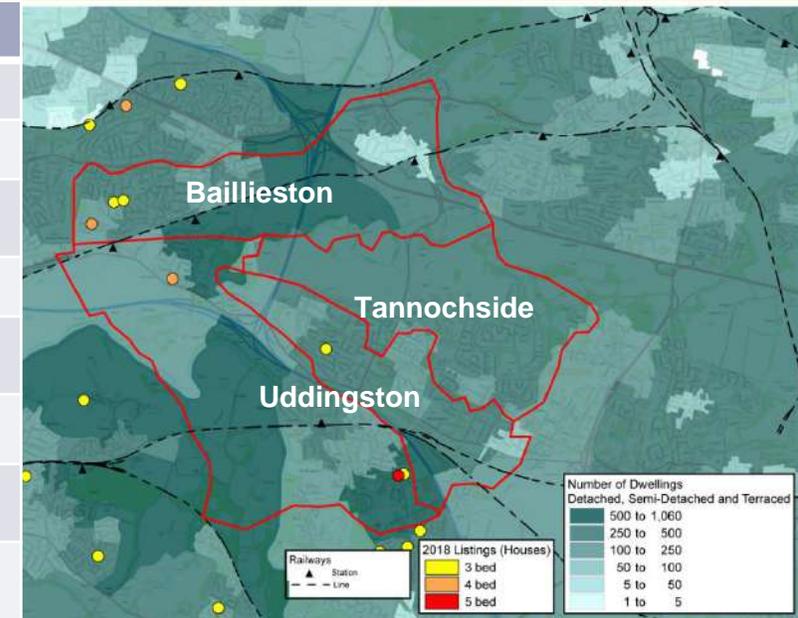
- 15% Modest Traditions
- 23% Vintage Values.
- 15% Transient Renters
- 24% Municipal Challenge

### Mosaic groups of owner occupiers:

- 20% Prestige Positions
- 18% Domestic Success
- 13% Suburban Security
- 13% Aspiring Homemakers

52% of rental households have incomes between £15,000 and £30,000 with a further 12% earn between £30,000 and £45,000. Around 18% of rental households are expected to have children compared to 30% of owner occupiers.

Number of Households:			
Number of households (2011)	16,383		
Number of PRs households (2011):	1,036		
Number of PRS households with children (2011)	451		
Number of D,SD,T properties:	12,154		
Number of PRS households in D, SD, T properties:	535		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£809	£1,286	£1,750
Listings	10	4	1



Hillfoot Gardens, Uddingston	Castlemains Crescent, Uddingston	Broomhouse Crescent, Baillieston	Ellismuir Farm Road, Baillieston
3 bedroom semi detached house	3 bedroom detached house	3 bedroom detached house	4 bedroom detached house (new build, first tenant)
£850pcm	£1,400pcm	£1,195pcm	£1,595pcm
Furnished	Furnished	Furnished	Unfurnished

Very popular area with both locals and those relocating for work attracted by the connectivity into Glasgow. Those interested include a wide range of people from families, couples, singles, those working from home with everyone looking for some extra space. Families rate outside space as important. Three bedroom properties are in particularly high demand but there is price ceiling for this type of property, even for the best properties.

# Greater Glasgow suburban rental hotspot 5: BISHOPTON/ ERSKINE/ INCHINNAN (PA7 5, PA8 6, PA8 7)

Bishopton was previously a small village but the redevelopment of Royal Ordnance Factory site, shown in the map by the cluster of rail tracks which have now been removed, has allowed it to grow significantly in size. CALA, Persimmon Homes, Charles Church, Stewart Milne and Taylor Wimpey are all active on this multi-phased sites and many of the initial phases are now complete. There is a train station servicing the town from which Glasgow can be reached in 17 minutes and the redevelopment of the ROF site has improved the road networks and connections to the M8.

Similarly Erskine was a small village which was extended in the 1970s and 1980s, including much of the development around Inchinnan. There have been pockets of recent new development but not to the same scale as in Bishopton. The town has the local high school and the Kingston Bridge connects the area to West Dunbartonshire to the North and with the proposed new bridge between Yoker and Renfrew will benefit from further improved connectivity.

Annualised rent growth within Bishopton and Erskine has stood at 6% over the past five years and increased by 19% over the past year. Flats have witnessed little increase and therefore all the rental growth has been driven by houses. Annualised rental growth was 7% for houses and increased 21% in the past year driven by increased number of three bedroom properties.

### Experian Data:

Experian estimates that the number of households within this area has increased by 500 to 8,769 since 2011 and that the number of households in the rental sector has increased by 80 during this time to 436 households, or 5% of total households.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are less affluent than owner occupiers but there are similar shares of aspiring homemakers which could be an important market for suburban build to rent.

### Mosaic groups of renters:

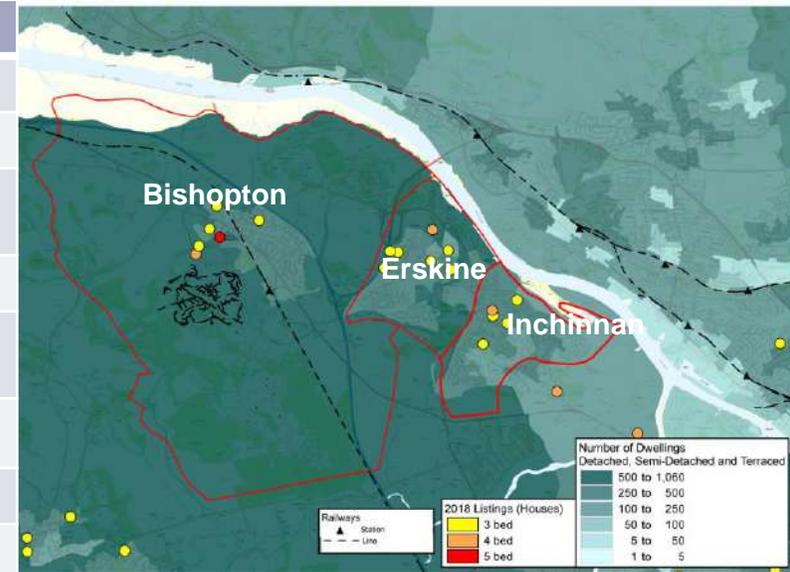
- 16% Aspiring Homemakers
- 28% Modest Traditions.
- 17% Vintage Values
- 18% Transient Renters

### Mosaic groups of owner occupiers:

- 17% Prestige Positions
- 19% Domestic Success
- 14% Suburban Security
- 17% Aspiring Homemakers

48% of rental households have incomes between £15,000 and £30,000 with a further 20% earn between £30,000 and £45,000. Around 28% of rental households are expected to have children compared to 35% of owner occupiers.

Number of Households:			
Number of households (2011)	8,278		
Number of PRs households (2011):	356		
Number of PRS households with children (2011)	157		
Number of D,SD,T properties:	7,399		
Number of PRS households in D, SD, T properties:	317		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£695	£1,215	£1,596
Listings	15	6	3



Hamilton Drive, Erskine	Slateford Road, Bishopton	Craigton Drive, Bishopton	Torran Drive, Erskine
3 bedroom terraced house	3 bedroom semi detached house	4 bedroom semi detached house	4 bedroom detached house
£700pcm	£950pcm	£1,100pcm	£1,295pcm
Unfurnished	Unfurnished	Unfurnished	Furnished

Popular family market, many renters are local to the area and looking to get more space and a garden. The number of bedrooms is an important factor with very few four bedroom properties being listed.

# Greater Glasgow suburban rental hotspot 6: EAST KILBRIDE (G74 1, G74 2, G74 3, G74 4, G74 5, G75 8, G75 9, G75 0)

Previously a small village, East Kilbride was developed in the 1960s as a new town and is now one of the largest towns in Scotland. There is a train station catering to the north of the town from which Glasgow can be reached in 30 minutes, and the area is very well served by road and bus links.

The majority of the housing stock was developed in the 1960s and comprises two and three bedroom flats, terraces and semi detached with many being purchased through right to buy. There have been a number of new developments over the past fifty years and the town continues to grow and larger properties can typically be found in these newer areas.

The town contains a number of smaller markets within it which attract different groups and markets.

The rental market in the town has been relatively steady with little growth over the past five years but it grew by 3% over the past year driven by strong demand for rental households. Houses have witnessed 2% annualised growth and 6% year on year growth driven by two and four bedroom properties.

### Experian Data:

Experian estimates that the number of households within this area has increased by 460 to 33,383 since 2011 and that the number of households in the rental sector has increased by 2,026 during this time to 4,628 households, or 14% of the total.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are less affluent than owner occupiers with many renters unlikely to be in a position to get a mortgage due to low or unstable incomes or high outgoings. A significant share are transient renters which include those just starting out.

### Mosaic groups of renters:

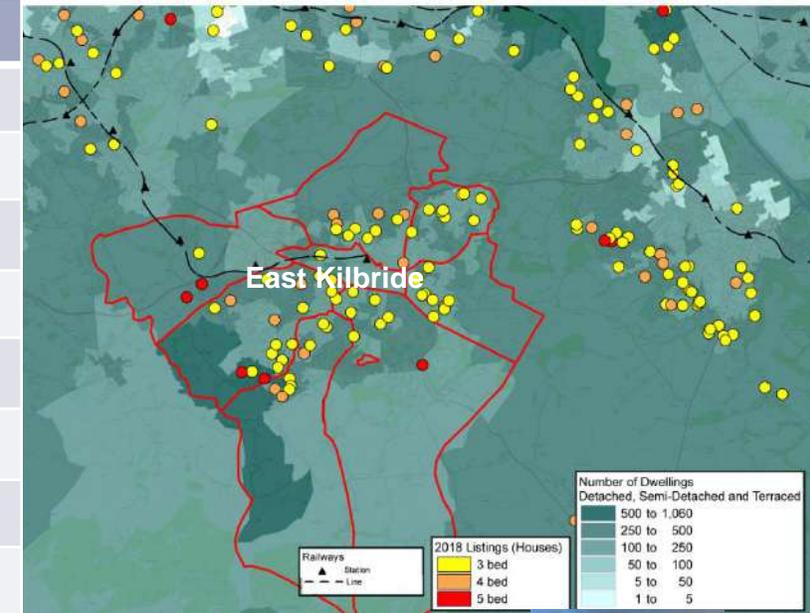
- 18% Modest Traditions
- 17% Vintage Values.
- 20% Transient Renters
- 19% Municipal Challenge

### Mosaic groups of owner occupiers:

- 12% Prestige Positions
- 12% Domestic Success
- 12% Suburban Security
- 16% Aspiring Homemakers

51% of rental households have incomes between £15,000 and £30,000 with a further 15% earning between £30,000 and £45,000. Around 16% of rental households are expected to have children compared to 29% of owner occupiers.

Number of Households:			
Number of households (2011)	32,923		
Number of PRS households (2011):	2,602		
Number of PRS households with children (2011)	1,212		
Number of D,SD,T properties:	22,740		
Number of PRS households in D, SD, T properties:	1,037		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£680	£1,083	£1,578
Listings	55	16	5

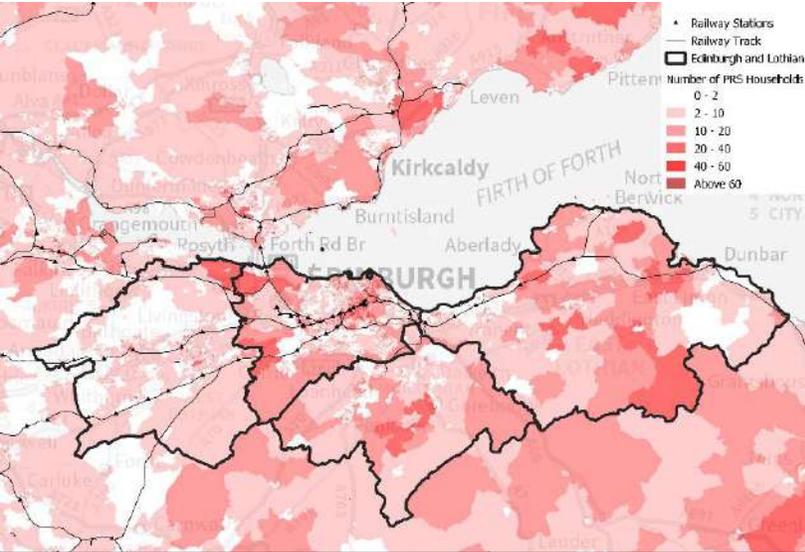


Mallard Crescent, East Kilbride	Quantock Drive, East Kilbride	Coll, East Kilbride	Polden Avenue, East Kilbride
3 bedroom terraced house	3 bedroom semi detached house	4 bedroom terraced house	4 bedroom detached house
£650pcm	£795pcm	£795pcm	£900pcm
Unfurnished	Unfurnished	Unfurnished	Unfurnished

This area is popular with a range of renters but the majority of interest is coming from families, mostly with young children. Interest is both local and from further afield. Some are looking for a home between home ownership or as means to try an area. When properties become available they are attracting a lot of interest due to a lack of listings and properties are going very quickly, particularly three bedroom properties.

# Edinburgh and Lothians

City of Edinburgh, East Lothian, Midlothian and West Lothian



**Edinburgh and the Lothians' is forecast to be Scotland's fastest growing region. New homes across a range of tenures will be needed to accommodate these households. There is an established suburban rental market but supply is limited, therefore new purpose built suburban rental development would provide much needed new supply and increase options for renters in this region.**

Edinburgh and the Lothians have witnessed strong growth in both population and households over recent years, with the city of Edinburgh's population exceeding half a million for the first time in its history in recent years. The population of this region is now estimated to be 888,707 which is 6% higher than it was in 2011. There are just shy of 400,000 households.

Lothian buses run an excellent network across the region and within the city boundary most places can be reached within 45 minutes travel. Meanwhile improvement in infrastructure around the city's bypass and Border's Railway link have made commuting from the wider areas easier.

The rental market is primarily concentrated within the centre of Edinburgh, popular with traditional, typically more transient rental groups including students and young professionals. Properties in these areas are often relatively dense tenement flats of varies sizes. Across the region 20% of rental households in 2011 lived in houses, and when Edinburgh is excluded the share rises to 75% suggesting the region has an active suburban rental market. This equates to around 9,100 households in the surrounding local authorities with a further 6,700 in Edinburgh.

Since 2011 the private rented sector has continued to grow. Proportionally growth has been strongest in East Lothian and West Lothian, both of which has all witnessed in excess of 25% growth in rental households between 2011 and 2017. Meanwhile Midlothian has witnessed a small decline.

The number of households within Edinburgh and the Lothians are forecast to increase by 25% over the period between 2017 and 2041. Recent development levels have delivered on average 3,555 units per year, supported considerably by Help to Buy at some price points.

Should the share of PRS households remain at 20%, then the number of PRS households within the city region would increase by 20,000 to just short of 100,000 households by 2041. However, should each local authority see their share of households increase by 3% then the number would reach 114,042, a further 34,326 households. These figures are conservative compared to the growth witnessed even over the past six years.

Over half of this growth is forecast to be within the City of Edinburgh, and therefore we would anticipate strong urban rental demand. But the remaining share will be in the surrounding local authority areas and consequently, in suburban locations. Therefore from household growth alone there is significant potential for suburban build to rent development in Edinburgh and the Lothians.

However should high quality, professionally managed suburban rental products come forward we anticipate that demand would come not just from new households but existing households looking for a different type or size of property. We would anticipate that people would consider moving in order to access the opportunity of new, private rented supply.

	Edinburgh and the Lothians
Population (2011):	834,718
Households (2011):	374,332
Number of PRS Households (2011):	61,060
%Share of PRS Households (2011):	16%
Population (2017):	888,707
Households (2017):	394,596
Number of PRS Households (2017):	79,715
%Share of PRS Households:	20%
Growth in PRS since 2011	18,655
% Growth in PRS since 2011	31%
Household forecast (2041):	492,222
% Increase in Households:	25%

# Edinburgh – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
476,626	223,051	45,689	20%	512,912	233,369	60,438	26%	14,749	32%	291,764	25%

- Edinburgh's rental households have been growing steadily since the turn of the century, but that growth has accelerated since 2008 and peaked in 2014 but have fallen slightly recently, following increases in owner occupation.
- The growth of the private rented sector has been strongest in the centre of Edinburgh and towards Leith on the East and towards Dalry and Gorgie in the West. Crucially it now accounts for significant numbers in the communities which run along the bypass, for example around the Gyle where transport improvements, including the tram, have improved this area's connectivity..
- Should the share of PRS households remain at 26%, this would equate to an additional 15,123 households in the tenure in Edinburgh but should it increase to 29% this would equate to 23,876 more households.

**The share of rental households living in houses in Edinburgh has declined over recent years suggesting that rental growth is being accommodated in flats.**

- The number of rental households living in houses appears to have been declining. At the time of the 2011 census, 15% of rental households lived in houses by the 2017 SHS report just 11% did. Therefore new rental household growth has been in flatted properties.
- This compares to owner occupation where 50% of households live in houses and 20% of social rented tenants.
- The SHS reports that 16.5% of private rented households in Edinburgh were families, this has been relatively steady over the past five years but there has been an increase in larger adult households suggesting that sharing has become more prevalent.

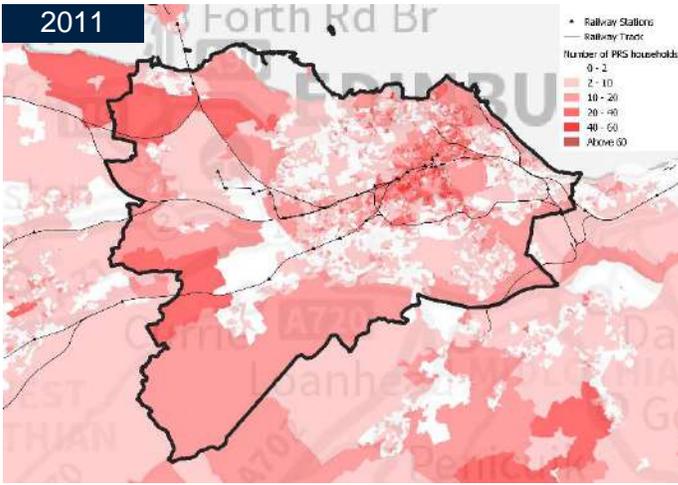


Chart showing average rents by property type

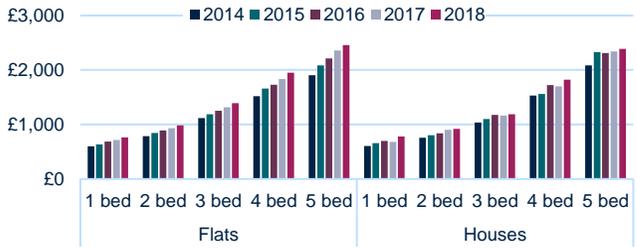
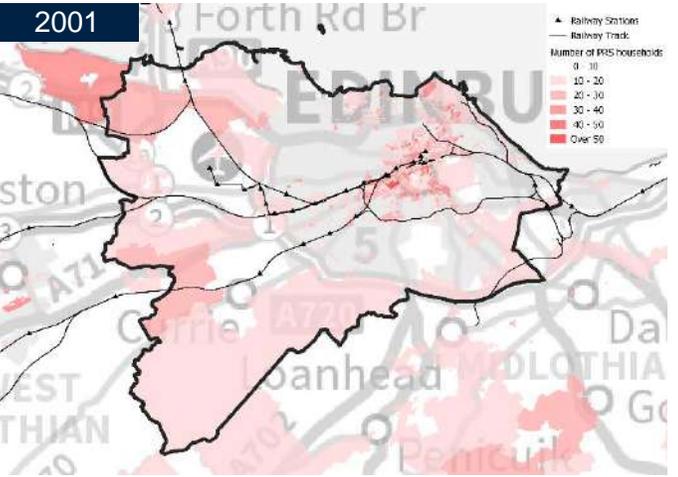
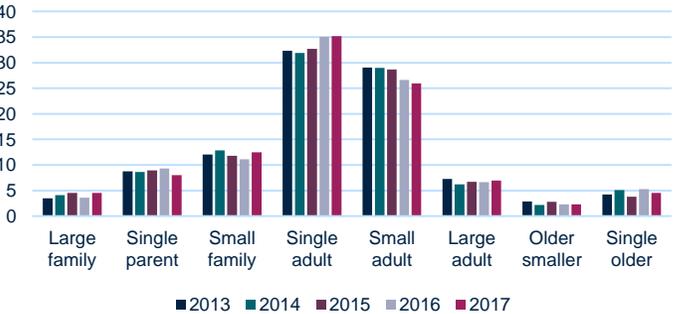


Chart showing change in households by type in the PRS



**Rental Market**

- Houses account for just 6% of listings within the City of Edinburgh, this has remained relatively consistent over the past eight years.
- The number of listings has been declining, year on year. Listings in the capital have fallen by 13% and are down from a peak listings of 2012.
- Meanwhile rents have been increasing at an annualised rate of 6% over the past five years, and this matches the past year's growth.
- Flats have driven the rental growth but both four bedroom flats and houses have experienced higher than overall rental growth in the past year.

# Edinburgh– rental market (houses)

Similar to listings overall, listings for houses for rent have been declining. This has coincided with a growing number of households in the city, and within the rental sector. Therefore the delivery of houses for rent will provide an important injection of properties and accelerate the delivery of new homes to a market experiencing demand across all product types. These are needed across a range of locations and price points within the city.

Houses account for a small share of listings within Edinburgh, and three four and five bedroom properties a smaller share still at 4% of all listings. The number of listings have been declining. Rents meanwhile have been increasing at an annualised rate of 3% over five years, and 2% over the last year. Rents for houses are often lower than for flats, a consequence of the sharing market and influence of HMOs which command a premium in the sharing market.

### bedroom houses

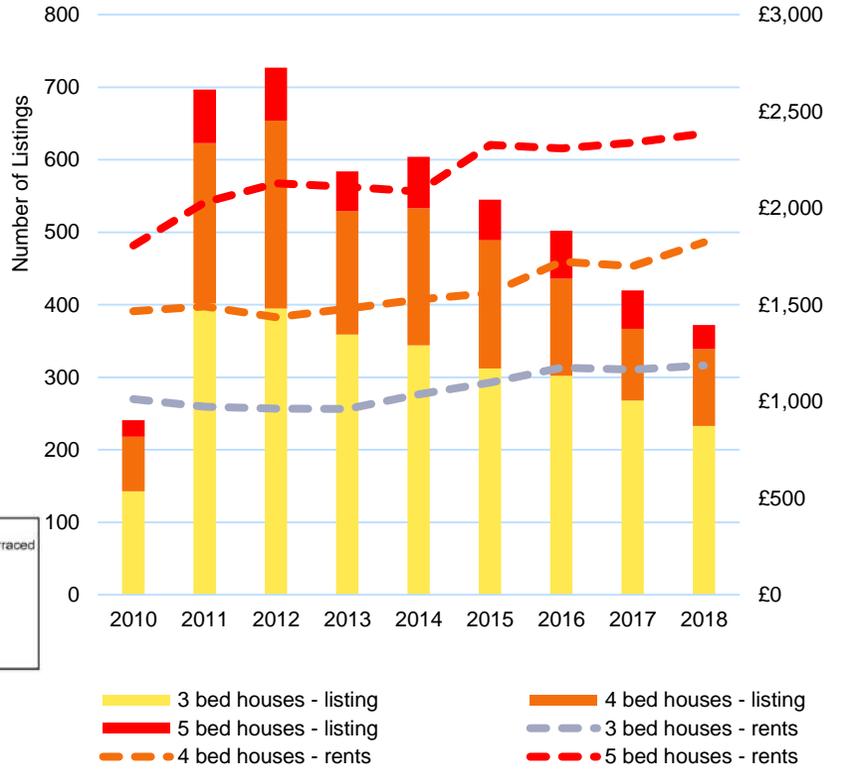
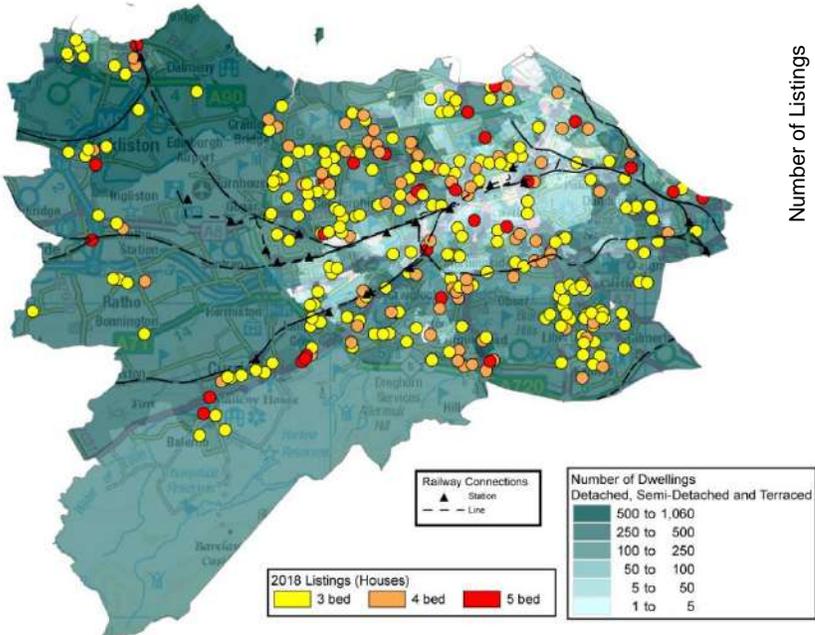
Rents for three bedroom houses stood at £1,187pcm which is 2% higher than the previous year and below the five year annualised growth rate of 3%. Listings fell 13%.

### Four bedroom houses

Rents for four bedroom houses increased by 7% year on year to £1,823pcm. This is higher than the five year annualised growth figure of 5%. Rental growth coincided with a slight increase in listings, up 7%, but they remain significantly below historic levels.

### Five bedroom houses

There were only 33 listings for five bedroom houses in Edinburgh, the lowest number of listings since 2010. The average rent was £2,386pcm which is 2% higher than the previous year and has been increasing at an annualised growth of 3% over the past five years.



# East Lothian – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
99,717	42,905	4,660	11%	104,944	45,301	5,881	13%	1,221	26%	56,574	25%

- The number of rental households in East Lothian has been growing steadily since 2006, but that growth has accelerated since 2012; the number of rental households are estimated to have grown by 60% compared to the 2011 census.
- The growth in the private rented sector is evident across the local authority area but there are stronger clusters along the train lines and in Haddington. With the considerable development taking place in Wallyford and Musselburgh we would expect that these areas will have witnessed further growth since 2011.
- Should the share of households remain at 13% the number of households would increase by 1,463 households in the private rented tenure but should it increase by 3% to 16% then there would be 3,161 more households.

**East Lothian is a popular suburban local authority offering coastal living within reach of Edinburgh. It has an established suburban rental market but stock levels remain limited.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation East Lothian’s renters are living in, but at the 2011 census 57% of renters, approximately 2,657 households, lived in houses.
- This compares to owner occupation where 82% of households live in houses and 60% of social renters.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 39% of households were single people and 29% of households had dependant children. This equated to just over 1,329 households with children.

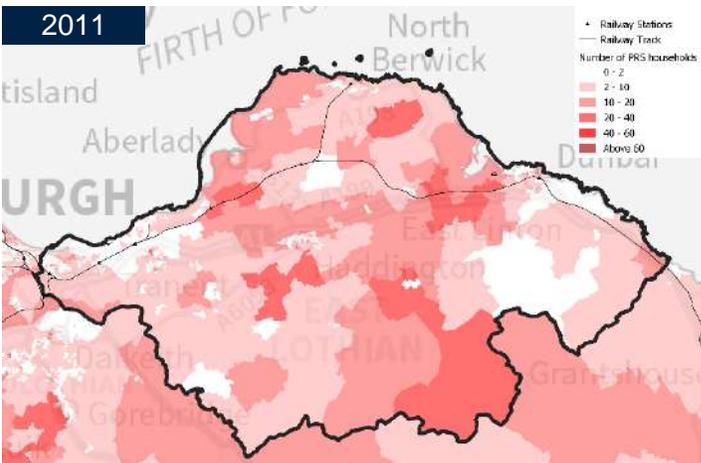


Chart showing average rents by property type

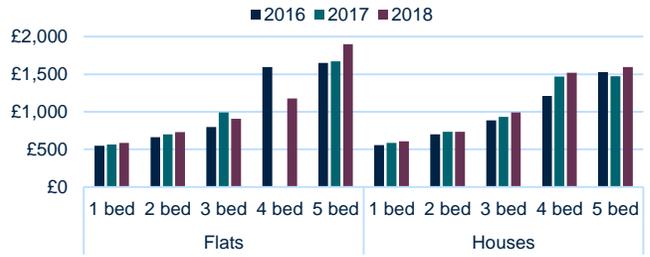
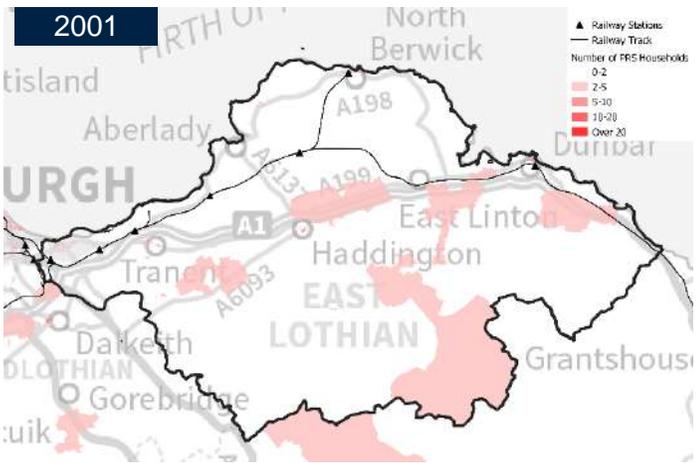


Chart showing change in tenure (2008-2017)



### Rental Market

- Across all types and bedroom sizes, rents within East Lothian have increased at an annualised rate of 5% per year over the past five years.
- However the past year rental growth has been higher at 9%. This growth has been driven by an increase in listings and rents for houses; up 7% year on year and 7% five year annualised growth.
- Rents for flatted properties have remained steady year on year and have had 3% five year annualised growth over the past five years.
- Total listings are falling. Year on they are down 12% but listings for houses have increased year on year, particularly the number of listings for three and four bedroom houses.

# East Lothian – rental market (houses)

East Lothian has enjoyed strong population and household growth and this is set to continue over the coming decades. This local authority is attractive to a range of groups including families, couples and older households due to its coast and great connectivity. There is an active rental market for houses but listings have been reducing, and rents have been increasing.

New, professionally managed supply for the rental market would help provide more options for those looking to rent in East Lothian and help accelerate the development of more homes within this area. Developments should deliver across a range of different sized sites, price points and types.

Houses accounted for 44% of listings in East Lothian in 2018 and three, four and five bedroom properties account for 28% of total listings. Listings are primarily located along the train lines, particularly in Wallyford and Musselburgh.

### Three bedroom houses

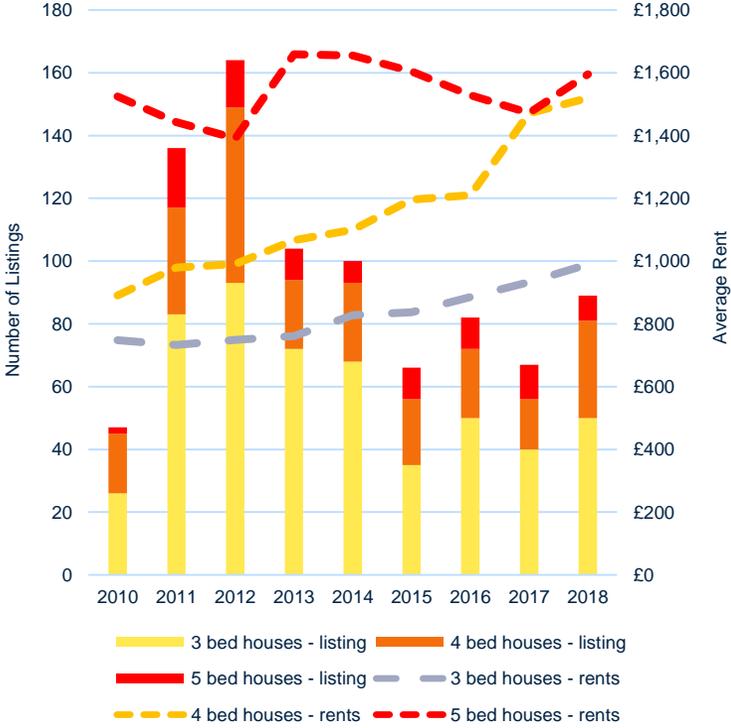
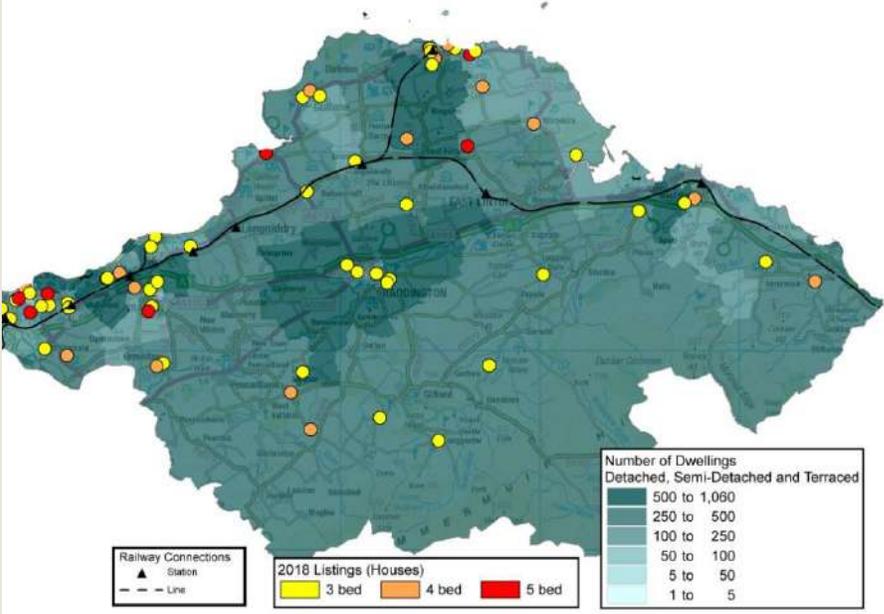
Asking rents for three bedroom houses have increased by 6% year on year to £990pcm and have been increasing at an annualised rate of 5% over the past five years. Listings increased from 40 to 50 year on year but this is still lower than historic listings levels, for example in 2012 there were 93 listings.

### Four bedroom houses

The average four bedroom rent was £1,520pcm in 2018 this is 3% higher than the previous year. Rents have witnessed 8% annualised growth over the past five years. Listings increased year on year from 16 to 31, the highest level for a number of years.

### Five bedroom houses

There were only eight listings for five bedroom properties in East Lothian during 2018 which is slightly less than the market has had over the past eight years. Rents increased by 8% year on year but this brings rents back in line with historic levels after falling slightly in 2017.



# Midlothian – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
83,187	34,978	2,959	8%	89,637	38,557	2,652	7%	-307	-10%	51,544	34%

- The number of rental households in Midlothian has been relatively steady, increasing in 2009 and 2013 but it has since fallen back a little, levelling out at 7%.
- Midlothian has witnessed significant development since 2011 but it has been focused on owner occupation and generally offered value for money and latterly lots of properties within the Help to Buy threshold.
- Despite this, over the past ten years (2008 to 2017) the number of households owning their home with a mortgage has declined.
- Between 2001 and 2011 and private rented sector grew across the local authority with the largest increased in the towns of Gorebridge and Penicuik.
- Should the private rented sector tenure continue to account for 7% of households then there would be a further 893 households in the tenure but should it increase to 10% there could be 2,440 more households.

**Midlothian has benefitted from new development and improved connectivity but listings remain limited.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation Midlothian’s renters are living in, but at the 2011 census 63% of renters, approximately 1,865 households, lived in houses.
- This compares to owner occupation where 86% of households live in houses and 61% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 34% of households were single people and 35% of households had dependant children. This equated to just over 1,028 households with children.

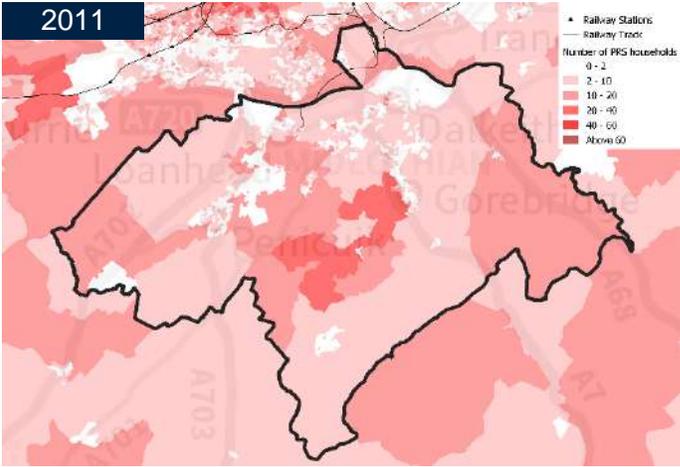


Chart showing average rents by property type

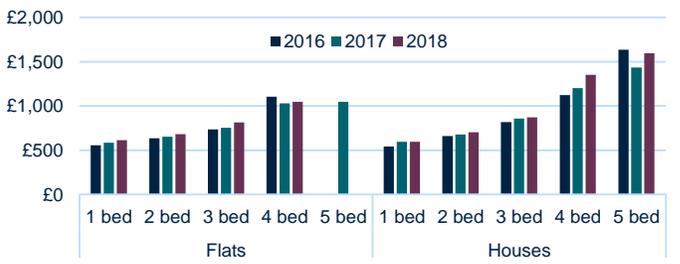
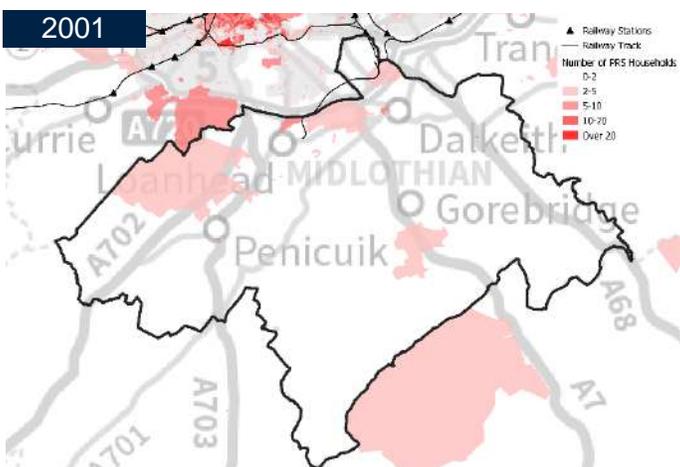
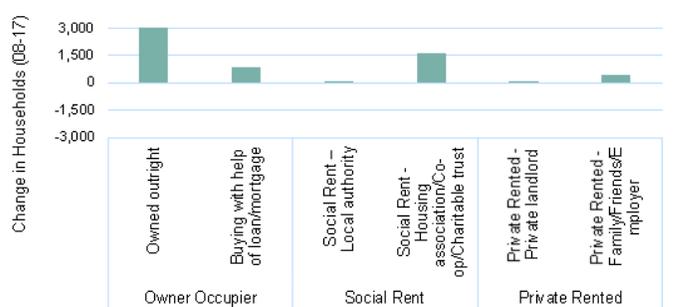


Chart showing change in tenure (2008-2017)



Rental Market

- Rents within Midlothian have been increasing at an annualised rate of 4% per year over the past five years but in the past year growth exceeded this at 5%.
- The average rent across all property types and sizes reached £780pcm in 2018.
- One and three bedroom flats, and four and five bedroom houses have witnessed the strongest annual rental growth.
- Listings have generally been dropping back year on year and in 2018 there were 361 listings, the lowest number since 2010.

# Midlothian– rental market (houses)

Midlothian has not witnessed the same growth in its private rented sector since 2011 as other local authorities in the Edinburgh and the Lothians region, despite strong household growth and new development. However, limited rental stock and increasing rents suggest that demand, particularly for family rental accommodation, is exceeding supply and the development of new purpose built rental supply would provide a range of options for existing and future households. Development should focus on the locations where there are strong transport links and existing amenities.

Houses account for 44% of listings in Midlothian and three, four and five bedroom properties account for 26% of total listings. The number of listings for three, four and five bedroom properties have increased year on year but they remain below historic levels.

### Three bedroom houses

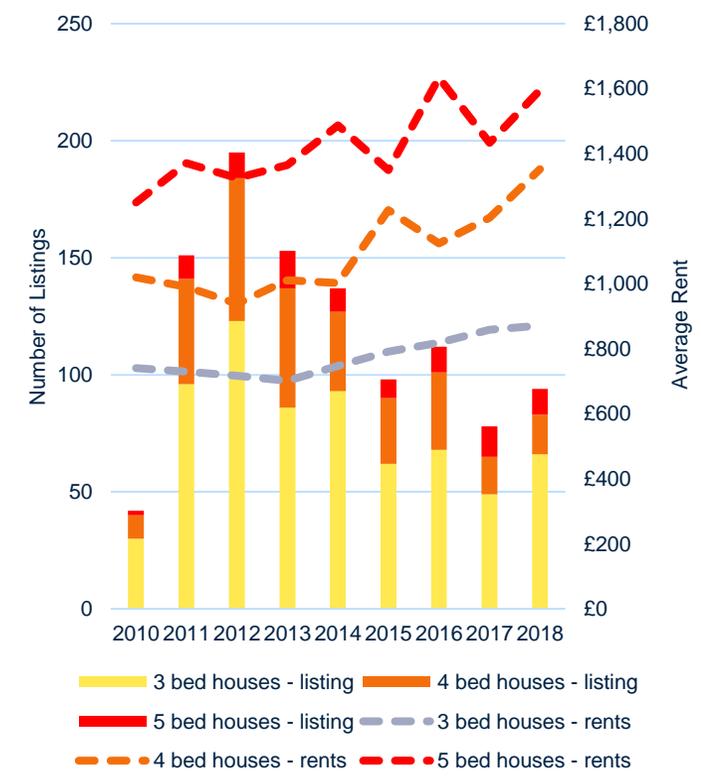
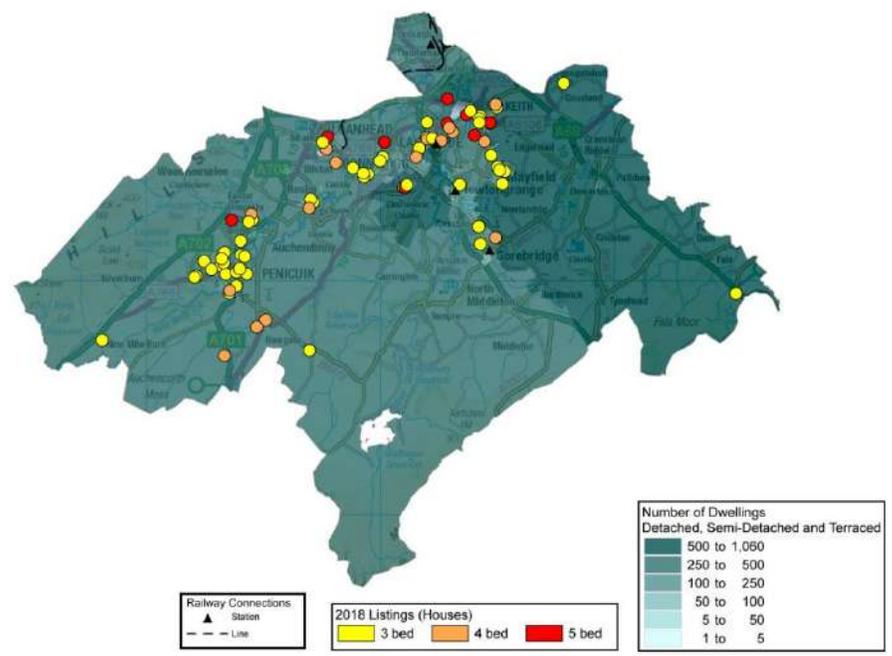
Three bedroom houses saw the most significant annual increase in listings from 49 to 66. As result rents remained relatively steady at £872pcm. Annualised growth over the past five years has been 4%.

### Four bedroom houses

The number of four bedroom house listings have remained steady year on year but below historic levels. Average rents meanwhile increased by 12% year on year to £1,353pcm and have witnessed annualised growth of 8% over the past five years.

### Five bedroom houses

Five bedroom houses account for a small share of the market and the number of listings have remained relatively steady. Rents have fluctuated over the past few years but year on year increased by 11% to £1,596pcm.



# West Lothian – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
175,188	73,398	7,752	11%	181,214	77,369	10,744	14%	2,992	39%	92,340	19%

- The number of rental households in West Lothian has been steadily increasing since 2006. Growth has primarily been as a result of a reduction in the number of households buying with the help of a mortgage.
- Between 2001 and 2011 the private rented sector increased across the majority of West Lothian. But the strongest clusters have been along the train lines connecting the area to Edinburgh and Glasgow. For example in Livingston and Bathgate.
- Should the private sector account for 14% of households in 2041 then there would be an additional 2,079 households in the tenure, should the tenure increase it's share to 17% then there would be an additional 4,849 households.

**West Lothian offers excellent connectivity and a number of attractive towns and is, as a result, popular with suburban renters.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation West Lothian's renters are living in, but at the 2011 census 59% of renters, approximately 4,594 households, lived in houses. This compares to owner occupation where 90% of households live in houses and 59% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 31% of households were single people and 39% of households had dependant children. This equated to 3,000 households with children.

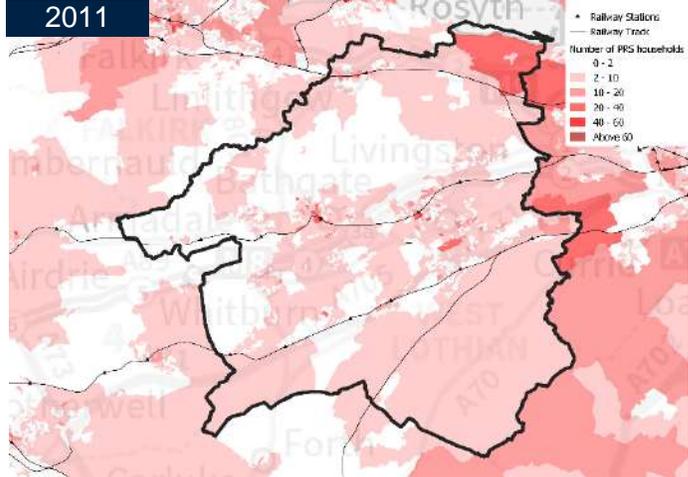


Chart showing average rents by property type

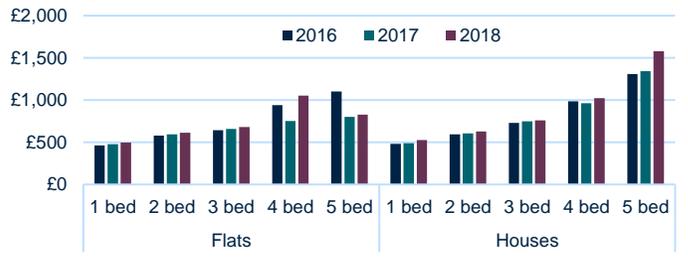
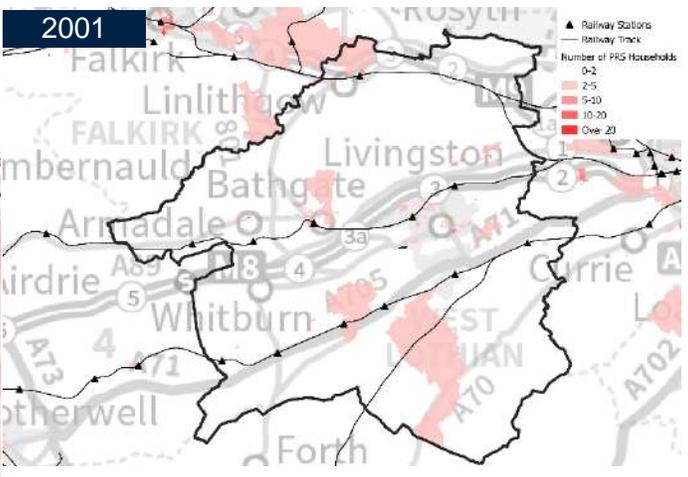
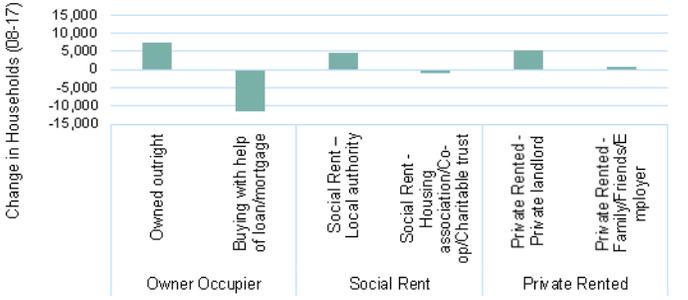


Chart showing a change in tenure (2008-2017)



Rental Market

- Across the rental market as a whole, rents have been increasing at an annualised rate of 3% over the past five years and this continued in 2018.
- Listings remained steady year on year at 838, but have declined from previous levels; there were 1,266 listings in 2012.
- Rental growth for four bedroom flats and four and five bedroom properties have exceeded the overall market both over the past year and on an annualised basis over the past five years.

# West Lothian– rental market (houses)

West Lothian’s towns have been increasing in popularity as more people look for affordably priced homes within reach of both Edinburgh and Glasgow. Many of the towns offer excellent amenities including train links. Despite an increasing number of households in the private rented sector the number of listings have been declining, particularly for family accommodation. The development of new family accommodation could play a vital role in delivering another option for West Lothian’s renters and should be focussed on a range of locations and price points.

Houses account for 37% of listings in West Lothian and three, four and five bedroom houses account for 22%. Therefore this analysis covers less than a quarter of the overall market.

### Three bedroom houses

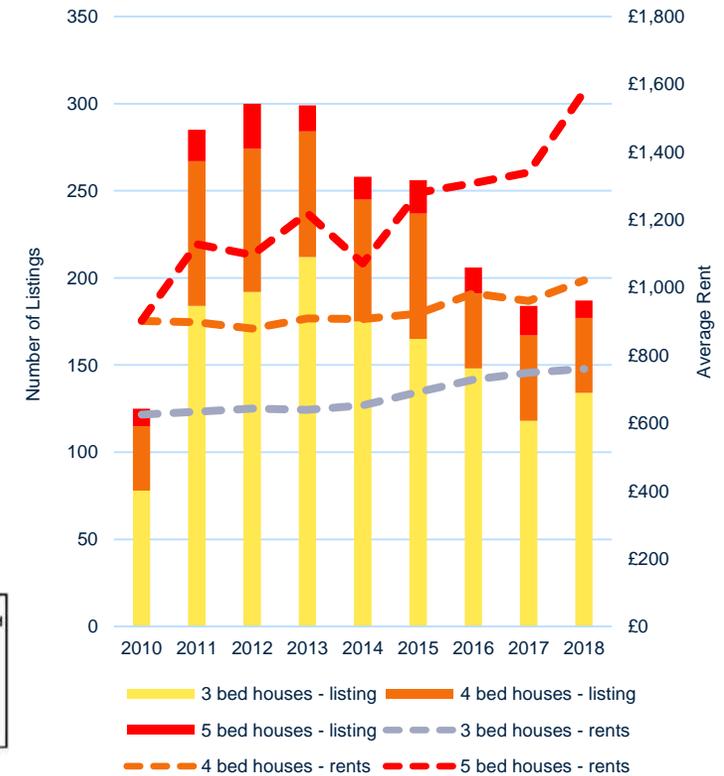
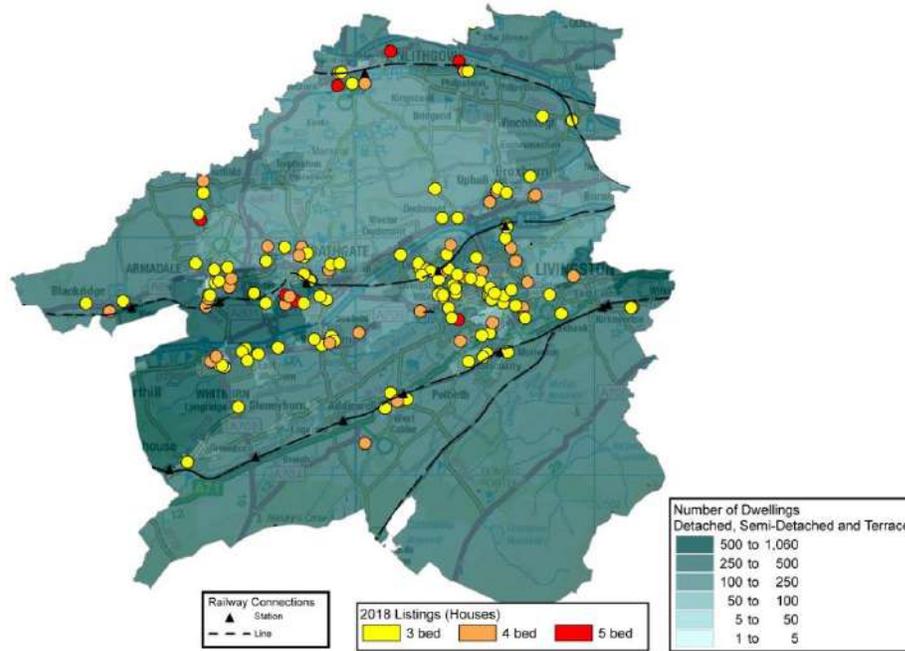
The average rent for three bedroom houses reached £760pcm in 2018, a 2% annual increase. This is slightly lower than the 4% annualised growth this house type has experienced over the past five years. Listings increased year on year to 134 but this remains below previous levels.

### Four bedroom houses

Four bedroom properties saw a 6% annual increase in average rent reaching £1,021pcm. This growth is ahead of annualised rental growth over the past five years, which has stood at 3%. The number of listings reduced to 43.

### Five bedroom houses

Five bedroom properties account for a small share of the market and number of listings have been reducing, in 2018 there were only 10 listings which is the lowest number since 2010. This has coincided with strong rental growth, 18% year on year and 10% annualised growth over five years. The average rent for a five bedroom property in 2018 was £1,579pcm.



# Rental hotspots

**West Craigs**

The area benefits from proximity to The Gyle Shopping Centre and Hermiston Gait retail parks. It is well situated for commuting to business districts at Edinburgh Park and RBS at Gogarburn as well as Edinburgh City Centre.

This area has had pockets of development in recent years but there are a number of large developments sites within the pipeline. These include sites at Cammo, West Craigs and the mixed use Edinburgh airport's Tech City, development amongst others.

**Musselburgh/ Wallyford**

Both Musselburgh and Wallyford sit within the East Lothian local authority area but they are just beyond the Edinburgh Bypass which make them a popular choice for those working the city due to their excellent train and road links.

Wallyford is expanding from a small village with the development of 1,450 new homes and a new school and there are a number of other sites coming forward in this area which will deliver a further 4,000 new homes over the coming decades in this popular location.

**Livingston**

Livingston, was developed in the 1960s as a new town and was developed around a number of small villages which give parts of the town different identities.

The town has two train stations and from both, Edinburgh Waverly can be reached in 25 minutes and Glasgow can be reached in around 50 minutes.

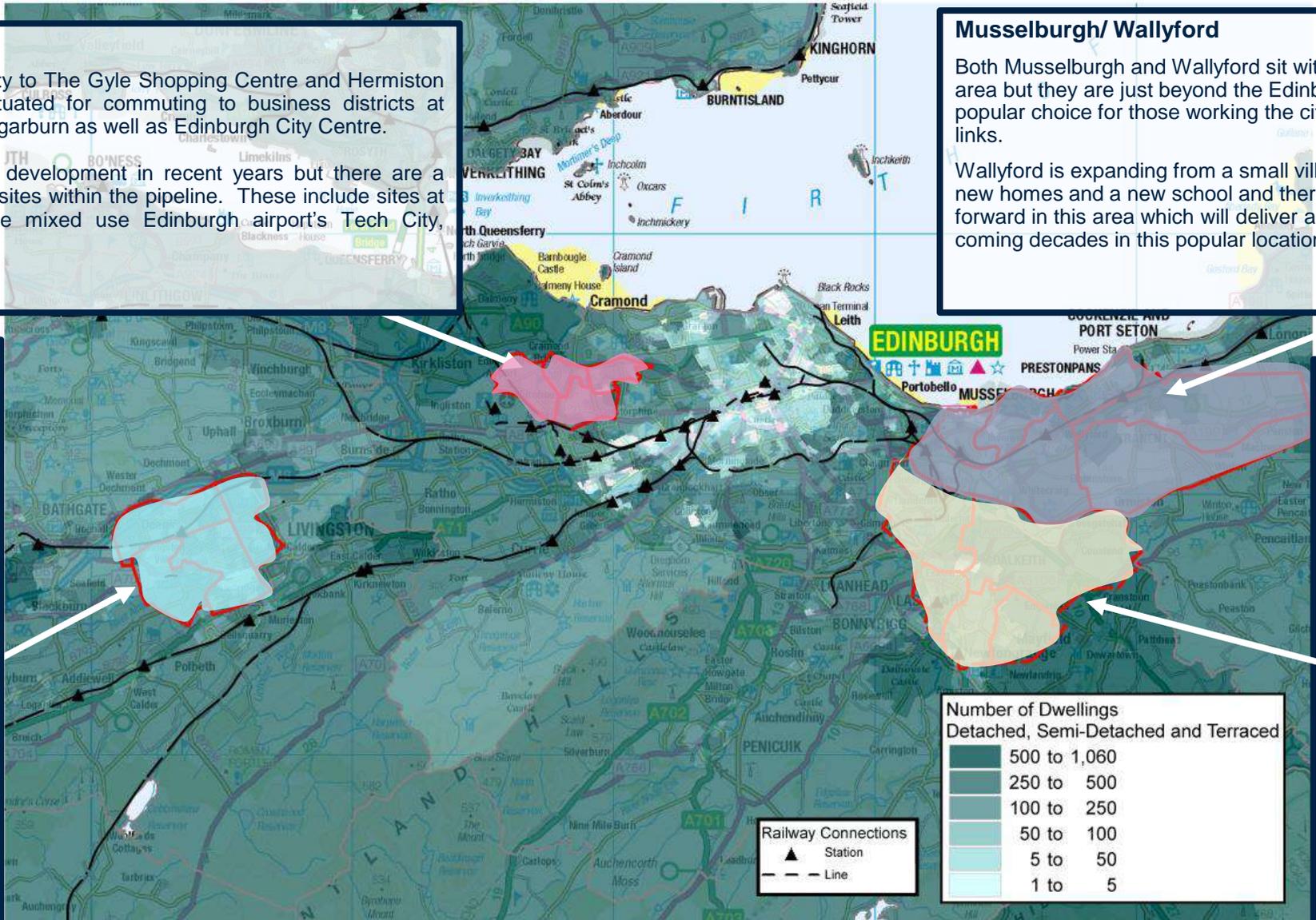
New developments are coming forward in the town, often on brownfield land, and are delivering new homes which are being absorbed quickly by the market. There are a number of sites in the pipeline and these will provide a much needed supply in this increasingly popular town.

**Shawfair/ Dalkeith**

Dalkeith is a traditional market town in the Midlothian local authority area. It provides an extensive range of high street and independent shops, restaurants and supermarkets.

Dalkeith expanded over the past ten years with many of PLC builders delivering larger developments over a number of years. Development is now extending into the wider area, including towards Shawfair.

Shawfair sits within the Edinburgh City boundary and has benefitted from a new train station and is developing into a new community of 4,000 homes.



# Edinburgh and Lothians suburban rental hotspot 1: MUSSELBURGH/ WALLYFORD (EH21 6, EH21 7, EH21 8, EH32 9, EH33 1, EH33 2)

Both Musselburgh and Wallyford sit within the East Lothian local authority area but they are just beyond the Edinburgh City Bypass and the area benefits from excellent connectivity. There are regular train services into Edinburgh Waverley from Brunstane, Newcraighall, Musselburgh, Wallyford, and Prestonpans all with travel time less than 15 minutes. The A1 running along the southern fringe of the area provides access into Edinburgh city centre and the city bypass. There are a variety of retail and leisure facilities in the locality including The Fort Kinnaird Retail Park, a cinema, various restaurant outlets and gym and sports facilities.

The 2018 East Lothian Local Development plan identifies some major zonings in the locality, which include; Wallyford(1,450 units), Musselburgh(1,500 units) Millerhill Marshalling Yards (800 units), Old Craighall and land at Queen Margaret (350 units each), Pinkie Mains (580 units) Whitecraig South and North (500 units), Dolphinstone site (600-800 units) and New Brunstane (500 - 600 units).

The average rent in Musselburgh and Wallyford was £792 per month in 2018. This equates to 8% higher than the previous year and over the past five years rents have been increasing at an annualised rate of 6% per year. All property types have witnessed growth but four and five bedroom houses have witnessed the highest growth over the past five years. With an increase in rental listings for four bedrooms, rental growth has steadied to 3%. Houses account for 25% of all listings.

### Experian Data:

Experian estimates that the number of households within this area has increased by 142 to 21,012 since 2011 and that the number of households in the rental sector has increased by 1,255 during this time to 2,892 households, or 14% of the total.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are typically less affluent than owner occupiers but there is a significant rental hub group which includes those just starting out.

### Mosaic groups of renters:

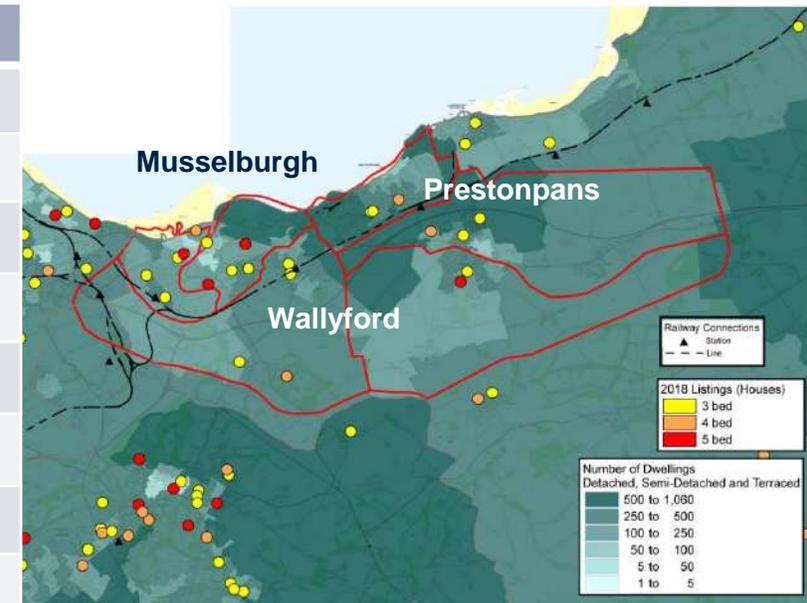
- 16% Modest Traditions
- 21% Rental Hubs
- 13% Vintage Values
- 12% Family Basics

### Mosaic groups of owner occupiers:

- 9% Prestige Positions
- 20% Domestic Success
- 12% Suburban Security
- 17% Aspiring Homemakers

48% of rental households have incomes between £15,000 and £30,000 with a further 28% earn between £30,000 and £45,000. Around 20% of rental households are expected to have children compared to 30% of owner occupiers.

Number of Households:			
Number of households (2011)	20,870		
Number of PRS households (2011):	1,637		
Number of PRS households with children (2011)	581		
Number of D,SD,T properties:	15,638		
Number of PRS households in D, SD, T properties:	897		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£965	£1,626	£1,800
Listings	14	11	4



The Old Gymnasium, Carberry	Newcraighall Road, Musselburgh	Stoneyhill Road, Musselburgh	Jim Bush Drive, Prestonpans
3 bedroom mid terraced house	4 bedroom detached house	2 bedroom semi-detached	3 bedroom terraced house
£1650pcm	£1599pcm	£885pcm	£995pcm
Unfurnished	Unfurnished or furnished	Unfurnished or furnished	Unfurnished

Lettings agents report strong interest in 3 and 4 bedroom houses. They report demand coming from a mix of families moving out of Edinburgh, downsizers and those relocating to Scotland from across the UK (attracted by the connectivity to Edinburgh city centre).

# Edinburgh and Lothians suburban rental hotspot 2: SHAWFAIR/ DALKEITH (EH22 1, EH22 2, EH22 3, EH22 4)

Dalkeith is a traditional market town offering an extensive range of high street and independent shops, restaurants, supermarkets. Shawfair meanwhile sits within the Edinburgh City boundary and has benefitted from a new train station and is developing into a new community of 4,000 homes. The area benefits from strong connectivity to Edinburgh, and it is served by the Borders Railway train stations with regular services into Edinburgh Waverley at Shawfair (15 mins) and Eskbank (19 mins). Sheriffhall Park and Ride also offers 8 buses per hour during weekdays to central Edinburgh via the Royal Infirmary. The A1 running through the middle of the area provides access into Edinburgh city centre and the city bypass.

Dalkeith expanded considerably over the past ten years and many of the same housebuilders are now developing at Shawfair. Once completed Shawfair will have 4,000 homes and a new community campus – including education and sport facilities. 700 of the homes will be available for social and mid-market rent.

The average rent within this area in 2018 was £823 per month. This equates to 11% higher than the previous year and rents have been increasing at an annualised rate of 4% over the past five years. Houses, particularly three, four and five bedroom houses have driven rental growth, with all house types experiencing annual rental growth in excess of 11%. Houses account for 37% of listings, but their share and number have fallen notably since 2013.

### Experian Data:

Experian estimates that the number of households within this area has increased by 844 to 13,423 since 2011 yet that the number of households in the rental sector has only grown slightly to 800 households, or 6% of the total.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are typically less affluent but in this location include a significant share of those starting out which then cross over with owner occupiers.

### Mosaic groups of renters:

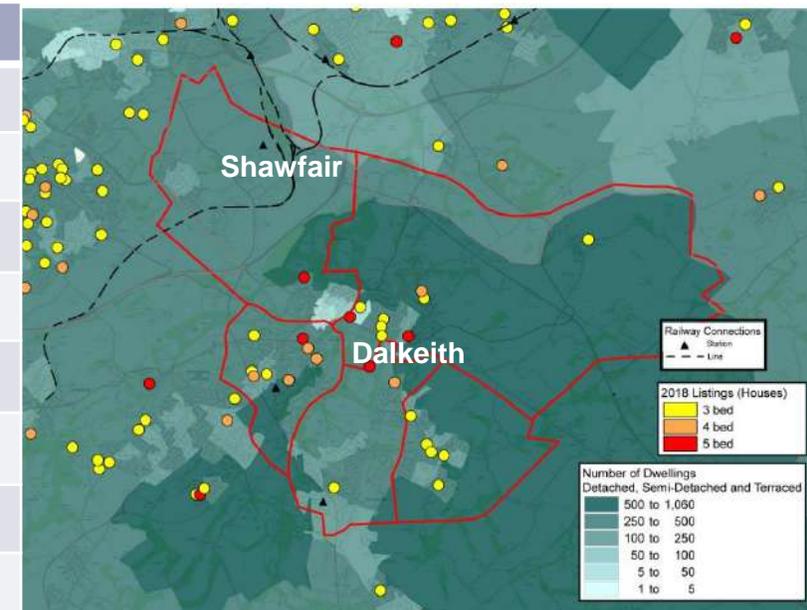
- 18% Aspiring Homemakers
- 12% Modest Traditions
- 13% Rental Hubs
- 17% Vintage Values

### Mosaic groups of owner occupiers:

- 18% Prestige Positions
- 15% Domestic Success
- 11% Suburban Security
- 20% Aspiring Homemakers

48% of rental households have incomes between £15,000 and £30,000 with a further 22% earn between £30,000 and £45,000. Around 24% of rental households are expected to have children compared to 32% of owner occupiers.

Number of Households:			
Number of households (2011)	12,579		
Number of PRS households (2011):	725		
Number of PRS households with children (2011)	307		
Number of D,SD,T properties:	9,344		
Number of PRS households in D, SD, T properties:	522		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£960	£1,540	£1,615
Listings	13	6	6



7 Magpie Gardens, Dalkeith	James Lean Avenue, Dalkeith	Easter Langside Drive, Dalkeith	Wilson Avenue, Dalkeith
6 bedroom detached house	5 bedroom terraced house	2 bedroom semi-detached	2 bedroom terraced
£1,800pcm	£1,045pcm	£825pcm	£625pcm
Unfurnished	Unfurnished	Furnished	Unfurnished

Letting agents in the area report strong demand for 3 and 4 bedroom houses, of which there is a shortage available for rent. Properties with 5 + bedrooms are harder to let where priced in excess of £1,500pcm. They report demand typically coming from young families moving within the locality, as well as those moving out of Edinburgh seeking more affordable rents. Properties available to rent are a mix of newly built housing at Wester Cowden and older c. 1970's built terraced housing.

# Edinburgh and Lothians suburban rental hotspot 3: WEST CRAIGS (EH12 8, EH4 8, EH4 7, EH12 0)

The area benefits from proximity to The Gyle Shopping Centre and Hermiston Gait retail parks. It is well situated for commuting to business districts at Edinburgh Park, RBS at Gogarburn and Edinburgh City Centre. The area has excellent public transport connections served by The Edinburgh Gateway train station (services to Waverley in c.12 mins) and tram stops at Edinburgh Gateway (Princes Street in 23 mins) and the Gyle Centre. Bus services can be accessed from two main corridors, Maybury Road and Queensferry Road. Maybury Road is served by two bus services.

There has been little development in this area recently but over the next ten years there are a number of large development sites coming forward. These include between 650 and 700 homes at Cammo Fields, 2,000 units allocated at West Craigs and a new mixed use 'tech city' is being planned for Edinburgh Airports disused 'crosswind' runway. Further, the International Business Gateway could deliver up to 2,500 homes and commercial uses.

The average rent in West Craigs was £915 per month in 2018 and rents increased by 4% which is in line with the five year annualized growth figure. Houses accounted for 35% of listings in 2018 which was an increase in share from previous years but this was a consequence of a drop in listings across both houses and flats. Houses have witnessed steady rental growth but with few listings for three or more bedrooms. It is three bedroom flats and four bedroom houses which are in highest demand.

### Experian Data:

Experian estimates that the number of households within this area has increased by 95 to 9,903 since 2011 yet that the number of households in the rental sector has grown by 326 households to 11% of the total.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. There is cross over in respect of aspiring home makers in this area suggesting it is popular with young families both renting and buying.

### Mosaic groups of renters:

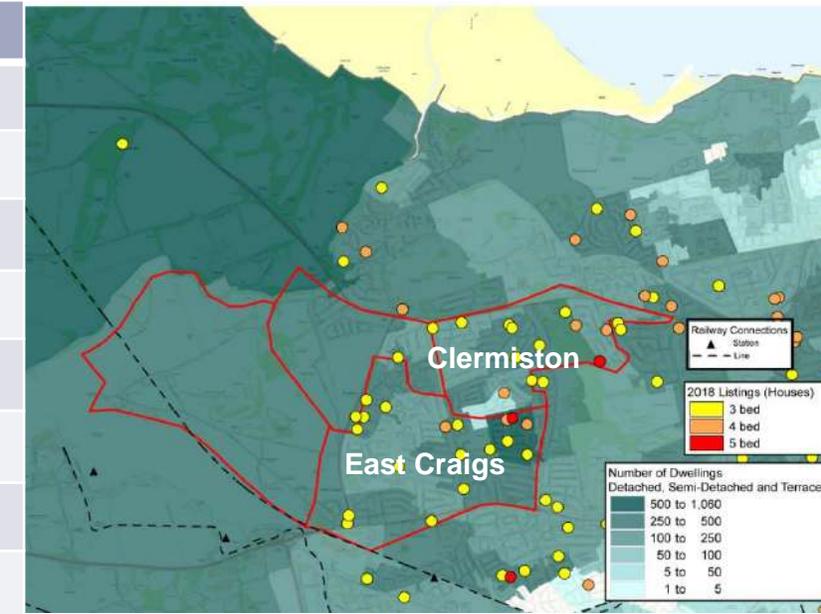
- 15% Aspiring Homemakers
- 11% Modest Traditions
- 32% Rental Hubs
- 13% Vintage Values

### Mosaic groups of owner occupiers:

- 39% Prestige Positions
- 16% Domestic Success
- 12% Senior Security
- 15% Aspiring Homemakers

46% of rental households have incomes between £15,000 and £30,000 with a further 24% earn between £30,000 and £45,000. Around 11% of rental households are expected to have children compared to 29% of owner occupiers.

Number of Households:			
Number of households (2011)	9,808		
Number of PRS households (2011):	763		
Number of PRS households with children (2011)	356		
Number of D,SD,T properties:	7,021		
Number of PRS households in D, SD, T properties:	380		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£1,166	£1,503	£2,147
Listings	26	7	4



Parkgrove Road, Barton	Craigs Park, Craigmount	South Gyle Wynd, Gyle	North Gyle Road, Costorphine
3 bedroom detached bungalow	2 bedroom semi detached	2 bedroom semi-detached	2 bedroom detached bungalow
£1,650pcm	£875 pcm	£795pcm	£950pcm
Unfurnished	Furnished	Part furnished	Furnished

Lettings agents with houses currently listed in the area report a shortage of family housing to let. They are witnessing interest coming from young families, professional couples, and families that have relocated from elsewhere in the UK or Europe to Edinburgh. Agents reported that they are receiving particular interest in 3 and 4 bedroom family houses in The Gyle area. The majority of available rental stock was over 20 years old. New build 3 bedroom terraced houses are achieving typically £1200 - £1500 pcm but are rarely available.

# Edinburgh and Lothians suburban rental hotspot 4: LIVINGSTON (EH54 8, EH54 7, EH54 6, EH54 5)

Livingston, was developed in the 1960s as a new town and was developed around a number of small villages which give parts of the town different identities. The town is also home to Livingston Designer Outlet Village and The Centre in Livingston which both host retail and a number of restaurants and cafés. Located 15 miles from Edinburgh and 30 miles from Glasgow this area is popular with commuters from both cities. The town has two train stations and from both, Edinburgh Waverley can be reached in 25 minutes and Glasgow in around 50 minutes.

Planning consent for a new village at Calderwood for 2,300 homes was secured in 2014. Since then, over 350 houses have been delivered and phase 3 of the development is now underway. Springfield Properties has announced that it has secured 400 acres to the south west of Livingston where it will develop 1,900 new homes.

Year on year the number of listings have risen in Livingston, so too have rents. The average overall rent increased by 4% to £662 per month which is on par with the five year annualised growth figure. Houses account for 28% of listings, which is lower than it has been historically as listings have shifted towards more flatted properties. There were only 8 listings for four bedroom houses during 2018, a slight improvement from the previous year but rents increased by 13% to £1,015.

### Experian Data:

Experian estimates that the number of households within this area has fallen by 328 to 18,910 since 2011 yet that the number of households in the rental sector has grown significantly to 3,694 households equating to 20% of the total.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are less affluent but there is significant cross over with owner occupiers but typically incomes will be lower which limits borrowing power.

### Mosaic groups of renters:

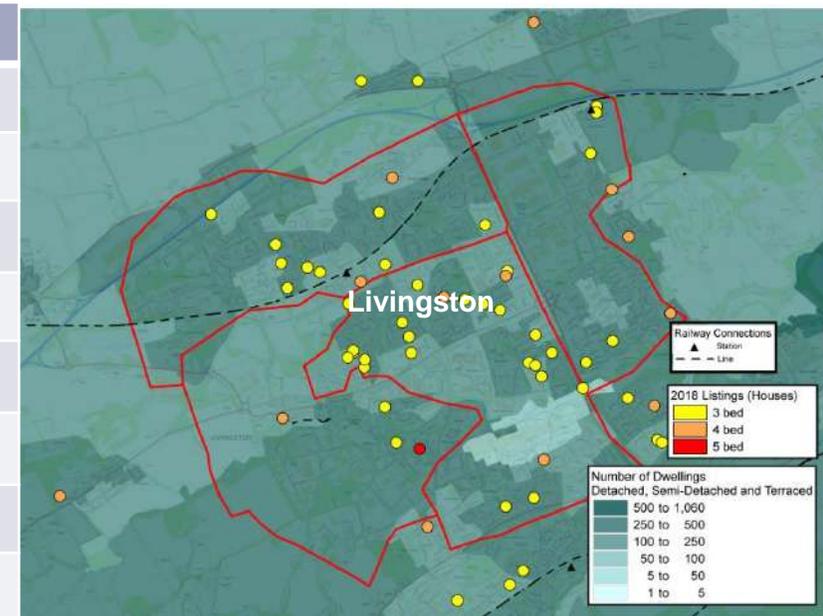
- 23% Modest Traditions
- 10% Rental Hubs
- 11% Vintage Values
- 28% Family Basics

### Mosaic groups of owner occupiers:

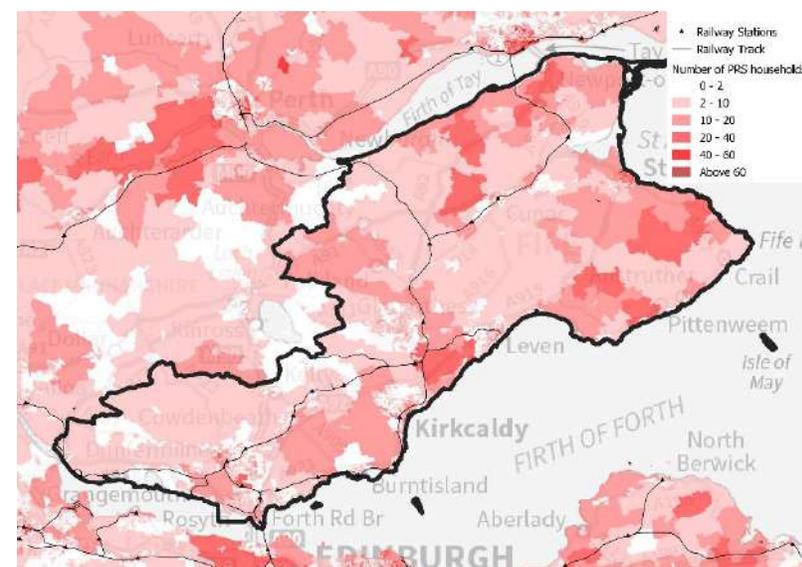
- 21% Domestic Success
- 14% Suburban Security
- 18% Aspiring Homemakers
- 18% Modest Traditions

52% of rental households have incomes between £15,000 and £30,000 with a further 27% earn between £30,000 and £45,000. Around 29% of rental households are expected to have children compared to 34% of owner occupiers.

Number of Households:			
Number of households (2011)	19,238		
Number of PRS households (2011):	2,119		
Number of PRS households with children (2011)	1,075		
Number of D,SD,T properties:	15,995		
Number of PRS households in D, SD, T properties:	1,490		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£756	£1,016	£995
Listings	47	8	1



Howatson Court, Livingston	Foxknowe Place, Livingston	Barclay Way, Livingston	Kirkfield East, Livingston
4 bedroom detached house	3 bedroom semi detached house	4 bedroom end of terrace	2 bedroom detached house
£1,295pcm	£800pcm	£795pcm	£625pcm
Unfurnished	Part furnished	Unfurnished	Part furnished
Lettings agents with houses currently listed in the area report a major shortage of family housing available to rent. Where 3 and 4 bedrooms houses are priced in excess of £900 pcm the market is thinner. Agents report strongest interest for smaller 3 and 4 bedroom mid terrace and semi detached properties priced between £600-£800 pcm. The majority of interest is from young families, with some interest from those downsizing. In a growing number of cases lettings are being achieved within 24 hrs of being listed			



**Fife is a large and varied local authority area encompassing a number of individual towns and villages, some more interconnected than others. It has witnessed a substantial increase in its private rented sector. The sector has grown from 7.4% of households in 2008 to 13.7% in 2017, an almost doubling in share. The local authority area includes the University of St Andrews which will account for a share of rental households, but not all.**

Fife has witnessed growth in both population and households over recent years. The population of this region is now estimated to stand at 371,153, which is 4% higher than it was in 2011. There are estimated to be around 166,960 households.

The Fife local authority area is large and encompasses a number of towns and villages and connectivity varies between towns. Those located in the south of the local authority area benefit from strong connectivity into Edinburgh, and the north to Dundee, both primarily by train. The same train line extends connects between the two offering good cross local authority travel. That said, the area around Pittenweem and Crail is not connected by train but there are a number of bus routes available here.

The rental market can be found in the area's many larger towns including Dunfermline, Kirkcaldy, Glenrothes and St Andrews but also in smaller numbers in villages such as Anstruther. Across the region 54% of rental households in 2011 lived in houses. This equates to around 10,723 households. But rental households are under represented in houses compared to owner occupiers (85%) and on par with social tenants (54%).

Since 2011 the private rented sector has grown by 16% to 22,969 households, up from 19,729 households in 2011. This is below the growth levels witnessed elsewhere but the social sector has witnessed a small increase in share of households and Fife had a relatively well established rental tenure by 2011 compared to other local authorities.

The number of households are forecast to increase by 12% over the period between 2017 and 2041. Recent development levels have delivered on average 1,259 units per year, supported considerably by Help to Buy at some price points and affordable housing has typically accounted for around one third of development.

Should the share of PRS households remain at 14% then the number of PRS households within the region would increase to 25,243 by 2041, an increase of in excess of 2,200 households. However, should each local authority see their share of households increase by 3% then the number would reach 30,652, an additional 7,684 households. These figures are conservative compared to the growth witnessed even over the past six years.

Growth will be spread across the region and include both suburban and urban locations. Therefore from household growth alone there is potential for suburban build to rent development within Fife. However, should high quality, professionally managed suburban rental products come forward we anticipate that demand would come not just from new households but existing households looking for a different type or size of property and potentially people would consider moving in order to access a high quality new home.

	Fife
Population (2011):	357,440
Households (2011):	160,952
Number of PRS Households (2011):	19,729
%Share of PRS Households (2011):	12%
Population (2017):	371,153
Households (2017):	166,960
Number of PRS Households (2017):	22,969
%Share of PRS Households:	13.7%
Growth in PRS since 2011	3,240
% Growth in PRS since 2011	16%
Household forecast (2041):	180,308
% Increase in Households:	12%

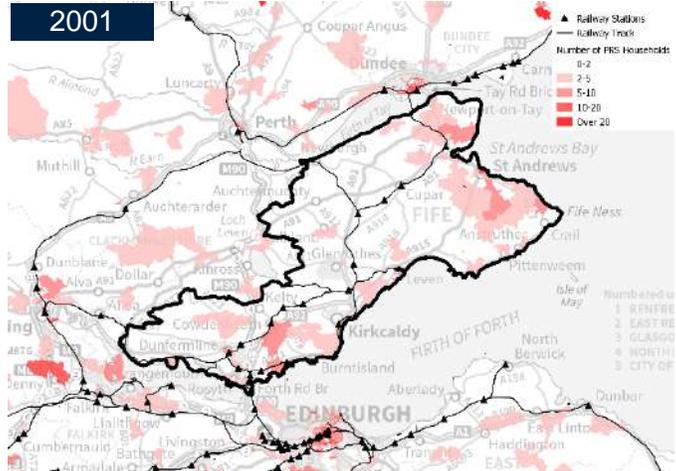
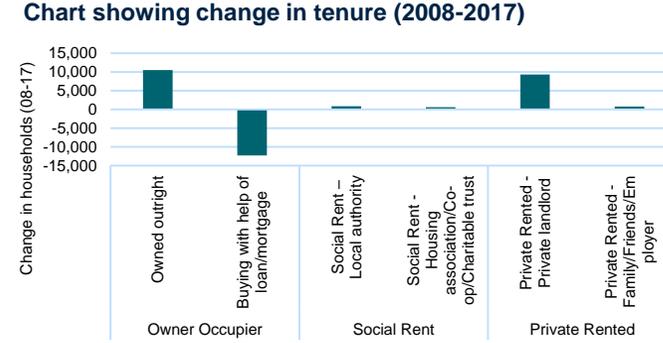
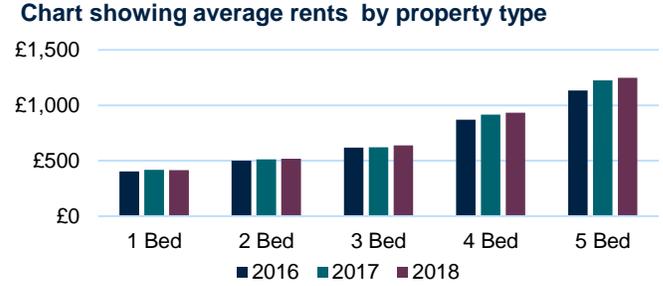
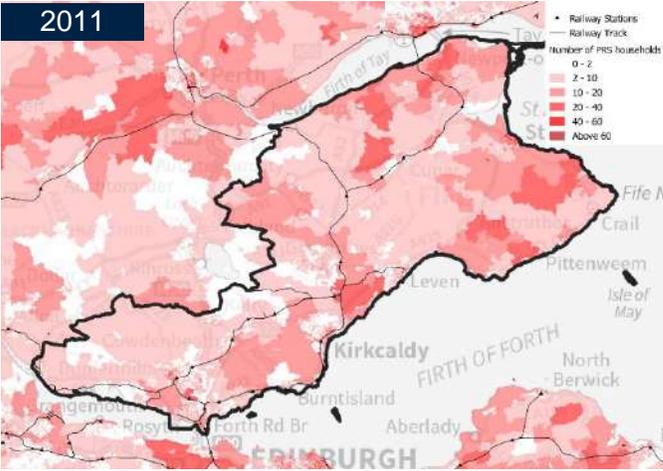
# Fife – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
357,440	160,952	19,952	12%	371,153	166,960	22,969	16%	3,240	16%	180,308	12%

- The number of rental households in Fife have been growing since 2002 but growth has intensified since 2007, overall the trend has been upwards and now the sector is estimated to stand at 13.7% of households. Growth has primarily been a result of a reduction in the number of households owner occupying, particularly those owning outright.
- Between 2001 and 2011 the private rented sector increased across the majority of Fife but the strongest growth has been in the area's towns particularly Dunfermline, Kirkcaldy and St Andrews.
- Should the private sector account for 14% of households in 2041 then there would be an additional 2,274 households in the tenure, should the tenure increase it's share to 17% then there would be an additional 7,684 households.

**Fife has a number of interconnected towns which create an active, and varied rental market.**

- The Scottish Household Survey gives us insight into the type of accommodation Fife's renters are living in, but at the 2011 census 54% of renters, approximately 10,723 households, lived in houses. This compares to owner occupation where 85% of households lived in houses and 53% of social rented tenants but the 2017 SHS reported that just 38% of renters still lived in a house, down from 47% in 2013.
- The SHS gives us information on the age and household structure of rental tenants and demonstrated that 27% of households were families but the 2011 census reported that 34% of households were single people and 23% of households had dependant children. This equated to 1,217 households with children.



**Rental Market**

- The number of listings within Fife increased by 1% year on year to 1,533 but this is 2% lower than the five year average.
- The average rent across all property types in Fife increased by 3% year on year to £599 per month. This is 11% higher than the five year average and 17% higher than in 2010. Annualised growth has stood at 3% per year over the past five years.
- The average rent for flats increased by 2% year on year to £534 per calendar month and this is on par with the five year annualised growth figure. Flats account for 67% of listings.
- Houses account for the remaining 33% of listings and the average rent for houses in Fife increase by 3% year on year to £731 per month. This is on par with the five year annualised growth figure.

# Fife – rental market (houses)

Fife has an established rental market for houses but as a large local authority area it includes a significant number of individual markets each with their own drivers for demand and average price points. Development of homes for rent at around average rents for the individual area could perform very well and should aim to be delivered in pockets across a range of locations.

Houses account for 33% of listings in Fife and three, four and five bedroom houses account for 16% of total listings. Therefore this analysis covers a small part of overall market.

In Fife student lettings are prevalent in areas in proximity to the University of St Andrews and Fife College in Glenrothes and these impact on demand and prices within the rental markets.

There are almost three market areas in Fife; Dunfermline, Glenrothes and Kirkcaldy and St Andrews. Each is distinct in respect of demand and price point.

**Three bedroom houses**

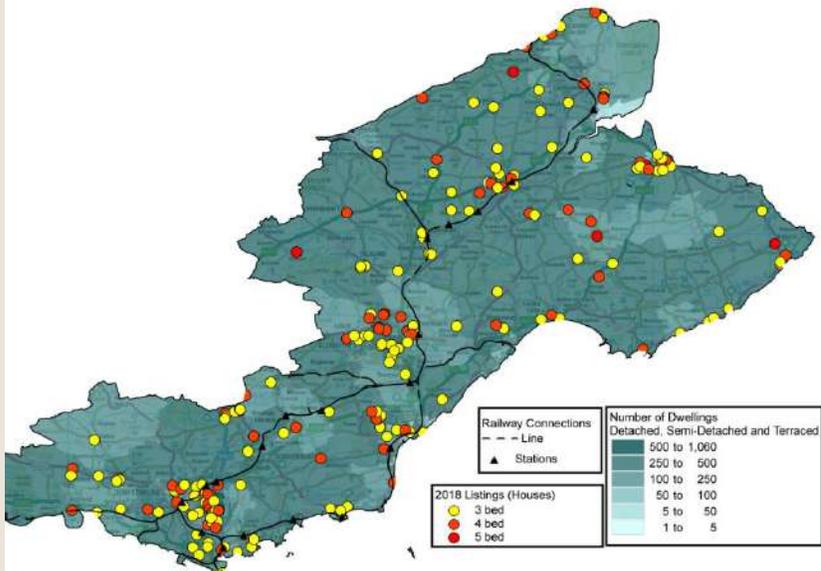
Three bedroom houses witnessed a 7% fall in stock listings and a 5% annual increase in rents bringing the average rent to £751 per month. This growth is ahead of the five year annualised growth figure of 4%.

**Four bedroom houses**

The average rent for a four bedroom house was £1,032 per month in 2018. This equates to 11% higher than the previous year despite listings increasing by 10% to 80. Annualised rent growth over the past five years has stood at 5% so the past year represents a significant change.

**Five bedroom houses**

Listings for five bedroom houses fell by 56% to 7 and average rent increased by 5% to £1,328. Annualised rent growth has stood at 4%.



# Fife hotspots

**St Andrews/ Leuchars:**

St Andrews has benefitted from pockets of new development over the past ten years, primarily delivering flats. However, with the recent St Andrews West Strategic Development area being given the go-ahead the town will benefit from considerable expansion with 1,470 homes planned. Demand for rental properties in St Andrews primarily comes from students with houses popular with PHD and international students. Meanwhile two and three bedroom properties in Leuchars are very popular with young families and couples.

**Kirkcaldy:**

Kirkcaldy has had a steady supply of new development over the past thirty years and with work starting on the Kingdom Park development of 1,000 new homes to the town's North East will provide a significant source of new supply alongside considerable amenity.

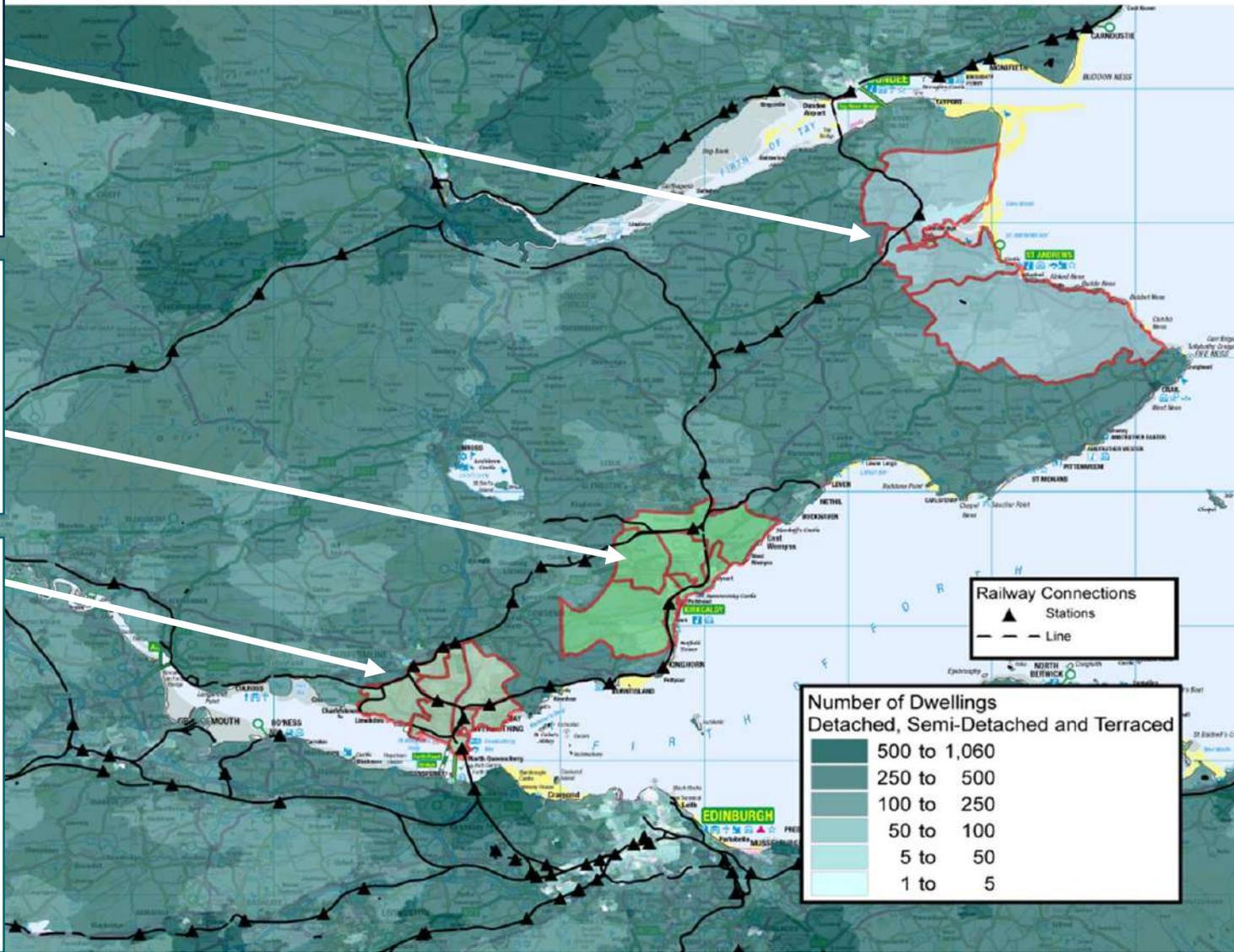
Houses for rent in Kirkcaldy are popular with local residents, particularly young couples and families looking for extra space. There are a number of smaller markets operating within Kirkcaldy.

**Dunfermline:**

Dunfermline has been home to a significant amount of new development over the past twenty years, particularly evident to the East of the town. Looking forward this is set to continue alongside development to the town's south and in the neighbouring towns of North Queensferry and Dalgety Bay.

This area offers excellent connectivity with train links connecting the town into Edinburgh in just over 30 minutes from Dunfermline town centre and 26 minutes from Dalgety Bay. Meanwhile Kirkcaldy can be reached in 30 minutes. The new bridge has improved connectivity to the central belt for those commuting by road, and there are excellent bus links.

This is a very popular market with all stock being readily absorbed by the market if well presented and priced correctly. Lots of demand for young couples and families with many looking for extra space in the right location.



# Fife suburban rental hotspot 1:

DUNFERMLINE SOUTH/ DALGETY BAY/ NORTH QUEENSFERRY (KY11 1, KY11 2, KY11 3, KY11 4, KY11 7, KY11 8, KY11 9)

Dunfermline has been home to a significant amount of new development over the past twenty years, particularly evident to the East of the town. Looking forward this is set to continue alongside development to the town's south and in the neighbouring towns of North Queensferry and Dalgety Bay.

This area offers excellent connectivity with train links connecting the town into Edinburgh in just over 30 minutes from Dunfermline town centre and 26 minutes from Dalgety Bay. Meanwhile Kirkcaldy can be reached in 30 minutes. The new bridge has improved connectivity to the central belt for those commuting by road and there are excellent bus links.

Houses account for 31% of listings within this area and overall rents have increased by 2% annually to £590, annual growth is on par with the five year annualised growth. Over the past year rental growth has been driven by houses which saw the average rent increase by 5% compared to flats which remained steady. Rents for three bedroom properties increased by 8% to £730 despite an increase in listing, which is ahead of the year annualised growth figure of 3. Four bedroom properties witnessed the strongest growth at 23% year on year which can be linked to a fall in listings, placing rental growth ahead of the five year annualised figure of 8%. There were no four bedroom listings.

## Experian Data:

Experian estimates that the number of households within this area has increased by 810 26,306 since 2011 and the number of households in the rental sector has grown only a little by approximately 300 households equating to 10% of the total.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are less affluent than owner occupiers but many are in employment but not earning high salaries and are therefore limited in the opportunity to raise deposits and purchase a home.

## Mosaic groups of renters:

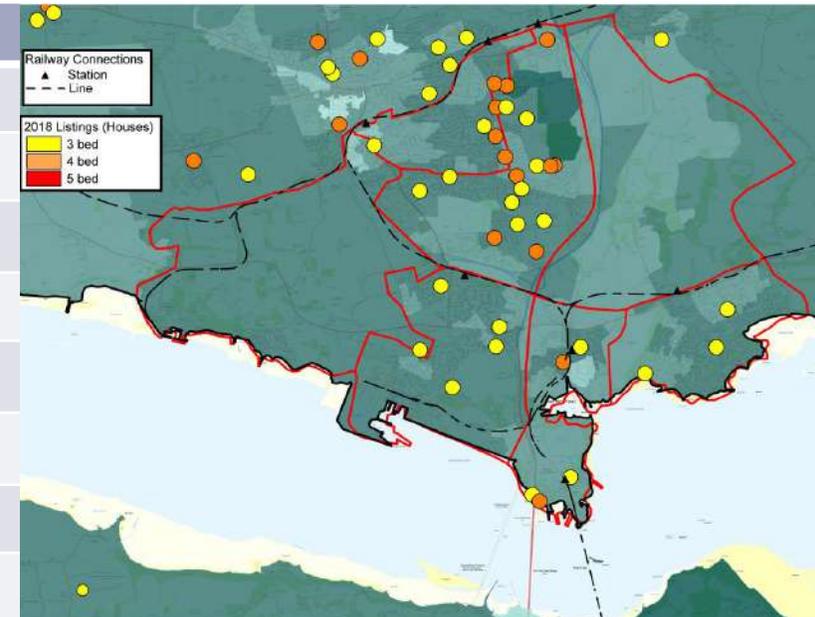
- 14% Modest Traditions
- 15% Vintage Values
- 18% Transient Renters
- 16% Family Basics

## Mosaic groups of owner occupiers:

- 13% Prestige Positions
- 24% Domestic Success
- 10% Suburban Stability
- 15% Aspiring Homemakers

51% of rental households have incomes between £15,000 and £30,000 with a further 11% earn between £30,000 and £45,000. Around 26% of rental households are expected to have children compared to 35% of owner occupiers.

Number of Households:			
Number of households (2011)	25,501		
Number of PRS households (2011):	2,261		
Number of PRS households with children (2011)	1,039		
Number of D,SD,T properties:	21,935		
Number of PRS households in D, SD, T properties:	1,625		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£730	£1,173	N/A
Listings	30	14	N/A



Norway Gardens, Dunfermline	Swift Street, Dunfermline	Lt Sales Avenue, Dalgety Bay	Glamis Place, Dalgety Bay
3 bedroom end terraced house	3 bedroom end terraced house	4 bedroom detached house	4 bedroom detached house
£750pcm	£765pcm	£1,250pcm	£1,400pcm
Unfurnished	Unfurnished	Unfurnished	Unfurnished

This is a very popular market with all stock being readily absorbed by the market if well presented and priced correctly. Lots of demand for young couples and families with many looking for extra space in the right location.

# Fife suburban rental hotspot 2: KIRKCALDY (KY1 1, KY 1 2, KY1 3, KY1 4, KY2 5, KY2 6)

Kirkcaldy has had a steady supply of new development over the past thirty years and with work starting on Kingdom Park development of 1,000 new homes to the town's North East will provide a significant source of new supply alongside considerable amenity.

This area offers good connectivity with train links connecting the town to other towns in Fife such as Burntisland and Dalgety Bay in under 30 minutes. Meanwhile within 45 minutes travel by public transport parts of Edinburgh can be reached alongside St Andrews. Meanwhile the new bridge has improved connectivity to the central belt for those commuting by road within 45 minutes drive most of Fife can be reached alongside most of West Lothian.

Houses account for 15% of listings within this area and overall rents have fallen by 1% year on year which contrasts with 1% annualised growth over the past five years. Houses meanwhile have witnessed 2% annual rental growth which is below the five year annualised growth figure of 4%. Three bedroom properties have witnessed the strongest growth, average rents increased by 6% to £710, slightly ahead of the five year annualised of 5% which can be linked to a fall in listings. Four bedroom properties witnessed a slight fall in rents but listings increased slightly. Meanwhile five bedroom properties remained steady both in respect of rents and listings.

### Experian Data:

Experian estimates that the number of households within this area has fallen slightly since 2011 yet that the number of households in the rental sector has grown by 1,279 to 4,054 households equating to 16% of the total.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are less affluent than owner occupiers and therefore are likely to experience challenges when it comes to raising deposits and qualifying for mortgages.

### Mosaic groups of renters:

- 20% Rental Hubs
- 16% Vintage Values
- 17% Transient Renters
- 26% Municipal Challenge

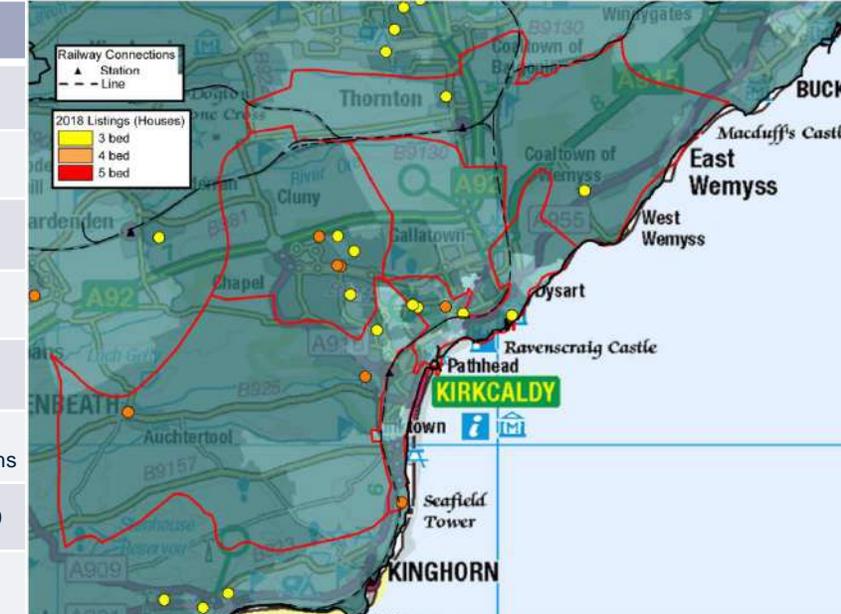
### Mosaic groups of owner occupiers:

- 13% Domestic Success
- 14% Suburban Stability
- 12% Aspiring Homemakers
- 13% Modest Traditions

49% of rental households have incomes between £15,000 and £30,000 with a further 11% earn between £30,000 and £45,000.

Around 17% of rental households are expected to have children compared to 26% of owner occupiers.

Number of Households:			
Number of households (2011)	26,010		
Number of PRS households (2011):	2,775		
Number of PRS households with children (2011)	1,039		
Number of D,SD,T properties:	10,224		
Number of PRS households in D, SD, T properties:	1,286		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£710	£820	£1,200
Listings	11	8	1



Jute Place, Kirkcaldy	West Torbain, Kirkcaldy	129 Strathallan Drive, Kirkcaldy	East Quality Street, Dysart
3 bedroom end terraced house	3 bedroom mid terraced house	3 bedroom semi detached house	4 bedroom townhouse
£675pcm	£695pcm	£735pcm	£695pcm
Furnished	Unfurnished	Unfurnished	Unfurnished

Popular market with families and those looking for extra space. Driven primarily by those living locally and looking to stay in the same area.

# Fife suburban rental hotspot 3: ST ANDREWS AND LEUCHARS (KY16 8, KY16 9, KY16 0)

St Andrews has benefitted from pockets of new development over the past ten years, with flatted development dominating. However, with the recent St Andrews West Strategic Development area being given the go-ahead the town will benefit from considerable expansion with 1,470 homes planned.

St Andrews is comparatively remote compared to other towns in the study. Public transport gives the area access to neighbouring towns such as Crail and Anstruther within 30 minutes meanwhile Dundee can be reached within 45 minutes. Within 45 minutes of driving most of eastern Fife is accessible alongside significant parts of Dundee and Angus.

Houses account for 54% of listings within this area. The average rent across this area increased by 17% year on year from £850 to £997 but this brings it back in line with the average rents in 2015-2016 suggesting that 2017 was an anomaly. Both flats and rents have witnessed steady rental growth. Three bedroom houses annual rental growth of 15% ahead of the five year annualised figure of 4%, similarly rents for four bedroom houses witnessed 23% annual increase, ahead of the five year annualised figure of 8%. Five bedroom properties witness considerable fluctuation due to HMO properties.

### Experian Data:

Experian estimates that the number of households within this area has fallen since 2011 but this can likely be attributed to transient students who do not register on electoral rolls etc. Likewise the number of households renting has fallen but this again could be influenced by students.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are less affluent than owner occupiers and for many this will be because they are completing their studies, however for the 16% of renters classified as aspiring homemakers this group includes those starting out and young families.

### Mosaic groups of renters:

- 5% Country Living
- 7% Rural Reality
- 16% Aspiring Homemakers
- 54% Rental Hubs

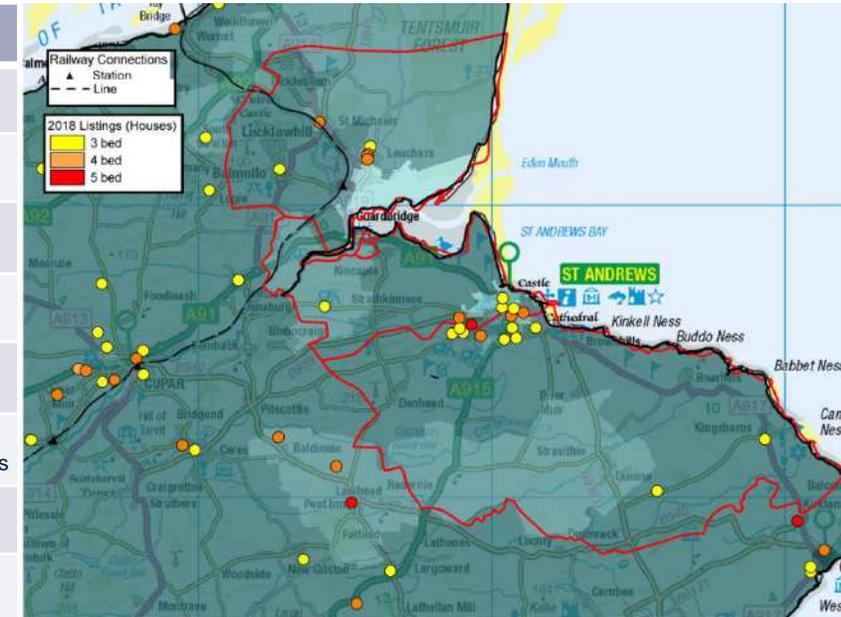
### Mosaic groups of owner occupiers:

- 26% Prestige Positions
- 18% Country Living
- 18% Rural Reality
- 8% Rental Hubs

31% of rental households have incomes between £15,000 and £30,000 with a further 27% earn between £30,000 and £45,000.

Around 15% of rental households are expected to have children compared to 42% of owner occupiers.

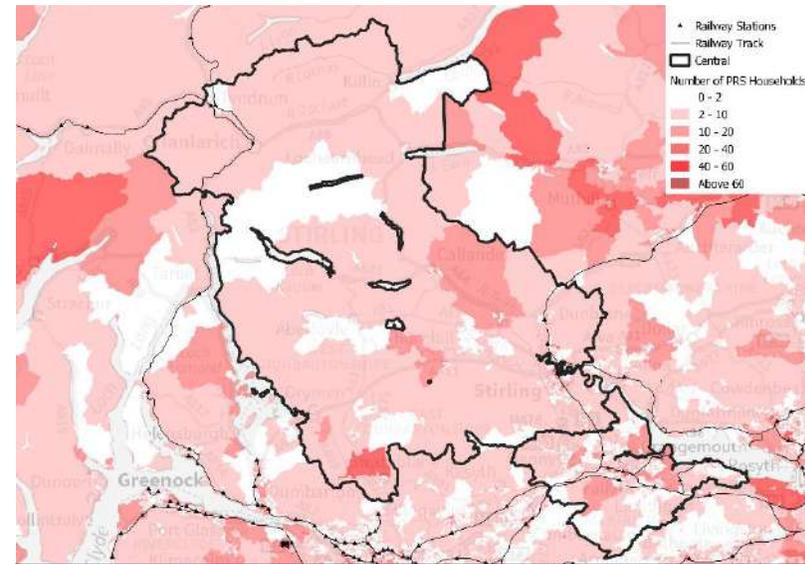
Number of Households:			
Number of households (2011)	9,104		
Number of PRS households (2011):	2,154		
Number of PRS households with children (2011)	496		
Number of D,SD,T properties:	6,670		
Number of PRS households in D, SD, T properties:	1,588		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£933	£1,323	£1,800
Listings	23	9	1



Letham Place, St Andrews	Priory Gardens, St Andrews	76 Hampden Close, Leuchars	McKenzie Square, St Andrews
3 bedroom semi detached house	3 bedroom detached house	4 bedroom terraced house	4 bedroom terraced house
£895pcm	£1,200pcm	£625pcm	£1,500pcm
Unfurnished	Furnished	Unfurnished	Unfurnished

Family homes in St Andrews attract a lot of interest from both students and families but particularly older students such as those studying towards PHD's or coming from abroad because they are viewed as value for money. Meanwhile properties in Leuchars, particularly two and three bedroom properties are incredibly popular with families and young couples because they offer comparative value for money, additional space and gardens.

# Central Region (Stirling, Falkirk)



**The Central part of Scotland has witnessed substantial increase in its private rented sector over recent years. Whilst Stirling, with its university has traditionally had a large rental sector, it is Falkirk which has witnessed a doubling in its rental households in six years. The southern half of Stirling and Falkirk offer excellent connectivity to both Glasgow and Edinburgh but also Stirling and Fife.**

The central part of Scotland has witnessed reasonable growth in both population and households over recent years. The population of this region is now estimated to stand at 254,372, which is 5% higher than it was in 2011. There are estimated to be around 111,000 households.

Falkirk benefits from two train lines including the fast train between Glasgow and Edinburgh, which means both cities are accessible in under 30 minutes. Meanwhile the Aberdeen and Dundee train line connects through Stirling and Falkirk into both cities, reflecting this area's central position within Scotland.

The rental market is primarily concentrated within Stirling, in and around the university where more transient renters such as students can be found. But it can also be found in clearly along the train lines in more suburban areas such as Falkirk and Denny. This region is typically low density with the majority of homes two storey. Whilst there are some higher density flatted properties in central areas, they are rarely more than 6 storeys. Across the region 43% of rental households in 2011 lived in houses. This equates to around 4,719 households. But rental households are under represented in houses compared to owner occupiers (845) and social tenants (48%).

Since 2011 the private rented sector has continued to grow and Falkirk has benefitted from the majority of this growth seeing its rental households increase from 5,655 to an estimated 11,023. Meanwhile in Stirling the share of households in the rental sector increased to 22% of households and the number of households grew by in excess of 50%.

The number of households are forecast to increase by 15% over the period between 2017 and 2041. Recent development levels have delivered on average 803 units per year, supported considerably by Help to Buy at some price points.

Should the share of PRS households remain at 18% then the number of PRS households within the city region would increase to 22,000 by 2041, an increase of just short of 3,000 households. However, should each local authority see their share of households increase by 3% then the number would reach 26,324, an additional 6,817 households. These figures are conservative compared to the growth witnessed even over the past six years.

Growth is divided between the two local authority areas. Since both local authority areas are primarily suburban, a significant share of this growth will be in suburban locations. Therefore from household growth alone there is potential for suburban build to rent development within the Central part of Scotland. However, should high quality, professionally managed suburban rental products come forward we anticipate that demand would come not just from new households but existing households looking for a different type or size of property and potentially people would consider moving in order to access a high quality new home.

	<b>Central</b>
Population (2011):	<b>246,237</b>
Households (2011):	<b>106,298</b>
Number of PRS Households (2011):	<b>10,874</b>
%Share of PRS Households (2011):	<b>10%</b>
Population (2017):	<b>254,372</b>
Households (2017):	<b>111,085</b>
Number of PRS Households (2017):	<b>19,507</b>
%Share of PRS Households:	<b>18%</b>
Growth in PRS since 2011	<b>8,633</b>
% Growth in PRS since 2011	<b>79%</b>
Household forecast (2041):	<b>128,034</b>
% Increase in Households:	<b>15%</b>

# Stirling – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
90,247	37,566	5,219	14%	94,288	39,285	8,484	22%	3,265	63%	45,961	17%

- The number of rental households in Stirling have been fluctuating since 2006 but overall the trend has been upwards and now the sector is estimated to stand at 22% of households. Growth has primarily been a result of a reduction in the number of households buying with the help of a mortgage and from people moving from the social rented tenure.
- Between 2001 and 2011 the private rented sector increased across the majority of Stirling but the strongest growth has been within Stirling and its immediate suburbs alongside in Strathblane, on the western part of the local authority which is more connected to the Glasgow market.
- Should the private sector account for 22% of households in 2041 then there would be an additional 1,442 households in the tenure, should the tenure increase its share to 25% then there would be an additional 2,821 households.

**Stirling is a growing local authority. The combination of being a university town and having well connected suburbs has resulted in an active private rental tenure.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation Stirling’s renters are living in, but at the 2011 census 43% of renters, approximately 5,219 households, lived in houses. This compares to owner occupation where 85% of households live in houses and 55% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 34% of households were single people and 23% of households had dependant children. This equated to 1,217 households with children.

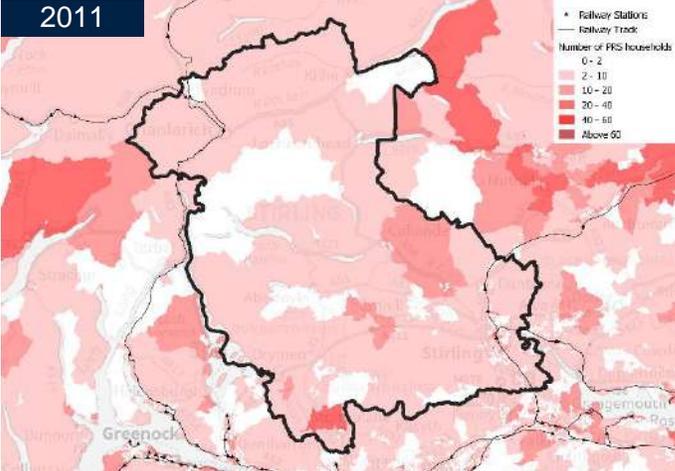


Chart showing average rents by property type

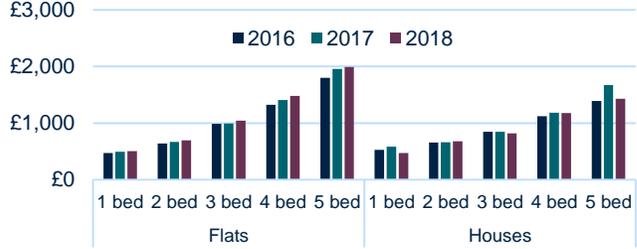
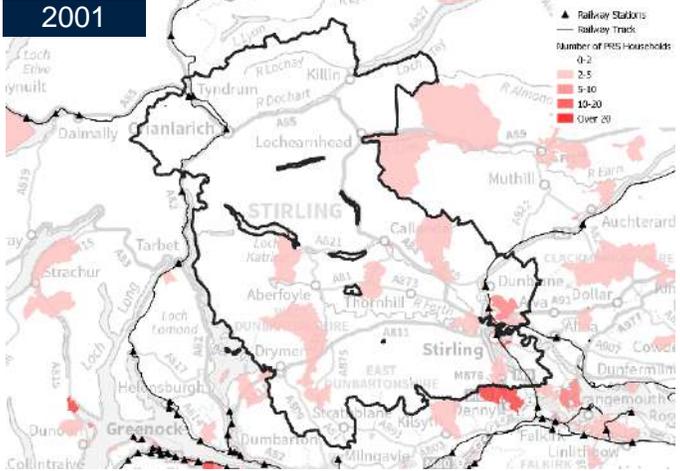
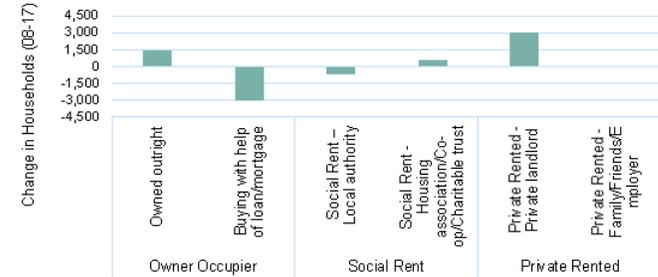


Chart showing change in tenure (2008-2017)



Rental Market

- The number of listings within Stirling fell year on year by 9% to 634.
- Houses accounted for 24% on listings in 2018, this is slightly below previous years and reflected the 12% drop in listings for houses.
- Both houses and flats have witnessed annualised rental growth around 3% over the past five years.
- Whilst average rents for houses have remained steady year on year seeing no rental growth, flats grew by 3%.
- The strongest performers for rental growth have been three and four bedroom flats in the past year and five bedroom flats over the past five. This reflects the role of students and demand for HMO properties which creates demand for sharer properties.

# Stirling – rental market (houses)

Stirling has a large share of rental households living within houses. Yet houses account for a small share of listings (24%) within this area. Rental values have been increasing over the past five years but much of that growth happened in between 2014 and 2016 when new rental levels were established. Therefore the development of homes for rent would deliver new homes for this important part of the market.

Houses account for 24% of listings in Stirling and three, four and five bedroom houses account for 14%. Therefore this analysis covers around 1/8<sup>th</sup> of the market and it must be kept in mind that in Stirling HMO houses are prevalent and those can distort the market.

### Three bedroom houses

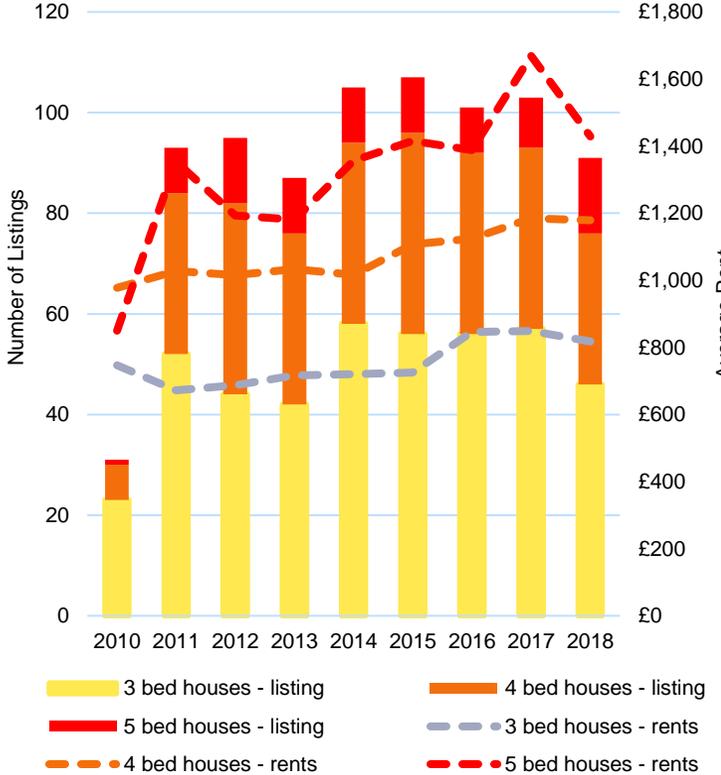
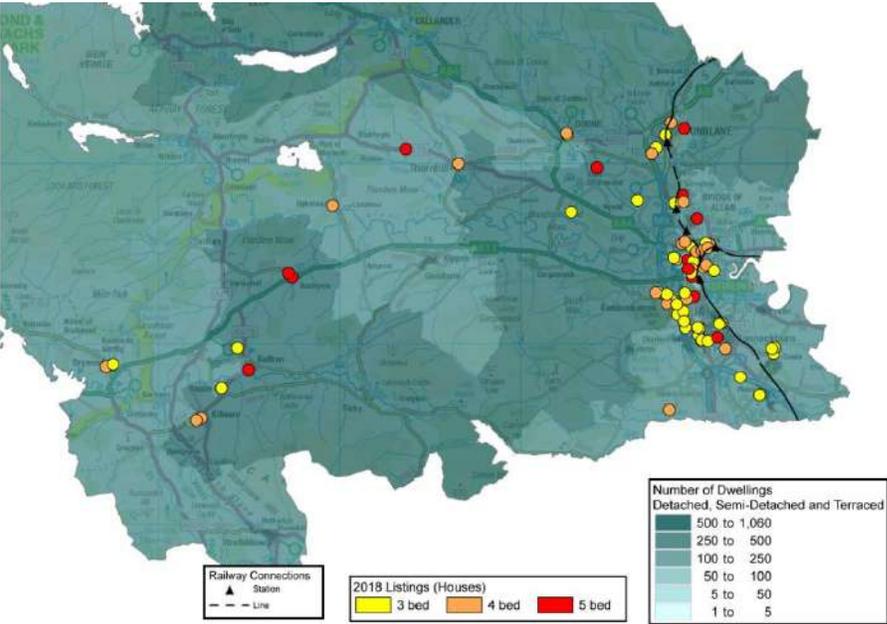
The average rent for three bedroom houses stood at £818pcm in 2018, a 4% annual fall. Meanwhile annualised growth over the past five years was 3%, reflecting the increases which took place between 2015 and 2016 when rents increased by 16%. Listings also fell year on year to 46 from 57.

### Four bedroom houses

Rents for four bedroom properties remained flat last year, with average asking rents remaining at £1,179pcm. This growth is behind the annualised rental growth over the past five years of 4%. The number of listings reduced to 30 in 2018.

### Five bedroom houses

Five bedroom properties account for a small share of the market but the number of listings increased in 2018 to 15, the highest number in eight years. This has coincided with falls in asking rent, 14% fall year on year and 1% annualised growth over five years. The average rent for a five bedroom property in 2018 was £1,429pcm.



# Falkirk– demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
155,990	68,732	5,655	8%	160,084	71,800	11,023	15%	5,368	95%	82,073	14%

- The number of rental households in Falkirk have been increasing since 2006 and now the tenure is estimated to stand at 15%. Initial growth came from a reduction in owner occupation but more recently growth has been fuelled by households moving from the social rented tenure, with owner occupation improving it's share once again.
- Between 2001 and 2011 the private rented sector increased across the majority of Falkirk but the strongest growth has been in the various towns along the train lines including Falkirk, Denny, Larbert and Bo'ness.
- Should the private sector account for 15% of households in 2041 then there would be an additional 1,577 households in the tenure, should the tenure increase it's share to 18% then there would be an additional 4,039 households.

**Falkirk offers excellent connectivity to both Glasgow and Edinburgh alongside excellent amenities and communities. It therefore appeals to a range of households and tenants.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation Falkirk's renters are living in, but at the 2011 census 43% of renters, approximately 2,420 households, lived in houses. This compares to owner occupation where 84% of households live in houses and 44% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 43% of households were single people and 28% of households had dependant children. This equated to 1,558 households with children.

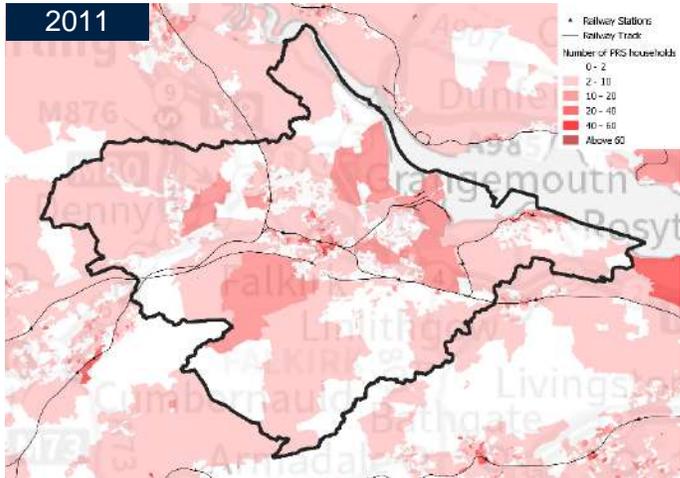


Chart showing average rents by property type

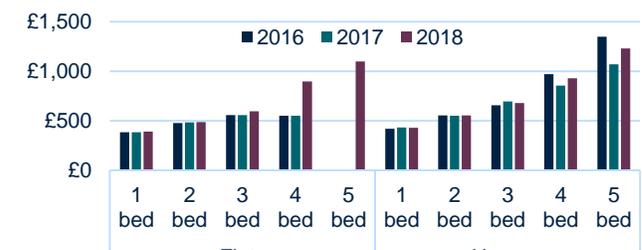
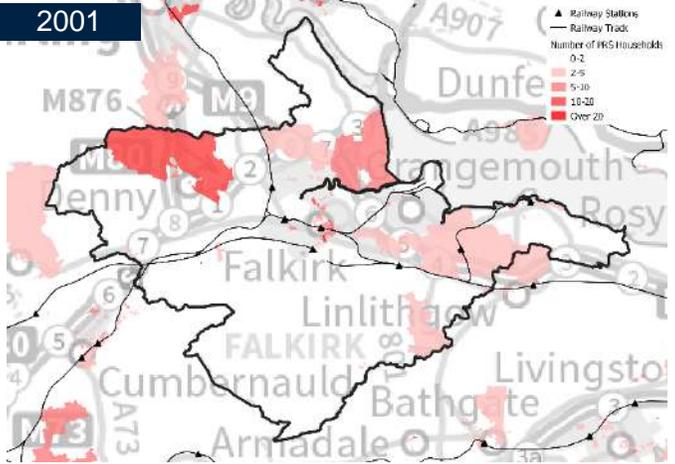
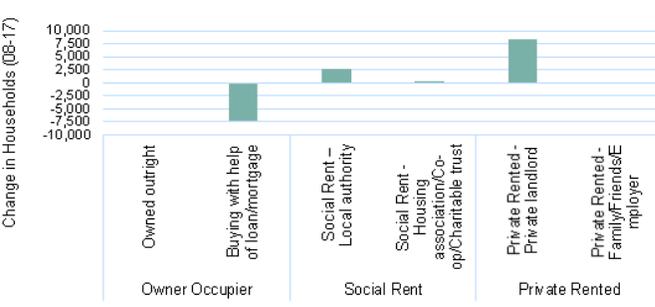


Chart showing change in tenure (2008-2017)



## Rental Market

- Houses account for 27% of listings within Falkirk, a fall in share from previous years when it stood at in excess of 30%.
- Yet overall, the number of listings 608 was only 2% lower than the previous year but the number of listings for houses fell whilst the number of flats remained relatively steady.
- Overall the average rent within Falkirk increased by 1% year on to £518 per month which is below the five year annualised growth rate of 2%.
- Flats have witnessed stronger year on year growth than houses overall at 3%. This was driven by rents for three and four bedroom flats, rents for which increased by 7% and 63% respectively although it should be noted that there were only two listings for four bedroom flats.

# Falkirk– rental market (houses)

Falkirk has an established rental market for houses, yet listings remain limited and are reducing further. As a result rents, particularly for larger properties have been increasing ahead of smaller properties. Therefore there is an opportunity to provide new supply to this market, allowing more people to access high quality properties in well connected locations.

Houses account for 27% of listings in Falkirk and three, four and five bedroom houses account for 13%. Therefore this analysis covers around 1/8<sup>th</sup> of the market.

### Three bedroom houses

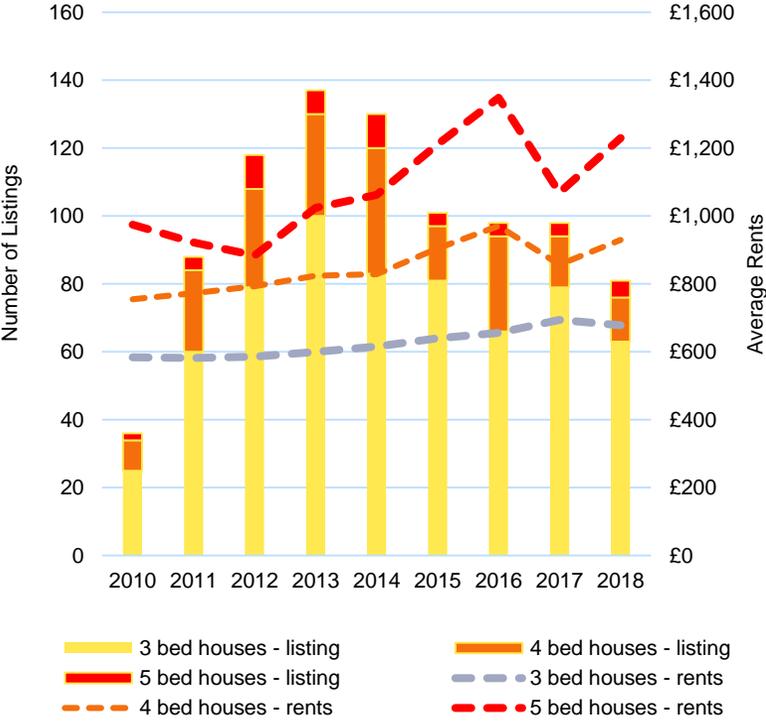
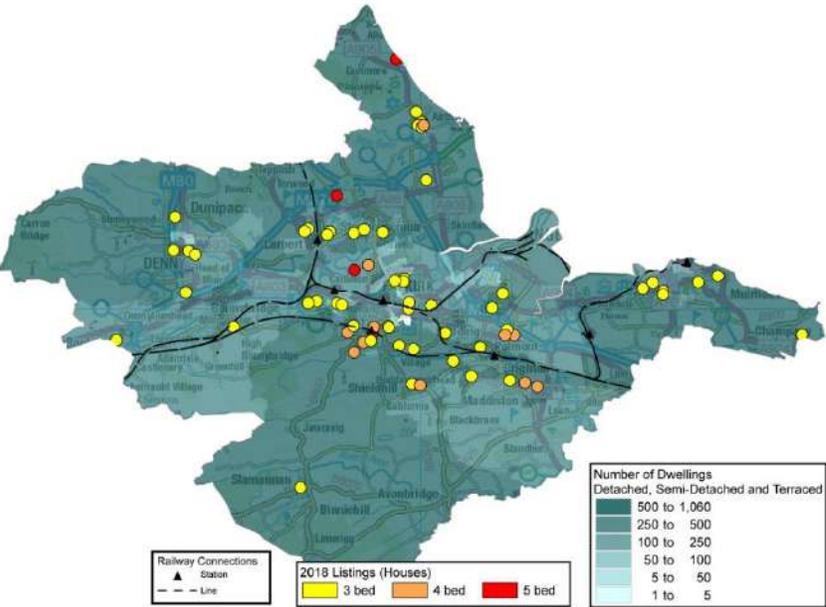
The average rent for three bedroom houses stood at £678pcm in 2018, a 2% annual fall. Meanwhile annualised growth over the past five years was 2%. Listings also fell year on year to 63 from 79.

### Four bedroom houses

Four bedroom properties saw a 9% annual growth in average rent with asking rents reaching £930pcm. This is well ahead of annualised growth over the past five years of 3%. This can be linked to a reduction in listing with the number of listings at 13, well below previous years. For example in 2014 there were 37 listings and the average rent was £100pcm lower.

### Five bedroom houses

Five bedroom properties account for a small share of the market but the number of listings increased in 2018 to 5. This has coincided with a 15% increase in average asking rent and 4% annualised growth over five years. The average rent for a five bedroom property in 2018 was £1,230pcm.



# Central hotspots:

## Bannockburn

Bannockburn is a suburb located to the south of Stirling. The area has a historic main street where period properties can be found. Beyond that, there has been considerable development over the past fifty years. The area is predominately houses but some recent developments have delivered flats, alongside larger, detached properties.

The neighbourhood offers primary and secondary schooling, local retail and a range of amenities. The area is well served by buses which connect into Stirling and beyond. Likewise the neighbourhood is enclosed by the A91 which connects to the M9 and Scotland's wider motorway network. Train stations can be found in Stirling, a ten minute drive, Larbert Station 15 minute drive and Falkirk, 20 minutes drive which connect the area to Scotland's main cities.

We have included within our area Bannockburn alongside the connected villages of Plean and Cowie. All three areas have development sites within the pipeline, the largest at 3,000 new homes to create a new village at Durieshill which sits between Plean and Bannockburn.

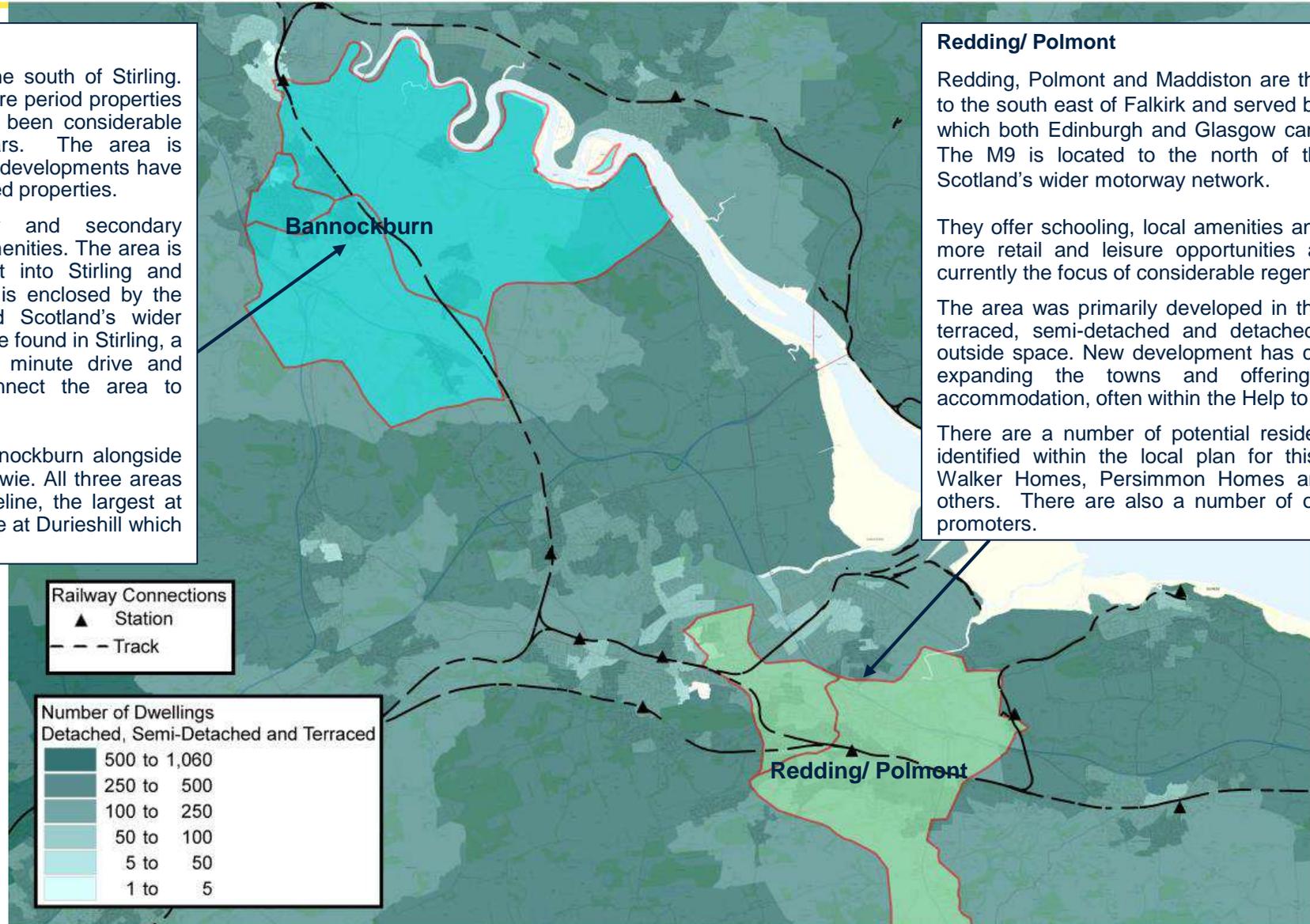
## Redding/ Polmont

Redding, Polmont and Maddiston are three neighbourhoods located to the south east of Falkirk and served by Polmont train station, from which both Edinburgh and Glasgow can be reached in 30 minutes. The M9 is located to the north of the area offering access to Scotland's wider motorway network.

They offer schooling, local amenities and local retail. Within Falkirk, more retail and leisure opportunities are available and centre is currently the focus of considerable regeneration and redevelopment.

The area was primarily developed in the 1960s and 1970s offering terraced, semi-detached and detached homes with gardens and outside space. New development has come forward more recently expanding the towns and offering attainably priced family accommodation, often within the Help to Buy price threshold.

There are a number of potential residential development sites identified within the local plan for this area, including sites with Walker Homes, Persimmon Homes and Barratt Homes amongst others. There are also a number of options held by various land promoters.



# Central suburban rental hotspot 1: BANNOCKBURN (FK7 0, FK7 7, FK7 8)

Bannockburn is a suburb located to the south of Stirling. The area has a historic main street where period properties can be found. Beyond that there has been considerable development over the past fifty years. The area is predominately houses but some recent developments have delivered flats, alongside more larger, detached properties.

The neighbourhood offers primary and secondary schooling, local retail and a range of amenities. The area is well served by buses which connect into Stirling and beyond. Likewise the neighbourhood is enclosed by the A91, which connects to the M9 and Scotland's wider motorway network. Train stations can be found in Stirling, a ten minute drive, Larbert Station 15 minute drive and Falkirk, 20 minutes drive which connect the area to Scotland's main cities. We have included within our area Bannockburn alongside the connected villages of Plean and Cowie. All three areas have development sites within the pipeline, the largest at 3,000 new homes to create a new village at Durieshill which sits between Plean and Bannockburn.

The average rent overall within this area was £565 per month, up 1% year on year and experienced 1% annualised growth over the past five years. The number of listings fell year on year from 122 to 102, of which 31% or 32 were houses and 19 had more than three bedrooms. Three and four bedroom house have witnessed above average rental growth at 5% and 8% annually respectively, whilst listings have declined.

**Experian Data:**

Experian estimates that the number of households within this area has fallen by 428 to 9,964 yet that the number of households in the rental sector has increased to 2,488 households equating to 25% of the total.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are less affluent than owner occupiers but there is a degree of cross over for those classified as modest traditions. Access to mortgages and deposits will be likely to be constraining this group from buying.

**Mosaic groups of renters:**

- 25% Modest Traditions
- 14% Vintage Values
- 14% Transient Renters
- 16% Family Basics

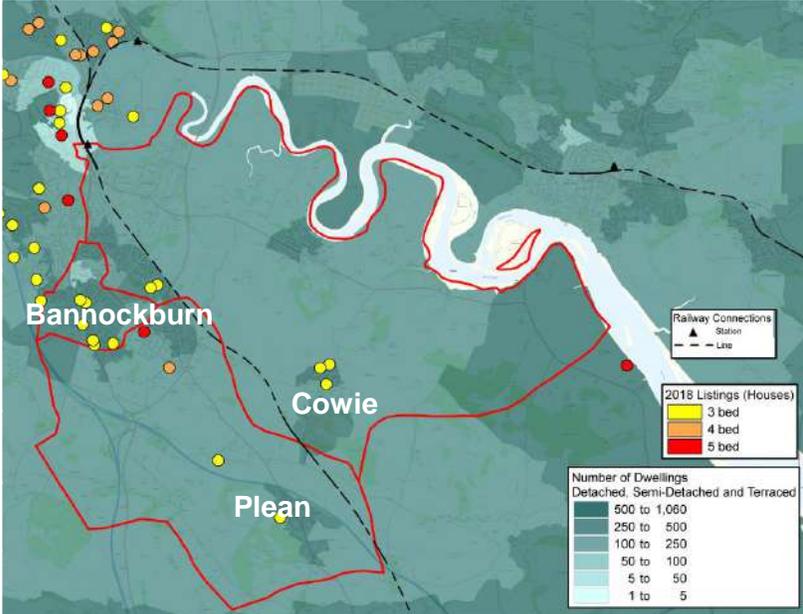
**Mosaic groups of owner occupiers:**

- 20% Domestic Success
- 16% Suburban Security
- 17% Aspiring Homemakers
- 13% Modest Traditions

53% of rental households have incomes between £15,000 and £30,000 with a further 18% earn between £30,000 and £45,000.

Around 26% of rental households are expected to have children compared to 30% of owner occupiers.

Number of Households:			
Number of households (2011)	10,452		
Number of PRS households (2011):	729		
Number of PRS households with children (2011)	300		
Number of D,SD,T properties:	8,356		
Number of PRS households in D, SD, T properties:	556		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£721	£981	N/A
Listings	14	4	N/A



126 Benview, Bannockburn	39 Greenacre Place, Bannockburn	Glaive Avenue, Stirling	Gartclush Gardens, Bannockburn
3 bedroom terraced house	3 bedroom semi-detached house	4 bedroom detached house	4 bedroom detached house
£675pcm	£795pcm	£895pcm	£1,000pcm
Unfurnished	Unfurnished	Unfurnished	Unfurnished

Two and three bedroom houses are generally very popular attracting interest from a range of occupiers including single people, students, younger and older couples. more than families. However, families are attracted to the four bedroom properties looking for the additional space, both inside and outside. Applicants are generally local.

# Central suburban rental hotspot 2: REDDING/ POLMONT/ MADDISTON (FK2 9, FK2 0)

Redding, Polmont and Maddiston are three neighbourhoods located to the south east of Falkirk and served by Polmont train station from which both Edinburgh and Glasgow can be reached in 30 minutes. The M9 is located to the north of the area offering access to Scotland's wider motorway network. They offer schooling, local amenities and local retail. Within Falkirk more retail and leisure opportunities are available and centre is currently the focus of considerable regeneration and redevelopment.

The area was primarily developed in the 1960s and 1970s offering terraced, semi-detached and detached homes with gardens and outside space. New development has come forward more recently expanding the towns and offering attainably priced family accommodation, often within the Help to Buy price threshold. There are a number of potential residential development sites within this area identified within the local plan. Including sites with Walker Homes, Persimmon Homes and Barratt Homes amongst others. There are also a number of options held by various land promoters.

Overall the rental market has witnessed a 4% annual increase in the average rent in this area, reaching £606pcm in 2018. Annual growth is ahead of the five year annualised figure of 2%. Rental growth is being driven by houses, in particular two and four bedroom ones, the latter there was only one listing. Three bedroom properties had been experiencing above average growth but an increase in listings in 2018 steadied rental growth to 3%.

### Experian Data:

Experian estimates that the number of households within this area have increased by 620 to 12,008 households, and that the number of households in the rental sector has increased to 1,458 households equating to 12% of the total.

We have considered the mosaic profiles for renters and owner occupiers and ranked them by affluence. Renters are less affluent than owner occupiers and access to deposits and mortgages will likely be limiting this market from purchasing a home, some may simply be starting out and therefore looking to save for a home.

### Mosaic groups of renters:

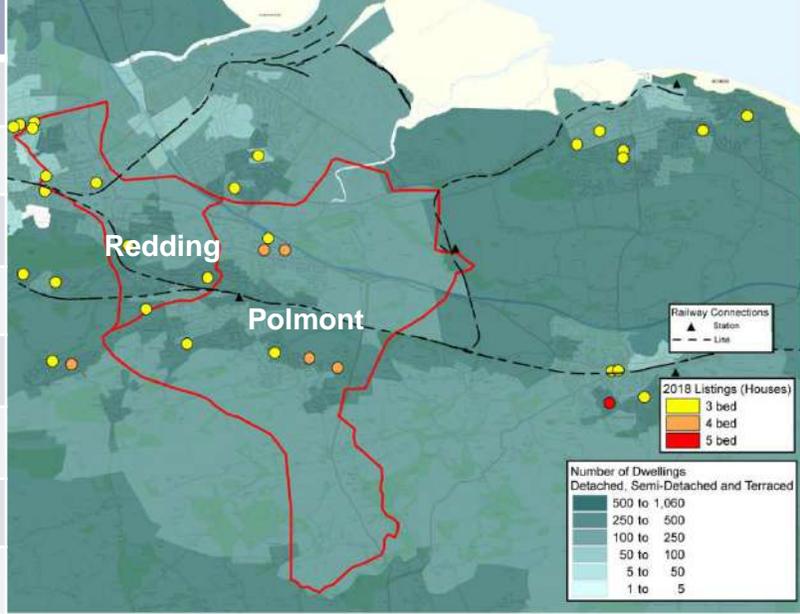
- 14% Modest Traditions
- 16% Vintage Values
- 18% Transient Renters
- 24% Municipal Challenge

### Mosaic groups of owner occupiers:

- 13% Prestige Positions
- 25% Domestic Success
- 15% Suburban Stability
- 19% Aspiring Homemakers

51% of rental households have incomes between £15,000 and £30,000 with a further 14% earning between £30,000 and £45,000. Around 23% of rental households are expected to have children compared to 35% of owner occupiers.

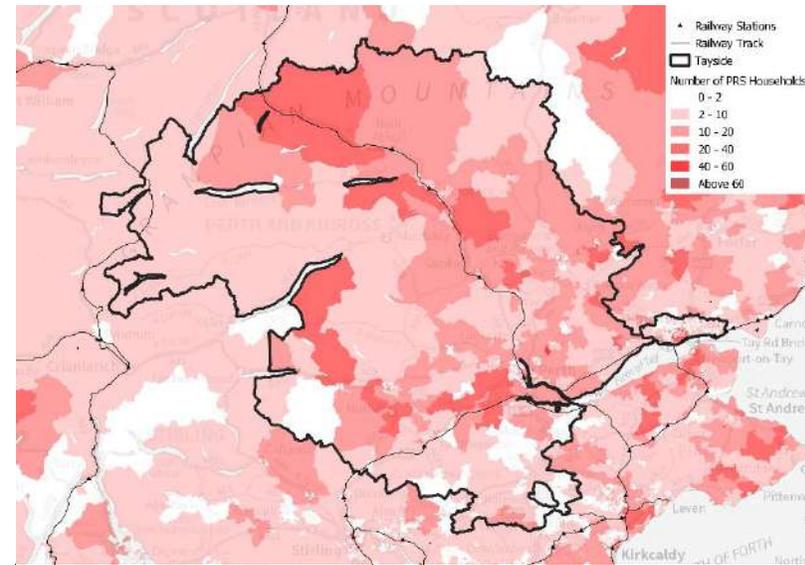
Number of Households:			
Number of households (2011)	11,388		
Number of PRS households (2011):	647		
Number of PRS households with children (2011)	242		
Number of D,SD,T properties:	8,718		
Number of PRS households in D, SD, T properties:	394		
	3 bedrooms	4 bedrooms	5 bedrooms
Rents:	£732	£825	£2,250
Listings	19	1	1



	Mcnee Place, Redding	Mcnee Place, Redding	Stevenson Avenue, Polmont
	3 bedroom terraced house	4 bedroom detached house	4 bedroom detached house
	£800pcm	£950pcm	£975pcm
	Unfurnished	Unfurnished	Unfurnished

A lot of interest particularly for three bedroom properties but also four bedroom properties. Demand coming from young couples, families and as a result of a relationship breakdown. Demand for bedrooms and outside space. Local primary schools play an important role in attracting demand from outside the area, particularly in Polmont.

# Tayside Region (Perth and Kinross and Dundee)



**Tayside is on the cusp of significant change, with the regeneration of Dundee waterfront bringing the city to the world's stage and Perth seeing significant new residential development around Almondbank and Broxburn which will help the city grow. The suburban private rented sector is already established with 43% of rental households living in houses but new supply would support it's continued growth.**

Tayside has witnessed reasonable growth in both population and households over recent years. The population of this region is now estimated to stand at 300,760, which is 2% higher than it was in 2011 and the first time it has exceeded 300,000. There are estimated to be 137,667 households, 3% higher than in 2011.

Perth is viewed as the Gateway to the Highlands and Perth station acts as a transport hub for both train and bus links. The Stirling/Aberdeen/Dundee/ Glasgow/ Edinburgh lines all connect at the station. Meanwhile the Fife Line connects in Dundee. Travel time between Perth and Dundee is less than 25 minutes by train, Glasgow can be reached in an hour but Edinburgh and Aberdeen are over an hour away.

The rental market is primarily concentrated within the cities of both Perth and Dundee. The latter has a large university population where typically transient renters such as students can be found. But the rental market can also be found in more rural suburban areas such as Auchterarder and Crieff. This region is typically low density with the majority of properties being two storey and whilst there are some higher density flatted properties in central areas, they are rarely more than 6 storeys. Across the region 37% of rental households in 2011 lived in houses. This equates to around 9,001 households but rental households are under represented in houses compared to owner occupiers (80%).

The private rented sector has grown by 23% since 2011 and Dundee has witnessed the majority of this growth seeing its rental households increase from 13,511 to an estimated 18,160. In Perth the share of households in the rental sector increased slightly to 18% of households, from 17%.

The number of households are forecast to increase by 12% over the period between 2017 and 2041. Recent development levels have delivered on average 934 units per year, but development levels have increased to in excess of 1,334 properties in 2017-2018 and there is considerable new development planned around Perth.

Should the share of PRS households remain at 22% then the number of PRS households within the city region would increase to 33,694 by 2041, an additional 3,500 households. However, should each local authority see their share of households increase by 3% then the number would reach 38,305, a further 8,120 households. These figures are conservative compared to the growth witnessed even over the past six years.

Growth is divided between both local authority areas and both have cities at their core and therefore some of the growth in the private rented sector will be in more urban locations but a significant share will be in more rural and suburban locations.

Therefore from household growth alone there is potential for suburban build to rent development in Tayside. However should high quality, professionally managed suburban rental products come forward we anticipate that demand would come not just from new households but existing households looking for a different type or size of property and potentially people would consider moving in order to access a high quality new home.

	Tayside
Population (2011):	293,920
Households (2011):	133,970
Number of PRS Households (2011):	24,474
%Share of PRS Households (2011):	18%
Population (2017):	300,760
Households (2017):	137,667
Number of PRS Households (2017):	30,185
%Share of PRS Households:	22%
Growth in PRS since 2011	5,711
% Growth in PRS since 2011	23%
Household forecast (2041):	153,673
% Increase in Households:	12%

# Dundee – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
147,268	69,193	13,511	20%	148,793	70,049	18,160	26%	4,649	34%	76,541	9%

- The number of rental households in Dundee have been increasing since 2006 and now the tenure is estimated to stand at 26%. The majority of the growth has come from households moving from owner occupation, particularly with a mortgage or loan, into the private rented sector.
- Dundee has historically had a concentrated private rented sector in the area in and around the city centre and university. Since 2011 the tenure has spread out including to many of the more suburban parts of the city.
- Should the private sector account for 26% of households in 2041 then there would be an additional 1,683 households in the tenure, should the tenure increase it's share to 29% then there would be an additional 3,979 households.

**Dundee has an established rental market for young professional and students but demand for houses is creating steady rental growth.**

- The Scottish Household Survey provides information on the type of households living in the Private Rented Sector in Dundee. 20% of households or around 3,600 households live in houses and this has remained relatively steady over the past five years.
- The SHS gives information on household structure of rental tenants, it reported that 58% of households were single people and 19% of households were families. The number of large adult households has been declining suggesting that sharing is becoming less prevalent.

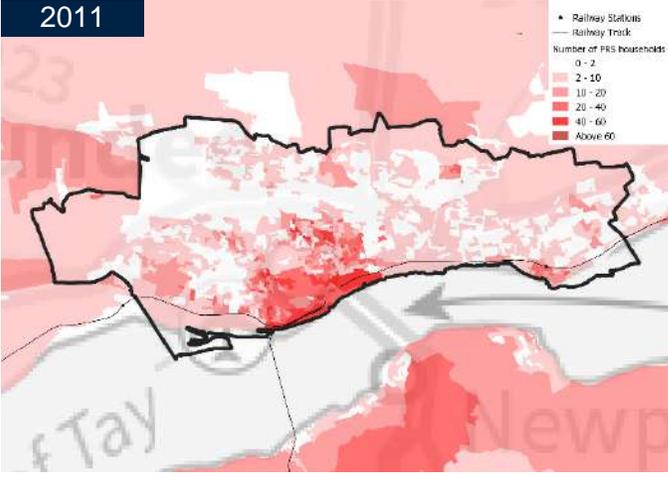


Chart showing average rents by property type

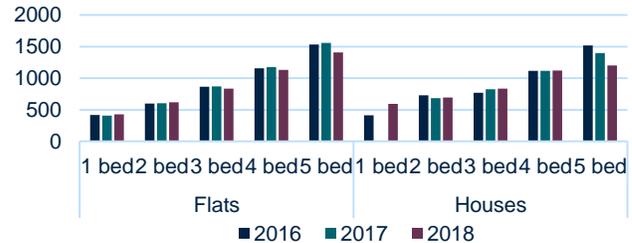
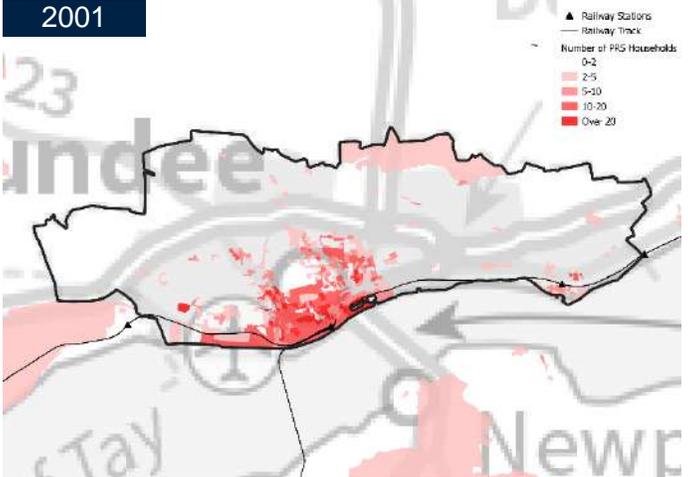
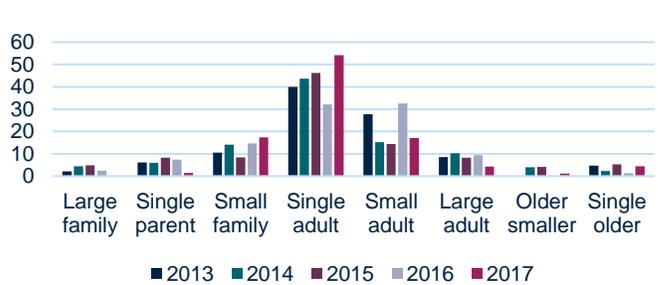


Chart showing change in no. of hhlds by tenure (08 v 17)



**Rental Market**

- Despite accounting for 20% of rental households, houses only account for 11% of listings and this has been pretty consistent over the past eight years.
- The average rent in Dundee during 2018 was £659 per month. This represents a year on year fall of 4%, which has been driven by falling rents for larger flats.
- However rents for one and two bedroom flats and two, three and four bedroom houses have increased year on year.
- Listings have overall been reducing and year on year dropped by 20%.

# Dundee – rental market (houses)

Dundee has an established rental market including an established suburban rental market. The presence of houses of multiple occupation catering to students and professional shares distorts the market but also creates competition for those looking to rent a family home within the city. New supply could help deliver new options for Dundee’s renters and should therefore be pursued as part of both regeneration and suburban expansion plans.

Houses account for 11% of listings in Dundee and three, four and five bedroom houses account for 8%. Therefore this analysis covers a small share of the wider market. This is despite the role of houses of multiple occupation within the market.

### Three bedroom houses

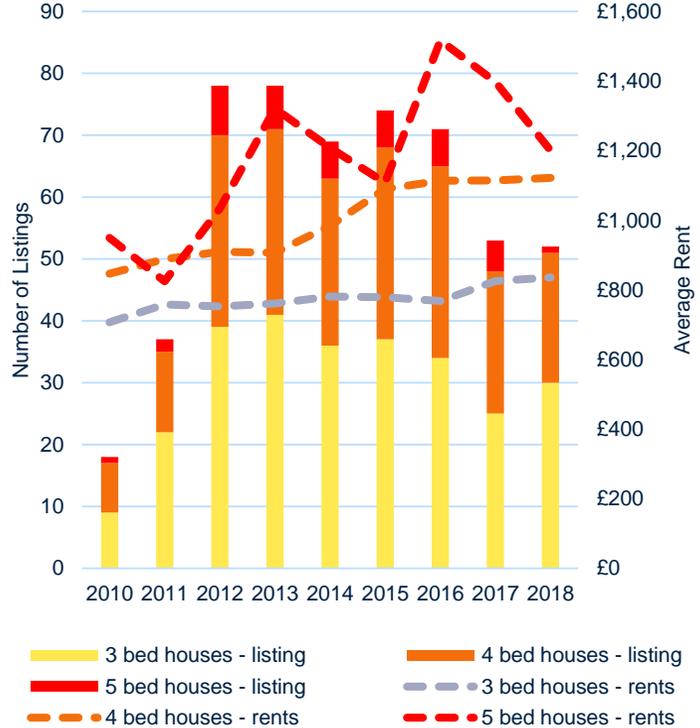
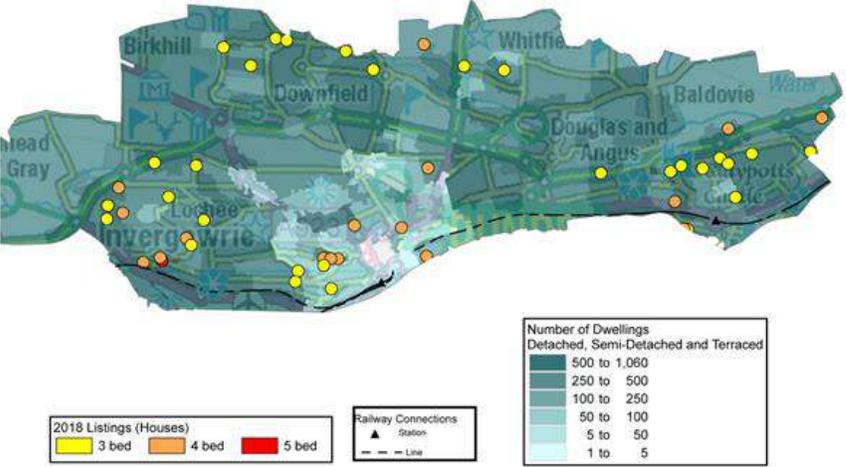
The average rent for three bedroom houses stood at £836pcm in 2018, a 1% increase on the previous year. Meanwhile annualised growth over the past five years was 2%. The number of listings increased from 25 to 30.

### Four bedroom houses

The average rent for four bedroom properties was £1,122pcm in 2018 which was 1% higher than the previous year. This is below the five year annualised growth figure of 3%. The number of listings have remained relatively consistent year on year.

### Five bedroom houses

The average rent and number of listings for five bedroom properties fell year on year. The average rent fell from £1,397pcm on average to £1,122pcm and the number of listings fell from five to one.



# Perth and Kinross – demographics

Pop. (2011):	Hhlds (2011):	No. PRS Hhlds (2011):	%Share PRS Hhlds (2011):	Pop (2017):	Hhlds (2017):	No. PRS Hhlds (2017):	%Share PRS Hhlds (2017):	Growth in PRS since 2011	% Growth in PRS since 2011	Hhlds forecast (2041):	% Increase Hhlds:
146,652	64,777	10,963	17%	151,967	67,618	12,025	18%	1,062	10%	77,132	14%

- The number of rental households in Perth and Kinross have been increasing since 2005 and now the tenure is estimated to stand at 18%. The majority of the growth has come from households moving from owner occupation, particularly with a mortgage or loan, into the private rented sector.
- Perth and Kinross had a relatively small private rented sector with the only red cluster in 2001 around the Blairgowrie outdoor education centre but it has grown across the whole local authority area.
- Should the private sector account for 18% of households in 2041 then there would be an additional 1,692 households in the tenure, should the tenure increase it's share to 21% then there would be an additional 4,006 households.

**Perth and Kinross has developed a significant rental market since 2001 and the majority of these households live in houses. Yet, listings for houses remain limited suggesting the market has limited choice.**

- The Scottish Household Survey does not have an updated profile on the type of accommodation Perth and Kinross' renters are living in, but at the 2011 census 58% of renters, approximately 6,406 households, lived in houses. This compares to owner occupation where 86% of households live in houses and 47% of social rented tenants.
- The SHS also does not have information on the age or household structure of rental tenants but the 2011 census reported that 38% of households were single people and 27% of households had dependant children. This equated to 2,838 households with children.

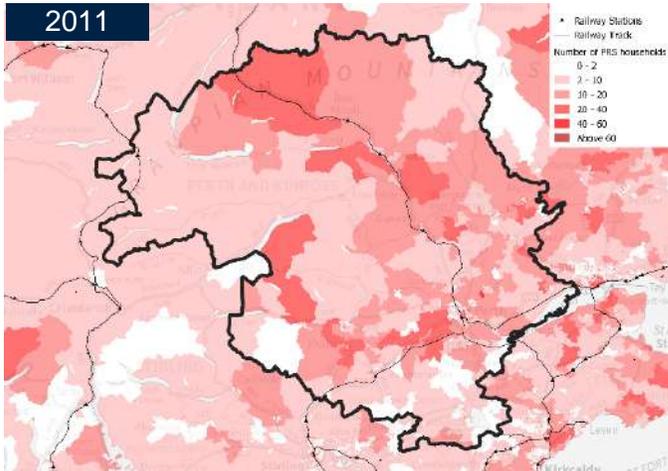


Chart showing average rents by property type

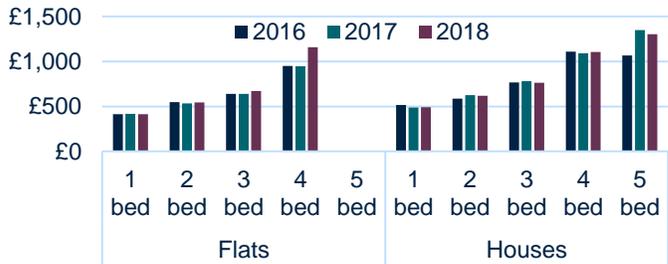
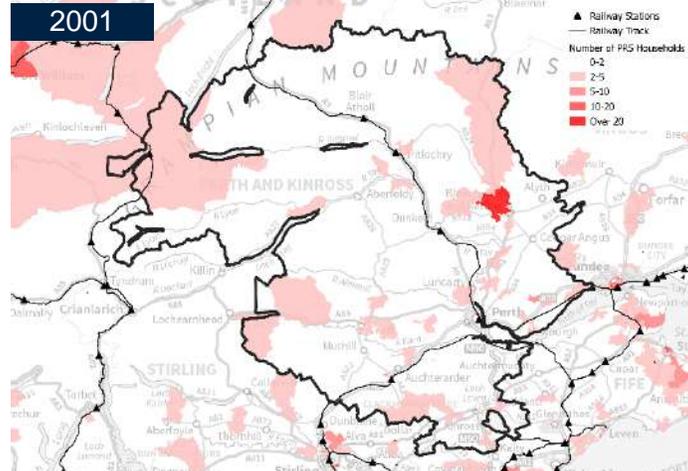
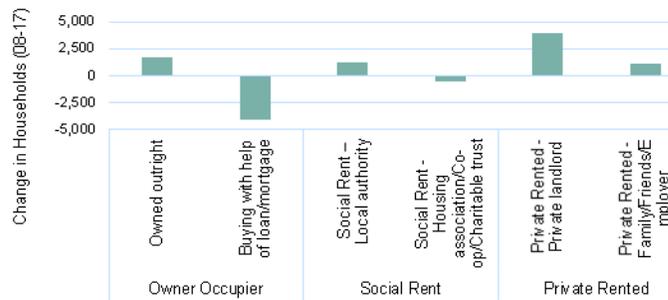


Chart showing change in tenure (2008-2017)



Rental Market

- Houses accounted for 27% of listings within Perth and Kinross in 2018, houses with three or more bedrooms accounted for 15%. 68% of listings were one and two bedroom flats.
- The average rent overall was £584 per month, which is 1% lower than the previous year and has witnessed little growth over the past five years.
- Three and four bedroom flats and four bedroom houses have proven to the exception to rule seeing positive growth over the past year. Meanwhile two and three bedroom houses have performed the strongest over the past five years.

# Perth and Kinross – rental market (houses)

Perth and Kinross has an established suburban rental market with 58% of renters living in houses. Limited listings and limited rental growth suggests that this is a relatively steady market with people moving rarely. Modern new homes developed for rent, available at a reasonable rent could improve rental options and might help deliver some of Perth's larger residential allocations.

Houses account for 27% of listings in Perth and Kinross and three, four and five bedroom houses account for 15%. Therefore this analysis covers a small share of the overall market.

### Three bedroom houses

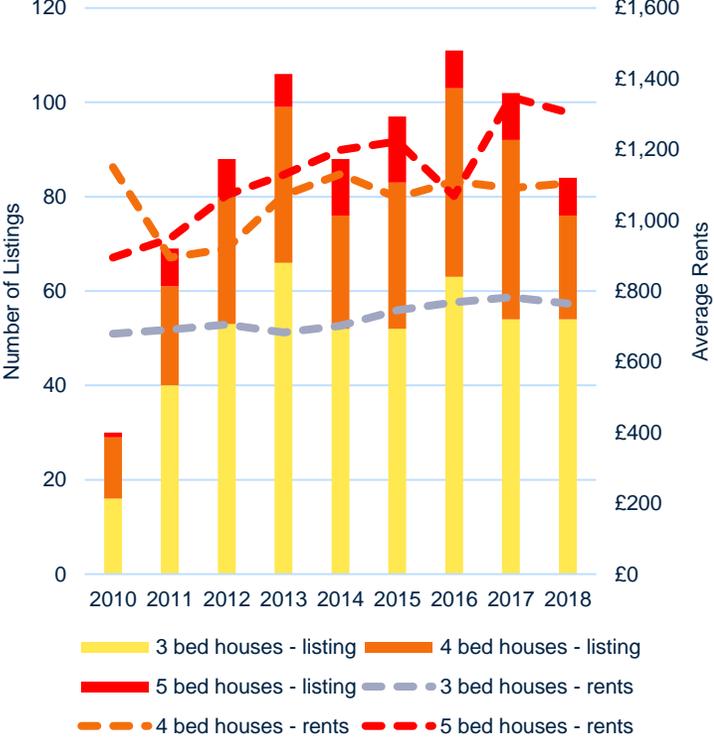
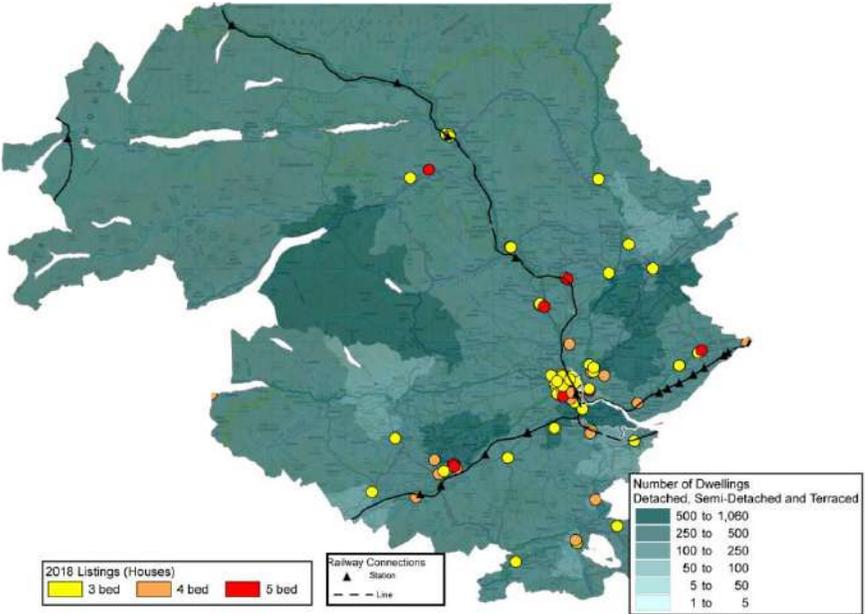
The average rent for three bedroom houses stood at £765pcm in 2018, a 2% annual fall. Meanwhile annualised growth over the past five years was 2%. Listings remained steady year on year and accounted for 50% of listings within this analysis.

### Four bedroom houses

Rents for four bedroom properties have been relatively steady since 2014 despite fluctuating listings. Year on year there was a 1% increase taking the average rent to £1,105pcm. The number of listings fell from 38 to 22.

### Five bedroom houses

Rents and listings for five bedroom properties have fluctuated considerably. But broadly rents have been increasing at an annualised rate of 2% over the past five years. The number of listings fell to eight in 2018.



# Rental hotspots:

**North Perth:**

Perth is a small city which is often viewed as the gateway to the highlands with the A9 connecting the city to the Cairngorms National Park and a number of other enviable national parks, outdoor pursuits and activities on it's doorstep.

The City has a historic centre but has expanded with new development over the past fifty years and the north of the city is no exception with 1960s - 80s and 2000s housing, including most recently regeneration development at Muirton. These are established residential suburbs which have established amenities and infrastructure.

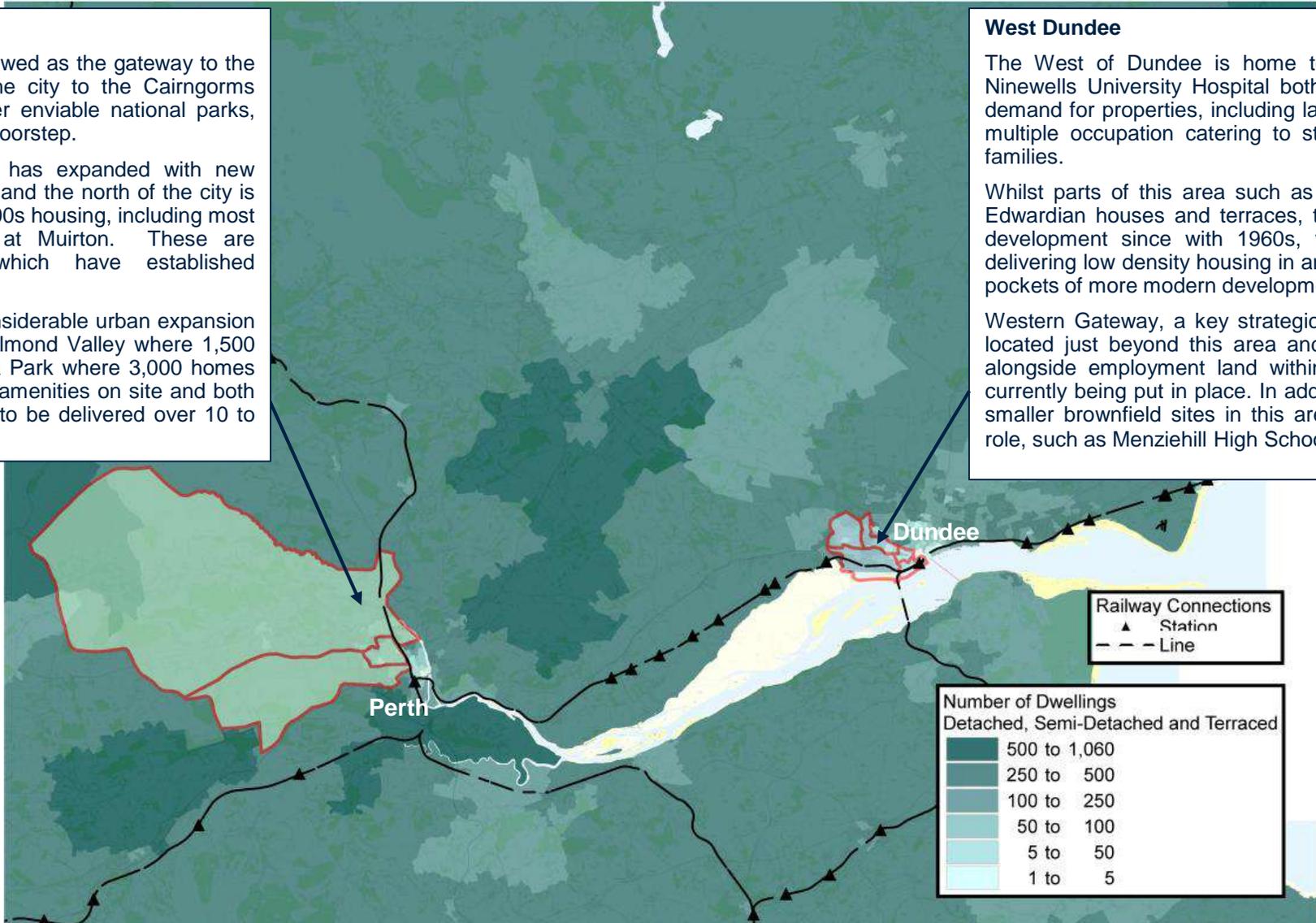
Beyond the existing city boundary considerable urban expansion is planned for the city, including at Almond Valley where 1,500 new homes are planned and at Bertha Park where 3,000 homes are planned. Both include a range of amenities on site and both housing and amenity are anticipated to be delivered over 10 to 15 years.

**West Dundee**

The West of Dundee is home to the University of Dundee and Ninewells University Hospital both of which generate strong rental demand for properties, including larger properties for both houses of multiple occupation catering to students, young professionals and families.

Whilst parts of this area such as the West End are dominated by Edwardian houses and terraces, there has also been considerable development since with 1960s, with local authority development delivering low density housing in and around Lochee and followed by pockets of more modern development.

Western Gateway, a key strategic development area for the city is located just beyond this area and there are plans for 750 homes alongside employment land within this area. The infrastructure is currently being put in place. In addition to this there are a number of smaller brownfield sites in this area which could play an important role, such as Menziehill High School.



# Central suburban rental hotspot 1: DUNDEE WEST (DD1 4, DD1 5, DD2 1, DD2 2, DD2 4)

The West of Dundee is home to the University of Dundee and Ninewells University Hospital, both of which generate strong rental demand for properties, houses of multiple occupation catering to students and young professionals. This area includes a number of different areas including the West End, Saint Cyrus, Balgay and Lochee in which a variety of parks, schools and local amenities can be found.

Whilst parts of this area such as the West End are dominated by Edwardian houses and terraces there has also been considerable development since with 1960s, with local authority development delivering low density housing in and around Lochee and followed by pockets of more modern development.

Western Gateway, a key strategic development area for the city is located just beyond this area and there are plans for 750 homes alongside employment land within this area. The infrastructure is currently being put in place. In addition to this there are a number of smaller brownfield sites in this area which could play an important role, such as Menziehill High School.

There were 386 listings in this area in 2018 of which less than 10% were for houses. Rents for most property types fell year on year but over the past five years annualised rental growth for flats stood at 2% and houses at 3%. There are a few exceptions to this rule one and two bedroom flats were steady and four bedroom houses saw a small amount of growth.

### Experian Data:

Experian estimates that the number of households within this area have fallen by 944 to 14,367 households, but this might be due to high concentrations of students who are typically hard to track. The number of households in the rental sector has increased to 5,101 households equating to 36% of the total.

### Mosaic groups of renters:

- 66% Rental Hubs
- 7% Vintage Values
- 5% Transient Renters
- 13% Municipal Challenge

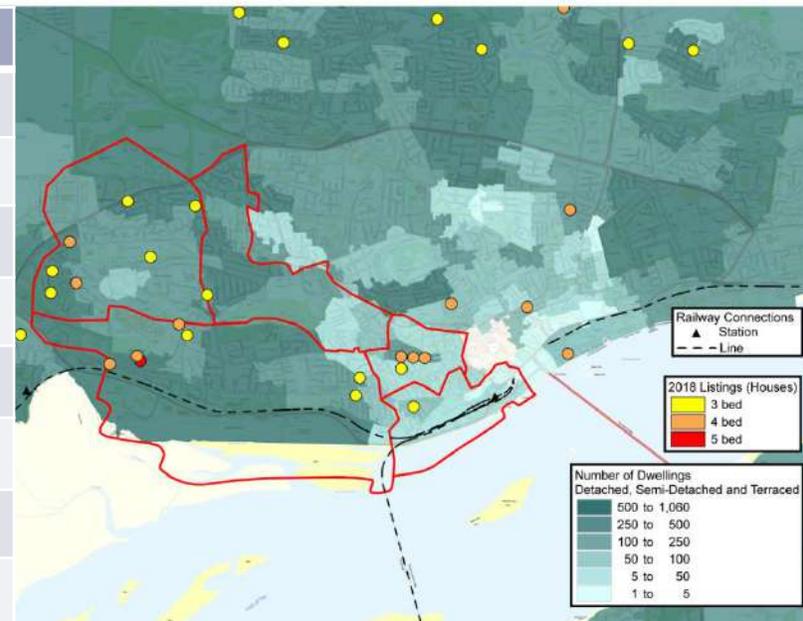
### Mosaic groups of owner occupiers:

- 12% Prestige Positions
- 11% Domestic Success
- 14% Senior Security
- 15% Suburban Stability

46% of rental households have incomes between £15,000 and £30,000 with a further 22% earn between £30,000 and £45,000.

Around 8% of rental households are expected to have children compared to 80% of owner occupiers.

Number of Households:			
Number of households (2011)	16,226		
Number of PRs households (2011):	4,157		
Number of PRS households with children (2011)	723		
Number of D,SD,T properties:	6,680		
Number of PRS households in D, SD, T properties:	742		
	3 bedroom	4 bedrooms	5 bedrooms
Rents:	£817	£1,100	£1,200
Listings	15	13	1



Forth Place, Charleston, DD2	Bellfield Street, City Centre	Daniel Place, City Centre	McVicars Lane, City Centre
3 bedroom terraced house	3 bedroom terraced house	4 bedroom terraced house	4 bedroom townhouse
£650pcm	£825pcm	£900pcm	£1,300pcm (HMO)
Unfurnished	Unfurnished	Furnished	Furnished

Properties in this area attract a lot of interest with students from the University of Dundee dominating the interest and tenant lists. There are some families interested in properties but price point is important because students typically can afford to pay more rent which prices families out of the market.

# Central suburban rental hotspot 2: NORTH PERTH (PH1 1, PH1 2, PH1 3, PH1 5)

Perth is a small city, which is often viewed as the gateway to the highlands with the A9 connecting the city to the Cairngorms National Park and a number of other enviable national parks, outdoor pursuits and activities on it's doorstep.

The city has a historic centre, but has expanded with new development over the past fifty years and the north of the city is no exception with 1960s,70s,80s and 2000s housing including most recently regeneration development at Muirton. These are established residential suburbs which have amenities and infrastructure.

Beyond the existing city boundary considerable urban expansion is planned for the city including at Almond Valley where 1,500 new homes are planned and at Bertha Park where 3,000 homes are planned. Both include a range of amenities on site and these are anticipated to be delivered over 10 to 15 years.

The average rent within this area stood at £539 per month which is on par with the previous year and represents 1% annualised growth over the past five years. Flats dominate the listings within this area, account for 87% of listings. Houses have witnessed slightly stronger than average rental growth over the past five years at 2%. Four bedroom properties have witnessed significant rental growth increasing by 17% year on year and 5% annualised growth over the past five years. Listings for four bedroom properties have been relatively steady at around six per year.

### Experian Data:

Experian estimates that the number of households within this area have fallen by 1,008 to 16,786 households. The number of households in the rental sector has increased BY 1,250 to 4,057 households equating to 22% of the total. This suggests that renters are typically less affluent than owner occupiers but many could be transient but some will be struggling to purchase a home.

### Mosaic groups of renters:

- 12% Modest Traditions
- 35% Rental Hubs
- 11% Transient Renters
- 10% Family Basics

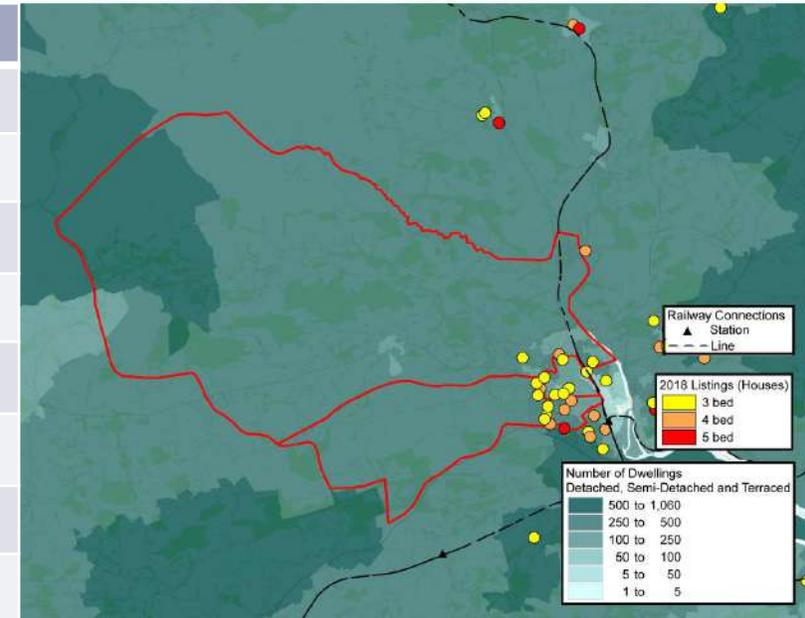
### Mosaic groups of owner occupiers:

- 19% Prestige Positions
- 13% Domestic Success
- 11% Senior Security
- 9% Aspiring Homemakers

54% of rental households have incomes between £15,000 and £30,000 with a further 18% earn between £30,000 and £45,000.

Around 15% of rental households are expected to have children compared to 26% of owner occupiers.

Number of Households:			
Number of households (2011)	17,794		
Number of PRs households (2011):	2,406		
Number of PRS households with children (2011)	719		
Number of D,SD,T properties:	10,897		
Number of PRS households in D, SD, T properties:	974		
	3 bedroom	4 bedrooms	5 bedrooms
Rents:	£735	£1,165	£1,300
Listings	15	6	1



Kingswell Terrace, Perth	Lapwing Drive, Muirton	Dupplin Road, Perth	Jeanfield Road, Perth
3 bedroom semi detached house	3 bedroom semi detached house	4 bedroom semi detached house	4 bedroom semi detached house
£650	£800pcm	£850pcm	£895pcm
Unfurnished	Unfurnished	Unfurnished	Unfurnished
Young families are interested in the smaller properties ideally close to schools and amenities. More established families are very interested in the larger properties. Gardens and being pet friendly are important attributes.			

5

Institutional PRS in England

# Policy timeline for build to rent

Attracting institutional investment into the residential sector became an explicit policy priority in 2011.

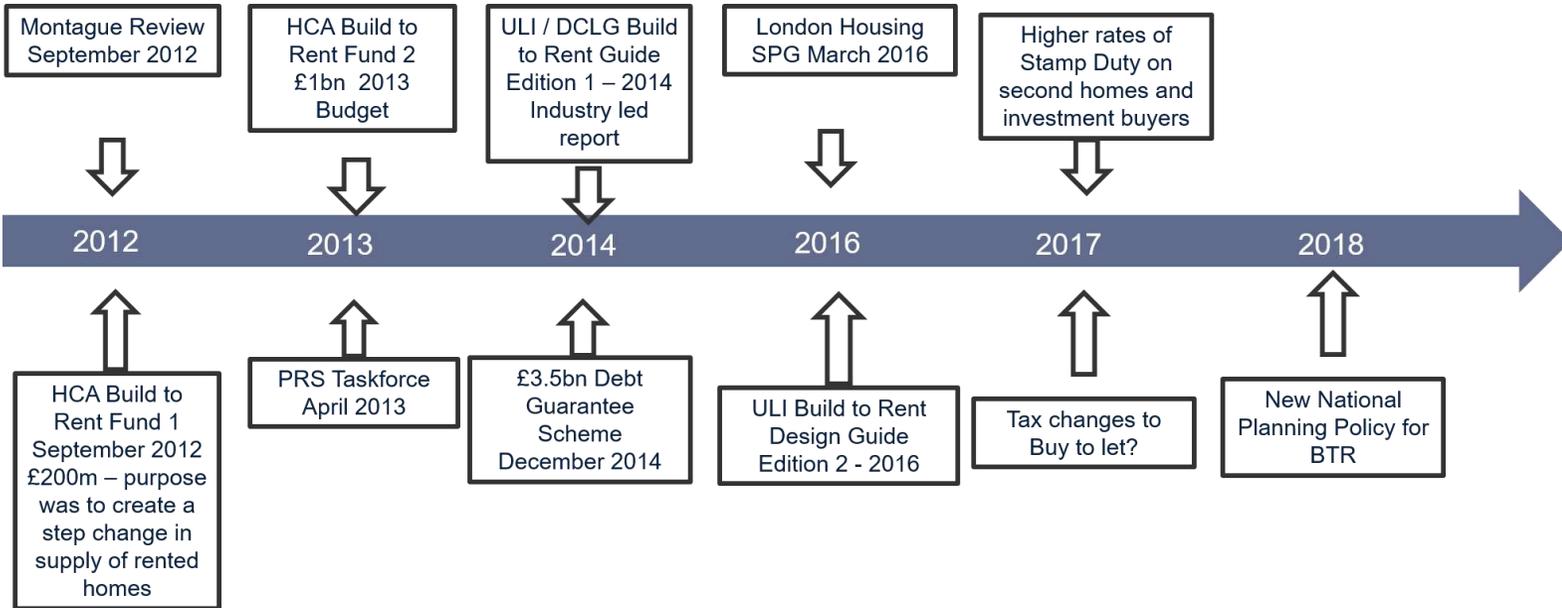
Besides benefits for tenants in terms of quality of management and longer leases, large-scale investment in dedicated PRS units was thought to enable faster development on individual sites, and to contribute to an increase in the quantum of new housing.

The 2012 Montague review pointed out that investors (pension funds in particular) would benefit from index-linked rents in line with their liabilities, and residential investment would offer valuable diversification (Montague 2012).

The Montague Report in 2012 identified a number of barriers to the expansion of the institutional rented sector. In response the Government introduced a series of measures to mitigate these barriers and encourage expansion of the institutional PRS (as opposed to the small landlord sector). The general principle was that support would be provided during the early, experimental years of the industry, then gradually withdrawn as the investment model grew and the delivery of BTR units increased.

In addition to policies to encourage expansion of the institutional PRS, at the same time the government has made the tax treatment of private landlords significantly less favourable. A new supplementary Stamp Duty Land Tax of 3% for residential purchases that are not a primary residence was introduced in 2017. Mortgage-interest tax relief, formerly available to individual landlords at their marginal rate of tax (up to 45%), will gradually reduce to a maximum rate of 20%. Wear-and-tear allowance on furnished accommodation, formerly an automatic 10% of rental income, is now limited to actual expenditure on replacement furnishings.

All of these measures combined has made investment by buy to let landlords less attractive and we have started to see a real reduction in the number of these landlords active in the market.



**In 2018 the Government published revised planning guidance in the National Planning Policy Framework (NPPF) and its associated Guidance notes. The revised framework has provided more certainty for the delivery of new build to rent by including a definition of what constitutes build to rent , appropriate affordable housing for build to rent developments (Affordable Private Rent) and also included guidance on the use of covenants and clawbacks for local authorities that are off setting or reducing affordable housing contributions. This revisions are seen as clear encouragement for the delivery of more build to rent homes in England**

# The emergence of build to rent in England

In the current market environment, with Buy to Let (BTL) investors constrained by increased taxation and mortgage regulation, deliverers (e.g. housebuilders, developers) face the prospect of slower sales arising from investors.

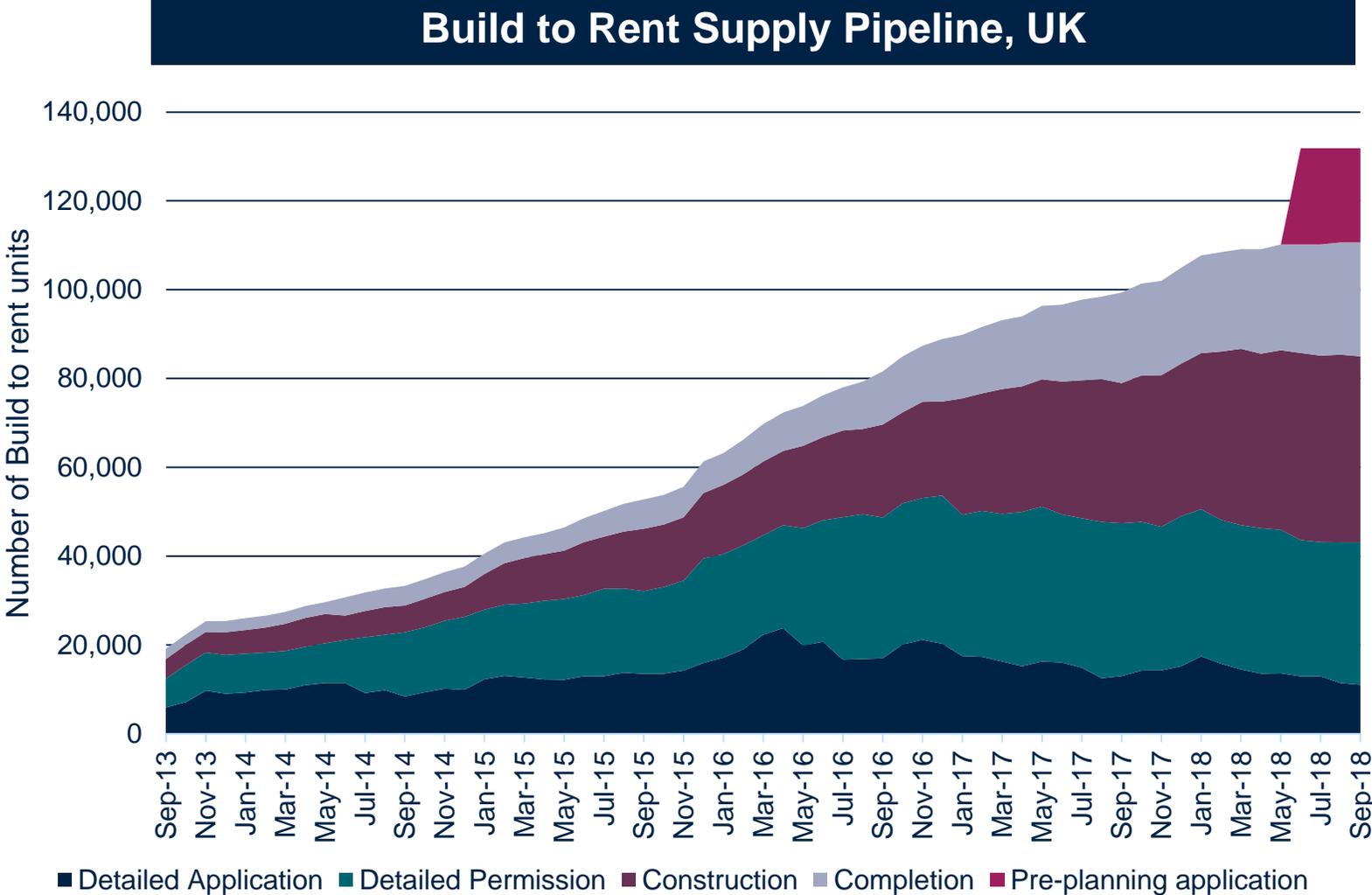
The gap in demand that has been created by lower appetite from BTL investors has in some instances been filled by other equity investors with appetite to forward fund development. This switch from BTL to large equity houses such as pension funds and other types of institutions has enabled the emergence of the build to rent (BTR) market.

*The chart shows that the BTR pipeline has grown to in excess of 130,000 units in the past 7 to 8 years.*

The attraction of BTR for deliverers is that it offers an additional sales outlet from the private for sale model. It provides more certainty of an end-buyer for housing developments, which helps to de-risk schemes. It is especially helpful on larger sites, where there are multiple phases of development. Often BTR sites require substantial capital commitment (i.e. high density schemes) and without substantial third party investment they simply do not progress.

In these circumstances, BTR can accelerate delivery because a developer / housebuilder can deliver stock for both open market sale and market rent concurrently. BTR also provides additional benefits, such as creating footfall and diversity of occupiers for non-residential uses on mixed-use sites, underpinning placemaking and regeneration.

There is growing evidence from the 40 completed schemes that there is consumer demand for BTR with a growing segment of the population seeking to occupy rented housing that is well designed, managed and secure.



# The evolution of build to rent product and funding mechanisms

The early developments in the build to rent sector tended to be small schemes (less than 100 units) that were built by traditional housebuilders and/or developers for the private for sale market but subsequently acquired by investors with the intention of renting out all the units. Schemes were generally acquired during construction and before practical completion. In the table opposite these PRS units were termed "Purchased for PRS" within the UK Build to Rent Database.

Other investors and/or developers that had developed stock for the private for sale market retained the stock because of weaker selling conditions. A number of housing associations grew PRS portfolios in this way, A2Dominion being a good example. Another example in the private market is Quintain at Wembley Park. Quintain retained its units that were completing in the wake of the Global Financial Crisis and they have since repositioned the Wembley Park development to pursue built to rent delivery model.

Schemes planned and designed for the rental market have only just started to emerge. One of the first deals for a truly build to rent scheme was the Rehersal Rooms in North Acton, acquired by the pension investor M&G in December 2016. This scheme has now completed and is fully let.

The following slide gives examples of the different types of rental schemes that have been delivered.

## Private Rented Sector

Retained for PRS	Purchased for PRS	Build to Rent (HCA)	Forward Purchase	Build to Rent (Forward fund)
<ul style="list-style-type: none"> <li>• New</li> <li>• Multiple units</li> <li>• No minimum size</li> <li>• Large scale investor (RP, Institution, Private Investor, Private Company, PLC)</li> <li>• Not necessarily purpose built</li> <li>• Could be multiple units in different blocks / phases of development</li> <li>• AST contracts.</li> </ul>	<ul style="list-style-type: none"> <li>• New</li> <li>• Multiple units</li> <li>• No minimum size</li> <li>• Large scale investor (RP, Institution, Private Investor, Private Company, PLC)</li> <li>• Not necessarily purpose built</li> <li>• Could be multiple units in different blocks / phases of development</li> <li>• Purchased at some point during development</li> <li>• AST contracts.</li> </ul>	<ul style="list-style-type: none"> <li>• "New...quality purpose built homes for the private rented sector, with strong consideration to build, management and lettings" (HCA).</li> <li>• Large scale</li> <li>• Long term</li> <li>• Attractive to institutions</li> <li>• Clear exit strategy</li> <li>• Single or multiple sites</li> <li>• 100 unit minimum size</li> <li>• Private rent at market rents only</li> <li>• AST contracts.</li> </ul>	<ul style="list-style-type: none"> <li>• New</li> <li>• Multiple units</li> <li>• No minimum size</li> <li>• Large scale investor (RP, Institution, Private Investor, Private Company, PLC)</li> <li>• Not always purpose built</li> <li>• Generally blocks / unbroken investments</li> <li>• Single phase of development</li> <li>• Risk sits with deliverer</li> <li>• Little control over design and product</li> <li>• Purchased before start of construction</li> <li>• AST contracts.</li> </ul>	<ul style="list-style-type: none"> <li>• New</li> <li>• Multiple units</li> <li>• No minimum size</li> <li>• Large scale investor (RP, Institution, Private Investor, Private Company, PLC)</li> <li>• Purpose built for PRS</li> <li>• Blocks / groups of houses, unbroken investments</li> <li>• Single phase of development</li> <li>• Risk shared between deliverer and funder</li> <li>• More control for funder over design and product</li> <li>• AST contracts</li> </ul>

## Build to Rent

# Examples of early build to rent product



## Retained for PRS

- Owner: A2D Housing Association
- Units: 300 across 3 tenures
- £92m
- Tower Hamlets
- 71 units retained for PRS

## Purchased for PRS

- Owner : Fizzy (subsidiary of Thames Valley Housing Association)
- 63 units from East Thames
- Part of a wider 462 unit scheme delivered by First Base and East Thames
- This scheme was the fourth private rented project launched by Fizzy Living

## HCA funded

- Centenary Quays
- A2D and Crest
- 102 homes
- Forward Purchase
- Professional managed by A2D
- Accelerated delivery for Crest
- £7.5m - £3.5m HCA

## Forward Purchase

- Vermillion, Canning town
- Acquired from English Cities Fund – JV between Muse, HCA and L&G
- 75 units 1, 2 and 3 beds
- Fizzy Living are currently in discussion with Abu Dhabi Investment Authority regarding funding for their expanding PRS portfolio

# Benefits of build to rent delivery

In 2016 the British Property Federation commissioned a report that identified the benefits of build to rent, drawing on the empirical evidence in the market. The report concluded that build to rent produces the following benefits:

- Faster market absorption
- Site intensification
- Additionality where build for sale is marginal
- Ability to unlock sites
- Regeneration and placemaking benefits
- Distributional costs potentially offset where supply is accelerated.

The clearest example of faster market absorption is from the Olympic Village development which saw the delivery of c.1,439 units which were absorbed by the rental market much faster than if a private for sale strategy had been used.

Sigma Capital is an example of where development has been accelerated by the delivery of build to rent homes. Sigma is unique in the market because at a time when investors were pursuing apartment blocks for rental, mainly in urban locations, Sigma were developing housing stock for the family rental market in the North West.

Sigma's approach involves delivering rental homes alongside Countryside who are delivering for the private for sale market. This means that the delivery rate on these sites where Countryside and Sigma are working together is five times faster than sites pursuing private for sale only. This clear acceleration is a key reason why the government in England is encouraging higher rates of build to rent delivery. As a result of Sigma's investment activity, the regional markets in England have a higher proportion of build to rent homes as opposed to flats.

## East Village Stratford

GET LIVING LONDON	BTR	Build for sale
	Number of units	1,439
Let up rate	15 per week	15 per month
Delivery period	95 weeks	95 months

## Sigma Rental Homes, North West



# Recognised benefits of Multifamily vs. Buy to Let



## Investor Benefits

- Purpose built – more efficient management leading to less gross to net leakage
- Designed and fitted out to target different tenant segments – more attractive to tenants – can drive rents and defend occupancy
- Scale / partnerships
- Whole block acquisitions allow consistent management
- Multiple income streams – turn-key renting solution means there are a range of potential ancillary income streams which investors can pursue
- Institutional management allows multifamily operators to realise rental premia above comparable new built schemes let by private landlords. For instance at Wembley Tipi achieves c.16% premium in Alto & Emerald Gardens, over individual BTL investors; this trend can be seen across a number of schemes.
- Tax efficiency through the ability to claim MDR (Multiple Dwellings Relief) by acquiring multiple properties and the potential for institutions to apply for REIT status. This is coupled with the worsening tax environment for BTL investors including mortgage lending constraints, increased CGT and the reduction of interest rate relief.

## Tenant Benefits

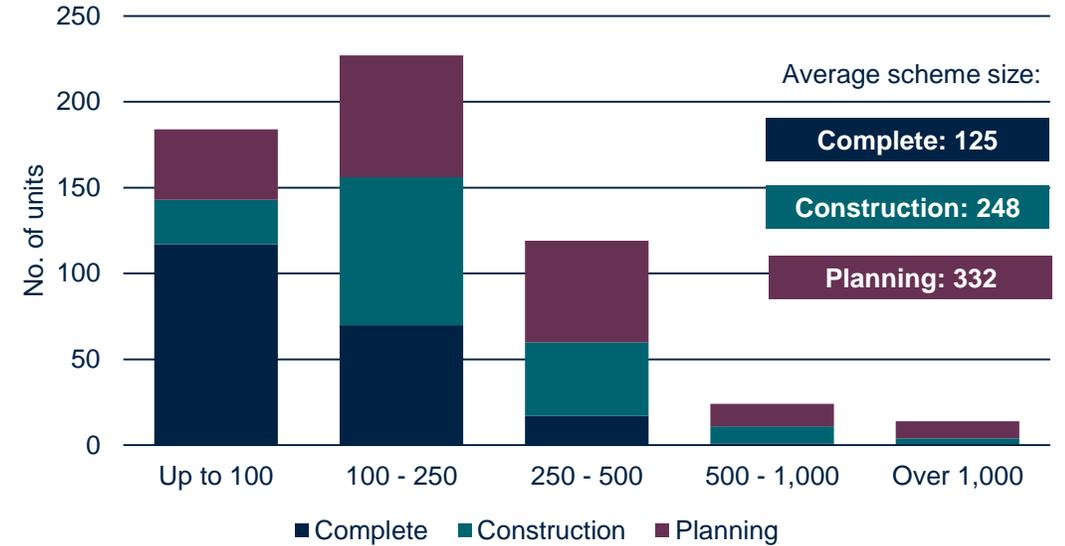
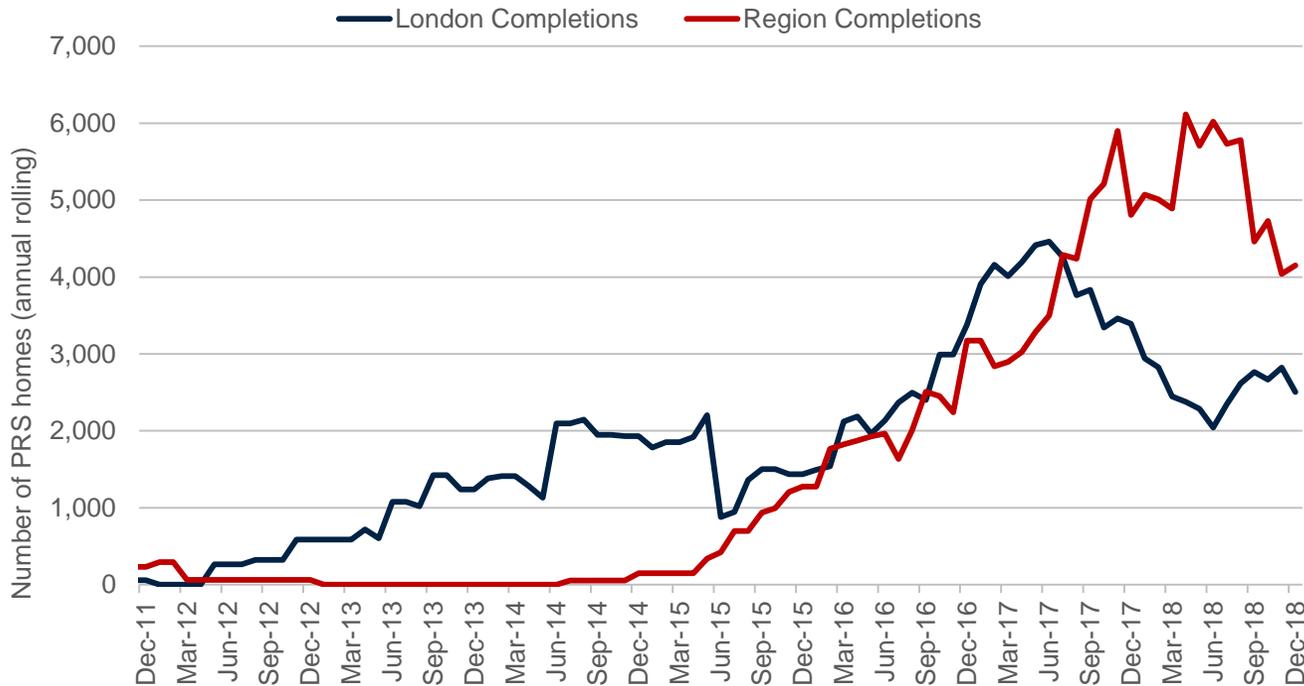
- Professional management – avoid rogue landlords
- Purpose built – fewer issues with building quality and any problems quickly resolved
- Designed for renting – amenities included e.g. dining rooms, communal areas, spare rooms, etc.
- Security of tenure
- Longer leases available
- Secure blocks and high security levels
- Convenience – is a turn-key renting solution with a range of potential ancillary services
- Concierge services



# Build to rent has grown inside and outside the capital

Early delivery focus was in London where supply demand was considered so imbalanced that investors were more confident about taking the risk in an untested market. As the market has continued to mature the size of schemes has grown, as investor confidence in concentration risk has reduced, evidence of the success of the early schemes in achieving the underwriting targets.

The market in London has been highly competitive and investors have found it easier to secure pipeline (land) and deliver schemes in regional markets. The chart below shows how completions in London dominated between 2012 and 2015 while BTR completions have increased rapidly in the regions since 2015.



Status	Complete	Under Construction	Planning	Totals	% of total
London	13,448	18,397	35,272	67,117	51%
Regions	12,217	23,473	29,048	64,738	49%
Total	25,665	41,870	64,320	131,855	-

# Owners of completed stock

Company	Units completed
Get Living	1,812
Sigma Capital	1,609
Criterion Capital	1,347
London & Quadrant Housing Trust	1,329
Grainger	1,097
M&G Real Estate	1,087
LaSalle	1,059
Fizzy Living	682
Invesco/ Platform_	608
Longharbour	582



- **Get Living**
- **Circa 1,430 units completed with the same again under construction.**
- **Current let:** c 98%
- **Original Absorption:** 61 units pcm in earlier phases rising to 75 units pcm in latter phases

Company	Units planned or under construction	Rank in completed units
Quintain	5,491	
Get Living	4,288	1
Legal & General	4,101	
Grainger	3,731	5
Criterion Capital	3,575	3
Apache Capital and Moda Living	3,231	
Argent Related	2,720	
London & Quadrant Housing Trust	2,649	4
Dandara Group	2,411	

# Wembley Park, Quintain



Q U I N T A I N



- Own Wembley Park an 85 acre site with planning for 7,342 units and commercial space.
- Over 4,000 units under construction.
- Tipi is the management arm for Quintain for the private rental units.
- Vertically integrated investor that undertakes their own construction and operational management of completed units,
- Future consideration of large sites (500+ units) across the UK but focussed on Greater London,
- Bills & broadband included, shared social spaces, hotel-inspired customer service.

# Get Living

- They have circa 1,430 units completed at East Village with the same again under construction.
- East Village has a current occupancy of c98%
- Original absorption at East Village of 61 units pcm in earlier phases rising to 75 units pcm in latter phases.
- Initially London focus but have expanded across the UK
- Total pipeline of 6,894 units,
- Developments in the pipeline in Glasgow, Leeds, Manchester and further development at both Elephant & Castle and East Village,
- Offer no deposits and 3 year standard tenancies with tenant only breaks,



# getliving

**Abbeville Apartments, Barking**



- **Units:** 100
- **Completion:** February 2015
- **Pre completion letting activity:**
  - 30% of the units were pre-let in advance of practical completion.
  - It took six weeks following completion for the remaining 70 units to let
- **Current let:** 100%
- **Absorption:** This letting rate reflected absorption of 60 pcm

- Grainger Plc is the largest residential owner in the UK. It is listed on the London Stock Exchange and has a nationwide portfolio of market let and non-market let homes.
- Grainger report that they own c10,000 units across the UK with a pipeline of new BTR estimated at £943m. They have added 1,522 homes to their pipeline in 2018.
- Their investment strategy is to focus on 14 key cities including London, Manchester, Bristol, Leeds and Birmingham.
- They target the mid-market product and offer longer tenancy options.
- Their portfolio is largely apartments but they are developing assets in family housing markets.

**Clippers Quay Salford**



- 614 PRS apartments
- £99m investment
- c.8% targeted gross yield
- Phase 1 complete and letting up

**Secured (Over 1,200 units)**



**Clippers Quay, Salford**  
614 new homes, on site  
*First completions 2018*



**Berewood, Waterlooville**  
Our first family style PRS  
104 new homes, on site  
*First completions Sept. 2017*



**Seven Sisters, London**  
196 new homes  
Consented, CPO underway  
*Estimated completion 2020*



**Gun Hill, Wellesley, Aldershot**  
108 new homes, consented  
*Estimated completion 2019*



**RB Kensington & Chelsea**  
Public sector land partnership  
2 sites under construction  
5 further sites committed  
*Completion 2017-2018*

**In planning (Over 700 units)**



**Apex House, Seven Sisters, London**  
163 new homes  
Resolution to grant, May '16



**Newbury, W. Berkshire**  
232 new homes  
Planning application submitted



**Pontoon Dock, London**  
c.140 new homes  
Planning application submitted



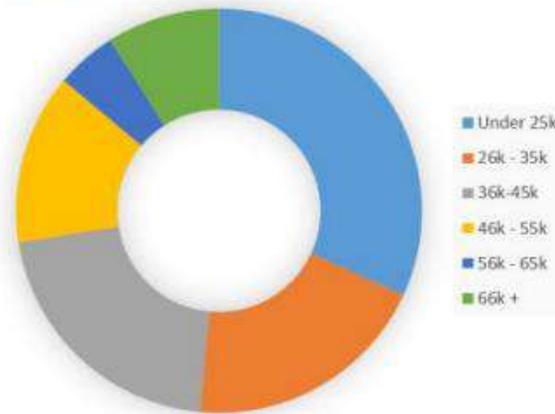
**Waterloo estate renewal, London**  
Up to 200 new homes  
Pre-application consultation

# Sigma: The PRS REIT (1)

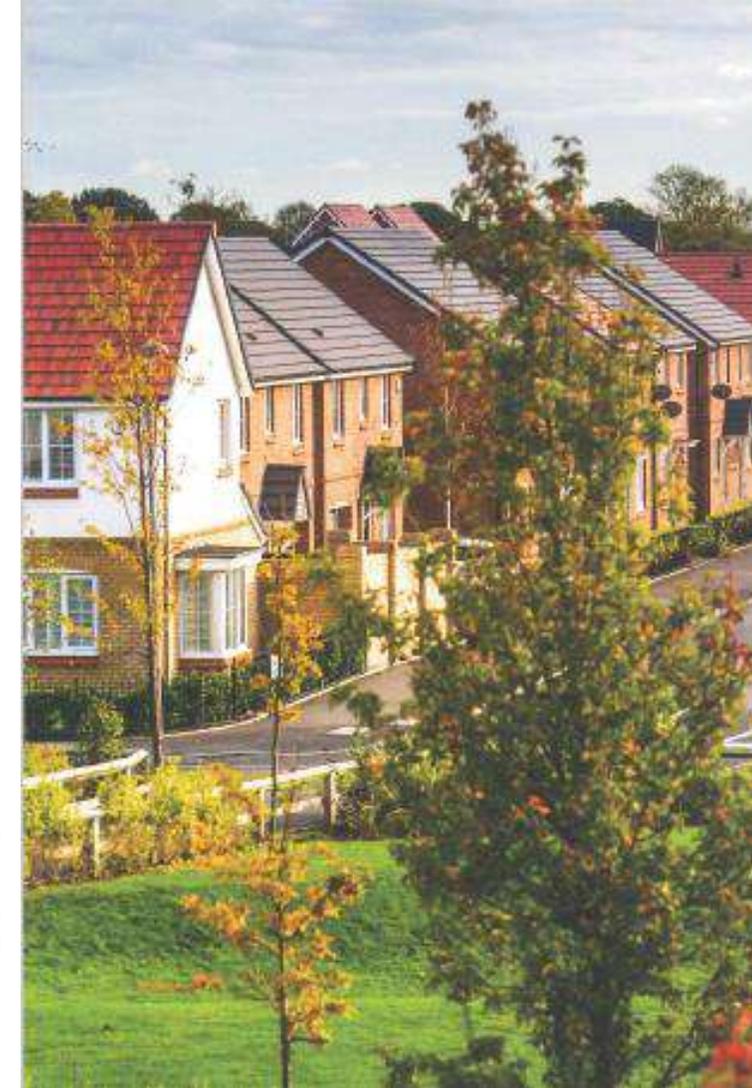
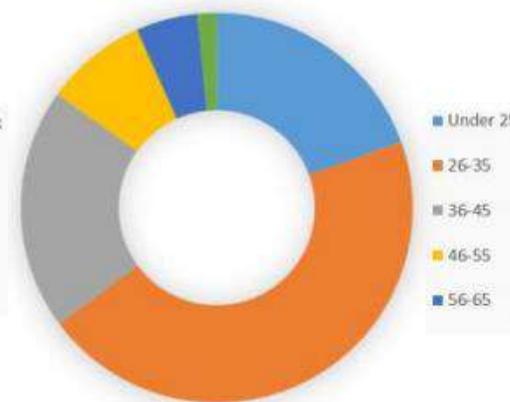
- Operating throughout the major UK conurbations of the UK, Sigma Capital Group is a leading provider of family PRS housing. In May 2017, Sigma floated The PRS REIT plc on the London Stock Exchange, giving the Sigma platform access to £450m of discretionary funds, for the sole purpose for delivering family PRS housing.
- Sigma is targeting £1bn of assets within 5 years. The Government have supported Sigma through direct investment in the REIT.
- Sigma's total build to rent pipeline is estimated at over 7,000 homes – with c. 2,000 complete and occupied. Most completed stock has been delivered in the North West but Sigma have schemes in the Midlands and Yorkshire & the Humber.
- Their investment strategy is based around investing in economically active towns and cities where there is high housing demand, good employment prospects and potentially benefit from infrastructure improvements. A key plank of Sigma's strategy is to invest in schemes that are building sustainable communities.
- On a site by site basis they look for proximity to transport, retail, employment and well performing schools.
- A typical site offers between 50 and 100 homes for rent. Their smallest site has 26 homes and the largest over 200.



HOUSEHOLD INCOME BANDS

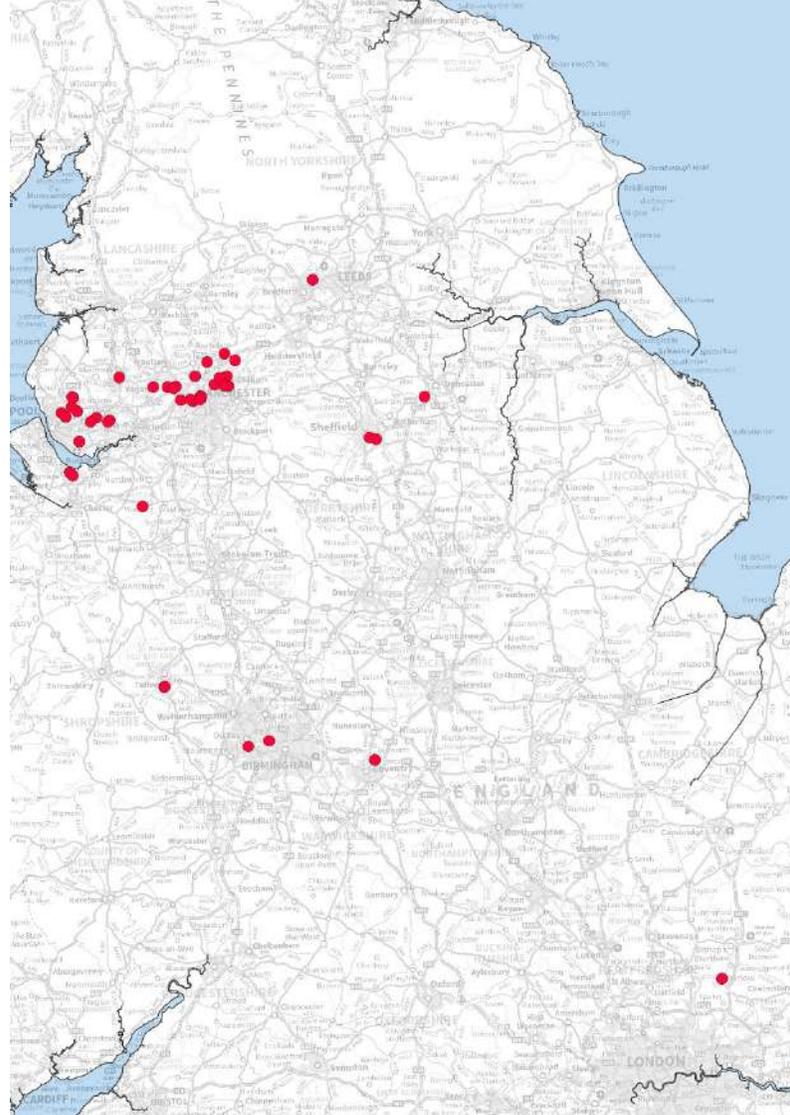


AGE GROUPS OF TENANTS



# Sigma: The PRS REIT (2)

- Sigma's developments comprise a range of house types suitable for a wide range of ages and life stages.
- They offer gardens and open space for children to play.
- Their management team arrange resident events.
- All residents receive a welcome box of essentials, a tenant charter and information and guides to their homes and community.
- There is a 24/7 dedicated customer service team and maintenance team.
- According to their latest quarterly update (December 2018), the average re-let time for a vacant unit is 6.7 days.



# Sigma: Norris Green, Liverpool

- Norris Green is a good example of the type of site and location that Sigma develop. The original concrete housing estate was demolished presenting a relatively unique opportunity to re-build around 1,000 new homes on an estate that sits within an established residential location.
- The site forms part of Countryside Properties Norris Green Village Development, which in total will provide 1,150 units within 5 phases. The overall scheme is to be pepper-potted with affordable housing.
- Norris Green Village is a major regeneration area which benefits from a principal arterial route into Liverpool and east to the motorway network giving good access to all major employment areas within the Liverpool Conurbation.
- Sigma acquired 69 homes within Phase 4 at Norris Green. The rents and estimated values are set out below.

Norris Green house types	No. Bedrooms	Achieved Rent pcm	Estimated Market Value
Walbrook	2	£600 - £610	£124,167
Weaver	3	£695	£150,000
Grantham	3	£695 - £735	£150,500
Ellesmere	3	£720	£152,500
Stamford	3	£775	£157,500
Lyn	4	£795 - £805	£162,500

**Semi-detached Weaver unit**



The Weaver is a two/three bedroom semi-detached house extending to 850 sq ft over ground and first floor levels with an open plan kitchen/dining room, reception room and WC at ground level and master bedroom, two further bedrooms (of which one single bedroom/study) and a family bathroom at first floor level

The Walbrook is a two bedroom semi-detached house extending over 646 sq ft with a kitchen, reception room and WC at ground level and master bedroom, one further bedroom and family bathroom at first floor level.



**Semi-detached Walbrook**

# Sigma: Bombardier, Crewe

- The site is located on the north western edge of Crewe, immediately to the south of A532 West Street and to the north of the railway line. Crewe town centre lies approximately 1 mile to the south east where there are good local amenities.
- Crewe Station is situated 1.8 miles to the south east providing regular direct services to Manchester, Warrington, Stoke on Trent and Chester. There are six primary schools and three secondary schools situated within approximately 1 mile of the site.
- The development comprises a total of 131 residential dwellings provided by Sigma's contractor partner, Countryside Properties plc.
- The scheme consists of 24 x two bedroom apartments, 93 x three bedroom houses and 14 x four bedroom houses.

House types	No. Bedrooms	Estimated rents (annual)	Estimated Market Value
Two Bed Apartment	2	£7,080	£110,000
Weaver (W)	3	£8,936	£161,159
Grantham (G)	3	£9,120	£162,500
Ellesmere (E)	3	£9,163	£165,900
Ellesmere UP (EUP)	3	£9,540	£176,250
Weaver UP (WUP)	3	£9,480	£176,250
Trent (T)	3	£9,360	£167,500
Dee (D)	4	£10,474	£200,714

Semi-detached Grantham unit



The Grantham is a three bedroom semi-detached house extending to 850 sq ft, over ground and first floors with an open plan kitchen/dining room, reception room and WC at ground floor level and master bedroom, two further bedrooms and family bathroom at first floor level.

The Ellesmere is a two/three bedroom semi-detached or detached house extending to 855 sq ft, over ground and first floor levels with an open plan kitchen/dining room, reception room and WC at ground floor level and master bedroom, two further bedrooms (of which one single bedroom/home office) and a family bathroom at first floor level.



Semi-detached Ellesmere

# PlaceFirst



All developments offer car parking, private gardens, 24-hour emergency repairs, leisure spaces for residents, yearly 'health-checks' for homes and a family residents service team. After 12 months residents are allowed to decorate their own homes. The rents are reviewed once a year to CPI + 1%.

No	Site	PRS Units	Completion	Unit Mix	Comments
1	Woodnook, Accrington	130	2016	2, 3, 4 bed houses	Refurbished 3 streets of Victorian terraced houses. Created a new village square and park.
2	West End One, Morecambe	51	2016	1, 2, 3, 4,5 bed flats and houses	Refurbished Victorian houses
3	The Green, Hartlepool	94	2017	1, 2, 3 bed houses	Transformed three streets of Victorian houses.
4	Welsh Street, Liverpool	299	2017	2, 3, 4 bed houses	Transformed five streets of Victorian terraced houses. Converted rear alleyways into shared gardens.
5	Cross Heath Grove, Leeds	74	2017	1, 2, 3 bed flats and houses	Refurbished houses and flats.



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# Important Note

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Finally, in accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.