

Looking after your property needs from...

# AM - PM



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Welcome to our second quarterly newsletter exclusively for our Landlords. This will cover the period 1st April -30th June 2010.

## **Rental Market**

The private rental sector is playing an increasingly important role in the provision of housing in Scotland as increasing numbers of people are unable or unwilling to buy. With predictions of households in the rental sector growing from 14% to 20% by 2020 there will clearly be a need for more supply over the next few years to meet the demand.

During the second quarter Aberdeen has retained its position as the most expensive place to rent in Scotland, a title it has held for 3 years, with the average monthly rent at £854. The next highest being Edinburgh at £755.

Time to Let (TTL) figure for the second quarter stands at 38 days which is an improvement on the last quarter. Quarter 3 is traditionally the busiest rental period and we can expect to see sub 35 day TTL for the first time since 2008.

Specifically, the west end of Aberdeen has been named at the most expensive area in Scotland for renting property. 4 other places in Aberdeen feature in a top 10 list of Scotland's most expensive places, being Holburn, Ferryhill, Rosemount and Bridge of Don.

Even Aberdeen's cheapest area to rent is far from the lowest in Scotland. A 2 bedroom flat costs on average, £581 in Mastrick and Northfield, compared with £433 in Govan and Ibrox in Glasgow.

Contributing to Aberdeen's successful rental market is the growing number of students and improvements in the oil and gas industry assisted by the steady price of oil. At present it is all good news for Landlords in Aberdeen.

## **Selling Market**

Unbelievably, average house prices in Aberdeen and Aberdeenshire have recovered from the recession and soared to a record high so landlords. The latest official property report for the north east revealed that the cost of a home in the region has jumped by more than £22,000 in the last 3 months. The rise has pushed the average price from £191,291 to £213,358-almost £3,000 more than the previous record set in 2008, before the financial crises.

However, the average price can be misleading given that more expensive properties are selling and lower priced properties struggle due to first time buyers finding it difficult to get on the market and a lack of lending from still nervous banks.

Across the north east, 2081 properties were added to the ASPC during the quarter with 1,402 being sold. Given this trend the rest of the year may see a levelling off in the average price as the third and fourth quarters are less active than the second quarter.

Another encouraging thing is that it is taking, on average, less than two months to sell a property in Aberdeen compared with up 200 days in some areas of the north east.

Caution is still required with regard to sale prices but Aberdeen with the oil and gas industry should hopefully avoid problems associated with a possible double-dip recession.

## **Mortgage Market**

The big news is again that the historically low interest rate of 0.5% is likely to remain for the foreseeable future and lenders are slowly starting to lend again.

It is widely reported that lending criteria will continue to ease gently before the end of the year. For buy-to-let mortgages at present an 80% loan to value is the best on the market place. A very competitive 3 year fixed rate mortgage at 3.65 % has been launched in August. Contact us if you wish more information on these or any other buy-to-let product.

New data from the Council of Mortgage Lenders shows that gross mortgage lending has risen again. Gross mortgage lending in June was an estimated £13.1 billion, a 15% rise from £11.4 billion in May and a 7% increase from £12.2 billion in June 2009.

Furthermore, gross lending for the second quarter of 2010 was an estimated £35 billion, up 17% from the first quarter of this year

## **Other news**

We have had very good feed back to our revamped web site with many clients describing it as the best leasing web site. Our two plasma televisions in our shop window on Union Street are continuing to attract interest from many potential tenants. Later in August all of our Leasing Schedules will be laminated and will have a stunning glossy look to them.