

inside letting

EDINBURGH'S LINK WITH LANDLORDS

ISSUE 16 SUMMER 2008



EMMA FURSMAN
Managing Director
Dunpark Ltd

Dunpark *Let... Live*

As the diagnosis for Edinburgh's housing market continues to look increasingly sluggish, following the wider UK trend of more properties for sale and less actually selling, landlords should be assured that the flipside of reduced house sales is that Edinburgh's rental market remains buoyant with strong tenant demand.

Landlords should be encouraged to remain immune to a case of cross market jitters, despite worrying reports fuelling consumer anxiety and the poor prognosis of the housing market, as the letting market is in good health.

Across the board in Edinburgh, from one bedroom flats in Gorgie to five bedroom Georgian terraces in the New Town, rental properties are benefiting from increased consumer demand, translating into some of the highest occupancy rates experienced in years.

Here at Dunpark we are experiencing record tenancy rates of 99.5%, with the average tenancy occupancy 354 days per year and properties renting like hotcakes – 70% of Dunpark's properties have let within three viewings.

Rents in all properties have experienced strong growth of up to 15% in the first six months of this year as the letting market remains upbeat, due to uncertainty in the buying market and first time buyers unable to climb that first rung of the property ladder.

A by-product of the increased tenant demand is that letting is currently benefiting from a loss of some of that 'just renting' stigma.

With consumers stung by increasing price hikes in the cost of essentials, such as heating, food and fuel, renting a property is beginning to look like an attractive option for many.

Offering greater flexibility and less financial commitment than buying, many consumers are taking the long-term view that renting

is no longer the poor cousin and are demonstrating this in the marketplace.

With the credit crunch expected to continue squeezing consumers, landlords should be aware of the possibility of an increase in rental arrears and implement a robust rental management system to flag up this problem and deal with it promptly and efficiently.

Dunpark's stringent system has enabled us to keep arrears to an absolute minimum – currently 0.025% of total rental income, but tight controls must be maintained.

Landlords planning to build their investment portfolio will find profitable long term prospects if they follow the golden rule of letting: when buying an investment property, buy something that somebody wants to rent.

And for those landlords beginning to feel the pinch – seek advice sooner rather than later.

www.dunpark.co.uk
0131 557 4466