Build-to-Rent (BTR) Market Snapshot

Glasgow
March 2023

Cortland Consult in collaboration with the UKAA

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Shaping the Future of Build-to-Rent

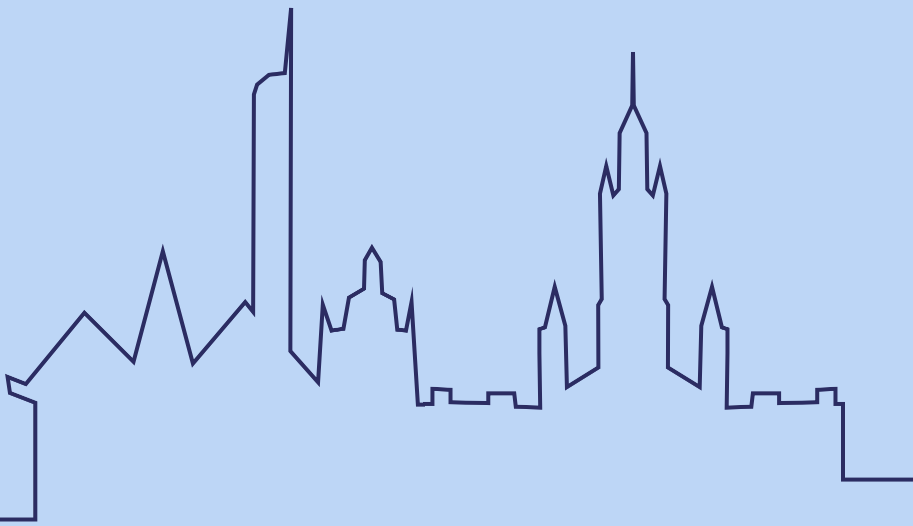
Summary

Scotland's largest city, and the fourth largest urban area in the UK, Glasgow is a metropolis home to nearly 1.7 million people. Glasgow's robust economy is spearheading the UK's post-COVID recovery, with the third-highest GDP per capita in the UK – after London and Edinburgh. Multiple international financial services firms such as JP Morgan Chase, Barclays, Lloyds, Clydesdale Bank, HSBC, and RBS are headquartered in Glasgow.

Glasgow has seen average advertised rental growth of 13% in the last year, compared to 11% across the whole of Scotland. This is unsurprising as in Glasgow, like other UK regional cities, demand is far exceeding supply.

BTR is still in its infancy here, with only two BTR communities currently-operational. However, the sector is set to grow with 5,086 units in the pipeline with operators such as Dandara, PLATFORM_, Get Living, and MODA all investing in Build to Rent in the city.

Launched in 2022, Solasta Riverside (managed by L&G) is Glasgow's only large-scale operational BTR development, spanning 324 units. Candleriggs Court is the other operational BTR scheme, by Kelvin Properties. At 36 units, it is a small-scale, boutique development with no amenities for residents.



Glasgow Dashboard

Latest rents – Q4 2022

Studio apartments

Average: £651 pcm
Upper quartile: £725 pcm
Build to Rent: £1,017pcm

BTR +56% Uplift

1 bed apartments

Average: £862 pcm
Upper quartile: £900 pcm
Build to Rent: £1,139 pcm

BTR +32% Uplift

2 bed apartments

Average: £1,167 pcm
Upper quartile: £1,295 pcm
Build to Rent: £1,527 pcm

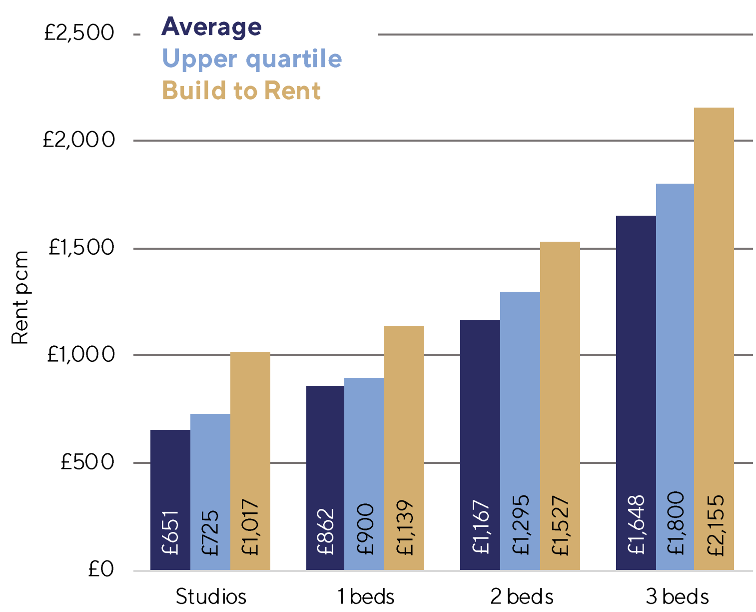
BTR +31% Uplift

3 bed apartments

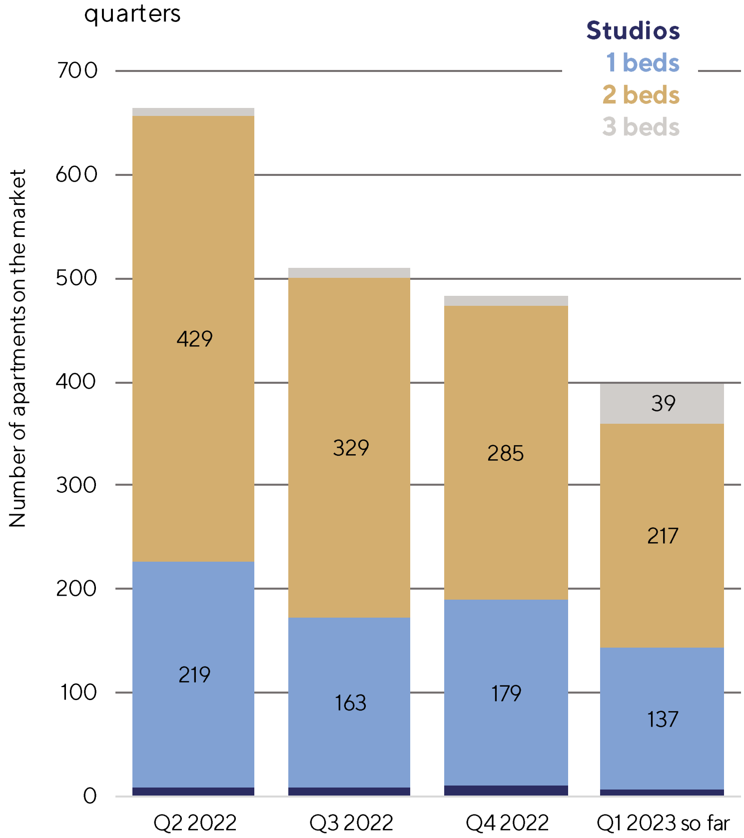
Average: £1,648 pcm
Upper quartile: £1,800 pcm
Build to Rent: £2,155 pcm

BTR +31% Uplift

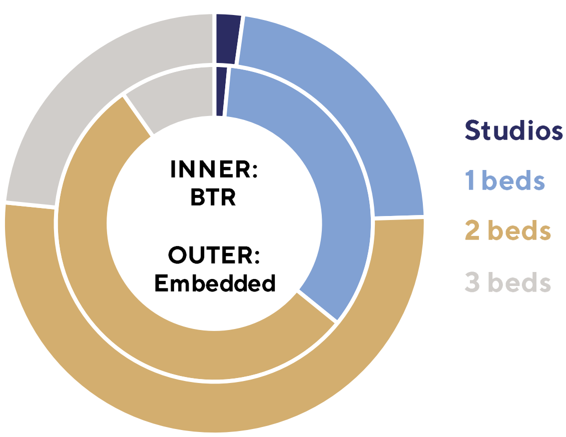
▼| Average and upper quartile embedded vs BTR rents during Q4 2022, Glasgow



▼| Number of apartments on the market per quarter during the last four quarters



▼| Embedded vs BTR unit mix in Glasgow

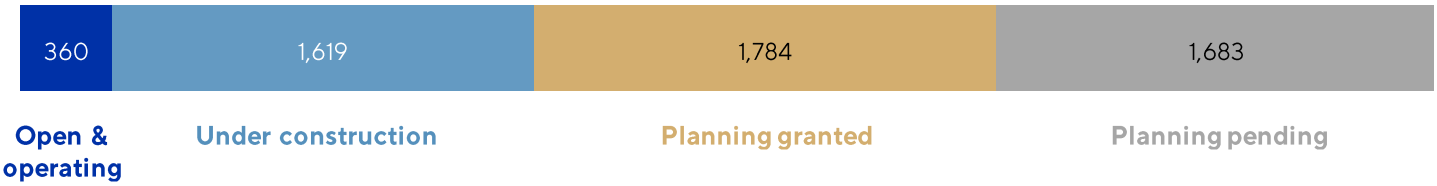


BTR Market

Latest average rents – Q4 2022

Q4 2022	Studios	1 beds	2 beds	3 beds
Solasta Riverside	£1,026	£1,139	£1,523	£2,157

BTR Pipeline



Map of operational and pipeline BTR communities in Glasgow

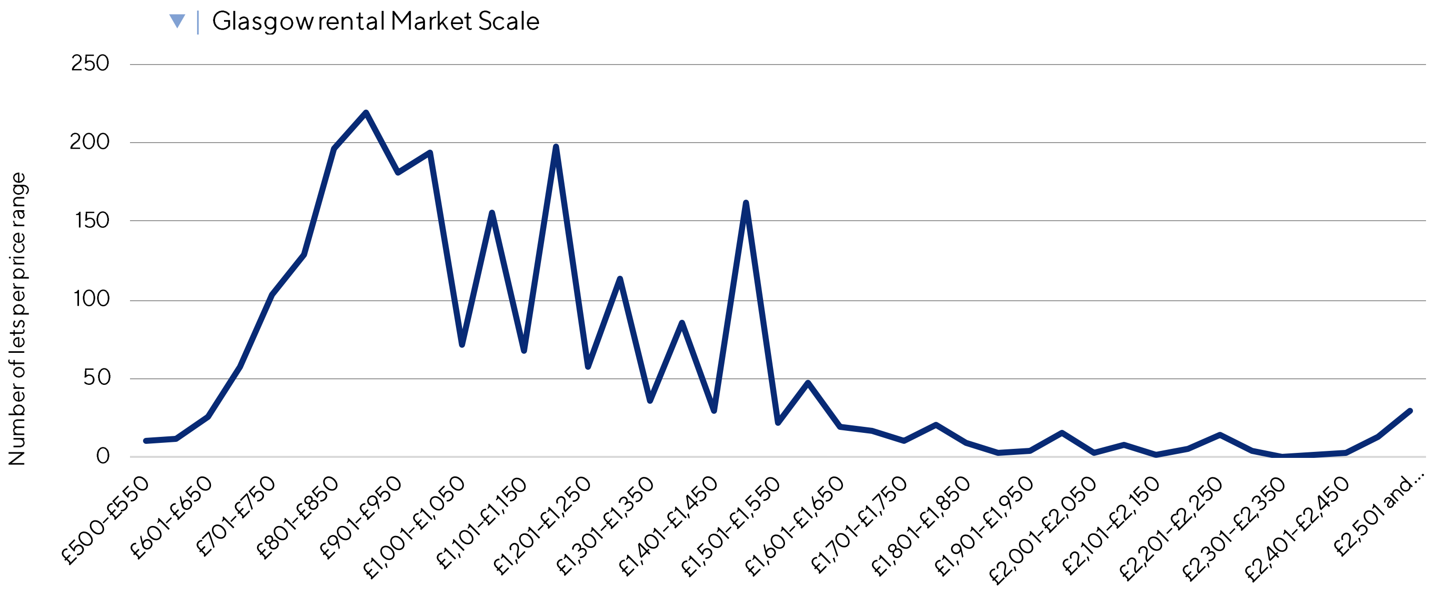
Operational
1. Solasta Riverside
2. Candleriggs Court

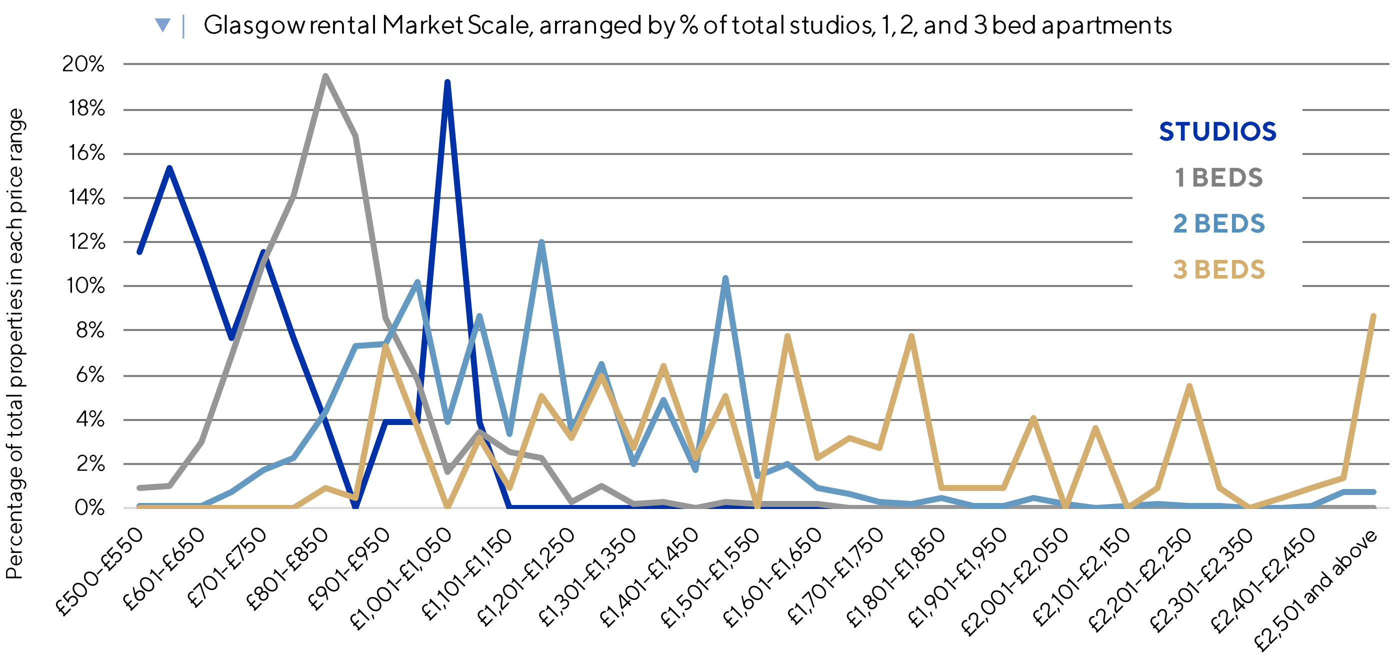
Granted
1. Lancefield Quay
2. Love Loan
3. Merchant City
4. Beith Street

Under Construction
1. PLATFORM_
2. Holland Park
3. Candleriggs Square
4. Granary Quay

Progress
1. 21 Herschell Street
2. Cowcaddens
3. City Wharf

Market Scale





Cortland Consult's Market Scale chart shows how many apartments were let between a scale of price points over the last year in Glasgow. It portrays the size and scale of the city's rental market. We have surveyed nearly 2,350 data points from a leading property portal to produce this data, using advertised rents.

Glasgow's rental market is concentrated toward the lower end of the pricing scale. The most common price is between £851 and £900. Half of Glasgow's market is priced between £751 and £1,150. The high-end market makes up only a small proportion (10%) of the wider market, which includes properties over £1,500.

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In this market analysis, we have analysed asking rents for apartments listed during the Q4 2022 period on leading property search portals and operator websites. The analysis shows a comparison of the advertised rents for BTR operators alongside the wider embedded market (average and upper quartile). It excludes all short term, holiday, student and lettings with all-inclusive bills. The analysis covers postcodes within the central postcode districts of M1 1, M1 2, M1 3, M1 4, M1 5, M1 6, M1 7, M2 2, M2 3, M2 4, M2 5, M2 6, M2 7, M3 1, M3 2, M3 3, M3 4, M3 5, M3 6, M3 7, M4 1, M4 2, M4 3, M4 4, M4 5, M4 6, M5 3, M5 4, M13 9, M15 4, M15 5, M16 7, and M50 3, which are areas that contain the city's purpose-built BTR schemes, high-quality traditional PRS schemes, major employment hubs and are key growth areas.