Lambert Smith Hampton

Build to Rent

REACHING OUT TO THE REGIONS

lsh.co.uk

THE NEW KID ON THE BLOCK

Ian Scott
Funding and Development
0161 242 7070
iscott@lsh.co.uk

The UK's Build to Rent sector has risen to prominence over the past three years, arguably more-so in the press than physical bricks and mortar. However, more support is required to ensure its true potential is realised.

A SECTOR DEFINED

The UK property industry has settled on 'Build to Rent' (BtR) as the accepted term for large-scale, professionally managed private residential assets. For the purpose of this report, BtR is defined as a scheme of no less than 50 units.

Beyond this, BtR has the potential to manifest itself in a variety of forms. At present, however, it is almost universally comprised of flatted blocks, often of higher quality than those for private sale and typically benefiting from shared on-site amenities, such as a concierge, gym, café and meeting rooms, all offering a greater sense of community among residents.

Another key departure from conventional private residential developments is the form of tenancy. While Assured Shorthold Tenancies often give little stability for renters, BtR developments are associated with longer tenancies of three years or more.

THE NEED FOR AN ALTERNATIVE PRODUCT

The number of households in the Private Rented Sector has increased rapidly over the past decade. While this does partly reflect affordability barriers to home-ownership, particularly in London, it also indicates deeper structural socio-economic change and more 'footloose' attitudes towards housing among younger adults. For a generation of Britons, the age-old ideal of home-ownership no longer equates to success.

% GROWTH IN PRS HOUSEHOLDS 2006-2016

SOURCE: ONS,Scottish Govt.

Yet, despite the exponential growth of PRS, it is extremely fragmented. 98% of UK private rented stock is owned by small buy-to-let investors and small corporates, much of which is relatively sub-standard physically, often with poor levels of tenant satisfaction and retention.

A CASE FOR THE UK REGIONS

While housing pressures are widely understood to be most acute in London, the prospects for BtR development elsewhere in the UK and outside the South East are arguably more compelling on financial grounds.

As our investment viewpoint *Tip of the iceberg* discusses, there are several key advantages to regional BtR investment, including more viable land prices, less direct competition with the Build to Sell market, and more attractive entry yields. However, with housing costs being less of an issue outside London, the right demographic needs to be in place at sufficient scale.

IT'S ABOUT QUALITY, NOT QUANTITY

Some have heralded the emergence of BtR as the answer to the UK's housing crisis. The Government has been proactive, adopting more of a multi-tenure approach in its Housing White Paper. However, even if the BtR supply pipeline were to quadruple from its current level, it is better considered as one of a number of approaches to ease to UK's chronic housing shortage.

Instead, BtR's real potential is to raise standards of quality and service in the UK PRS market. As more and more young professionals experience the benefits of purpose-built student accommodation, rising expectations over quality of accommodation and amenities will logically follow through into PRS demand.

The vast majority of BtR schemes over the next decade will come via flatted-developments, typically arranged over multiple storeys, and targeted at smaller households. Understandably, such developments will work best in areas where the demography and the location's physical attributes can accommodate them, and our analysis in *Delving into demand* assesses the locations which offer the greatest potential.

UK UNITS UNDER CONSTRUCTION

SOURCE: LSH Research, Glenigan

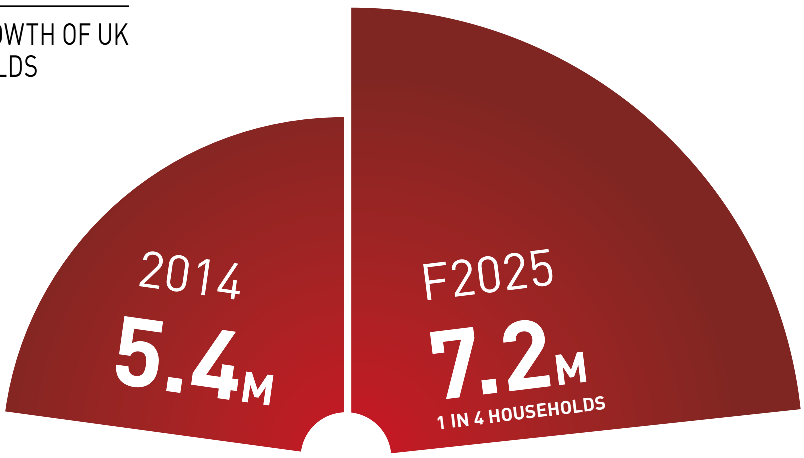
BtR REMAINS A WORK IN PROGRESS

The progress of the BtR sector is not without its challenges, and, as our viewpoint *Planning for the future* explains, greater clarity in housing planning policy could be pivotal to unleashing the sector's full potential.

Major question marks include how local authorities should treat BtR developments, particularly with regard to planning obligations, alongside issues around minimum space standards and car parking, and we believe that allocating BtR its own specific Use Class, while radical, could provide the boost it needs.

As our research indicates, despite a relatively modest amount of capital deployed in BtR to date, confidence in the sector is rising. For the time being, supply is suited to a relatively narrow demographic and, until this changes, BtR investors will need to be keenly aware of local market dynamics. ■

FORECAST GROWTH OF UK PRS HOUSEHOLDS



SOURCE: PwC

REACHING OUT TO THE REGIONS

Thus far, BtR development activity outside the capital has been focused in a select group of English cities. However, as investors have become more comfortable with the risks, BtR is on the cusp of spreading to many parts of the UK.

Oliver du Sautoy
Head of Research
020 7198 2193
odusautoy@lsh.co.uk

A QUESTION OF SCALE AND RETURN

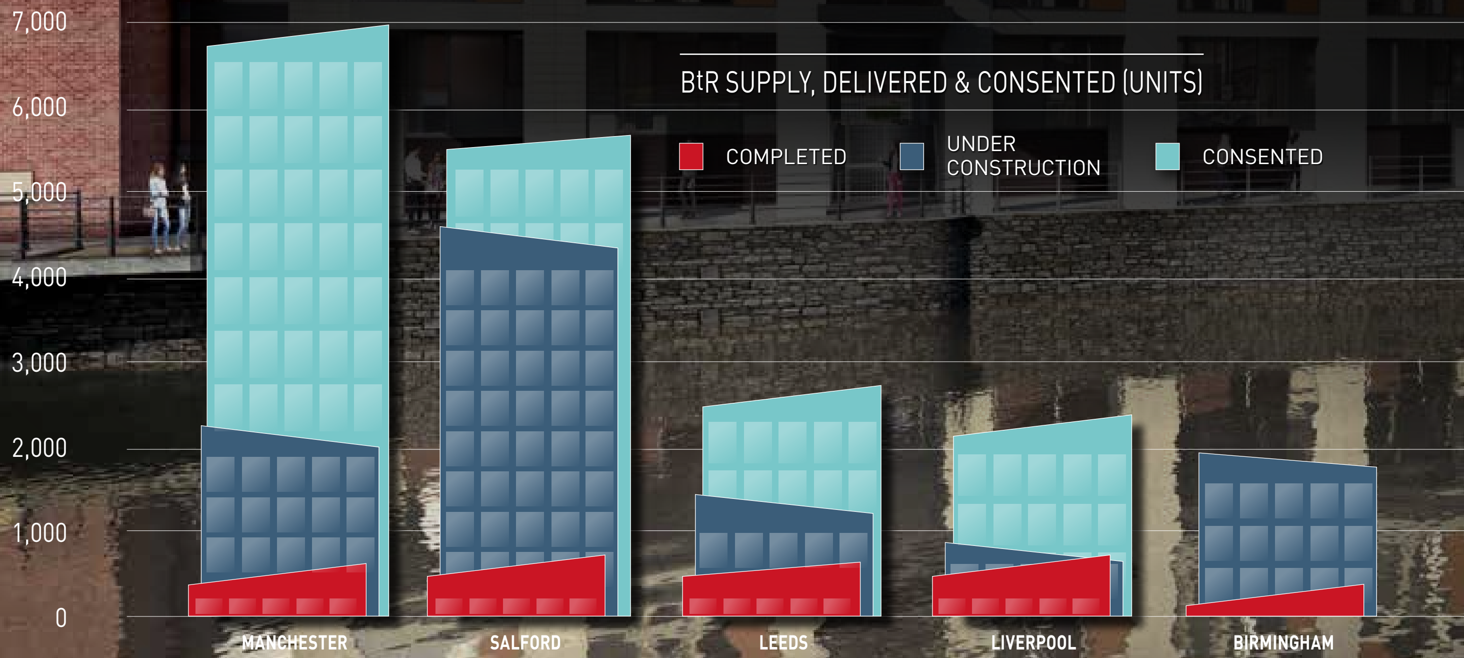
The resurgence of the UK PRS over the past decade has, unsurprisingly, been focused within London. A chronic undersupply of housing, eye-wateringly high rents and its global connectedness have turned it into it a playground for wealthy overseas buy-to-let investors.

The traditional developer exit route of unit-by-unit sales has meant that there are almost no 'unbroken' blocks with sufficient scale to stimulate the interest from institutional investors in BtR.

With yields in the capital being driven down to very low levels, investors looking for long-term, respectable rates of return at the required scale are now actively targeting opportunities elsewhere in the UK.

THE TIDES ARE TURNING

Our detailed analysis of large-scale PRS developments reveals that, perhaps predictably, London dwarves the rest of the UK with regard to BtR stock completions. To date, 9,150 units have been delivered in the capital, compared with 4,555 throughout the rest of the UK.



SOURCE: LSH Research, Glenigan

However, reflecting investor requirements for both scale and return, the split between London and the rest of the UK is more evenly balanced in respect of the development pipeline. The capital is home to 26,442 BtR units either under construction or consented, compared with 23,762 units across the rest of the UK.

London's BtR development pipeline is also skewed by three enormous projects which collectively account for almost 40% of the total, namely Quintain Estates' Tipi at Wembley Park, Greater London Authority (GLA) and L&Q's partnership at Barking Riverside and Standard Life at Brent Cross, all of which will take over a decade to completely build out.

IS GREATER MANCHESTER THE NEW LONDON?

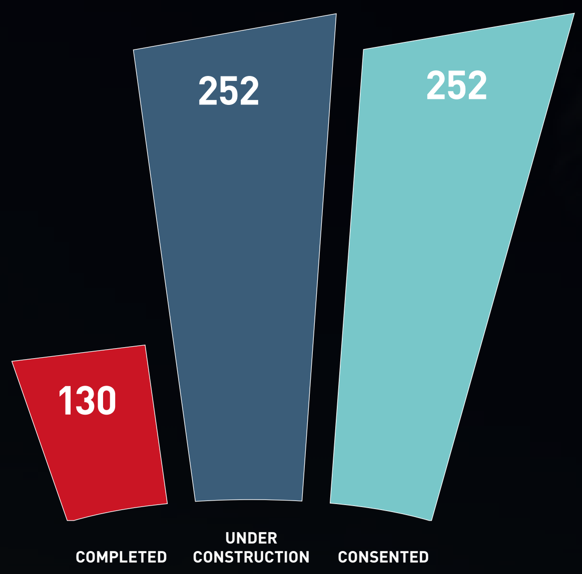
To date, delivery of BtR units outside London has been heavily focused around a select group of the UK's larger urban centres. The top six locations account for 77% of all units either completed or under construction.

Manchester/Salford, which ticks many of the boxes in terms of return requirements and demographic suitability, also stands head and shoulders above anywhere else, accounting for 30% of all units outside London.

Salford in particular is now reaping the benefits of having a number of development frameworks in place that were finalised before the recession and subsequently stalled. It has, therefore, set a clear blueprint for future development, which developers are now taking advantage of. Few other UK cities benefit from such a position.

While several cities dominate current BtR delivery outside London, it is relatively widely dispersed across the country. From Southampton to St Helens, 32 locations have seen BtR completion/s or current construction, albeit this typically involves a single, isolated scheme.

MEAN DEVELOPMENT SIZE, OUTSIDE LONDON (NO. OF UNITS)



SOURCE: LSH Research, Glenigan

REACHING FURTHER

Looking further ahead, analysis of recent planning consents and current planning applications points to a proliferation of BtR, in terms of both quantum of units and geographical dispersal. This has the potential to deliver 18,000 additional units over the next few years, with BtR proposals at 30 additional locations including Woking, Bath and Sheffield.

Greater Manchester is set to remain a major focus of development, however, with a further 5,000 consented units in the pipeline. While Scotland's two major cities have been notable absentees in the delivery of BtR to date, there are a number of consented schemes in the pipeline in both Glasgow and Edinburgh, with the potential to deliver over 2,000 BtR units, subject to planning consents. ■

TIP OF THE ICEBERG

Darren Sheward
Capital Markets
0117 914 2041
dsheward@lsh.co.uk

Despite the growing list of investors in hot pursuit of BtR opportunities, the amount of capital actually deployed to date is relatively modest. Could 2018 be the year that BtR really takes off?

GETTING COMFORTABLE WITH BtR

Increased institutional investment in direct-let student accommodation over the past decade has played a crucial role in paving the way for BtR. Both sectors share important characteristics, namely their long-term income attributes, management requirements and physical form.

Increased investor familiarity with BtR extends to the construction industry and property managers, and this collective experience will also be crucial. Moreover, as more young adults experience the benefits of purpose-built student accommodation, logic dictates that they will seek out similar product as they move into the employment market.

A DIVERSE PLAYING FIELD

A number of institutions have raised significant sums to deploy into PRS since the start 2017, with notable examples including M&G (£600m), Legal & General (£300m) and the first quoted fund, The PRS REIT, launched by Sigma Capital (£250m).

The presence of major overseas PRS players in the UK, such as Greystar from the US and elsewhere in Europe, will play a vital role in exporting their knowledge and deploying capital into the UK market. There is also growing appetite from Middle Eastern sovereign wealth, albeit their experience of BtR to date is limited.

The importance of smaller players should also not be overlooked. Some of the Registered Social Landlords are particularly active in their own regions, with examples including Sovereign, A2 Dominion and Curo in the South West who are also building up PRS portfolios. But typically not competing in the 100 plus unit size.

INVESTMENT IN BtR

SOURCE: LSH Research

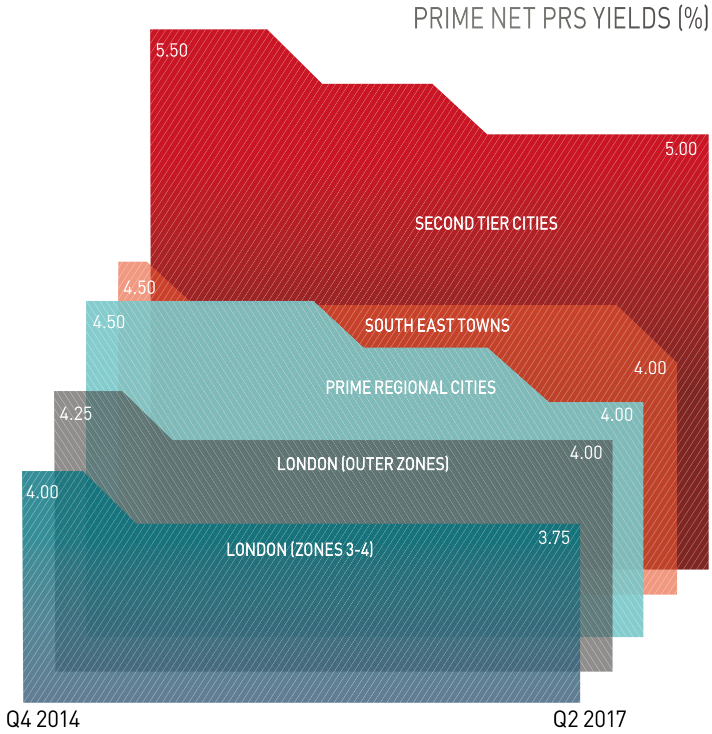
SIGNIFICANT GROWTH POTENTIAL

Considering the huge momentum in BtR, activity to date has been relatively modest. Since the start of 2015, actual deployed capital to BtR stands at circa £6bn, including investment transactions as well as directly invested equity. Yet this pales in comparison with the capital currently committed to BtR but is yet to be deployed. Indeed, we estimate that for every pound invested in BtR to date, another eight pounds will be deployed by 2020.

The BtR market does not operate in a vacuum and questions are rightly being asked as to the risks associated with a potential economic slowdown and Brexit-related uncertainty. While the housing market is showing signs of cooling, the upside for BtR is that competition for sites should ease and, in some cases, developers may opt to de-risk and forward-sell sites earmarked for the sales market into BtR.

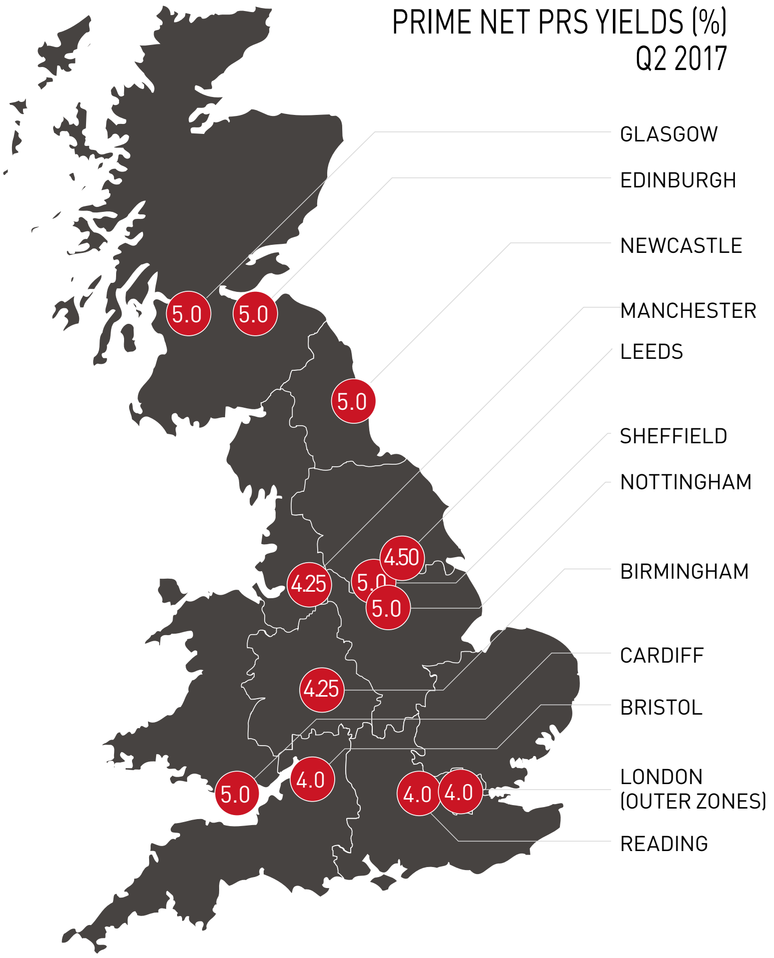
The Government's three percent surcharge on Stamp Duty is hardly an incentive for BtR investment, although it remains to be seen whether it will really stem the rising tide of demand. Indeed, the surcharge may disproportionately impact demand among traditional buy-to-let investors to the benefit of larger, institutional players.

PRIME NET PRS YIELDS (%)



SOURCE: LSH Research

PRIME NET PRS YIELDS (%) Q2 2017



SOURCE: LSH Research

A CASE FOR THE REGIONS

London has been the primary focus of BtR investment to date. The hardening of yields seen in the capital's outer zones over the past two years has helped to even the playing field with the conventional Build to Sell market, driving more competitive bidding on land purchases.

While supply pressures may be more acute in London, the case for BtR investment in the regions is compelling. Firstly, as the graphic demonstrates, entry yields in the UK's regional cities are significantly higher than London, up to 150bps in the as-yet relatively untested locations. With investors seeking to hold over a long time period, capital appreciation is less important.

Furthermore, sites are easier to secure in regional locations. There is less competition from the Build to Sell market, where city centre appetite has failed to recover from the building-boom seen prior to the global financial crisis in 2008. There is also greater assurance in the regional markets that rents will grow steadily in line with income, an attractive proposition for long-term holders of BtR.

The movement of the investment community into BtR has only just begun. While the development pipeline is large and growing quickly, many schemes will probably not have a fund aligned at that stage. However, as investors grow more comfortable with the UK's regional locations and gain a clearer understanding of the risks, BtR is on the cusp of moving rapidly into the mainstream. ■

DELVING INTO DEMAND

Oliver du Sautoy
Head of Research
020 7198 2193
odusautoy@lsh.co.uk

While BtR has significant growth prospects outside the capital, both as a form of private rented tenure and as an investment class, the nature of the supply means that its potential is far greater in some locations than others.

Projected household growth within the private rented sector is rightly held up as the one of the main attractions of investment into BtR. However, the potential size of the market is constrained by the nature of the supply presently coming forward.

SUPPLY LIMITS DEMAND POTENTIAL

An analysis of the BtR development pipeline reveals that product is almost entirely comprised of flatted developments arranged over a number of storeys. This pattern reflects a number of factors, including viability, investors' requirement for scale and management efficiency.

This sort of product is mostly suited to (and targeted at) young adults who are relatively affluent and either childless, or just starting a family. Indeed, across the UK as a whole, our analysis of CACI's ACORN profiles* reveals that less than five percent of UK households actually possess the suitable demographic traits for current BtR product.

While this still represents a significant opportunity for investors, BtR product will need to evolve and diversify into various forms of housing before it appeals to a much wider demographic, in particular to include lower density, multi-generational housing as witnessed in the more mature US market.

INDICATORS OF DEMAND

Despite the narrow market for BtR in relation to the entire UK private rented sector, there is significant variation between UK locations according to demography. We have analysed a number of key metrics to ascertain which of the UK's 250 most populous towns and cities outside London have the best demand-side prospects for BtR. The metrics comprise:

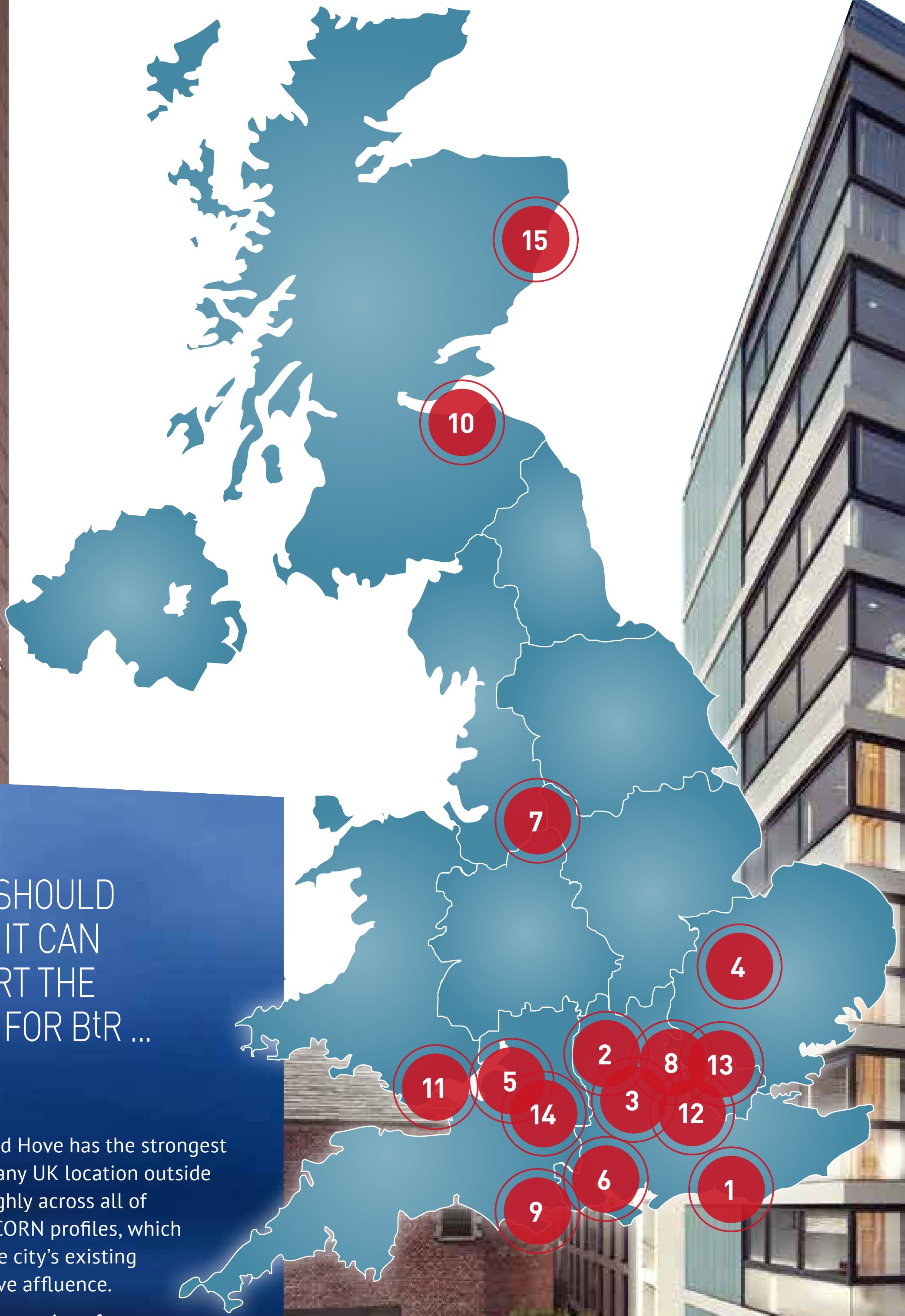
- Relevant ACORN groups, scored for both number and proportion of households
- Proportion of local population aged between 20-34
- Projected economic growth
- Population density
- Affordability constraints (house price to income ratio)

* Consumer classification that segments UK population

HAWKINS LANE, Bristol

DEMAND HOTSPOTS FOR BtR

1. Brighton and Hove
2. Oxford
3. Reading
4. Cambridge
5. Bristol
6. Southampton
7. Manchester
8. Slough
9. Bournemouth
10. Edinburgh
11. Cardiff
12. Guildford
13. Watford
14. Bath and North East Somerset
15. Aberdeen



> … PLANNING POLICY SHOULD BE EVOLVED SO THAT IT CAN PROACTIVELY SUPPORT THE GROWTH IN DEMAND FOR BtR …

NATIONAL HOTSPOTS

Our results reveal that Brighton and Hove has the strongest demand-side attributes for BtR of any UK location outside London. The seaside city scores highly across all of the metrics, most especially the ACORN profiles, which acknowledges both the scale of the city's existing private rented sector and its relative affluence.

Locations in the South East and East regions feature prominently in the rankings, accounting for eight of the top 15. Oxford and Reading occupy second and third place respectively, with much of their performance drawn from their strong economic growth prospects, alongside affordability constraints.

THE SUPPLY-DEMAND DISCONNECT

There appears to be a notable disconnect between the aforementioned top-ranked locations and the current and forthcoming supply detailed in our *Reaching out to the Regions* viewpoint. Despite showing very strong fundamentals on the demand-side, Reading is the only location among the top three hotspots where a BtR scheme is either delivered or in the pipeline.

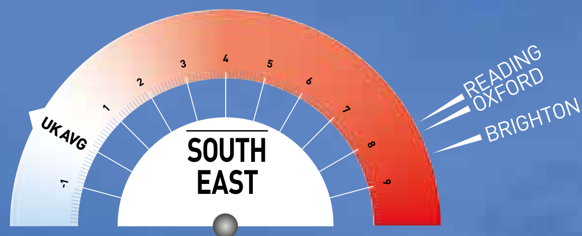
So, how can this be? The top ranked locations may boast the perfect cocktail of demand-side attributes, but these are often countered by local conditions in the wider property market. In Oxford, for example, potential sites are limited in number and size in the city centre, and potential schemes face stiff competition from other uses, such as student accommodation, hotels and the conventional Build to Sell market.

Evidence of a current disconnect between demand and supply may resolve itself over time, but it indicates that planning policy should be evolved so that it can proactively support the growth in demand for BtR, a topic we address in our viewpoint *Planning for the future.* ■

REGIONAL BtR HOTSPOTS

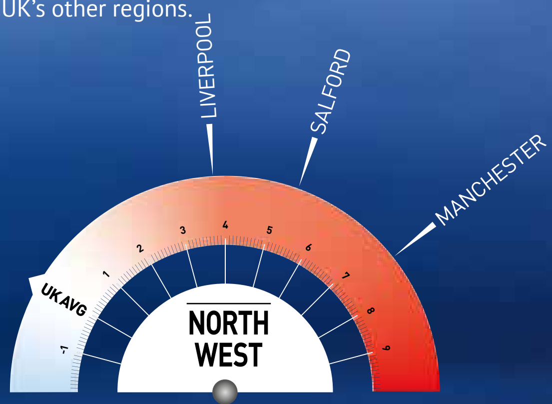
In addition to the UK's overall top 15 locations for BtR prospects, here we put forward the top three locations for each UK region.

Notably, while there is little separating the top three in the South East, for most other parts of the UK, only one location really stands out.



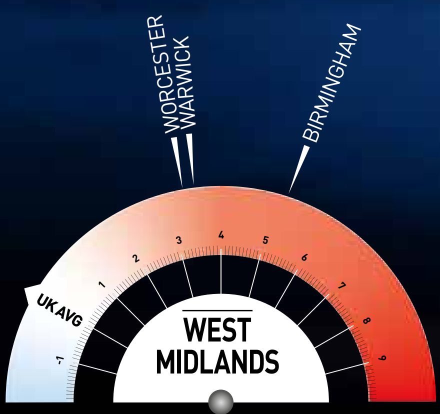
As well as being home to the top three locations for the UK as a whole (Brighton, Oxford, Reading), the South East region also boasts two additional locations in the UK's top 10, namely Guildford and Southampton.

Locations in the South East feature prominently in the overall rankings thanks to a combination of relatively strong economic prospects and the high cost of housing relative to income, both of which are typically less significant drivers of demand prospects across the UK's other regions.



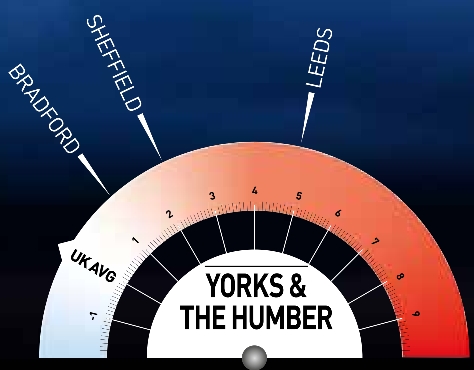
Already a strong focus of BtR development activity, Manchester (7th overall) is the highest ranked location outside the UK's southern regions. Its high placing is driven more by the scale of its young adult population and demographic suitability on the ACORN profiles, as opposed to affordability constraints.

The same is true of the region's other two best-ranked locations, Salford and Liverpool. Salford, which has the largest BtR development pipeline of any UK location outside London, scores well across all metrics except for affordability constraints, while Liverpool is also held back by relatively weak economic growth projections.



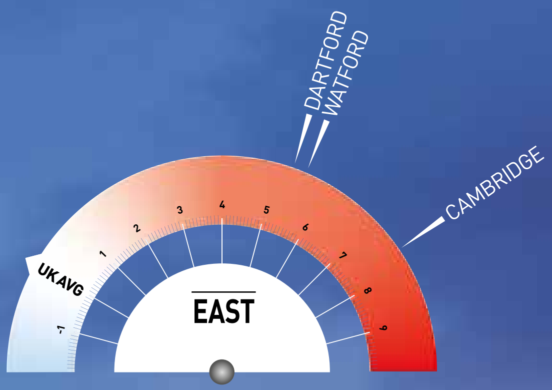
Birmingham is the region's top ranked location for BtR prospects. While it benefits from a large number of households in the relevant ACORN profiles, population density and share of adults aged 20-34, it is held back in the overall UK context by a lack of constraint on affordability.

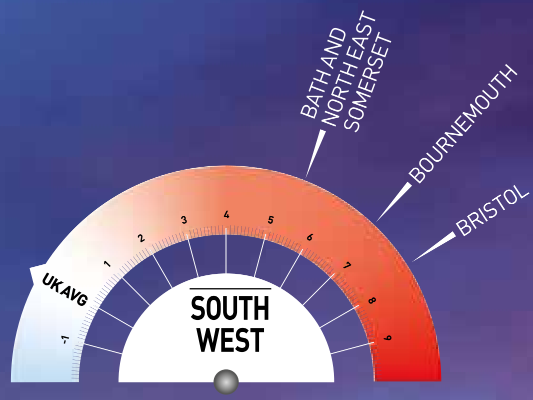
Warwick and Worcester are the region's second and third placed respectively, with both performing solidly across all of the criteria, the only exception being Worcester's relative lack of affordability constraint.



Leeds is by a distance the leading location across Yorkshire and the Humber for BtR prospects. The city scores particularly well for households in the relevant ACORN profiles and, to a lesser extent, on population density and its share of adults aged 20-34. However, the city is held back in the overall UK context by both a lack of affordability constraint and economic growth projections.

The above weakness applies to an even greater degree for the next two hotspots in the region, Sheffield and Bradford, both of which have subdued economic growth projections while also lacking households in the suitable ACORN households that Leeds benefits from.



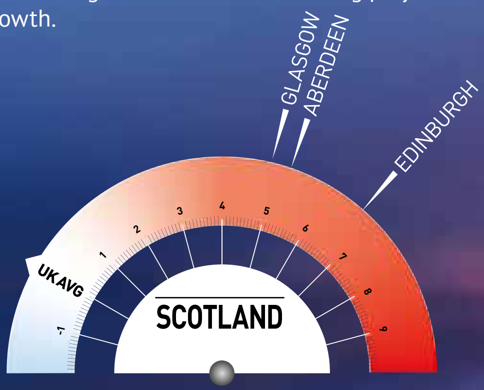


Despite the relative affluence of the East region, Cambridge (4th overall) is the only location to feature in the UK top 10. The prestigious university town scores particularly well for its economic growth prospects and is only held back by its relatively low population density.

Benefiting from strong commuter links with the capital, Watford (13th overall) is the second-ranked location in the East region. It draws particular strength from the proportion of households in the relevant ACORN categories in addition to strong projections for economic growth.

Placed fifth overall, Bristol is the highest ranked for BtR demand outside the South East. The largest city in the South West region scores relatively well across all metrics, in particular for the absolute number of households in the suitable ACORN profiles and housing affordability constraints.

The South West's other two hotspots also feature prominently in the overall rankings. On the South Coast, Bournemouth (9th overall) scores well across all metrics, particularly in the relevant ACORN groups, while Bath (14th overall) draws particular strength from affordability constraints.

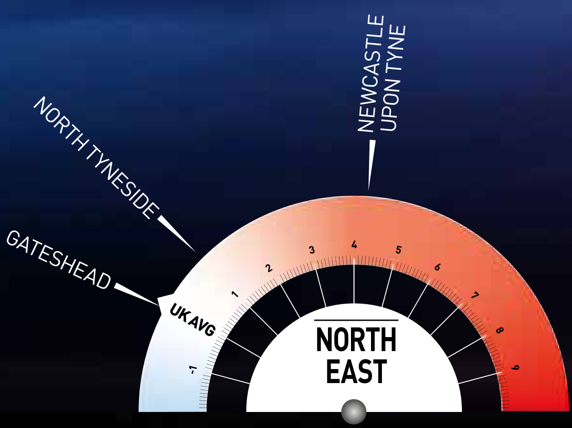


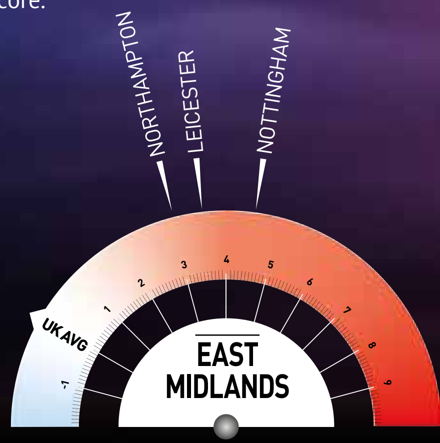
The top three locations for BtR prospects in Scotland are its three principal urban centres. Edinburgh (10th overall) is the real standout, however, boasting the largest number of households in the relevant ACORN profiles of any location outside London alongside a solid performance across the other metrics.

While Aberdeen and Glasgow also draw strength from the proportion of households with suitable ACORN profiles, they cannot match Edinburgh for its economic projection. Glasgow's overall performance is also weakened by a lack of affordability constraint.

Cardiff is Wales' standout location for BtR prospects. The Welsh capital, ranked 11th overall in the UK, performs solidly, if not spectacularly, across all the metrics but draws most of its strength in the rankings for its young population and suitable ACORN profiles for BtR.

Swansea and Newport currently show limited prospects when viewed in the national context. Indeed, Newport, despite ranking third for BtR prospects in Wales, actually underperforms the UK average score.





Newcastle is the North East's top ranked location, although it appears relatively weak in the overall UK context. The city performs well for urban density and its relatively young demographic adults, but is held back to a degree by economic growth projections and affordability constraints.

Gateshead and North Tyneside occupy second and third place, although they both score relatively lowly as hotspots considering the UK position as a whole. Unlike Newcastle, neither location scores well in respect of households with the suitable ACORN profiles for BtR.

None of the top-ranked locations in the East Midlands score particularly well in the overall UK context, a result largely derived from a lack of affordability constraints and a limited quantum of households in the relevant ACORN groupings for cities of their size.

All three of the region's top locations benefit from being relatively densely populated and having a significant proportion of adults aged between 20 to 34. Of the three locations, Nottingham stands out particularly well on these two metrics in the overall UK-wide context.

PLANNING FOR THE FUTURE

Helen Marks
Planning and Development Consultancy
0191 338 8296
hmarks@lsh.co.uk

The rise of BtR has been nothing short of emphatic, but are the current barriers within the planning system affecting its long-term growth potential?

NAVIGATING PLANNING HURDLES

While there appears to be no shortage of developers and investors seeking to dip their toes in the BtR market, the lack of a statutory definition for BtR for the purposes of assessing planning applications means that potential development sites are often sold for the highest-value use of the land.

Some enterprising developers have taken advantage of the generic 'dwellinghouse' (C3) classification, securing the change of use from office accommodation to residential via the prior approval route (Permitted Development Rights). However, this is generally more suited to the delivery of traditional private rented stock, as opposed to true BtR with the associated on-site amenities.

Onerous planning obligations imposed by local authorities are also viewed as a deterrent to the viability of BtR schemes, with developers put off by the unpredictable costs and requirement to submit detailed appraisals in support of their proposals.

While the prior approval route does exempt schemes from affordable housing contributions and certain other planning policy requirements such as space standards, developers can still be liable for Community Infrastructure Levy (CIL) payments if they have been vacant for a period of three or more years.

A USE CLASS OF ITS OWN

Affording BtR its own Use Class would help to bridge the land value gap with Build to Sell schemes, unlocking more sites for development. It would also help to facilitate negotiations between the local authority and developer in respect of reduced planning obligations and alternative funding mechanisms, while simultaneously providing assurance to the local authority that the site's proposed use will be maintained.

Making provision for a separate Use Class for BtR schemes would also help address other issues such as local space standards, parking and housing mix requirements. The standards applied to Build to Sell schemes are often not applicable to BtR given the likely future occupants. Indeed, our experience shows that, while the inclusion of even a small proportion of three-bed units may not be appropriate as part of BtR development in regional locations, an element of car parking is essential.

In its Housing White Paper and accompanying consultation paper, the Government rejected the suggestion of a specific Use Class in favour of a more general definition. It did, however, indicate that national planning policy will be revised to promote BtR, with local authorities advised to proactively plan for BtR where there is an identifiable need.

STRAWBERRY PLACE, NEWCASTLE

Acting on behalf of Marrico Asset Management, LSH secured planning consent for the £60m redevelopment of this 1.87 hectare site in Newcastle city centre. This market-leading site will include 170 BtR units, 390-bed student accommodation, 15,810 sq m of grade A office accommodation and 1,164 sq m of commercial floor space.

ENCOURAGING AFFORDABILITY

Significantly, the Housing White Paper and accompanying consultation paper also proposed the revision of the National Planning Policy Framework (NPPF) to encourage affordable private rent, often referred to as Discount Market Rent (DMR). This model is already gaining support in the capital, with the Greater London Authority's draft affordable housing guidance proposing that the affordable housing offer within schemes could be entirely DMR. In such cases, local authorities use covenants to ensure that the scheme and the DMR units remain available for rent for a defined period and that they serve local need.

The key difference between DMR and existing affordable housing tenures is the acknowledgement that it is not provided by a regulated landlord but by the commercial developer of the wider scheme, which simplifies the management of the development and, in turn, improves viability. While the discounted rents are not as high as what would be offered by a registered landlord, tenancies will usually be available for a longer period than traditional private lettings, typically two or three years.

The inclusion of DMR may not be viable in all instances, but it is certainly a more straightforward way of providing an affordable housing contribution in those instances where it is required. It also has the potential to greatly facilitate discussions around viability with regard to BtR proposals as it should assist in encouraging local planning authorities to consider BtR as a different product to Buy to Sell. CIL, however, would continue to apply.

> AFFORDING BtR ITS OWN USE CLASS WOULD HELP TO BRIDGE THE LAND VALUE GAP WITH BUILD-TO-SELL SCHEMES, UNLOCKING MORE SITES FOR DEVELOPMENT.

CLEAR SUPPORT FOR BtR

Encouragingly, responses to the consultation on the Housing White Paper demonstrated clear support for the Government's proposals. However, it also highlighted a disagreement over the definition and implementation of DMR, with the Government pledging to explore the issues further over the coming months.

In summary, while a separate Use Class for BtR seems doubtful, a clearer definition of BtR is likely to appear in revisions to the NPPF along with the introduction of DMR as a means of making an affordable housing contribution as part of developments. These changes, should they come into effect, will hopefully facilitate the delivery of BtR schemes in an emerging market which, to date, have been dealt with disparately by local planning authorities across the country. ■

CONVENIENCE IS KING

By Moda Living

'Convenience is king' is a common mantra in retail, but it should be in renting too. For too long UK renters have been let down by a marketplace that often puts their needs last, behind those of the managing agent or landlord.

Until now, UK renters have been stuck with substandard accommodation receiving poor quality service, leading most to see renting as second-best to homeownership. In contrast, in the US and parts of Europe it's widely seen as a genuine alternative, or even an aspirational lifestyle choice.

Moda Living believes that renting today should be as convenient and easy as possible. This mentality is what drove the recent partnership with ride sharing app Uber. In return for giving up parking spaces, future Moda residents will receive up to £100 in Uber credits, which they will be able to access at the touch of a button through the Moda app.

Moda Living is also looking to work with local public transport providers to secure discounted travel for its residents, as well as partnering with a leading automotive brand to create a bespoke car rental service.

The wider rewards of such partnerships are clear: in city centres, owning a car often doesn't make much financial or practical sense, and high levels of car-ownership are responsible for major urban problems such as congestion and air pollution.

Ordering a car won't be the only function available on the Moda app from reporting maintenance issues to organising events, the Moda Living experience will be as seamless as possible. Investing in tech will be crucial, especially as UK consumers are some of the most digitally-savvy in the world.

More broadly, Moda Living is looking to work with other market leading companies to create a cohesive service that covers all aspects of residents' lives. Society and business are increasingly collaborative and the siloed approach of the past won't be able to deliver genuine customer satisfaction.

Crucially, convenience shouldn't just come in the services BtR landlords offer, but also in the very design of the buildings they operate. That's why all Moda Living schemes – whether in Edinburgh, Glasgow, Leeds, Liverpool, Birmingham or Manchester – are 'amenity-rich', coming with not just apartments to rent, but with a range of on-site facilities and communal spaces where tenants can socialise, relax or work.

This is a completely new way of renting in the UK, and is more akin to what is available in a hotel. This model is only possible when you're delivering at scale and building for rent from the ground up, which is impossible in the traditional private rented sector given its reliance on recycling existing residential stock.

For Moda Living customers, having a home, gym, office space and local hangout all under one roof has clear advantages in time saved from not having to travel to each one individually. Having them all covered in monthly rental payments makes budgeting simple too.

It's not just renters who benefit from this new approach to housing: if you're a local authority, having high-quality rental homes suitable for professionals will help retain and attract talent necessary to support economic growth.

Long may convenience reign. ■

Moda Living is a Yorkshire-based British property development company, with offices in Leeds, Harrogate, Manchester and London focused on the private rental sector. Visit www.modaliving.co.uk for more information.

THE LEXINGTON, Liverpool

BUILD TO RENT TEAM

Vincent Farrow
London & South East
+44 (0)203 824 4685
vfarrow@lsh.co.uk

Darren Sheward
Bristol
+44 (0)117 914 2041
dsheward@lsh.co.uk

Richard Durkin
Midlands
+44 (0)121 237 2330
rdurkin@lsh.co.uk

Ian Scott
North of England
+44 (0)161 242 7070
iscott@lsh.co.uk

Ewen White
Scotland
+44 (0)141 226 6772
ewhite@lsh.co.uk

PLANNING & DEVELOPMENT

Helen Marks
+44 (0)191 338 8296
hmarks@lsh.co.uk

RESEARCH

Oliver du Sautoy
+44 (0)20 7198 2193
odusautoy@lsh.co.uk

lsh.co.uk

IN THE KNOW.