



Who lives in Build-to-Rent?

An analysis of Build-to-Rent
occupancy in London





Contributors

The British Property Federation, London First and UK Apartment Association (UKAA) would like to thank our partners for this study - Apo Group, Grainger PLC and Get Living.

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grainger plc

getliving

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dataloftconsult

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homeviews

Introduction

What is Build-to-Rent?

High-quality and professionally managed homes designed specifically for private rent.

As of 30 September 2020¹, there were 76,804 homes in London's Build-to-Rent pipeline.

24,322
completed

17,026
under construction

35,456
in planning

Build-to-Rent in London's private rented sector

Professional property management and facilities are hallmarks of the Build-to-Rent sector. The private rented sector accounts for 27 per cent of households in London. Build-to-Rent is providing London's renters with more choice, increasing competition and driving better standards across the private rented sector.

What does this report cover?

Benchmarked against a profile of the wider private rented sector in London using Dataloft's DRMA dataset, this report provides an insight into who lives in Build-to-Rent homes in London. Using a sample of 10 developments from Grainger PLC, Be:here Hayes (managed by Apo Group) and Get Living, it covers a range of data including: the age of tenants; the professions they work in; how much they earn; and the percentage of their income spent on rent.

The information provided is a snapshot in time rather than a representative sample of Build-to-Rent homes in London and is intended to further the understanding of the increasingly important role that Build-to-Rent is playing in the capital's housing market.

1. Savills/BPF Build-to-Rent Statistics, Q3 2020



Build-to-Rent's unique tenant experience

What can renters expect from Build-to-Rent?

- no deposits •
- longer-term, family-friendly tenancies •
- predictable rents •
- access to good public transport •



- resident lounges •
- gyms •
- roof gardens •
- guest rooms for hire •



- tech-enabled property management systems •
- resident apps •
- 24/7 security •
- on-site staff •



- superfast broadband •
- storage lockers •
- bike sheds •
- car hire •



Each Build-to-Rent development is different and will offer residents a variety of services depending on where they live. In addition to such services, the creation of high quality public realm with access to green spaces, cafes and restaurants all support the local economy and wellbeing of the residents living there.

Key Stats: Who Lives in Build-to-Rent in London?

We took data from across...

 1,699 people

 10 developments

 1,267 homes

We compared our Build-to-Rent sample to London-wide private rented sector data and found that...

Income

Build-to-Rent residents' incomes are similar to the private rented sector - 43% of tenants earn below £32,000 and a further 29% between £32,000 and £47,000.

Age

The 25-34 year old age group makes up 62% of residents in Build-to-Rent (compared to 47% in the private rented sector). Other age groups are similarly represented across both datasets.

Affordability

Build-to-Rent has comparative levels of affordability to the private rented sector for all tenancy types and is notably more affordable for couples and sharers.

Employment

Residents in Build-to-Rent are professionally diverse and employed in many different industries, with a similar percentage of public sector employees as the private rented sector.



The diversity of Build-to-Rent: Age and Type of Renters

The data presented throughout this report is the average for each category, and in some instances, due to rounding not everything will add up to 100%. For the purposes of this work, the number of people are defined as those whose names are registered on the tenancy agreement and not the total number of people living in the home.

Age Build-to-Rent v private rented sector

Across the 10 developments, residents between the ages of 25-34 represented a majority of tenants. In total, 79% of residents are 34 or younger – with 6% above the age of 45.

The distribution of age across the Build-to-Rent sample differs slightly from the private rented sector.

Age	Build-to-Rent	All PRS (DataLoft)
16-24	17%	24%
25-34	62%	47%
35-44	13%	18%
45-54	5%	7%
55-64	1%	3%
65+	0%	1%

Types of Renters Build-to-Rent v private rented sector

In the Build-to-Rent sample, sharers are the largest percentage of the type of renter (38%), with couples a close second (33%). It is often thought that single householders dominate Build-to-Rent occupation but only 17% of the sample are renting on their own.

As Build-to-Rent continues to mature, it is likely that this model of development will evolve and provide bespoke housing options for a variety of different types of household in London.



Residents' stories

Orla and family, East Village residents

“ We never have to leave! East Village feels like a little urban oasis which has everything we need for our family. It genuinely feels like a village - when you leave the house you'll see people you know, from neighbours to the coffee shop owners or the Get Living team, people always have time to stop for a chat which is just so rare in a big city.

We've always loved it here but during the pandemic it became very clear that we were really lucky to be where we are. Being able to step outside your home and not even have to cross a road to be in green space, and seeing everyone come out on their balconies for the NHS claps or to sing happy birthday to their neighbours really highlighted that sense of community spirit.

As business owners there was obviously a bit of a worry when lockdown hit, so it was really reassuring to be able to have an open dialogue with Get Living and know we had options. At no point did we ever worry that we would be turfed out and they kept checking-in with us to see how we were doing. You don't get that with a standard landlord.”

Quote supplied by Essential Living

Lorraine Chimbga, Argo Apartments resident

“ Everyone knows that renting in London can be a lucky dip at best - however Argo Apartments has changed my experience of living in London.

The resident services staff are excellent and go above and beyond. Bearing in mind we moved at the height of such an uncertain time - the process with Grainger itself was seamless and the handover was stress-free. I would recommend renting with Grainger - the buildings are also great if you are a young professional, the units have generous space for London at a reasonable price and the included amenities mean that you have everything you might need as a renter.”

Quote sourced from Google Reviews



The diversity of Build-to-Rent continued: Affordability and Household Income

Affordability

Build-to-Rent v private rented sector

In the Build-to-Rent sample, assessing against the affordability benchmark of 30% of household income spent on housing costs, couples (27.4%) and sharers (28.9%) are below the 30% mark and families (34.7%) and singles (32.4%) are just above it.

Build-to-Rent is often thought of as a luxury product and what this data shows is that the sector is comparative to the wider private rented sector. Build-to-Rent also provides affordable housing provision in the form of Discounted Market Rent, further supporting a diverse range of London's renters.

Percentage of combined earnings on rent

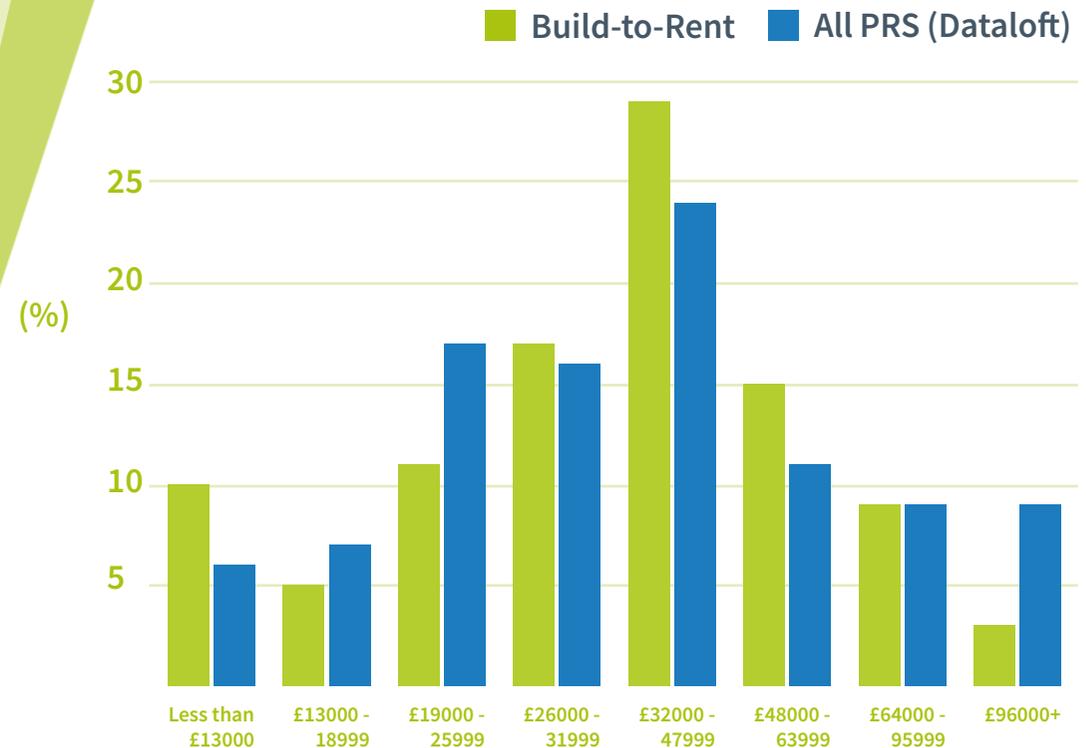
Type of tenant	Build-to-Rent	All PRS (DataLoft)
Sharers	28.9%	30.2%
Couples	27.41%	29.0%
Families	34.73%	32.1%
Singles	32.42%	31.4%

Household Income

Build-to-Rent v private rented sector

In the Build-to-Rent sample, the most common income bracket is £32000-47999, which is slightly overrepresented in Build-to-Rent (29%) compared to the wider private rented sector bracket (24%), as is the second most common income bracket (£26000-31999) constituting 17% in Build-to-Rent and 16% in the wider private rented sector.

Whilst there is some difference between the income of residents in Build-to-Rent versus the private rented sector, there is also broad similarity, with renters on a variety of incomes choosing to live in Build-to-Rent.



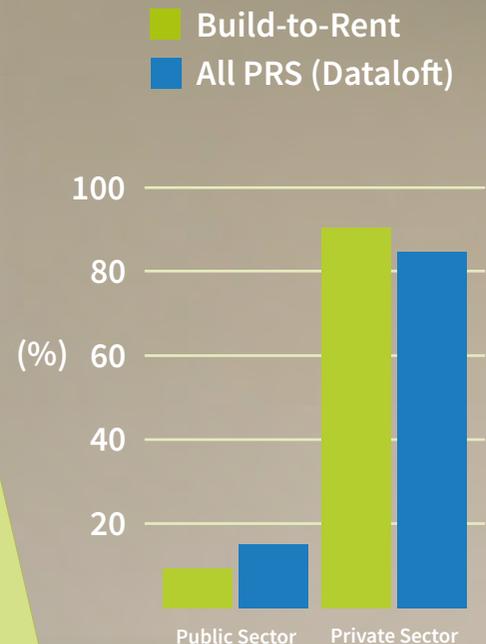
Professions and incomes of Build-to-Rent tenants

Employment sectors

London's diverse employment offering is reflected in the Build-to-Rent sample, with 25% of residents working in financial and insurance activities, 20% in other varied service activities and 15% in IT/information and communication, marketing and advertising.

Residents work across a range of sectors, but there are also a small amount (6%) who do not work whether that is because they are students, unemployed, retired or a stay at home parent.

The overwhelming majority of residents are employed in the private sector (90.5%) with the rest (9.5%) employed in the public sector. This varies slightly to the wider private rented sector, where 85% of residents are employed in the private sector and 15% in the public sector.



Employment sector	Build-to-Rent
Accommodation and food service activities	4%
Administrative and support service activities	3%
Arts, entertainment and recreation	4%
Construction and Manufacturing	3%
Education	4%
Financial and insurance activities	25%
Health and social work activities	4%
IT/Information and communication, marketing and advertising	15%
Lawyer and legal professional	3%
Other service activities (e.g. recruitment consultants, photographers, journalist, fitness instructor)	20%
Public administration	1%
Real estate activities	3%
Transportation and storage	1%
Wholesale and retail trade; repair vehicles	3%
Not Working (stay at home parent, student, unemployed, retired)	6%



“

I have been living here for just over a year and I have found my apartment very comfortable. If I have any issues or concerns, the property management team are very fast and efficient. I'm used to living in the countryside, but the open plan design makes me feel very comfortable, especially over lockdown. The views of the gardens and deck was a great place to rejuvenate while I was quarantined.”

Resident of Get Living's East Village, review published on HomeViews September 2020



Build-to-Rent in Covid-19

Build-to-Rent providers have been committed to maintaining the sector's strong sense of community throughout Covid-19.

Build-to-Rent has provided additional support, space and amenities for its customers.

For residents experiencing financial hardship due to Covid-19 – for a range of reasons such as job loss or reduced income – Build-to-Rent providers have offered rent reductions, flexible payment plans and deferrals.

Whilst some amenities and communal spaces were closed during the official lockdown period, Build-to-Rent providers sought to find ways to deliver the same high-quality service in a Covid-safe way.

This included the setup of online resources to connect and inform residents, and other support such as regular welfare checks, socially distanced exercise classes and music performances.

“

The unique architecture and interior design are matchless. We enjoy the unique events held on our complex. All carefully organised by our Property Manager. One example includes Walkway Warriors, this is an exercise class organised during the lockdown period. Residents are enjoying exercise classes from their front door.”

Resident of Be:here Hayes, review published on HomeViews May 2020

Conclusion

Build-to-Rent is providing housing for all

Build-to-Rent homes – high-quality, professionally managed, purpose-built homes for private rent – are being taken up by a diverse range of tenants.

The data shows that Build-to-Rent is comparable to the wider private rented sector in providing for different age groups, incomes and affordability.

What's next?

Build-to-Rent presents an enormous opportunity to tackle the housing crisis and build the homes that Londoners so desperately need. In addition to this and, through the broader regeneration of local areas, Build-to-Rent also has a major role in driving London's recovery from Covid-19.

We want to continue to improve the understanding of what Build-to-Rent offers to prospective tenants, to government and to local authorities. We're looking to expand our dataset to include more developments across London and provide an even more detailed picture of how Build-to-Rent is supporting the housing need of Londoners.

“Build-to-Rent is still in its infancy in London and a great deal is still to be done with regards to education of the benefits of Build-to-Rent. More thought needs to be given around what it means to live in one of these buildings, where the wish of the operators and owners is for every tenant to be happy, content and want to stay forever. The future of Build-to-Rent is not more technology and less human interaction but more technology and more human interaction. The pandemic has shown us that we need more of both. We need virtual viewings and check ins as much as we need a welcome when we get home in the evening from the concierge who knows our name.”

Sarah Tonkinson
Managing Director – Institutional PRS and Build-to-Rent, Foxtons

