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BUILD TO RENT OPEN AND OPERATING





Cortland Consult and the UKAA have collaborated on a series of Quarterly Rent Reports covering the Major Regional Cities in the UK starting with the recent publication of Q2 2022 Rental Report for Leeds. This month we will follow this with a Q3 2022 Rental Report for Liverpool. This report is free to download via the UKAA Website.



BUILD-TO-RENT (BTR) MARKET SNAPSHOT Q2 2022, LEEDS



SEPTEMBER 2022

Cortland Consult in
collaboration with the UKAA

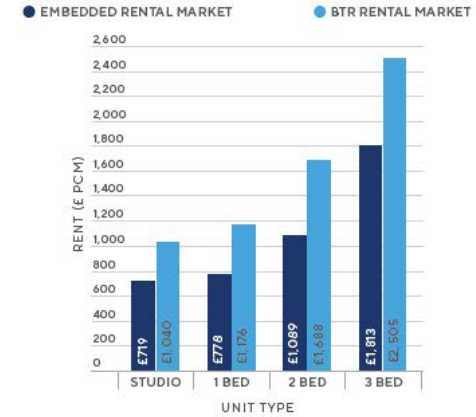


Leeds is recognised as one of the UK's fastest growing economies and an attractive prospect for inward investment in the North-East. The city is home to high-profile employers across a wide range of sectors, including HMRC, Channel 4, Asda, First Direct, BT, and Yorkshire Bank. Also boasting five world-class universities and research facilities, Leeds is underpinned by a youthful, educated workforce and strong demographic fundamentals to support BTR.

The introduction of BTR to the Leeds market in the past few years has broadened the rental options from the traditional PRS homes found around the city centre. In Q2 2022, the average rents within the city's BTR schemes were priced at 38% above the upper quartile of the embedded rental market. Premium BTR rents are underpinned by the lifestyle being offered to residents in relation to customer service, on-site facilities, professional management, and high-quality, fully furnished homes.

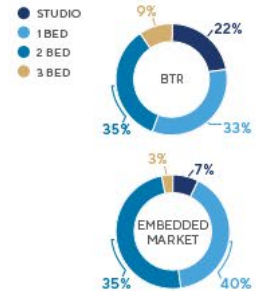
During Q2 2022, 1-bedroom apartments marginally made up the largest proportion of available homes in both BTR and the wider embedded rental market. Studios and 3-bedroom apartments have always been a much smaller section of the market in terms of mix. Both are being catered for more significantly within new BTR developments. Except for 3-bedroom apartments, the number of homes across the market was lower in Q2 2022 than during the same period in the previous year.

RENTAL AVERAGES, BTR VS. EMBEDDED MARKET AVAILABLE LISTINGS (Q2 2022)



% DIFFERENCE: 45% (Studio), 51% (1 Bed), 55% (2 Bed), 38% (3 Bed)

MIX OF APARTMENTS IN BTR VS. EMBEDDED MARKET AVAILABLE LISTINGS (Q2 2022)



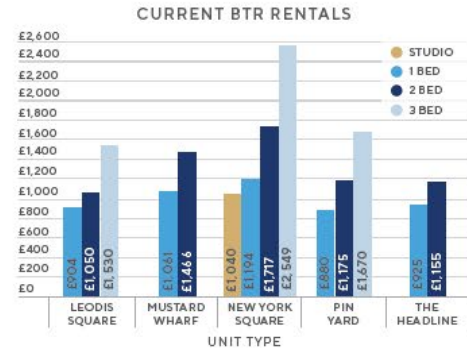
APARTMENT ON THE MARKET AVAILABLE LISTINGS (Q2 2022)

APARTMENT TYPE	Q2 2021	Q2 2022
STUDIO	140	134
1 BED	803	517
2 BED	846	623
3 BED	26	53



Leeds has an active BTR sector with five operational assets, comprising a total of over 1,900 homes upon completion of all phases of the buildings. These include Mustard Wharf (L&G), Leodis Square (Dandara Living), The Headline (Grainger plc), Pin Yard (Grainger plc), and New York Square (Moda Living). The following rents have been sourced from Q2 2022 available listings and "from" prices listed by Operators.

Leeds has a total of 71,547 homes in the private rented sector (Experian, 2021). The total BTR pipeline in Leeds represents 12% of all existing rental households. Compared to 18% in Birmingham and close to 20% in Manchester (Local Authorities), there is capacity for some growth in Leeds's BTR sector.



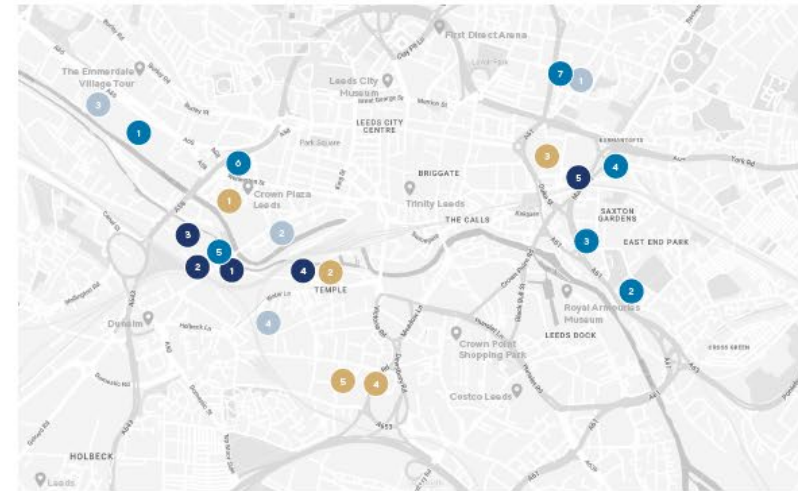
NEW YORK SQUARE SITE VISIT (Q2 2022)



BTR - OPERATIONAL AND PIPELINE IN UNITS



Currently on site for construction are 2,496 homes across five schemes, which we can expect to complete over the next two years and raise the total number of operational BTR assets in Leeds to 10, comprising over 4,100 homes. The recent rise in inflation and construction costs, paired with labour shortages, is likely to put pressure on project viability and cause disruption to construction timelines. As a result, we can expect potential delays in major residential schemes moving forward, particularly for the c.3,952 homes currently holding planning consent.



COMPLETE

- 1 THE HEADLINE
- 2 MUSTARD WHARF
- 3 NEW YORK SQUARE
- 4 LEODIS SQUARE
- 5 PIN YARD

PLANNING SUBMITTED

- 1 MABGATE YARD
- 2 WHITEHALL RESERVE
- 3 THE TANNERY
- 4 WATER LANE

UNDER CONSTRUCTION

- 1 GLOBE ROAD
- 2 UNCLE LEEDS
- 3 MONK BRIDGE HIGHLINE
- 4 TOWER WORKS
- 5 SAXTON LANE

PLANNING CONSENTED

- 1 CITY REACH
- 2 ELLERBY ROAD
- 3 FLAX PLACE
- 4 LEEDS CITY VILLAGE
- 5 LATITUDE BLUE
- 6 LISBON STREET
- 7 REGENT STREET

The BTR assets, both operational and pipeline, are concentrated around the city's inner ring-road, Kirkstall Road, and within key areas of growth and regeneration. This includes the city's South Bank, a major regeneration project which will develop the city's industrial southern fringe and double the size of the city centre over the next decade.

Caddick Developments recently lodged plans to repurpose a large brownfield site within the South Bank neighbourhood to deliver over 1,900 new homes, around 650,000 sqft of Grade-A office space, retail and leisure, and public green space to the community. The number of homes being targeted for this masterplan will contribute around 25% of the city centre housing need outlined by Leeds City Council. We can expect a proportion of these homes to be allocated to BTR tenure. A number of planning applications have been granted on the eastern fringe of the city centre, in close proximity to the fast-evolving cultural district of SOYO.







Cortland Consult and the **UKAA** have collaborated on a UK Annual 'Open & Operating BTR' Report looking at all the now open BTR developments. We have additionally collaborated with our friends at **REalyse** to map this onto an interactive Map on their platform. We have further enhanced this information by adding the rating scores from our good friends **HomeViews** making this the most comprehensive view of the live UK BTR Market ever published.

This Report and Map will be published ahead of the UKAA Annual Conference on the 12th of November and will be free to access.



The following slides are a teaser preview of the outputs from the project, which are only in 'un-designed' draft form.

Please excuse the heavy Watermark – but as you can imagine we want the final version to be perfect.

Build-to-Rent (BTR) UK Open and Operating

October 2022



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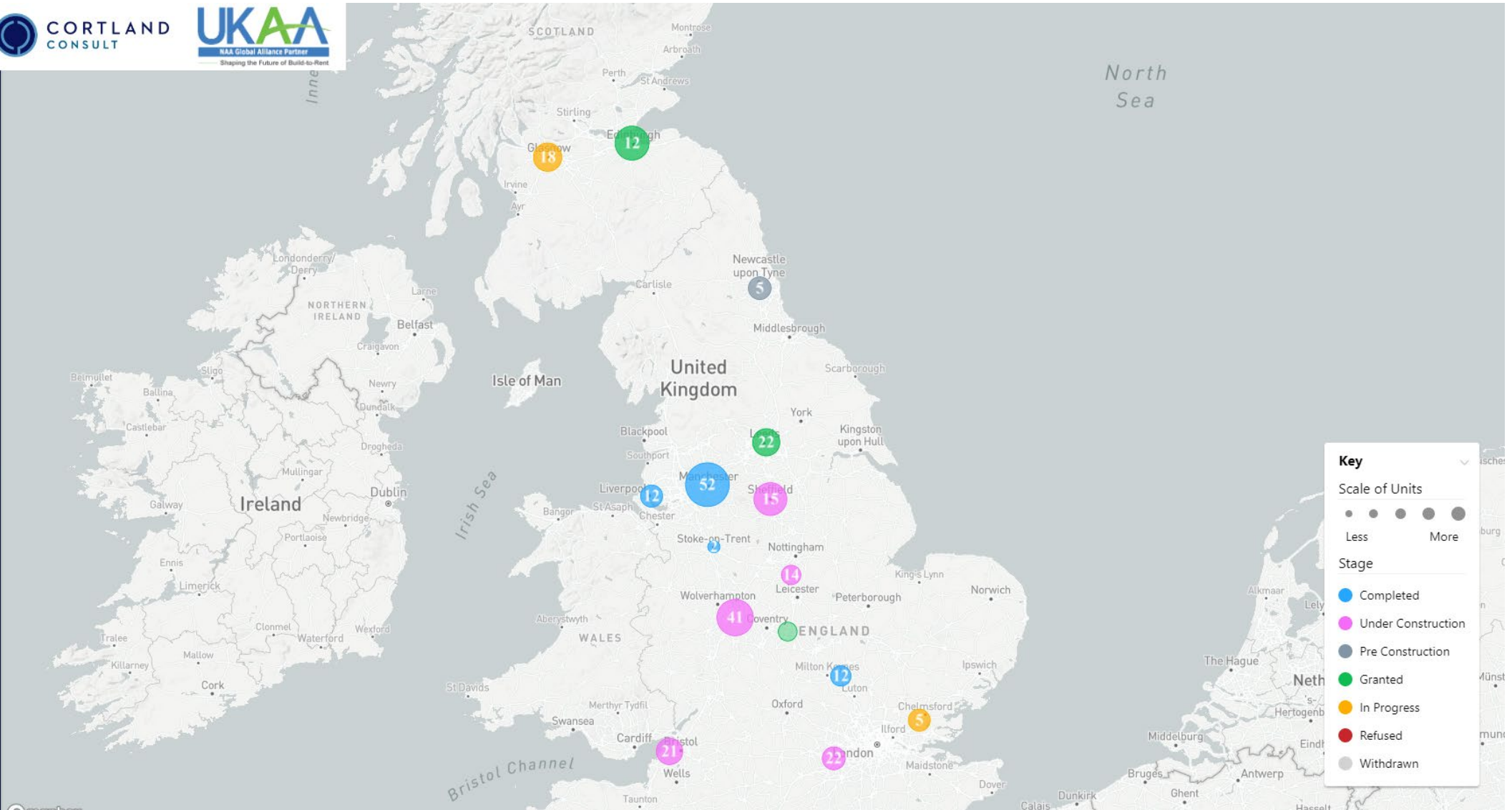
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Scheme		Leodis Square			
Owner: Dandara					
					
No. Units	744				
Unit Type	Unit Mix	Rent (pcm)	Unit Size (sq. ft.)	Rent Per (sq. ft.)	
Studio	81	From £750	313.2	£2.40	
1 Bed	295	£850-£970	389.7	£2.18	
2 Bed	358	£1,050	632.9	£1.66	
3 Bed	10	£1,530	911.7	£1.68	
Summary	Developed and operated by Dandara Living. In Q1 2020 scheme was acquired as part of a portfolio acquisition by German investor ECE. It is currently one of three operational BTR schemes in the South Bank area of Leeds. The scheme was completed in Q4 2019 and fully launched in early 2020.				
Amenities	<ul style="list-style-type: none"> <input type="checkbox"/> 24-hour concierge service <input type="checkbox"/> Super-fast Wi-Fi throughout <input type="checkbox"/> Gym and fitness classes <input type="checkbox"/> Bookable social spaces <input type="checkbox"/> 'Hotel-quality' furniture packages available for residents to choose from <input type="checkbox"/> Pet-friendly <input type="checkbox"/> 374 car parking spaces (£100 each pcm) <input type="checkbox"/> 1:1 provision of secure cycle spaces - 744 in total 				
Market Performance	Since launching the scheme has been incredibly well received. 6 listings advertised on Rightmove over Q2 2022. Ranked 1 st in Leeds.				
Homeviews rating	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">4.75 Facilities</div> <div style="text-align: center;">4.64 Design</div> <div style="text-align: center;">4.68 Location</div> <div style="text-align: center;">4.42 Value</div> <div style="text-align: center;">4.59 Management</div> </div>				

Scheme		The Headline			
Owner: Grainger					
					
No. Units	242				
Unit Type	Unit Mix	Rent (pcm)	Unit Size (sq. ft.)	Rent Per Sq. Ft.	
1 Bed	111	£1,100 *	From 474	£2.32	
2 Bed	131	£1,325 *	From 689	£1.92	
Summary	Formerly the site of The Yorkshire Post, Grainger agreed the forward purchase of the BTR scheme in late 2016 for £40m. This is Grainger's first operational asset in Leeds. It achieved rents 7% ahead of underwriting and has a rent roll of £3.2m.				
Amenities	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 24-hour concierge <input checked="" type="checkbox"/> Onsite gym <input checked="" type="checkbox"/> Residents lounge with free Wi-Fi, Sky TV and tea/coffee station <input checked="" type="checkbox"/> Co-working space <input checked="" type="checkbox"/> Sky lounge <input checked="" type="checkbox"/> 72 car parking spaces available for an additional fee; secure onsite cycle storage is also available 				
Market Performance	The scheme has been exceptionally well received, achieving 100% occupancy in 109 days, and stabilising in November 2021. As of July 2022, occupancy remained high with only 1 x 2-bedroom apartment available, and a 1-bedroom apartment becoming available in August.				
Homeviews Rating	This scheme has not yet been ranked				

- Overview
- Land & Ownership
- Planning
- Policies
- Comparables
- Markets
- Points of Interest
- Demographics



Key

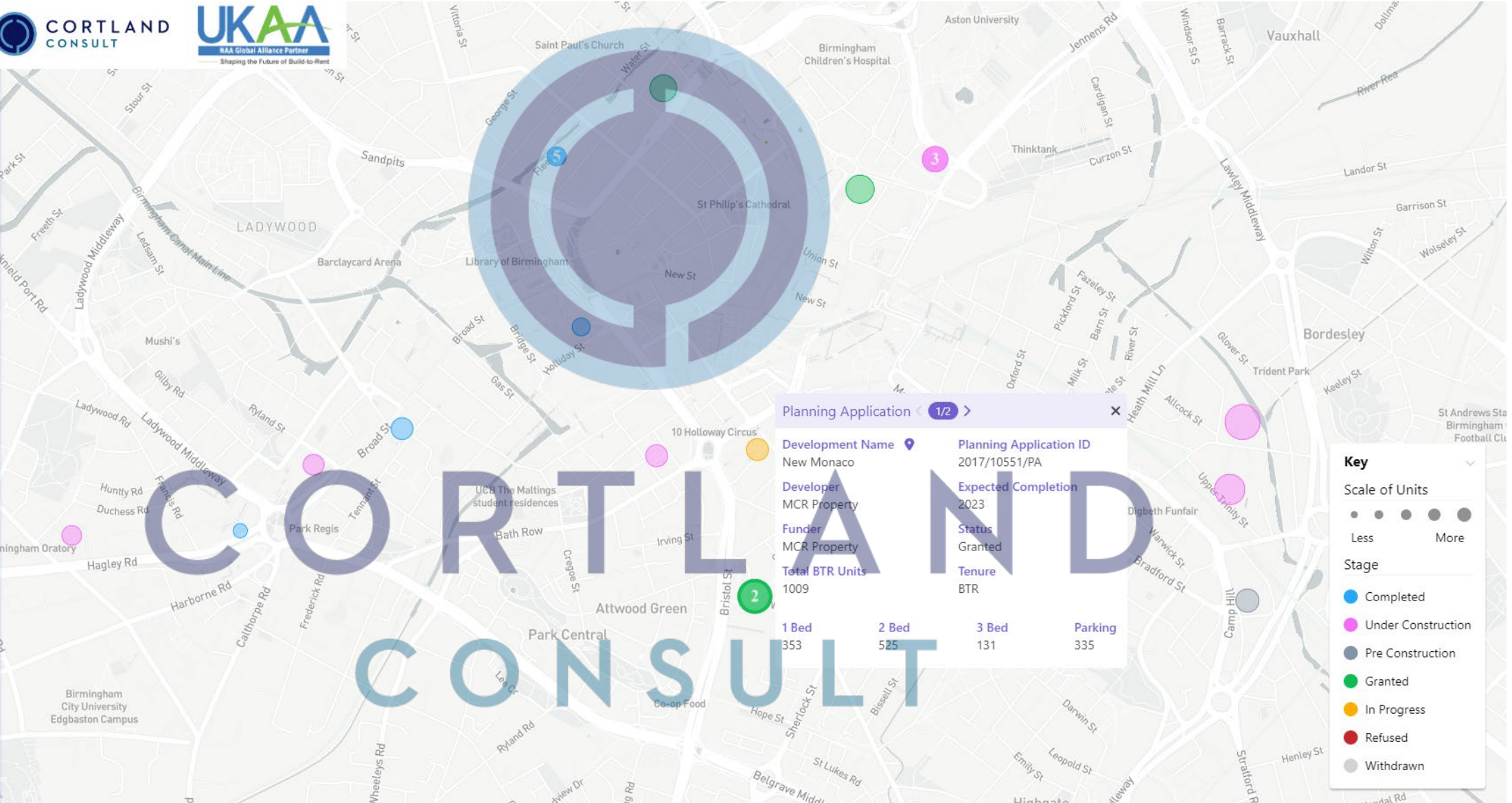
Scale of Units

Less More

Stage

- Completed
- Under Construction
- Pre Construction
- Granted
- In Progress
- Refused
- Withdrawn

- Overview
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- Demographics



Planning Application < 1/2 >

Development Name New Monaco	Planning Application ID 2017/10551/PA
Developer MCR Property	Expected Completion 2023
Funder MCR Property	Status Granted
Total BTR Units 1009	Tenure BTR

1 Bed 353	2 Bed 525	3 Bed 131	Parking 335
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Key

Scale of Units
 ● ● ● ● ●
 Less More

Stage

- Completed
- Under Construction
- Pre Construction
- Granted
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- Withdrawn



Overview



Land & Ownership



Planning



Policies



Comparables



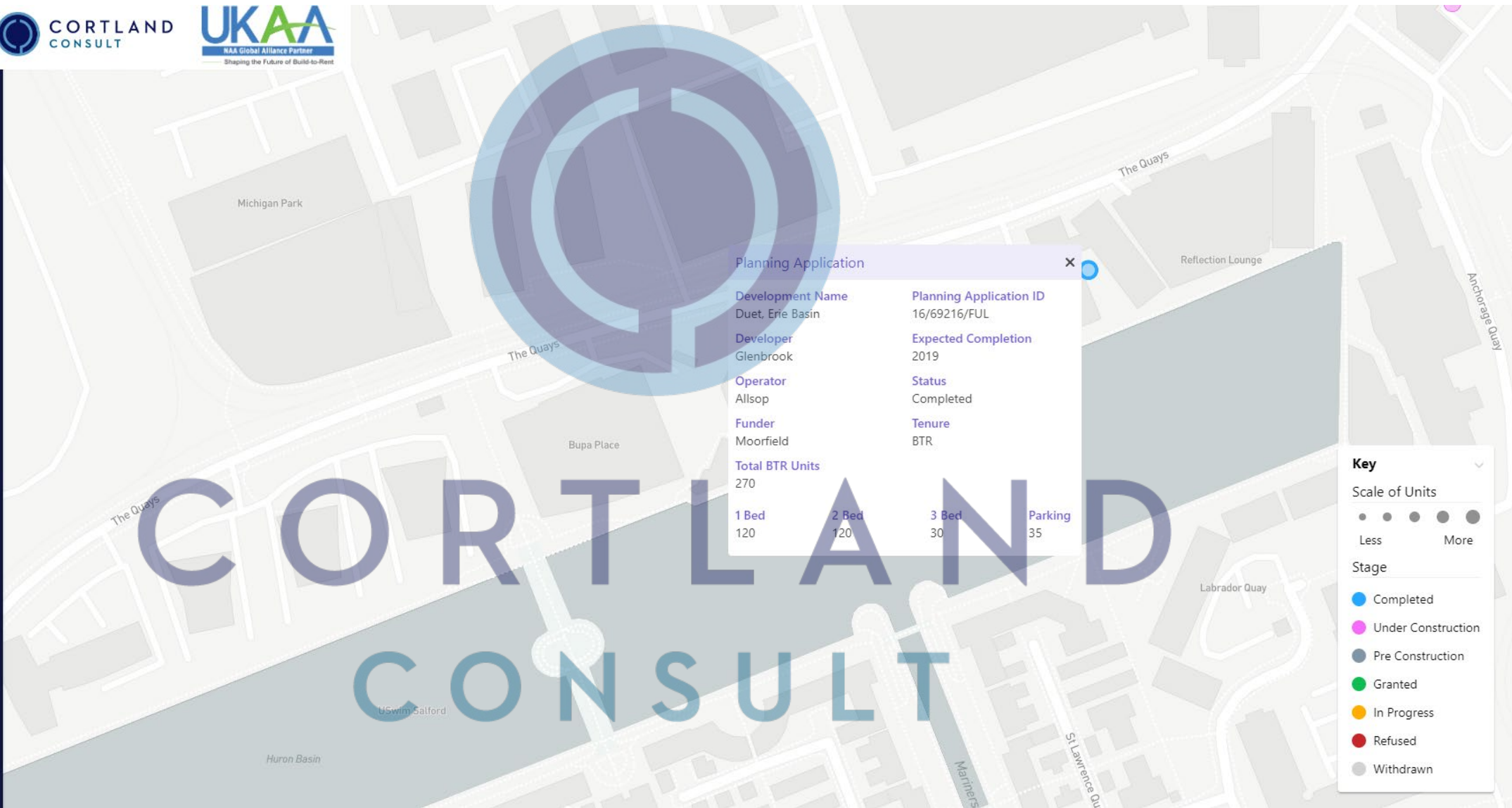
Markets



Points of Interest



Demographics





Overview



Land & Ownership



Planning



Policies



Comparables



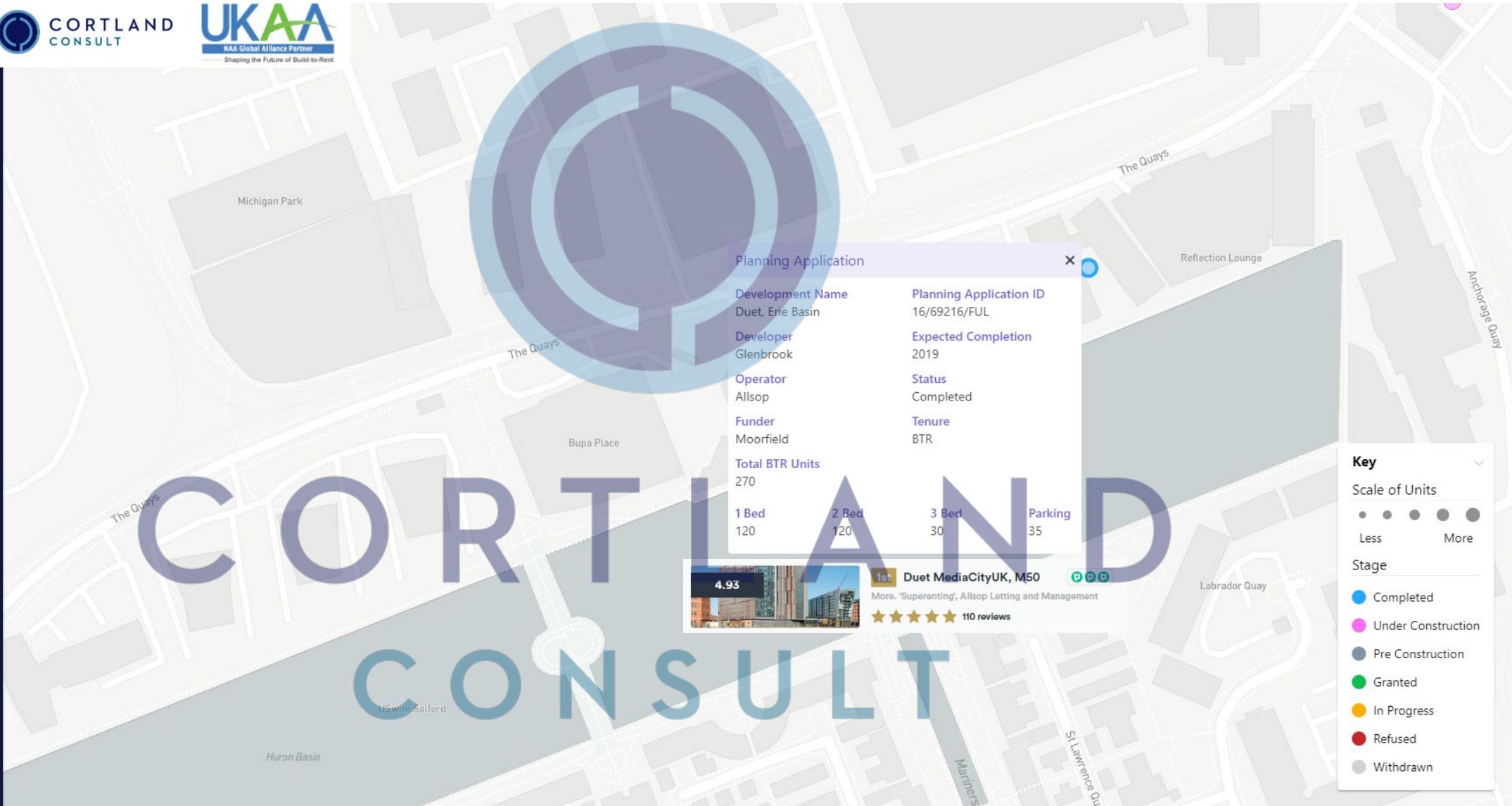
Markets



Points of Interest



Demographics



Planning Application

Development Name	Planning Application ID
Duet, Erie Basin	16/69216/FUL
Developer	Expected Completion
Glenbrook	2019
Operator	Status
Allsop	Completed
Funder	Tenure
Moorfield	BTR

Total BTR Units
270

1 Bed	2 Bed	3 Bed	Parking
120	120	30	35

4.93

1st Duet MediaCityUK, M50

More: 'Superenting', Allsop Letting and Management

★★★★★ 110 reviews

Key

Scale of Units

Less More

Stage

- Completed
- Under Construction
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- Granted
- In Progress
- Refused
- Withdrawn

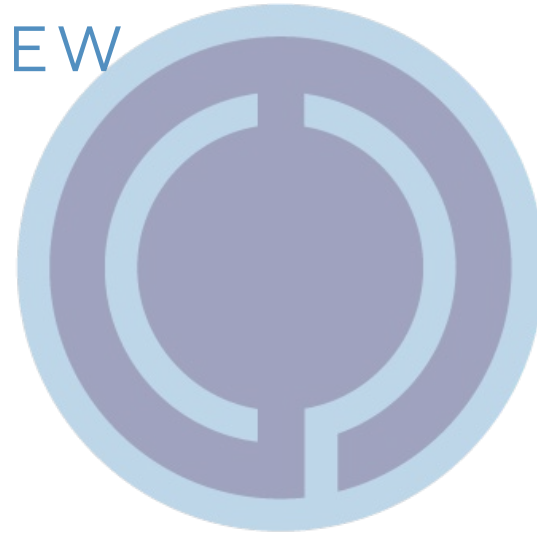
UK MARKET OVERVIEW

c.73,000

Operating BTR Units

163,700

BTR Units in the Pipeline



47,800 units

Under Construction



115,900 units

In Planning or Consented

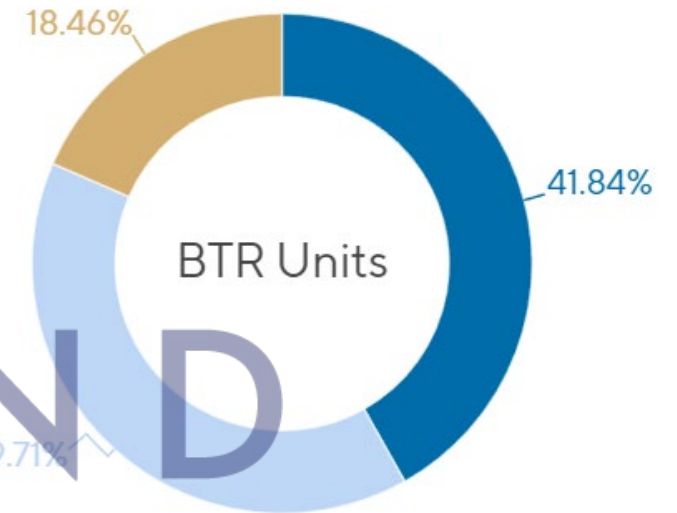
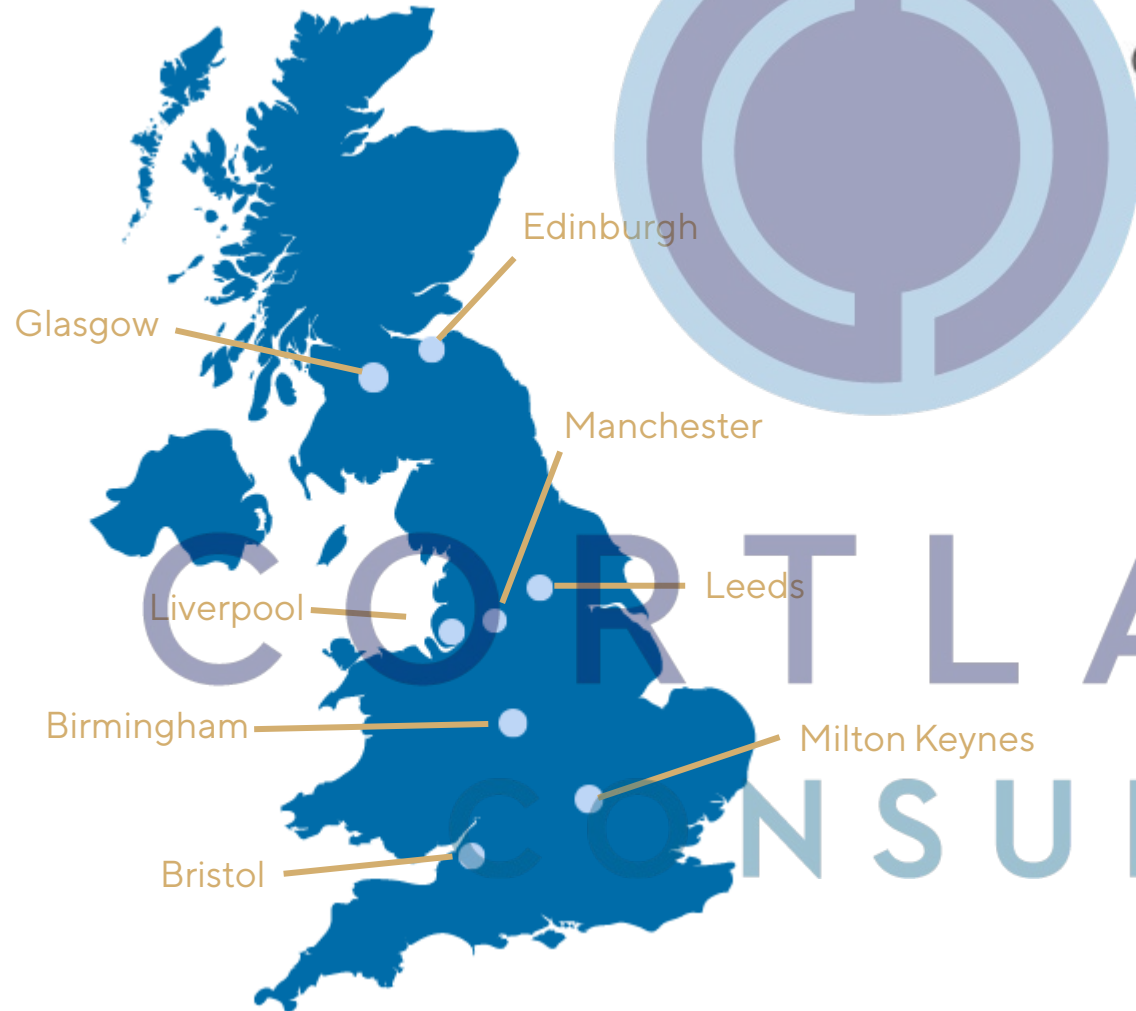
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Source: Savills Q2 2022

Build To Rent Key Figures

17,463
Operating Units

52,343
Pipeline Units



● Under Construction ● Granted ● Pre-Planning

Build To Rent Key Figures



BIRMINGHAM

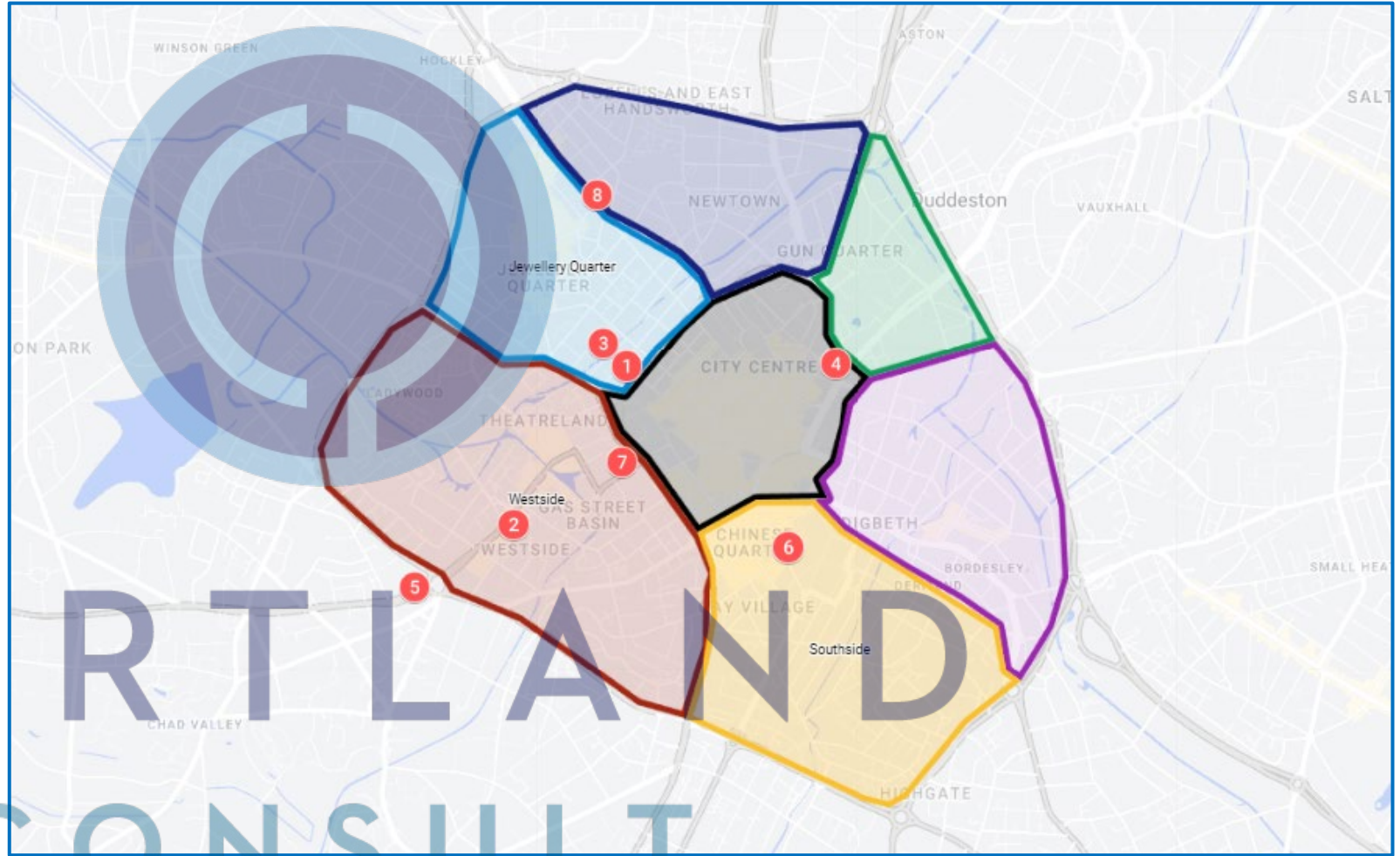
8

BTR Schemes

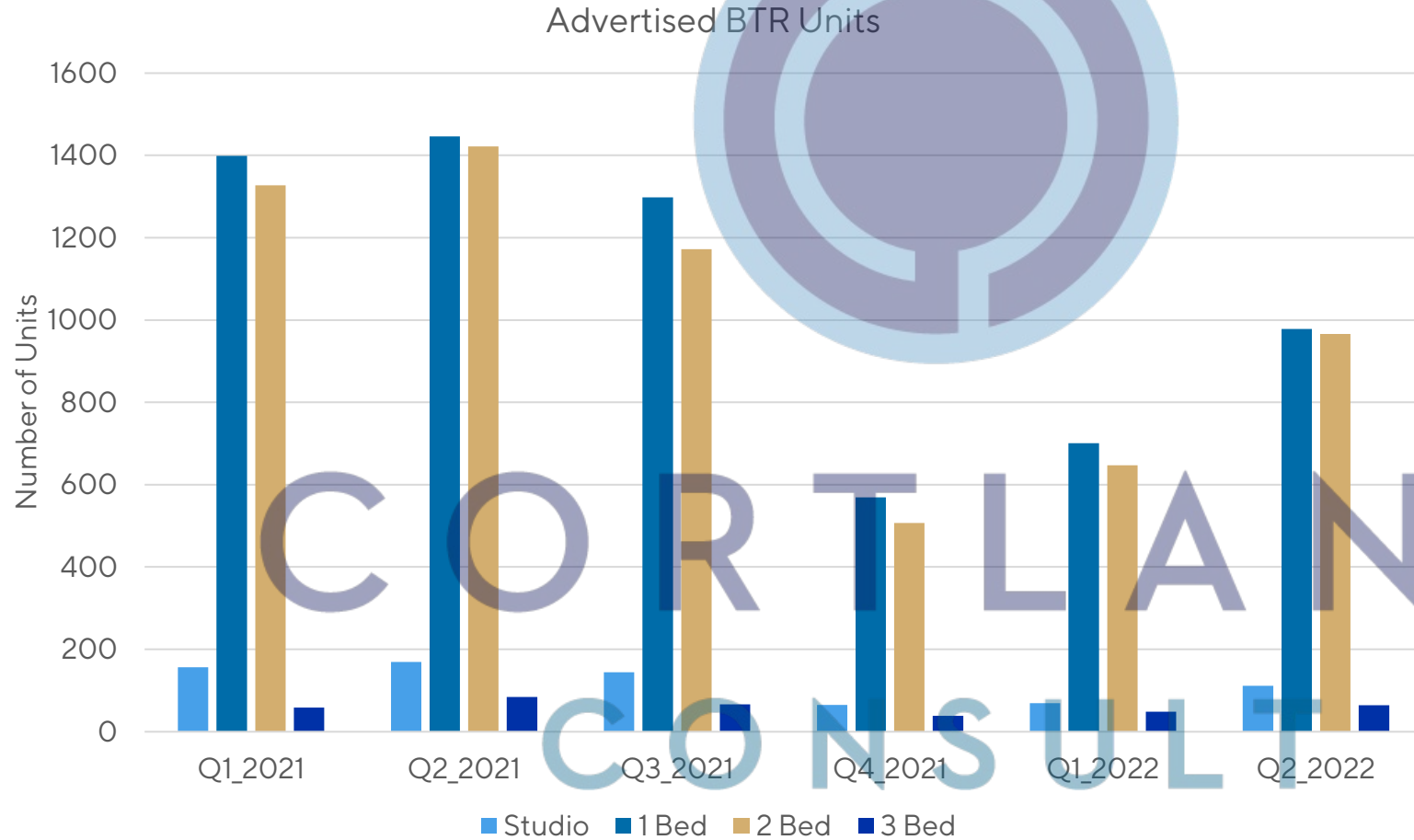
2,840

Operational Units

1. Landrow Place
2. The Mercian
3. The Whitmore Collection
4. Allegro Living
5. The Lansdowne
6. The Forum
7. Aston Place
8. Gilders Yard

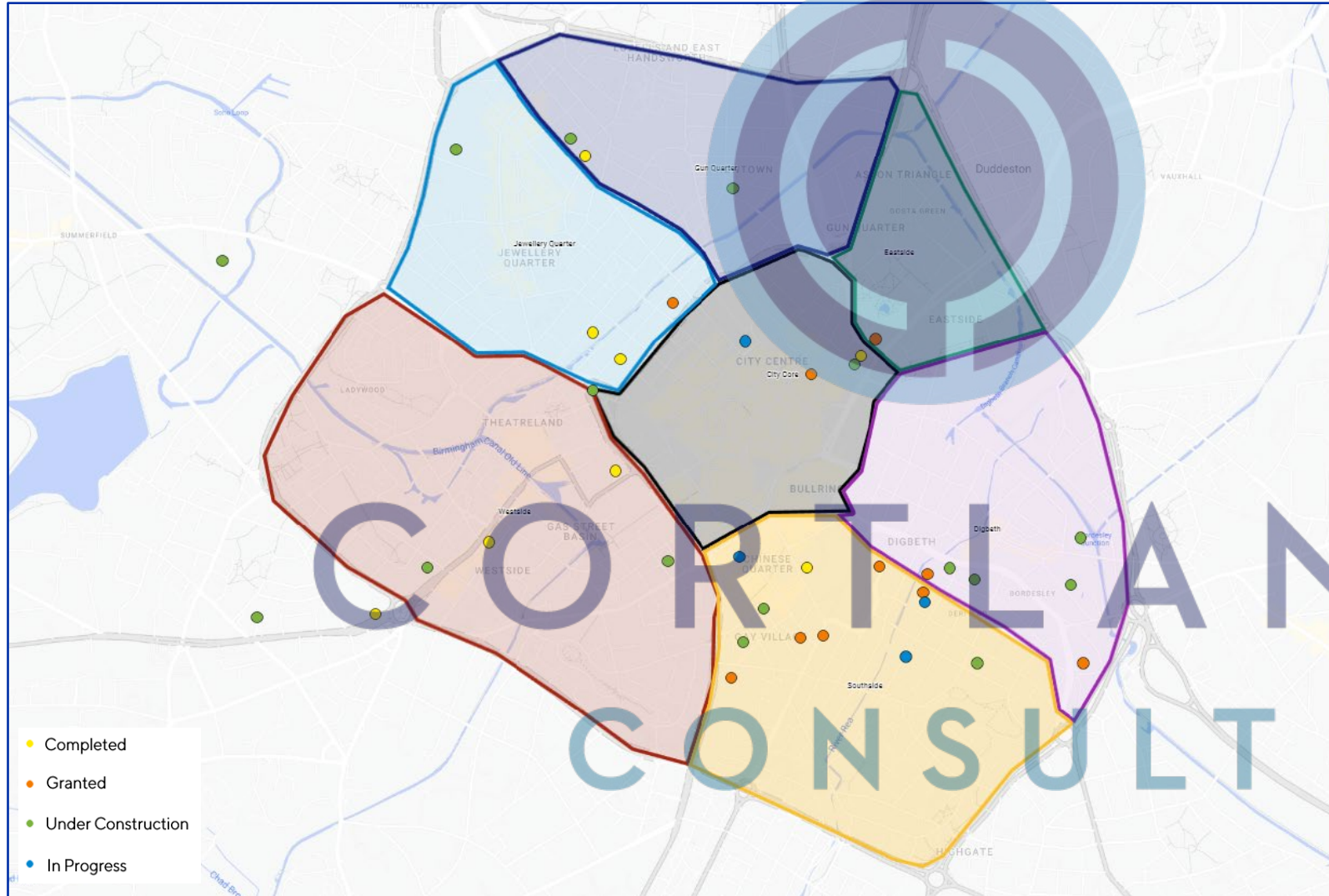


UNIT AVAILABILITY



12.8%
Change in Annual Rents
(Zoopla, Q2 2022)

BIRMINGHAM PIPELINE



17,172

Units in the Pipeline



18 BTR schemes under construction



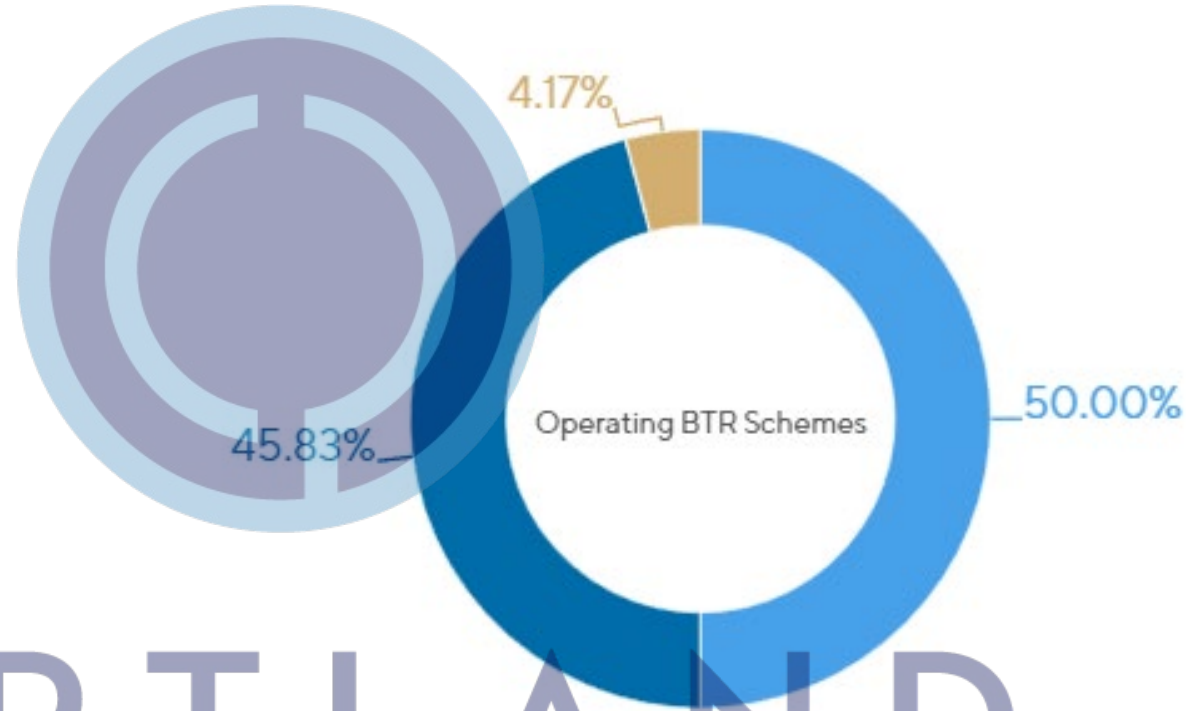
9 BTR schemes with planning consent



4 BTR schemes with planning applications

MANCHESTER

25
BTR Schemes
8,509
Operational Units

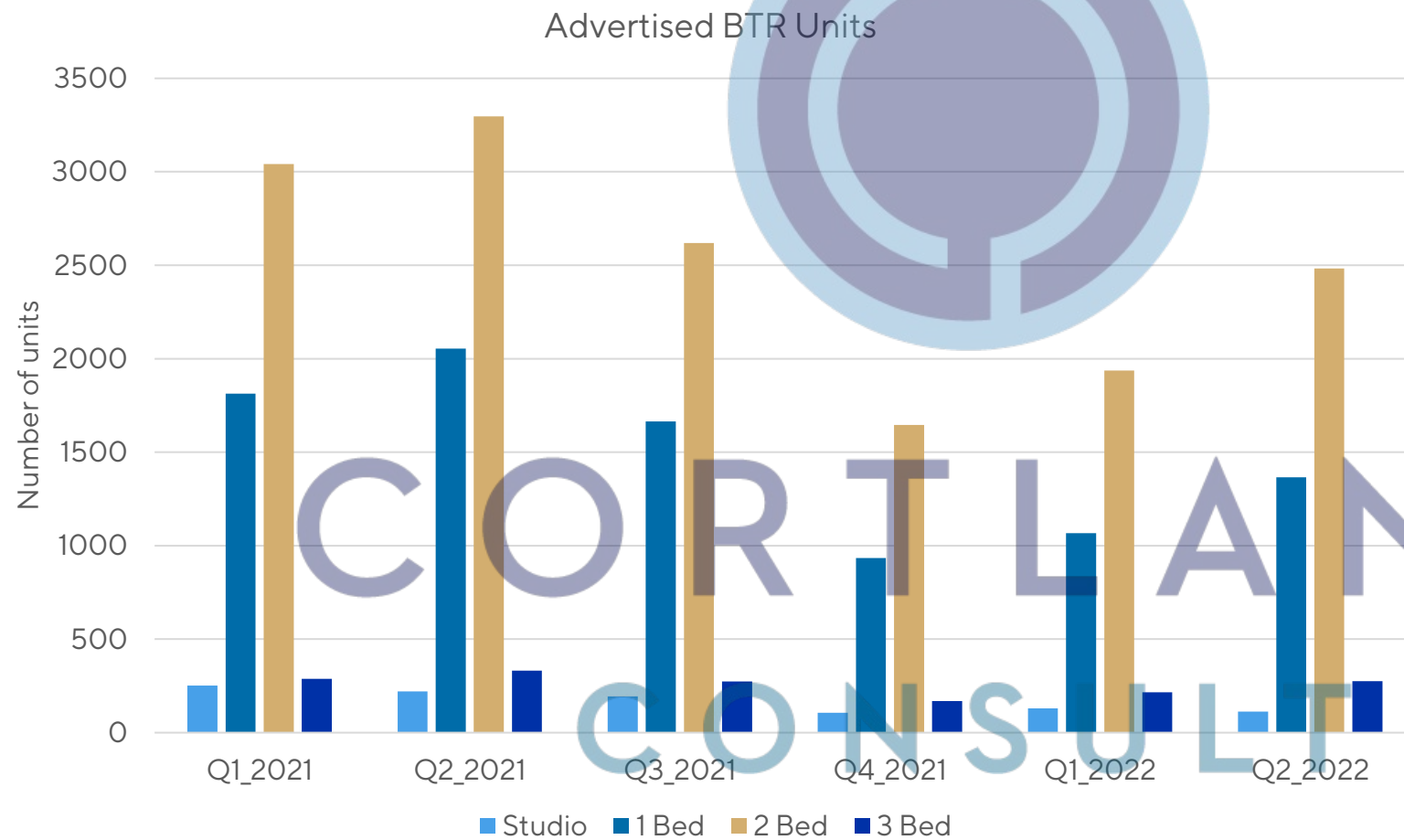


C O R T L A N D

C O N S U L T

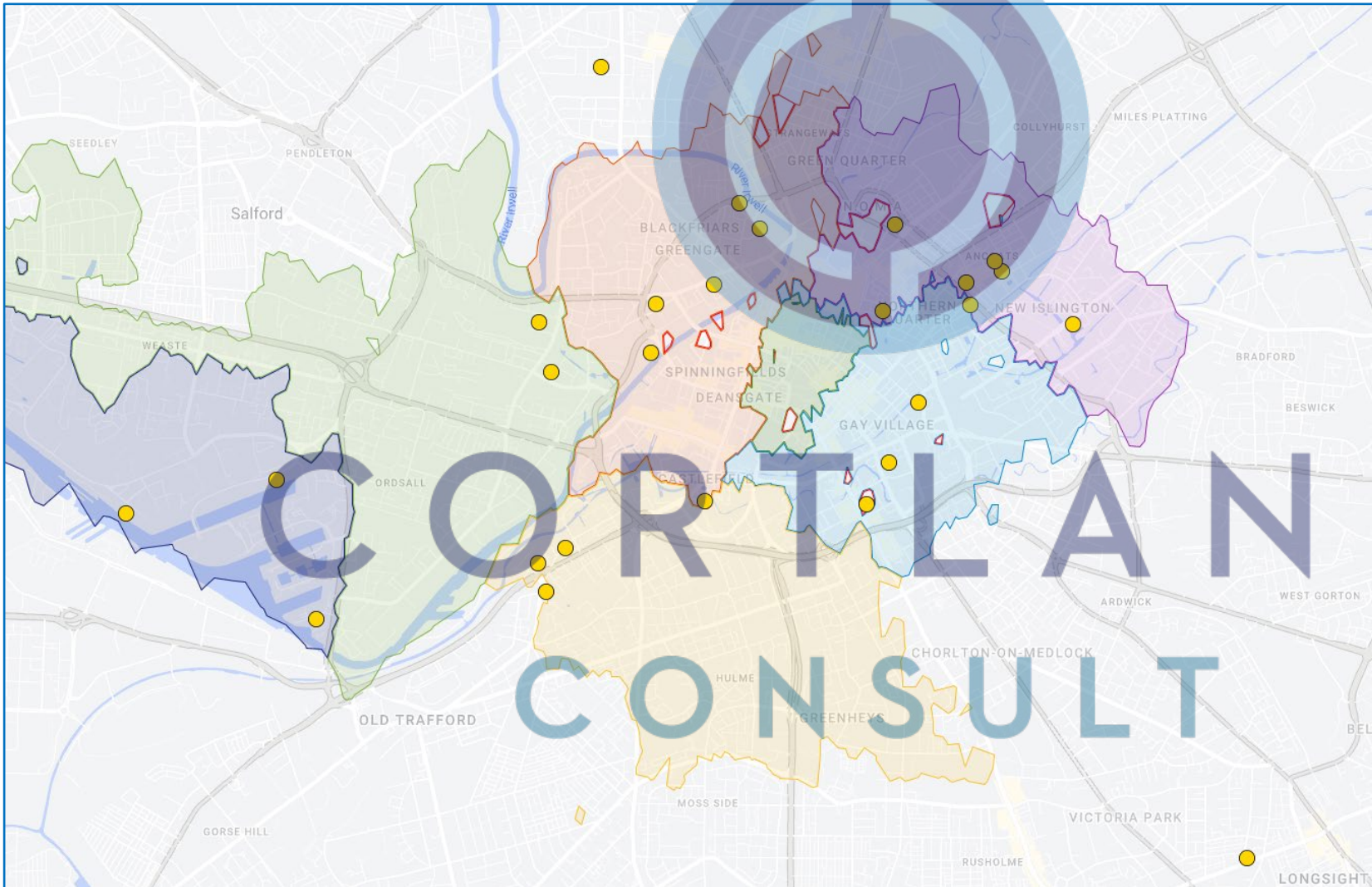
● Manchester City ● Salford ● Trafford

UNIT AVAILABILITY



15.5%
Change in Annual Rents
(Zoopla, Q2 2022)

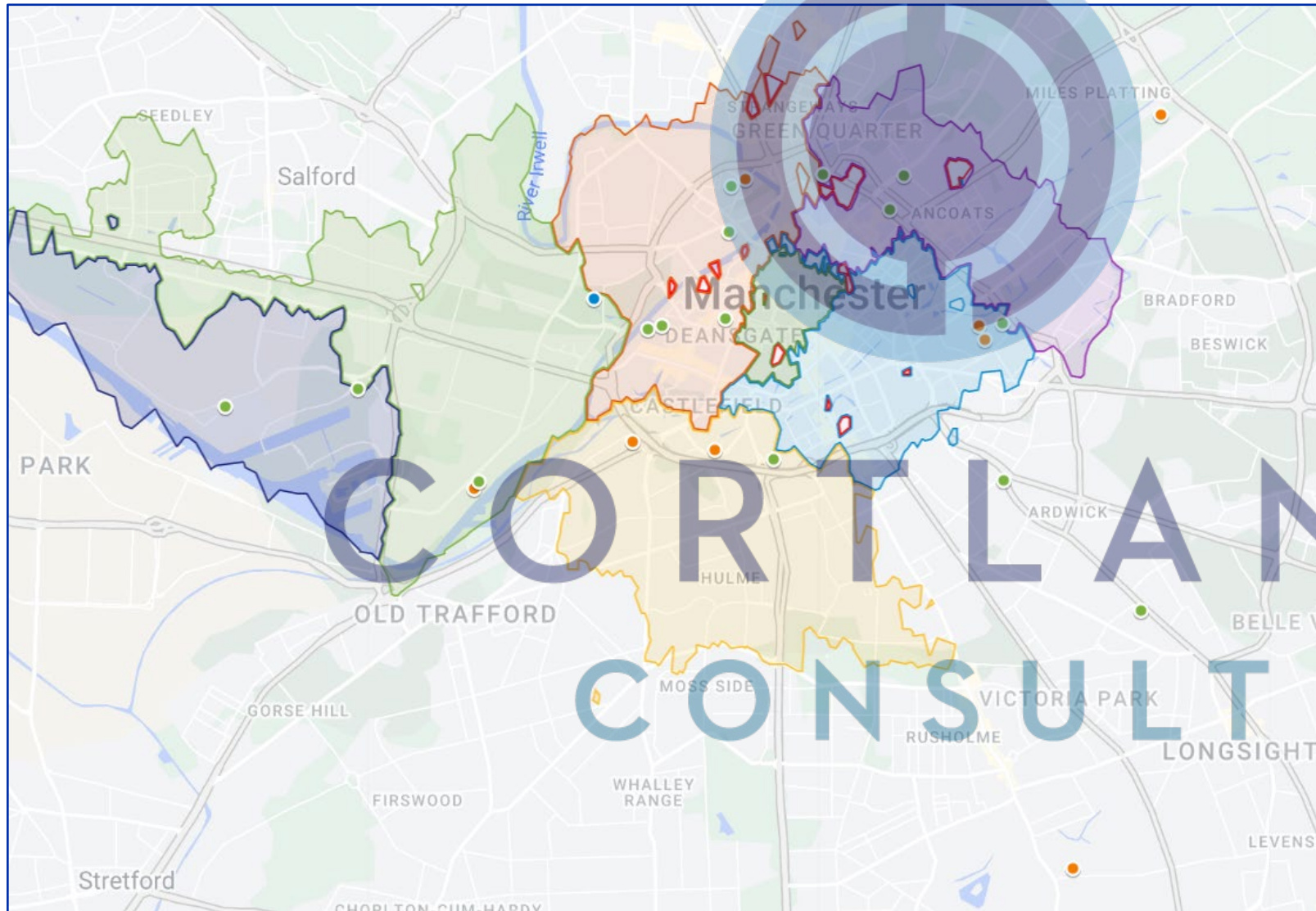
OPERATING



Districts:

- Salford Quays
- Northern Quarter, Gay Village
- Deansgate, Blackfriars and Greengate
- Ordsall
- Hulme and Trafford
- Ancoats and New Islington
- City Centre and Spinningfields

PIPELINE



9,788

Units in the Pipeline



13 BTR schemes under construction



8 BTR schemes with planning consent



2 BTR schemes with planning applications

LEEDS



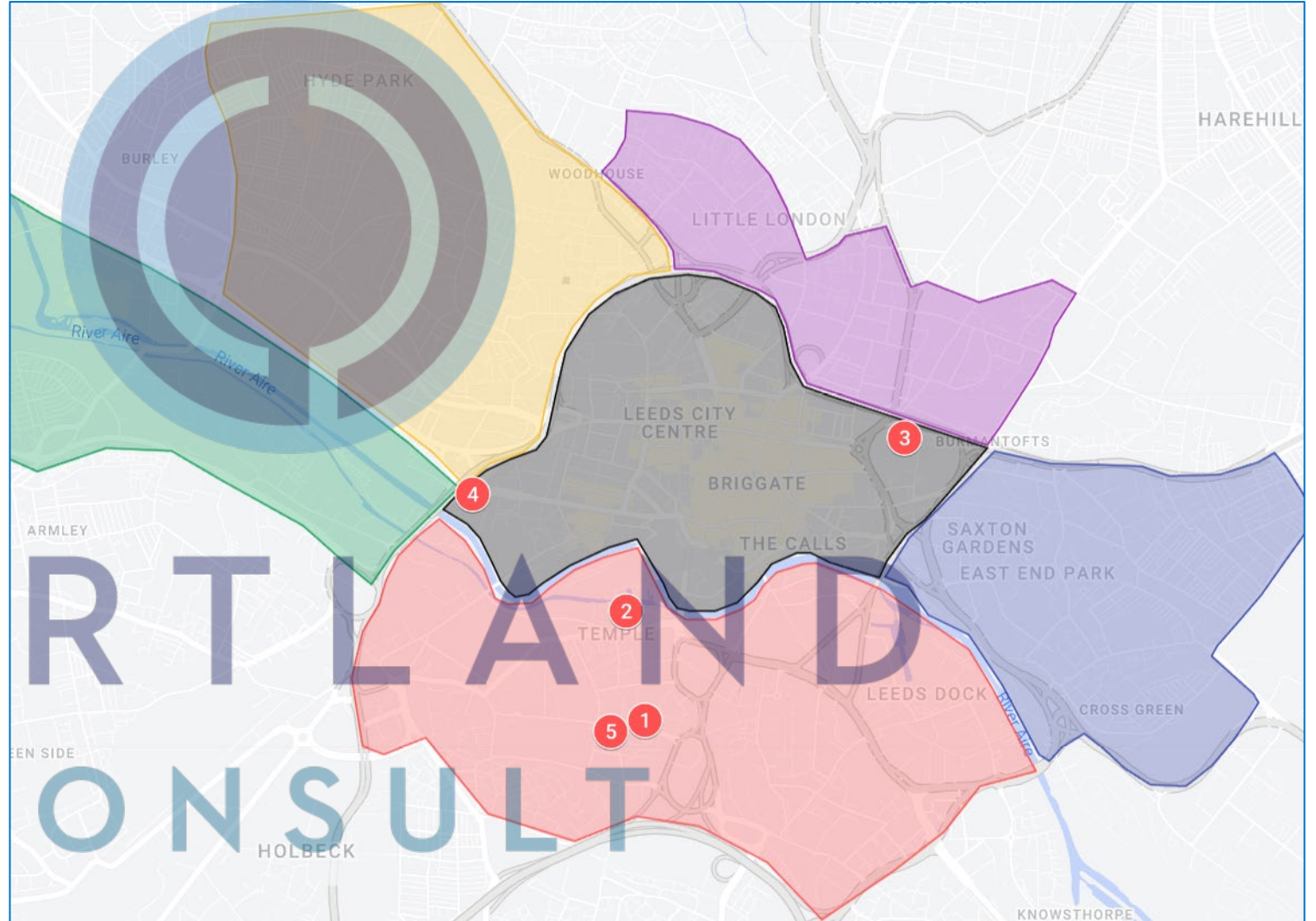
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BTR Schemes

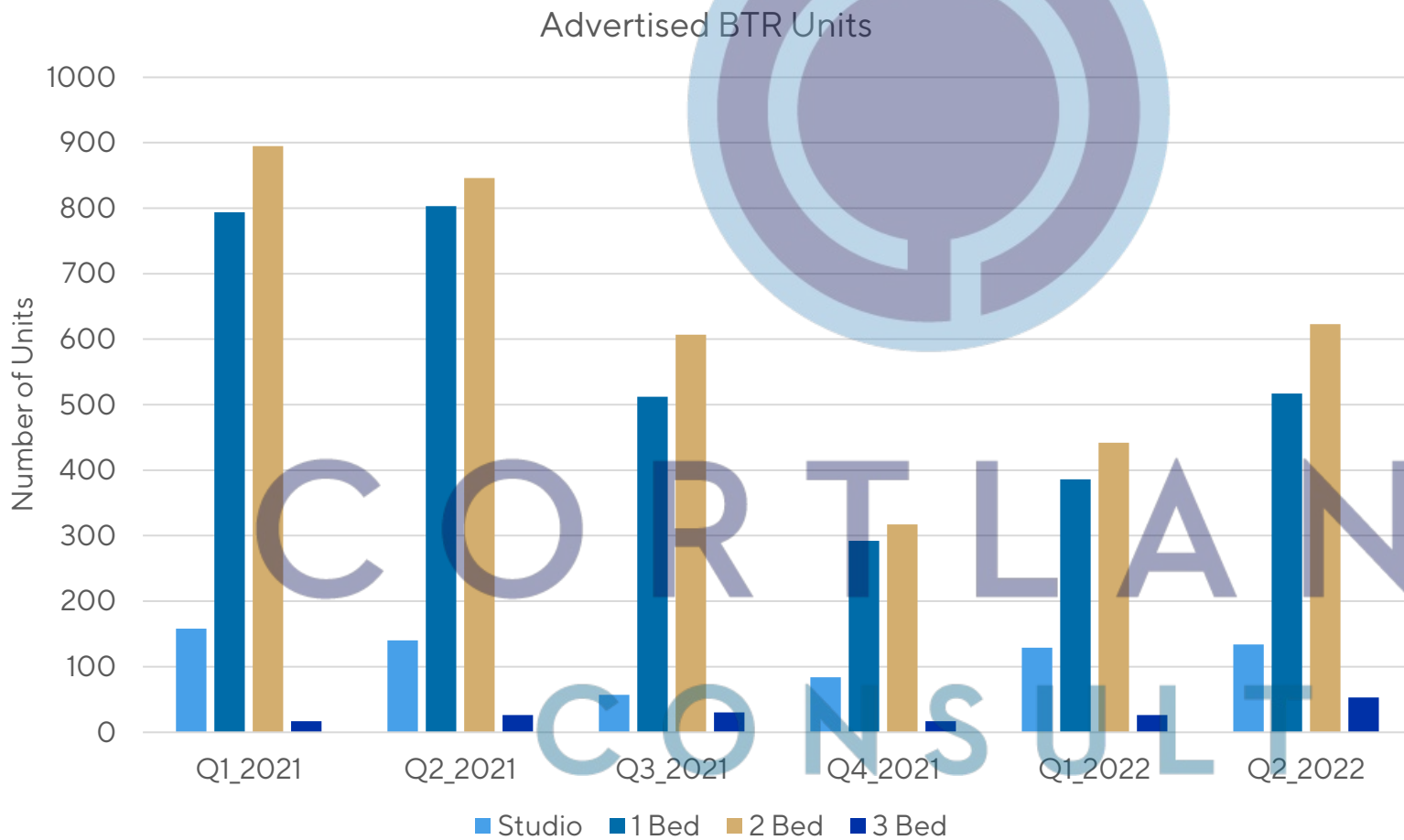
1,967

Operational Units

1. Leodis Square
2. Mustard Wharf
3. New York Square
4. The Headline
5. The Pin Yard



UNIT AVAILABILITY



11.4%
Change in Annual Rents
(Zoopla, Q2 2022)

PIPELINE

7,952

Units in the Pipeline



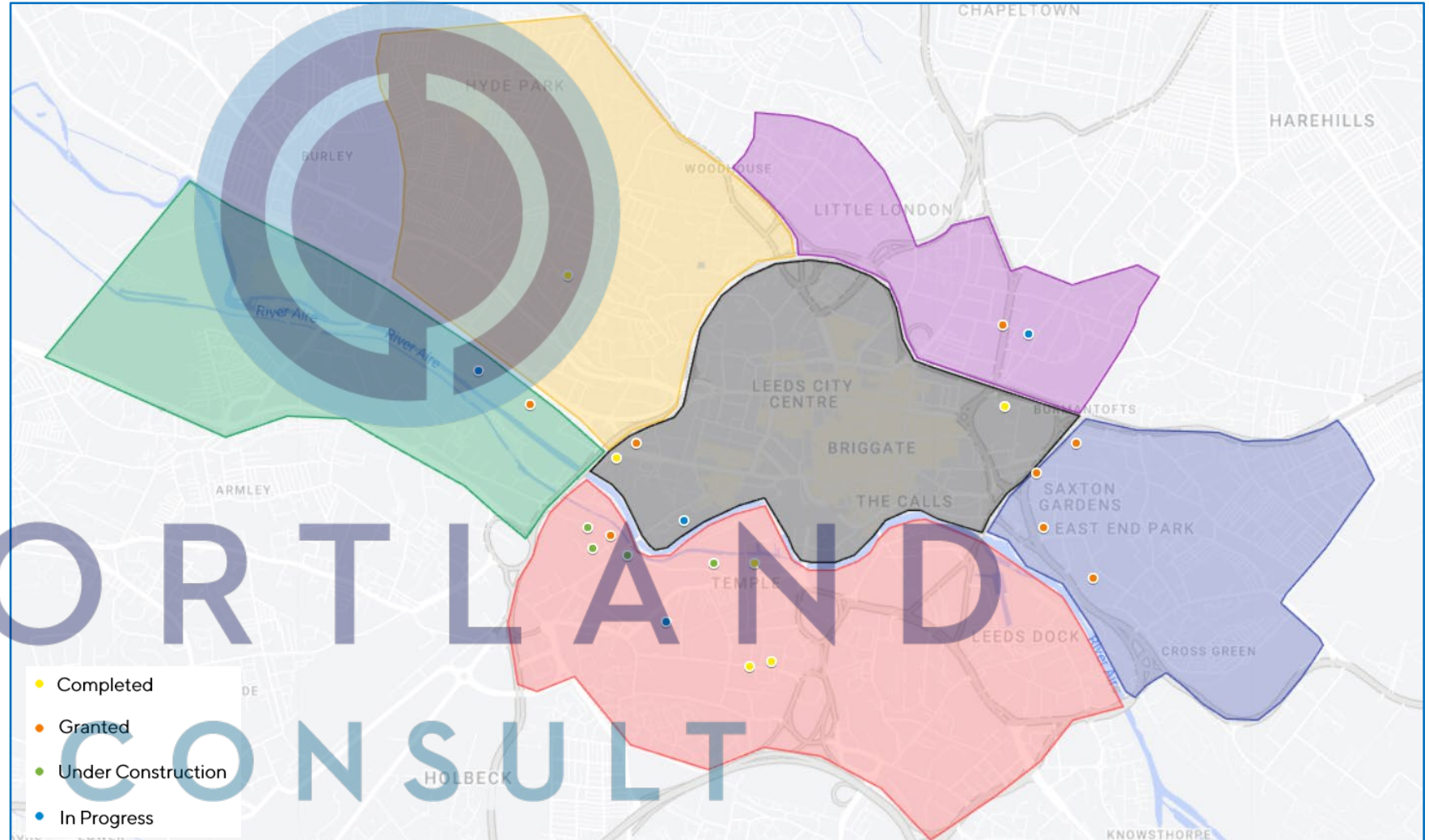
4 BTR schemes under construction



8 BTR schemes with planning consent



4 BTR scheme with planning applications



LIVERPOOL



6

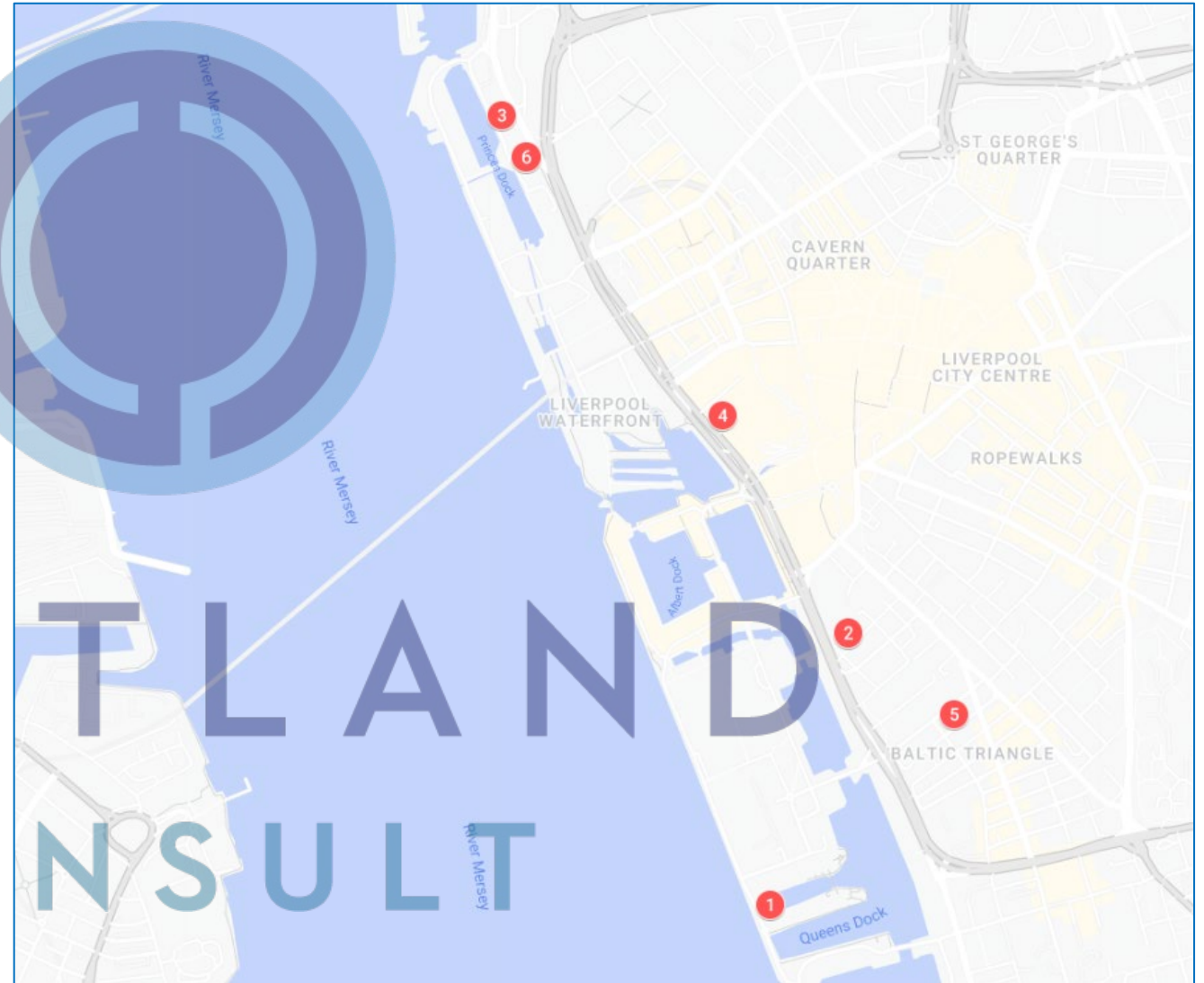
BTR Schemes

1,576

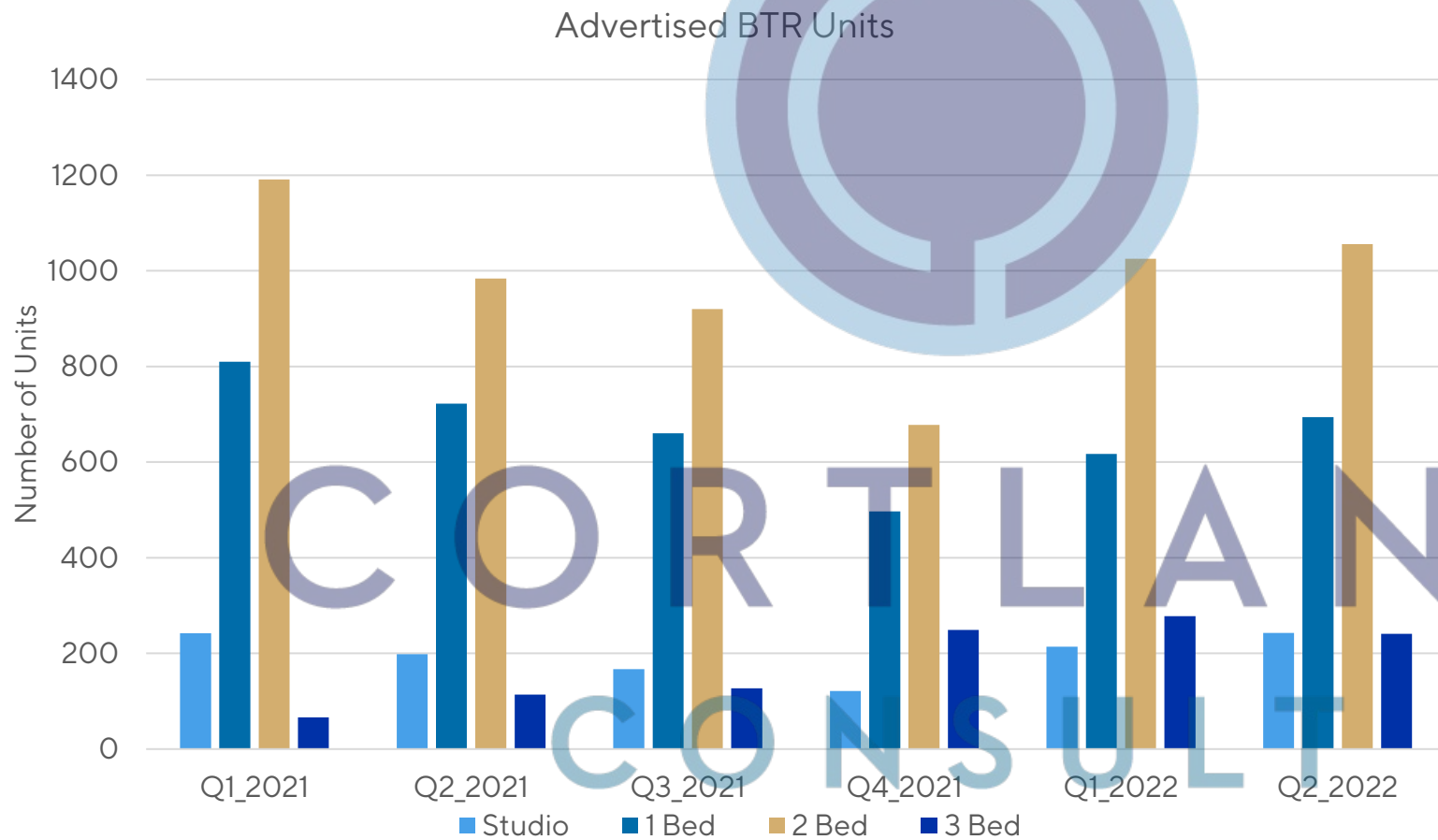
Operational Units

1. The Keel
2. The Cargo Building
3. Plaza 1821
4. The Copper House
5. Baltic Yard
6. The Lexington

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UNIT AVAILABILITY



10%
Change in Annual Rents
(Zoopla, Q2 2022)

PIPELINE

1,465

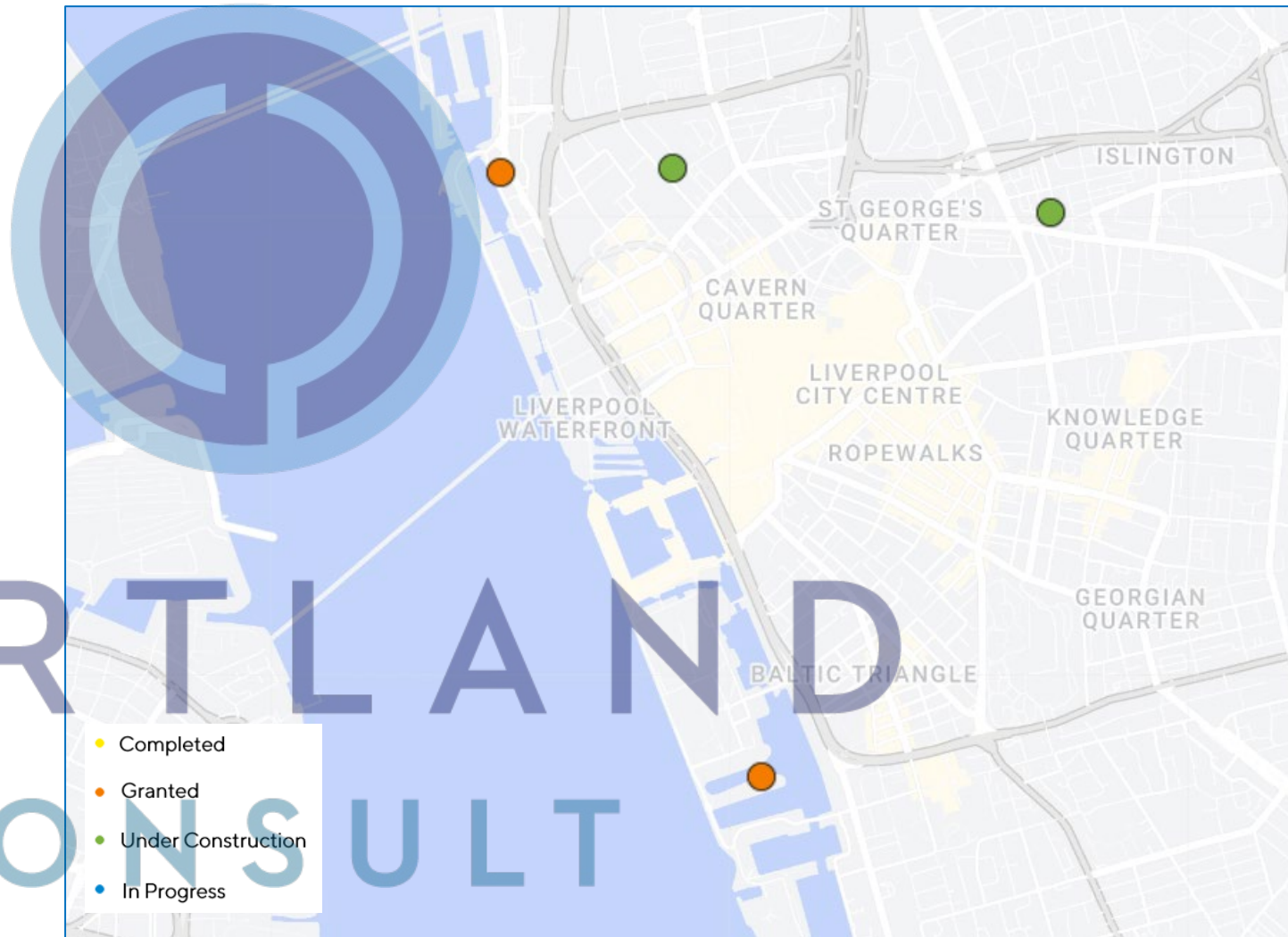
Units in the Pipeline



2 BTR schemes under construction



2 BTR schemes with planning consent



BRISTOL



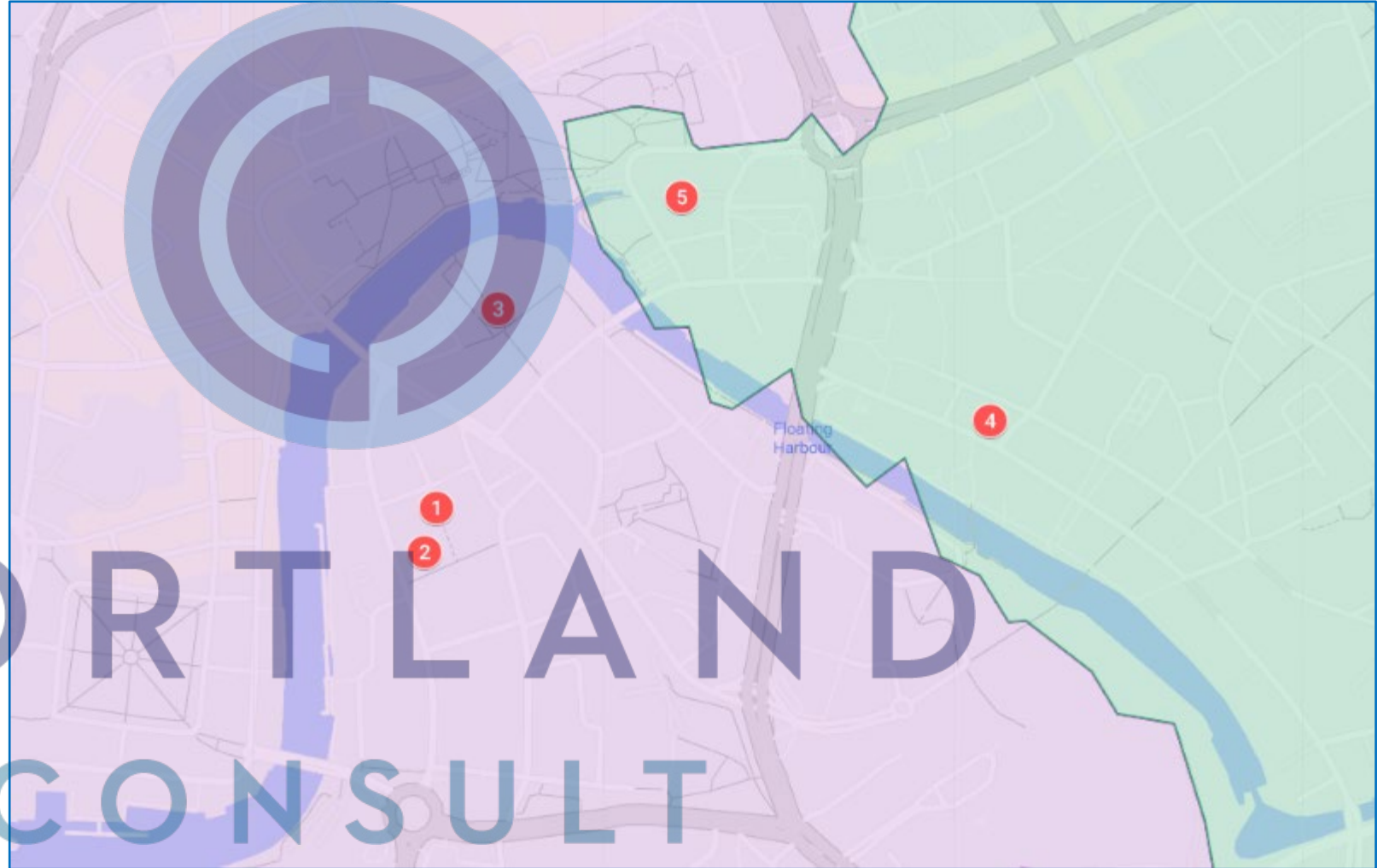
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BTR Schemes

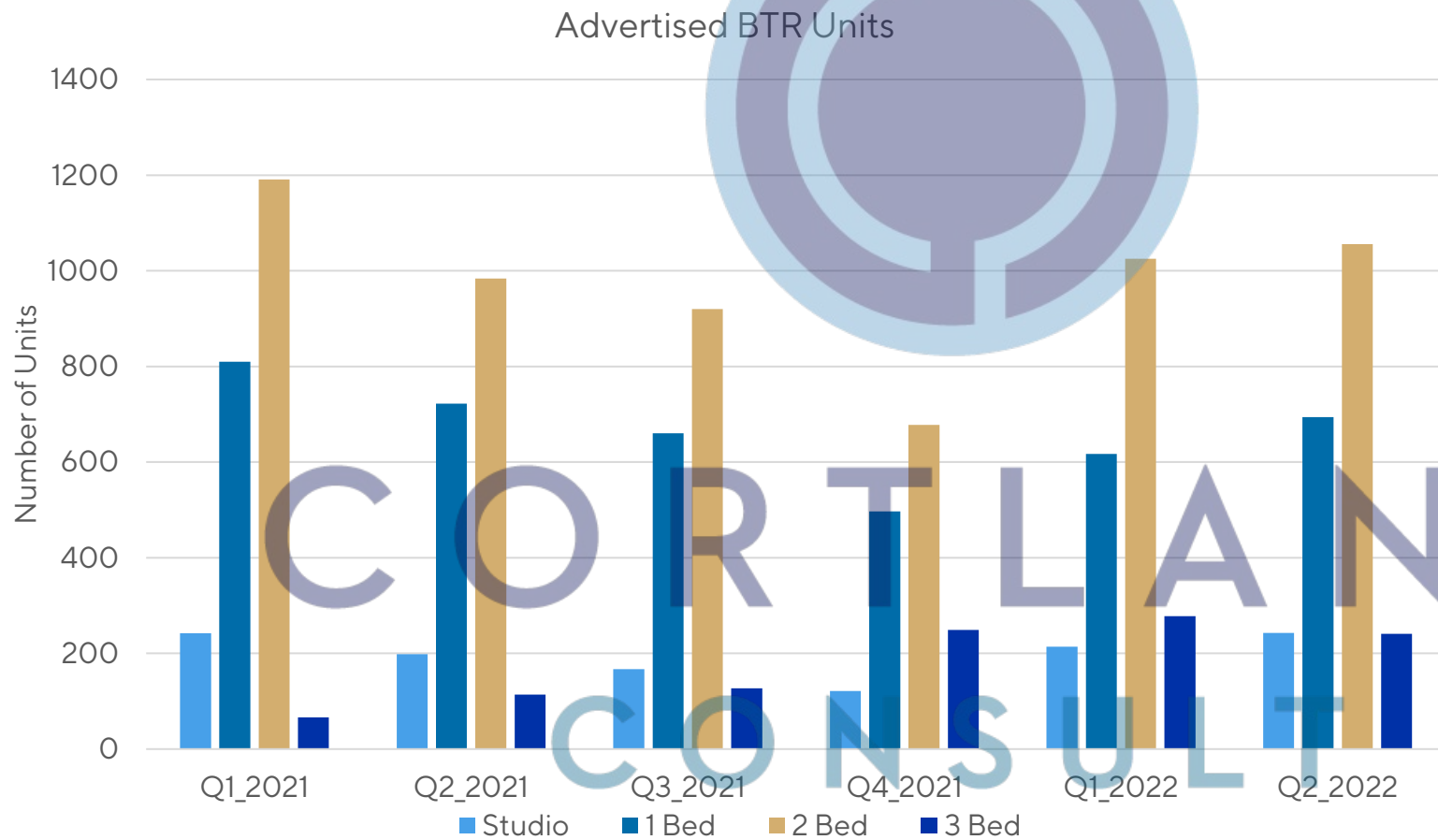
1,126

Operational Units

1. Redcliff Quarter Phase 1
2. Redcliff Quarter Phase 2
3. Hawkins & George
4. Boxmakers Yard
5. Castle Park View



UNIT AVAILABILITY



12.9%
Change in Annual Rents
(Zoopla, Q2 2022)

PIPELINE

1,444

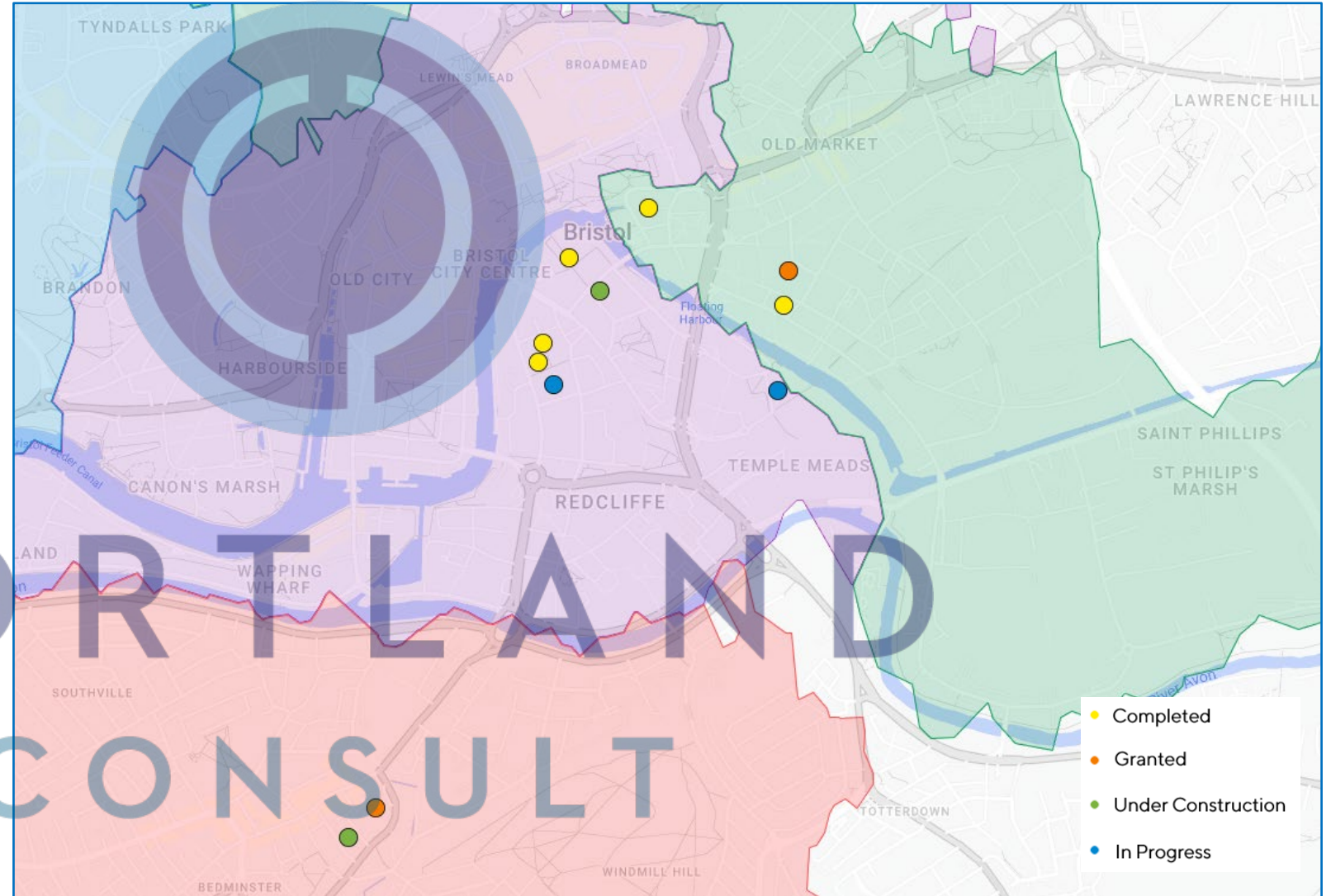
Units in the Pipeline



2 BTR schemes under construction



2 BTR schemes with planning consent





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