

Rented homes – a macro perspective for investors

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Build to Rent Forum – June 2021

Outline

**Tightening
rental
supply**

**Shifting
renter
profile**

**Strong
underlying
cashflows**

**New build
rental
premium?**

**Some
long-run
predictions**

Private rental supply tightens on tax changes

BTR growing faster creating a new rental offer and service levels for renters

1995 – 2015

+13%

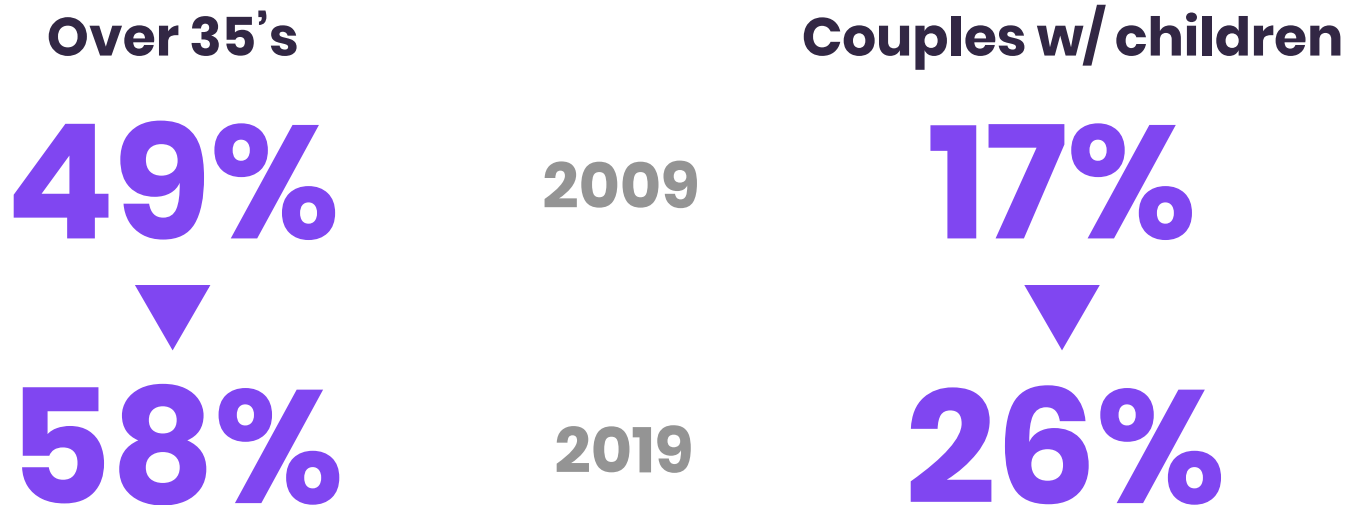
CAGR

2015 – 2020

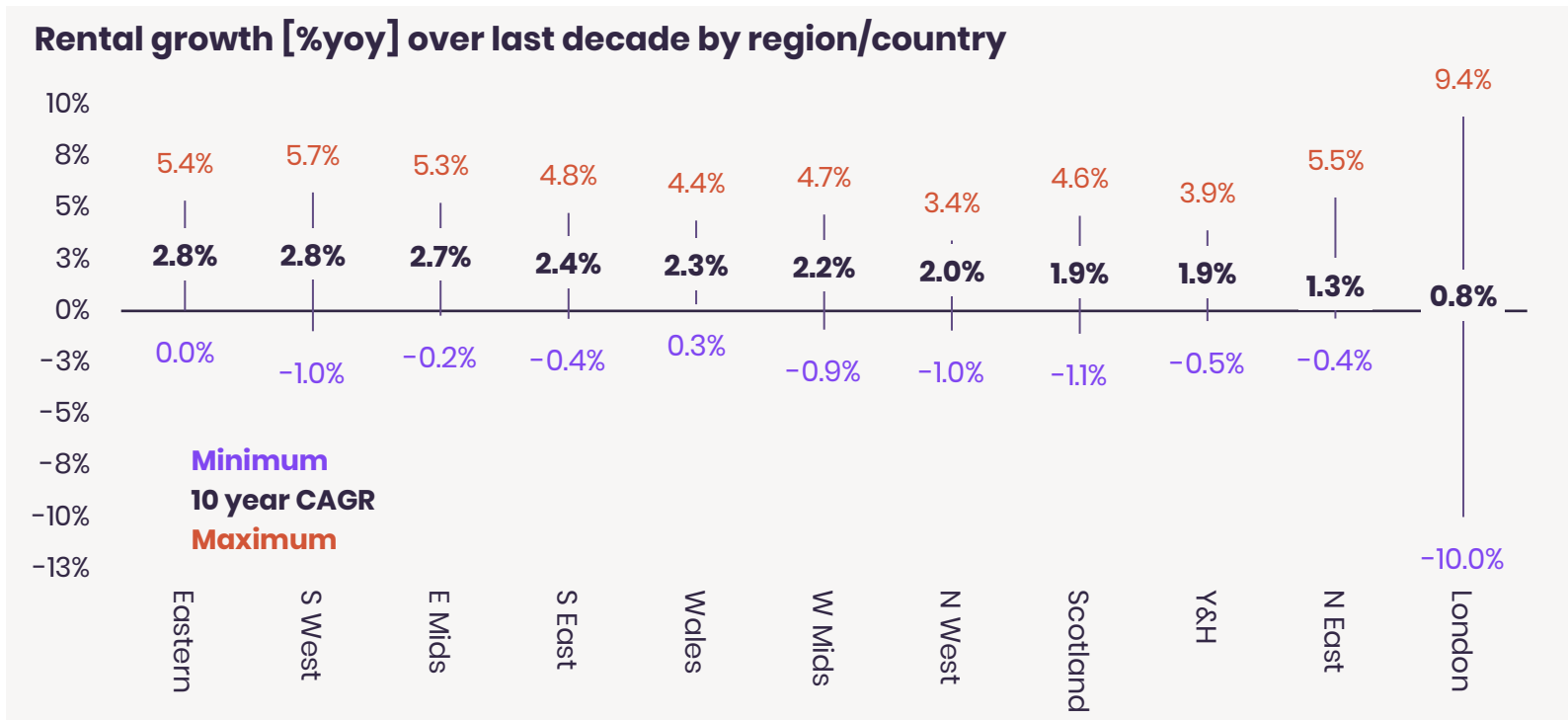
+1%

CAGR

Steady demographic shift in profile of renters drives move into single family homes

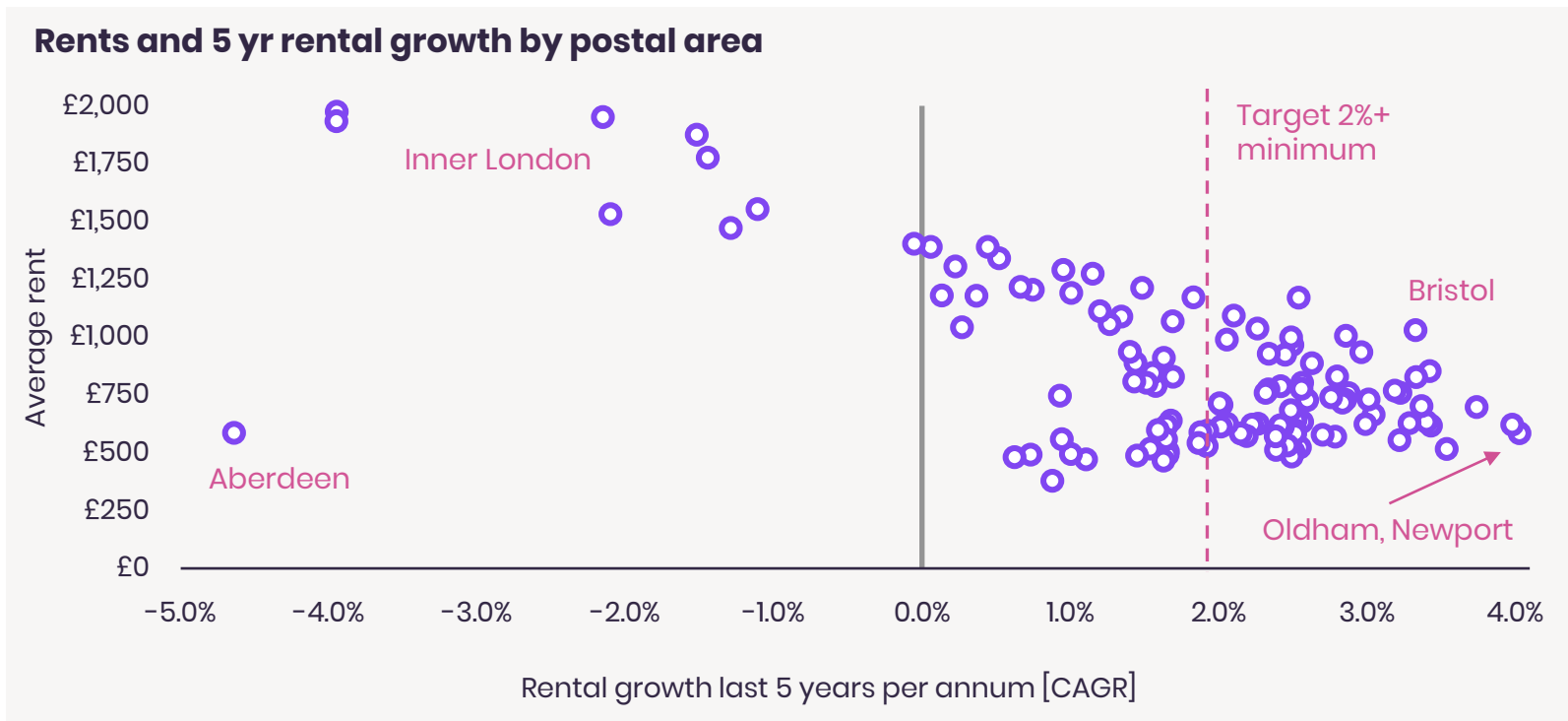


Long run cashflow steady and generally predictable



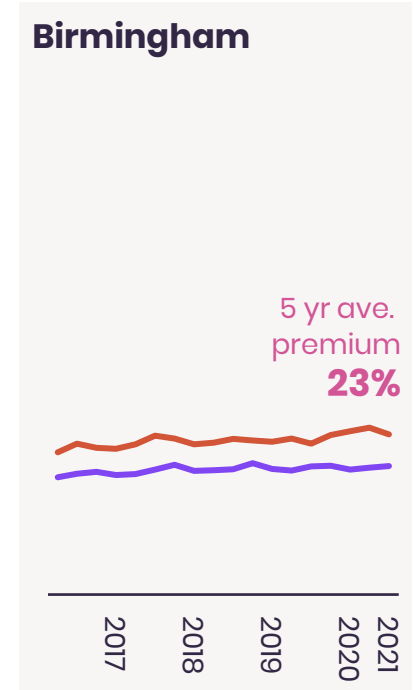
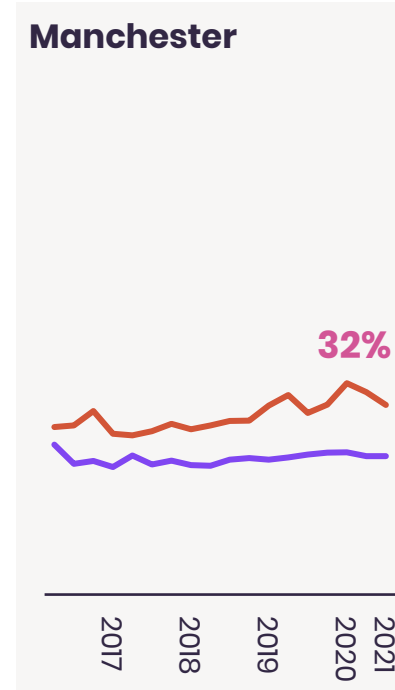
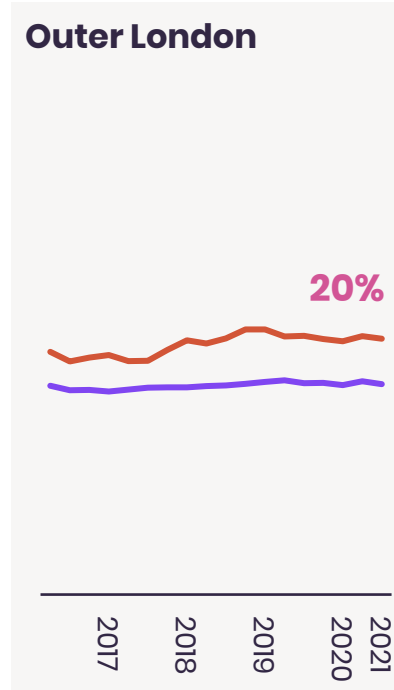
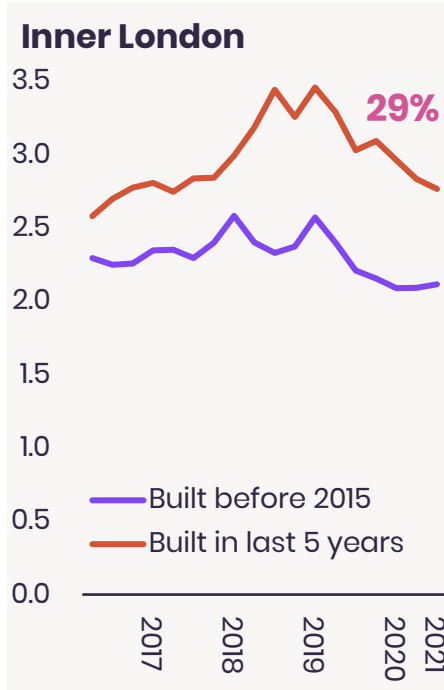
Source: Zoopla Rental Index [not an asking price index – index reflects change in underlying rents]

Markets with greatest rental growth prospects?



Newer rental stock trades at a 20–30% premium

Average rent (£000s) for a 2 bed home by quarter 2017 Q1 – 2021 Q2



Final thoughts and some predictions

1

Material upside for average rents in regional housing markets

2

High probability of a large-scale consolidation across BTR sector

3

More than a decade from a truly consumer facing rental brand

4

Lots of mis-priced rental markets – locations/products to unlock strongest future cashflows

Thank you

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