

BUILD TO RENT Q1 2022

Prepared by Savills for the British Property Federation



April 2022

Key points

Nationally, the Build to Rent (BTR) sector has grown by 14% on a year-on-year basis from Q1 2021. Over 225,000 BTR homes have now either been delivered or are in planning in the UK, up from 197,000 in Q4 2020. On a quarterly basis, the sector has grown 4% since Q4 2021.

Regional BTR grew 16% year-on-year, to reach 58% of the total BTR sector pipeline; London, meanwhile, lags behind slightly with 12% year-on-year sector growth and 42% of the total pipeline.

Completions

The number of completed Build to Rent homes rose 19% over the last year, reaching a new high of 72,668 units. Growth in completions has been similar across Regional markets (18% annual growth) and London (20% annual growth).

5,802 Build to Rent homes completed in London in the year to Q1 2022. While this is 19% lower than the peak of 7,100 in the year to Q4 2021 this is 44% higher than the 2017-19 average.

5,901 Build to Rent homes completed in the Regions in the year to Q1 2022, 22% lower than in the year to Q4 2021 but still 15% higher than the 2017-19 average.

Construction

The number of homes under construction has shown 14% national growth since Q1 2021, rising to 46,304 homes. However, this national figure hides a stark divide between London and Regional markets, with BTR construction in the latter rising by 28% since Q1 2021, while construction in London has fallen by 3% over the same period, repeating the year-on-year contraction seen in the final three quarters of 2021.

Quarterly construction starts in London reached their highest level since Q1 2018 in Q1 2022, at 2,110. This takes starts in the year to Q1 2022 to more than 5,250 in the capital. While this is a slight recovery compared to recent years, London starts remain -17% lower than the average between 2017 and 2019.

Regional starts had risen to record levels in 2021 but starts in Q1 2021 were lower than any quarter since Q2 2020. The year to Q1 2022 saw 12,000 starts in the regions, 20% below the year to Q4 2021, but 25% above the 2017-2019 average.

Planning

The planning pipeline has grown 11% nationally in the year to Q1 2022. The number of homes with detailed consent has risen more slowly, at 5.3% in the year, to 53,000 homes. The number of schemes in long-term planning has risen by 23% in the year to Q1 2022, indicating a strong future pipeline.

BTR key statistics for the past year

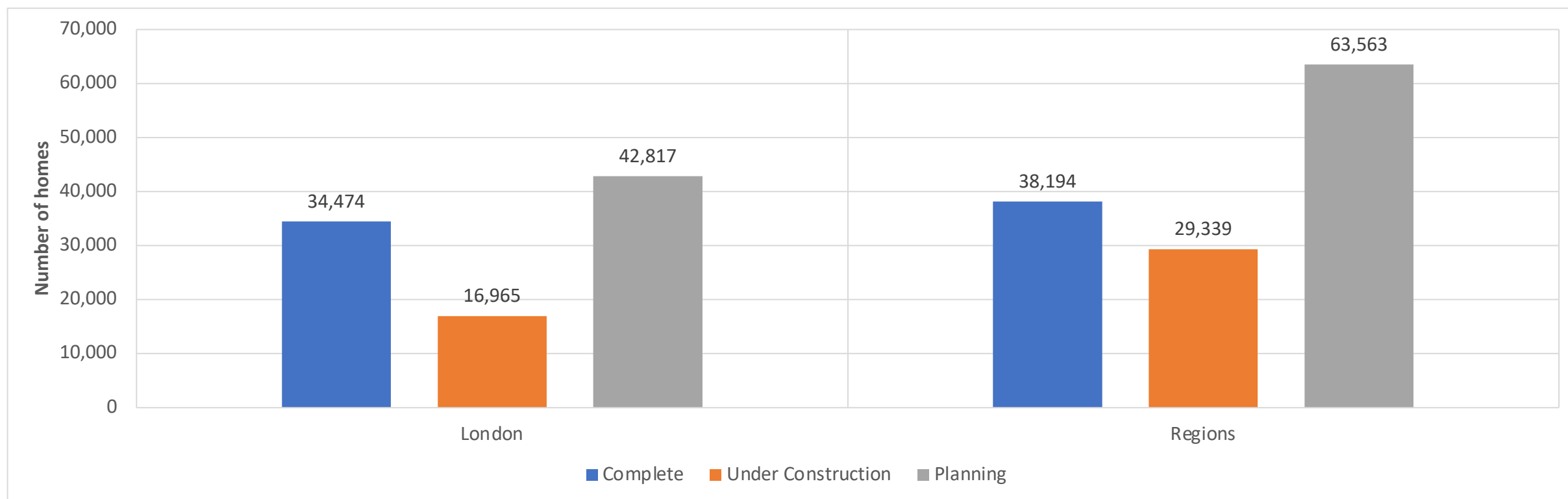
Status	Q1 2022 Totals	Q1 2021 Totals	Increase
Complete	72,668	60,965	19%
Under Construction	46,304	40,653	14%
In Planning	106,380	96,043	11%
Totals	225,352	197,661	14%

London and regional BTR growth

		Complete	Under construction	Planning	Total
London	Q1 2021	28,672	17,494	38,268	84,434
	Q1 2022	34,474	16,965	42,817	94,256
	% increase	20%	-3%	12%	12%
Region	Q1 2021	32,293	23,159	57,775	113,227
	Q1 2022	38,194	29,339	63,563	131,096
	% increase	18%	28%	10%	16%
Total	Q1 2021	60,965	40,653	96,043	197,661
	Q1 2022	72,668	46,304	106,380	225,352
	% increase	19%	14%	11%	14%

Q1 2022

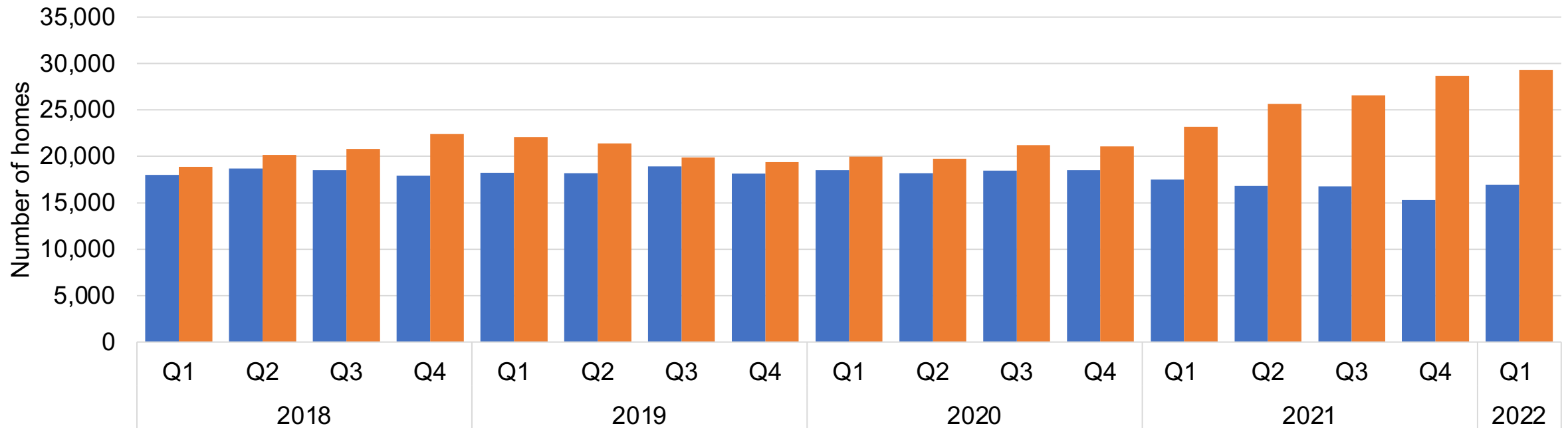
Status	Complete	Under Construction	Planning	Totals	% of total
London	34,474	16,965	42,817	94,256	41.8%
Regions	38,194	29,339	63,563	131,096	58.2%
Total	72,668	46,304	106,380	225,352	-



BTR under construction

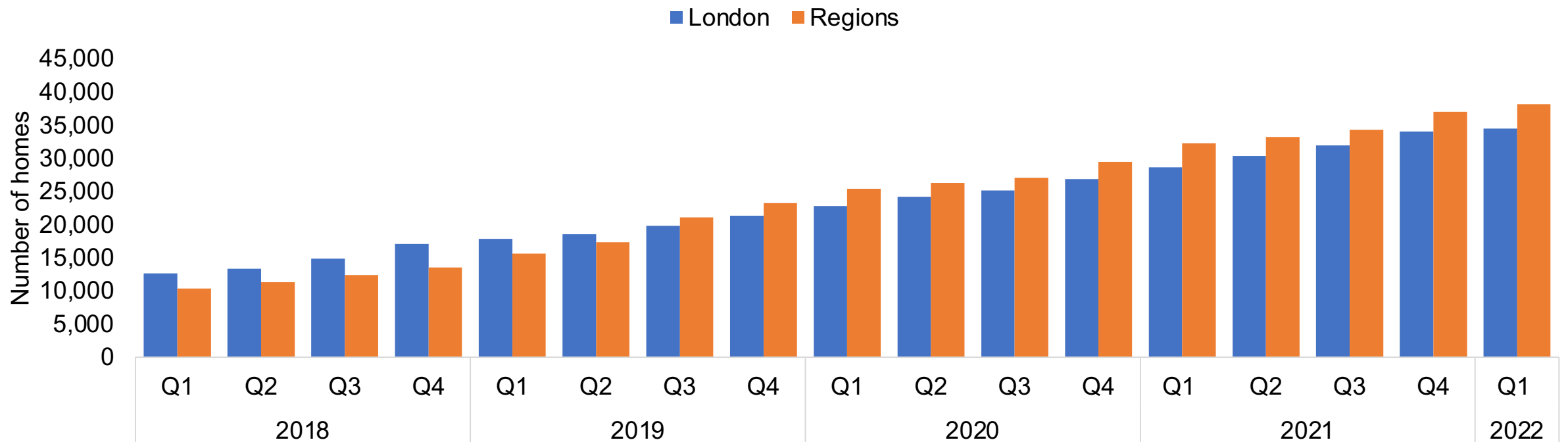
	2018				2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
London	18,023	18,699	18,506	17,900	18,212	18,170	18,915	18,146	18,521	18,175	18,481	18,497	17,494	16,811	16,774	15,305	16,965
Regions	18,885	20,149	20,790	22,383	22,092	21,369	19,901	19,369	19,963	19,736	21,213	21,089	23,159	25,660	26,557	28,656	29,339

■ London ■ Regions



BTR completions (cumulative)

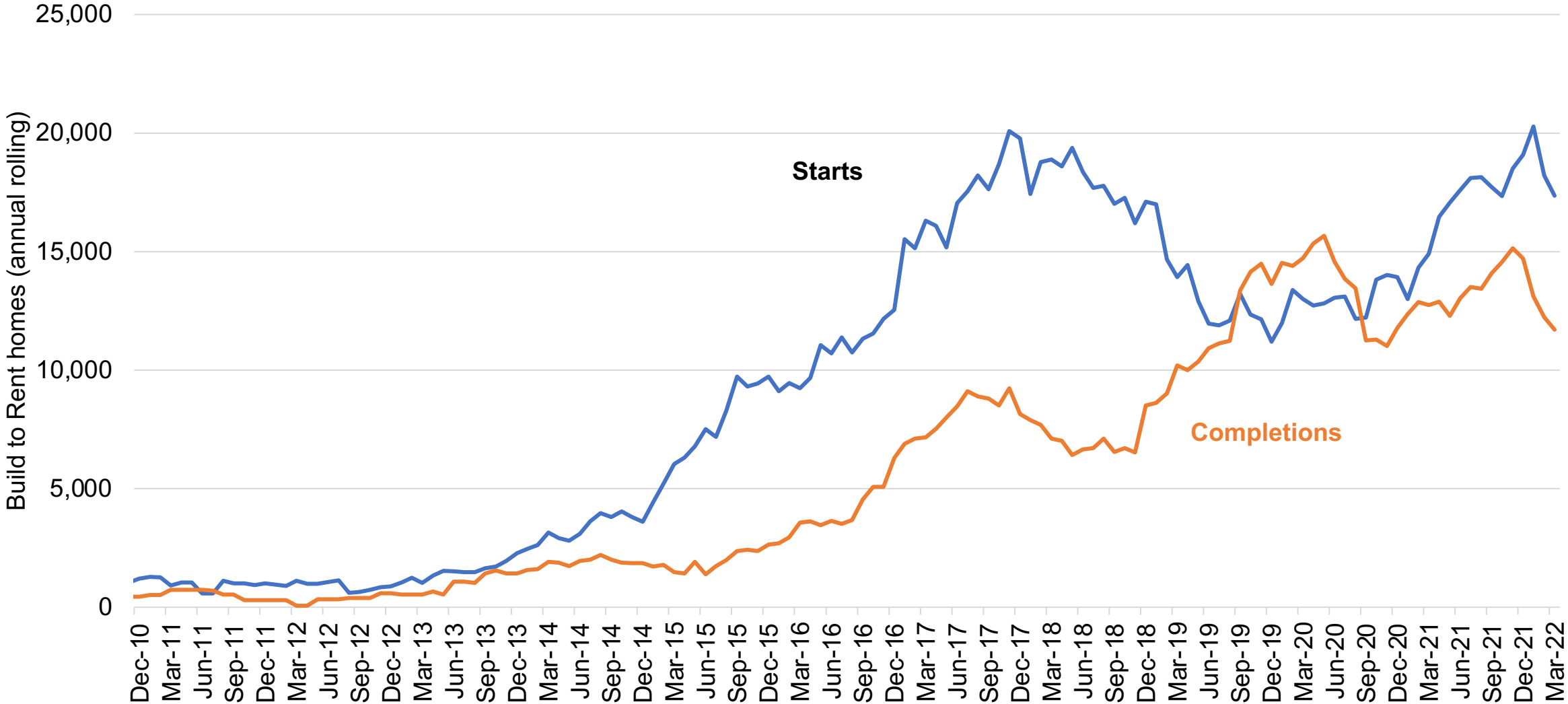
	2018				2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
London	12,625	13,369	14,861	17,100	17,861	18,575	19,835	21,351	22,797	24,198	25,130	26,901	28,672	30,365	31,962	34,024	34,474
Regions	10,345	11,304	12,373	13,531	15,641	17,365	21,100	23,252	25,435	26,328	27,062	29,473	32,293	33,194	34,312	37,057	38,194



BTR quarterly starts and completions

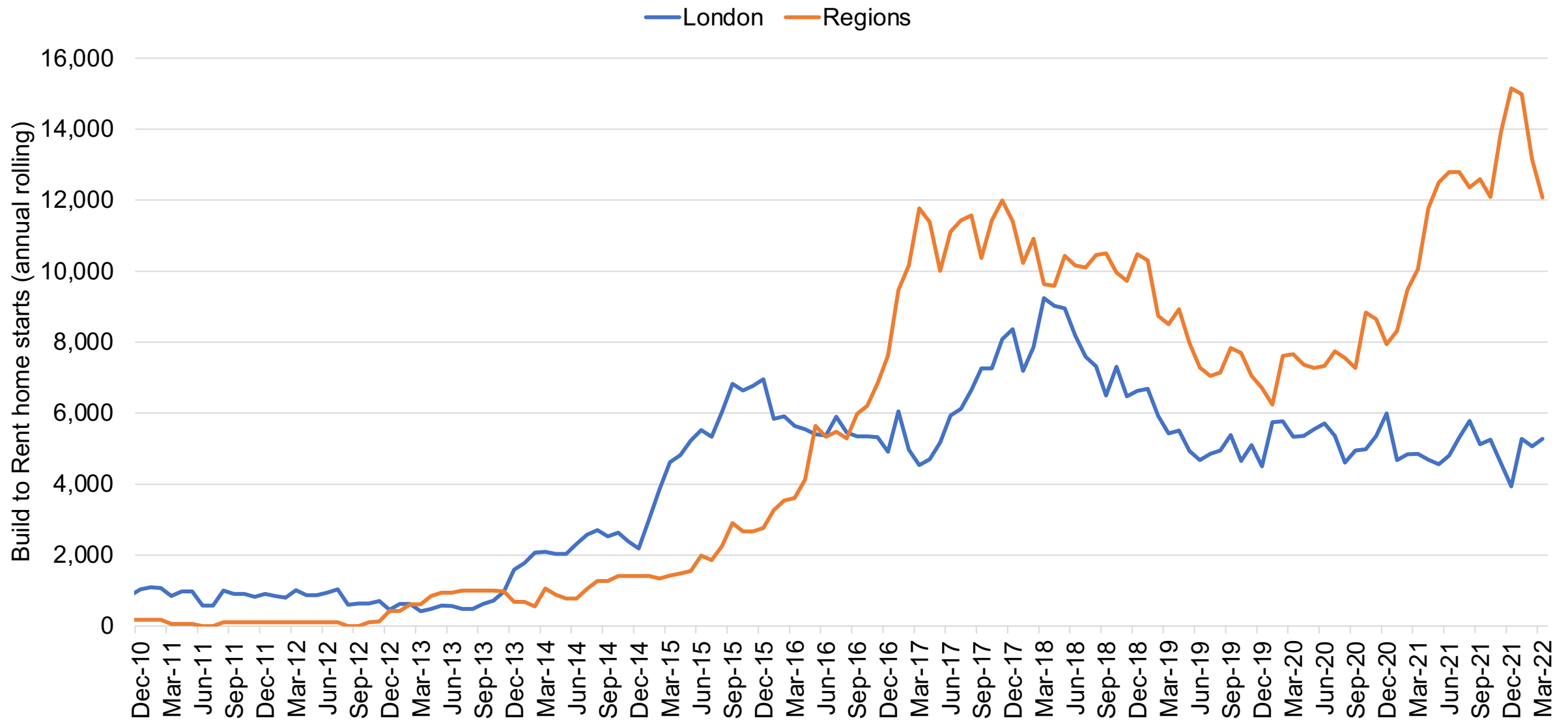
		2018				2019				2020				2021				2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
London	Starts	2,270	1,420	1,299	1,633	1,073	672	2,005	747	1,908	1,055	1,238	1,787	768	1,010	1,560	593	2,110
	Completions	470	744	1,492	2,239	761	714	1,260	1,516	1,446	1,401	932	1,771	1,771	1,693	1,597	2,062	450
Regions	Starts	3,793	2,223	1,710	2,751	1,819	1,001	2,267	1,620	2,777	666	2,211	2,287	4,889	3,402	2,015	4,844	1,820
	Completions	386	959	1,069	1,158	1,772	1,724	3,735	2,152	2,183	893	734	2,411	2,820	901	1,118	2,745	1,137
UK	Starts	6,063	3,643	3,009	4,384	2,892	1,673	4,272	2,367	4,685	1,721	3,449	4,074	5,657	4,412	3,575	5,437	3,930
	Completions	856	1,703	2,561	3,397	2,533	2438	4,995	3668	3,629	2,294	1,666	4,182	4,591	2,594	2,715	4,807	1,587

UK BTR starts and completions



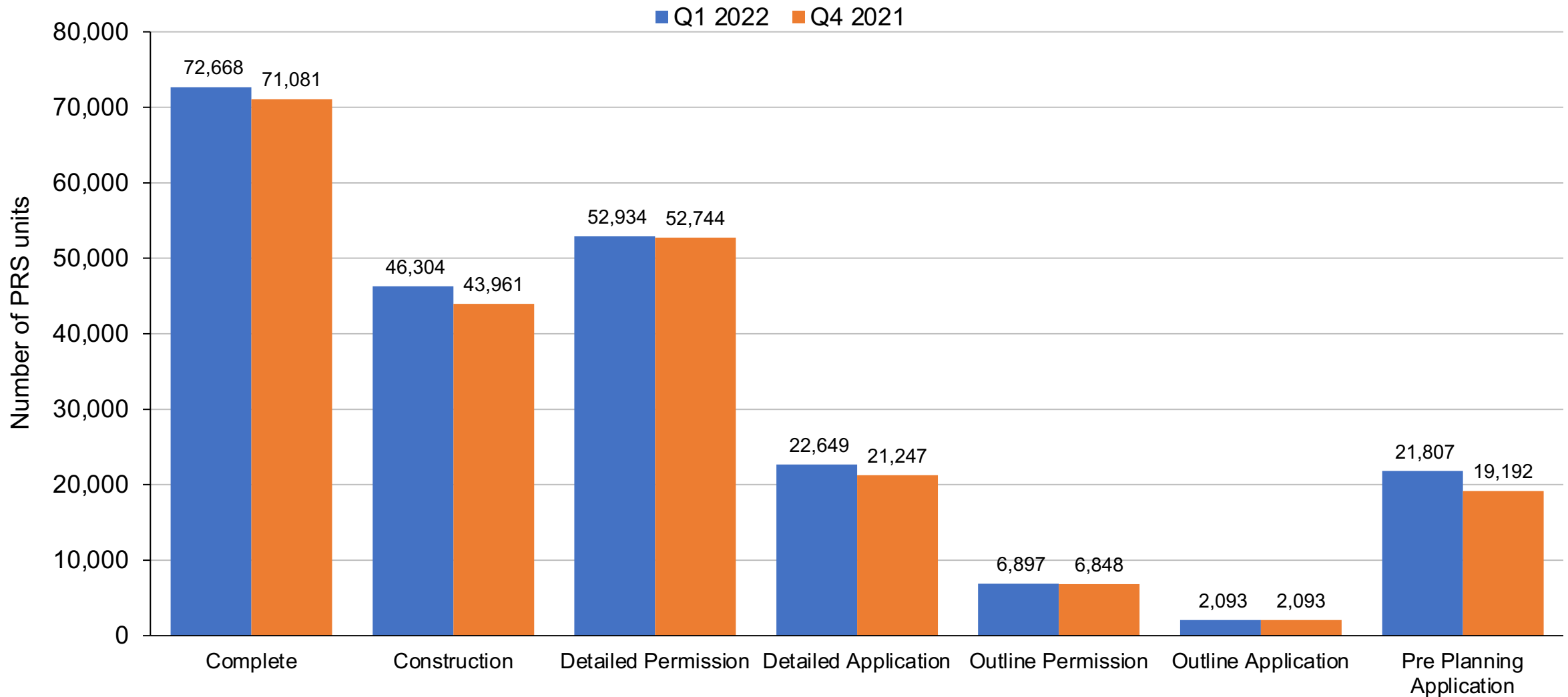
Source: Savills, Moliior, British Property Federation

BTR starts: London vs the Regions

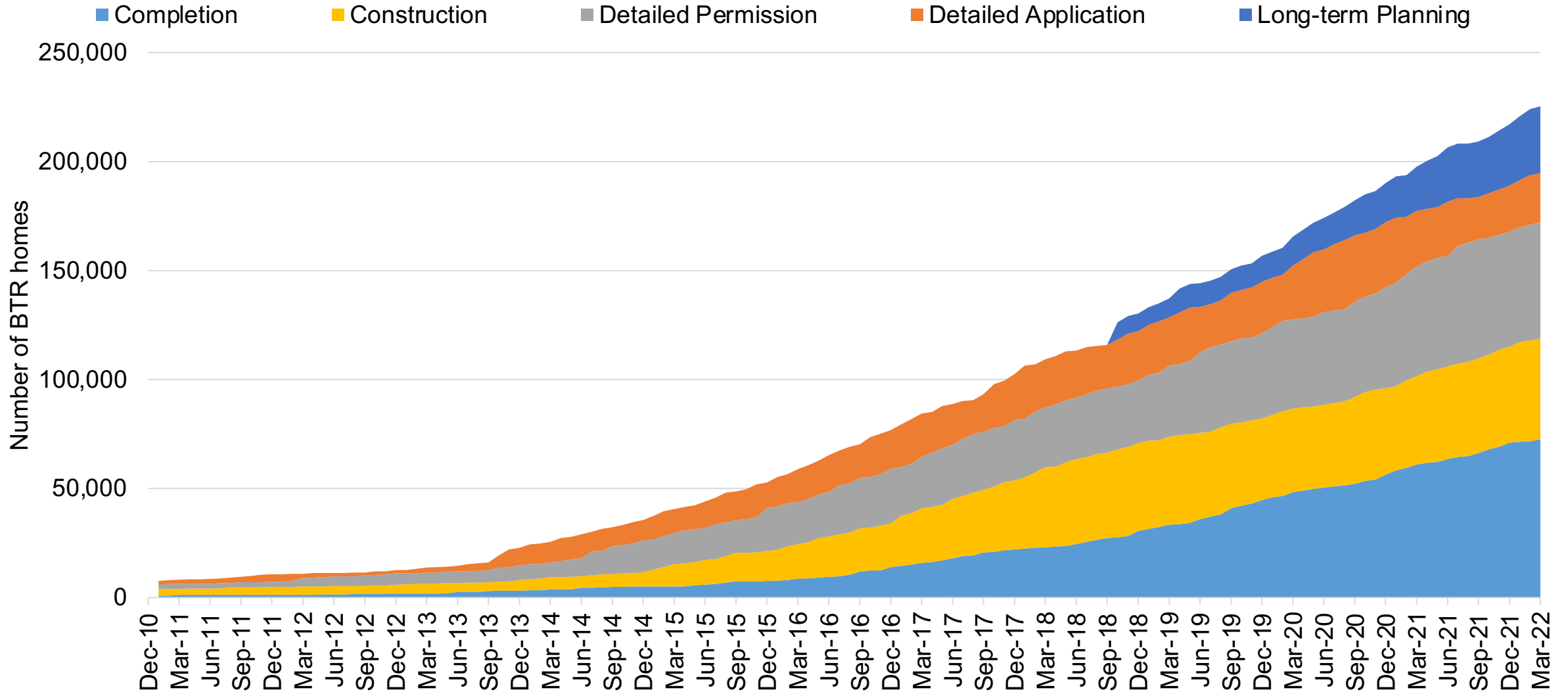


Source: Savills, Molior, British Property Federation

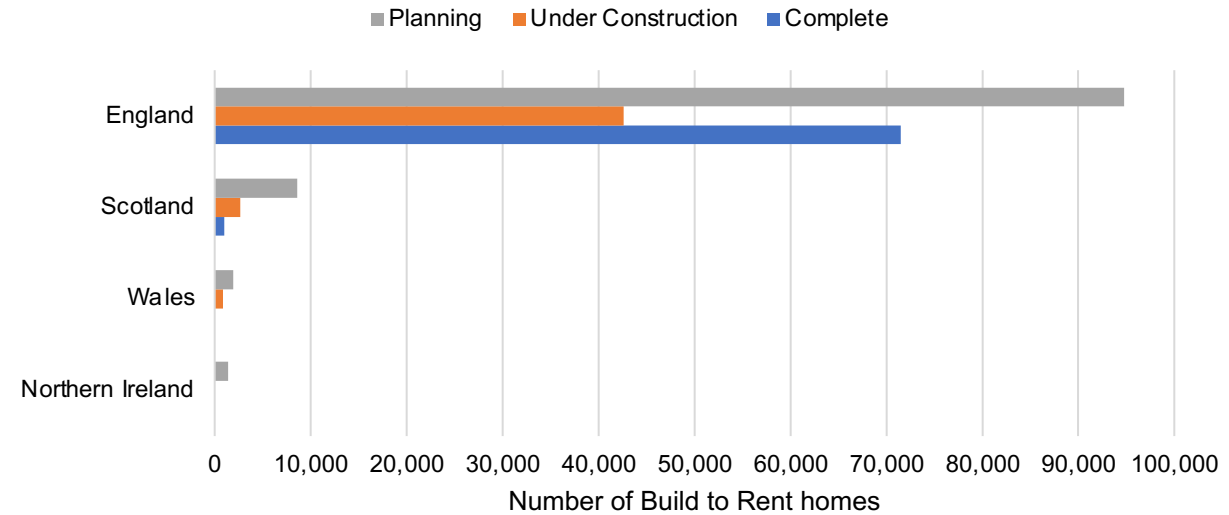
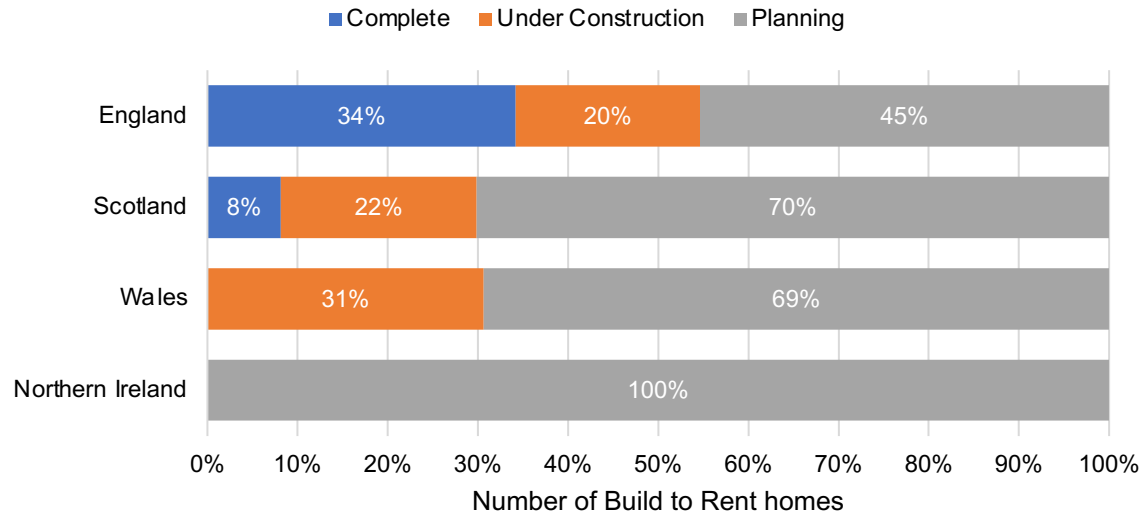
BTR pipeline: quarterly change



The rise and rise of BTR



BTR growing in all UK countries



England

Status	Q1 2022 Totals	Q1 2021 Totals	Increase
Complete	71,466	60,108	19%
Under Construction	42,639	38,022	12%
In Planning	94,802	87,211	9%
Totals	208,907	185,341	13%

Scotland

Status	Q1 2022 Totals	Q1 2021 Totals	Increase
Complete	997	857	16%
Under Construction	2,661	1,768	51%
In Planning	8,587	6,785	27%
Totals	12,245	9,410	30%

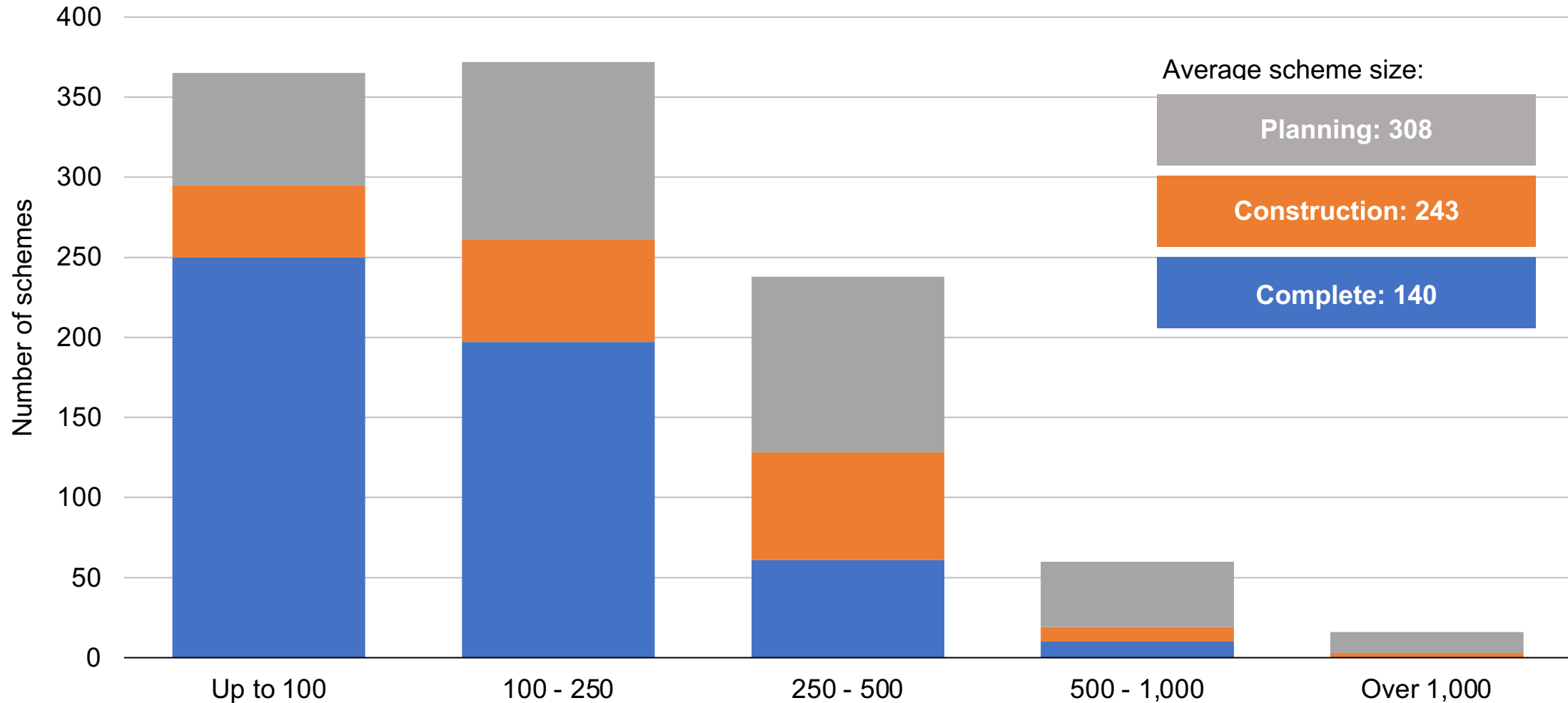
Wales

Status	Q1 2022 Totals	Q1 2021 Totals	Increase
Complete	0	0	0%
Under Construction	863	863	0%
In Planning	1,955	1,955	0%
Totals	2,818	2,818	0%

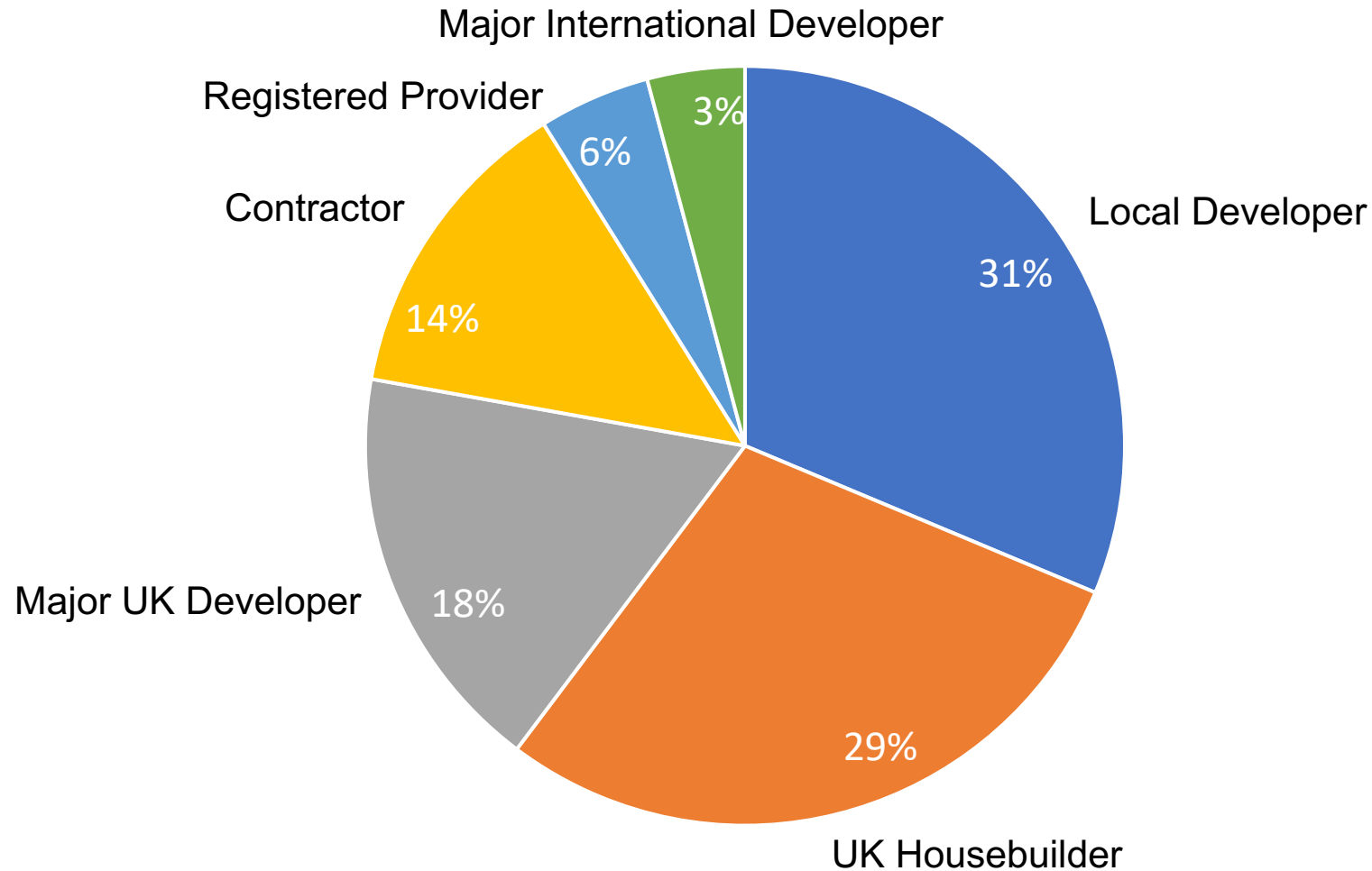
Northern Ireland

Status	Q1 2022 Totals	Q1 2021 Totals	Increase
Complete	0	0	-
Under Construction	0	0	-
In Planning	1,382	742	86%
Totals	1,382	742	86%

Q1 2022: number of schemes by unit size band

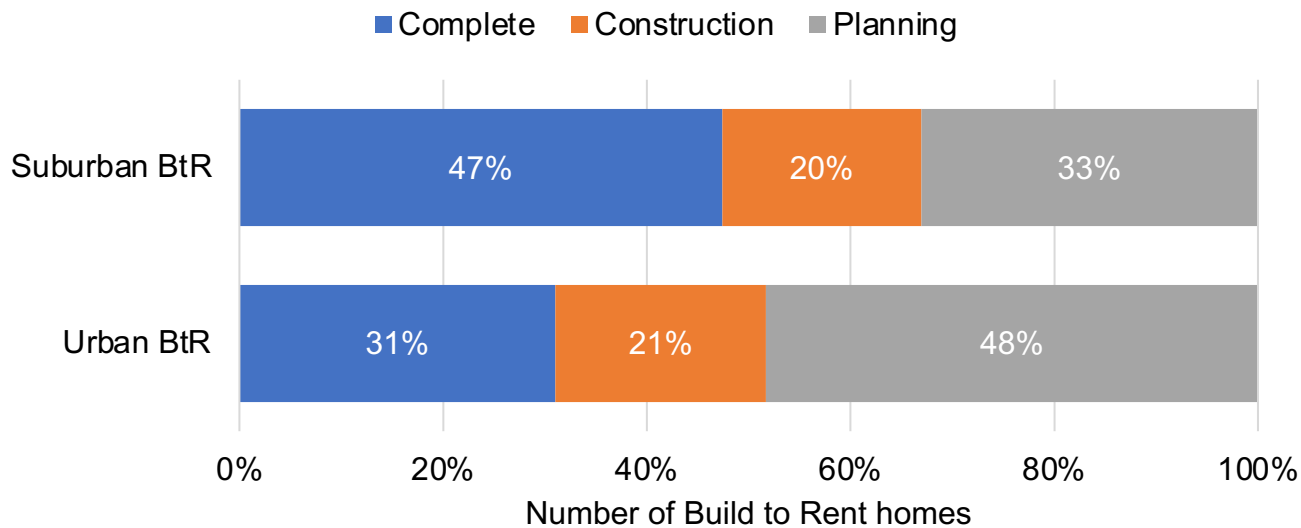
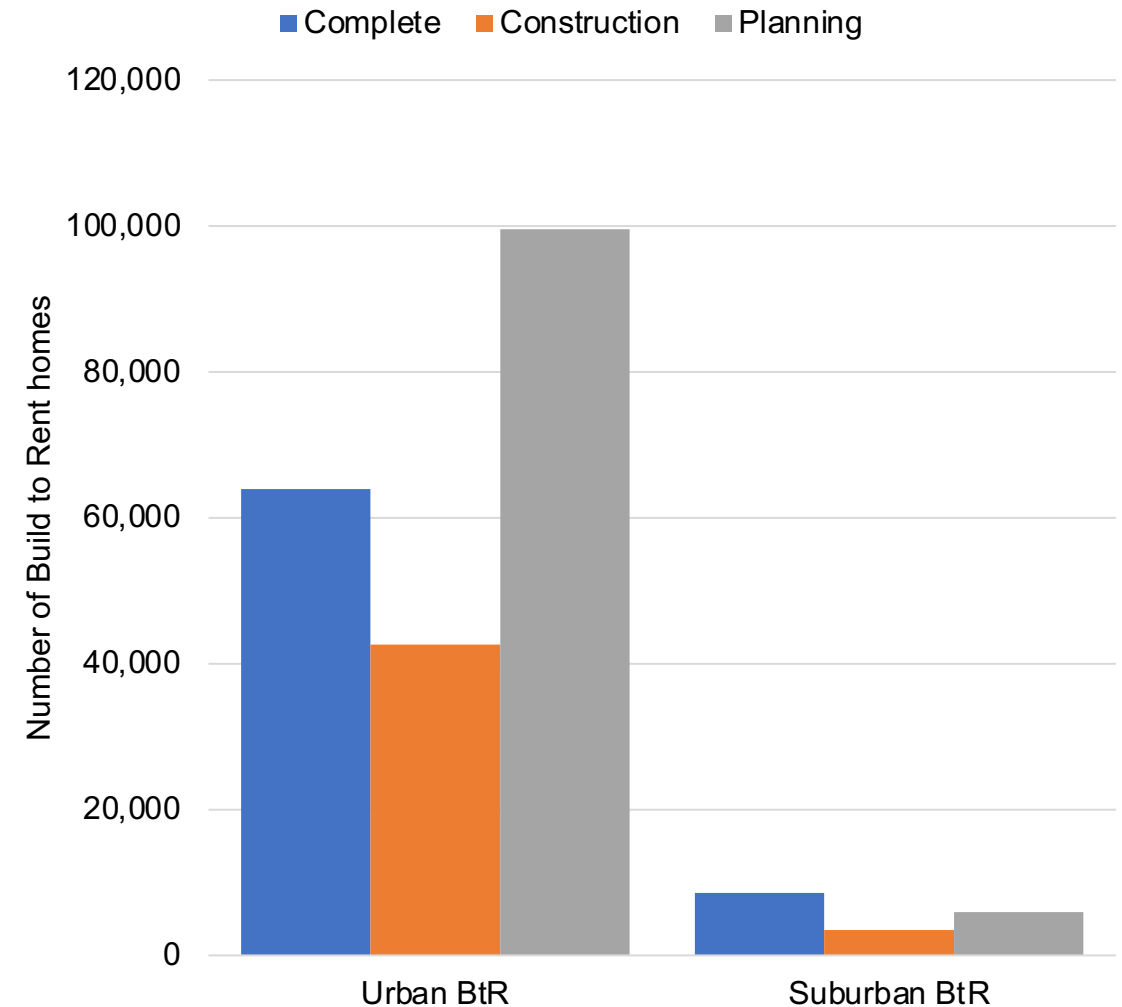


Types of organisations constructing stock (Actual deliverers)



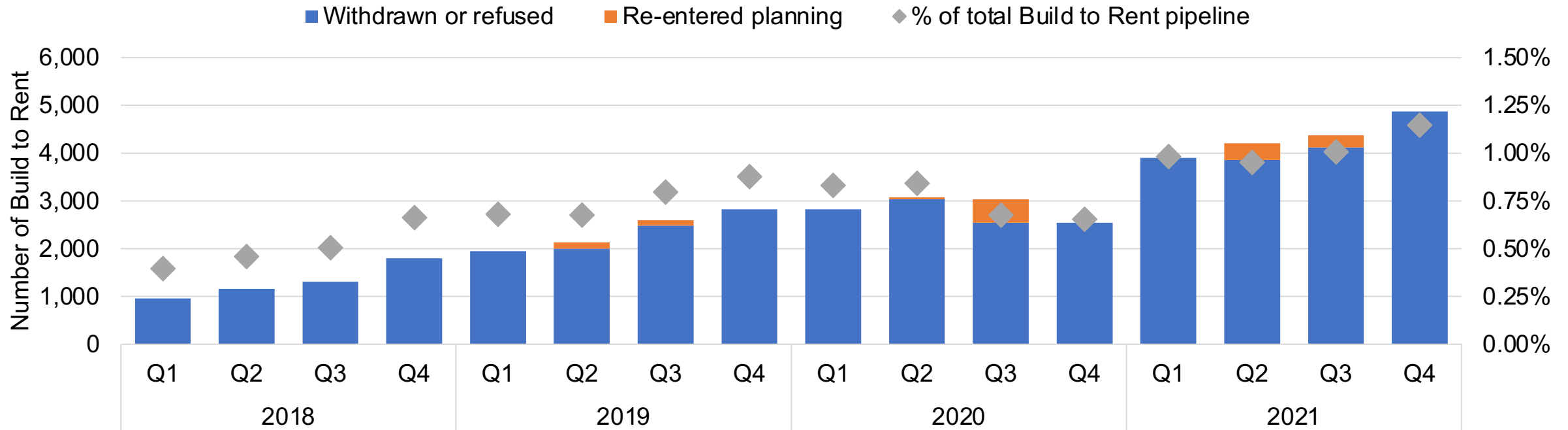
Suburban BTR continues to grow

	Urban BTR homes	Suburban BTR homes
Complete	63,932	8,531
Construction	42,645	3,518
Planning	99,516	5,950
Total	206,093	17,999



BTR schemes withdrawn/refused

	2018				2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Withdrawn / refused	963	1,158	1,306	1,802	1,949	2,004	2,483	2,826	2,826	3,030	2,540	2,540	3,904	3,857	4,123	4,868	5,050
Re-entered planning	0	0	0	0	0	0	0	0	0	50	490	0	0	350	254	0	0
% of total pipeline that is withdrawn / refused	0.4%	0.5%	0.5%	0.6%	0.7%	0.7%	0.8%	0.9%	0.8%	0.8%	0.7%	0.6%	1.0%	0.9%	1.0%	1.1%	1.1%



Important Note

Finally, in accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.