Build to Rent Q2 2022

Prepared by Savills for the British Property Federation

July 2022

Key points

- The UK Build to Rent (BtR) sector grew by 13% on an annual basis between Q2 2021 and Q2 2022. The number of BtR homes either completed, under construction or in planning now stands at just over 237,000, up from 225,000 in Q1 2022. Regional BtR grew at double the pace of London (16% vs 8%) in the year to Q2 2022. Regional BtR has increased its share to 59% of the pipeline compared to 41% in London.
- Growth has been strongest for Single Family BtR. The total planning pipeline for this segment of the market has grown to reach 21,000 homes, an increase of 44% over the past 12 months. The expansion of Build to Rent, particularly Single Family BtR, has been supported by investment into new markets. Build to Rent has been earmarked for an additional 29 local authorities in the past 12 months meaning 45% of local authorities now have BtR in their pipeline, up from 37% in Q2 2021 and 20% in Q1 2017.

Completions

- Completed BtR homes increased by 1,000 in Q2 2022, taking the total to 73,739. On an annual basis, the number of completed BtR homes grew by 16%, an additional 10,300 homes.
- Year on year completions grew more quickly in London than the Regions, up by 18% and 14%, respectively. 5,549 Build to Rent homes were completed in London in the year to Q2 2022, this is 27% lower than the peak in completions achieved in Q4 2021.
- 4,784 Build to Rent homes were completed outside of London in the Regions in Q2 2022. This level of completions is the lowest recorded on a quarterly basis since Q4 2018.

Construction

- Nationally there has been a 13% increase in the total number of BtR units under construction in the year to Q2 2022, which now stands at 47,764 homes. There is a stark contrast between London and the regions. In the Regions there has been a 23% increase in the number of units under construction compared to -4% for London between Q2 2021 – Q2 2022. There are now 31,290 units under construction in the Regions compared to 16,474 in London.
- On a quarterly basis, units under construction in London decreased by -1%, however this follows a very strong number of starts in Q1 2021. The total number of Build to Rent units under construction in London now stands at 16,474. Between Q1 and Q2 2022 the number of BtR homes under construction in the regions increased 6%; this builds on six successive quarters of increases in the number of units under construction. As of Q2 2022 there are 31,290 BtR homes under construction.

Planning

- Total BtR units in planning has increased by 10% between Q2 2021 – Q2 2022. The planning pipeline for BtR is considerably stronger in the Regions at 71,363 units compared to London at 44,496 units.

Build to Rent key statistics for the past year

Status	Q2 2022 Totals	Q2 2021 Totals	Increase
Complete	73,739	63,442	16%
Under Construction	47,764	42,451	13%
In Planning	115,859	104,880	10%
Totals	237,362	210,773	13%

Source: Savills, Molior, British Property Federation

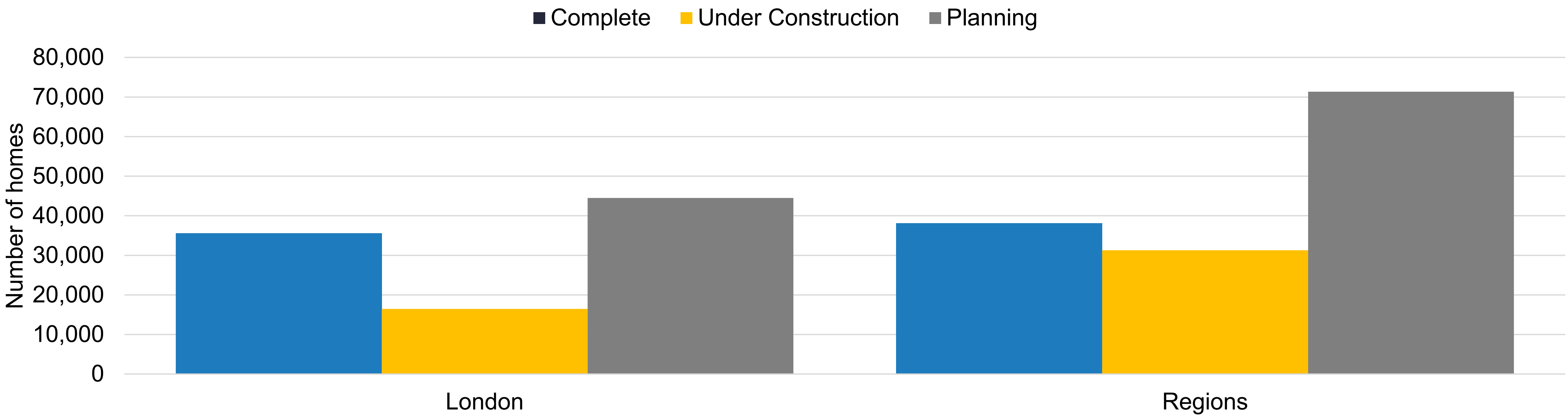
London and regional Build to Rent growth

		Complete	Under construction	Planning	Total
London	Q2 2021	30,066	17,081	42,163	89,310
	Q2 2022	35,615	16,474	44,496	96,585
	% increase	18%	-4%	6%	8%
Region	Q2 2021	33,376	25,370	62,717	121,463
	Q2 2022	38,124	31,290	71,363	140,777
	% increase	14%	23%	14%	16%
Total	Q2 2021	63,442	42,451	104,880	210,773
	Q2 2022	73,739	47,764	115,859	237,362
	% increase	16%	13%	10%	13%

Source: Savills, Molior, British Property Federation

Q2 2022

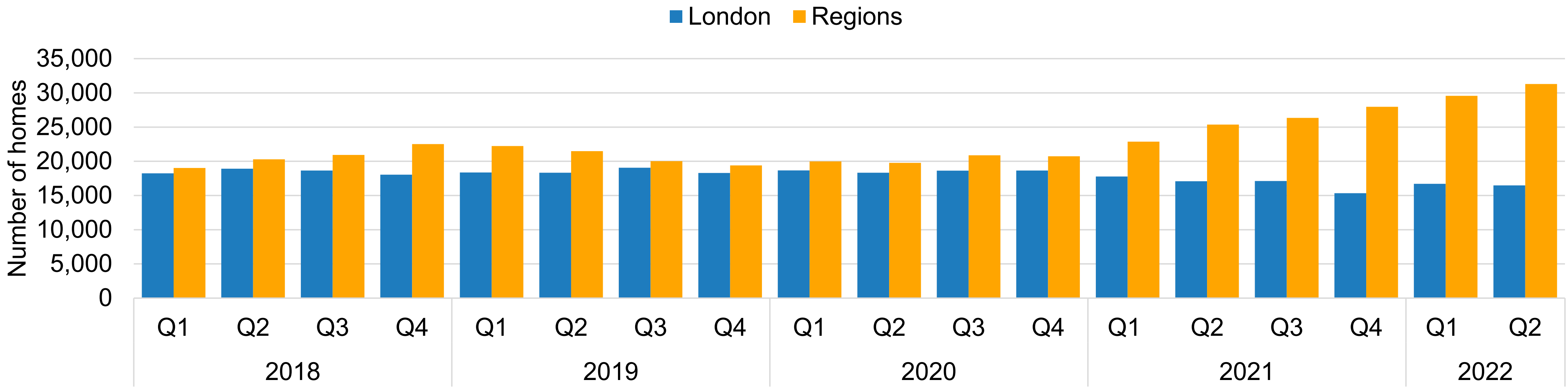
Status	Complete	Under Construction	Planning	Totals	% of total
London	35,615	16,474	44,496	96,585	40.7%
Regions	38,124	31,290	71,363	140,777	59.3%
Total	73,739	47,764	115,859	237,362	



Source: Savills, Molior, British Property Federation

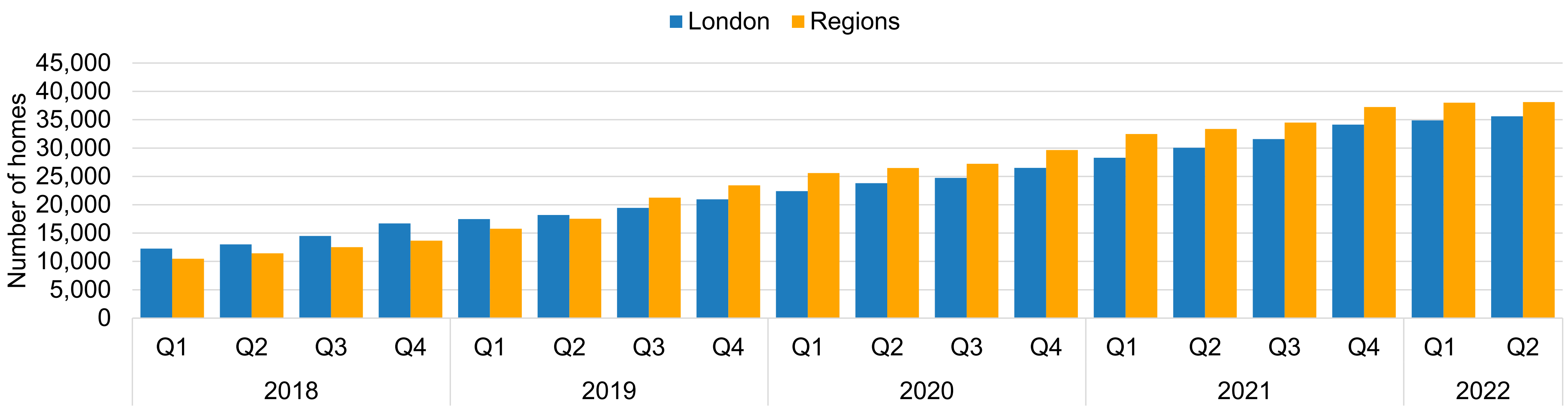
Build to Rent under construction

	2018				2019				2020				2021				2022	
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**
London	18,239	18,915	18,645	18,055	18,367	18,325	19,070	18,301	18,676	18,330	18,636	18,652	17,777	17,081	17,121	15,343	16,710	16,474
Regions	19,023	20,287	20,928	22,521	22,230	21,479	20,031	19,400	19,994	19,767	20,886	20,742	22,865	25,370	26,348	27,967	29,563	31,290



Build to Rent completions (cumulative)

	2018				2019				2020				2021				2022	
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**
London	12,251	12,995	14487	16,710	17,471	18,185	19,445	20,961	22,407	23,808	24,740	26,511	28,282	30,066	31,586	34,135	34,878	35,615
Regions	10,479	11,438	12507	13,665	15,775	17,527	21,262	23,414	25,597	26,490	27,224	29,655	32,475	33,376	34,494	37,239	38,014	38,124

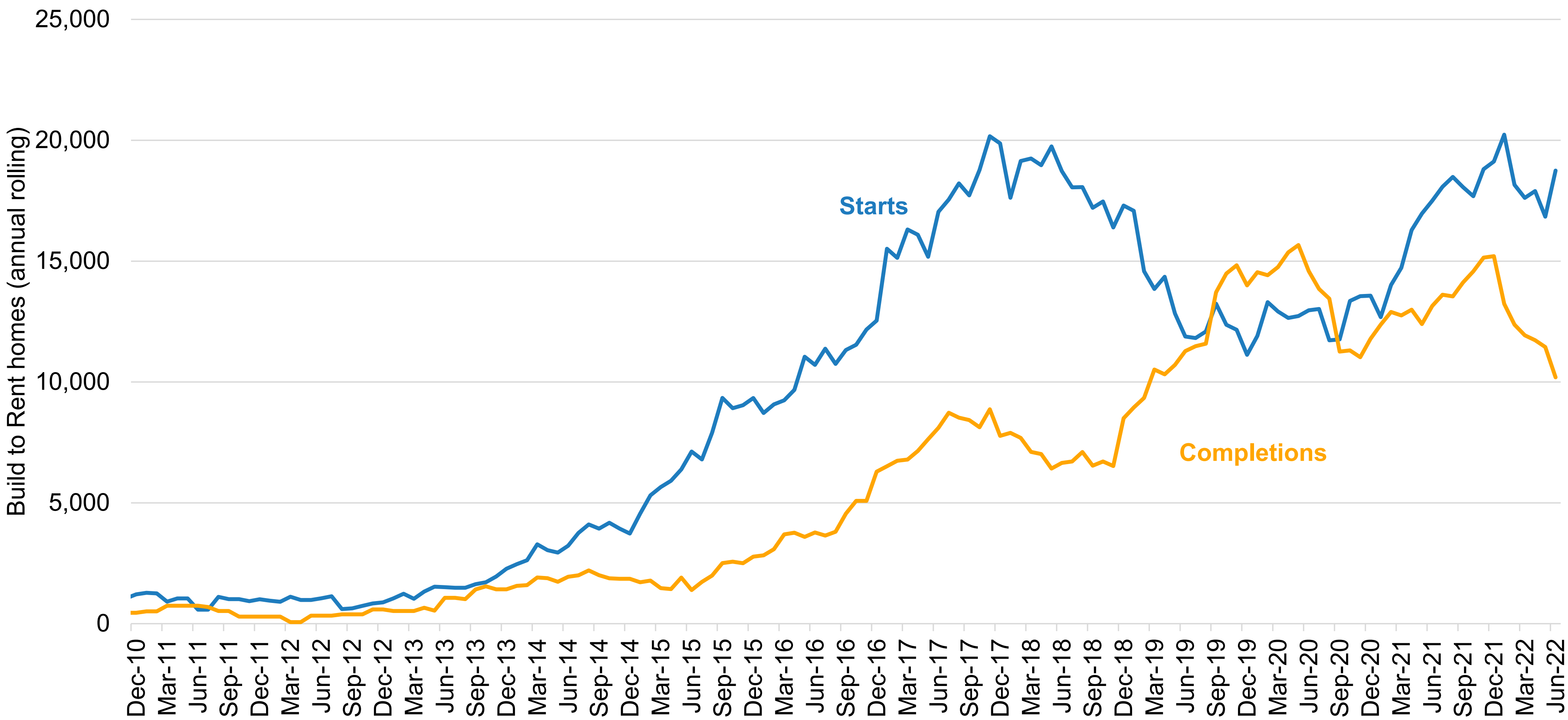


Build to Rent quarterly starts and completions

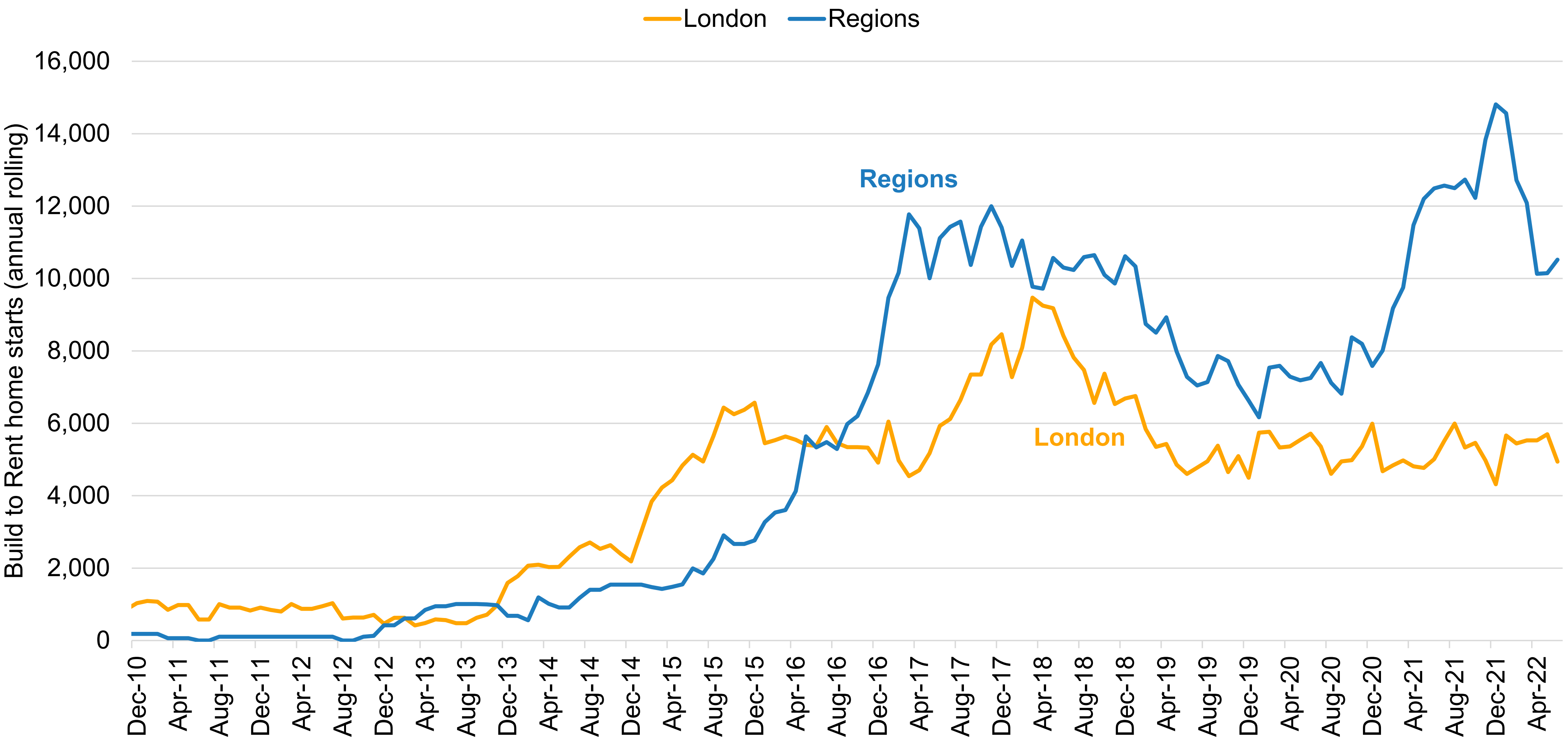
		2018				2019				2020				2021				2022	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
London	Starts	2,411	1,420	1,222	1,633	1,073	672	2,005	747	1,908	1,055	1,238	1,787	896	1,088	1,560	771	2,110	501
	Completions	470	744	1,492	2,223	761	714	1,260	1,516	1,446	1,401	932	1,771	1,771	1,784	1,520	2,549	743	737
Regions	Starts	3,931	2,223	1,710	2,751	1,819	1,001	2,287	1,521	2,777	666	1,853	2,287	4,942	3,406	2,096	4,364	2,221	1,837
	Completions	386	959	1,069	1,158	2,110	1,752	3,735	2,152	2,183	893	734	2,431	2,820	901	1,118	2,745	570	110
UK	Starts	6,342	3,643	2,932	4,384	2,892	1,673	4,292	2,268	4,685	1,721	3,091	4,074	5,838	4,494	3,656	5,135	4,331	2,338
	Completions	856	1,703	2,561	3,381	2,871	2,466	4,995	3,668	3,629	2,294	1,666	4,202	4,591	2,685	2,638	5,294	1,313	847

Source: Savills, Molior, British Property Federation

UK Build to Rent starts and completions

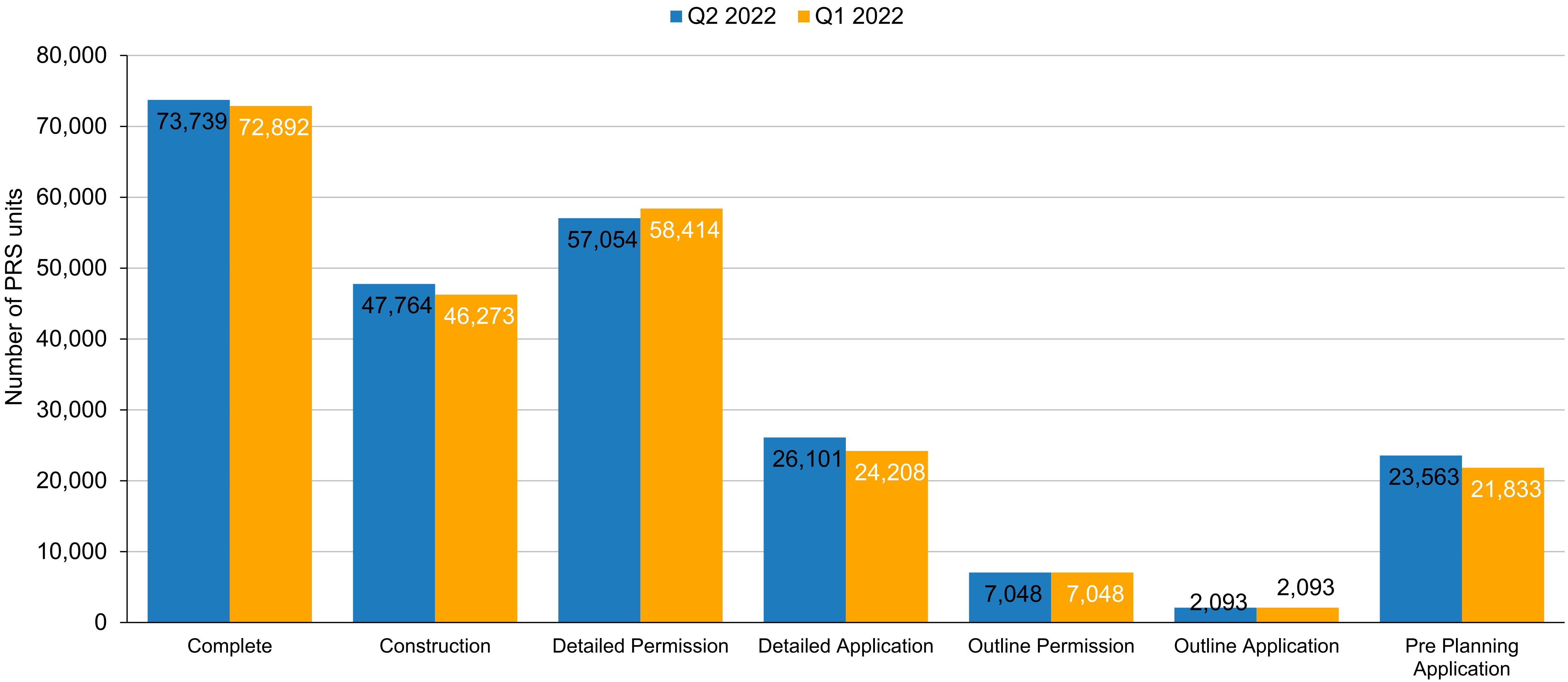


Build to Rent starts – London vs the Regions



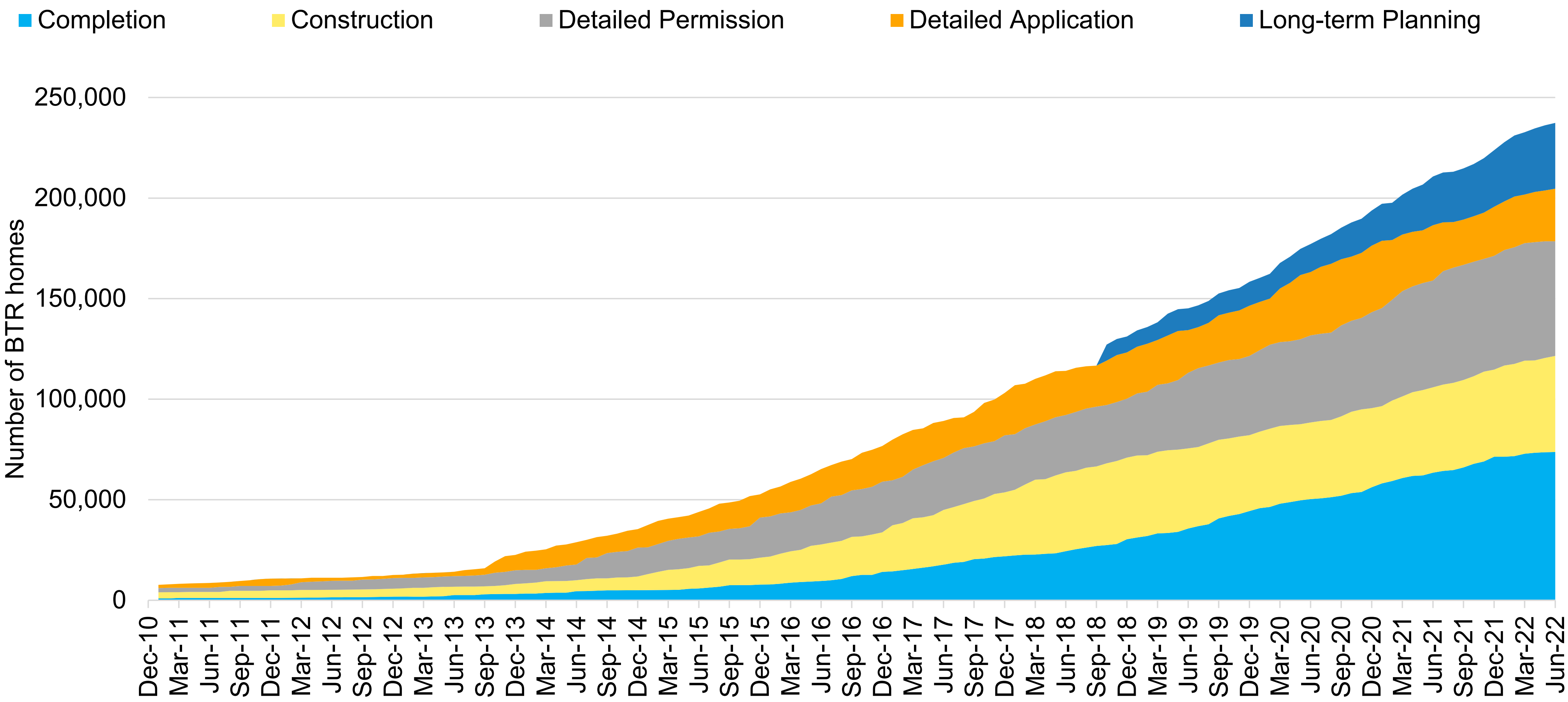
Source: Savills, Molior, British Property Federation

Build to Rent pipeline – quarterly change



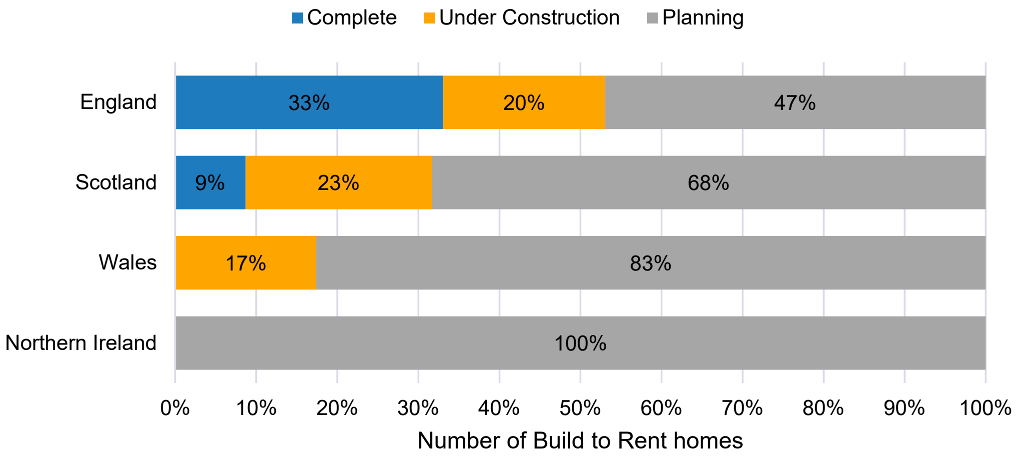
Source: Savills, Molior, British Property Federation

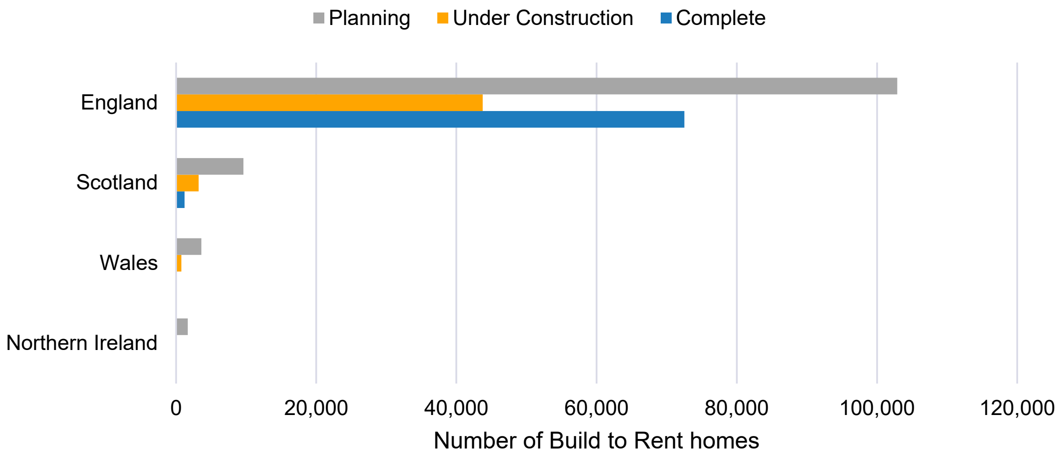
The rise and rise of Build to Rent



Source: Savills, Molior, British Property Federation

Build to Rent growing in all UK countries





England

Status	Q2 2022 Totals	Q2 2021 Totals	Increase
Complete	72,517	62,565	16%
Under Construction	43,765	39,421	11%
In Planning	102,879	94,080	9%
Totals	219,161	196,066	12%

Scotland

Status	Q2 2022 Totals	Q2 2021 Totals	Increase
Complete	1,222	877	39%
Under Construction	3,235	2,266	43%
In Planning	9,614	8,372	15%
Totals	14,071	11,515	22%

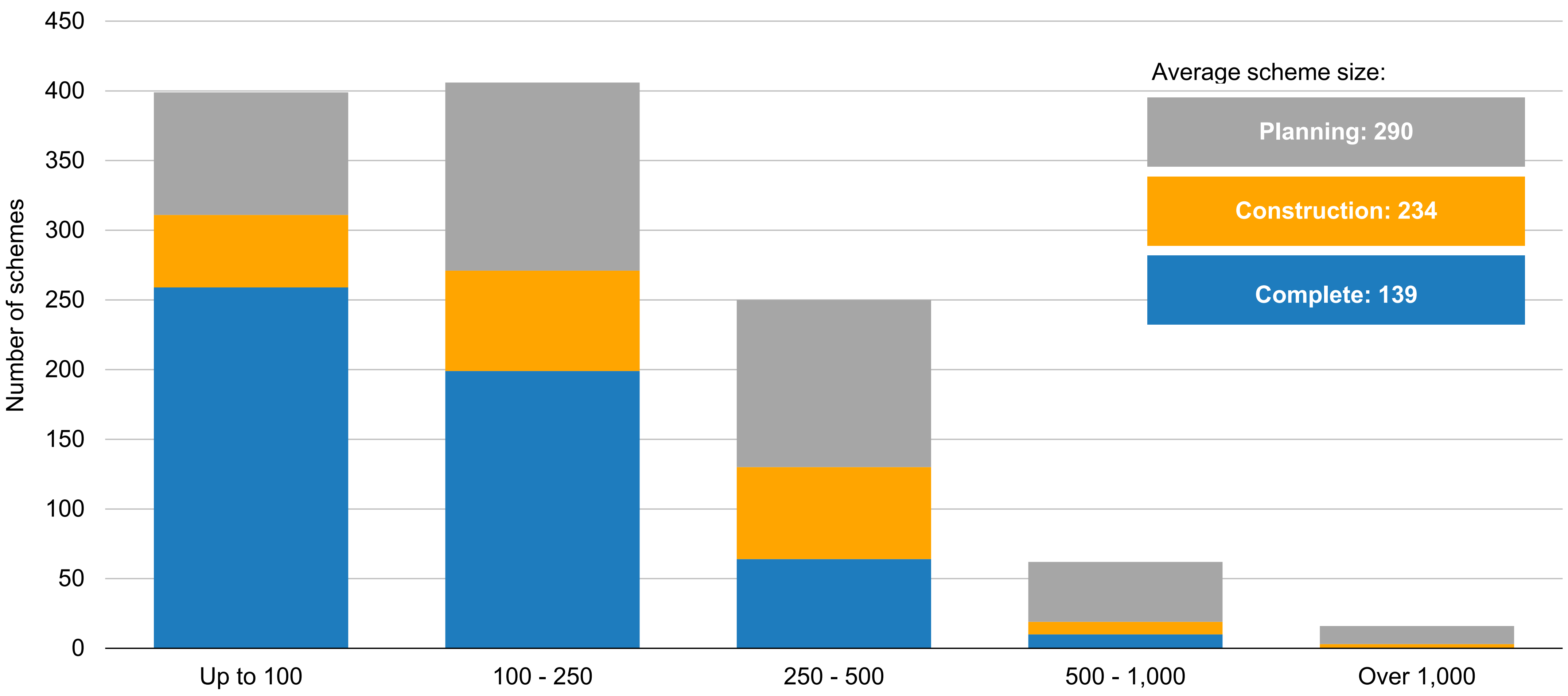
Wales

Status	Q2 2022 Totals	Q2 2021 Totals	Increase
Complete	0	0	-
Under Construction	764	764	0%
In Planning	3,627	1,963	85%
Totals	4,391	2,727	61%

Northern Ireland

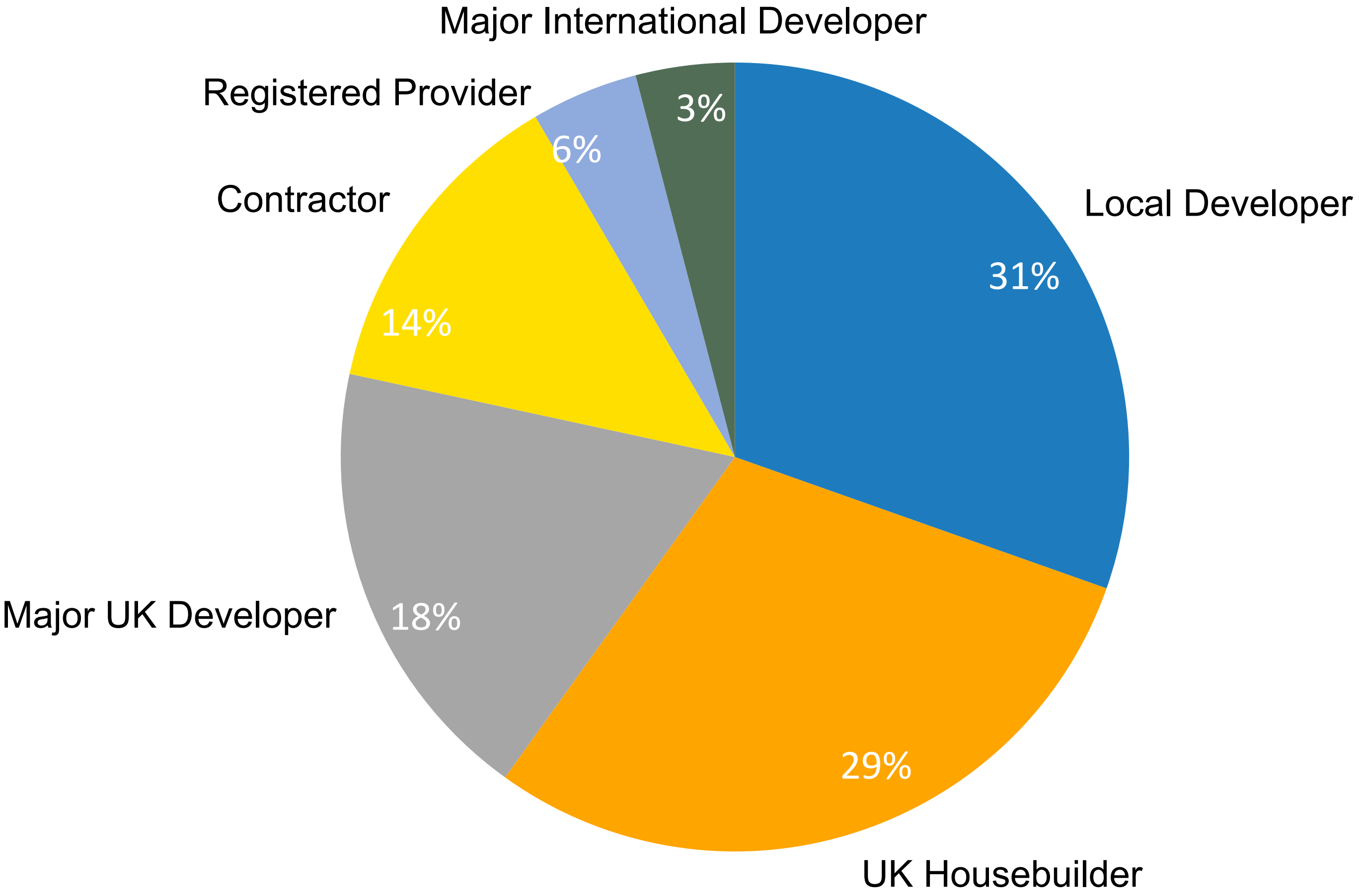
Status	Q2 2022 Totals	Q2 2021 Totals	Increase
Complete	0	0	-
Under Construction	0	0	-
In Planning	1,680	742	126%
Totals	1,680	742	126%

Q2 2022 – number of schemes by unit size band



Source: Savills, Molior, British Property Federation

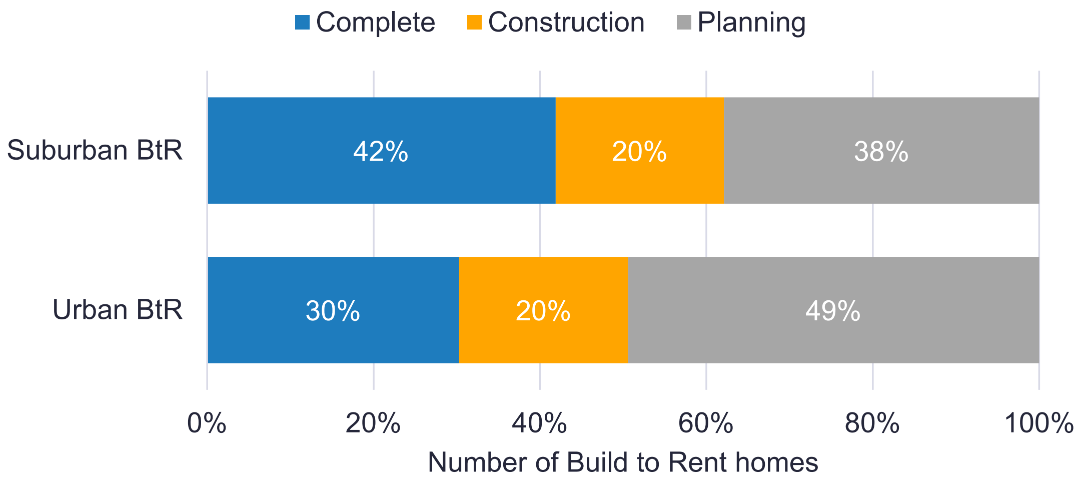
Types of organisations constructing stock (Actual deliverers)

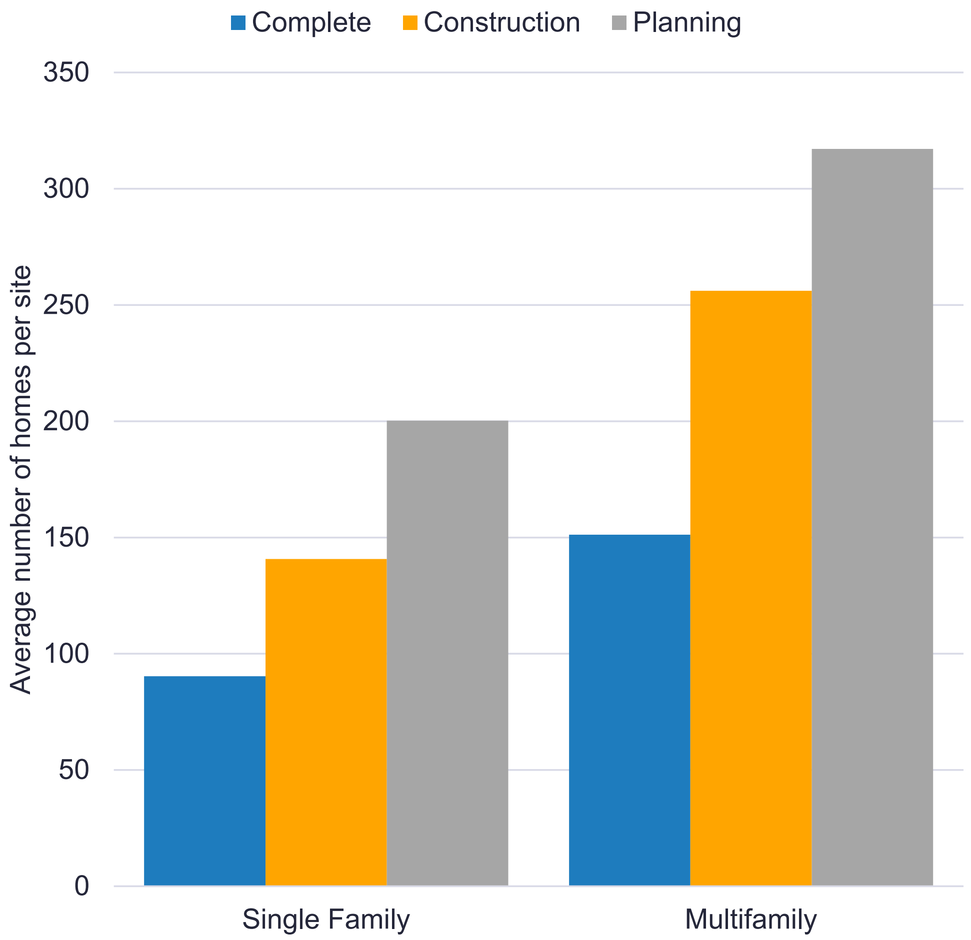


Source: Savills, Molior, British Property Federation

Suburban Build to Rent continues to grow

	Urban BtR homes	Suburban BtR homes
Complete	64,936	8,803
Construction	43,511	4,253
Planning	105,940	7,961
Total	214,387	21,017

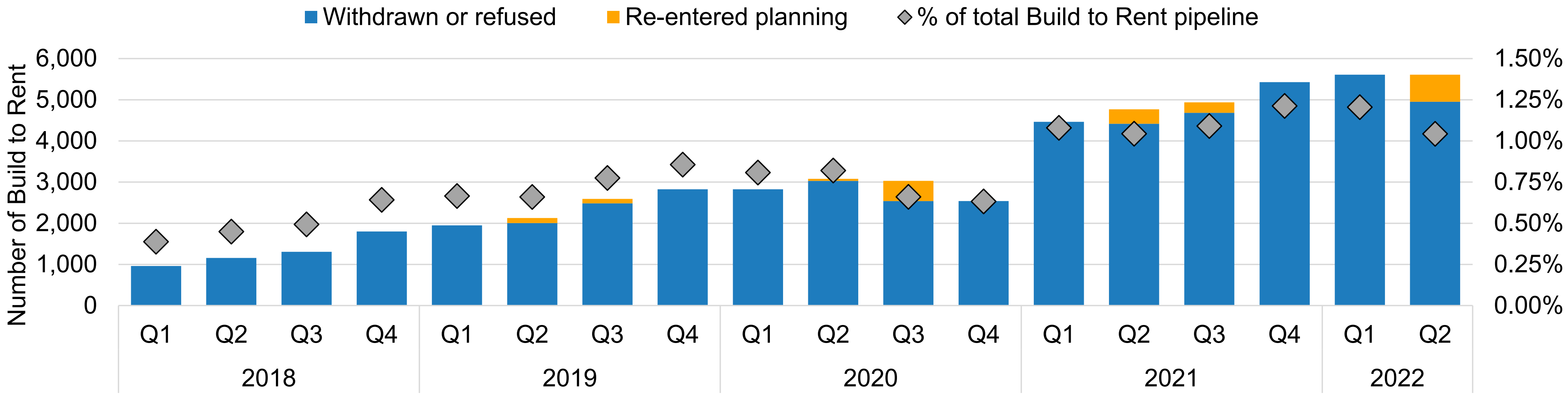




Source: Savills, British Property Federation

Build to Rent 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	Q2
Withdrawn / refused	963	1158	1306	1802	1949	2004	2483	2826	2826	3030	2540	2540	4464	4417	4683	5428	5610	4952
Re-entered planning	0	0	0	0	0	124	110	0	0	50	490	0	0	350	254	0	0	658
% of total pipeline that is withdrawn / refused	0.4%	0.4%	0.5%	0.6%	0.7%	0.7%	0.8%	0.9%	0.8%	0.8%	0.7%	0.6%	1.1%	1.0%	1.1%	1.2%	1.2%	1.0%



Important Note

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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.