

Build-to-Rent Q3 2023

Prepared by Savills for the British
Property Federation



November 2023



Key points

- The number of BtR homes complete, under construction, or in planning stands at over 263,000. The latest quarterly data shows that between Q3 2022 and Q3 2023, the sector grew by 11%, with the regional BtR market growing at the same rate as London (11%).
- The overall number of starts has continued to fall in response to the financial headwinds impacting the market and wider economy. Starts in the regions have been more resilient with 266 starts in the quarter compared to just 35 in London. The total number of homes under construction in London (18,812 homes) is, however, being temporarily buoyed by the high number of starts through 2022.
- Beyond England, Northern Ireland saw its first units under construction, signalling a key moment for the sector in the region. The BtR pipeline has continued to grow in Scotland, where the number of homes planned and completed increased by 39% and 14% year on year, respectively.
- The Single Family Housing (SFH) sector continues to expand strongly - there are now over 28,000 SFR homes in the planning pipeline, making up 11% of all BtR homes. Of these, 9,600 are complete, over 10,000 units under construction, and 8,600 in the planning pipeline. The number of local authorities with BtR in their planning pipeline currently stands at 200, encompassing over half of all UK local authorities. This has remained broadly static from the previous quarter, with just Uttlesford joining the list.

Completions

- There are now over 92,100 completed units, an uplift of 11% nationally, year on year.
- Completions in London reached 43,800, and 48,200 in the regions. The year-on-year increase was almost double in the regions (16%) compared to London (8%).
- Despite slowing completions, there remains a construction pipeline in London of c.18,800 homes and in the regions of c.40,200 homes.

Under construction

- Nationally, the number of units under construction increased by 12% to c.59,000 in Q3 2023 from Q3 2022.
- In the same period, London saw an increase of c.700 units, while the regions saw over 5,000 more units now under construction.
- The high number of historic starts in London and the increasing starts in the regions has kept the number of homes under construction at around 59,000.

Planning

- The total number of BtR homes in planning increased by 10% between Q3 2022 and Q3 2023
- This brought the number of homes in planning in Q3 2023 up to 41,500 in London and 71,000 in the regions.
- The number of homes with detailed applications did, however, fall on a quarterly basis, down -12% on Q2 2023.

BtR key statistics for the past year

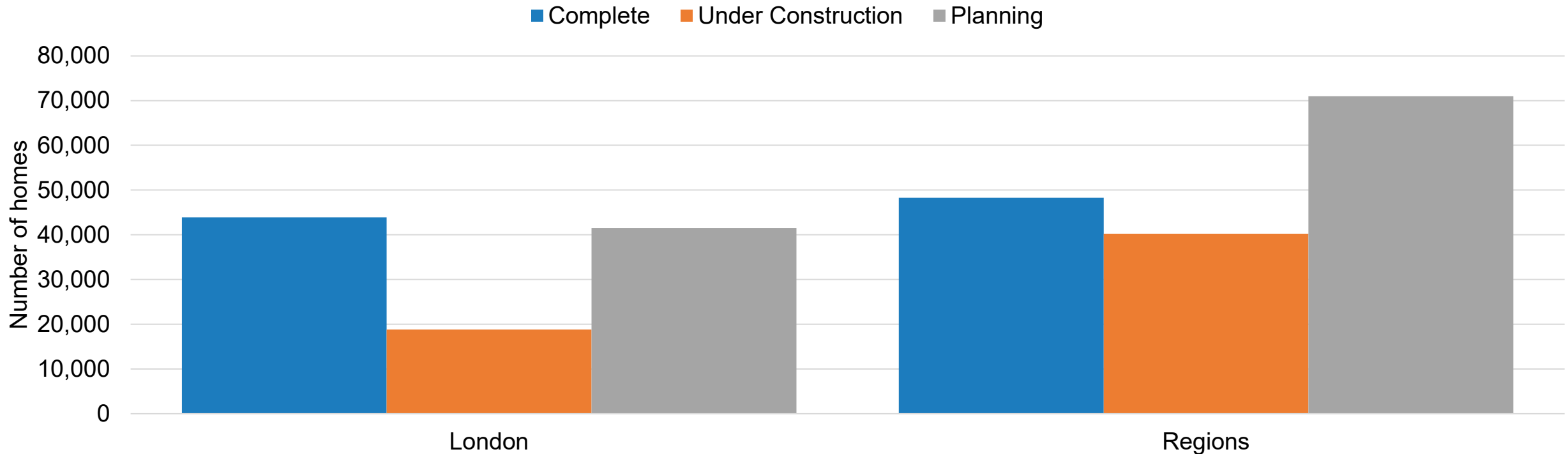
Status	Q3 2023 Totals	Q3 2022 Totals	Increase
Complete	92,140	82,660	11%
Under Construction	59,043	52,852	12%
In Planning	112,511	102,042	10%
Totals	263,694	237,554	11%

London and regional BtR growth

		Complete	Under construction	Planning	Total
London	Q3 2022	40,713	18,164	34,995	93,872
	Q3 2023	43,885	18,812	41,508	104,205
	% increase	8%	4%	19%	11%
Region	Q3 2022	41,947	34,688	67,047	143,682
	Q3 2023	48,255	40,231	71,003	159,489
	% increase	15%	16%	6%	11%
Total	Q3 2022	82,660	52,852	102,042	237,554
	Q3 2023	92,140	59,043	112,511	263,694
	% increase	11%	12%	10%	11%

Q3 2023

Status	Complete	Under Construction	Planning	Totals	% of total
London	43,885	18,812	41,508	104,205	39.5%
Regions	48,255	40,231	71,003	159,489	60.5%
Total	92,140	59,043	112,511	263,694	-



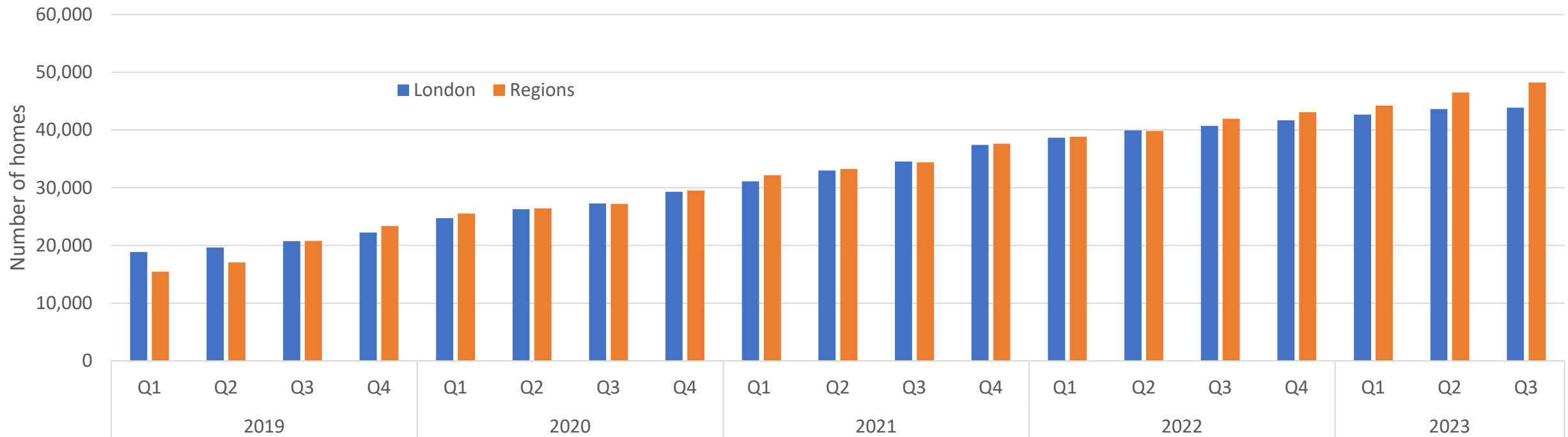
BtR under construction

	2019				2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
London	18,477	19,095	20,462	19,947	19,516	18,729	19,165	18,070	17,286	16,713	16,773	14,953	16,487	16,450	18,164	19,699	19,729	19,043	18,812
Regions	22,126	21,751	20,375	19,434	19,522	19,293	20,468	20,631	23,202	26,022	27,177	28,007	29,935	34,294	34,688	36,114	36,552	38,275	40,231



BtR completions (cumulative)

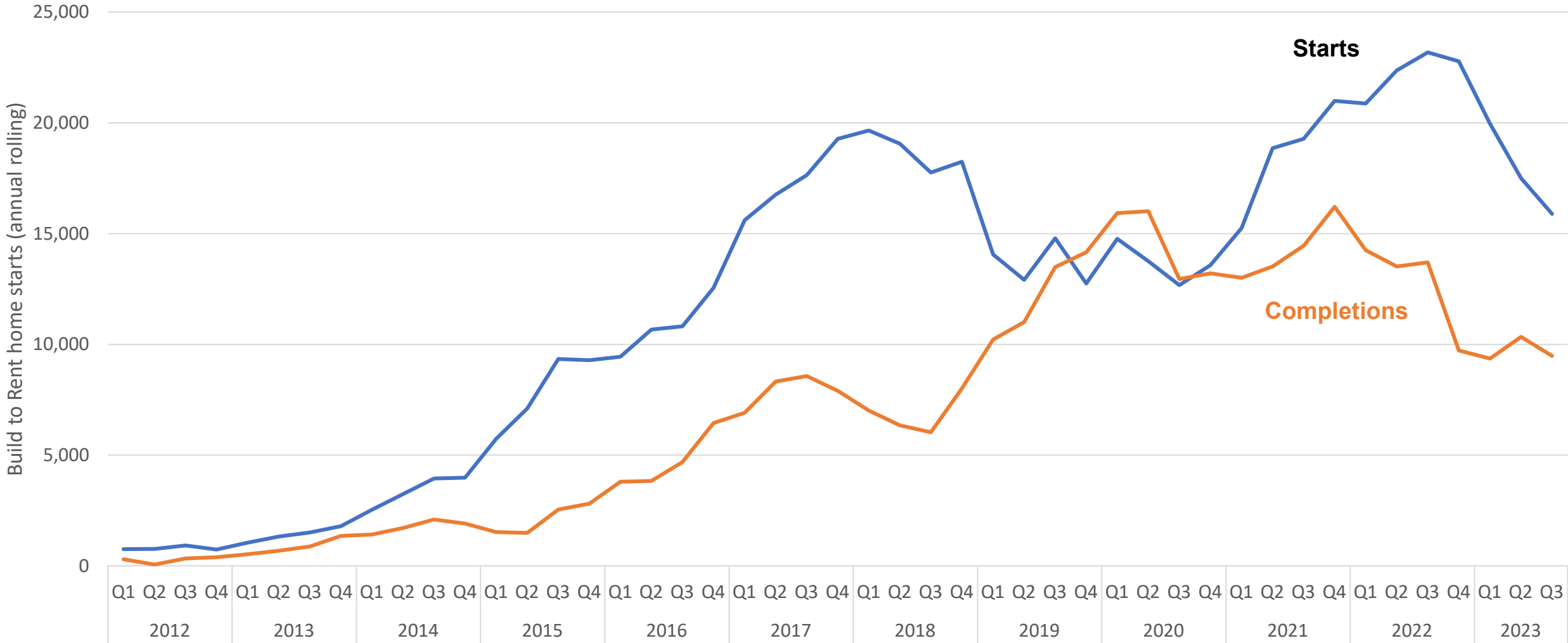
	2019				2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
London	18,881	19,657	20,763	22,267	24,724	26,280	27,282	29,320	31,121	33,000	34,558	37,430	38,681	39,948	40,713	41,665	42,672	43,619	43,885
Regions	15,465	17,063	20,798	23,371	25,554	26,451	27,225	29,524	32,163	33,253	34,398	37,625	38,855	39,827	41,947	43,115	44,220	46,497	48,255



BtR quarterly starts and completions

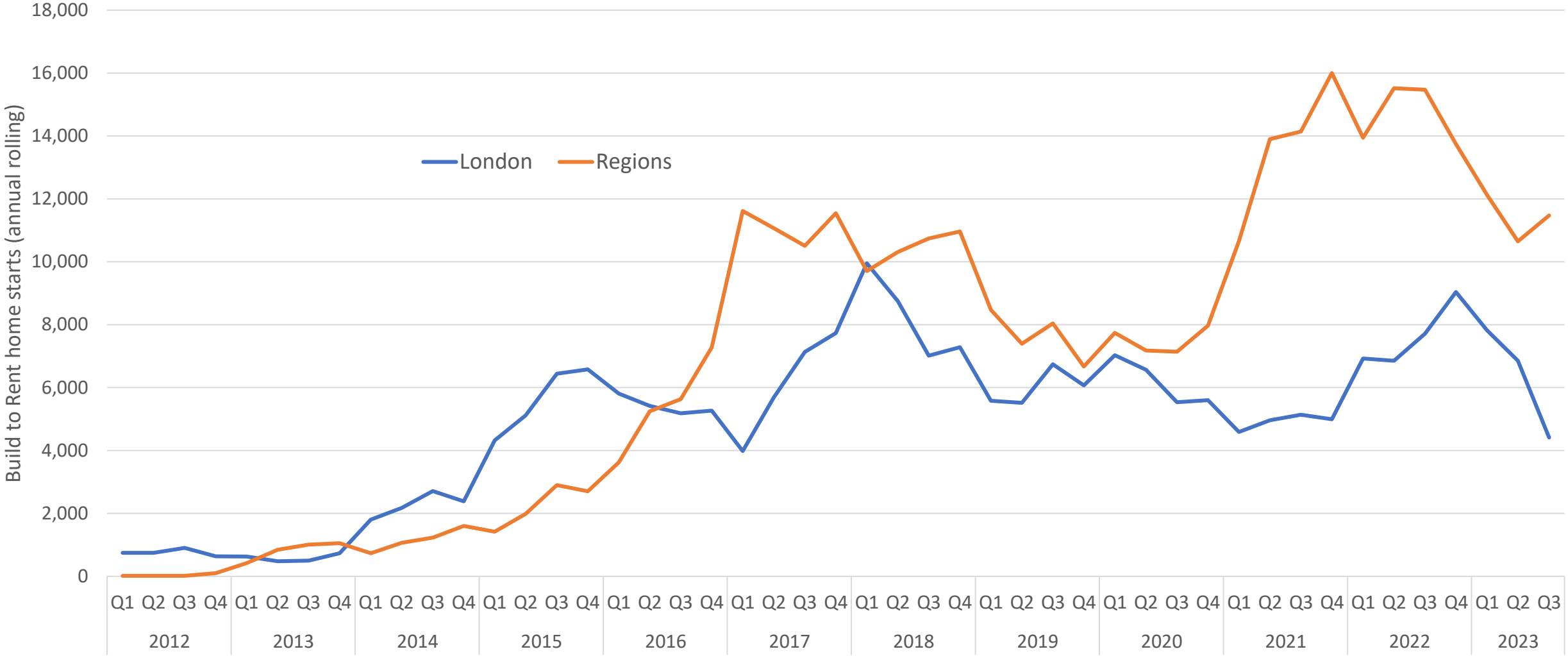
		2019				2020				2021				2022				2023		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
London	Starts	1,072	1,394	2,473	1,135	2,026	936	1,438	1,199	1,017	1,306	1,618	1,052	2,952	1,230	2,479	2,377	1,740	261	35
	Completions	761	776	1,106	1,504	2,457	1,556	1,002	2,038	1,801	1,879	1,558	2,872	1,251	1,267	765	952	1,007	947	266
Regions	Starts	1,457	1,223	2,359	1,632	2,524	668	2,318	2,462	5,209	3,910	2,560	4,318	3,158	5,479	2,514	2,594	1,543	4,000	3,339
	Completions	2,110	1,598	3,735	2,573	2,183	897	774	2,299	2,639	1,090	1,145	3,227	1,230	972	2,120	1,168	1,105	2,277	1,758
UK	Starts	2,529	2,617	4,832	2,767	4,550	1,604	3,756	3,661	6,226	5,216	4,178	5,370	6,110	6,709	4,993	4,971	3,283	4,261	3,374
	Completions	2,871	2,374	4,841	4,077	4,640	2,453	1,776	4,337	4,440	2,969	2,703	6,099	2,481	2,239	2,885	2,120	2,112	3,224	2,024

UK BtR starts and completions



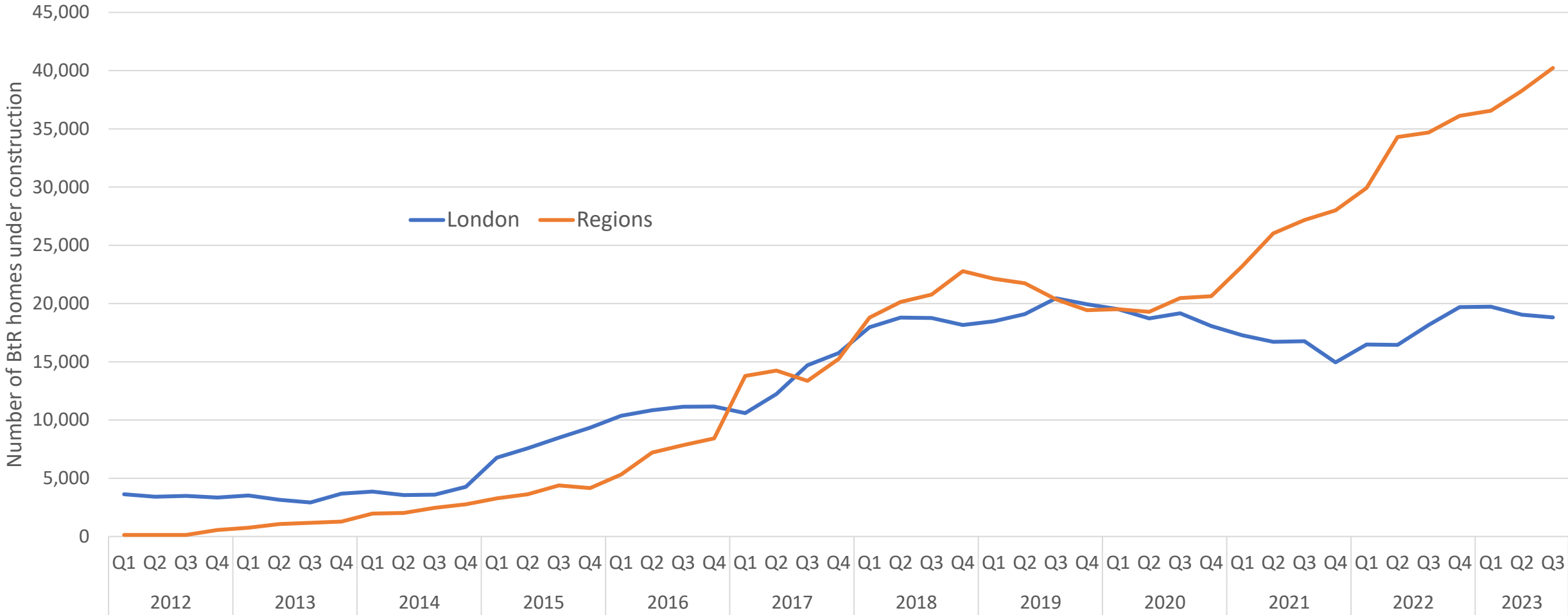
Source: Savills, Molior, British Property Federation

BtR starts: London vs the Regions



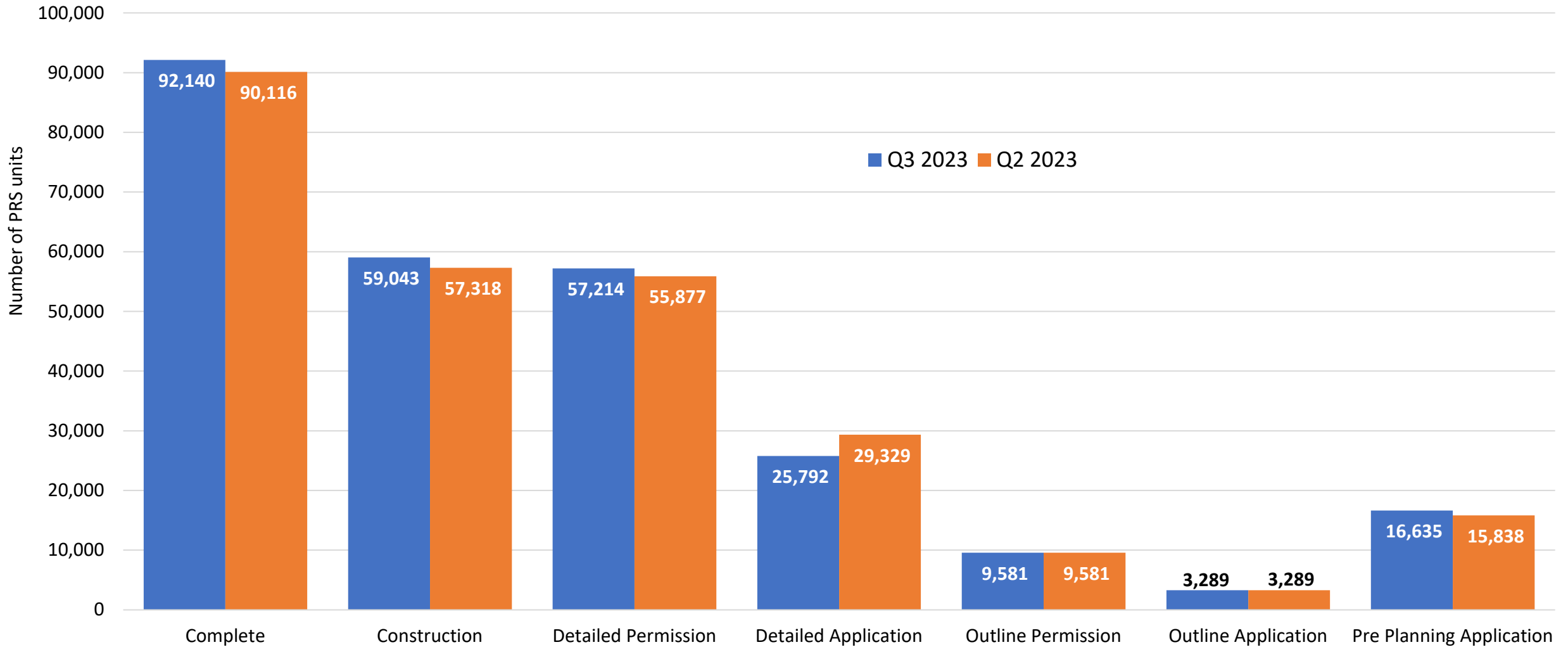
Source: Savills, Molior, British Property Federation

Number of homes under construction – London vs Regions

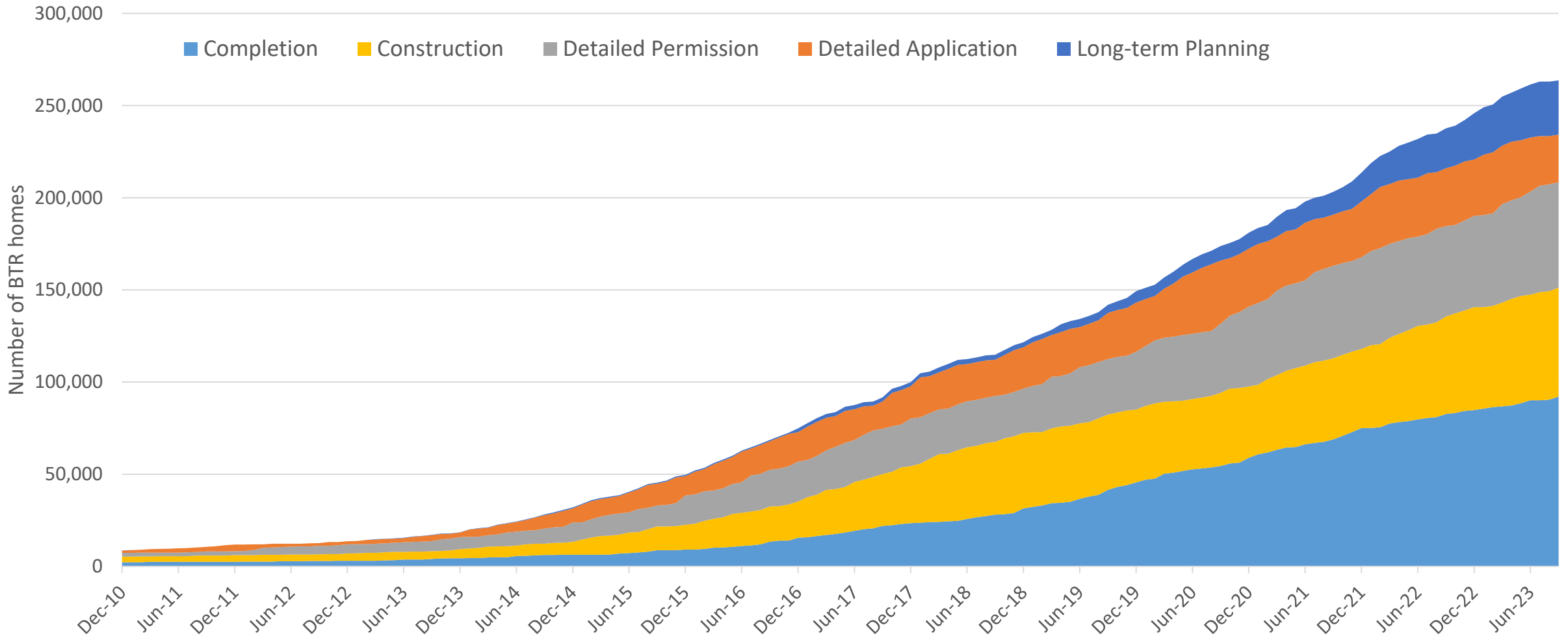


Source: Savills, Molior, British Property Federation

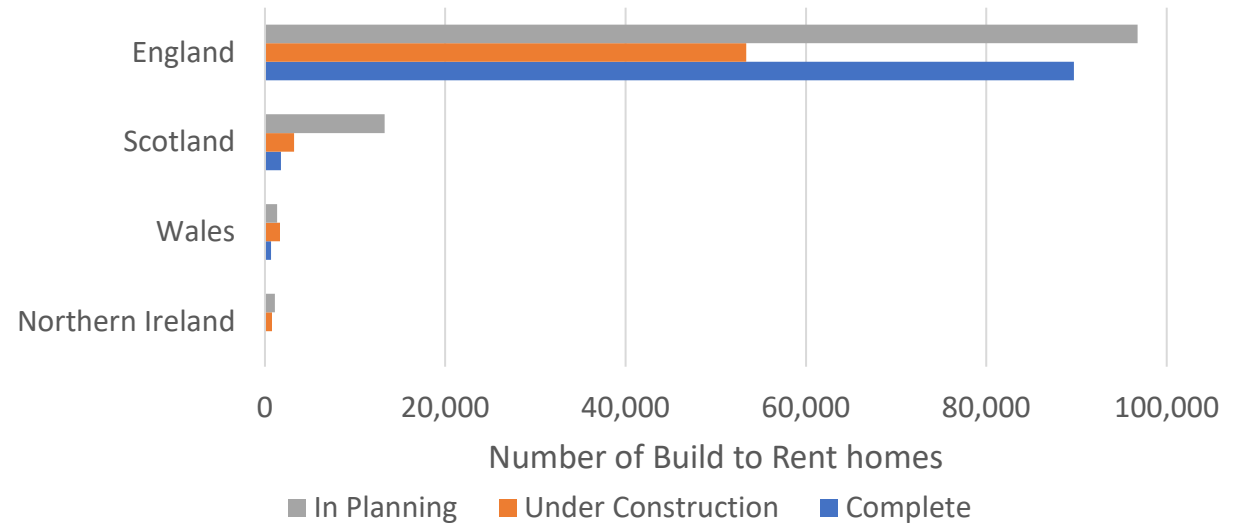
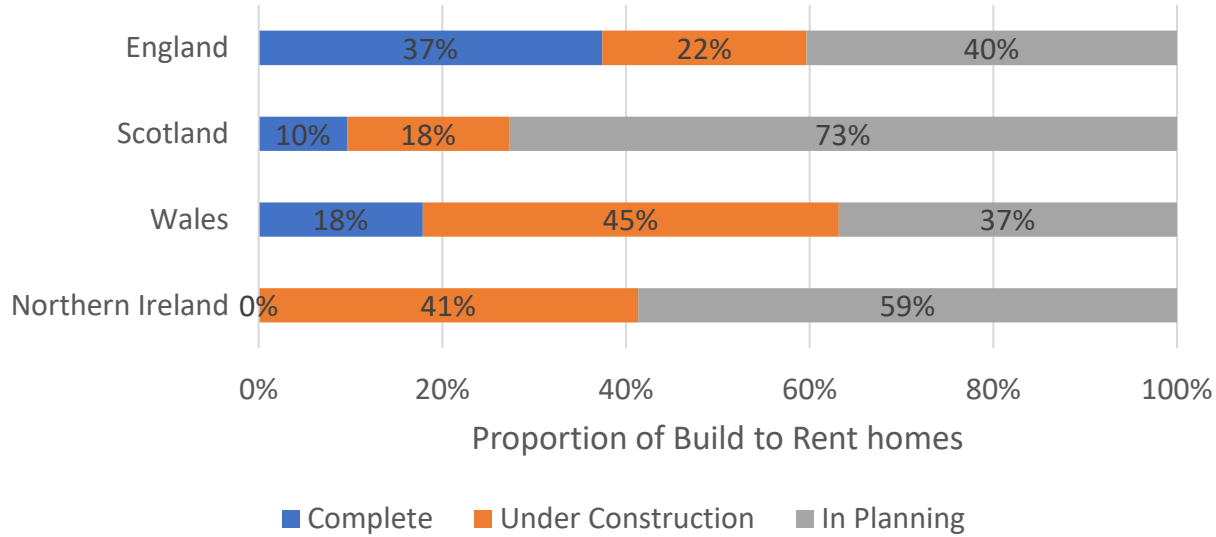
Build to Rent pipeline – quarterly change



The rise and rise of BtR



BtR growing in most UK countries



England

Status	Q3 2023 Totals	Q3 2022 Totals	Increase
Complete	89,717	80,908	11%
Under Construction	53,373	48,916	9%
In Planning	96,774	89,125	9%
Totals	239,864	218,949	10%

Scotland

Status	Q3 2023 Totals	Q3 2022 Totals	Increase
Complete	1,762	1,546	14%
Under Construction	3,218	2,710	19%
In Planning	13,271	9,543	39%
Totals	18,251	13,799	32%

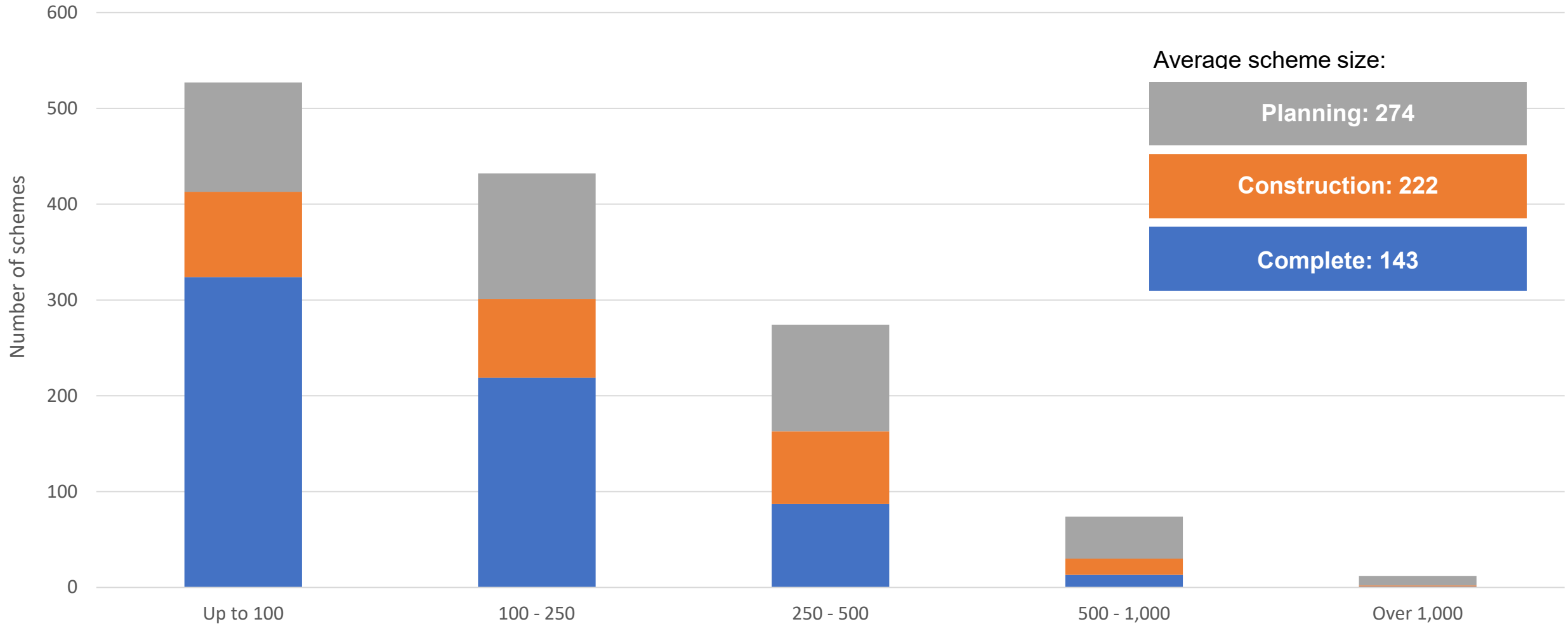
Wales

Status	Q3 2023 Totals	Q3 2022 Totals	Increase
Complete	661	206	221%
Under Construction	1,674	1,226	37%
In Planning	1,362	1,833	-26%
Totals	3,697	3,265	13%

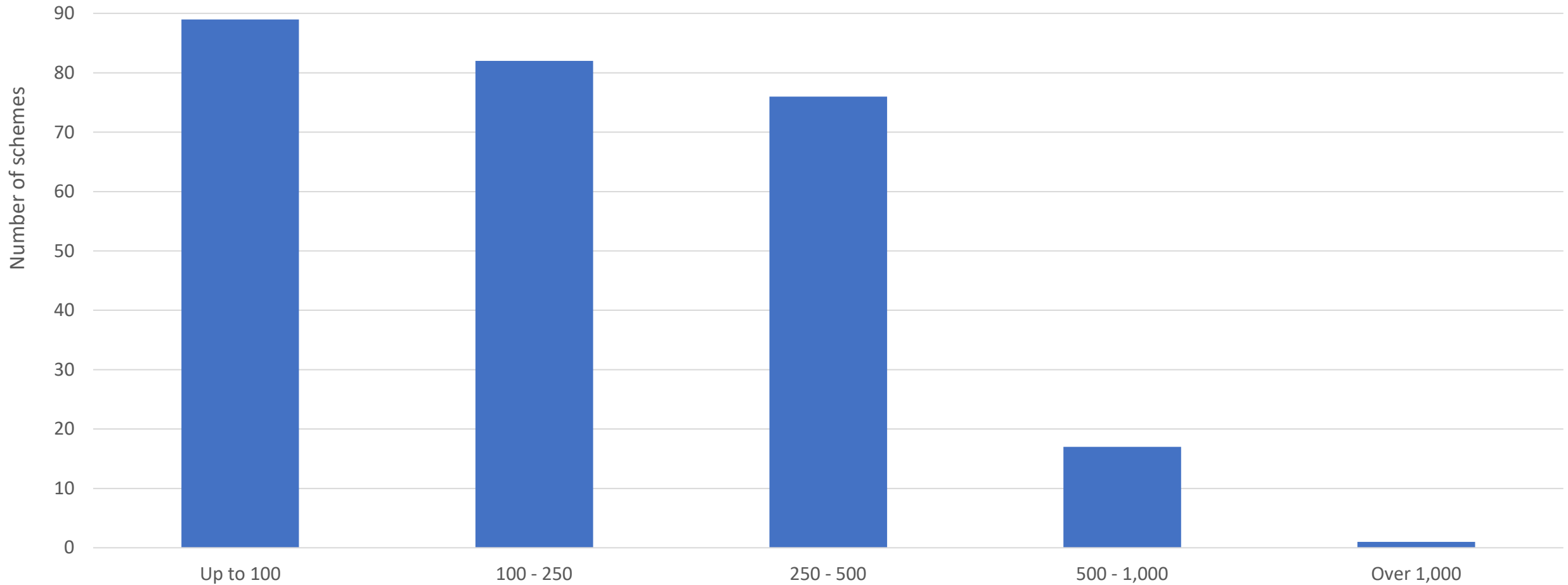
Northern Ireland

Status	Q3 2023 Totals	Q3 2022 Totals	Increase
Complete	0	0	-
Under Construction	778	0	-
In Planning	1,104	1,541	-28%
Totals	1,882	1,541	22%

Q3 2023: Number of schemes by unit size band

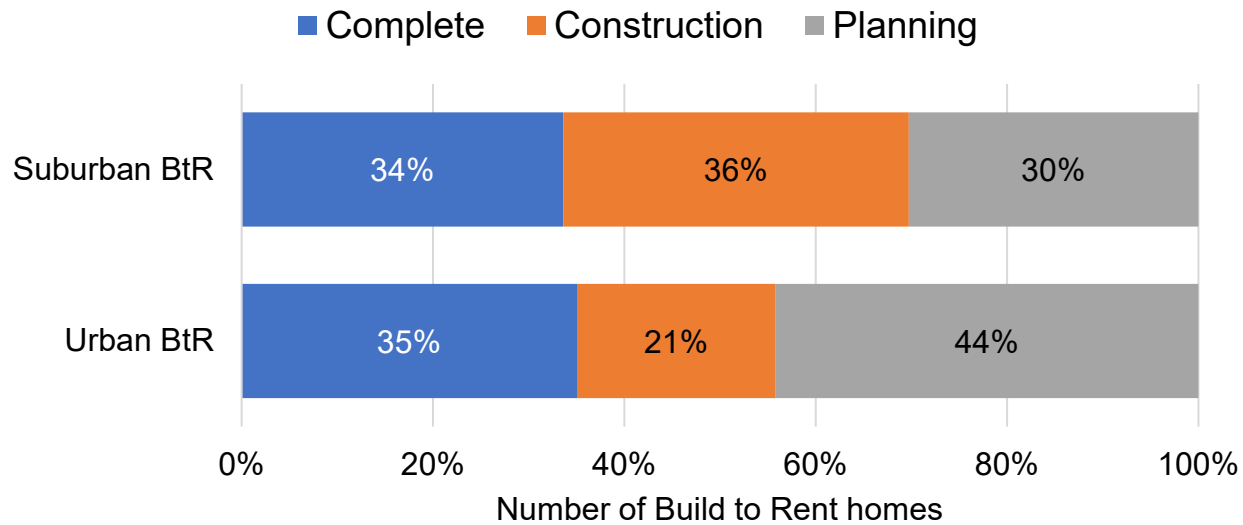
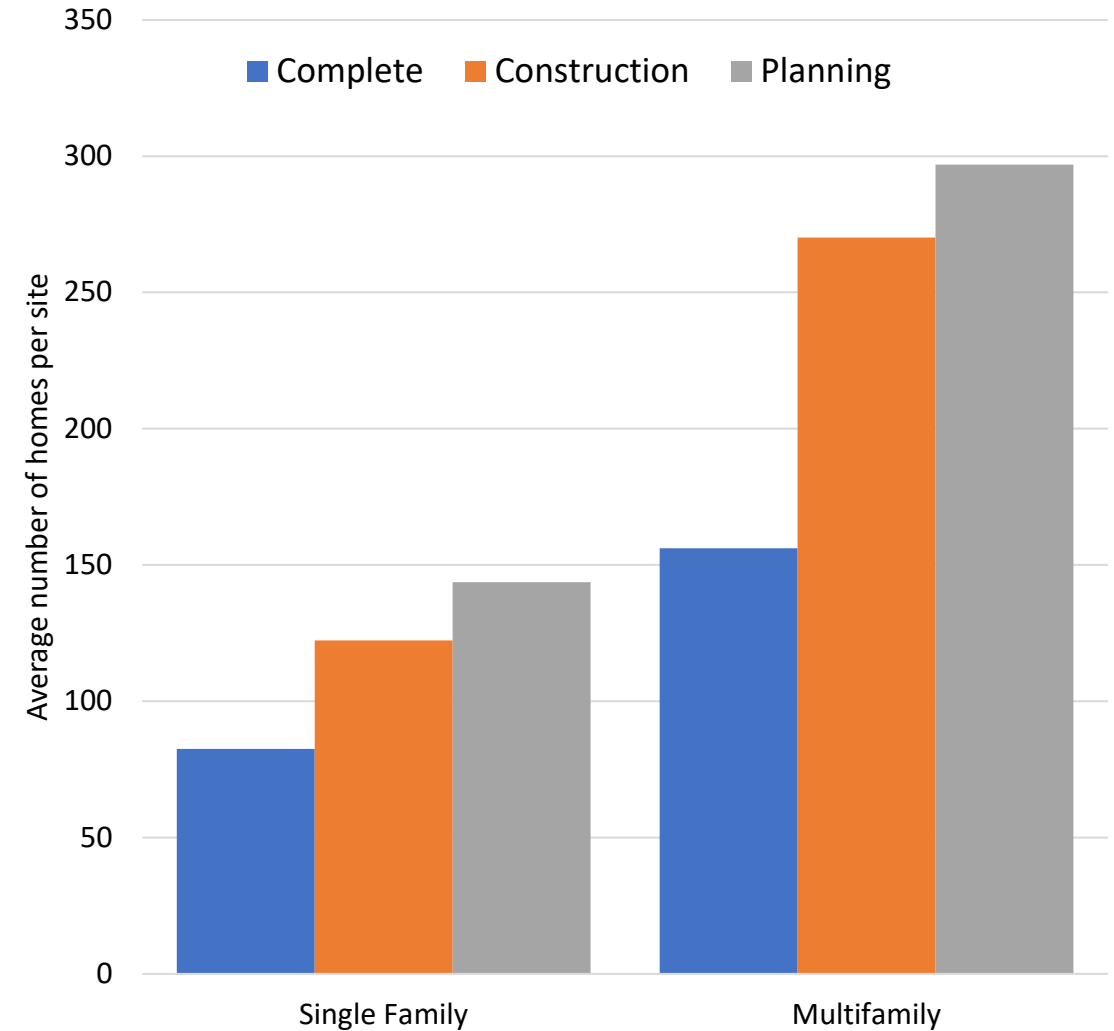


Q3 2023 – Schemes under construction by BtR unit size band

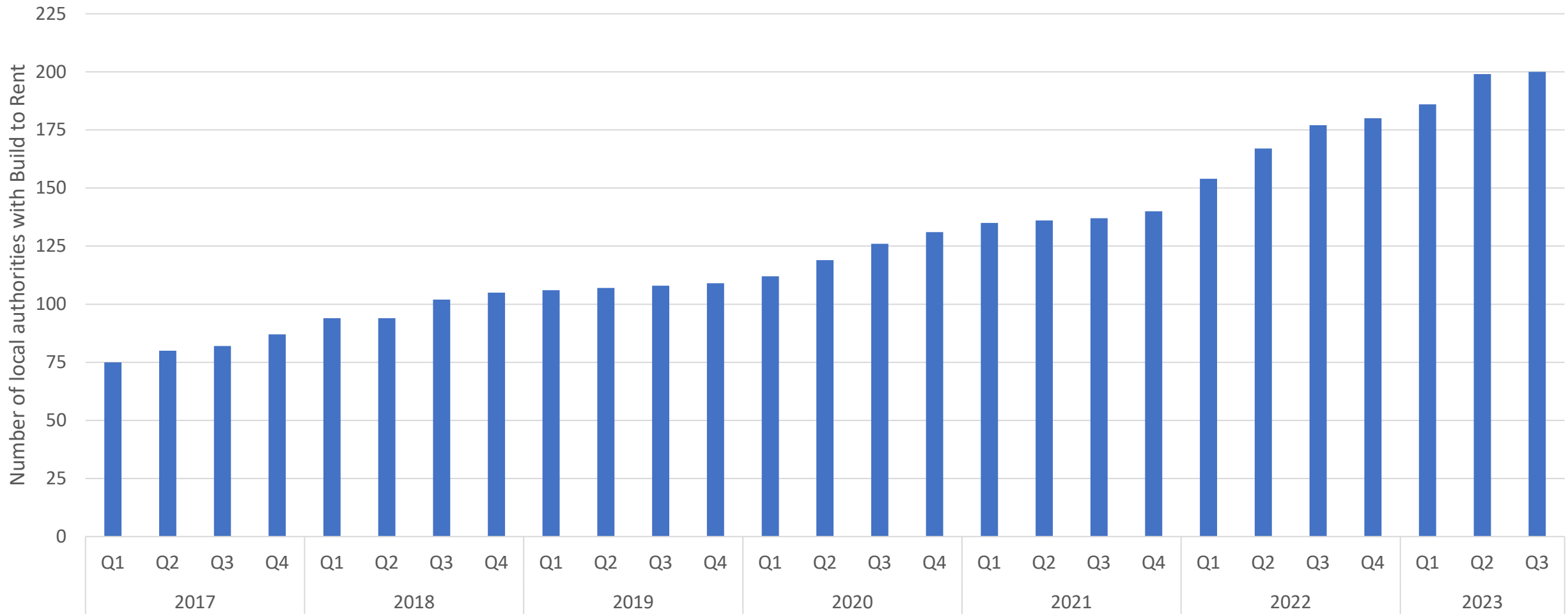


Single Family Housing continues to grow

	Urban BtR homes	Suburban BtR homes
Complete	82,438	9,577
Construction	48,891	10,277
Planning	103,894	8,617
Total	235,223	28,471



Number of local authorities with BtR homes complete, under construction or planned



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.