

Build-to-Rent Q4 2023

Prepared by Savills for the British
Property Federation



January 2024



Key points at the end of Q4 2023

- The number of BtR homes complete, under construction, or in planning stands at just under 267,000. The latest quarterly data shows that between Q4 2022 and Q4 2023, the sector grew by 5%, with the regional BtR market growing at the same rate as London (both 5%).
- The total number of completed units has reached a significant milestone of 100,000. Notably, the number of completions has overtaken the number of starts for the first time since 2020 and has recovered to similar levels as pre-Q4 2022 when the number fell in the wake of the mini-budget. In London over 1,200 units were completed in Q4, 95% of which were in Inner London. The biggest contribution came from Phase 2 of Nine Elms Parkside, with over 400 PRS units.
- As these units have completed, with construction boosted by slowing build cost inflation, the number under construction has fallen, down -5% compared to Q4 2022. In London, the fall has been larger at -9% to 17,400 compared to the regions which have fallen by -3% to 36,400. In the year to Q4 2023 there were 12,500 starts in total, down -26% from the 2017-19 average.
- Homes with detailed permission are at record levels of 58,000, which can support the future construction pipeline and help starts recover to previous levels. However, the number of homes with detailed applications is currently down -22% compared to Q4 2022.
- The number of local authorities with BtR in their pipeline now stands at 208, with 8 added in Q4 including Cornwall, Dartford, East Riding of Yorkshire, Lincoln, Folkestone and Hythe, South Cambridgeshire, Swindon, Test Valley, and Tewkesbury. This means that in 2023 a total of 38 new local authorities have added BtR to their pipeline.

Completions

- There are now over 100,300 completed units, an uplift of 17% nationally, year on year.
- Completions in London reached 46,700, and 53,600 in the regions. The year-on-year increase was almost double in the regions (23%) compared to London (12%).
- Completions have now recovered to their previous highs of 2019-2021 and stand at 14,800 on an annual rolling basis.

Under construction

- Nationally, the number of units under construction saw a dip of -5% to c.54,000 in Q4 2023 from Q4 2022. This is because homes have been completed faster than new homes have started.
- The number of units under construction has levelled out in both London and the regions, remaining largely static over the past year. In London These have hovered around just over 17,000, with 36,000 in the regions.

Planning

- The total number of BtR homes in planning increased by 1% between Q4 2022 and Q4 2023, to 112,000 units.
- The number of homes in planning in Q4 2023 is up to 38,400 in London and 74,400 in the regions.
- The number of homes with detailed permission in Q4 2023 was 58,000, the highest number on record. However, the number with detailed applications has fallen -22% since Q4 2022.

BtR key statistics for the past year

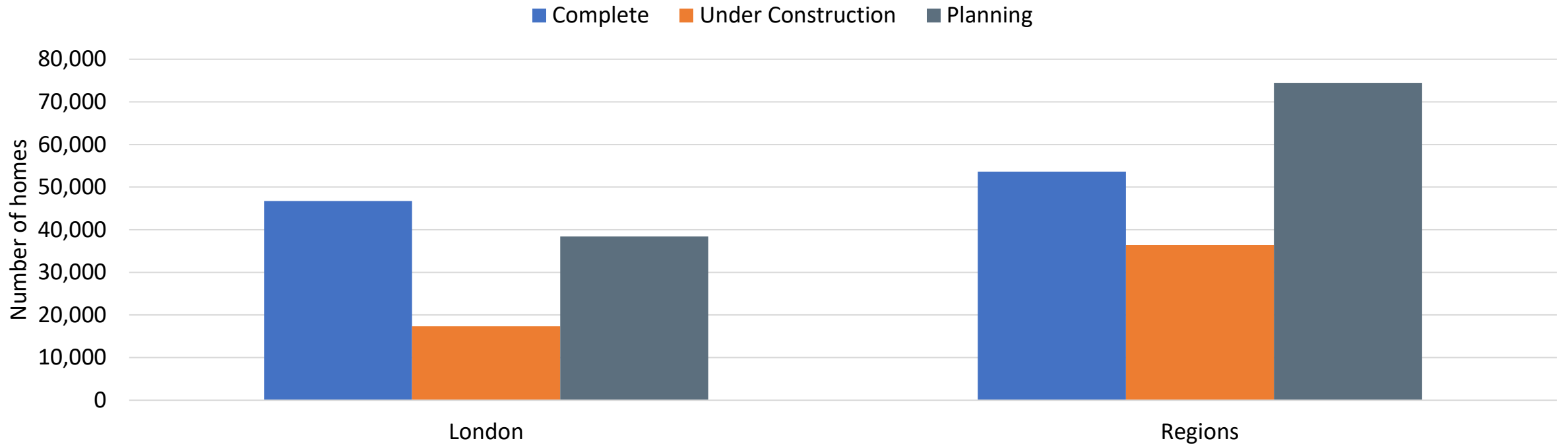
Status	Q4 2023 Total	Q4 2022 Total	Increase
Complete	100,372	85,563	17%
Under Construction	53,780	56,725	-5%
In Planning	112,840	111,764	1%
Totals	266,992	254,052	5%

London and regional BtR growth

		Complete	Under construction	Planning	Total
London	Q4 2022	41,792	19,109	37,131	98,032
	Q4 2023	46,747	17,358	38,418	102,523
	% increase	12%	-9%	3%	5%
Region	Q4 2022	43,771	37,616	74,633	156,020
	Q4 2023	53,625	36,422	74,422	164,469
	% increase	23%	-3%	0%	5%
Total	Q4 2022	85,563	56,725	111,764	254,052
	Q4 2023	100,372	53,780	112,840	266,992
	% increase	17%	-5%	1%	5%

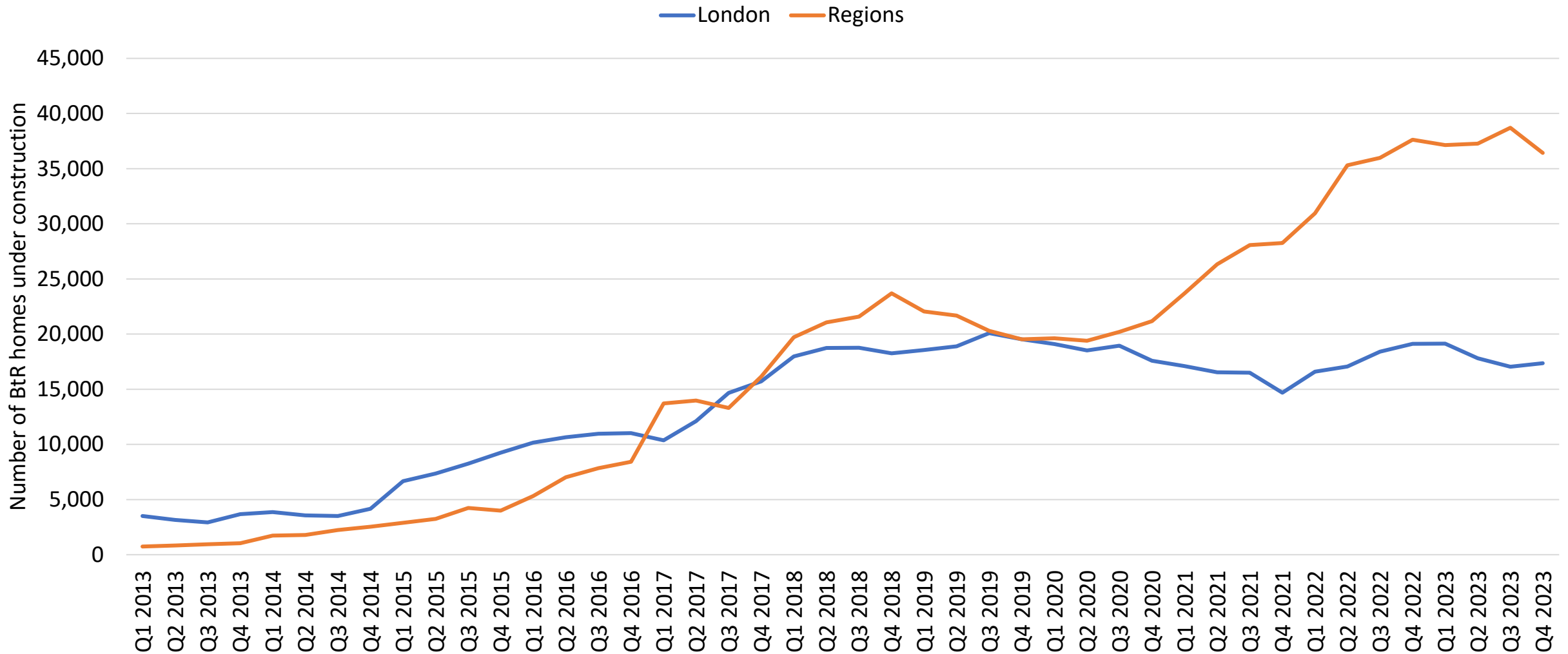
Q4 2023

Status	Complete	Under Construction	Planning	Totals	% of total
London	46,747	17,358	38,418	102,523	38.4%
Regions	53,625	36,422	74,422	164,469	61.6%
Total	100,372	53,780	112,840	266,992	

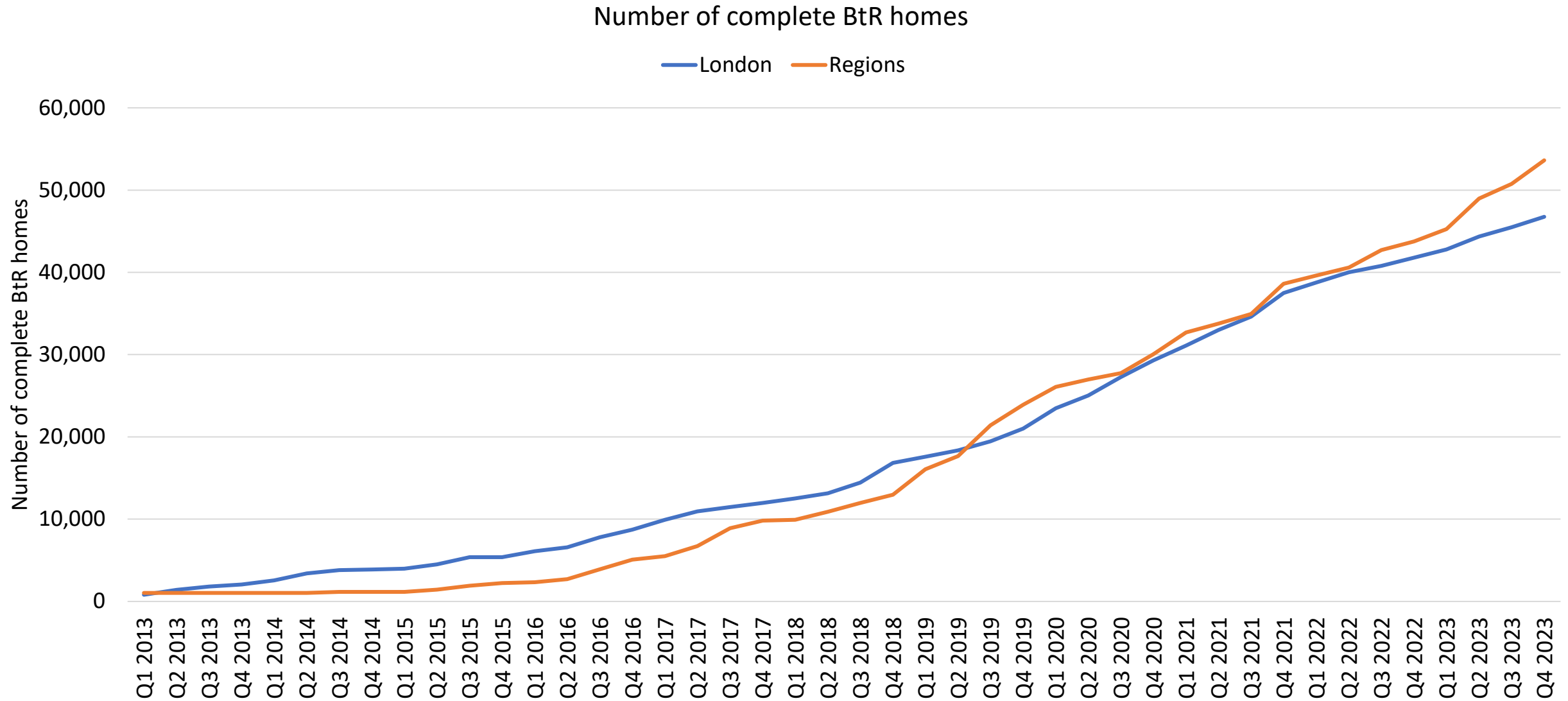


BtR under construction

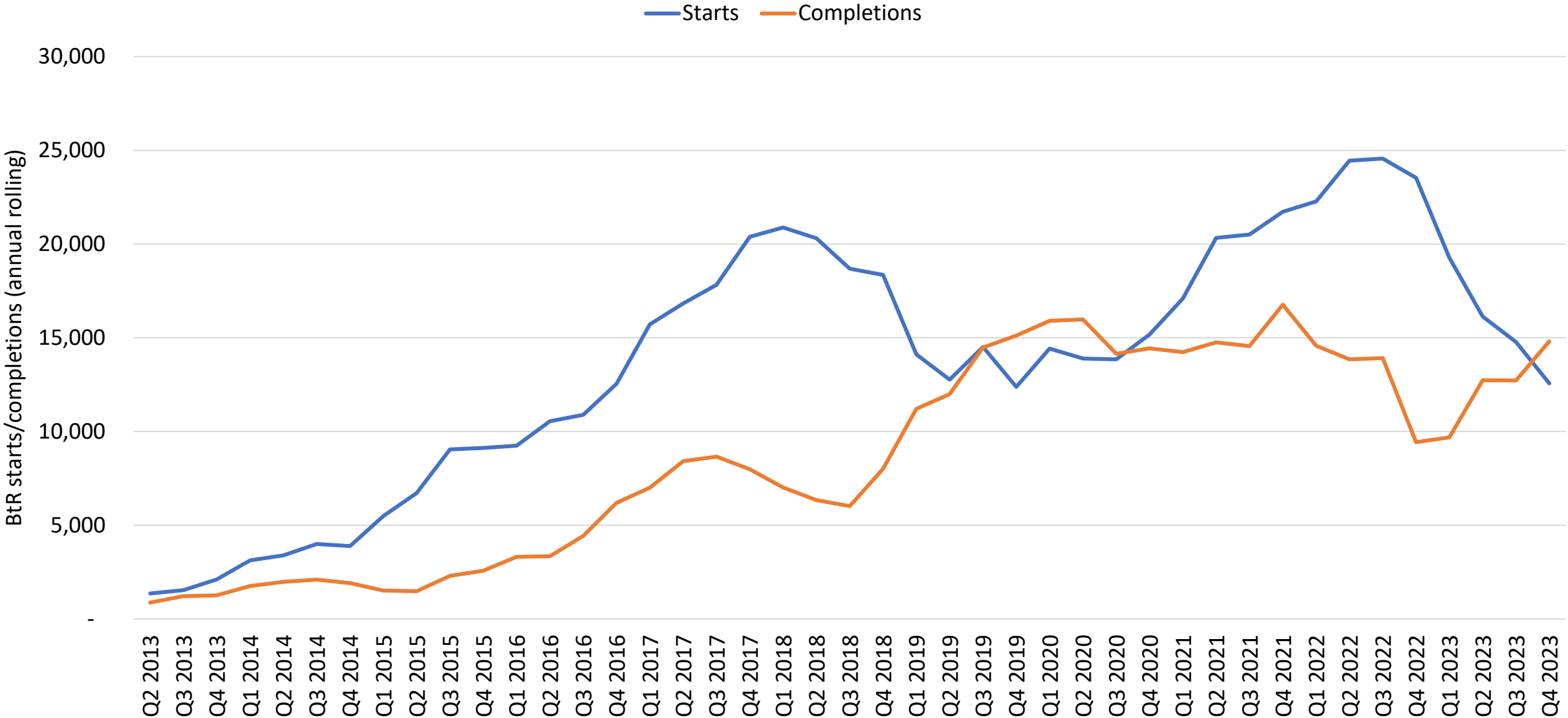
Number of BtR homes under construction



BtR completions (cumulative)

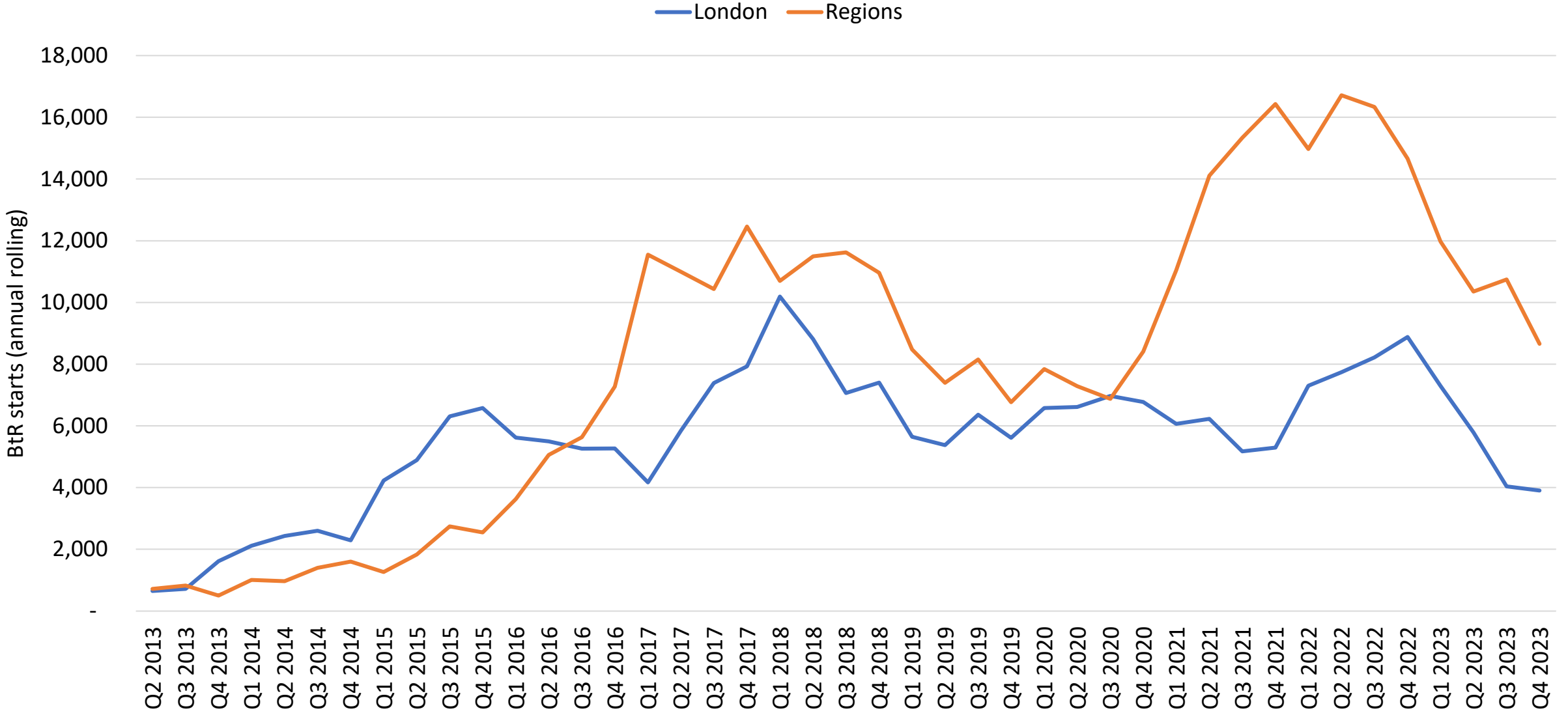


UK BtR starts and completions



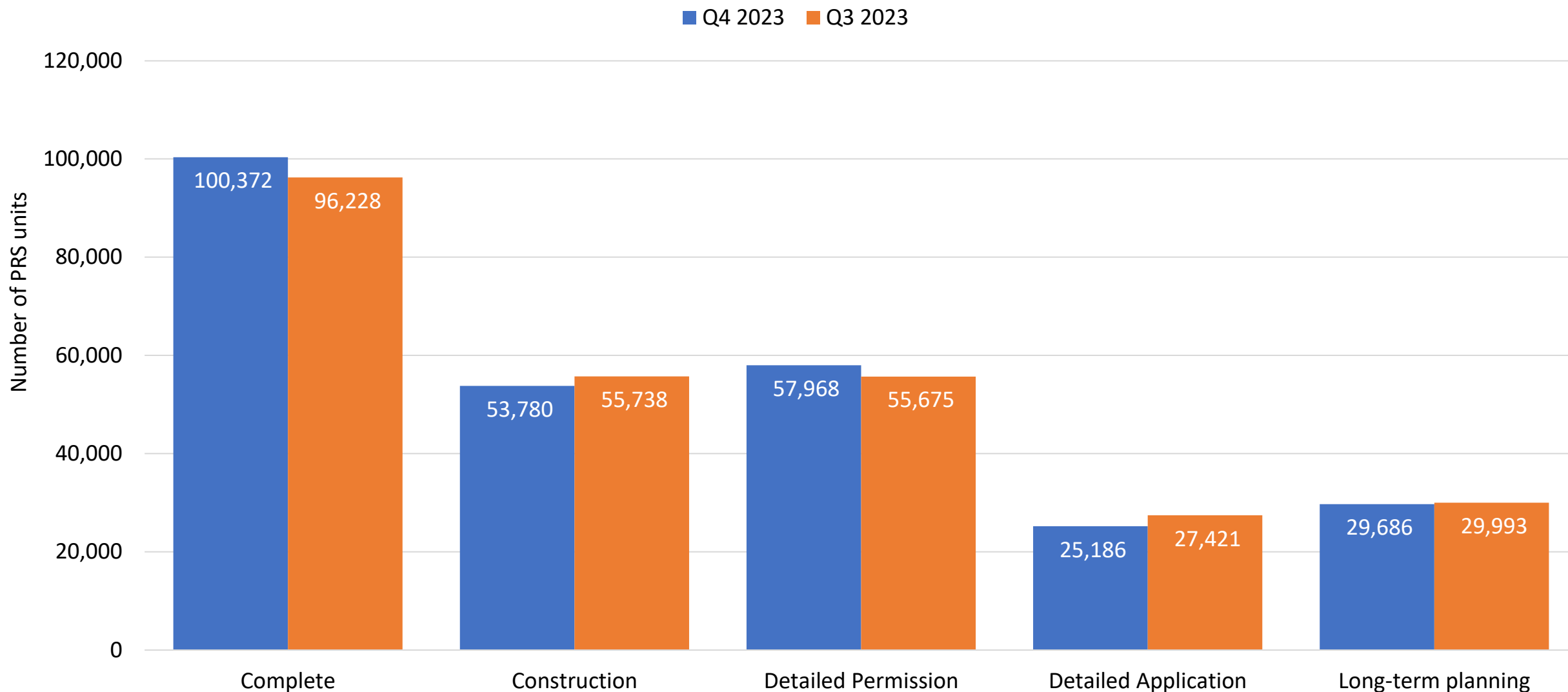
Source: Savills, Molior, British Property Federation

BtR starts: London vs the Regions

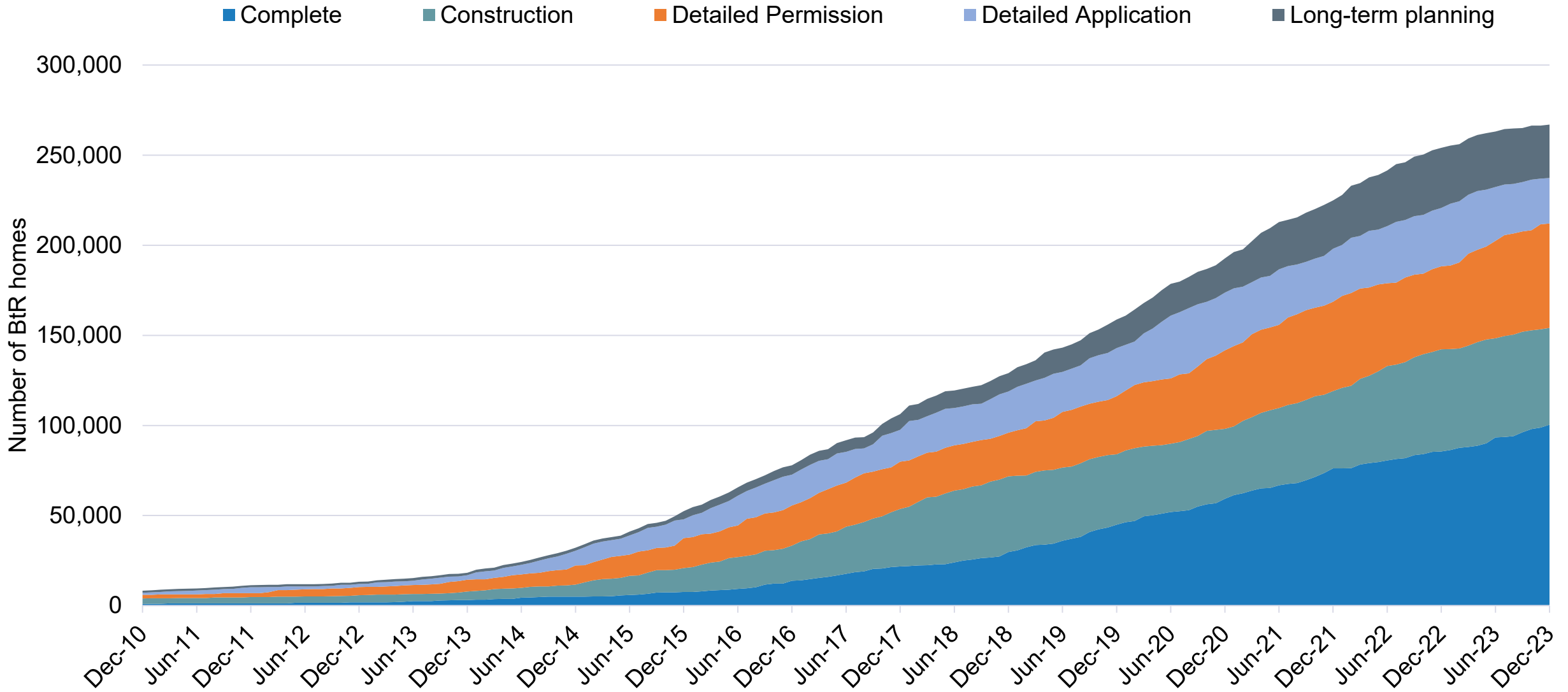


Source: Savills, Molior, British Property Federation

BtR pipeline – quarterly change



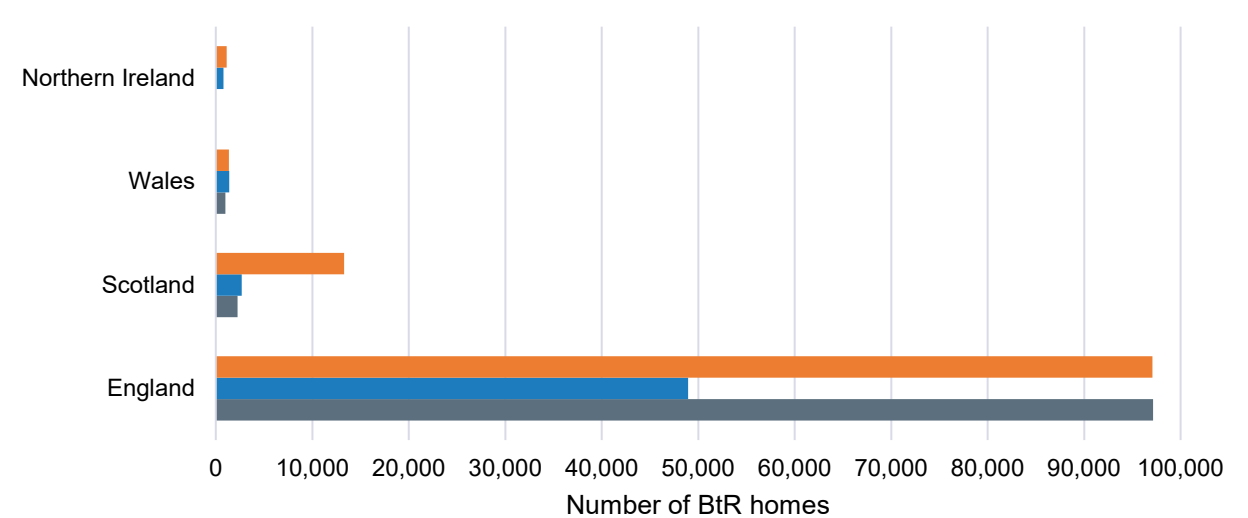
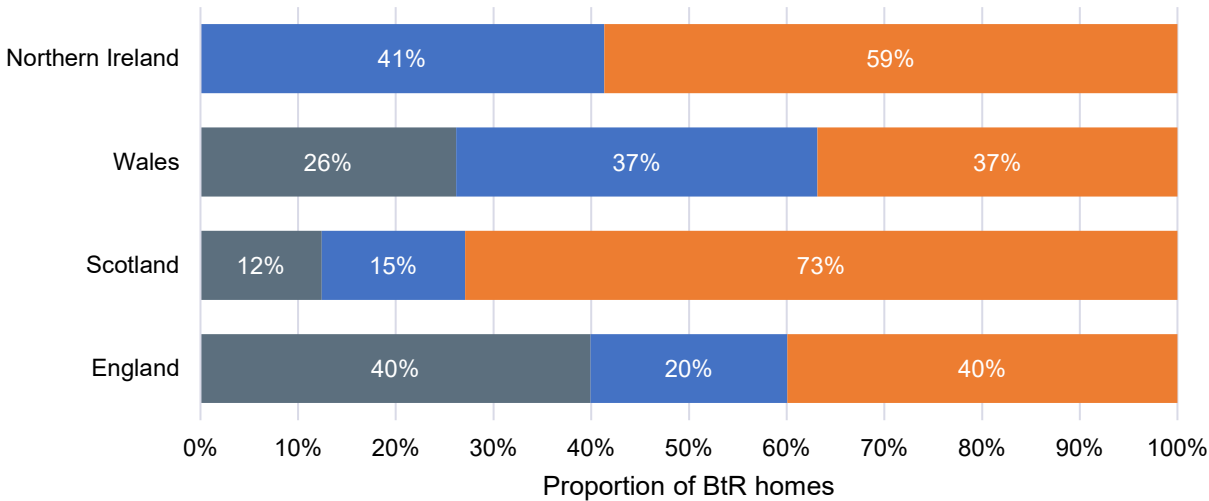
The rise and rise of BtR



BtR growing in most UK countries

■ Complete ■ Under Construction ■ In Planning

■ In Planning ■ Under Construction ■ Complete



England

Status	Q4 2023 Total	Q4 2022 Total	Increase
Complete	97,144	83,811	16%
Under Construction	48,960	52,445	-7%
In Planning	97,094	95,894	1%
Totals	243,198	232,150	5%

Scotland

Status	Q4 2023 Total	Q4 2022 Total	Increase
Complete	2,260	1,546	46%
Under Construction	2,675	2,866	-7%
In Planning	13,280	12,012	11%
Totals	18,215	16,424	11%

Wales

Status	Q4 2023 Total	Q4 2022 Total	Increase
Complete	968	206	370%
Under Construction	1,367	1,414	-3%
In Planning	1,362	1,976	-31%
Totals	3,697	3,596	3%

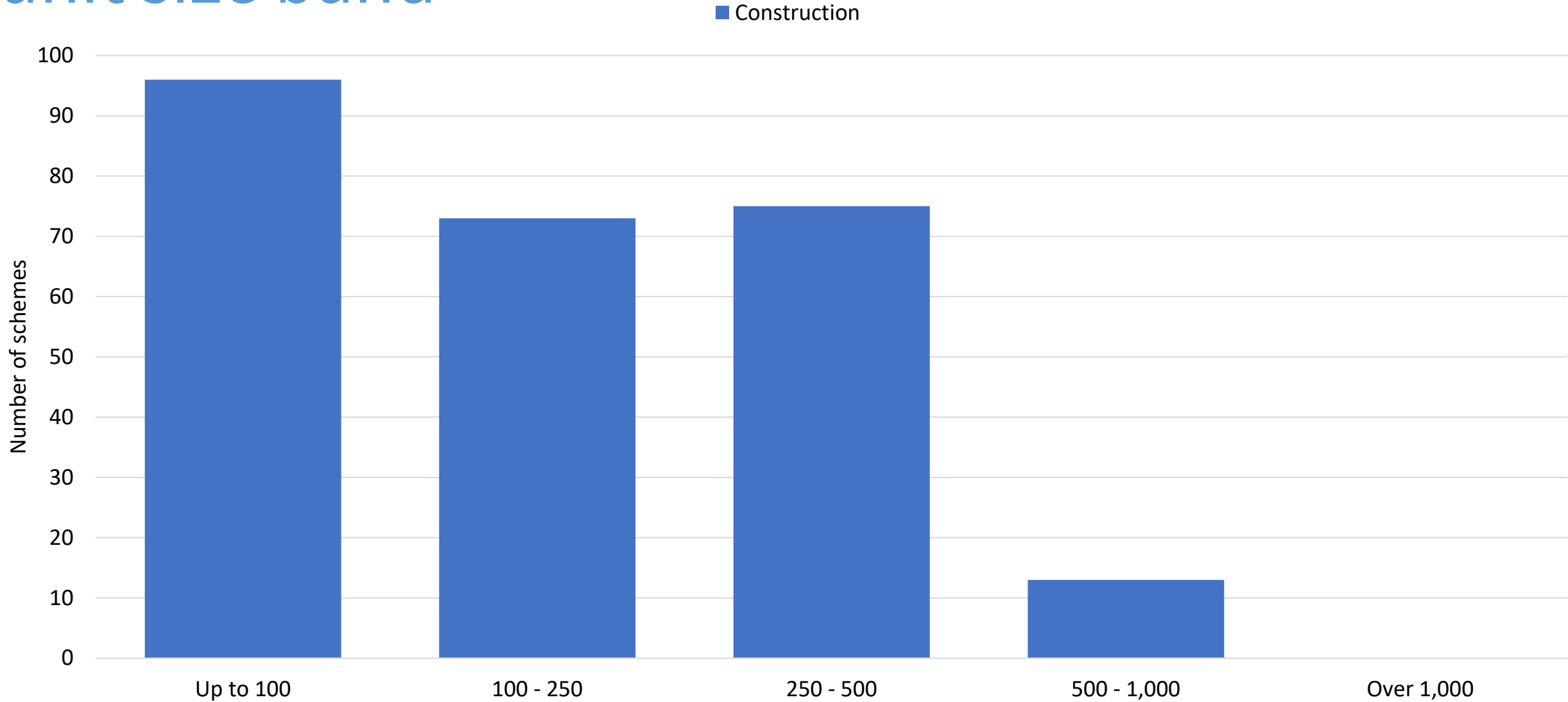
Northern Ireland

Status	Q4 2023 Total	Q4 2022 Total	Increase
Complete	0	0	-
Under Construction	778	0	-
In Planning	1,104	1,882	-41%
Totals	1,882	1,882	0%

Q4 2023: Number of schemes by unit size band

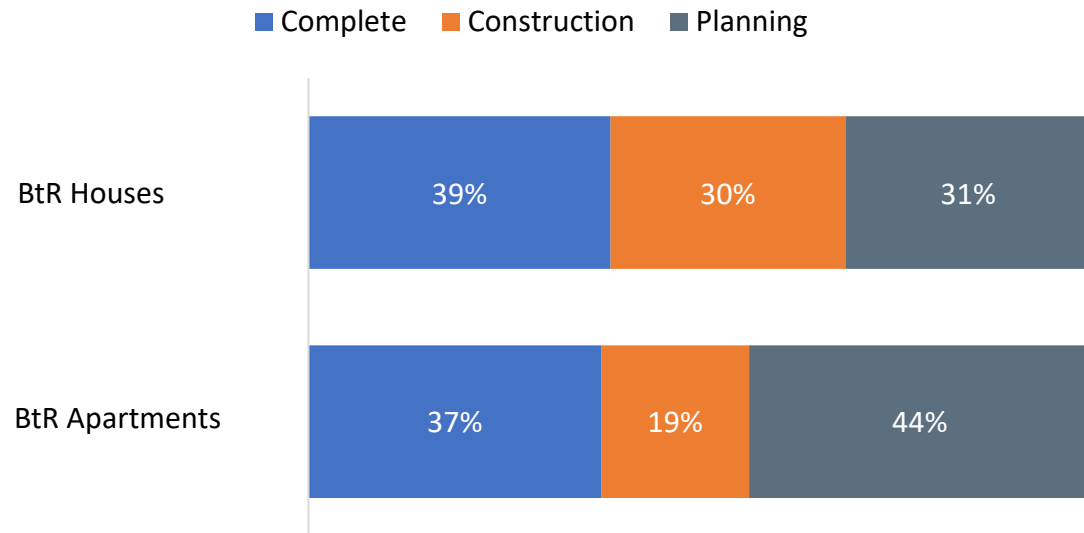
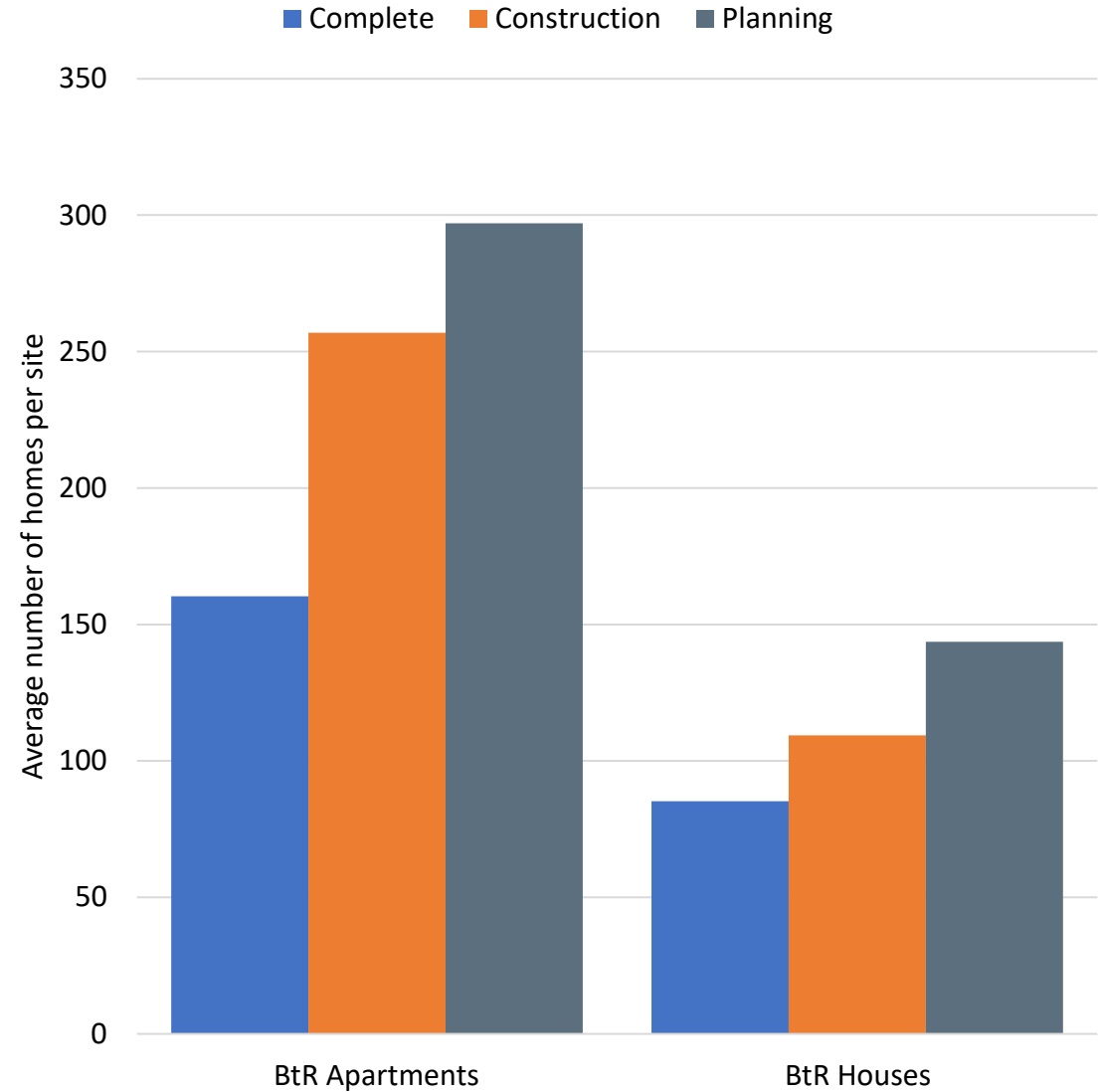


Q4 2023: Schemes under construction by PRS unit size band

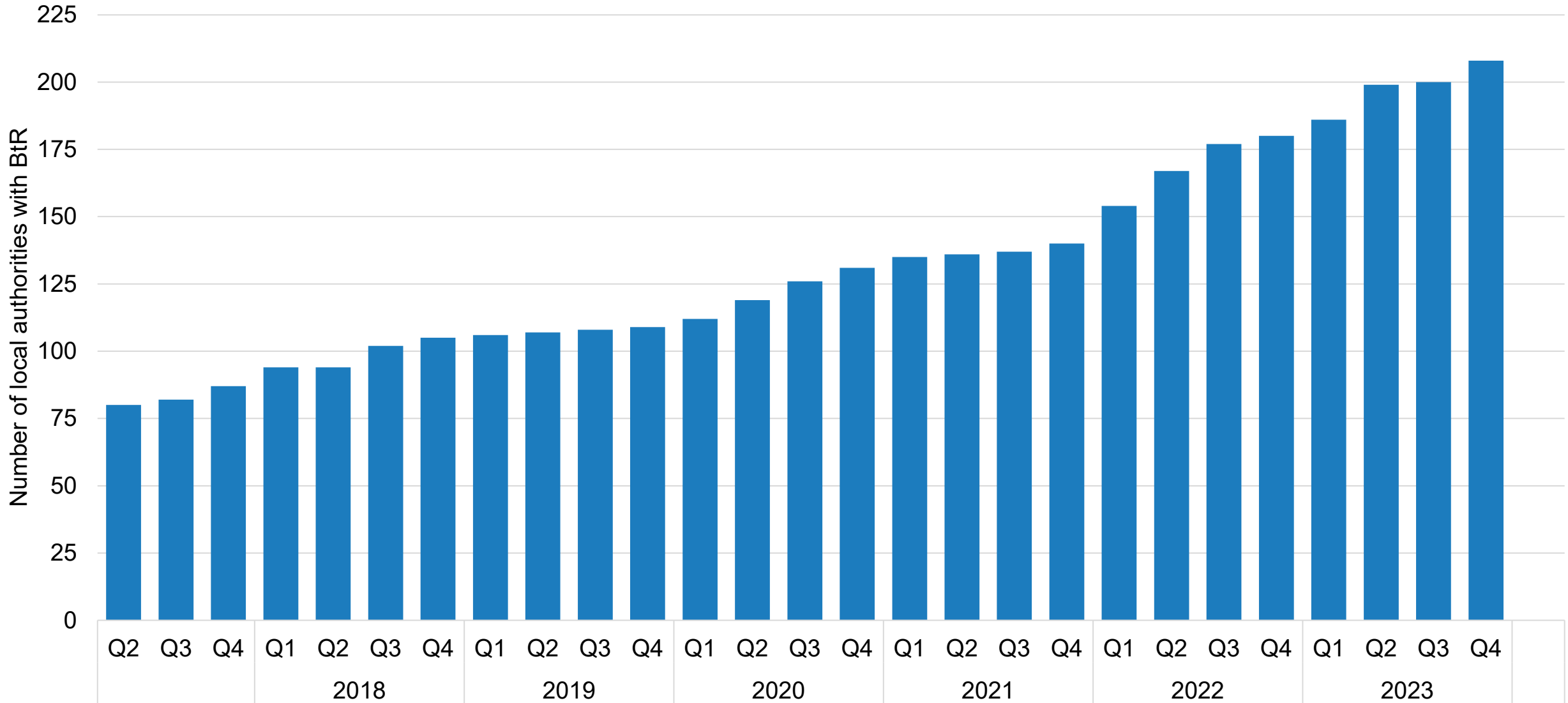


BtR Houses continues to grow

	BtR Apartments (Multifamily)	BtR Houses (Single Family Housing)
Complete	88,693	11,679
Construction	44,701	9,078
Planning	103,360	9,480
Total	236,754	30,237



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



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.