Build-to-Rent Q1 2024

Prepared by Savills for the British Property Federation

April 2024

Key points at the end of Q1 2024

- The total sector pipeline, which includes completed homes, those currently under construction or those in various stages of planning, now stands at over 265,000. The latest quarterly data shows that between Q1 2023 and Q1 2024, the sector grew by 4%, with the regional BtR market growing by 4% compared to 3% in London.
- The total number of completed units, having surpassed 100,000 in the previous quarter, now stands at 101,875. This has grown quickly over the past 12 months, up by 17%. Notably, the number of completions has overtaken the number of starts for the second quarter in a row. In the previous quarter, annual completions outpaced annual starts by for the first time since 2020 with a gap of 421 homes. This has now widened to 3,404 homes. Of the 14 schemes completing this quarter, 10 were in London, contributing over 1,700 homes to the capital.
- With completions now outpacing starts on an annual basis there has been a contraction in the number of homes currently under construction, down -6% compared to Q1 2023. In London, the fall has been larger at -16% to 16,500 compared to the regions which have fallen by -1% to 38,300. In the year to Q1 2024 there were 12,500 starts in total, down -33% from the 2017-19 average.
- Homes with detailed permission remain at record levels of 59,000, which can support the future construction pipeline and help starts recover to previous levels. Consented homes have risen 22% compared to Q1 2023. However, the number of homes at detailed application stage is currently down -31% over the same period.
- The number of local authorities with BtR in their pipeline now stands at 208, with 2 added in Q1; Stroud and Sussex. This means that in the 12 months to Q1 2024, a total of 22 new local authorities have added BtR to their pipeline.

Completions

- There are now over 101,800 completed units, an uplift of 17% nationally, year on year.
- Completed homes in London reached 47,700, and 54,200 in the regions. The year-on-year increase was greater in the regions (20%) compared to London (13%).
- Annual completions have now recovered to their previous highs of 2019-2021 and stand at 14,500 on an annual rolling basis.

Under construction

- Nationally, the number of units under construction saw a dip of -6% in Q1 2024 from Q1 2023. 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 fluctuated between 16,000 and 20,000 in London and between 38,000 and 40,000 in the regions.

Planning

- The total number of BtR homes in planning saw a slight fall of -1% between Q1 2023 and Q1 2024, to 108,900 homes.
- The number of homes in planning in Q1 2024 is up to 37,200 in London and 71,700 in the regions.
- The number of homes with detailed permission in Q1 2024 was 59,000, the highest number on record. However, the number with detailed applications has fallen -31% since Q1 2023.

BtR key statistics for the past year

Status	Q1 2024 Total	Q1 2023 Total	Increase
Complete	101,875	87,393	17%
Under Construction	54,814	58,218	-6%
In Planning	108,917	110,573	-1%
Totals	265,606	256,184	4%

Source: Savills, Molior, British Property Federation

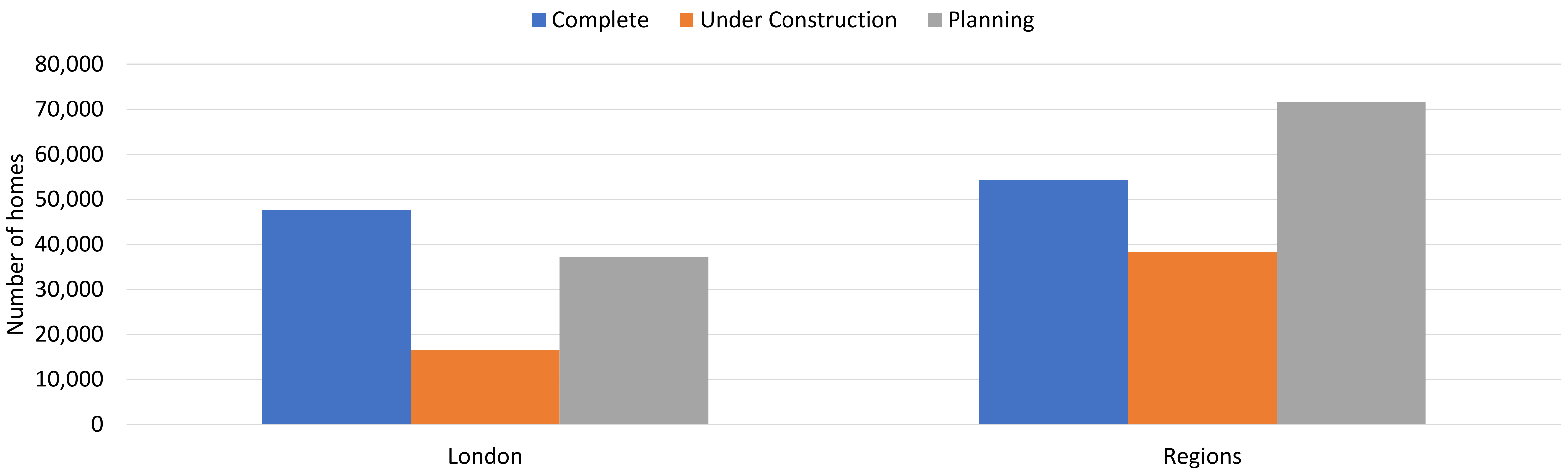
London and regional BtR growth

		Complete	Under construction	Planning	Total
London	Q1 2023	42,264	19,546	36,687	98,497
	Q1 2024	47,667	16,511	37,219	101,397
	% increase	13%	-16%	1%	3%
Region	Q1 2023	45,129	38,672	73,886	157,687
	Q1 2024	54,208	38,303	71,698	164,209
	% increase	20%	-1%	-3%	4%
Total	Q1 2023	87,393	58,218	110,573	256,184
	Q1 2024	101,875	54,814	108,917	265,606
	% increase	17%	-6%	-1%	4%

Source: Savills, Molior, British Property Federation

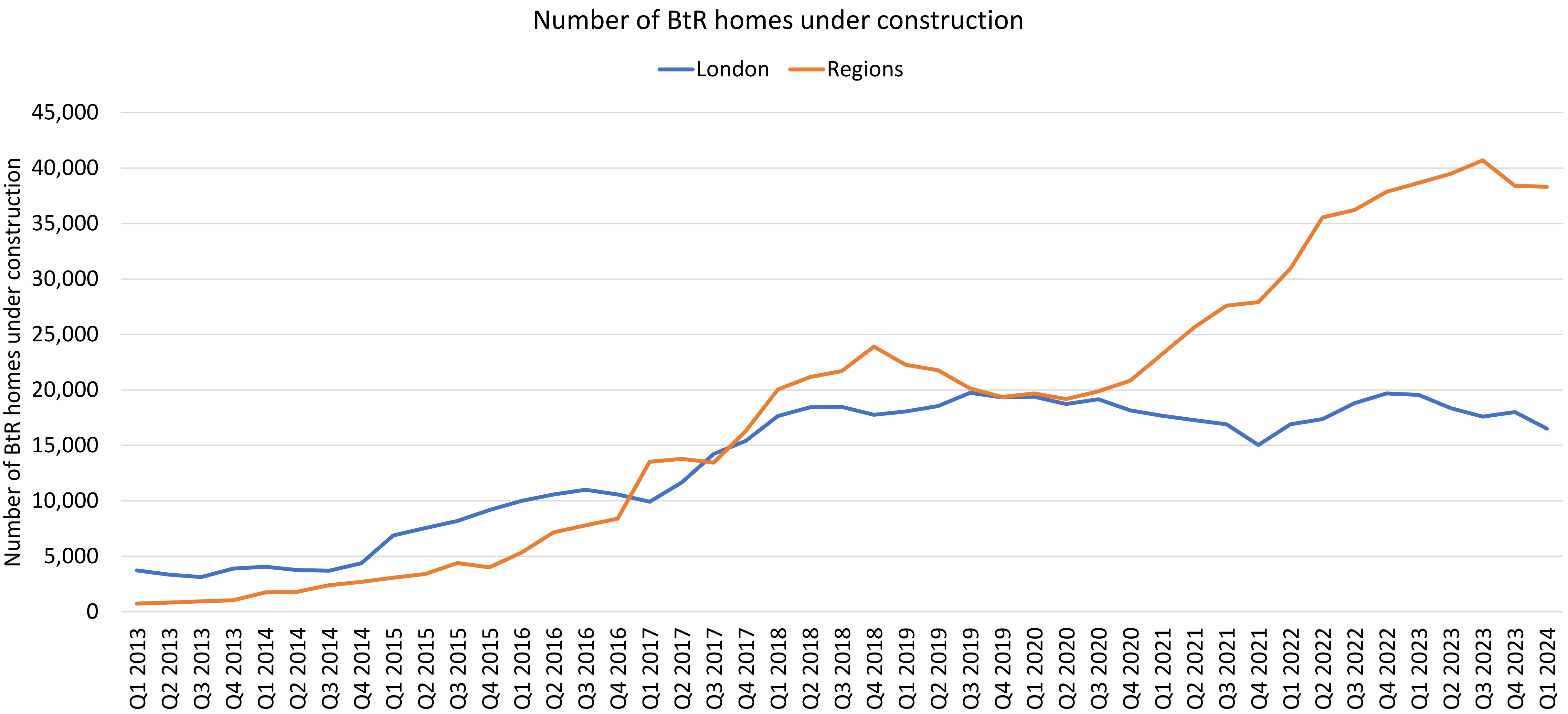
Q1 2024

Status	Complete	Under Construction	Planning	Totals	% of total
London	47,667	16,511	37,219	101,397	38.2%
Regions	54,208	38,303	71,698	164,209	61.8%
Total	101,875	54,814	108,917	265,606	



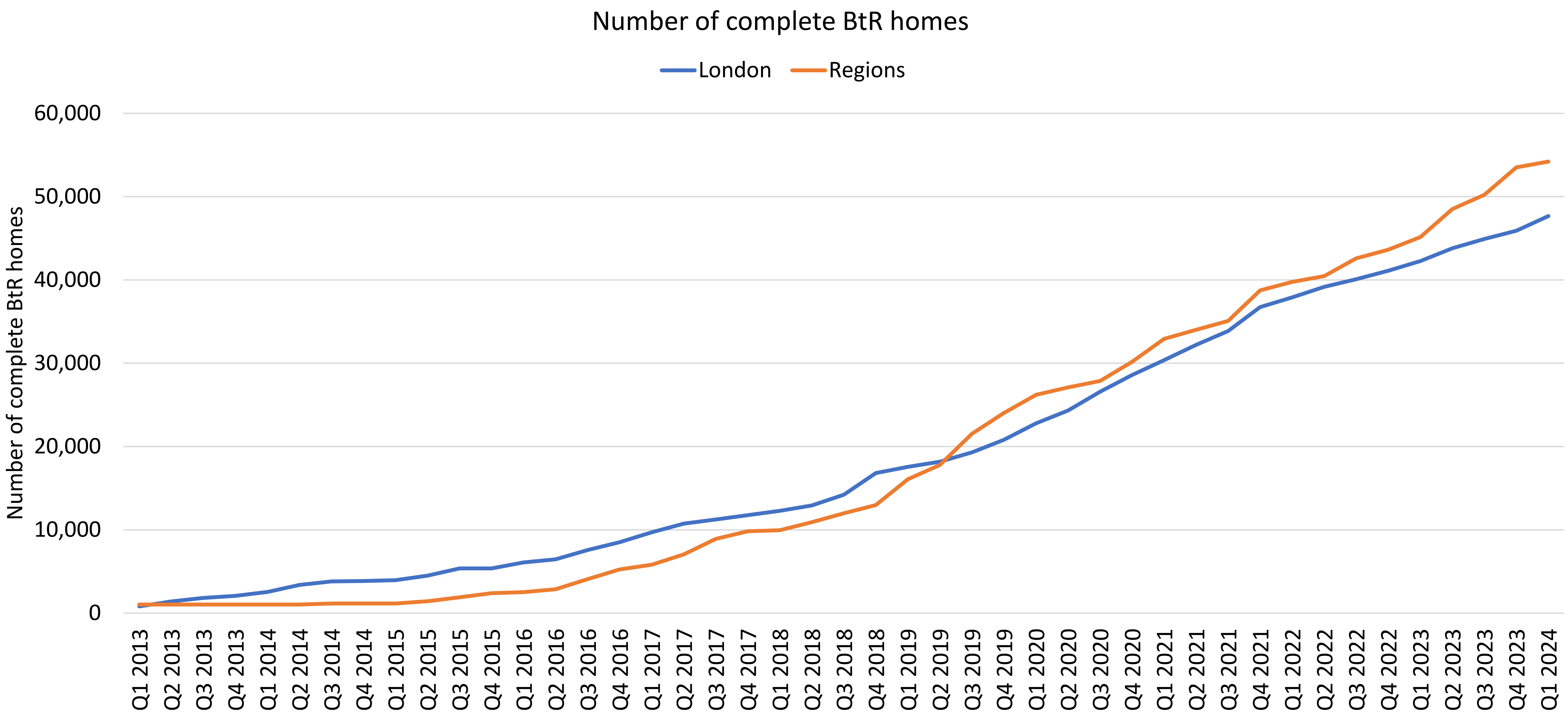
Source: Savills, Molior, British Property Federation

BtR under construction



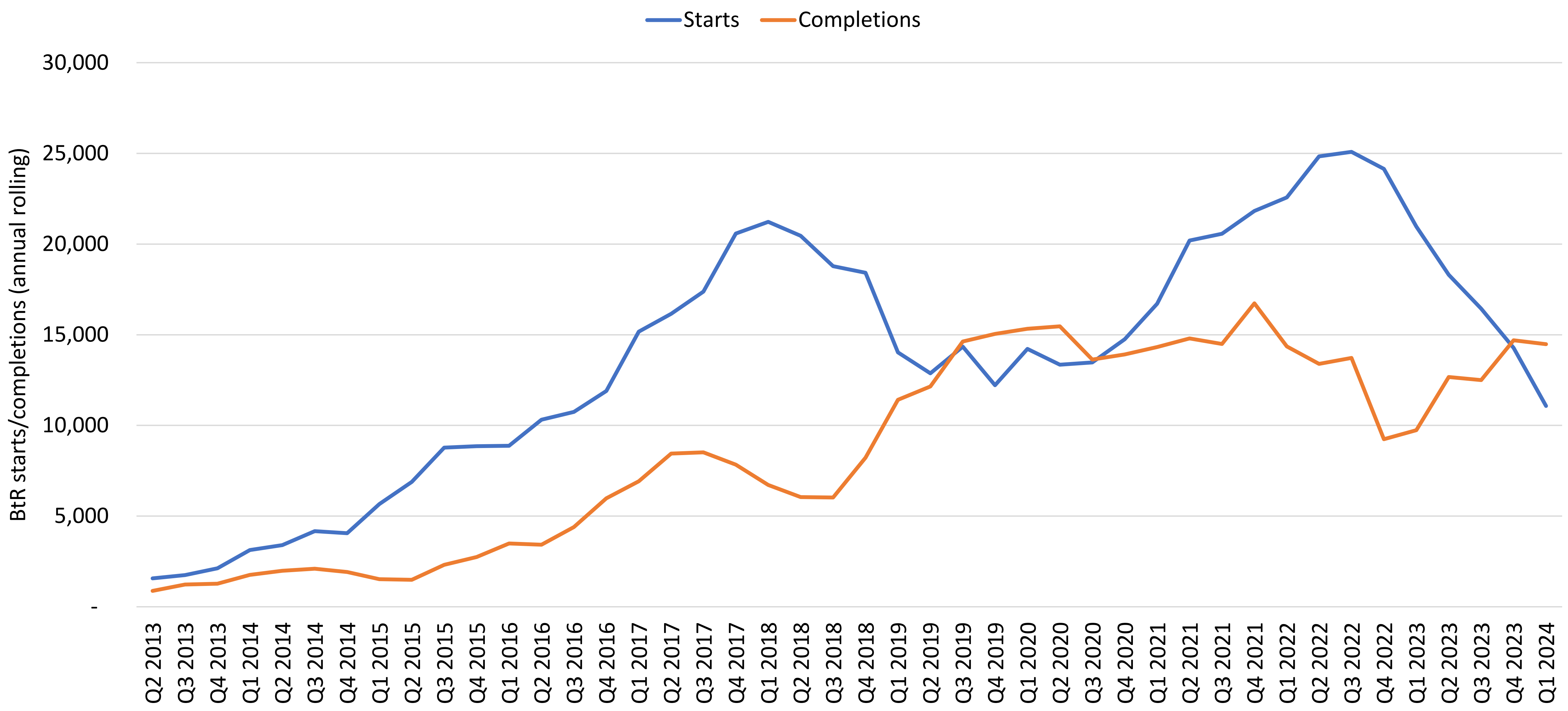
Source: Savills, Molior, British Property Federation

BtR completions (cumulative)



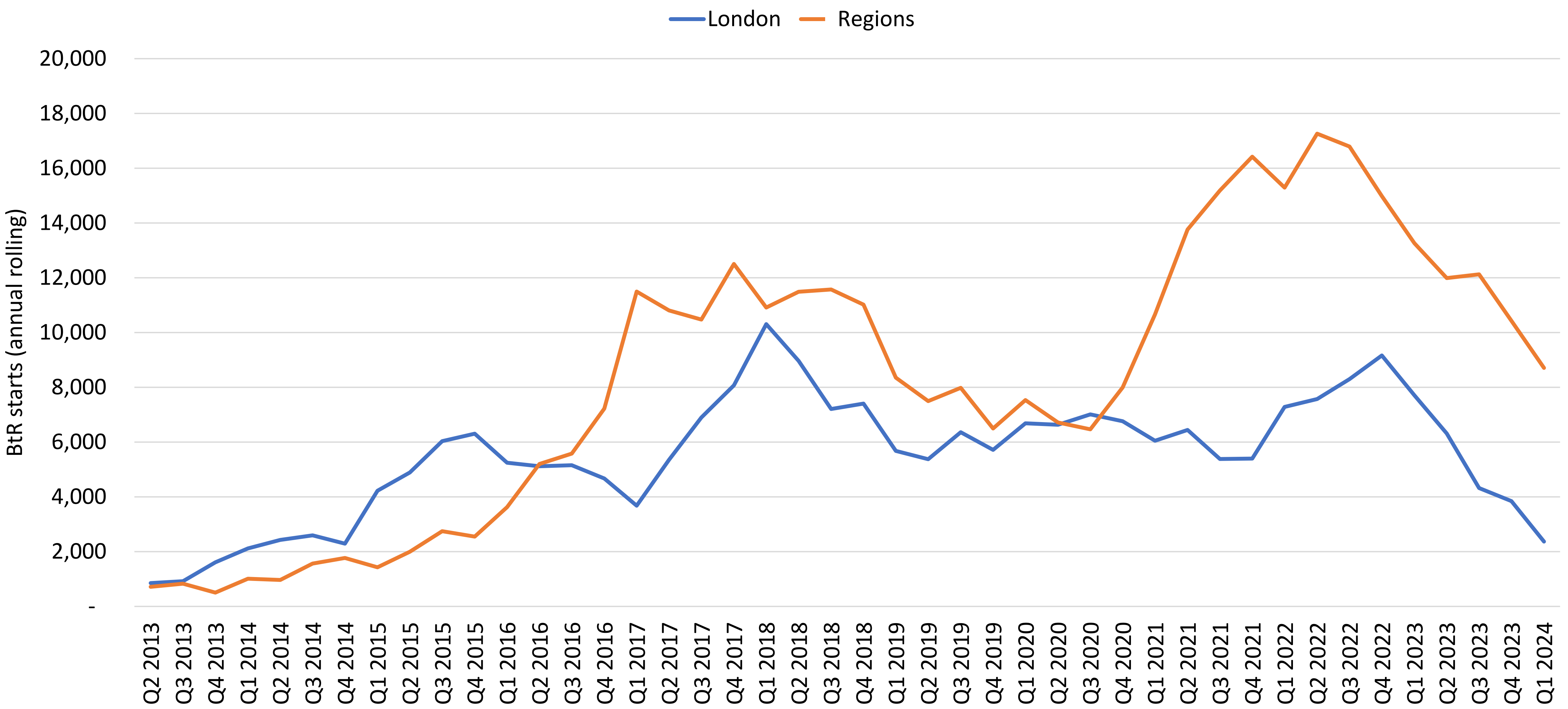
Source: Savills, Molior, British Property Federation

UK BtR starts and completions



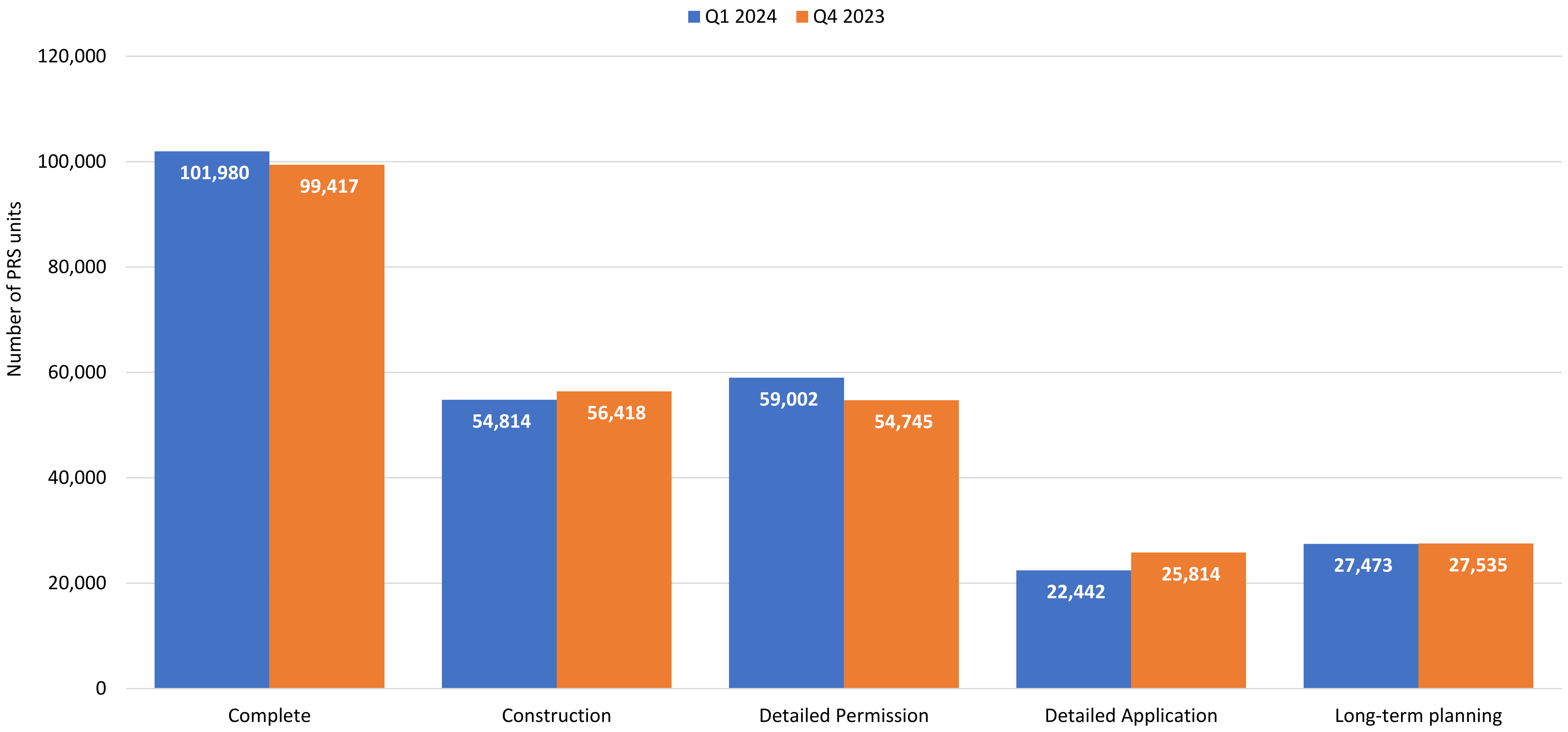
Source: Savills, Molior, British Property Federation

BtR starts – London vs Regions



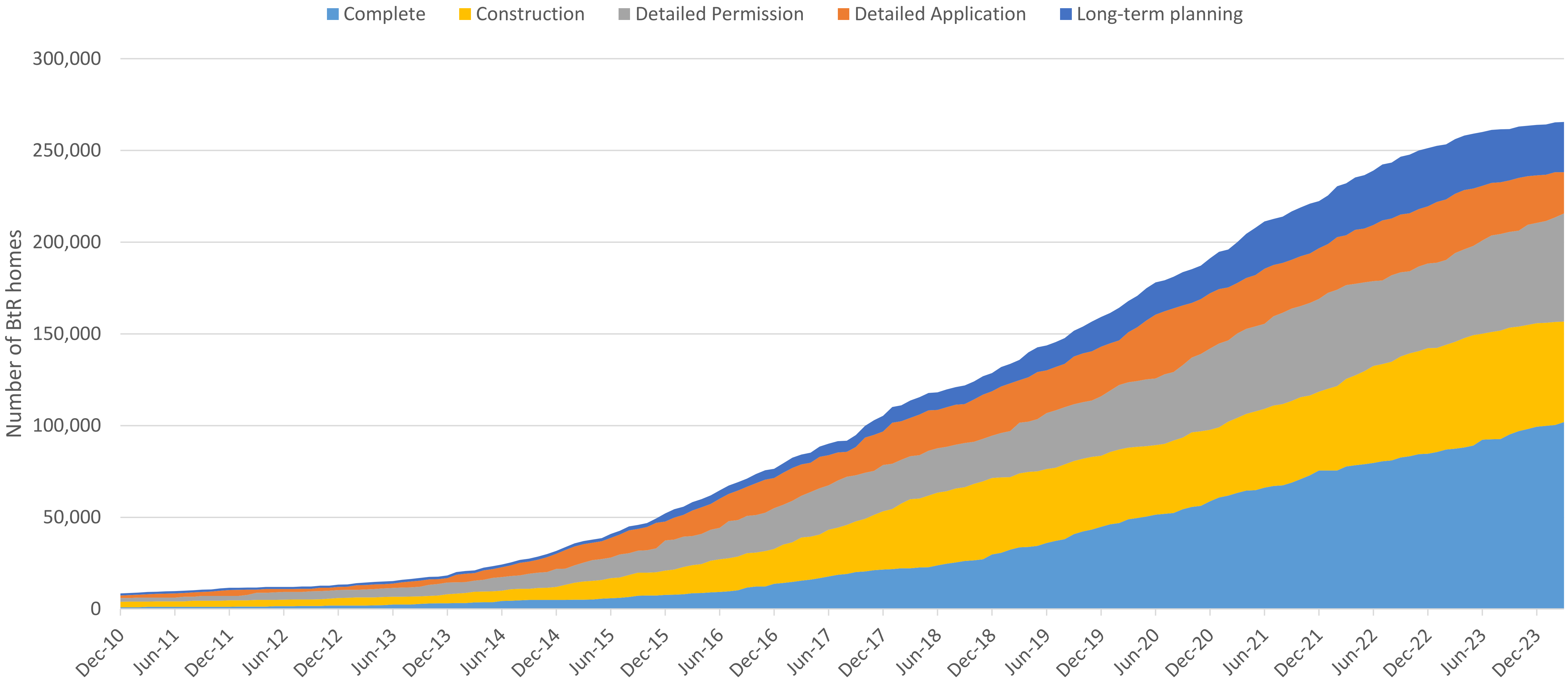
Source: Savills, Molior, British Property Federation

BtR pipeline – quarterly change



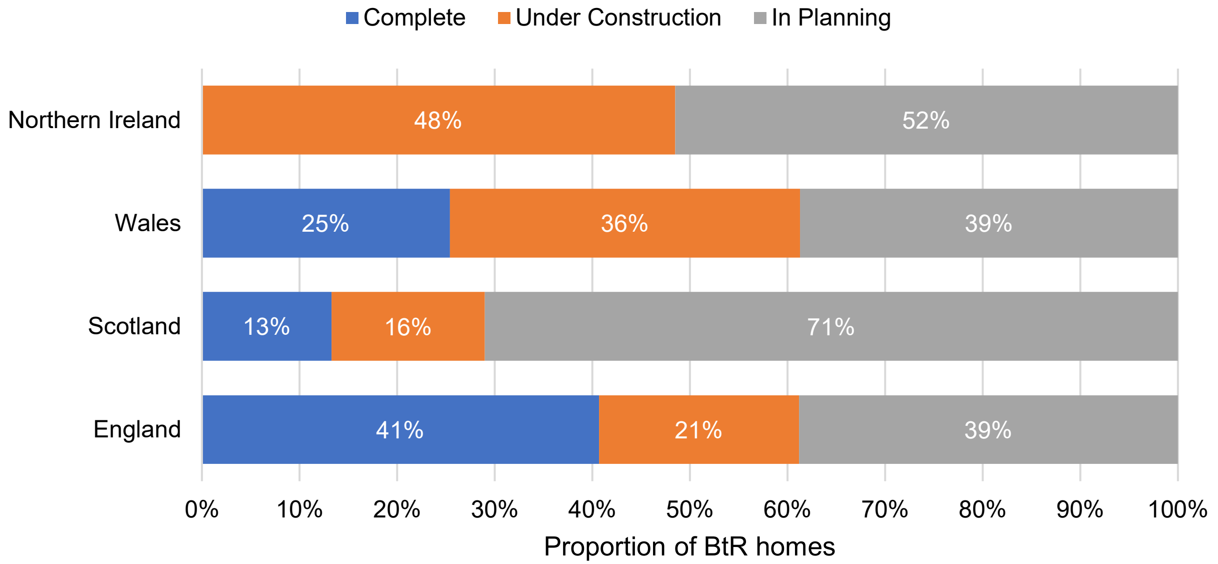
Source: Savills, Molior, British Property Federation

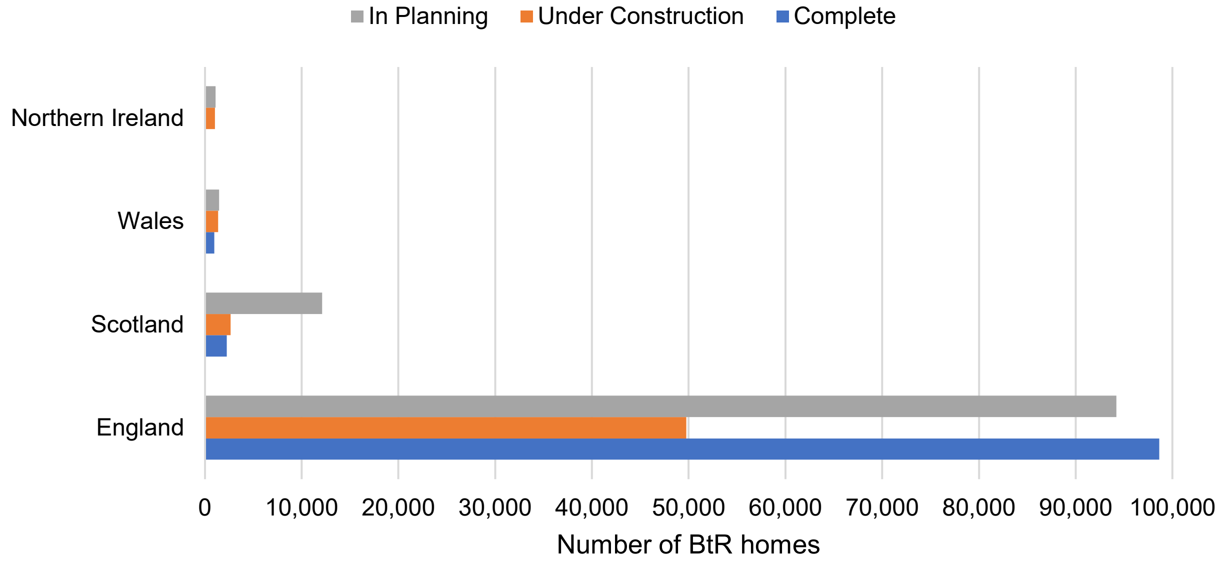
The rise and rise of BtR



Source: Savills, Molior, British Property Federation

BtR growing in most UK countries





England

Status	Q1 2024 Total	Q1 2023 Total	Increase
Complete	98,647	85,261	16%
Under Construction	49,747	53,356	-7%
In Planning	94,217	94,993	-1%
Totals	242,611	233,610	4%

Scotland

Status	Q1 2024 Total	Q1 2023 Total	Increase
Complete	2,260	1,621	39%
Under Construction	2,675	2,791	-4%
In Planning	12,107	12,510	-3%
Totals	17,042	16,922	1%

Wales

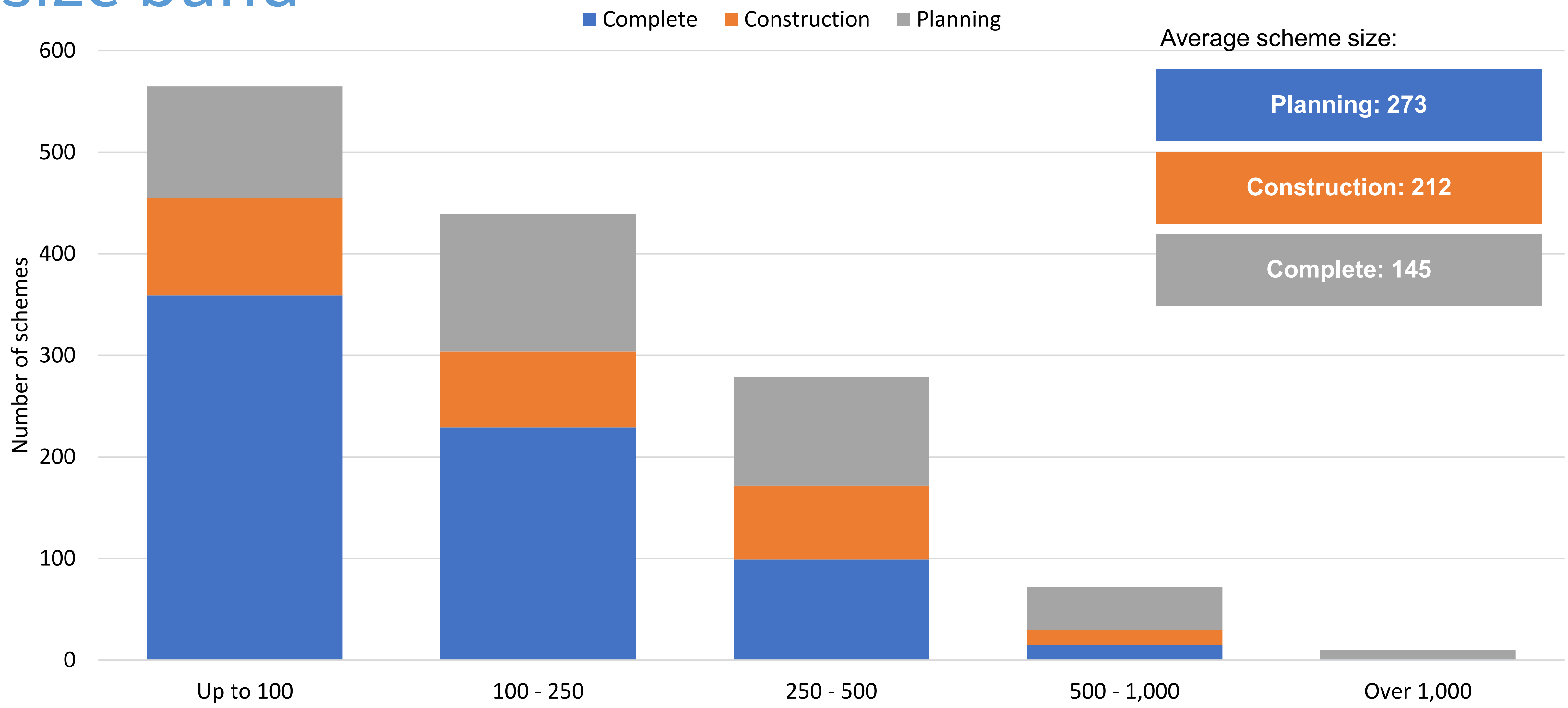
Status	Q1 2024 Total	Q1 2023 Total	Increase
Complete	968	511	89%
Under Construction	1,367	1,824	-25%
In Planning	1,476	1,175	26%
Totals	3,811	3,510	9%

Northern Ireland

Status	Q1 2024 Total	Q1 2023 Total	Increase
Complete	0	0	-
Under Construction	1,025	247	315%
In Planning	1,090	1,868	-42%
Totals	2,115	2,115	0%

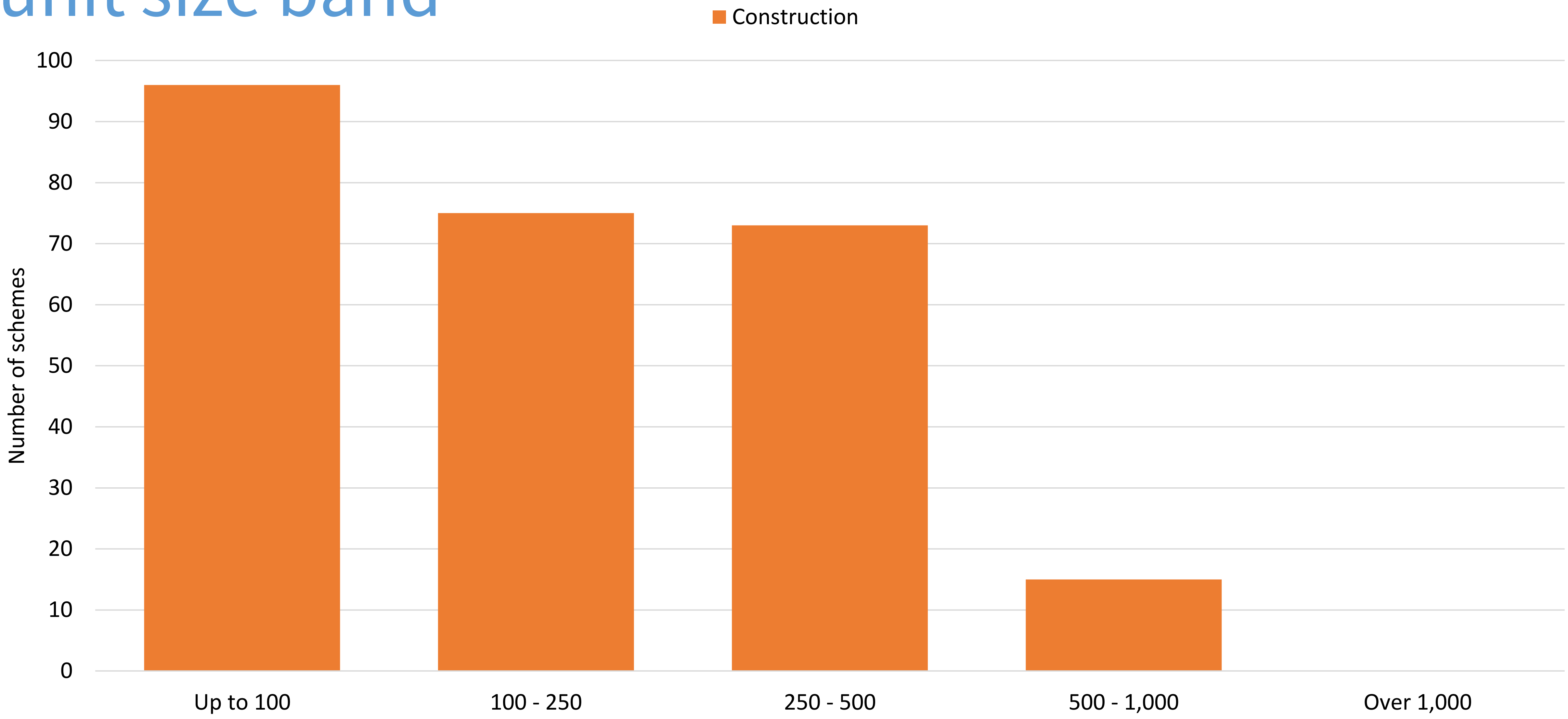
Source: Savills, Molior, British Property Federation

Q1 2024: Number of schemes by unit size band



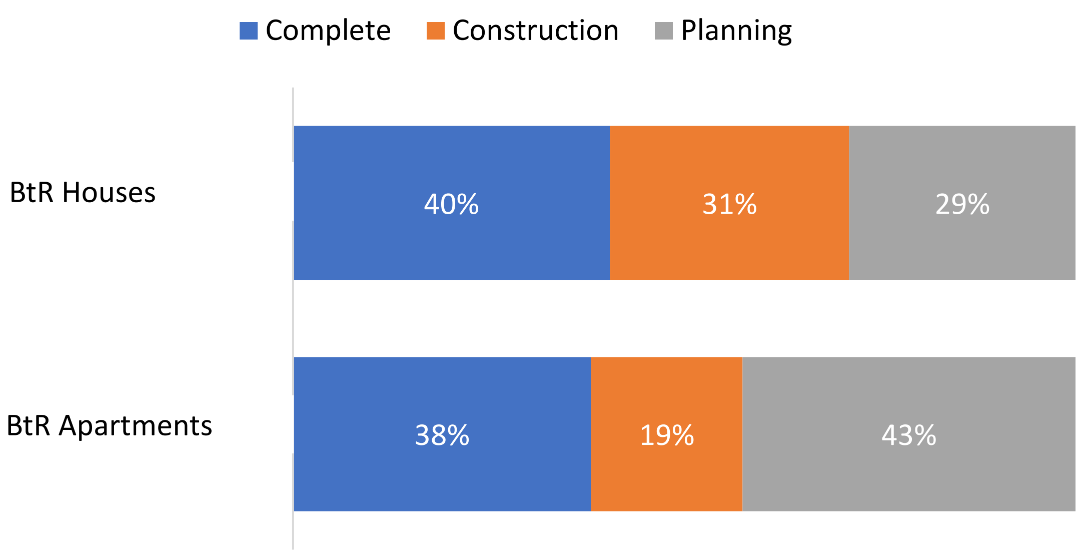
Source: Savills, Molior, British Property Federation

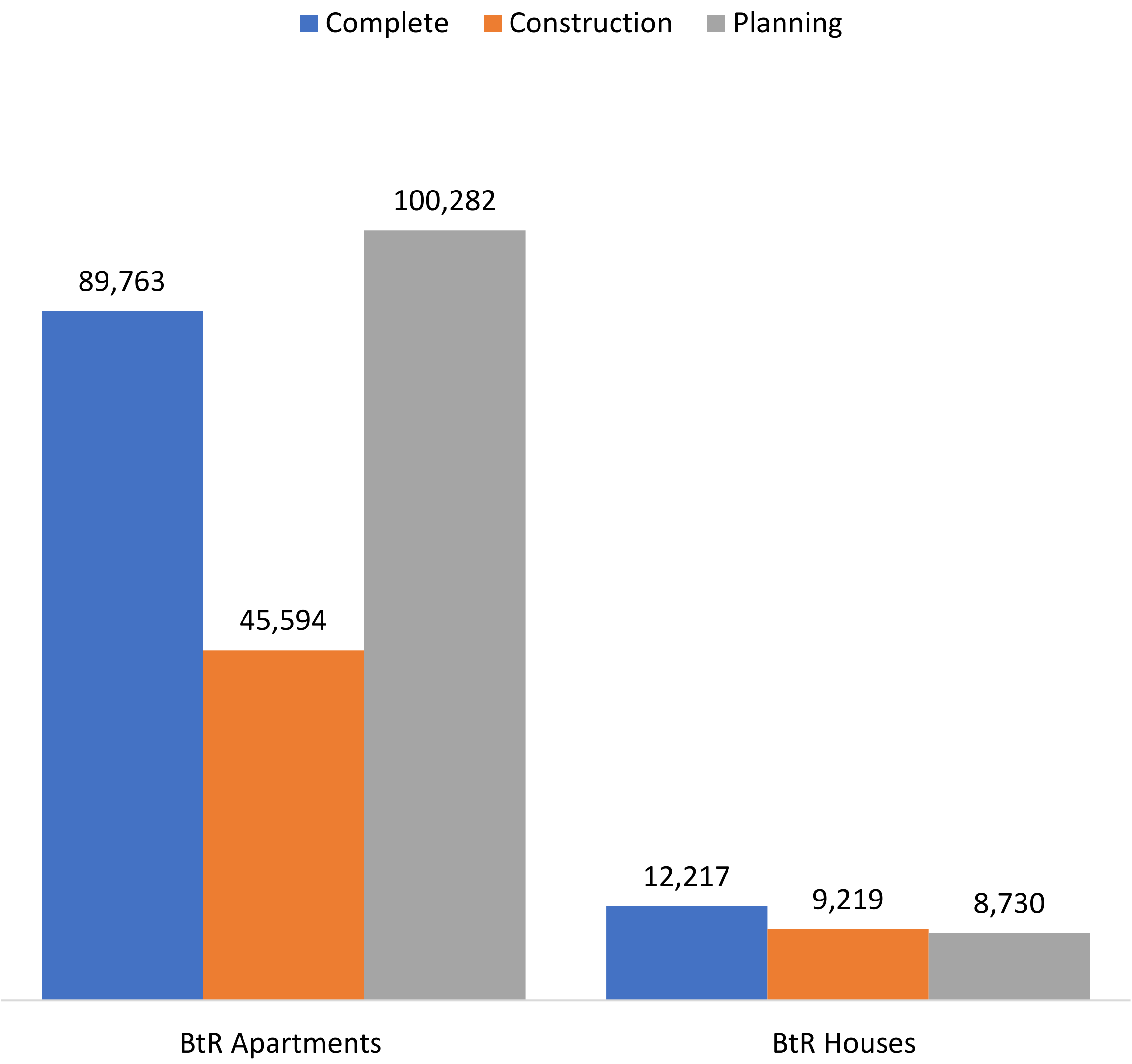
Q1 2024: Schemes under construction by PRS unit size band



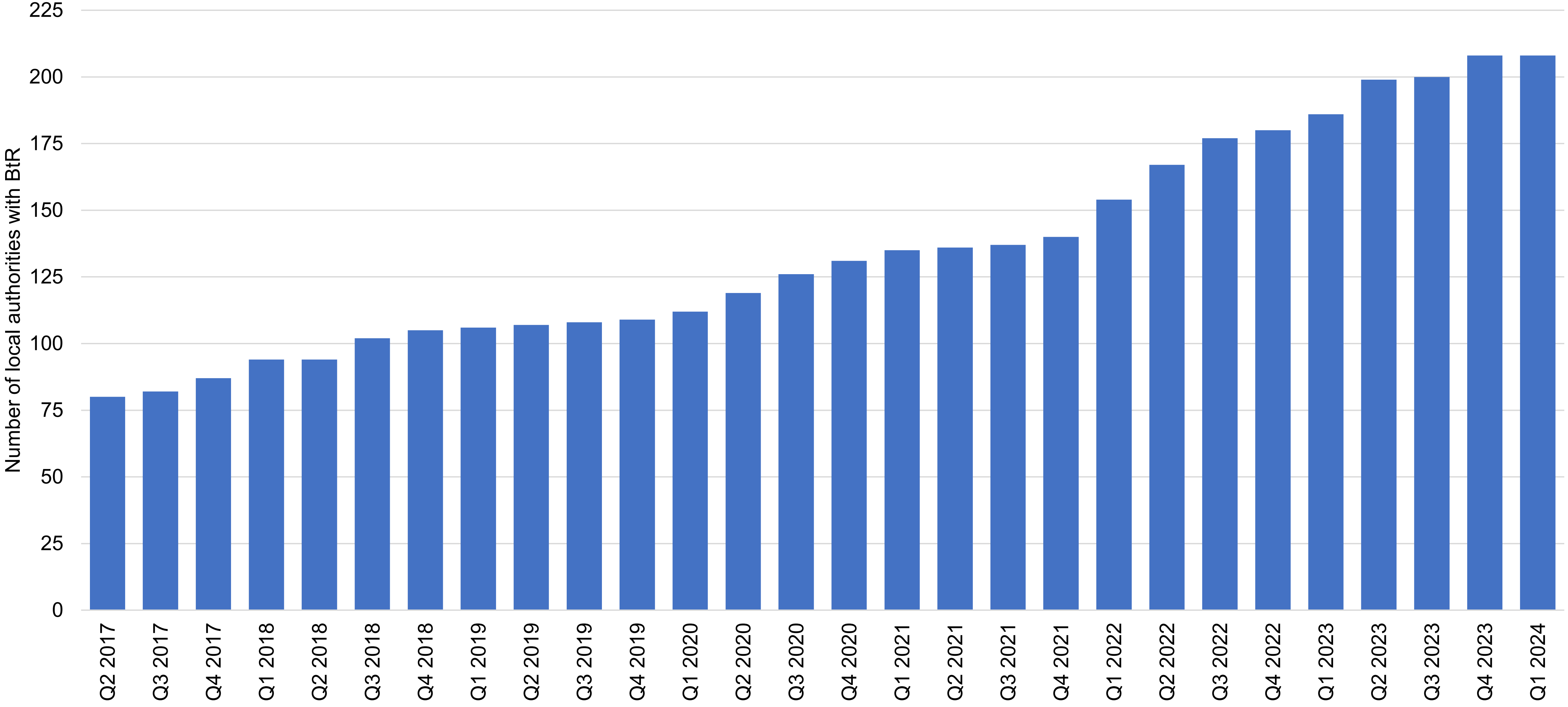
BtR Houses continues to grow

	BtR Apartments (Multifamily)	BtR Houses (Single Family Housing)
Complete	89,763	12,217
Construction	45,594	9,219
Planning	100,282	8,730
Total	235,639	30,166





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



Source: Savills, Molior, British Property Federation

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.