Build-to-Rent Q2 2024

Prepared by Savills for the British Property Federation

July 2024

Key points at the end of Q2 2024

- The total sector pipeline, which includes completed homes, those currently under construction or those in various stages of planning, now stands at nearly 262,000. The latest quarterly data shows that between Q2 2023 and Q2 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 115,778. This is exceptional growth in just a single quarter with completed stock up by 24% over the past 12 months. The number of completions has remained above the number of starts for the third quarter in a row. In the previous quarter, annual completions outpaced annual starts with a gap of 3,400 homes. This has now widened to 10,600 homes.
- With completions now outpacing starts on an annual basis there has been a sharp contraction in the number of homes currently under construction, down -19% compared to Q2 2023. In London, the fall has been larger at -21% to 13,200 compared to the regions which have fallen by -19% to 32,200. In the 12 months to Q2 2024 there were 11,500 starts in total, down -30% from the 2017-19 Q2 average.
- Homes with detailed permission remain at near record levels of 57,000, which can support the future construction pipeline and help starts recover to previous levels. Consented homes have risen 17% compared to Q1 2023. Applications have not been able to keep pace with consents and consequently 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 remains at 208, the same as the previous quarter. We expect this to rick up over the remainder of 2024 as Single Family Housing (Build to Rent Houses) expands across the UK.

Completions

- There are now over 115,000 completed units, an uplift of 24% nationally, year on year.
- Completed homes in London reached a significant milestone of 50,000 but a greater number remain in the regions, at 65,100. The year-on-year increase was greater in the regions (31%) compared to London (15%).
- Annual completions are at record levels. Over 22,000 homes completed in the past 12 months, 2.5x as many as the 2017-19 average.

Under construction

- Nationally, the number of units under construction saw a dip of -19% in Q2 2024 from Q2 2023. This is because homes have been completed faster than new homes have started.
- The number of units under construction has fallen sharply in both London and the regions.
- There remain 13,200 homes under construction in London and 32,000 outside of the capital.

Planning

- The total number of BtR homes in planning saw a slight fall of -2% between Q2 2023 and Q2 2024, to 102,500 homes.
- The number of homes in planning in Q2 2024 is 35,700 in London and 65,000 in the regions.
- The number of homes with detailed permission in Q1 2024 was 59,000. The greatest number of consented sites are in Birmingham (15), Edinburgh (9), Manchester (8) and Leeds (8) and could support the next wave of construction starts.

BtR key statistics for the past year

Status	Q2 2024 Total	Q2 2023 Total	Increase
Complete	115,778	93,621	24%
Under Construction	45,410	56,347	-19%
In Planning	100,681	102,490	-2%
Totals	261,870	252,458	4%

Source: Savills, Molior, British Property Federation

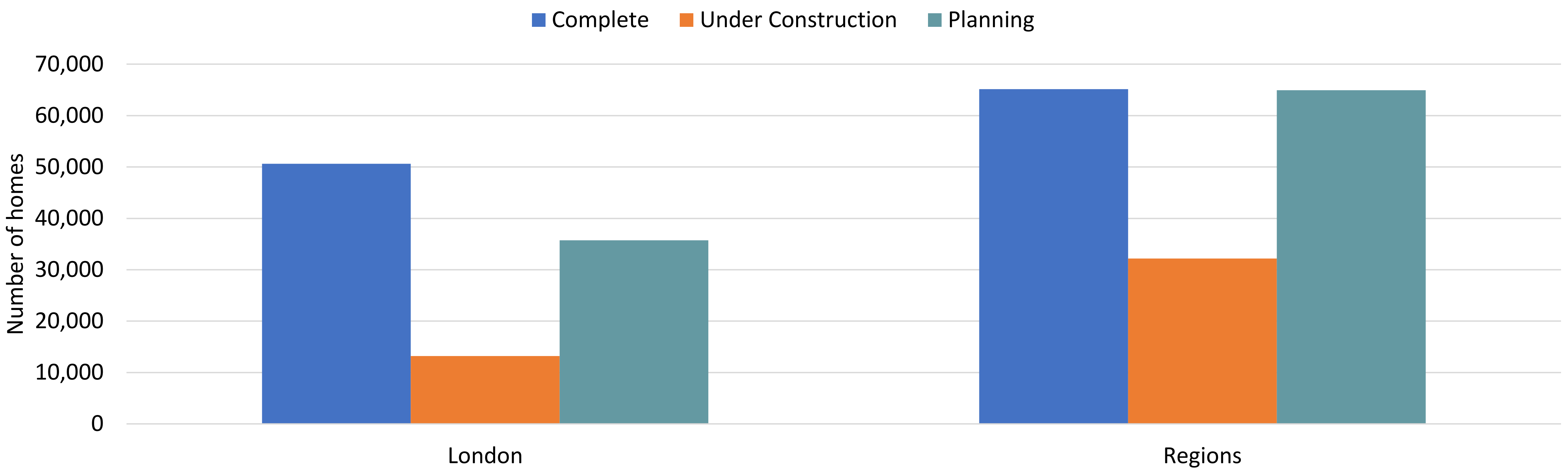
London and regional BtR growth

		Complete	Under construction	Planning	Total
London	Q2 2023	44,049	16,819	35,529	96,397
	Q2 2024	50,610	13,219	35,721	99,550
	% increase	15%	-21%	1%	3%
Region	Q2 2023	49,572	39,528	66,961	156,061
	Q2 2024	65,168	32,191	64,960	162,320
	% increase	31%	-19%	-3%	4%
Total	Q2 2023	93,621	56,347	102,490	252,458
	Q2 2024	115,778	45,410	100,681	261,870
	% increase	24%	-19%	-2%	4%

Source: Savills, Molior, British Property Federation

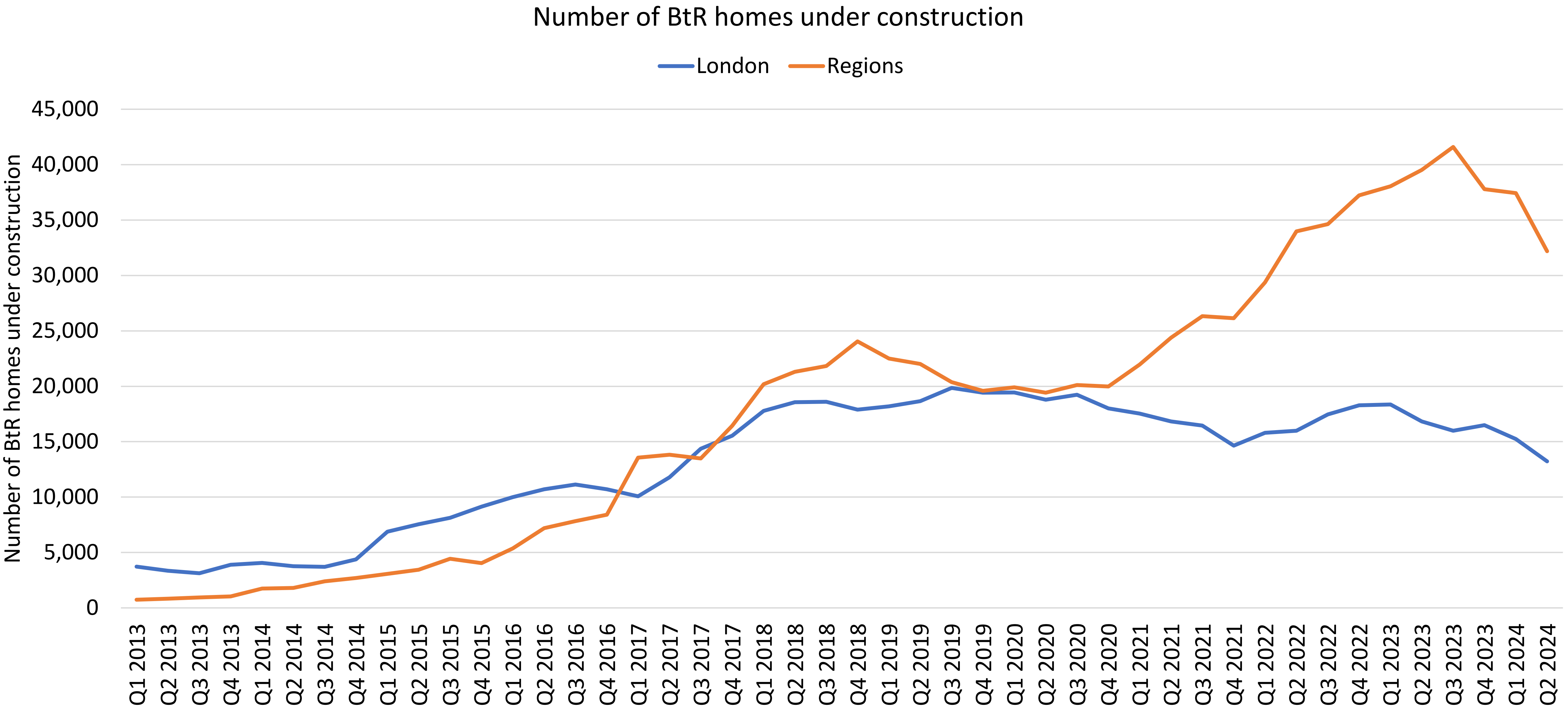
Q2 2024

Status	Complete	Under Construction	Planning	Totals	% of total
London	50,610	13,219	35,721	99,550	38.0%
Regions	65,168	32,191	64,960	162,320	62.0%
Total	115,778	45,410	100,681	261,870	



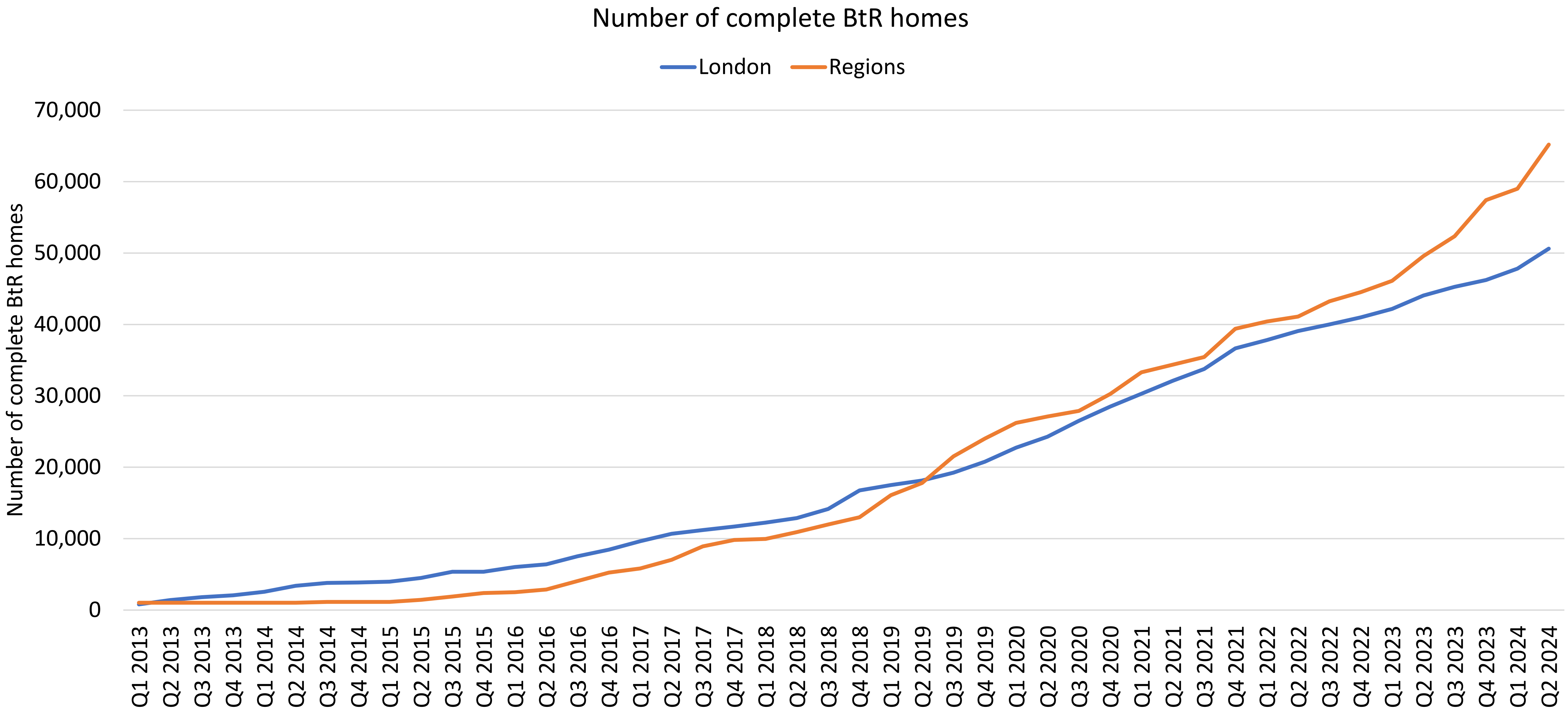
Source: Savills, Molior, British Property Federation

BtR under construction



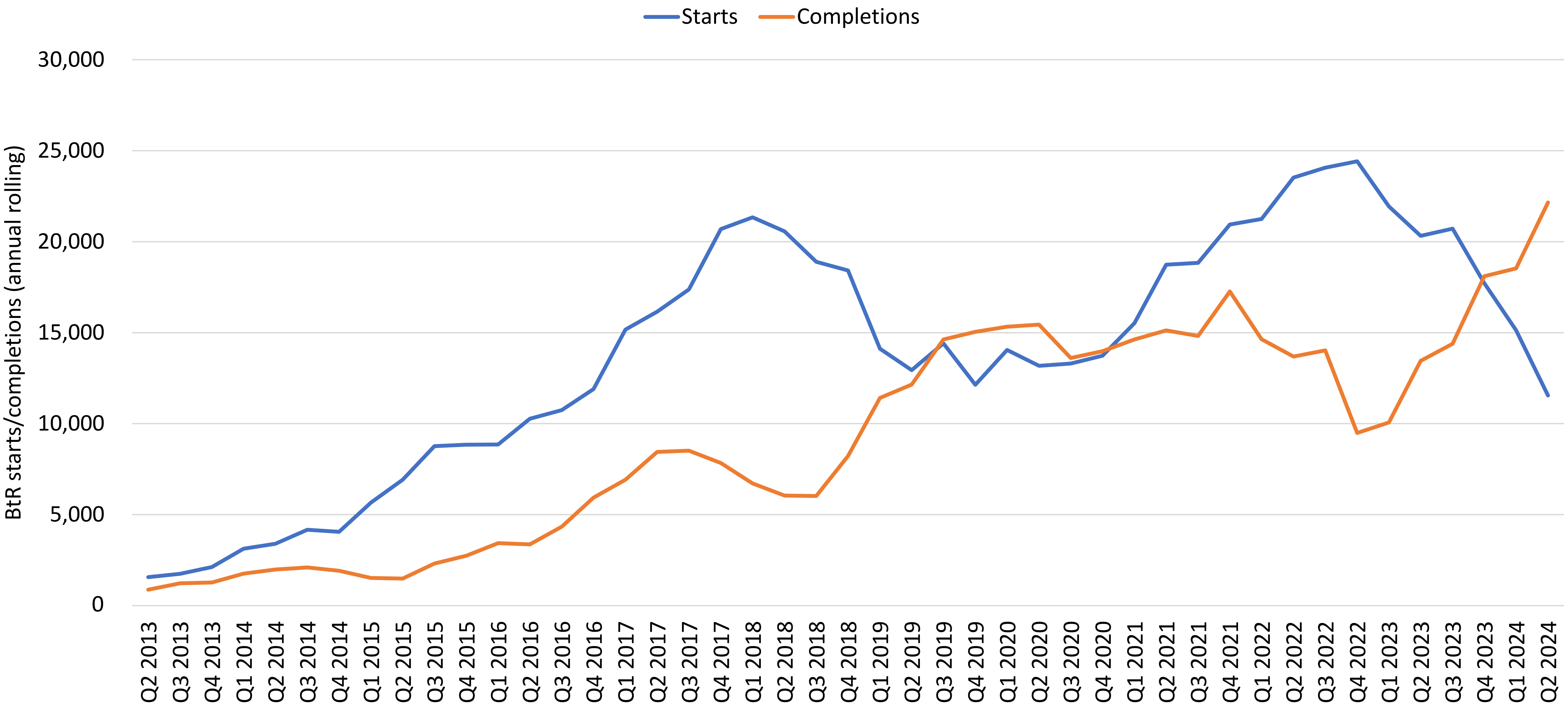
Source: Savills, Molior, British Property Federation

BtR completions (cumulative)



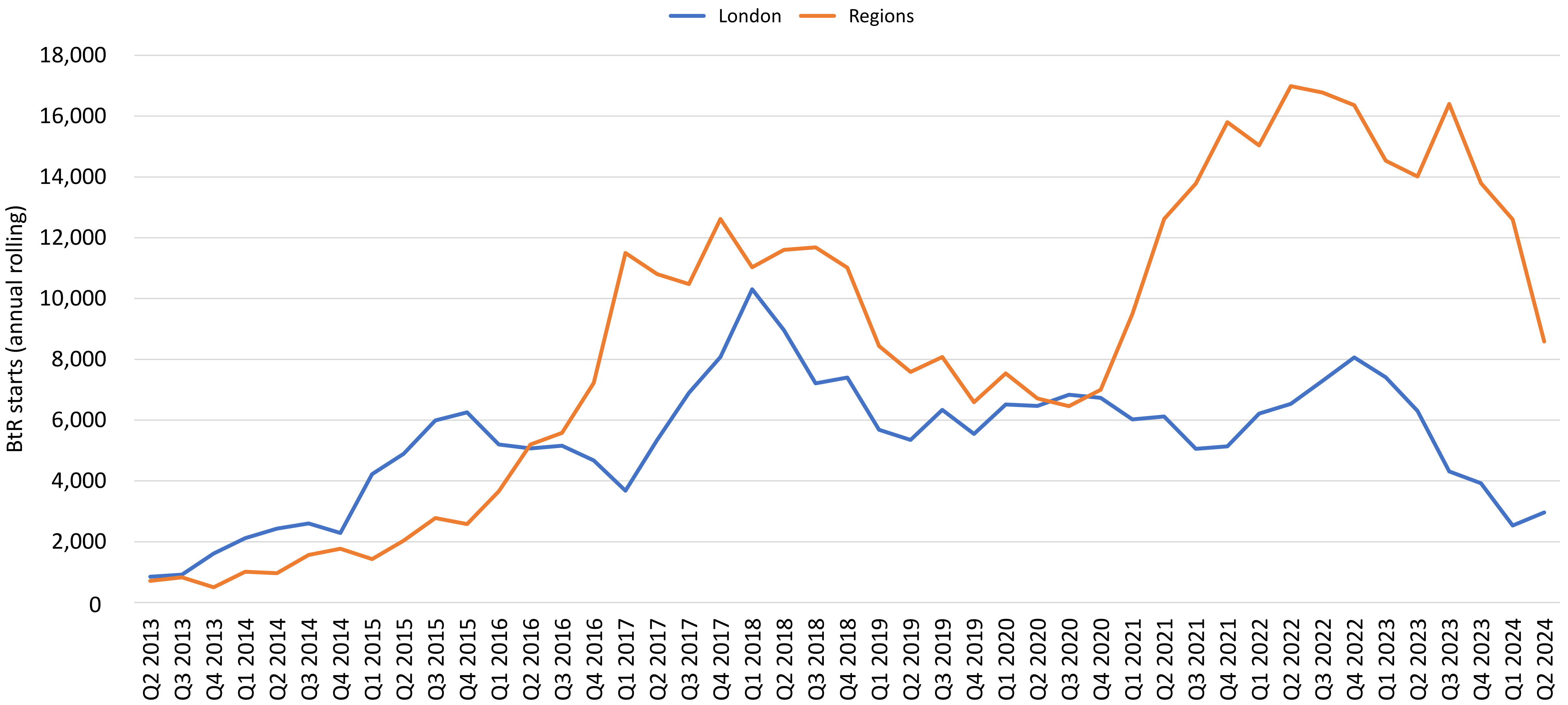
Source: Savills, Molior, British Property Federation

UK BtR starts and completions



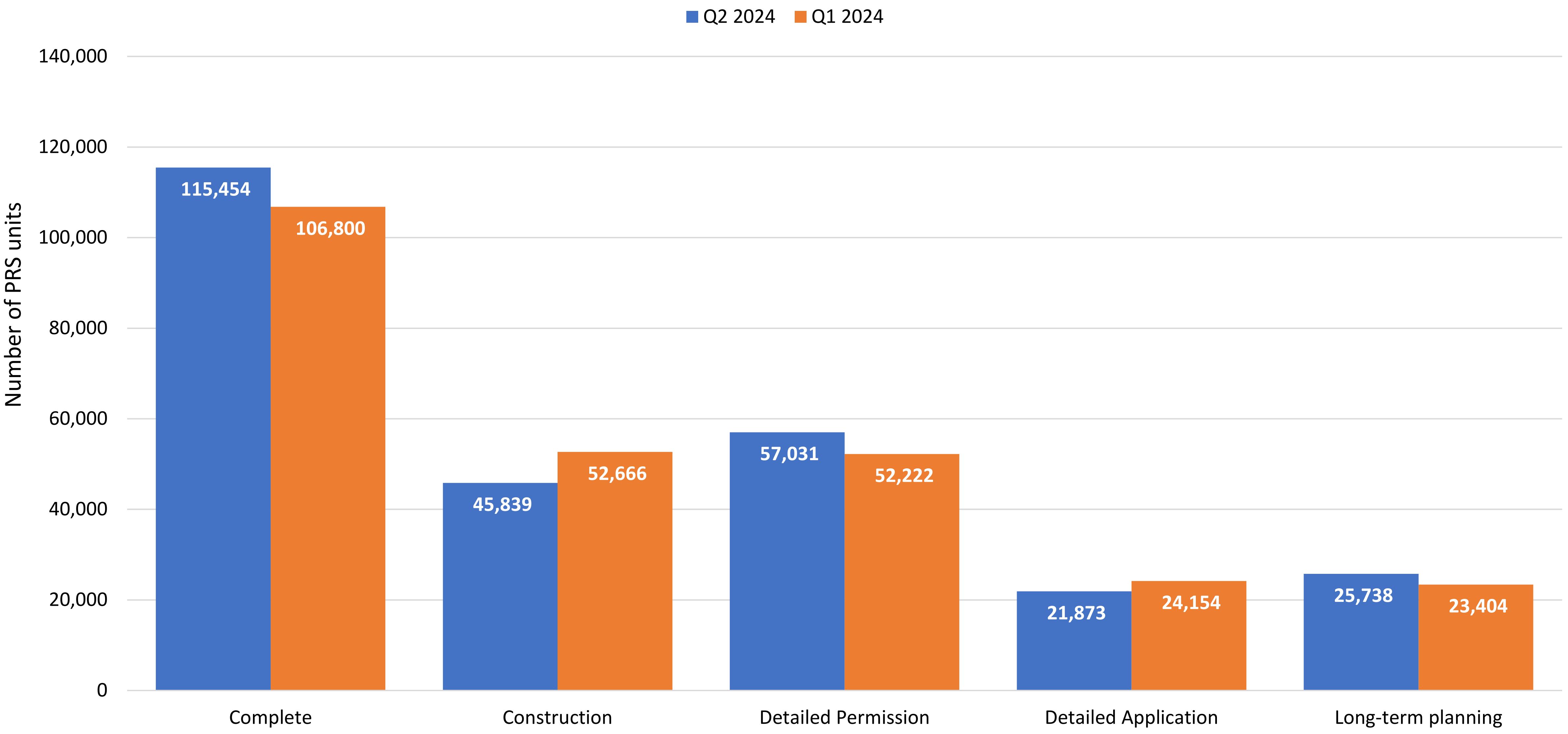
Source: Savills, Molior, British Property Federation

BtR starts – London vs Regions



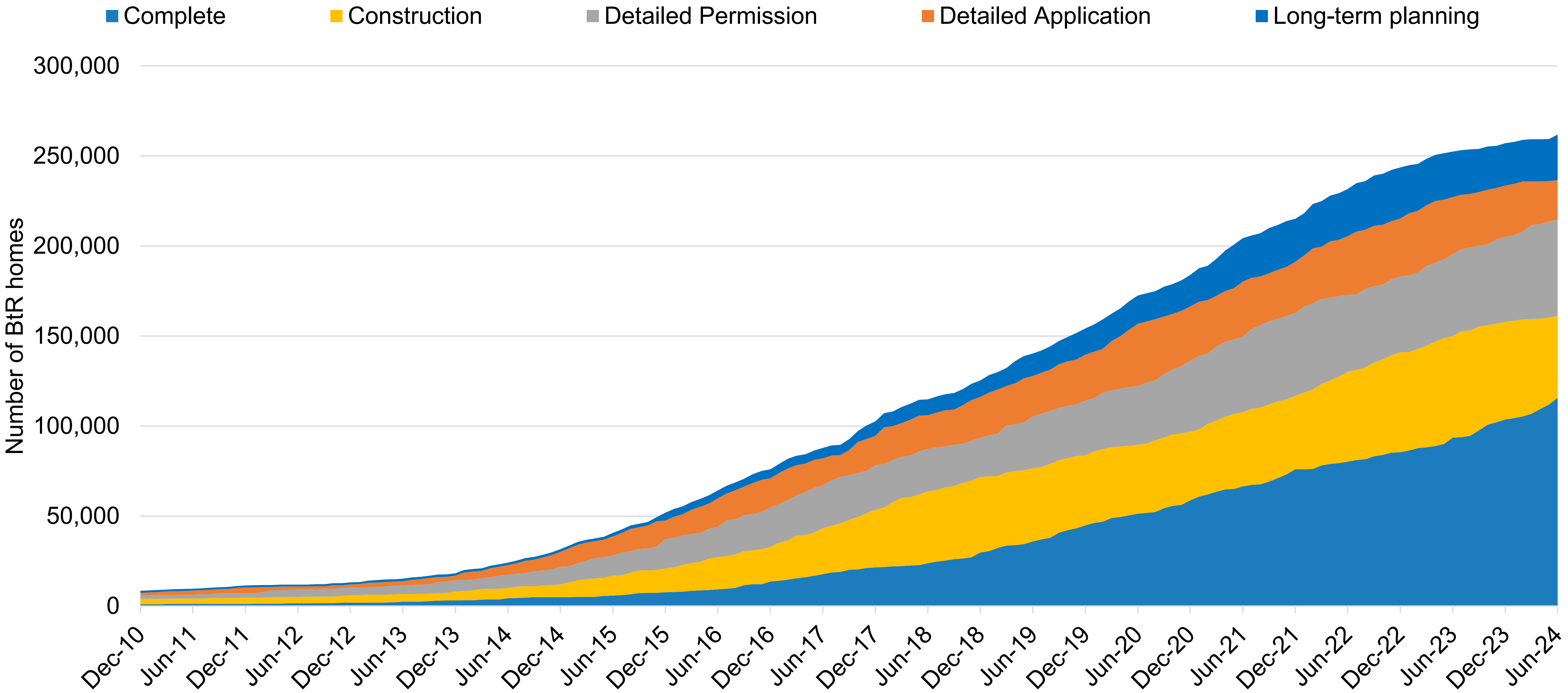
Source: Savills, Molior, British Property Federation

BtR pipeline – quarterly change



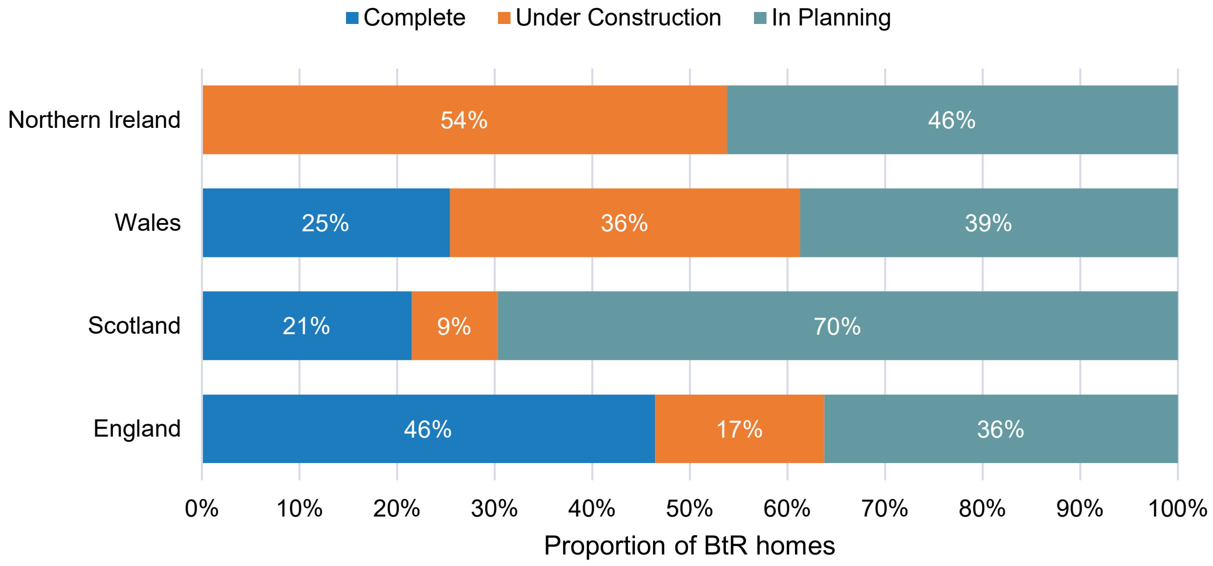
Source: Savills, Molior, British Property Federation

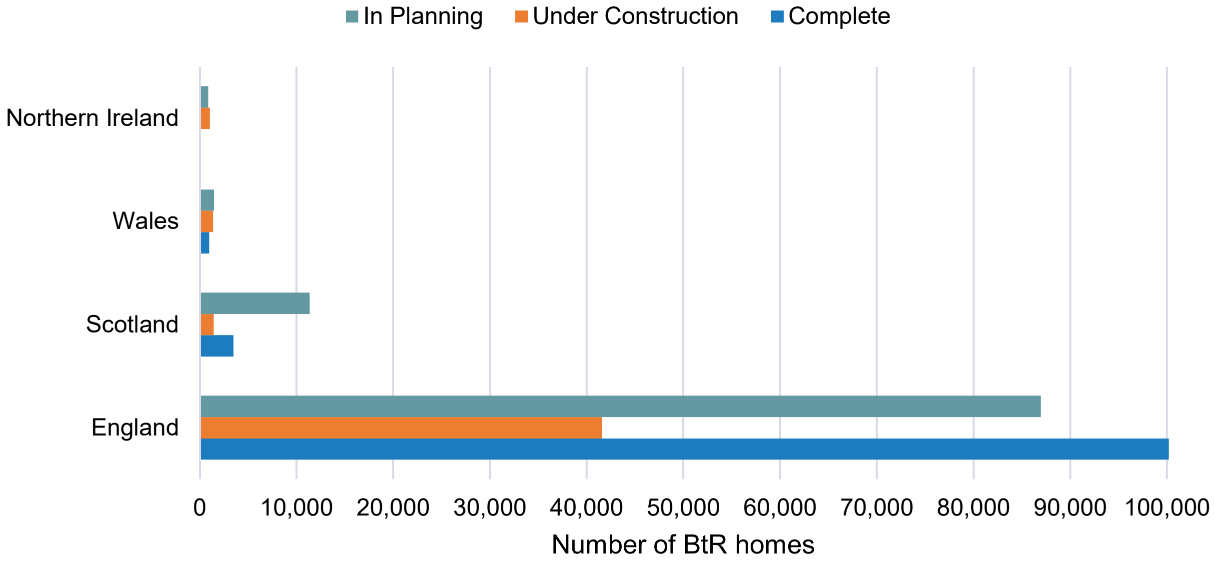
The rise and rise of BtR



Source: Savills, Molior, British Property Federation

BtR growing in most UK countries





England

Status	Q2 2024 Total	Q2 2023 Total	Increase
Complete	111,307	91,032	22%
Under Construction	41,586	51,604	-19%
In Planning	86,957	88,123	-1%
Totals	239,851	230,759	4%

Scotland

Status	Q2 2024 Total	Q2 2023 Total	Increase
Complete	3,503	1,621	116%
Under Construction	1,432	3,129	-54%
In Planning	11,368	11,433	-1%
Totals	16,303	16,183	1%

Wales

Status	Q2 2024 Total	Q2 2023 Total	Increase
Complete	968	968	0%
Under Construction	1,367	1,367	0%
In Planning	1,476	1,276	16%
Totals	3,811	3,611	6%

Northern Ireland

Status	Q2 2024 Total	Q2 2023 Total	Increase
Complete	0	0	0%
Under Construction	1,025	247	315%
In Planning	880	1,658	-47%
Totals	1,905	1,905	0%

Source: Savills, Molior, British Property Federation

Q2 2024: Number of schemes by unit size band

Average scheme size:

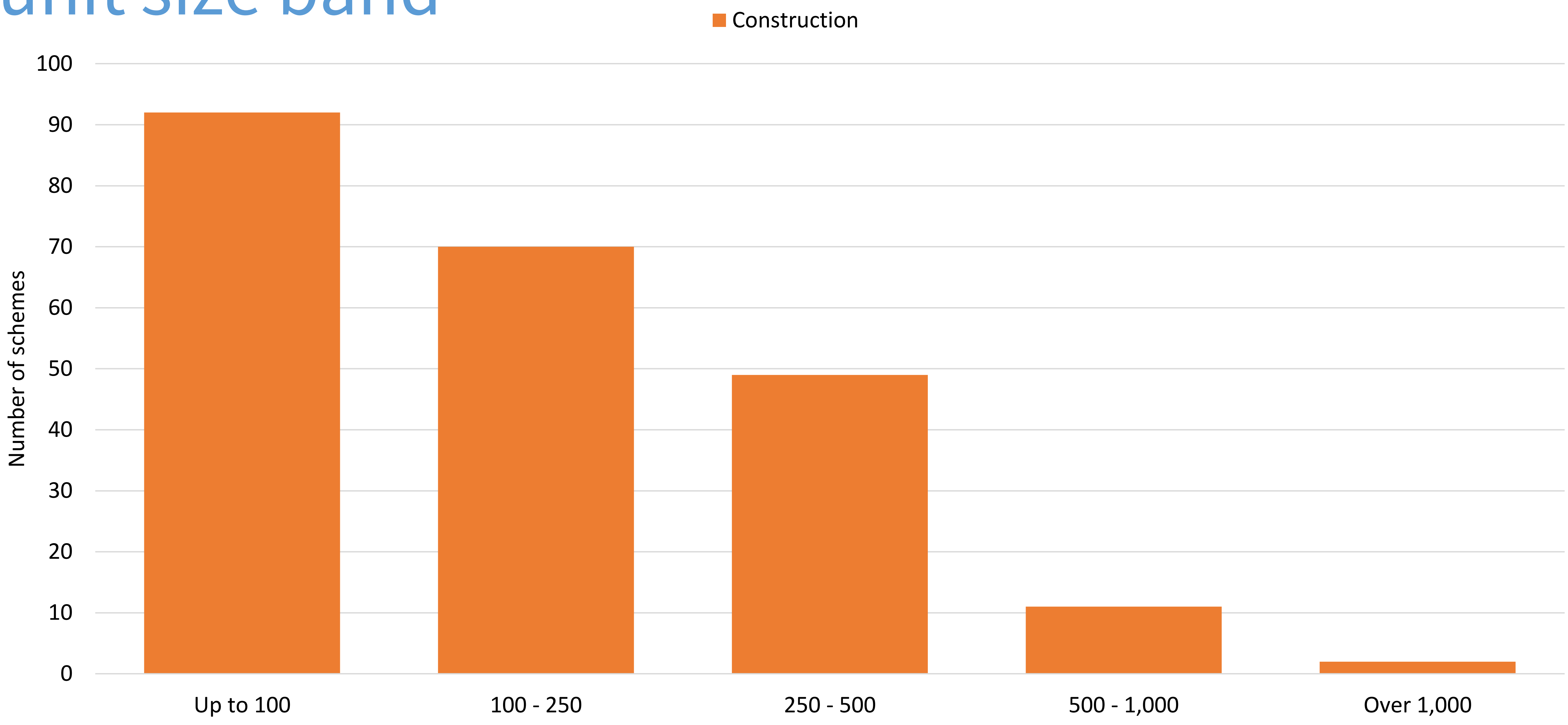
Planning: 282

Construction: 205

Complete: 152

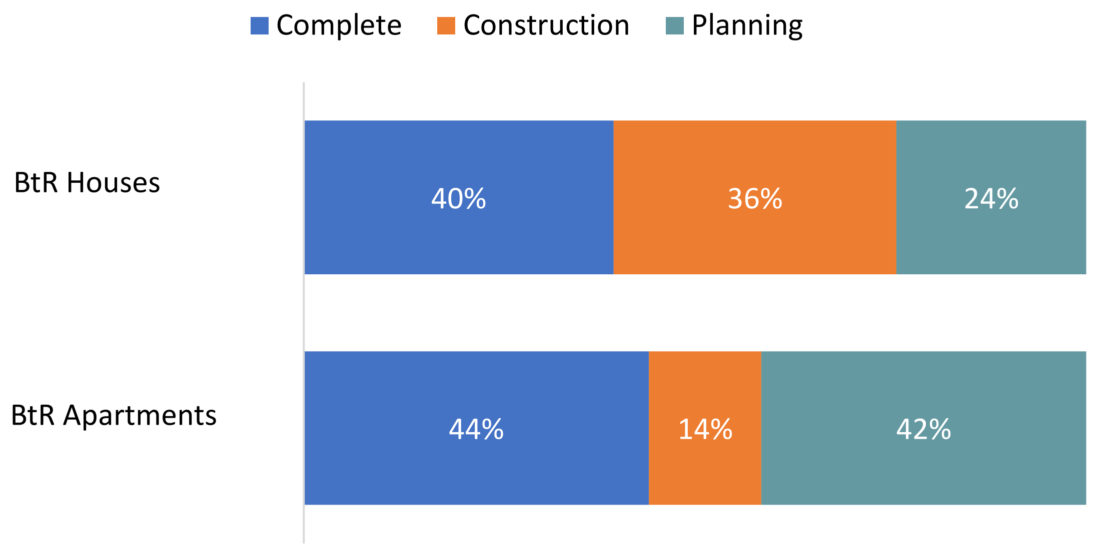
Source: Savills, Molior, British Property Federation

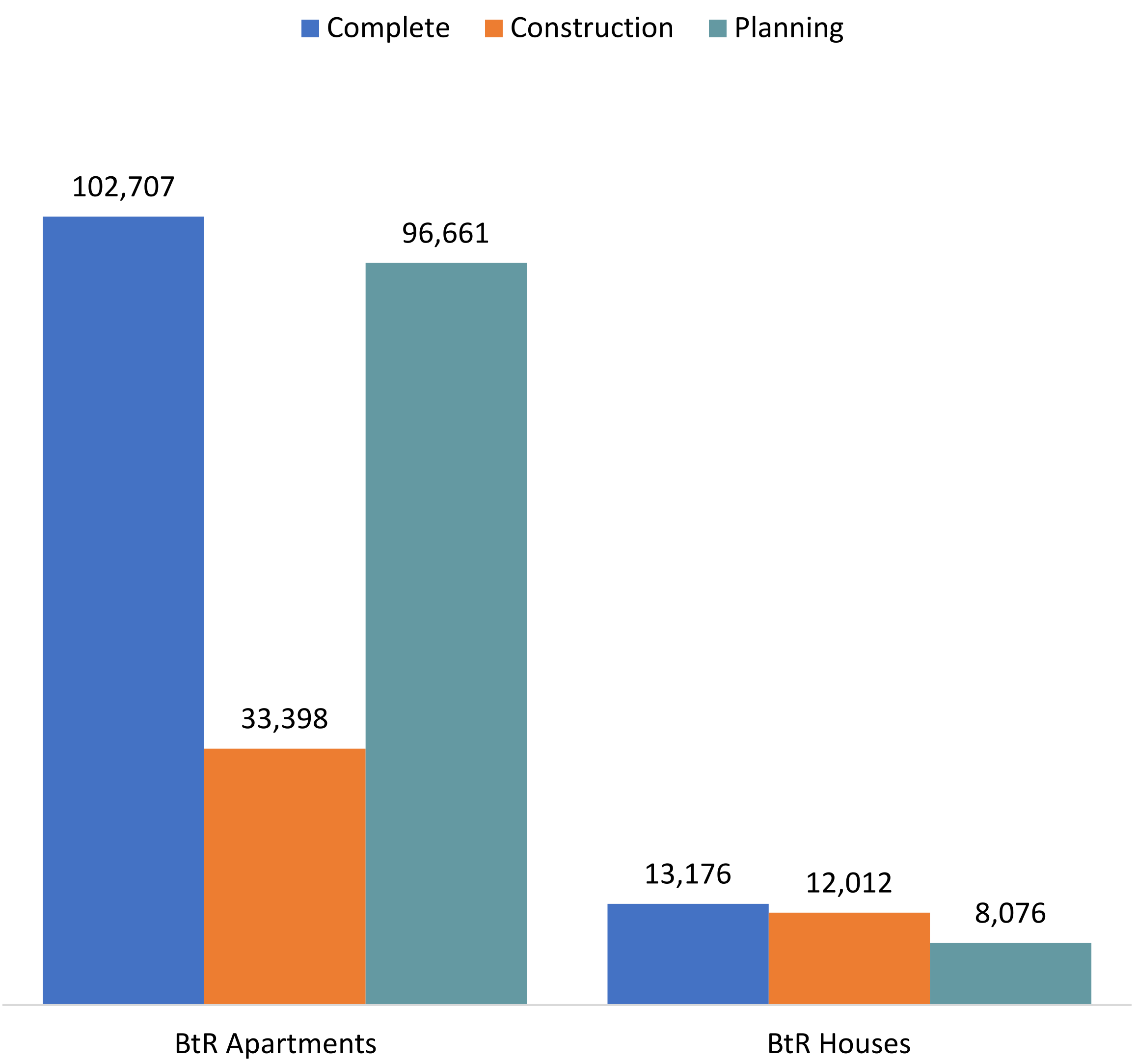
Q2 2024: Schemes under construction by PRS unit size band



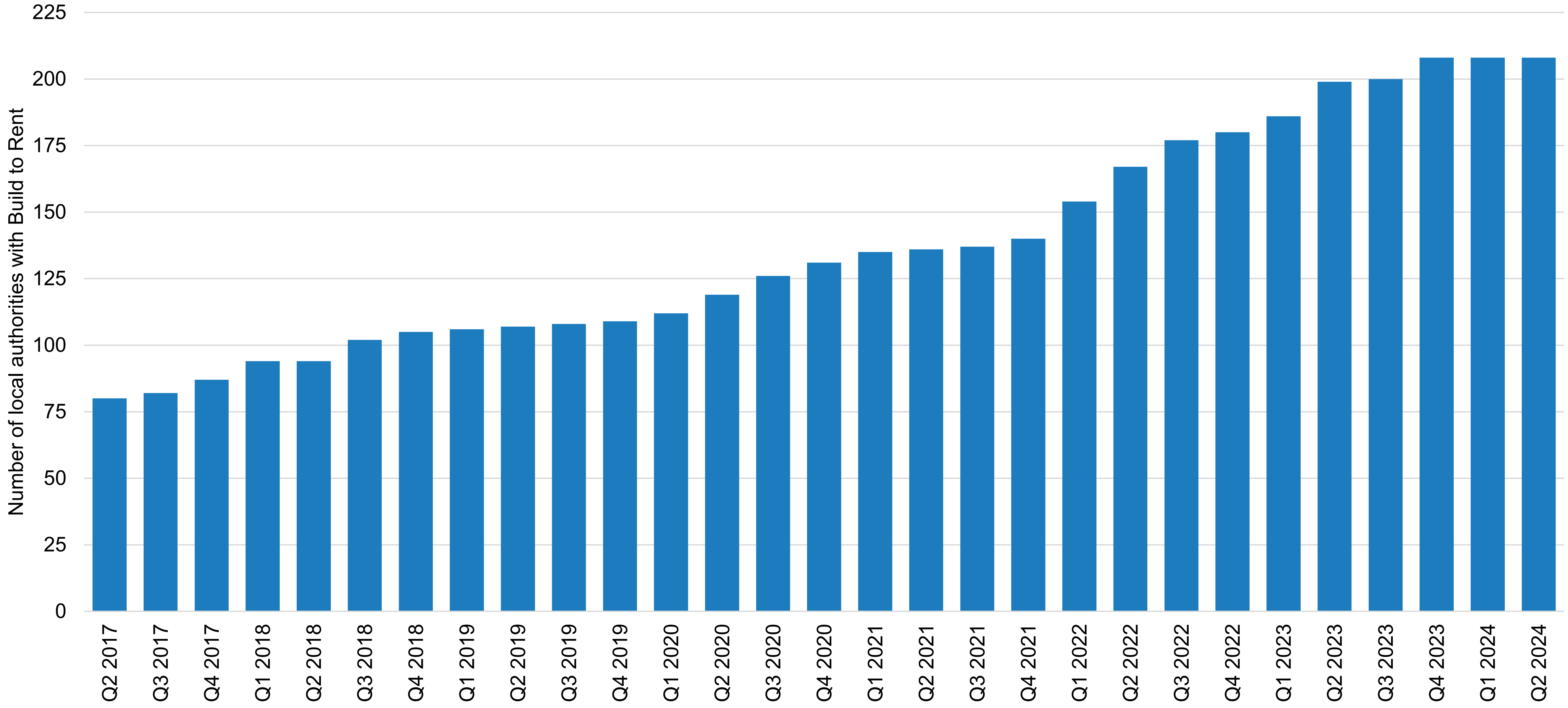
BtR Houses continues to grow

	Build to Rent Apartments (Multifamily)	Build to Rent Houses (Single Family Housing)
Complete	102,707	13,176
Construction	33,398	12,012
Planning	96,661	8,076
Total	232,766	33,264





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.