Build-to-Rent Q3 2024

Prepared by Savills for the British Property Federation

BPF

October 2024

Key points at the end of Q3 2024

BPF

- The total sector pipeline, which includes completed homes, those currently under construction or those in various stages of planning, now stands at over 273,700. The latest quarterly data shows that between Q3 2023 and Q3 2024, the sector grew by 5% across both London and regional BtR markets.
- The total number of completed units has now surpassed 120,000 units, a growth of 23% in completed stock over the past 12 months. This was driven by particularly strong completions in Q2 2024. Since the beginning of the year, the number of completions have exceeded the number of starts, and this trend continued in Q3 2024. 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 10,000 homes. This has now widened to 12,400 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 20% compared to Q3 2023. This contraction has been more substantial in the regions, which dropped by 23% to 34,500 homes, than in London (-11% to 15,500 units). In the 12 months to Q3 2024 there were 9,800 starts in total, down 42% from the 2017-19 Q3 average.
- 54,400 homes have detailed permission, which has the potential to boost starts and support the future construction pipeline. Consented homes have risen 8% compared to Q3 2023, however the number of applications has fallen by 12% over the same period.
- The number of local authorities with BtR in their pipeline has increased to 212 as single-family housing (BtR houses) expands into new markets across the UK.

Completions

- There are now over 120,000 completed units, an uplift of 25% nationally, year on year.
- Completed homes in London reached 51,500, with the regions surpassing 69,000 homes. Growth in the regions (31%) outpaced London (13%).
- Annual completions dropped slightly compared to Q3 2023 but remain more than double the 2017-19 average.

Under construction

- Nationally, the number of units under construction fell by 20% in Q3 2024 compared to Q3 2023 as the number of starts has failed to keep apace with completions.
- The number of units under construction has fallen sharply across the country, albeit more sharply in the regions (-23%) than in London (-11%).
- There remain 15,500 homes under construction in London and 34,500 outside of the capital.

Planning

- The total number of BtR homes in planning increased by 3% in the 12 months to Q3 2024, to over 103,000 homes.
- The number of homes in planning in Q2 2024 is 33,800 in London and 69,400 in the regions.
- While consented units have increased, the number of homes in detailed applications has fallen by 12% since last quarter which may inhibit longer-term supply.

BtR key statistics for the past year

Status	Q3 2024 Total	Q3 2023 Total	Increase
Complete	120,520	98,253	23%
Under Construction	50,064	62,511	-20%
In Planning	103,175	99,918	3%
Totals	273,760	260,683	5%

Source: Savills, Molior, British Property Federation

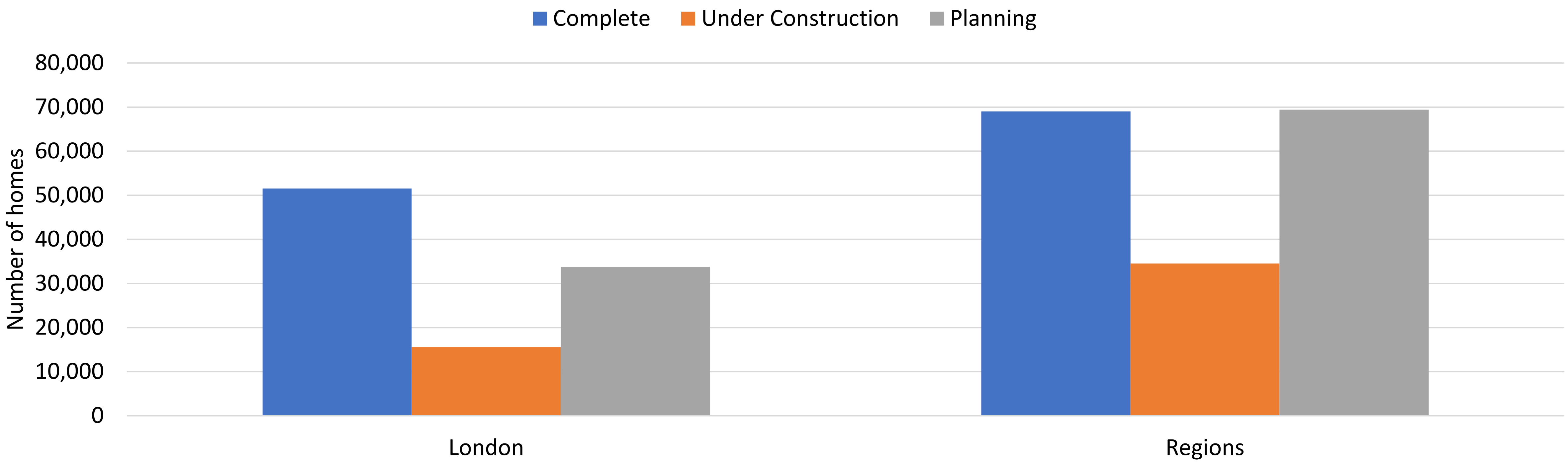
London and regional BtR growth

		Complete	Under construction	Planning	Total
London	Q3 2023	45,506	17,441	33,390	96,337
	Q3 2024	51,516	15,526	33,756	100,798
	% increase	13%	-11%	1%	5%
Regions	Q3 2023	52,747	45,070	66,528	164,346
	Q3 2024	69,004	34,538	69,419	172,962
	% increase	31%	-23%	4%	5%
Total	Q3 2023	98,253	62,511	99,918	260,683
	Q3 2024	120,520	50,064	103,175	273,760
	% increase	23%	-20%	3%	5%

Source: Savills, Molior, British Property Federation

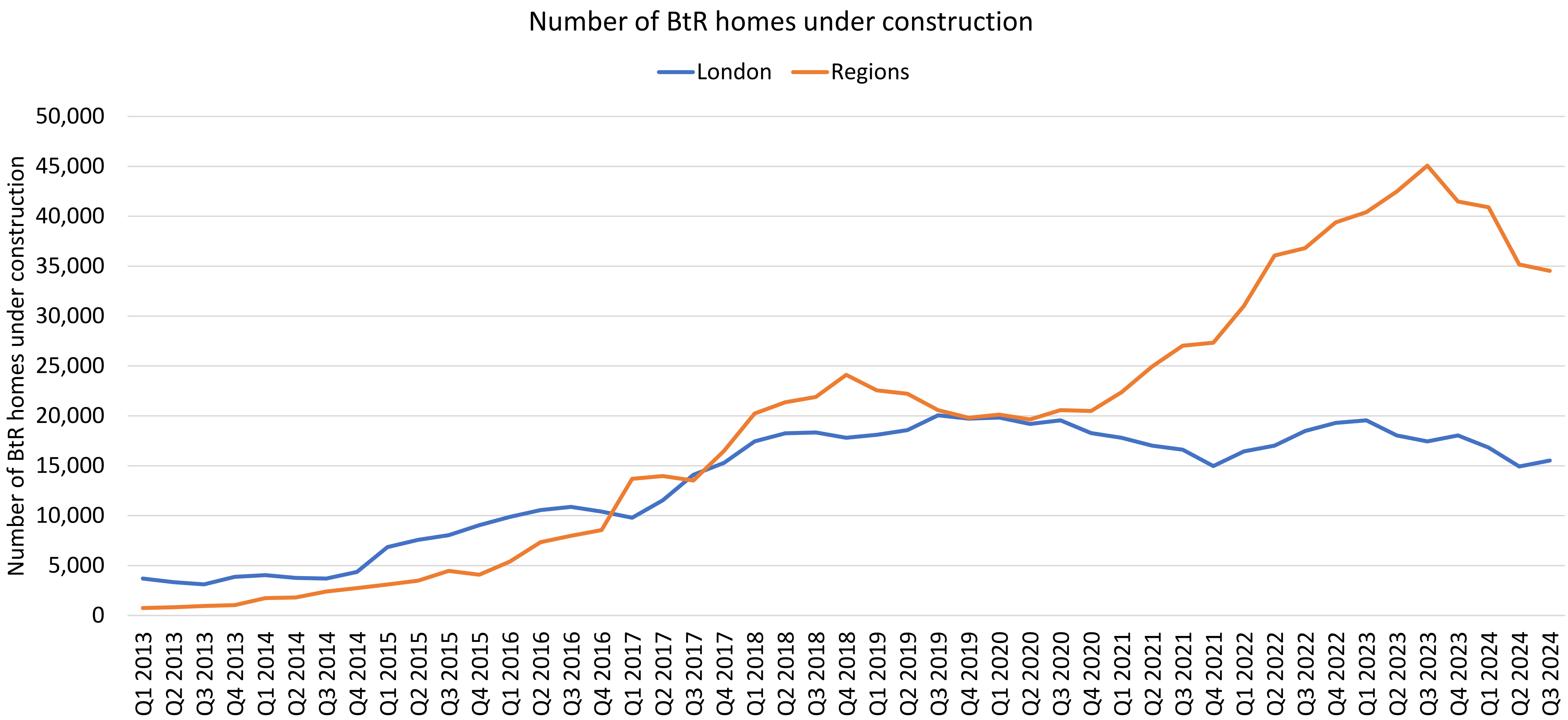
Q3 2024

Status	Complete	Under Construction	Planning	Totals	% of total
London	51,516	15,526	33,756	100,798	36.8%
Regions	69,004	34,538	69,419	172,962	63.2%
Total	120,520	50,064	103,175	273,760	



Source: Savills, Molior, British Property Federation

BtR under construction



Source: Savills, Molior, British Property Federation

BtR completions (cumulative)

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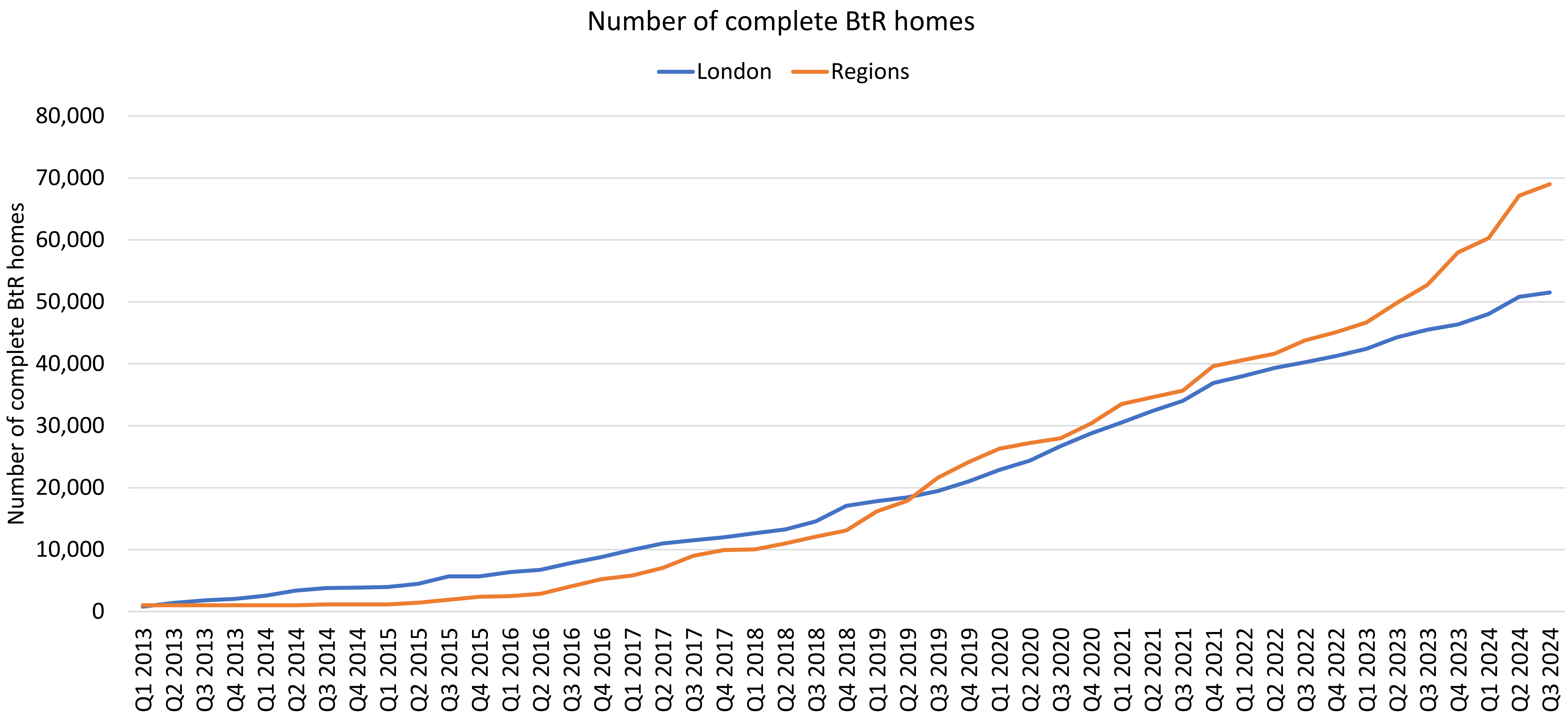
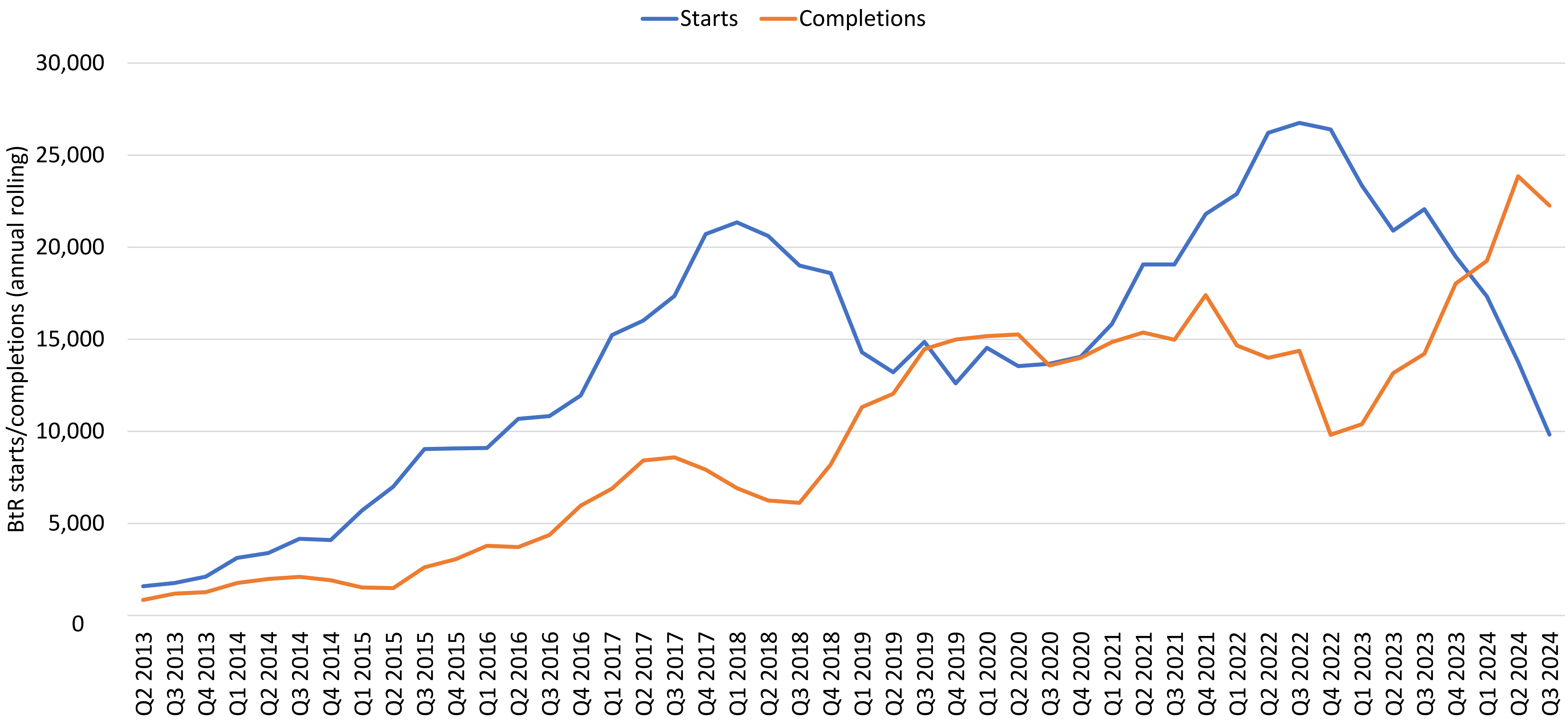


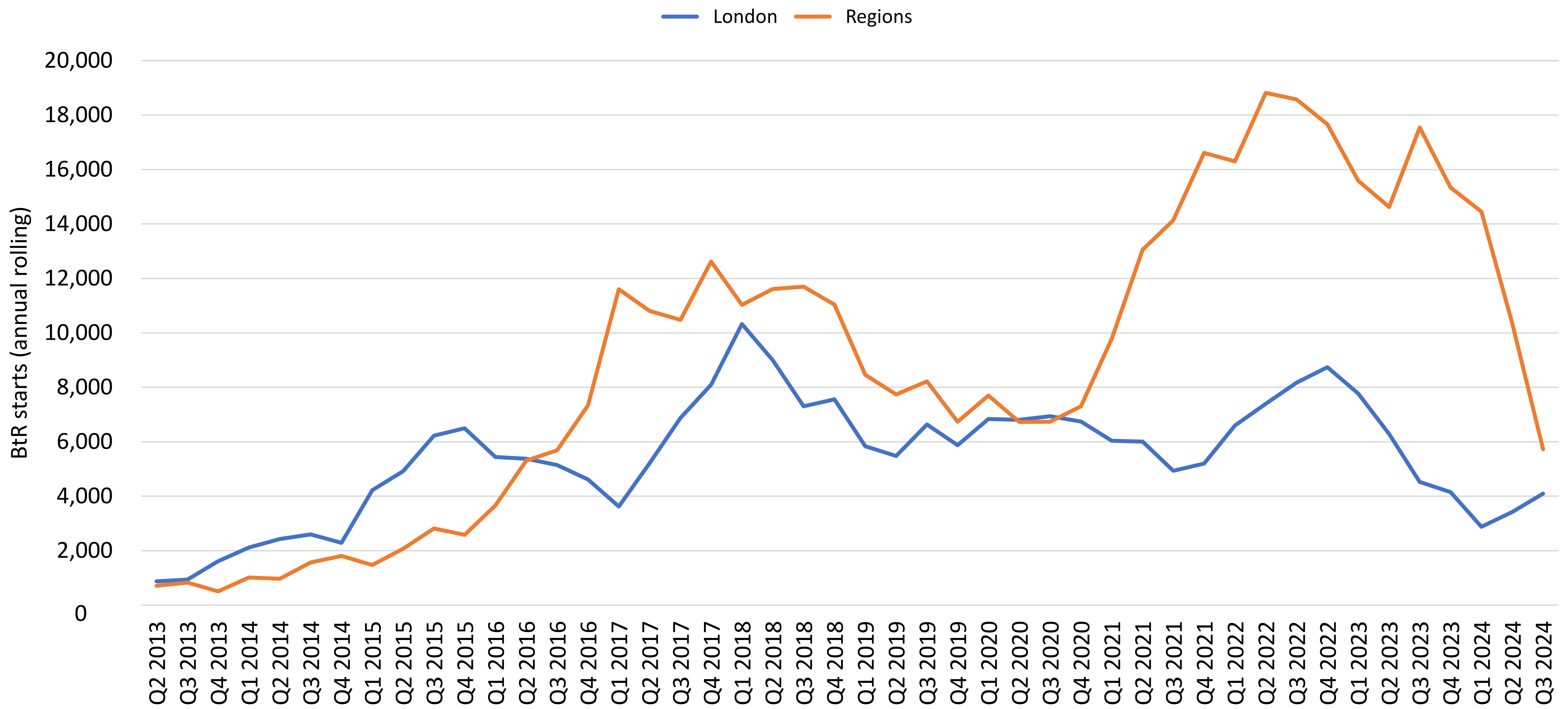
Source: Savills, Molior, British Property Federation

UK BtR starts and completions



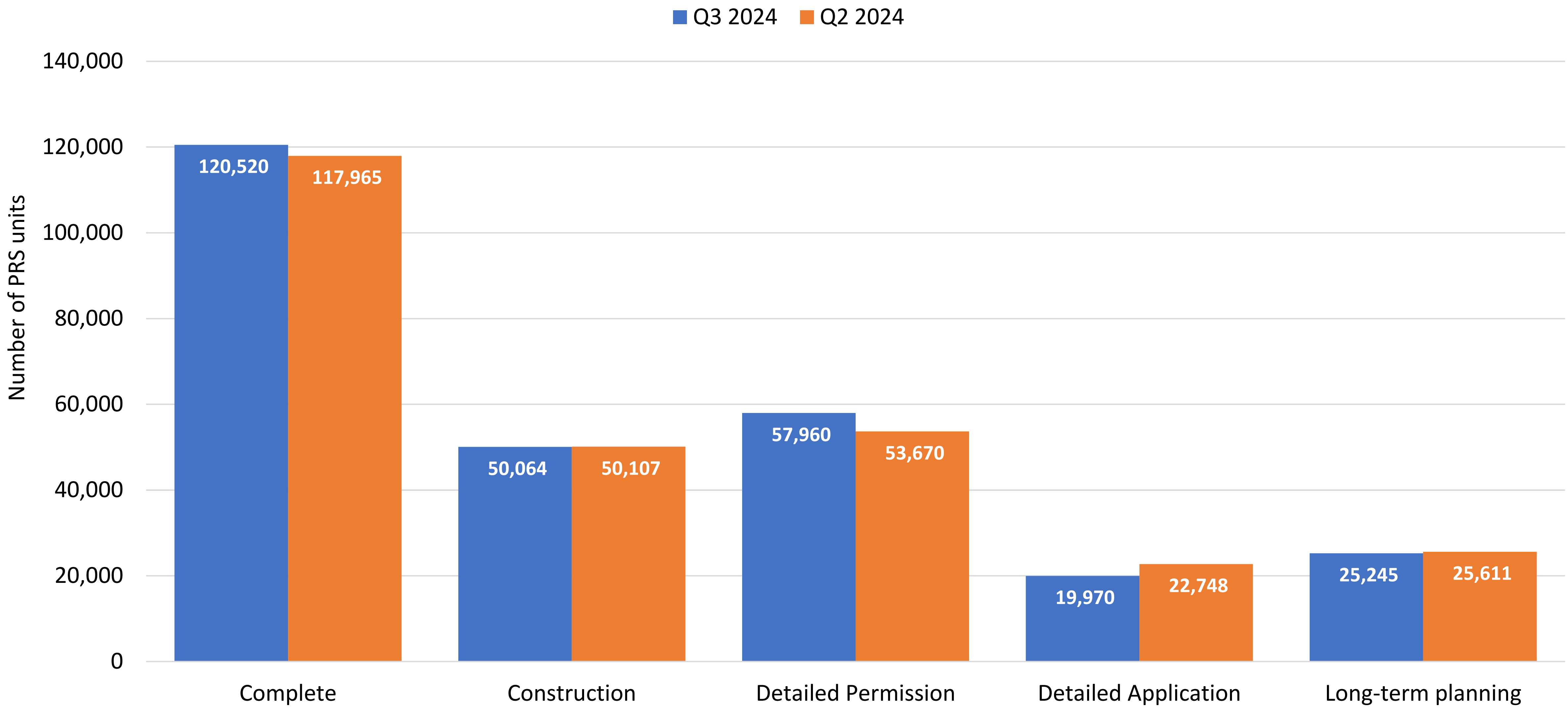
Source: Savills, Molior, British Property Federation

BtR starts – London vs Regions



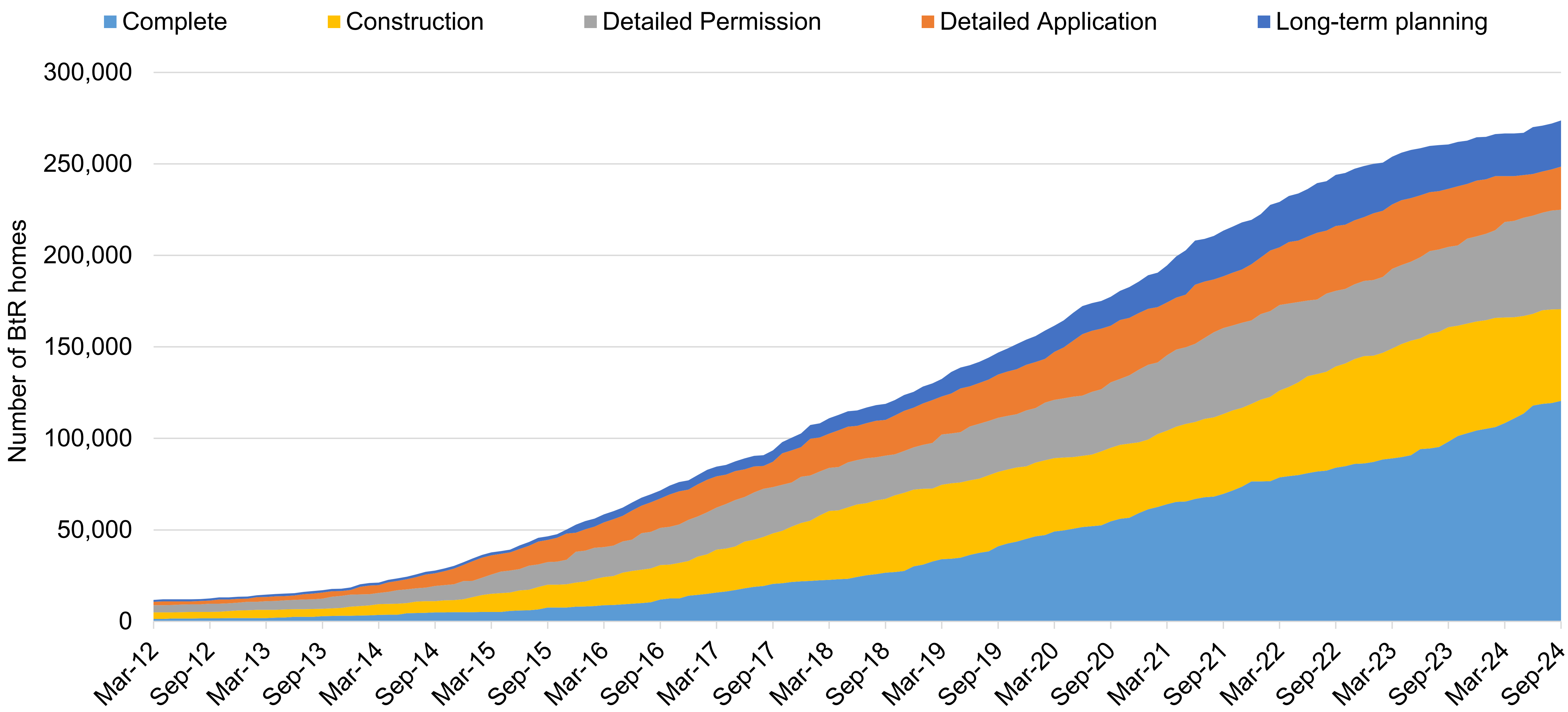
Source: Savills, Molior, British Property Federation

BtR pipeline – quarterly change



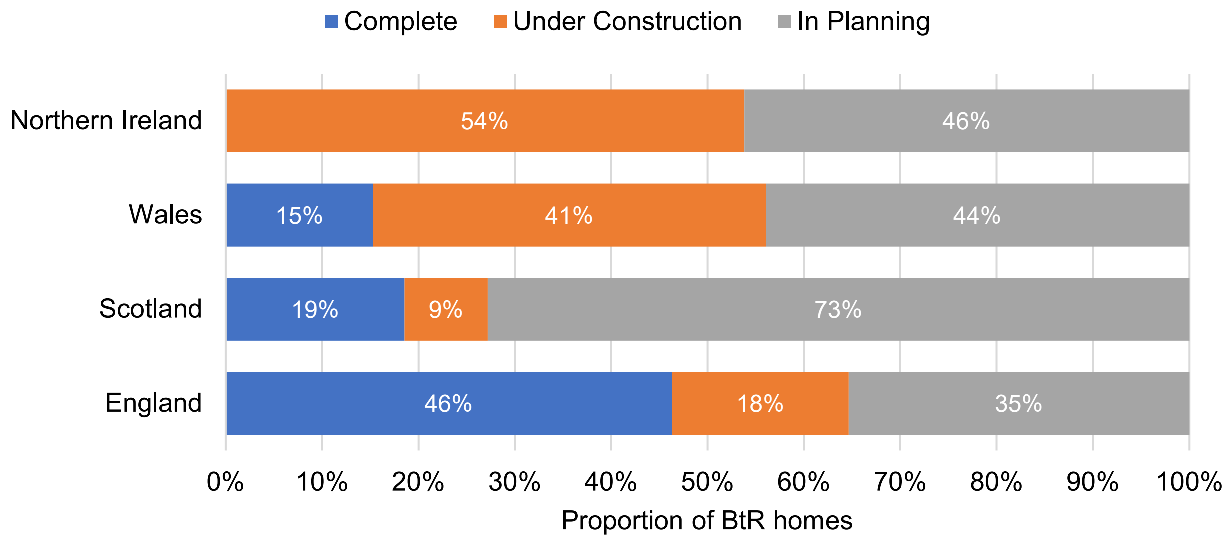
Source: Savills, Molior, British Property Federation

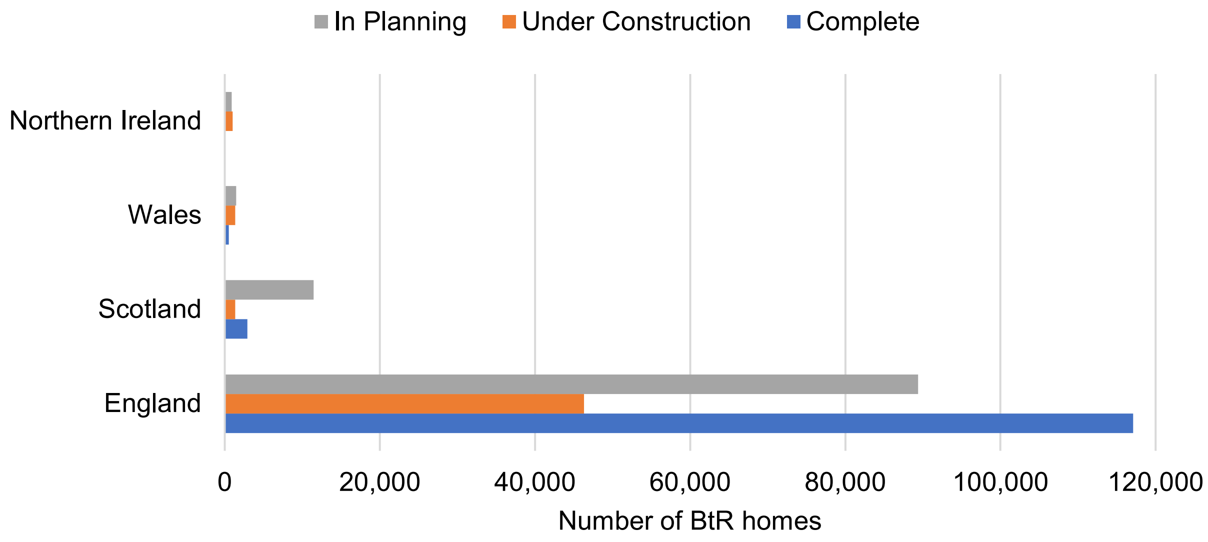
The rise and rise of BtR



Source: Savills, Molior, British Property Federation

BtR growing in most UK countries





England

Status	Q3 2024 Total	Q3 2023 Total	Increase
Complete	117,090	96,307	22%
Under Construction	46,319	57,282	-19%
In Planning	89,384	86,474	3%
Totals	252,794	240,064	5%

Scotland

Status	Q3 2024 Total	Q3 2023 Total	Increase
Complete	2,916	1,792	63%
Under Construction	1,353	2,477	-45%
In Planning	11,435	11,288	1%
Totals	15,704	15,557	1%

Wales

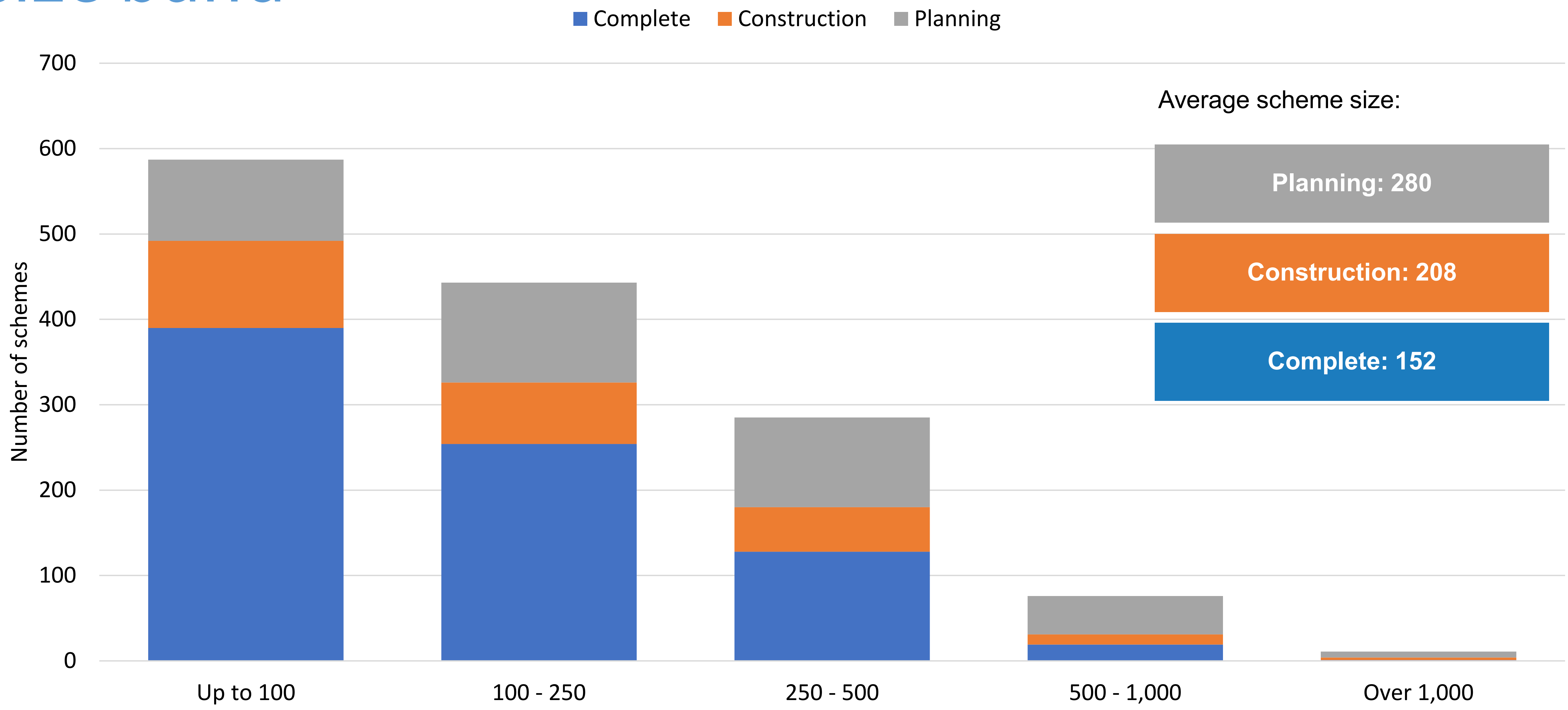
Status	Q3 2024 Total	Q3 2023 Total	Increase
Complete	514	154	234%
Under Construction	1,367	1,727	-21%
In Planning	1,476	1,276	16%
Totals	3,357	3,157	6%

Northern Ireland

Status	Q3 2024 Total	Q3 2023 Total	Increase
Complete	0	0	-
Under Construction	1,025	1,025	0%
In Planning	880	880	0%
Totals	1,905	1,905	0%

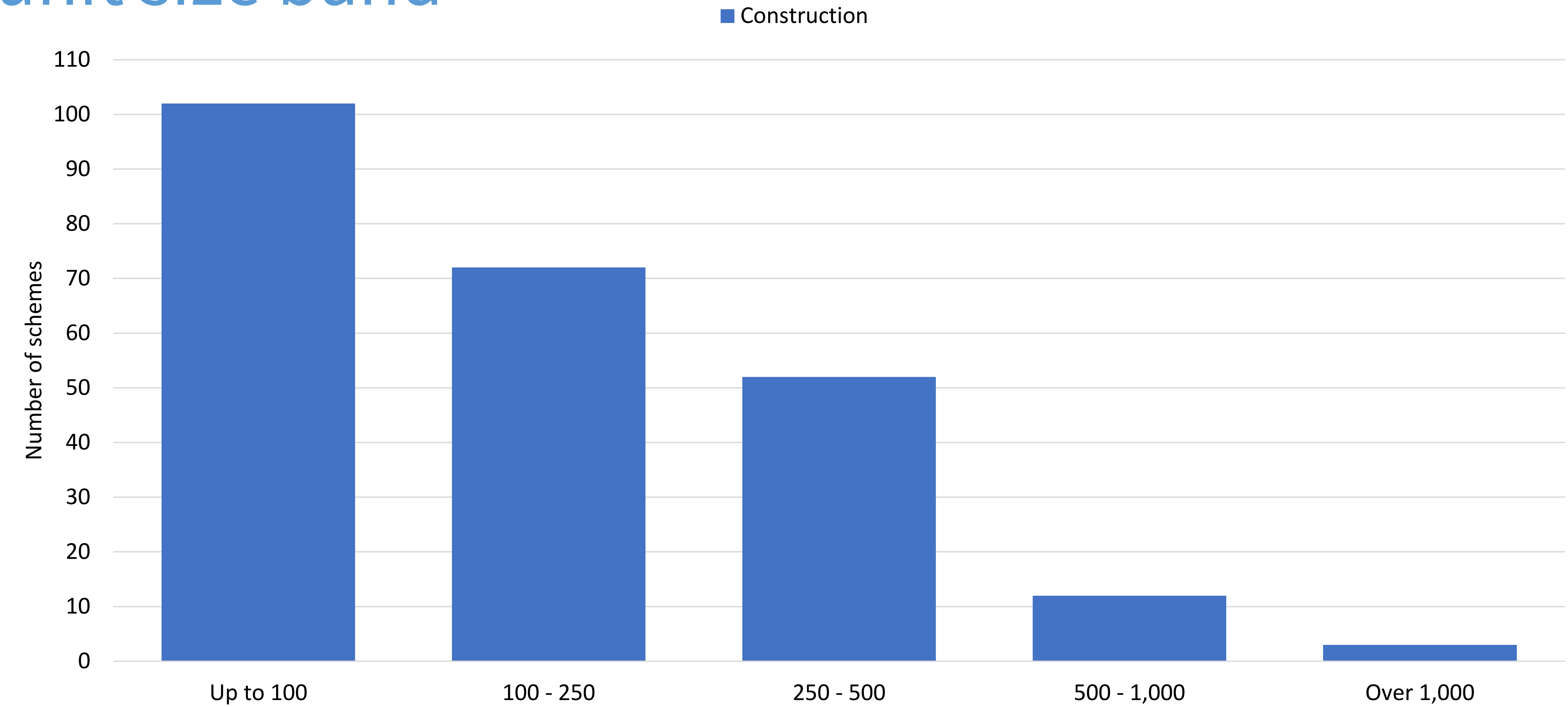
Source: Savills, Molior, British Property Federation

Q3 2024: Number of schemes by unit size band



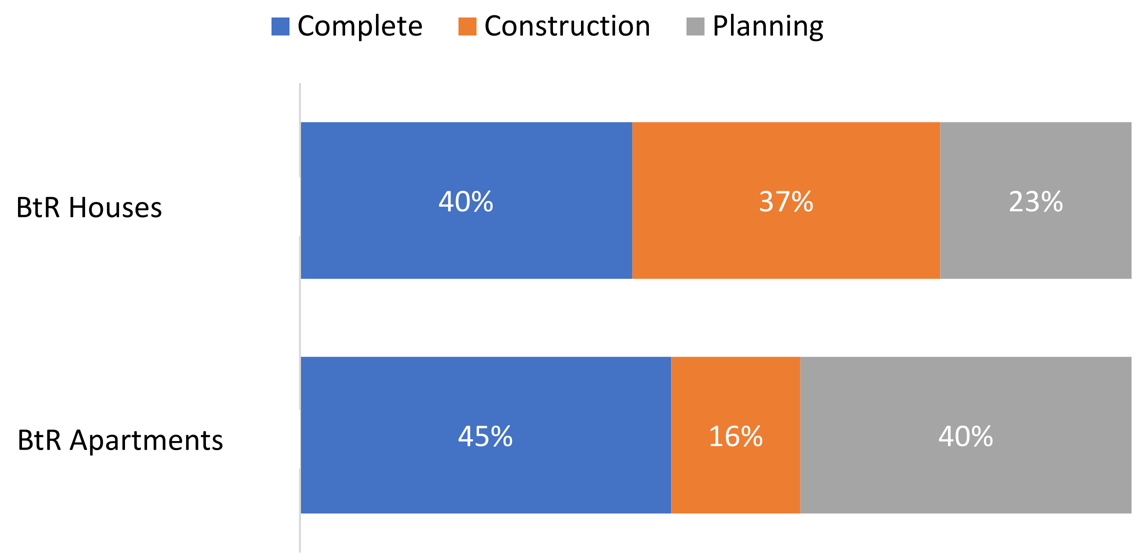
Source: Savills, Molior, British Property Federation

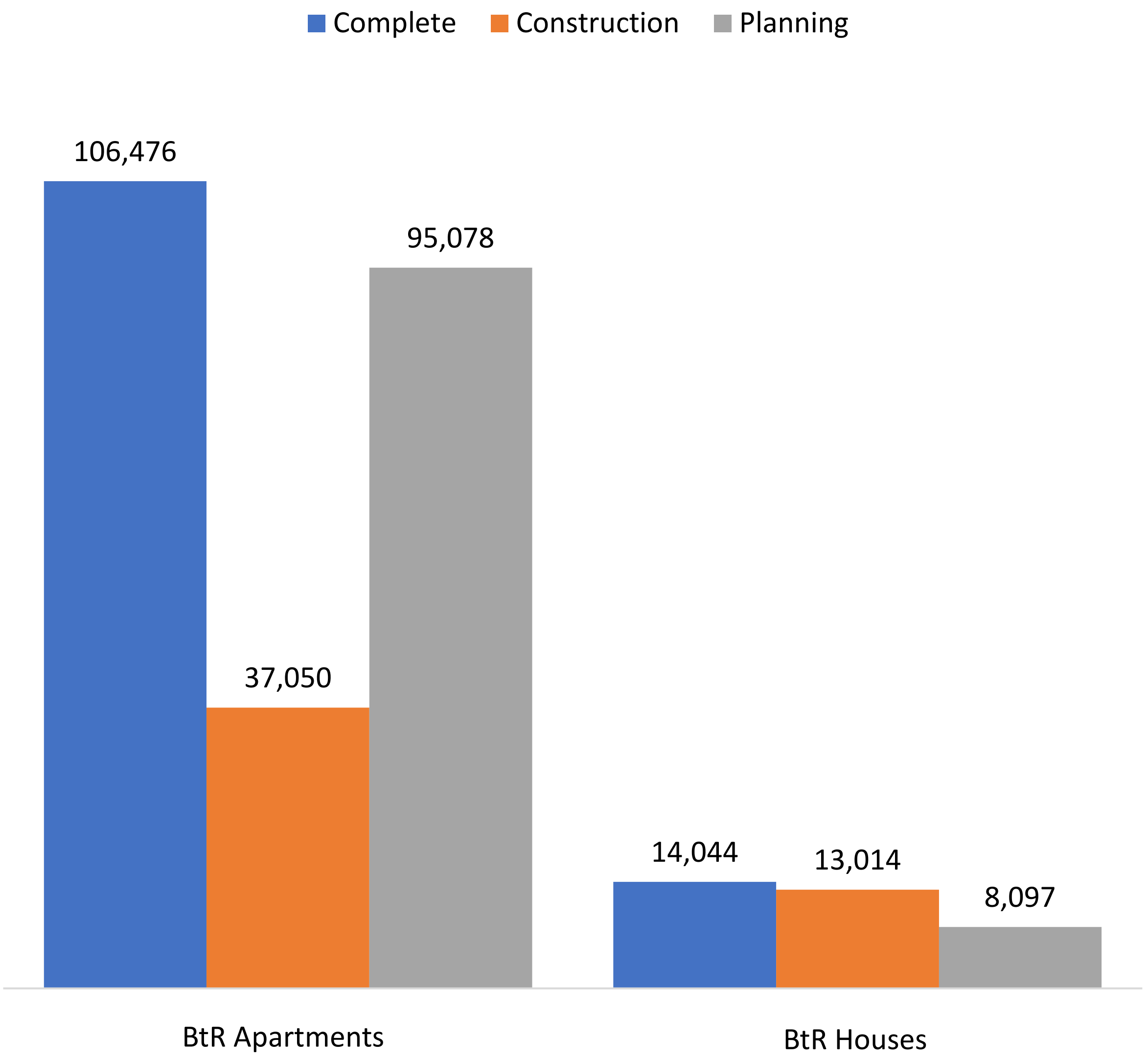
Q3 2024: Schemes under construction by PRS unit size band



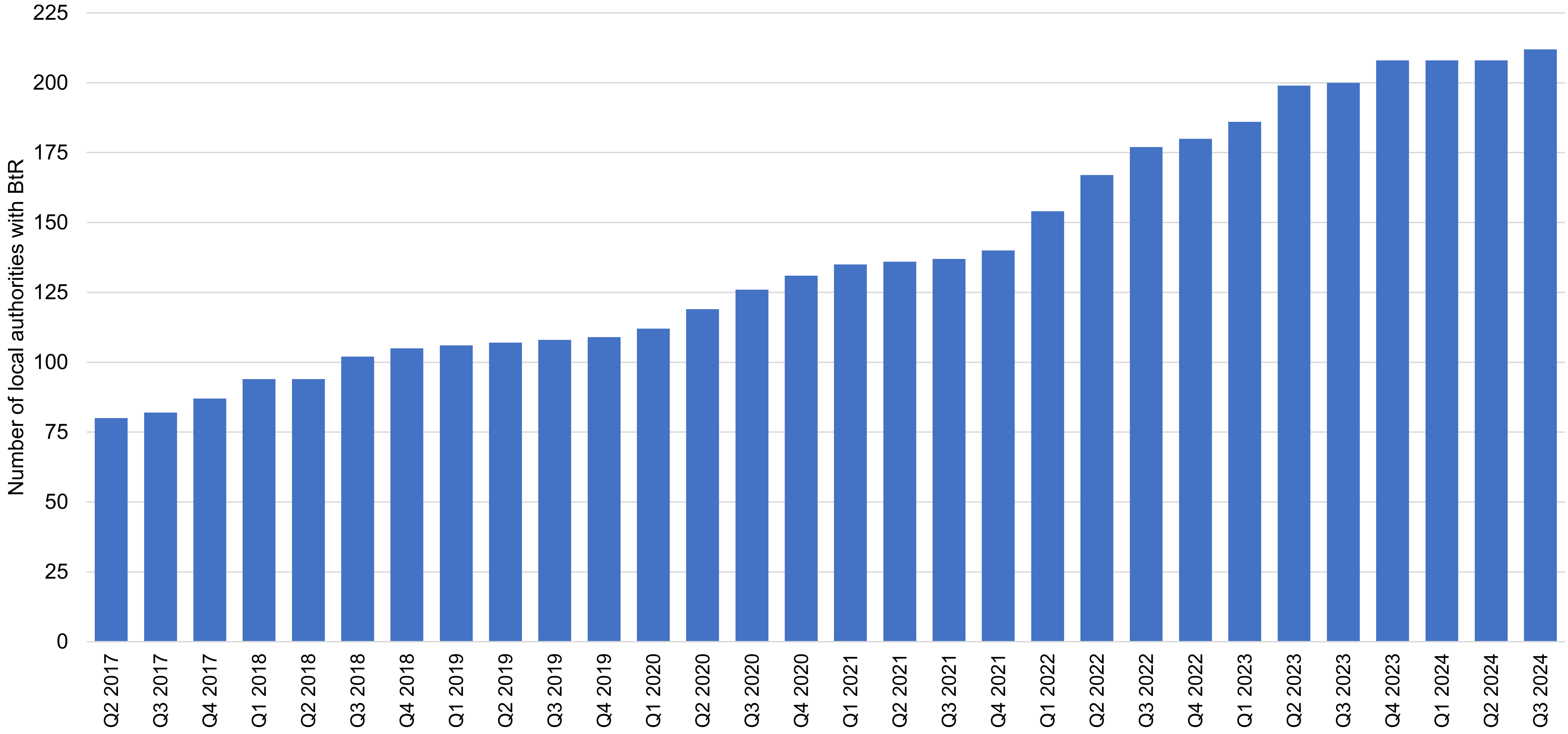
BtR Houses continues to grow

	BtR Apartments (Multifamily)	BtR Houses (Single-Family Housing)
Complete	106,476	14,044
Construction	37,050	13,014
Planning	95,078	8,097
Total	238,604	35,155





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.