

Select Property Group Managing Director, Adam Price, looks at tenant priorities post-lockdown and why build-to-rent could now be in-demand more than ever.



Have these strange times given you a chance to reflect?

A chance to assess the things in your life that matter most to you?

Personally, I think it's time like these that make us appreciate the little things. Family. Our health. The things that, before this year, some of us may have been guilty of not fully appreciating.

Whatever yours was, I think 2020 has given us all one of the best chances we've ever had in our lives to reflect.

It's the same for tenants in the UK.

Tenants that have been lock downed in their rental homes for days on end. Tenants that have needed to work from home, perhaps for the first time. Tenants that have visited their local green spaces for exercise more than they'd ever previously done so.

For many, where once their rental property was a base – a place simply to sleep and to spend a few hours of an evening – it has now become their 24/7.

It's become their home.

And they've had time to reflect. A chance to work out what they value most from a home. Time to figure out whether those things that they compromised on when they originally signed their tenancy agreement were worth compromising on after all.

Those living in older (and possibly) outdated 'buy-to-let' UK homes may find their attitudes have changed. Things that may have once been further down their checklist may now be much nearer the top of it. Priorities that their older-style rental homes can simply no longer address.



Is this the moment when the development and investment spotlight shifts towards build-to-rent now more than ever?

Buy-to-let versus build-to-rent – at a glance

For a generation, buy-to-let was the only rental solution in Britain.

Residential homes, originally built for homeowners, moved into the rental sector and repurposed for tenants. In some cases, multiple tenants under the same roof.

These homes are often old and susceptible to the common problems that naturally come with aging buildings.

Buy-to-let properties are frequently located in the suburbs of the city, rather than its centre. Young workers – the demographic that makes up the largest proportion of the UK's rental market – living on streets surrounded by families and older residents, adrift from the heartbeat of the city.

A product not designed for the needs of today's tenants.

According to [Knights Frank's 2019 tenant survey](#), the key things renters in the UK want are:

- Affordability
- With a rent that's within budget
- A good location
- With a key focus on being close to work
- Large indoor living space

- Key amenities, such as en-suite bathrooms, on-site gyms and high-end fixtures and appliances
- And they will pay extra for these facilities

Build-to-rent is the only sector that can satisfy most things on tenants' checklists.

Modern, purpose-built rental homes. Central locations. Quality amenities.



Blending all these features together naturally attracts like-minded individuals. Tenants with shared interests and values, living as neighbours, creating a real sense of community.

In recent years, it's become one of the fastest growing property sectors in the UK. By 2025, rental demand in the UK is set to reach six million people. For many of them, build-to-rent will be the accommodation of choice.

An asset already established as the future of UK rented living. And one that's qualities are now more important than ever post-COVID-19.

Changing attitudes after life in lockdown

More time at home has meant different things for different people.

For tenants, it may have highlighted the shortfalls of their current accommodation – and underlined the advantages of build-to-rent property.

A Savills survey in April 2020 revealed:

- 39% of those aged under 50-years-old now have a desire to move to a bigger living space following lockdown

- Having greater access to outdoor space has become more important to those under the age of 40-years-old
- The uplift in working from home has further underlined the importance of good Wi-Fi access

All features synonymous with the type of residential projects developers are building in UK city centres.



I read with interest [a feature by John Badman](#), Director and Residential Lead at architects CallisonRTKL, in *Build-to-Rent News* on 17th July.

He explained that the global pandemic has done little to dent the confidence of the build-to-rent sector. If anything, he explained, “it has shone a light on the sector – trends and opportunities that were emerging are now front and centre”.

Life in lockdown, John wrote, had shown us that the “inflexible homes of yesterday may no longer be compatible with our future needs”.

These challenging times, I believe, have shown the best in people. Across the UK there have been amazing displays of community spirit. Support for one another. Going forward, more people will value having this in the place that they live.

Crucially for investors of rental property, this has one huge benefit; reduced void periods.

In communities like this, neighbours become friends. They share experiences together. Bonds grow stronger.

Coupled with the finest living spaces and amenities, fewer tenants will want to leave their home.

A future-proof investment?

Unlike its predecessor, build-to-rent is designed for the end-user.

If your property offers the things demanded most by tenants, it will always remain attractive.

And if it makes them happy once they've moved in, they're less likely to move out.

Build-to-rent was already the strongest residential proposition in the UK. One just at the very start of an exciting cycle of growth.



It's been the natural move for global investors, too. Here at Select Property Group, our clients based in our key international territories – including the GCC and Southeast Asia – are already familiar with some of build-to-rent's key fundamentals. City centre developments. Large apartments. Amenities such as gyms and swimming pools.

This, coupled with an increasing number of tenants now likely to be drawn to build-to-rent's qualities, led Savills to announce that the "coronavirus lockdown is unlikely to dampen investors' growing appetite" for UK build-to-rent property.

And that is a view that I confidently believe, myself.