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Build to Rent Bulletin
Analysis by Sam Long

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FRONT COVER PHOTO

Faircharm Dock, Lewisham

Photographer: Amanda Denny

RESEARCH TEAM

Sam Long, Tim Craine & Tobias Loftin

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Faircharm Dock, Lewisham



LONDON'S BTR PIONEERS



Greenford Green, Ealing

- › The BTR sector has become an established component of London's residential development industry.
- › The endeavours of a number of pioneering companies, in conjunction with a weakening sales market, mean that almost a third of all new homes sold in London during the first half of 2018 were accounted for by the BTR sector.
- › London's BTR Pipeline comprises 57,000 BTR units - 14,000 of which are completed, 14,000 under construction, 25,000 permitted and 4,000 applied for.

As part of the wider new homes market Molior tracks BTR developments in London that:

- Have 20 or more BTR units.
- Are – or on completion will be – owned and managed as an unbroken block.
- Are recent: schemes completed before 2009 are not included.

The earliest such scheme on the database is Lexadon's The Viaduct in Brixton, which contains 44 units. Construction commenced at the end of 2007, completed during 2009 and Lexadon still owns the block today. The project might seem unremarkable, but at that time it was highly unusual for a developer to intentionally start a project of this size for the sole purpose of keeping the units to rent.

Most of the projects that followed immediately afterwards were much more symptomatic of the time in that they ended up in the sector by accident - the units were built for sale but the last recession drove a change in plan. To be blunt none of this activity made a great deal of difference in the grand scheme of things and BTR was something that a lot of people talked about, but with little sign of concrete action.

However, National Government and the GLA pursued a number of supporting initiatives and the major breakthrough happened in late summer 2011 when, as everyone knows, it was announced that Delancey and Qatari Diar had jointly won the prize of acquiring the 1,439 private units that would emerge from the Athletes' Village after the 2012 Olympic Games. Little more needs to be said about what has become East Village.

Back in 2011 many institutional type investors took careful note of the East Village 'experiment' but adopted a wait-and-see approach to BTR. Therefore, the role fell to a range of pioneering organisations

to gradually get the sector's flywheel moving.

This special section is intended to name and celebrate the companies that persevered to create a sector that can now provide a realistic, and timely, alternative to the traditional route of simply selling new homes to individuals. Their endeavours, in conjunction with a weakening sales market, have created a situation where almost a third of all new homes sold in London during the first half of 2018 were accounted for by the BTR sector. This is a larger share of the market than many could have even dreamed possible when Lexadon started building The Viaduct 11 years ago.

In total London's pipeline contains 56,500 BTR units. These are, or on completion will be, owned and operated by 200 companies. They are split across the various pipeline stages as follows:

- 13,900 completed BTR units.
- 13,700 under construction.
- 25,100 permitted but not yet started.
- 3,830 applied for but not yet permitted.

75% of these units are held by London's top 32 BTR companies and these have been ranked in the table opposite according to the total number of units within each company's development pipeline.

For readers who would prefer to see a ranking based purely on fully committed units - just those that are complete or under construction - then the order is slightly different, as shown in the following top ten:

- Quintain - 2,752 BTR units - both complete and under construction
- Get Living - 2,295

BTR Company	Committed Pipeline			Planning Pipeline			Grand Total
	Completed	Under Construction	Total	Permitted	Applied for	Total	
Get Living	1,813	482	2,295	2,059	-	2,059	4,354
Quintain	261	2,491	2,752	1,526	-	1,526	4,278
L&Q PRS	1,618	658	2,276	1,804	103	1,907	4,183
Westfield Europe	-	-	-	3,183	-	3,183	3,183
Greystar Europe Holdings	118	1,143	1,261	1,533	-	1,533	2,794
Argent Related	-	-	-	2,720	-	2,720	2,720
Notting Hill Genesis	396	1,019	1,415	487	-	487	1,902
M&G Real Estate	702	815	1,517	-	-	-	1,517
Essential Living	222	187	409	1,081	-	1,081	1,490
Berkeley Group	-	-	-	1,220	-	1,220	1,220
EcoWorld London (Be Living)	-	407	407	597	172	769	1,176
Canary Wharf Group	-	1,137	1,137	-	-	-	1,137
Grosvenor	-	-	-	-	1,021	1,021	1,021
Meadow Residential	-	-	-	254	685	939	939
Lendlease / CPPIB	-	354	354	560	-	560	914
Fizzy Living	619	293	912	-	-	-	912
Grainger	234	332	566	196	138	334	900
Criterion Capital / Miflats	583	295	878	-	-	-	878
Red Door Ventures	97	-	97	542	159	701	798
A2Dominion	263	392	655	-	-	-	655
Clarion Housing Group	-	-	-	620	-	620	620
Legal & General	-	355	355	251	-	251	606
Invesco Real Estate	118	433	551	-	-	-	551
Realstar Living	380	171	551	-	-	-	551
Bravo Management (UK) Ltd	167	-	167	382	-	382	549
Muse Developments	-	-	-	529	-	529	529
Imperial College London	-	133	133	317	-	317	450
City and Docklands Management	-	-	-	436	-	436	436
Watkin Jones Group	-	-	-	157	264	421	421
Danescroft Land	-	-	-	381	-	381	381
AA Homes & Housing	110	134	244	129	-	129	373
Peabody	189	-	189	148	-	148	337
All other companies	6,008	2,433	8,441	3,959	1,287	5,246	13,687
Total	13,898	13,664	27,562	25,071	3,829	28,900	56,462

- L&Q PRS - 2,276
- M&G Real Estate - 1,517
- Notting Hill Genesis - 1,415
- Greystar Europe Holdings - 1,261
- Canary Wharf Group - 1,137
- Fizzy Living - 912
- Criterion Capital / Miflats - 878
- A2Dominion - 655

Of course, not all the top BTR companies build for themselves, so the table below shows the sector's top 20 developers, with 58% of the units in the pipeline between them. NB: the 894 units that Greystar and Telford Homes will jointly develop on the former South London Mail Centre site have been split equally between the two companies.

A number of companies in this table are pure developers - they only have an interest in the planning and construction stages of the development process. They build BTR units for, or in partnership with, BTR companies. The following companies are the top 10 pure developers, based on units all four stages of the pipeline:

Developer	Committed Pipeline			Planning Pipeline			Grand Total
	Completed	Under Construction	Total	Permitted	Applied for	Total	
Quintain	261	2,491	2,752	1,526	-	1,526	4,278
Westfield Europe	-	-	-	3,183	-	3,183	3,183
L&Q	828	342	1,170	1,800	103	1,903	3,073
Get Living	373	482	855	2,059	-	2,059	2,914
Argent Related	-	-	-	2,720	-	2,720	2,720
Essential Living	222	187	409	1,081	-	1,081	1,490
Greystar Europe Holdings	-	379	379	1,086	-	1,086	1,465
Olympic Delivery Authority	1,440	-	1,440	-	-	-	1,440
Ecoworld London (Be Living)	118	407	525	597	172	769	1,294
Berkeley Homes SE London	-	-	-	1,220	-	1,220	1,220
Notting Hill Genesis	695	403	1,098	95	-	95	1,193
Telford Homes	-	483	483	704	-	704	1,187
Canary Wharf Group	-	1,137	1,137	-	-	-	1,137
Grosvenor	-	-	-	-	1,021	1,021	1,021
HUB Residential	332	171	503	472	-	472	975
Meadow Residential	-	-	-	254	685	939	939
Lendlease	-	354	354	560	-	560	914
Criterion Capital	583	295	878	-	-	-	878
Muse Developments	333	-	333	529	-	529	862
Rooms & Studios	445	263	708	-	-	-	708
All other companies	8,268	6,270	14,538	7,185	1,848	9,033	23,571
Total	13,898	13,664	27,562	25,071	3,829	28,900	56,462

- Berkeley Homes - 1,220 BTR units - NB. these units are all at the outline permission stage on The Parcellforce site, E16.
- Telford Homes - 1,187 - NB. As above this includes an allowance for half of the BTR units on the South London Mail Centre site being developed jointly with Greystar.
- HUB Residential - 975
- Muse Developments - 862
- Bellway Homes - 537
- Ballymore / Oxley Holdings - 535
- Linkcity - 534
- Avanton - 510
- Tide Construction - 437
- Redrow London - 397

The final table shows the top 20 BTR managers ranked according to number of completed BTR units managed. Between them these companies manage 67% of London's completed BTR units.

A number of these managers are purely agents and the top ten ranking for these is as follows:

- The Acorn Group - 660 BTR units
- Savills - 432
- JLL - 250
- Kinleigh Folkard & Hayward - 173
- Foxtons - 149
- Liv Group - 143
- Hera Management Services - 131
- Go Native - 124
- Knight Frank - 124
- BGRS Group - 104

Manager	Completed
Get Living	1,813
L&Q PRS	1,618
Notting Hill Genesis	797
The Acorn Group	660
Fizzy Living	619
Savills	432
Realstar Living / Uncle	380
London Borough of Croydon	330
Greystar Europe Holdings	295
EcoWorld London (Be Living)	276
A2Dominion	263
Quintain / Tipi	261
JLL	250
Grainger	234
Essential Living	222
Peabody	189
Kinleigh Folkard & Hayward	173
Bravo Management (UK) Ltd	167
Foxtons	149
LIV Group	143
All other companies	4,627
Total	13,898

My mobile number is below; if you have any questions whatsoever, please do not hesitate to call.

Sam Long 18th July 2018

07900 682423 e: sam@moliordlondon.com

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