



# love where you live

The Future of Build to Rent  
(BTR) Housing: 2024–2028



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# Introduction

Since 1995 Centrick has supported investors, developers and institutions create thriving communities. Built on two decades of working with and exceeding the expectations of residents in the rental sector has given Centrick and the VICI BTR team a unique perspective on what makes a successful community. Our goal is, and has always been, to go further than setting the standard for today but to foresee and anticipate the trends and shape the market into the future.

Our goals for this research were to take an objective, unbiased litmus test of the perceptions and opinions of 600 completely objective renters across the UK, in order to provide a unique perspective to organisations and individuals seeking to raise standards, increase tenant retention rates, and improve net operating income (NOI).

With over 23,500 homes under management we were keen to ensure complete and unbiased responses and as such chose to conduct the study anonymously, with no reference to Centrick or VICI throughout the study and all respondents participating of their own volition.

The Love Where You Live survey aims to better understand the preferences, trends and values of residents as it pertains to their current rental status. As such it was important to create pre-qualifying questions that enabled participants to select their existing housing position, allowing us to effectively distinguish BTR and PRS renters and compare their responses.

This study was carried out online by anonymously surveying for both quantitative and qualitative data, allowing us to access the true, unbiased thoughts of these rental demographics. Careful consideration was made to avoid leading questions and not disclose the nature of our research, giving respondents the freedom to select the choices that reflected their true beliefs

# Research Methodology





## Background & Significance

The concept of home has always held a special place in our hearts. It's more than just a physical structure; it's where our stories are written, our memories are made, and our lives are lived. However, the way we perceive and engage with the idea of home is evolving, and so too are the solutions that cater to the ever-changing UK housing needs.

In recent years, the residential real estate landscape has witnessed the transformative trend known as Build to Rent (BTR) housing. This innovative approach to housing construction, community development, resident engagement and management has swiftly emerged as a dynamic and relevant force in the housing market. BTR projects, designed specifically for rental and experience, offer a new avenue for individuals and families to experience the warmth and comfort of a home without the enduring commitment of homeownership.

As we embark on this journey of exploration, this research paper seeks to understand the dynamic world of BTR housing, what residents want and value from these living arrangements, and the forecasted changes and developments in this sphere from 2024 to 2028. Our objective is to dig into real world trends from real renters and explore the path forward for both those who seek to invest in BTR developments and those who aspire to call them home.

This study is driven by the recognition that BTR is more than a mere housing solution; it is a concept that, when well-executed, can redefine the way we relate to the places we live. It carries the potential to create not just spaces, but communities where people feel a genuine connection to their surroundings, fostering a sense of belonging and happiness in their daily lives.

This **Love Where You Live (LWYL)**

research paper delves deep into the heart of BTR housing, aiming to answer critical questions such as:

- **What do residents desire most in a BTR community?**
- **How is the BTR landscape expected to evolve in the coming years?**
- **Who are the residents that opt for BTR living?**
- **Where are these communities predominantly located, and why?**

These questions are crucial as they offer insights into the factors that will shape the future of BTR housing, providing a roadmap for investors and developers to navigate this dynamic terrain effectively.

As we commence this journey of exploration and discovery, we invite you to join us in uncovering the secrets and opportunities that lie within the realms of BTR housing. Love Where You Live is more than a research paper; it's a testament to the transformative power of home, and a celebration of the boundless potential of Build to Rent housing in redefining the way we live, love, and create our lives in the future.



# Historical Perspective of Build to Rent (BTR)

The concept of Build to Rent (BTR) housing in the United Kingdom represents a significant shift in the residential real estate landscape. Historically, the housing market in the UK has been characterised by traditional models of homeownership and private rental.

However, in recent years the emergence of BTR developments has offered a new approach to housing that is designed to cater to the needs and preferences of renters.

19%

of all UK households currently in  
Private Rental accommodation (PRS)

21%

increase in PRS households 2011/12 -  
2022/23

39%

25-34 year olds currently living in PRS  
accommodation



## 2000's

BTR as a housing concept in the UK has its roots in the early 2000s but gained more prominence around 2010. Early BTR developments were often referred to as "build-to-let" properties, and they typically involved large-scale, purpose-built rental apartment complexes.

## Funding Growth

The BTR sector in the UK has seen substantial investment from institutional investors such as pension funds and property investment companies.

The influx of institutional capital has fuelled the growth of the BTR market with £858m invested in 2019 alone.

## Changing Needs

BTR developments adapt to changing tenant preferences, offering a wide range of amenities and services.

These amenities often include communal spaces, fitness centres, concierge services, and flexible lease terms.

## Evolution

The BTR model marks a shift from the buy-to-let model, where individual landlords owned and rented out residential properties. BTR properties are professionally managed and offer a more consistent, high-quality rental experience.

## Government Support

Following the initial publication of the Montague Report, the UK government recognises the potential of BTR as a solution to the housing crisis.

Policy changes and incentives have been introduced to encourage BTR development, including reduced stamp duty for bulk purchases and simplified planning processes.

## Geographic Expansion

BTR developments were initially concentrated in major cities like London and Manchester.

Over time, the concept has spread to other urban areas and regions across the UK.

BTR has had a dual impact on the housing market, both as a source of new supply and as a competitor to traditional private landlords.

The availability of BTR options has added diversity to the rental market. Coupled with the financial crisis, landlords exiting the market, changes in tax laws and a spiralling mortgage market, it is no surprise that BTR is growing at speed.

Yet, in the midst of rapid growth, BTR still only accounts for around 1.3% of all PRS households according to Knight Frank , suggesting there is significantly more to come as industry predictions project growth to £170bn by 2032.

## The Impact of BTR on the Housing Market



From its early beginnings as purpose-built rental apartments to its current status as a recognized and growing sector, BTR has redefined the way renters access housing. With substantial investment, government support, and a focus on meeting evolving resident demands, BTR has become a viable and attractive option for both renters, institutional investors, funds and increasingly developers, offering a unique approach to the concept of home in the UK. As the sector continues to evolve, it is likely to play an increasingly vital role in addressing the housing needs of a diverse and dynamic population.



## love where you live

The Future of Build to Rent (BTR) Housing: 2024-2028

The period from 2014 to 2023 witnessed the remarkable rise of Build to Rent as a transformative force in the housing market.

BTR not only met the changing preferences of urban renters but also attracted substantial institutional investment, driving the sector's expansion and innovation.

The provision of energy performance, modern amenities, customisation options, and flexible leasing terms made BTR properties a compelling choice for a diverse range of residents.

As the BTR market continued to mature, it broadened its geographic reach, influenced government policies, and found its place within the wider housing landscape.

The BTR market trends from 2014 to 2023 exemplify how this housing model has adapted to the evolving needs of renters, and its future is poised for continued growth and innovation.

# Factors Influencing BTR Demand

The demand for Build to Rent (BTR) housing has surged in recent years, amid the growing financial barriers to owning your own home, reshaping the residential real estate landscape. This growing preference for BTR living can be attributed to a combination of demographic, economic, and lifestyle changes.

Understanding the factors that drive BTR demand is crucial for developers, investors, and policymakers in meeting the evolving housing needs of urban populations. Here, we delve into the key factors that influence BTR demand:

## Changing Demographics

**Rising Urbanisation:** As cities continue to attract a growing urban population, the demand for conveniently located housing options has increased. BTR properties, typically situated in urban centres, align with the preferences of urban dwellers seeking proximity to work, amenities, and entertainment.

**Younger Cohorts:** Millennials and Generation Z, who make up a significant portion of urban populations, have shown a preference, whether situational or genuinely preferred, for renting over home ownership. BTR appeals to this demographic with its flexibility, modern amenities, and community-focused living. But it's not just younger generations that are opting for BTR in urban and suburban settlements, with 70% of global institutional investors anticipating being active in the suburban BTR market in the next five years, a significant increase from 42% in 2022.

# CHANGING



## Lifestyle Preferences

**Flexibility:** BTR offerings, often characterised by flexible lease terms and additional included services, allow residents to adapt to changing circumstances without the long-term commitment of home ownership. This appeals to individuals and families who value flexibility in their living arrangements.

**Amenities and Services:** BTR developments provide a wide array of amenities and services, such as fitness centres, communal spaces, and concierge services. These offerings enhance residents' quality of life and contribute to the appeal of BTR properties.

## Service Led

**High-Quality Service:** BTR properties are professionally managed, ensuring that residents receive prompt assistance and maintenance services. This level of service differentiates BTR from traditional rental properties, providing residents with peace of mind.

## Cost of Living

**Affordability:** In some high-cost urban areas, home ownership can be financially challenging. BTR offers a viable alternative by providing affordable rental options with all-inclusive services, making city living more accessible.

**No Property Maintenance Costs:** Residents in BTR properties are exempt from the financial burden of property maintenance, repairs, and often utilities. This financial advantage contributes to the appeal of BTR, especially for those who prioritise a hassle-free living experience.

## Supply Constraints

**Housing Shortages:** In cities facing housing shortages, BTR developments can help bridge the gap between supply and demand. The creation of new, purpose-built rental units contributes to a more balanced housing market.



## Environmental Considerations

**Sustainability Built-In:** BTR properties often incorporate sustainable features and energy-efficient designs, attracting environmentally conscious residents.

As sustainability and environmental concerns grow across all sectors, this is not surprising. The research presented in this document shows that energy efficiency and environmental considerations are more than just a legislative requirement.

“Energy efficiency consistently ranked in the top 3 for all urban centres surveyed, as well as all age demographics”

**Energy Versus Cost:** As the cost of living crisis continues to bite into the UK economy, it is perhaps no surprise that the Love Where You Live study has revealed the prevalence of – and preference for – energy efficiency in our homes. As energy prices continue to rise and budgets become tighter, we anticipate that developers who focus on and innovate in this area will be protecting their investment and will thrive in the BTR sector.







# Factors Influencing BTR Demand

Understanding the multifaceted factors influencing BTR demand is essential for stakeholders in the property industry.

The BTR sector continues to evolve to meet the diverse needs of urban populations, offering a unique blend of flexibility, convenience and community living that resonates with a broad spectrum of residents.

As the demand for BTR housing grows, developers and investors who adapt to these factors are likely to thrive in this dynamic and expanding market.





# What Residents Really (Really) Want

Understanding the variety of factors influencing BTR demand is essential for stakeholders across the broader property industry.

This groundbreaking research brings together opinions and preferences from 600 BTR and PRS residents to unveil the preferences, trends and demographic viewpoints impacting the market today.



# The Big Five

As the BTR and PRS sectors continue to grow and evolve, so too have the needs and preferences of the ever-changing rental demographic. With over 80% of residents surveyed responding that energy efficiency was 'important' or 'very important', it is blatant that this is the stand-out feature for the majority of renters across both BTR and PRS when considering their next move.

In fact, a mere 5.59% of responders stated that energy efficiency was 'not important at all', a testament to the importance of energy costs and sustainability to all residents.

## BTR Versus PRS

Respondents in this study were asked to identify their current rental property type as either "Private Rented - from Landlord" or "Private Rented - from Build to Rent firm, where a company own the complete building (not a private landlord)". Utilising these groups as controls, we are able to compare the preferences of BTR residents with those currently in PRS accommodation. The results reveal some distinct preferences.

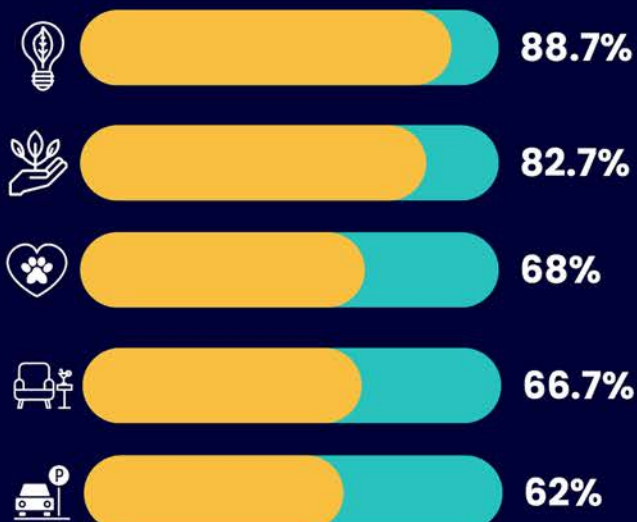
### Importance Scale



**Fig 1. What's most important to you in a rental property**

All ranked responses by % of responders identifying each factor as 'important' or 'very important'

## PRS Top 5



**Fig 1. What's most important to you in a property? – PRS**

All ranked responses by % of PRS responders only identifying each factor as 'important' or 'very important'

## BTR Top 5



**Fig 2. What's most important to you in a property? – BTR**

All ranked responses by % of BTR responders only identifying each factor as 'important' or 'very important'

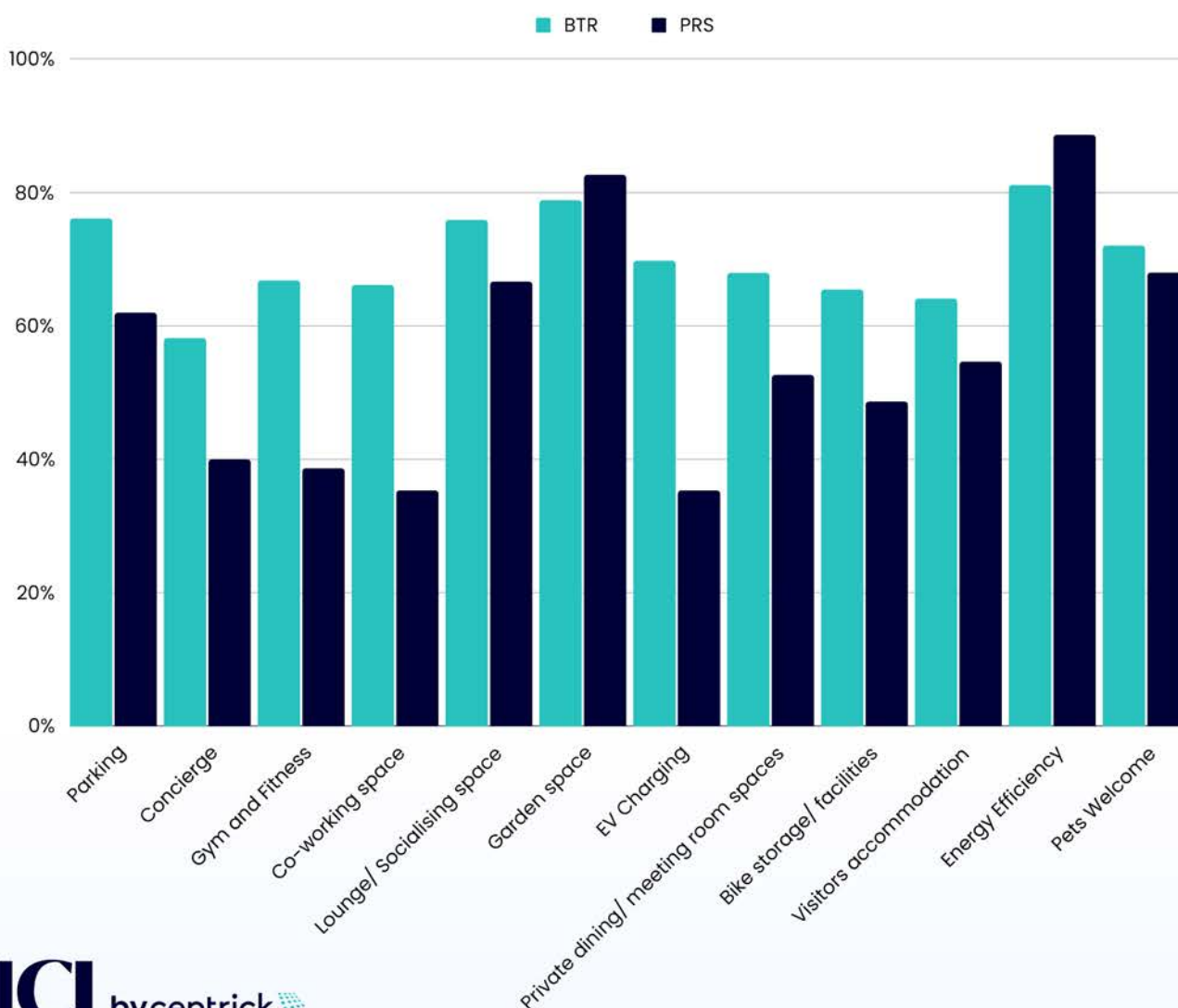
While the top 5 most important factors for each of the cohorts reflect the same areas of importance, their order and weighting is significantly different, with PRS responders more likely to rank pet friendliness as an important factor when compared to their BTR counterparts. Similarly, parking – whilst a consideration for both groups – ranked third for BTR responders. With many BTR developments occupying central locations, a lack of parking is to be expected. However, considering the importance of parking to BTR renters, this could set future BTR developments apart from their competitors should planning or space be available to provide parking as an amenity.



Although both BTR and PRS residents rank similar features within their top 5, there are considerable differences in their perceived strength of feeling and overall propensity to value. Marked differences exist within a number of areas, most notably co-working spaces which show a 30.81% differential between BTR and PRS responders stating this amenity was 'important' or 'very important'. EV charging amenities showed an even more considerable differential of 34.44%, suggesting that BTR residents are likely to either own or plan to own an electric vehicle during their tenancy.

Gym and fitness facilities also showed a clear value differential of 28.16%, with this staple fixture of many developments being valued by over 65% of current BTR residents but only 38% of PRS residents. Interestingly, these facilities ranked as 4th most important to our cohort of 18-24 year olds, which may be a trend worth noting for those seeking to attract immediate graduates or younger professionals.

**Fig 3. What's most important to you from a property? – BTR v PRS Residents**





## Amenities: Expected, Or Value Adding?

Key features including concierge, visitors accommodation, and pet friendliness rank much more highly with PRS responders than with BTR responders, likely because the majority of BTR developments offer these features as standard.

For BTR developers considering the monetisation of amenities, it is also important to note the expectations of modern renters, especially where BTR is concerned. Concierge and other front of house features, whilst necessary and clearly advantageous for residents, are expected to be included and are no longer perceived to be particularly 'value adding' according to the study.

Communal facilities such as 'co-working' or 'lounge' spaces feature in the upper league tables for importance, yet sit firmly in the lower quadrant when responders were asked "which amenities would you be willing to pay a higher rent for" at 17% and 27% respectively.





# Amenities That Command A Premium

Affordability is a key factor for renters across the UK, with recent research conducted by Knight Frank showing that 85% of renters ranked affordability as an important factor when choosing a rental property.

While affordability will always be a consideration, this research looks beyond core financial factors to understand where renters may look to stretch their budget based on amenities available.

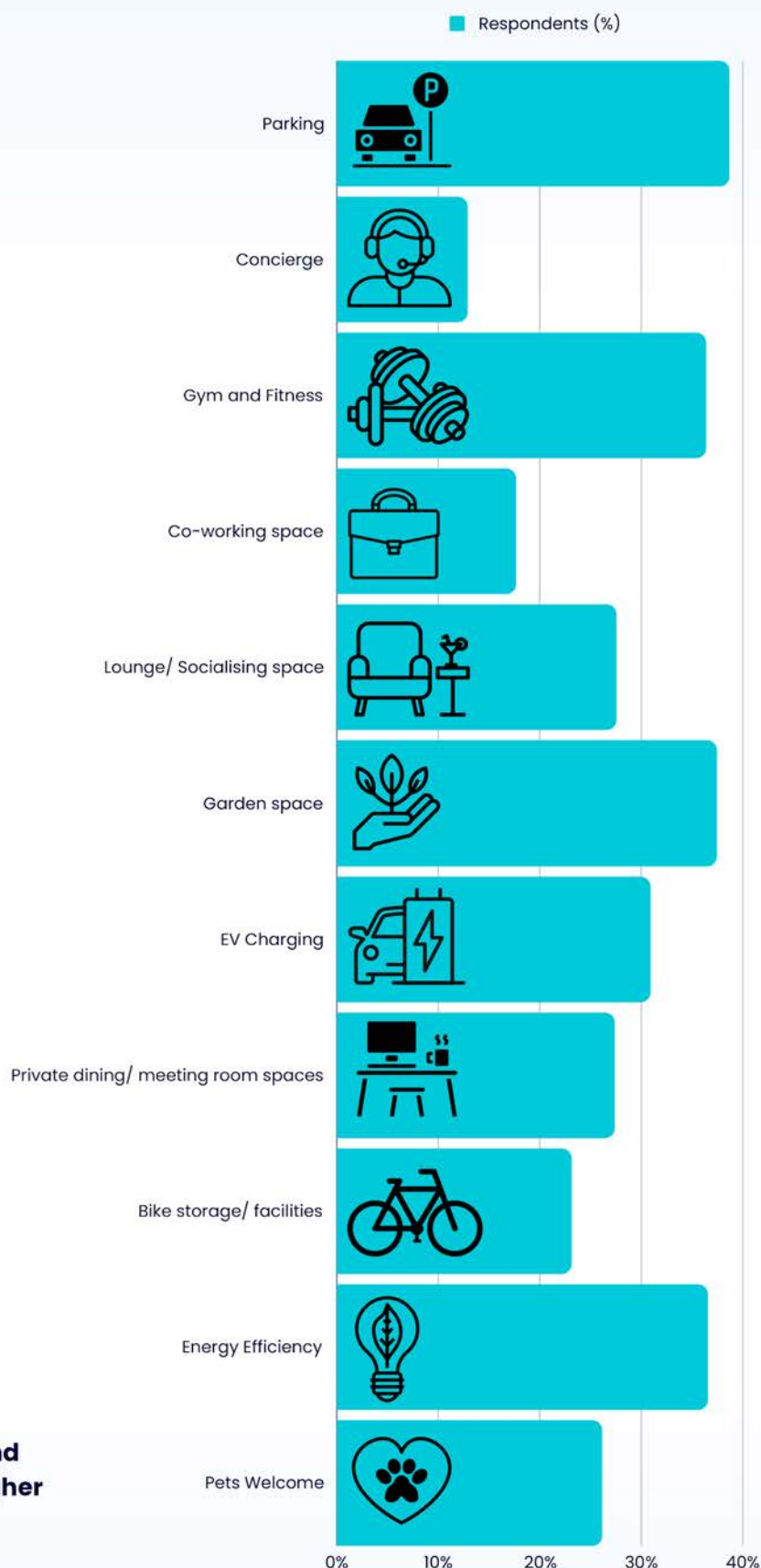
The study asked responders “Which of the following amenities and features would you be willing to pay a higher rent for?”. Parking ranked highest with 38.69% of responders citing this as the singular feature they would be willing to pay a higher rent for. Garden space and energy efficiency also featured highly at 37% and 36% respectively, echoing what respondents cited as their most important features.

Gym and fitness facilities, and EV charging points, are cited at positions 4 and 5 respectively, neither of which feature in the top 5 overall ‘importance’ rankings.

This shift between importance and perceived financial value suggests that non-core residential features may provide additional revenue streams or, at the very least, provide a competitive point of difference in a growing market.

**Fig 4. Which of the following amenities and features would you be willing to pay a higher rent for?**

All responses

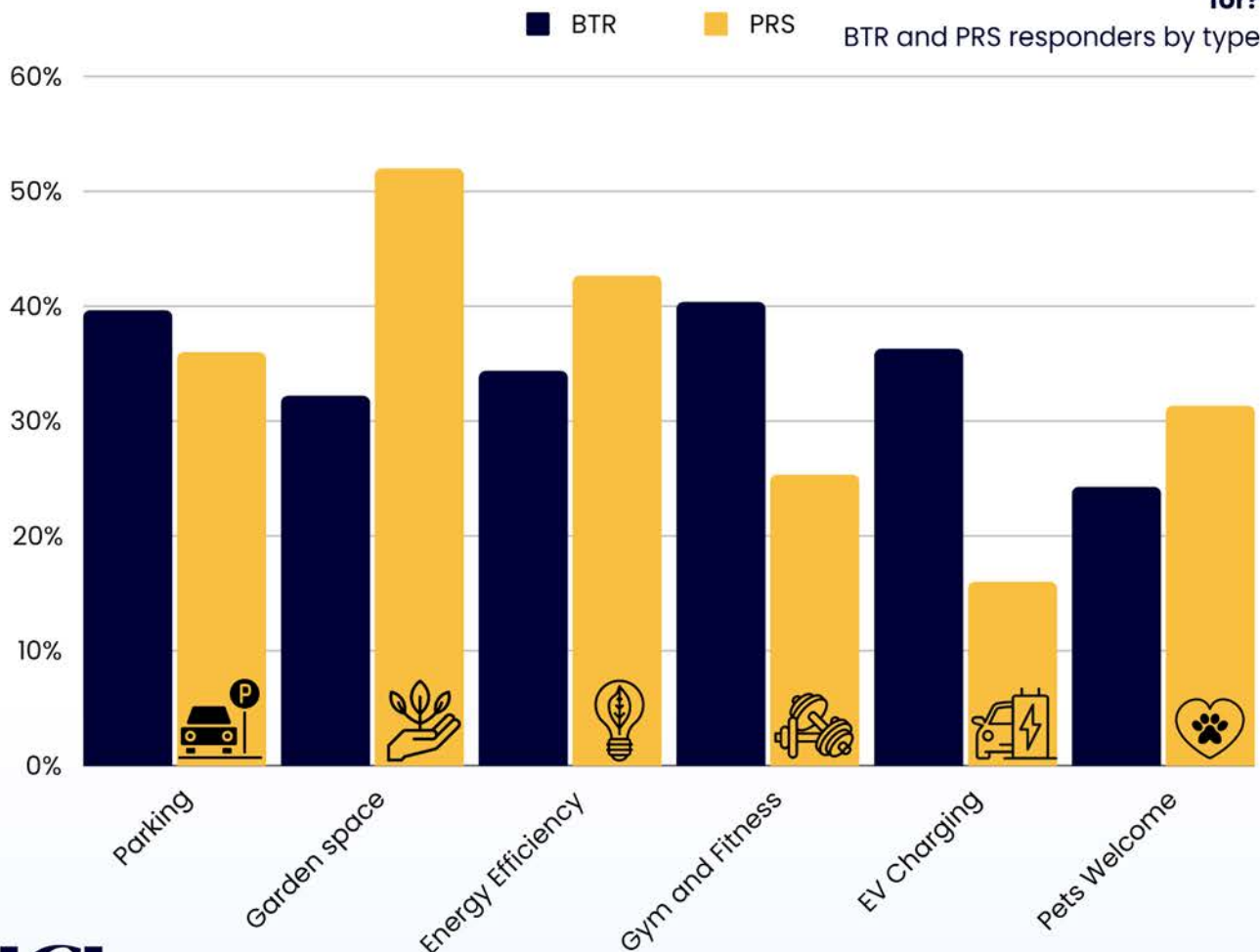




The top 5 amenities that respondents were willing to pay more for varies marginally between PRS and BTR responders. Most notably, BTR residents are willing to pay more for gym and fitness facilities. Shared fitness amenities are prevalent in many BTR developments already, which suggests that residents both use and perceive them to be of value. As small-footprint yet high-value spaces, gyms offer the opportunity to create perceived financial value within communities that can significantly bolster the appeal of BTR developments.

Garden space is also in demand, ranking second in the overall league table. However, for PRS residents this feature is in particularly high demand, suggesting that external spaces – particularly in urban areas – could command higher rental values for both PRS landlords and developers.

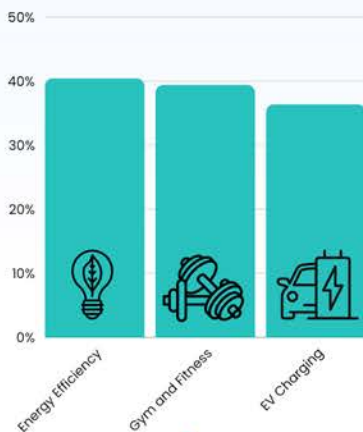
**Fig 5. Which of the following amenities and features would you be willing to pay a higher rent for?**



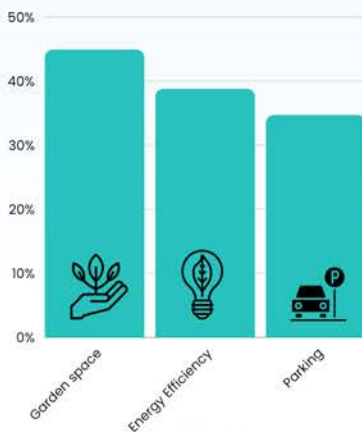
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The Future of Build to Rent (BTR) Housing: 2024-2028  
Regional trends - "What would you be willing pay more for"

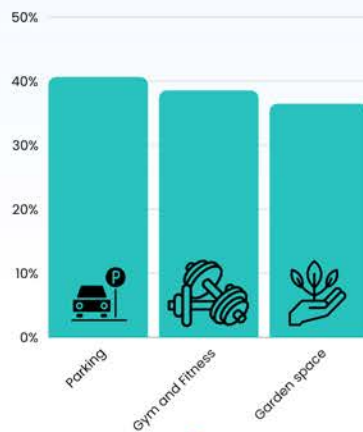
## Liverpool



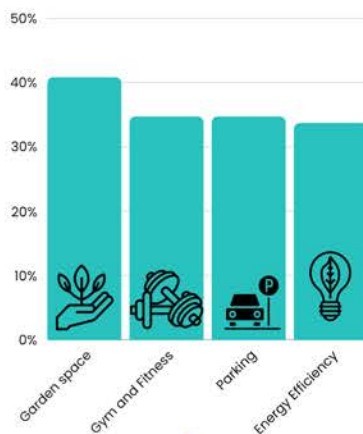
## Manchester



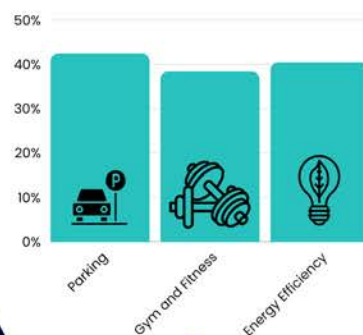
## Sheffield



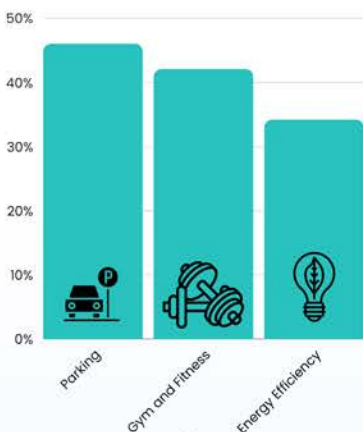
## Birmingham



## London



## Southampton





# Location Location Location

For developers considering locations and sites for BTR developments, awareness of regional preferences is crucial to designing both for management and for long term community success.

## Manchester

**Rental Price Growth:** Manchester's rental market continues to show buoyancy as students look to stay in the city and young professionals continue to choose the city as a career base. In the year dating June 22-23, rental values in Manchester experienced a rise of over 19% driven by an increase in demand and growth in house prices, forcing would-be home buyers out of the market.

**Features That Motivate Manchester:** Garden space is identified as the feature most likely to attract a higher rental price in Manchester, followed by energy efficiency and parking respectively. Manchester renters also responded positively to private dining and meeting spaces, as well as to developments that welcome pets. However, they are less likely to pay more for co-working spaces in their BTR developments, with only 18% of the survey stating that this would be a feature they are willing to pay more for.



# MANCHES

## Community

82.76% of surveyed respondents in Manchester told us that they get on 'well' or 'very well' with their neighbours, which is reflective of the national average. However, the percentage of those citing that they get on 'very well' sits at 28%, which is considerably lower than their southern counterparts. For comparison, 40% of London respondents cited that they get on 'very well' with their neighbours, and 38% in Southampton.

Creating a strong, thriving community is often cited as a key strategy in increasing resident retention, so it is surprising that Manchester residents showed the lowest proportion of positive responses to the question "how would you best describe your current rental community?". Only 58% responded with 'very engaged and active' or 'somewhat engaged and active' compared with a national average of over 68% and a comparative response of 73% in neighbouring Liverpool.

## Cost Sensitive

Manchester residents reported a mean rental bill of between £900-£1100 pcm, with 30% of respondents reporting that their rental expenditure sat between £700 and £800. This makes Manchester the cheapest of the regional locations we have examined.

However, satisfaction and perceived value for money within Manchester is the lowest of all regions surveyed. Only 54.08% of respondents answered 'yes' to the question "do you feel your rental property is fairly priced?".

Benchmarking against a national average of 66.1%, this suggests that residents in Manchester are still seeking better from their homes.

Manchester residents also report the lowest levels of satisfaction with the current amenities at their rental property and report a -24 Net Promoter Score (NPS). BTR residents in Manchester fare slightly better at -7, yet they still outrank the national combined average of -5.

# -24 NPS

# STER



# LIVERP

## Liverpool

**Diversity, Service & Students:** Much like nearby Manchester, rents in Liverpool showed significant growth in 2023 of between 10% and 12%. However, despite being hailed by many as a 'landlord's dream', the market in Liverpool suffers from lower housing supply than some of its northern counterparts, creating spiralling rents in 2023.

**What Does The Modern Liverpool Renter Really Want?** Liverpool is the only region in our study where lounges and socialising spaces ranked first on the importance scale, followed by energy efficiency and garden space respectively. Our research also suggests that residents in Liverpool would be likely to pay more for features such as gym and fitness facilities and EV charging. Interestingly, the latter is a feature that does not appear elsewhere in the study. It does, however, seem that our Liverpudlian residents are less likely to part with their cash for developments that welcome less than other regions.

# 73%

percentage of respondents that describe their community as 'very' or 'somewhat engaged and active'

# 82%

percentage of respondents stating they get on 'well' or 'very well' with their neighbours



# POOL

## PRS – BTR

There are marked differences in the preferences of PRS and BTR residents across Liverpool. Those that are currently living in a BTR development stated they would be more likely to pay extra for gym and fitness facilities. On the other hand, energy efficiency was most likely to get Liverpool PRS residents reaching for extra budget.

Garden space ranked highly for both groups, whereas parking facilities were valued much more highly within BTR. Social and communal facilities – which fared mid-table for both groups – reflect the wider national statistics, whereas private dining and meeting facilities have a lower perceived value. In fact, only 27% of respondents stated that they would be willing to pay more for this feature, the lowest of all regions surveyed.

## Satisfaction Levels

Liverpool residents reported the highest levels of regional satisfaction with the amenities at their current rental development. Over 87% of responders claimed they were satisfied, which is high compared with a national average of 82.47%. This is particularly interesting when considering that their mean rental outgoings at £900-£1000 are marginally lower than the national average (£1000-£1100).

Liverpool's NPS scores also reflect their satisfaction levels with an overall NPS of -1. Akin to Manchester, there is a considerable deficit between PRS and BTR residents.

Liverpool Net Promoter Score Overall

-1 NPS

Liverpool Net Promoter Score BTR

+1 NPS

Liverpool Net Promoter Score PRS

-17 NPS



# Sheffield In Focus

A relative newcomer to the BTR landscape, Sheffield is already seeing the growth of BTR developments with residents showing significant preferential signs.

## Investment

**Affordable For How Long?** Sheffield has been touted in recent years as a key investment location. Named in 2023 as the UK's first investment zone, the wider region is set to benefit from £1.2bn in investment funding in the near future.

The region is already seeing growth in rental prices, but notwithstanding still held the title of most affordable city in the UK. This is despite rents leaping by 12.5% in the year to January 2023.

Developers seeking reasonable land values with ready-made demand and lower competition than some of their counterparts are already looking to Sheffield as part of their future property plans.

## Green by Nature

Sheffield residents reported green and outdoor space as their number one priority on the importance scale, and the third highest factor they'd be willing to pay more for.

# SHEFFI

## Affordable

52.64% of surveyed respondents in Sheffield told us that they spent between 20 and 40% of their take-home pay on rent, second only to Southampton. 69% of respondents also stated that they felt their current rental property was fairly priced.

## And Well Serviced

Sheffield residents showed significant satisfaction with their location and the strength of wider amenities.

Percentage of responders stating they are "very" or "somewhat satisfied":

**Transport and Transport Links - 84%**

**Healthcare - 80%**

**Parking - 74%**

**Employment and Jobs - 74%**

## Social Community

Sheffield residents showed a significant propensity for community in their responses. Over 85% stated that they got on 'well' or 'very well' with their neighbours, the highest of the northern cities studied. Sheffield marginally topped the average for how engaged and active they felt their community was, with 69% of responders rating their community as 'somewhat' or 'actively engaged'. Sheffield also ranked lounges and socialising space as 4th of the features they would choose to pay more for. However, Sheffield residents ranked private dining facilities joint lowest along with Manchester and Birmingham, suggesting that Sheffield residents value more open spaces as opposed to private facilities.

Sheffield residents currently in BTR developments, like their regional counterparts, show higher NPS (-3) than their PRS equivalent.

# -17 NPS

# FIELD



# BIRMINGHAM

## BIRMINGHAM

Unsurprisingly, Birmingham is one of the UK's key Build to Rent centres. With a young population, thriving culture and opportunities which are pulling people away from the capital and towards the West Midlands, it's no wonder Birmingham has attracted an abundance of interest from developers. New BTR schemes are beginning to take shape across the city – from Moda on Broad Street to The Landsdowne, to upcoming developments at Great Charles Street, Snow Hill and in the Jewellery Quarter. What's more, with Birmingham attracting the most BTR investment over the last year outside of London, we expect the future to be bright for England's second city.

Birmingham's sales market shows little sign of abating with property values predicted to see over 19% growth to 2027. It is this growth in market values, as well as limitations in affordable supply, that is driving both the BTR and PRS sector forward.

+11

Birmingham BTR Residents NPS Score, highest measured nationally

87%

percentage of Birmingham respondents 'satisfied' or 'very satisfied' with the amenities provided at their current rental development



# BIRMINGHAM

## Health Premium

Birmingham residents show a higher than average willingness to pay more for gym and fitness facilities, with over 40% of responders willing to pay for for this feature, the highest of the surveyed regions. Although BTR residents in Birmingham are more likely to have access to this feature, they were also more willing to pay for it (44%) than their PRS counterparts (17%). This suggests that BTR residents in Birmingham both value and utilise this feature more heavily than other regions. Gym and fitness facilities, whilst high on the perceived value scale, only ranked 11th (12) in terms of importance with only 56% of responders in Birmingham identifying this as 'important' or 'very important'. In a wider context, Birmingham showed the lowest satisfaction with local healthcare facilities.

## Working Habits

Birmingham residents showed the lowest propensity to favour co-working spaces with only 14% of responders willing to pay more for this amenity, significantly lower than the national average. Birmingham also showed the lowest levels of satisfaction with employment and local job opportunities of all regions, with just 65% of responders stating they were 'very' or 'somewhat satisfied'. This is a significant difference from the national average of 71%.

Despite this, 47.95% of Birmingham residents plan to stay in their current rental property for 12 months or more before considering moving. Residents identifying as currently living in a BTR property also have a significantly higher Net Promoter Score than other regions, boasting the highest level of satisfaction.

Birmingham Net Promoter Score BTR

+11 NPS



# London Reigns

London's position as the UK's BTR pioneer continues to show resilience, with around 40% of all completed BTR developments currently being within the capital. While other cities look to gain ground on the capital, our research shows significant maturity in London audiences versus their regional counterparts.

## Shifting Perceptions

### Challenging Traditional Thinking:

Londoners have accrued an unenviable reputation for friendliness (or lack thereof). Whilst this may reflect life outside of the home, LYWY responders in London showed the highest levels of community of all regions surveyed. Nationally, 82.8% of all responders stated they got on 'well' or 'very well' with their neighbours, whereas almost 88% of Londoners responded in the same way.

71.71% of Londoners also stated that their rental community was 'somewhat' or 'very' engaged and active, the second highest response of all regions. London ranked socialising space as their 4th most important feature and perhaps unsurprisingly also showed the highest levels of satisfaction with their local leisure and recreational facilities. This suggests that Londoners are enjoying a higher than average social and leisure environment both inside and outside the home.

# LONDON

## Capital Values

35.3% of respondents in London reported rental outgoings of over £1200 pcm. Nationally, the study showed rents of over £1200 in circa 25% of renters in both PRS and BTR. Whilst this number may not be surprising, 64% of Londoners surveyed feel that their current rental property is fairly priced, only marginally below the national average of 66% and significantly higher than Manchester at 54%.

London residents also show the highest proportion of salary spent on rental outgoings, with 48% of responders stating that their rental outgoings equated to between 30% and 50% of their total income, significantly higher than the national equivalent of 38%. Additionally, Londoners show a higher propensity to prioritise basic amenities, parking, energy efficiency and garden space on the importance scale, as well as preferring to pay more for the benefits of gym and fitness facilities.

## Pets, Parking and Safety

Pet friendliness is a common and even expected feature in many BTR developments, yet developers in London may not need to install dog door flaps just yet as Londoners ranked pet friendliness' 7th (12) on the importance scale. A mere 27% of respondents stated they would be willing to pay more for this feature.

Instead, London residents overwhelmingly value parking, with over 40% of residents willing to pay more for this. The value of space is not confined to four wheels either, with 36% of responders stating that they would be willing to pay more for garden space, too.

Notably, London residents also show a significant level of perceived security within their rental properties. Over 77% of responders stated that they felt safe in their rental property and community, remarkably higher than the national average of 67%.



# SOUTHAM

## Southampton

Southampton may not be the biggest name on the BTR map. However, its significant student population of over 40,000 and major shopping and leisure industry means that it is certainly one to watch.

Southampton residents report the longest planned rental tenure in the study, with 51% of responders planning to stay in their rental property for over 12 months. Rental values, whilst higher than the national average, are significantly lower than elsewhere in the South East. LWYL responders in Southampton reflect this, with the highest percentage of residents paying less than 20% of their monthly income on rent. Only 27% of Southampton responders claimed they paid 40% or more of their take-home pay on rental payments, a marked decrease from the national average. This affordability and relatively undeveloped BTR sector could represent a sizeable opportunity for developers looking for South East sites.

# 67%

Southampton residents that feel their current rental property is 'good value for money'

# 29%

percentage of Southampton responders planning to stay in their rental property for 18 months or more



# PTON

## Community Shoots

Southampton's residents are less likely than both the national average and their regional counterparts to enjoy a positive relationship with their neighbours. 78.67% of Southampton study respondents stated that they got on 'well' or 'very well' with their rental community. Whilst this value still suggests positive community sentiment, it is the lowest of all regions in the study and shows a marked gap from the national average of 82.80%.

Engagement also shows gaps within Southampton with only 70% of the study group stating their community is 'somewhat' or 'very engaged'. Whilst Sotonians may not be currently topping the community charts, their preferences suggest that demand is growing for features that facilitate community, with lounges & socialising spaces, and private dining & meeting areas ranking 4th and 6th respectively.

## Parking Preference

The Southampton market showed a significant preference for parking in their importance rankings, with this feature ranking second overall, the highest position of all regions in the study. The only feature Sotonians value more than this is energy efficiency. While both parking and energy efficiency rank highly, EV charging facilities are comparatively unimportant to this audience with only one in four responders willing to pay more for EV charging, leaving this feature ranking at just 8(12) for importance.

This preference is reflected more intensely within paid-for features, with 46% of the respondents willing to pay more for parking in their rental development. Perhaps unsurprisingly, Southampton responders also showed the lowest levels of satisfaction with the transport links and options in their local area.

Southampton Net Promoter Score

**+4 NPS**

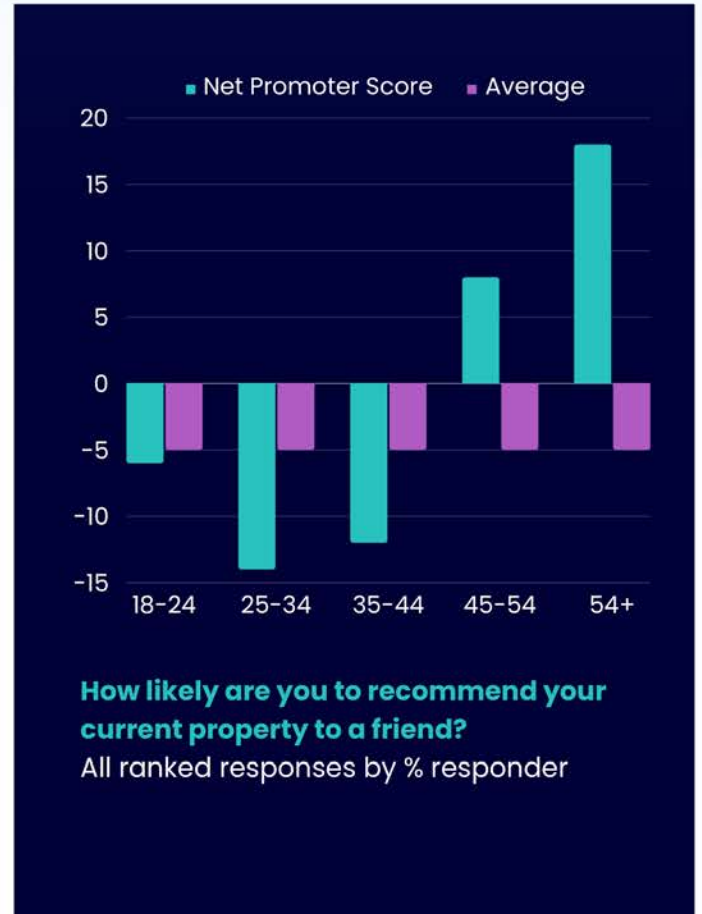
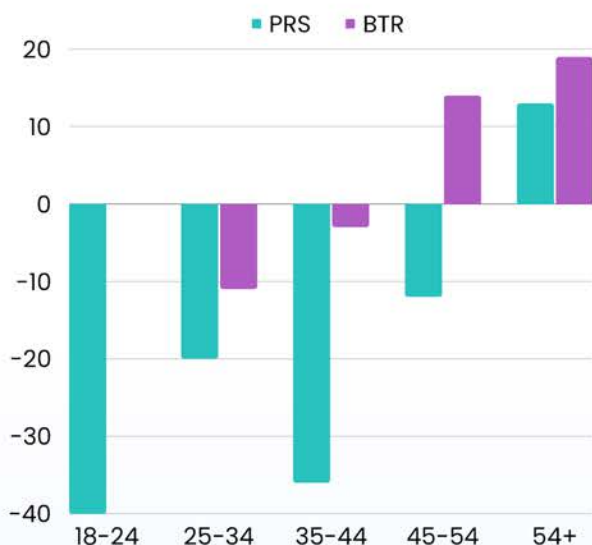


# Generational Trends

The average UK first time buyer now expects to be 37 before being in a position to purchase a home, reflecting a growth in the rental sector both for PRS and BTR. Whilst this presents sizeable opportunities for developers and investors, the landscape of traditional generation rent is shifting. With a growth in renters between 45-64 of 70% over the last decade, it is more important than ever to understand and respond to generational preferences.

# Happiness Curves?

The concept of a so-called 'Happiness Curve' has been debated for some time, suggesting that our individual happiness drops in our forties before rising again into older age. A multitude of factors play into these trends, but it seems that home life – at least for those in rental properties – show remarkable similarities to the Happiness Curve. This model suggests that the nadir or lowest happiness zone to be in our mid forties. However, our data shows that those between 25-34 experience the lowest levels of satisfaction where rental properties are concerned.

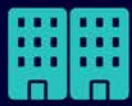


## The BTR Win

BTR NPS statistics suggest a very different level of satisfaction to their counterparts. While these trends are largely mirrored, BTR residents are significantly happier and more likely to recommend their rental property to a friend. Notably, the youngest of our surveyed audiences show the lowest levels of satisfaction.



## Property Type



18-24



25-34



35-44



45-54



54+

Most likely property size by age demographic

## Amenities by age

1st

2nd

3rd

18-24



25-34



35-44



45-54



54+



Energy efficiency is the only factor that LWYL responders cited as being in the top 3 for importance when renting a property across all demographics. This also ranked as the third most likely feature that renters would be willing to pay more for. Overall pet friendliness, whilst often considered a key feature of BTR developments already, is rated very important for residents in their late twenties and early thirties before reducing in priority before ages 54 and older. Interestingly, garden space was rated a top three feature for all demographics aged 25 or older, also featuring at position 5(12) of facilities worth paying more for.



# The Future of BTR

BTR developments taking their lead from the original American hospitality and rental models are all too often grouped together with one broad stroke. However, it is not enough to simply add a gym, a concierge and host a few residents events to compete or even survive in the modern UK BTR sector. The Love Where You Live research suggests that renters have significant and varied preferences, with generational and locational trends emerging strongly.

Renters show a significant propensity to choice and movement with over 50% of current renters planning to move from their current property within the next 12 months. As the economic climate continues to show signs of instability and fluctuation, investors and developers of both PRS and BTR developments should take note of the levels of NPS and satisfaction with clear correlations between community engagement or neighbourhood relationships and overall NPS, especially in the northern regions.



In understanding the motivations and perceptions of modern rental residents, value plays a key factor. In fact, two thirds of current renters surveyed suggest that they feel their current rental property represented good value for money. This average across both BTR and PRS does not reflect the growing disparity between the variety and varying quality of aged PRS stock and typically newer build BTR developments. Residents clearly perceive this difference, with 75% of BTR residents and only 53% of PRS tenants believing their property is good value for money.

Money and finances should be keenly noted across the rental landscape in the context of availability of stock and satisfaction measures. As we have seen in Manchester, lower rents don't always translate to higher satisfaction levels.

Demographic profiles have shown sizeable gulfs that could present opportunities to the sector. As the average rental age increases and the UK looks to renting as a long term option, creating communities that deliver long term NOI for investors may see a shift in focus or at least a divergence of developments to address the very different preferences and unit needs of their audiences.

It is clear that renters in 2024 are exercising their ability to choose more than ever with over 52% of the surveyed audience planning to move within the next 12 months. This leaves developers and funds faced with the same resident retention challenges in an increasingly competitive market and one which cannot be solved by amenities or features alone. As BTR evolves in the UK, it is clearly more important than ever to look beyond the facade of amenities to create genuine value across the key denominators, prioritising community and service with regional and local preferences alongside shifting generational trends.

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