

# 'Under The International Bonnet' What Drives A BTR Business?

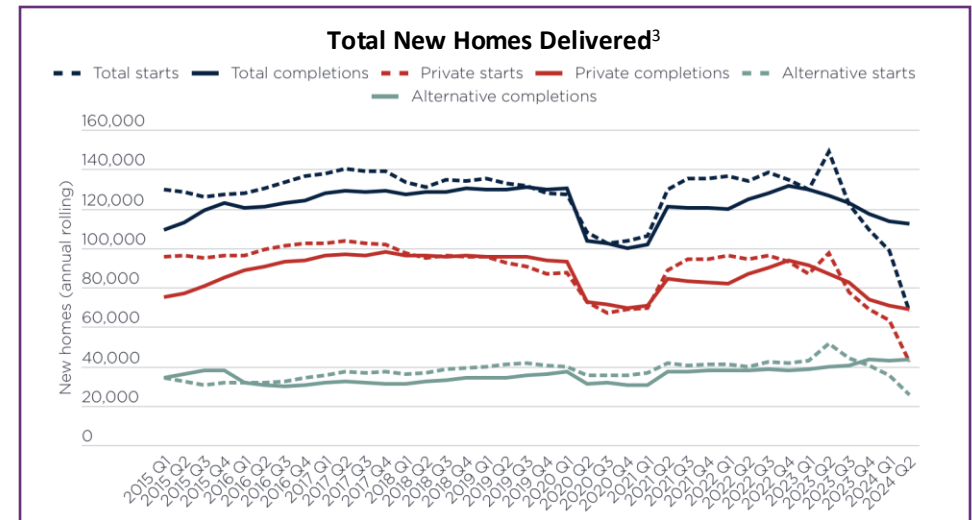
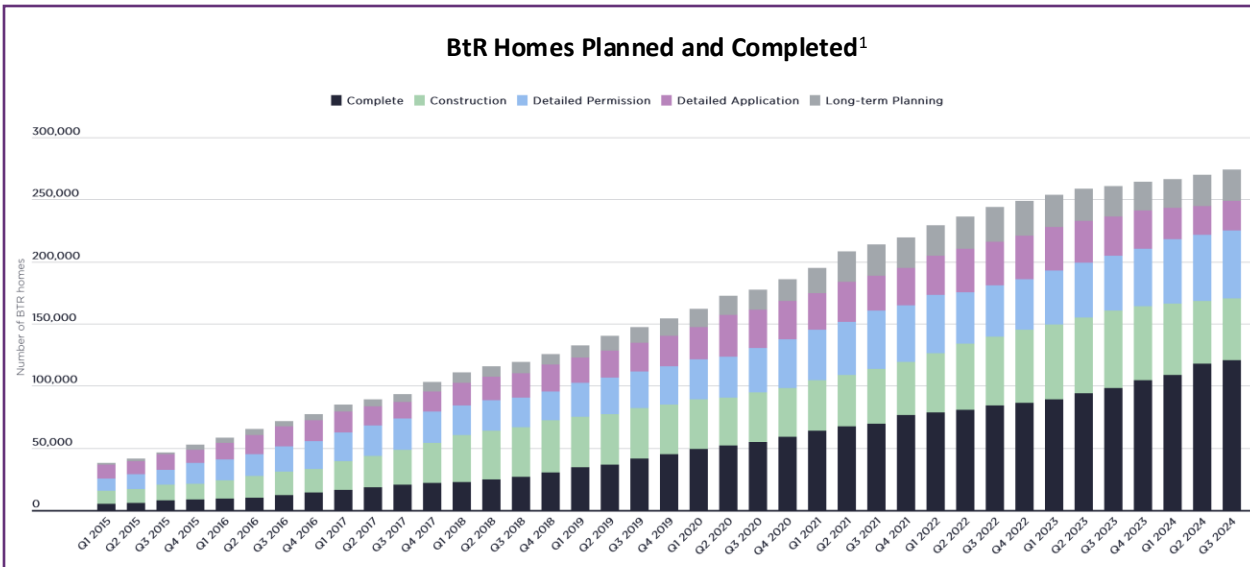
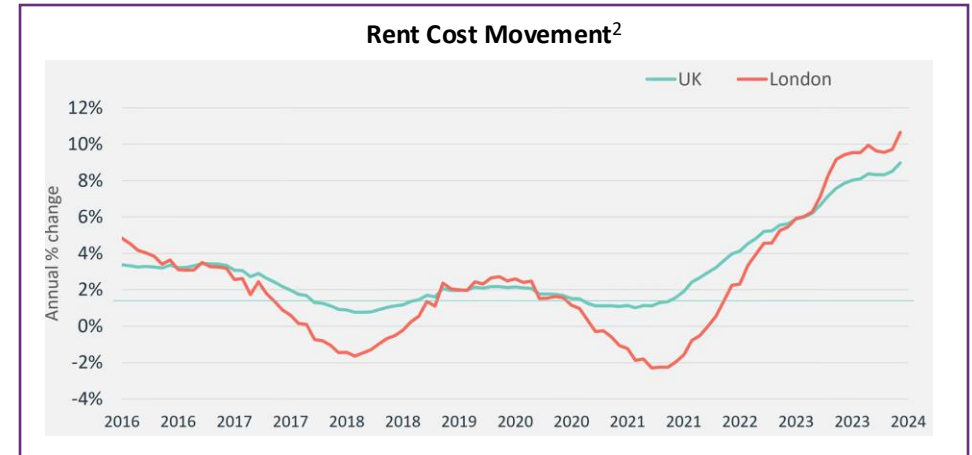
# Discussion

- After a decade of delivering BTR, how has the industry evolved and what are the major lessons?
- How do the major players run their businesses?
- What sits behind their brand, their values, and culture?
- What is their vision for the future and predictions for the shape of things to come?



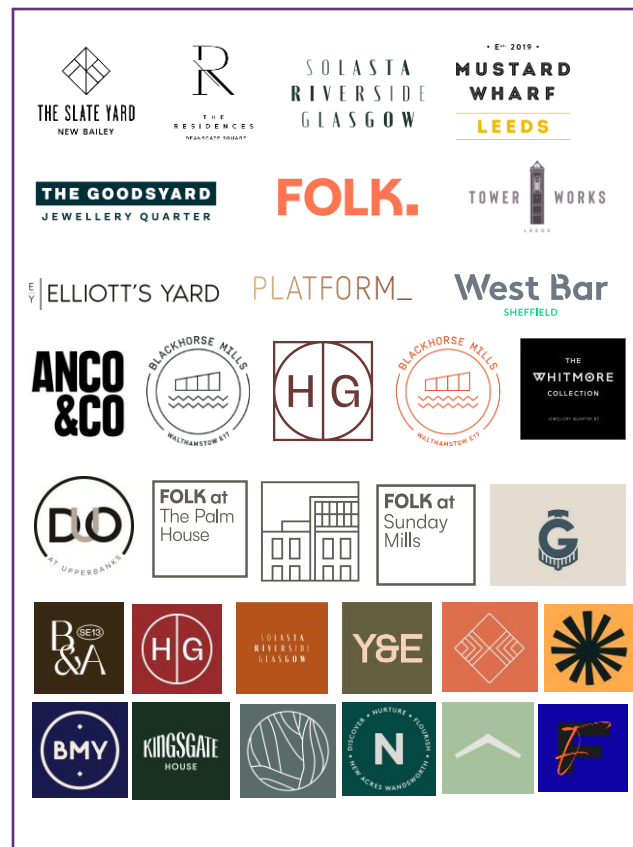
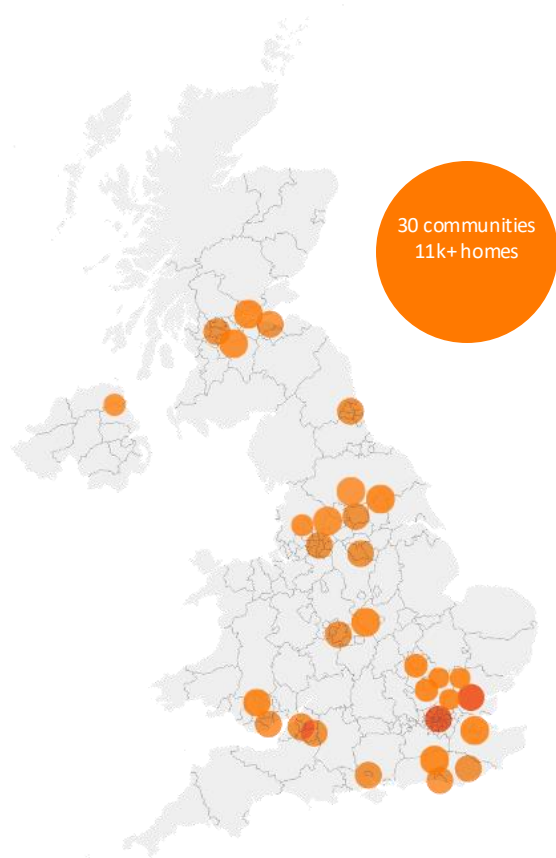
# UK Rental Market – Past Present and Future

UK population	69 million
Households	28.4 million
Rented accommodation	5.4m (19% - doubled since 2001)
BtR Homes	115k (2.1%)
Annual supply needed	300k
Annual supply average	120k



<sup>1</sup>Savills Research, British Property Federation, Molior <sup>2</sup>Cluttons UK & London rental market update Spring/Summer 2024 <sup>3</sup>NHBC Residential Construction Statistics Portal

# Our Place In The Industry



**OUR BTR PIPELINE** Our BtR portfolio is divided into five separate regions. Operating 27 Build to Rent developments Nationwide and 3 Co-Living developments – a total of 11,600 homes.

Region	Cities	Homes
Scotland and Northern Island	<ul style="list-style-type: none"> <li>Glasgow (2)</li> <li>Edinburgh (2)</li> <li>Belfast (1)</li> </ul>	1,750
North	<ul style="list-style-type: none"> <li>Manchester (6)</li> <li>Rochdale (1)</li> <li>Leeds (2)</li> <li>Newcastle (1)</li> <li>Sheffield (1)</li> </ul>	2,900
Midlands	<ul style="list-style-type: none"> <li>Birmingham (2)</li> <li>Coventry (1)</li> </ul>	900
South West and Coast	<ul style="list-style-type: none"> <li>Cardiff (2)</li> <li>Bath (1)</li> <li>Bristol (1)</li> <li>Brighton (1)</li> <li>Hove (2)</li> <li>Southampton (1)</li> </ul>	2,600
London	<ul style="list-style-type: none"> <li>London (7)</li> </ul>	3,500

**OUR FUTURE BTR PIPELINE** Over 10,000 BTR homes in operation by 2025, and a further 10,000-15,000 by 2030.

# Build to Let vs Build to Rent

“UK renting was full of rules and covenants telling the tenant what you can’t do. BtR changed that, it's about what the resident can do”

Key Differences	Build to Let (BtL)	Build to Rent (BtR)
Lease length	Usually 6-12 months	3+ years
Lease security	Landlord can terminate	Resident only lease termination
Resident alterations	Restricted by Landlord	Can be personalised
Pets	Forbidden by lease & AST	Encouraged, within the rules!
Resident referencing	Traditional	Streamlined and digitalised
Deposits	Can be 6+ weeks’ rent	No longer required
Fees	Subject to Landlord	Transparent fee structure
Inclusive rent	Property only	Incl. amenities, wifi & some services
Onsite service & support	Caretaker / offsite PM	Full / Holistic onsite team
Change of circumstances	Restricted to lease	Flexible tenancies

# 2024 SWOT Analysis of BtR

## + Strengths

- Growing demand
- More investment - increasing supply
- More job opportunities
- Quality service delivery to residents
- Contributing to housing needs
- Stronger communities

## + Weaknesses

- Rising debt costs
- Planning permission
- Viability (financial)
- Speed of delivery

## + Opportunities

- Place making and community building
- Creating more local employment
- Enhance local community with activity
- Gov. support to meet housing needs
- Improving resident lifestyle

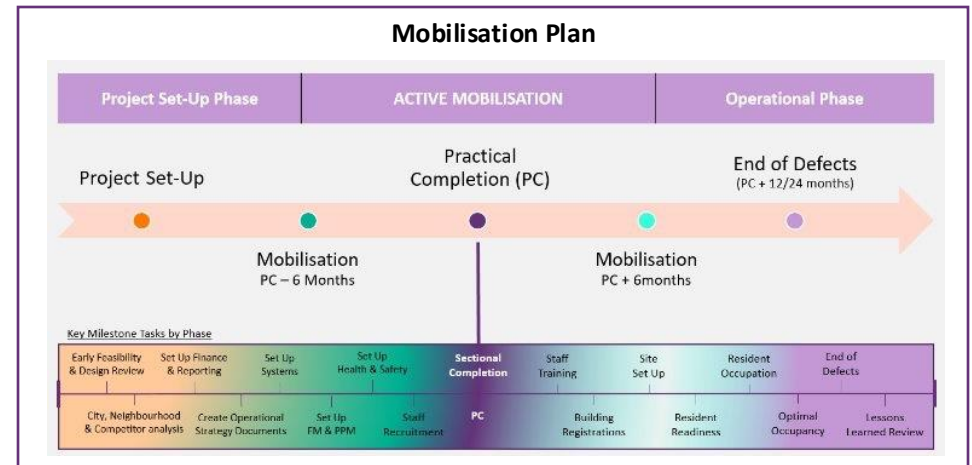
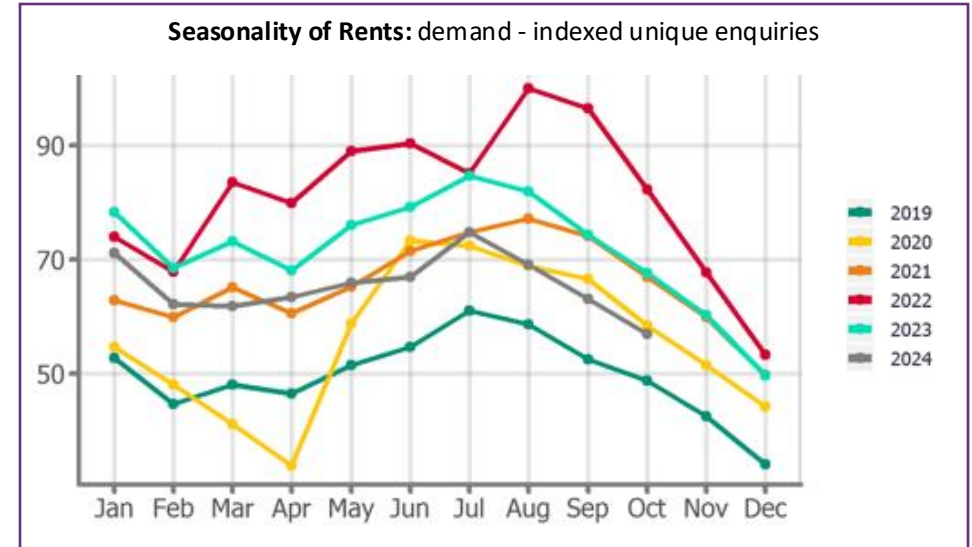
## + Threats

- Economic environment
- Cost of living
- Cultural changes
- Legislation changes
- Public Perception
- Competition
- Premium rental only



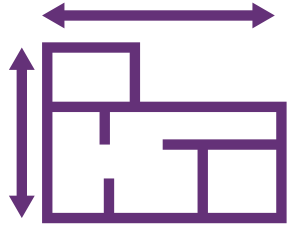
# Mobilisation, Launch & Lease Up

- 1 **Research & Insights; know your customer & market**
- 2 **Plan & execute the mobilisation of your community like a project**
- 3 **Identify & resolve defects before residents move in**
- 4 **Brand & Identity – your community should stand out & ‘up’**
- 5 **Embrace technology & digitalise your customer journey**
- 6 **Leasing in the UK is seasonal – April launch is better than Nov.**
- 7 **Lease Up is 6 to 9 months and is frenetic – plan for chaos**
- 8 **Achieving Full Occupancy – celebrate but adapt**

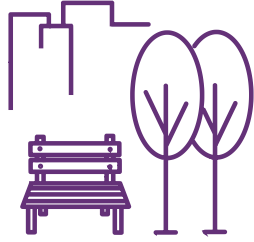


<sup>1</sup>Rightmove

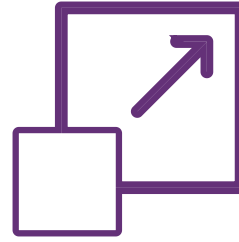
# Your Physical Community



**Forget standardised unit sizes.** Consider larger homes to differentiate offering.



**Prioritise outdoor space in design.** The value is significant and will increase absorption.



**Scale is your friend.** Our communities are now 400-500 homes, improves cost optimisation.



**Factor in convenience.** Build convenience store within community or ensure there is one locally.



**The best communities are a mix of tenures.** Incorporate best practices of BtR, BtL, CoLiv, SFH...



Flexible Leases



No Deposits



Zero Fees



Onsite Team



Concierge



Maintenance Team



Car & Bike Club



Cycle Store



Pet Friendly



WFH Spaces



BBQ Area



Fitness Suite



Dry Cleaning



Leisure Facilities



Onsite Events



Coffee & Breakfast



# Your Operating Model & Structure

Operating Model & Structure	Factors
<b>Community Values</b> Brand and Vision	<ul style="list-style-type: none"> <li>• Create a community – it’s more than just a home</li> <li>• Promote inclusivity and a sense of belonging</li> <li>• Enhance residents’ quality of life (premium services, easy connectivity, one-touch communication)</li> </ul> <ul style="list-style-type: none"> <li>• Engage with the neighbourhood and local community</li> <li>• Promote sustainability – your residents are key to ESG</li> </ul>
<b>Team Structure</b> Onsite vs Head Office Support	<p>Building a strong team that can engage and build strong relationships with your residents is key to success, not burdened with admin and reporting</p> <p><b>Onsite</b></p> <ul style="list-style-type: none"> <li>• Property and Facility Management</li> <li>• Leasing</li> <li>• Maintenance, Cleaning and other Soft FM Services</li> <li>• Resident and community services (FOH, Community Ambassadors)</li> </ul> <p><b>Head office</b></p> <ul style="list-style-type: none"> <li>• Management</li> <li>• Finance</li> <li>• Marketing</li> <li>• HR</li> </ul>
<b>Leasing</b> Onsite vs Digital	<p><b>Onsite</b></p> <ul style="list-style-type: none"> <li>• Convenient / On-demand – tours and viewings</li> <li>• Create better rapport with face-to-face viewings but...</li> </ul> <p><b>Digital</b></p> <ul style="list-style-type: none"> <li>• This area can be fully digitalised / automated with tech and consumer</li> <li>• Abundance of tools to use for marketing material and communication</li> <li>• Reduce running costs significantly</li> </ul>
<b>Procurement &amp; Supply Chain</b>	<ul style="list-style-type: none"> <li>• Align with brand, vision, and values</li> <li>• Consistent procurement and supplier management at a regional level</li> <li>• Sustainability</li> </ul> <ul style="list-style-type: none"> <li>• Cost and time efficiency</li> <li>• Local vs National, Community appointed vs Centrally Procured</li> </ul>
<b>Furnished &amp; Unfurnished Options</b>	<p><b>Furnished – 90% plus</b></p> <ul style="list-style-type: none"> <li>• Hassle-free for residents</li> <li>• Appeals to target market, corporates and students</li> <li>• Inventory Management, quality and end of life uses</li> </ul> <p><b>Unfurnished – 10% or lower</b></p> <ul style="list-style-type: none"> <li>• Regionally, 5%, London – 20%</li> <li>• Older demographic and families</li> <li>• Offers flexibility, not less rent</li> </ul>
<b>Automating FoH Services</b>	<ul style="list-style-type: none"> <li>• Enquiries, maintenance requests and triage</li> <li>• Parcel management</li> </ul> <ul style="list-style-type: none"> <li>• Access control</li> <li>• Guest services: portal and app</li> </ul>
<b>Outsourcing Soft Services</b>	<ul style="list-style-type: none"> <li>• Reduce expenses related to salaries, benefits, training, and overhead</li> <li>• Access to greater talent, quality, and efficiency</li> </ul> <ul style="list-style-type: none"> <li>• Provides flexibility to business’ fluctuating demands and reduces risk</li> </ul>
<b>Onsite Maintenance</b>	<ul style="list-style-type: none"> <li>• Improved response times, quality and control</li> <li>• Defect management in 1<sup>st</sup> Year – beware</li> <li>• AI and automation - self help and resident education</li> </ul> <ul style="list-style-type: none"> <li>• Need 3<sup>rd</sup> party back up</li> </ul>

# Financial Optimisation

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- **Cap & Collar Rent** - resident protection but can hold back maximising rents
- **Rent Setting & Controls** - local insight vs central control vs dynamic pricing
- **ARV vs ERV** - a key measure for each community
- **Data & MI** - invest in real time data from the start (i.e. Power BI)
- **OPEX Standardisation** – critical for operations, cost analysis & management
- **Independent Spend Analysis** - track and 'jump on' non-systemic variation.
- **Staffing Solutions** - assess direct employ vs 3<sup>rd</sup> party provider once scale achieved
- **Gross to Net vs Rent / Cost per apartment / Sq Mt/Ft**
- **Portfolio Growth** - 3<sup>rd</sup> party operator specifically. Be realistic!



# Our Top 10 Giveaways To Use In BTR Communities In 2025

1. Create a strong brand and live by its values

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2. Identify resident pains & create your service to remove them

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3. Research your target market & location deeply

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4. Define your customer journey & embrace tech to meet it

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5. Run mobilisation & lease up like a project

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6. Your onsite team – appoint in time, manage well & adapt at full occupancy

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7. Ensure your operating systems give you real time MI

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8. Develop strong supply chain, supports growth and cost efficiency

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9. Drive into the financial MI, especially when rents & costs go off-piste

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10. Digitalise your community, build strong resident reviews – future proof

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**Michael Howard** · 1st

Owner/MD of urbanbubble. Award winning resi property operator with a ...  
19h · 🌐

I know I have been absent on here for a while but, I really need your help. I have the honour of presenting to the Australian #BtR market next week in Sydney about our experiences since we started in 2016.

One of the key questions is how has our market evolved and what have we learnt.

I have covered this from my perspective but, its only my perspective. I would love to hear from any & everyone on one thing that the UK #buildtorent sector has learnt, or evolved since we started a decade ago that we can share with our friends down under.

My plan is to share this post on the screen within the slide stack, after they have listened to me drone on, so they can see a full thread of pertinent lessons and advice from us here in blighty.

I'd appreciate it if you can share this far and wide - apologies for no picture to jazz up and make this a more appealing post to the LI Algorithm!

[The Association for Rental Living](#), [Brendan Geraghty](#) [Lesley Roberts](#) [Matthew Smith](#) [Michela Hancock](#) [Nigel Bosworth](#) [Dan Batterton](#) [Ashley Perry](#) [MRICS](#) [Oscar Brooks](#) [Justin Harley](#) [Chloe Sachikonye](#) [Tom Sinclair](#) [BTR News](#) [Sowgol Zarinchang](#) [Katherine Russell](#) [Katherine Rose](#) [Dougie Orton-Wade](#) [Sam Smith](#) [Hannah Marsh](#)

👍👏👤 You and 131 others

26 comments · 9 reposts



**Andrew Seldon** · 2nd  
Andrew Seldon Consultancy Real Estate Consultant, Experiences  
Hi Michael, my experiences in Manchester, Birmingham, Glasgow have seen all these cities face hurdles such as, regulatory shifts and economic volatility, with the latter



**Ronak Rawal** · 2nd  
Senior Director, Global Living Sector

Not every BTR scheme needs to



**Ben Relton** · 2nd  
National PRS Director at LOFT.uk

Hi Michael, love the post and would like to share number of btr schemes recently and prior to this background has lifted offering remain option? offering led com Raising expecta a perfect argume



**Katherine Russell** · 2nd  
Director of Build to Rent at John Lewis Pa

Thank you for the tag [Michael Howa](#) use real estate background, what ha: the openness and collaboration. Leaders in the space, like yourself (and many others), have been generous with their lessons learnt and insights, which is a refreshing contrast to other sectors I've worked in.

The collaborative approach feels essential for any new emerging industry/sector and will be key to helping the sector grow and thrive.

Like · 🌐 3 | Reply

services, utilities and lifestyle the ROI is actually far more positive than initially perceived. In summary btr is setting a new standard in a rental offering and driving others to follow, this is only a positive for the UK housing market. Keep investing in a high standard offering don't cut corners!

Like · 🌐 1 | Reply



**Debra Yudolph** · 2nd  
Founder and CEO - SAY Property Consulting LLP

Don't call it BTR - call it something the customer understands. Collect ings so the data ifecycle costs in



**Paul Danks** · 1st  
Managing Director at Downtown Asset Management (Part of McGoff G...)

BSA2022 following the tragic events that unfolded at Grenfell? And ROPA now being long overdue?

Like · 🌐 1 | Reply



**Kishor Kumar Tahiliani MTPI (MIRPM)** · 2nd  
General Manager - Allegro Living by Savills | Winner of Team Member of...

In UK the BTR developers have realised the importance of creating diverse housing options that meet the needs of various tenant segments, incorporating amenities like communal spaces, fitness centres, and social events fosters a sense of community and enhances tenant satisfaction.

In early stages BTR was focused mainly on bigger cities, but now it has expanded to smaller cities, driven by a growing demand for rental housing. Institutional investment has surged, leading to the development of high-quality rental properties that cater to diverse demographics, including students, professionals, and families.

Developers are also exploring sustainable building practices, smart home technologies, and flexible leasing options to attract modern renters.

There is more focus now on tenant experience and adapting to changing market demands.

Like · 🌐 3 | Reply

15h ...

s that housing policy n policy makers act ent dries up very progress in BTR in control landed

our Aussie friends have



# WHO ARE WE & WHAT DO WE STAND FOR?

**Vision** Enriching residential communities with expertise and passion, making our cities incredible places to live

**Mission** We empower our people to deliver an unrivalled service, placing customers at the heart of everything we do

## HIPPEE Values

**Hardworking** We take ownership of our role and focus on the outcome and customer experience it delivers

**Innovative** We challenge the status quo with fresh ideas, open minds and speed of response

**Professional** We deliver our role with confidence, capability and integrity, we are brand ambassadors

**Passionate** We love what we do and it shines through, we give it our all

**Effective** We are bold and take the right action, we are empowered to make decisions and complete the job fully

**Engaging** We are team players and build strong relationships, internal and external, with active listening and communication

VOTED #1 BTR MANAGEMENT COMPANY 2022



4.63

★★★★★  
2442 total reviews

23

Developments by  
urbanbubble

### Stats



### HomeViews Awards ⓘ

- 36 Excellence Awards
- 35 Design Awards
- 34 Facilities Awards
- 35 Management Awards
- 34 Location Awards
- 25 Value Awards



### TOP 10 BTR MANAGEMENT COMPANIES 2020



# Their Words, Not Ours...

“What we see on HomeViews is incredibly high ratings for management and customer service, especially when compared to the wider rental market in new-build developments. It has become something that residents are looking out for. urbanbubble has demonstrated it with a 4.6 out of 5 scores, that you can still offer very high levels of management and customer service scores as you scale...” - **Hannah Marsh,**  
HomeViews



**SCAN**



# What Our Vision & Predictions Are Of What's To Come...



# Thank You For Listening. Any Questions?



Interested in finding out more?  
Connect with urbanbubble CEO & Founder,  
Michael Howard, on LinkedIn