

HOME TRUTHS Guy Nixon

UK needs to cherry-pick the best of US build-to-rent

We are now entering the third phase of the build-to-rent (BTR) revolution in the UK.

It began with major investors such as Legal & General and M&G perceiving the demand for BTR homes, and throwing their financial might behind the concept.

Next we saw the likes of Essential Living and Fizzy Living commencing work on BTR developments, with the first completed homes now emerging near major London transport hubs.

The third phase will see institutions begin to understand the nuances of managing BTR

developments as the first customers arrive and the UK begins to develop its own model for the sector.

With Knight Frank predicting that £50bn will be invested by institutions over the next five years, it is crucial the first customers relish their experiences. Scare stories about bad management or poorly designed developments would be disastrous.

So here are Go Native's four key criteria for BTR management success.

1. Design

Despite the media buzz about the sector, too many schemes are still following a basic development model, reflecting little of what the market tells us is key to success. Visiting a range of multi-family schemes in Chicago in December last year, I was struck by the West Loop scheme. Its

sense of style had resulted in it being one of the most commercially successful schemes in the city.

West Loop had a hint of Hoxton, with timber and exposed concrete walls and ceilings, and double-height windows creating a timeless scheme that appealed to a wide demographic. There was a big, busy lounge on the top floor and a bustling rooftop gym that had views across the city.

2. Operational efficiency

For many developers building homes for sale, operational efficiency hasn't been the priority it has to be in BTR. Every £1 of operational savings an operator can achieve adds more than £26 of value to a London scheme. Those potential savings have to be built in at the design stage.

Opportunities to eliminate operating costs are

many - efficient management of a deliveries, rubbish systems that cut recycling demands, strategies that cut staffing costs and energy efficiency

3. Service

Nowhere matches the US for service. In the emerging BTR sector must stand out in a market renowned for its appalling customer service. I've no doubt that soon be ranked by an equivalent service - it would be hugely damaging for a landlord to gain a bad reputation e

A good example of service is shown we visited in Chicago, where it was an apartment before 9:30am because team spent 8:30-9:30am every day

