## housing provision in this country. Now with

over 115,000 BtR homes in the UK, increasing numbers are seeing the benefits of purposebuilt high-quality, housing, supported by professionally managed amenities; this over traditional PRS, or striving for that first rung on the BtS property ladder. The environment for continued growth in the sector is strong, with over 100,000 BtR homes in the planning pipeline. Yet there are

significant challenges to overcome.

Quantem, Formation Architects and The Vawdrey House have pooled expertise to present their thoughts on how to tackle these challenges and deliver the best possible product.

## Regulation and Best Practice. ESG Compliance

Legislative Inflation

stabilised value by addressing ESG performance.

Designs need to respond to changes in Acts, Legislation,

Developments should strive to achieve a long-term

Land Availability & Viability Creative solutions should be provided to face into continuing project viability challenges.

**Greater Competition** 

Tenants are increasingly more informed consumers, seeking a greater variety of choice, creating a need for increased differentiation.

architectural practice offering designers behind some of the best a powerful combination of performing BtR developments. development understanding, design flair and construction know-how. secure value. THE WHO, WHAT, WHERE AND HOW

Me Nawdrey Louse

Multi-award winning interior

An established, award-winning

Award winning QS, PM & EA, Quantem control, manage and plan construction projects to improve cost effectiveness, reduce risk and

**QUANTEM** 

The Green Quarter, Southall, Formation Architects for Berkeley Homes

These trends point toward demand for larger units with more flexible interiors. There are notable advantages here. Buildings with larger units are generally cheaper to build with a better net-to-gross

Amenity provision will need to change accordingly. Family-friendly

broader range of residents can lead to

significant benefits in both capital and

Appealing to a broader demographic market mitigates risk, creating a

more stable occupancy, reducing turnover and assisting with building

management. This would inevitably create a more sustainable and

# OF BTR FOR THE COMING DECADE: WHO

#### The Demographics of BtR Tenants are Expanding... Appeal will increase to old and young alike. Students 'graduating'

#### from PBSA will value BtR with options like co-living; sharing others in a more communal environment. We can also expect BtR to become an increasingly popular option for later living, again valuing a strong community and amenity facilities. As the GenZ renters who increasingly made BtR their home over

the last decade reach their thirties and forties, developments will also need to make greater provision for family housing.

Current Occupancy by Household Couples / Sharers Singles

facilities such as on-site childcare or a nursery, playgrounds, pushchair storage, together with enhanced safety and security and a familyfocussed management and events calendar will be sought. Diversifying your BtR offer to attract a

ratio.

Ebb & Flow, Reading The Vawdrey House for Native **Families** 36% All Private Rental Sector Couples / Sharers 35% Build to Rent

As the BtR sector continues to grow, we can expect tenants generally Singles Families to become increasingly informed consumers, seeking a better variety of choice, in turn driving competition and innovation. This will mean stronger brands supported by more distinct design. Increasing protection for tenants in law, will make it easier for tenants

operational costs.

profitable BtR development.

to vote with their feet, making it even more important that designs stay looking fresh. Proportion of over 65s currently living in BtR https://bpf.org.uk/

WHAT A More Diverse Product

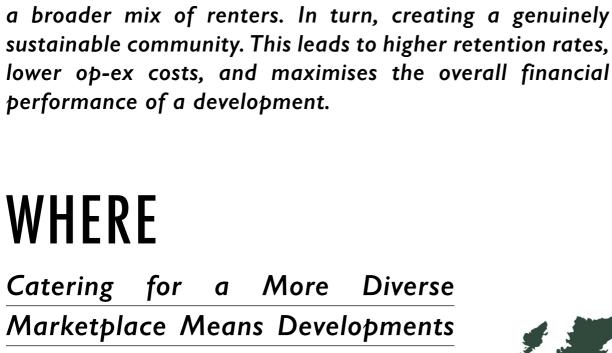
### to Unlock the Future Positive Trajectory BtR...

#### serviced mansion blocks with a higher service provision and more space. But there is also growing demand for a more value-driven product, with less service provision, and in less central locations. Crucially high-quality design is key at both ends of the market.

An increasingly diverse range of renters are demanding an increasingly diverse offer. There is a growing appetite for higher value, centrally located, BtR, akin to historic

Number of BtR homes in the planning pipeline Savills 'UK Build to Rent Market Update - Q2 2024'







allotments for example! Architecturally, this should mean flexible spaces that can facilitate the changing wants and needs of tenants, not overly specific white elephants.

garden, cafe, co-working and gym becomes ubiquitous, we will need more creative responses to stand out; perhaps a rooftop

craft

Beyond the Familiar Hotspots... Growth areas are likely to be towns and cities that have; large student populations especially those well catered for by **PBSA** relatively available land supply with reasonably sized land parcels strong levels of professional graduate employment and post graduate study These locations will mean low(er) rise urban planning envelopes.

#### Competition with PRS and BtS will remain tight, requiring expert informed viability assessments from the outset with ongoing viability management. Monitoring and managing design and cost to targets will be key.

A change toward a more family-focused provision will also mean providing, suburban BtR homes, that still provide the design quality

Retrofit projects will become more common - working within a mix

and managed amenity that tenants have come to expect.

remodelling of vacant high streets.

HOW

Understanding the Impact of Legislative Changes...

of typologies; retrofit of office blocks, and shopping centres or even Cambridge, Brighton, Norwich, Sheffield, Aberdeen, Nottingham, Oxford, Bristol, Cardiff, Bath, Leeds all strong BTR growth centres we are likely to see further obligations in the

#### form of, LETI, MEES, Future Homes, CBAM, emerging SPG and 'true dual aspect' (in London). Recent and impending legislation will not

## only impact an unmanaged viability itself, but also create further hurdles:

The residential sector faces into The Building Act and over 30 regulations, guidance



Ebb & Flow, Reading The

guidance is written for the private sale and PRS sectors. Adherence can pose challenges for BtR schemes and may conflict with the operational and financial models typical of

Whilst ensuring the highest quality for occupants is paramount, the specific nature of BtR offers an opportunity to depart from a strict compliance approach to considering some aspects of guidance with a more open

BTR is Different!

Dual aspect units provide benefits of passive ventilation, heating/cooling and improved daylight. However, providing a 100% dual aspect scheme reduces building typology flexibility and efficiencies. A building which has 100% dual aspect units, provides highquality homes but has a poor wall to floor ratio, driving up capital costs. Whilst such units do provide huge benefits and should be provided where possible, a balance should be struck, as achieving this has implications on sustainability due to poor envelope

BtR developments.

mind.

efficiency.





Design Homes, Not Units...

A dressing area not just a wardrobe

A hallway with coats storage, not just a front door.

The kitchen is a conversation, not just a place to cook.

property to add real value:

Carefully consider each and every apartment in terms of layout and function, to incorporate the details you would expect in a larger

#### harder to install or manage. This is also the area where the personal choices of the resident come in to play. Exercise careful sourcing for the discerning consumer. Challenge the Relevance of New Regulations... Latest design standards (The London Plan (NDSS)) pushing for better quality residential homes give prescriptive requirements for everything from the width of a living room to space for a desk. The level of detail has increased exponentially, but ultimately this

#### the number of dual aspect units due to the range of communal amenity areas provided. These communal areas provide residents with several spaces that are an extension of their home allowing residents to experience a range of aspects, views and environments. This 'alternative-compliance' could ensure

a reduction in construction costs, provide

increased sustainability and allow for a bigger

budget for the common areas, boosting the

overall viability of the development.

BtR may offer an opportunity to challenge

"The communal amenity provided means that private balconies could be omitted in favour of more internal space." - Marco Tomasi, Director, Formation Architects Case Study Layout To illustrate how accepting a different compliance approach for BtR apartments could create better homes for tenants that are more cost effective for developers, we

increasing utilisation.

Rethink Private Amenity Space... Additional space and enhanced well-being from quality private amenity spaces are high priorities within apartment living. But interiors. Problems that are amplified in a BtR environment where As BtR aims to target an increasingly broader market, different approaches will be required to create diversity and choice; some with larger balconies, some with just enough space for a small breakfast table and some with none at all. access to a greater provision of shared amenity. If this is dispersed, such as with several smaller private gardens rather than one large roof terrace, or a series of wellbeing spaces to enable a mixed offer that one large basement gym can't, then tenants will find spaces that are more easily accessed and better suited to their specific needs,

have taken a classic 2 bed 'dumbell' type flat responses to the London Plan guidance were relaxed for BtR, we could optimise the layout to better suit tenants. Maybe one day BtR might even become its own planning use class...?



Design Public Spaces to be

of ownership of these spaces is key to longevity.

The goal remains to create shared spaces which tenants want to spend time in. Visually exciting, flexible from day to night, and offer the feel of somewhere you would normally have to go 'out' to find, but all with the benefit of being on your doorstep. The style should respond to location and the demographic, but quality needs to be high such that tenants are proud to call it home. An accessible sense

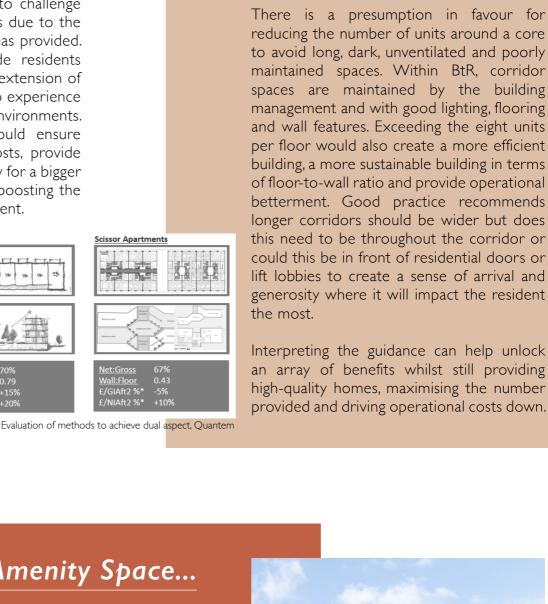
Here are our key drivers behind delivering successful, relevant,

communal spaces that help secure the highest possible rents:

Proud of...

Formation Architects & The Vawdrey House

Keep the Project Team Tight Don't dilute the design. This will help ensure the process is efficient and the project delivers on the original vision. Be Flexible



1. Internalised balcony All 77 sqm is internal. Unlike private sale. BtR can better offer communal gardens so a private balcony isn't essential meaning a larger apartment with improved net:gross ratio. 2. Accept single aspect One can enjoy other aspects from the communal spaces. Improves wall:floor ratio. 3. Generous bedrooms Large enough for a WfH desk, an armchair, or for children to share, plus space for plenty of personal storage (walk through dressing room) and good sized bathrooms. Much bigger than a normal private sale bedroom. 4. Functional living area Perfectly workable when the tenants want to come together.

5. Suited to volumetric

The plan divides equally into three – each

Easy landlord access to filters, manifolds etc from the corridor reduces operational costs.

prefabrication

6. Integrated riser

about 3.6m wide.

Hounslow High Street, Formation Architects for Ganco Assets

Fix the 'white box' early, but keep the finishes and fit out flexible. Keep checking and questioning the relevance of what is being done, celebrate and encourage the chance to re-think concepts as the world around you evolves. Involve the Operator Early Ensure they have the spaces and facilities they need. The on-site

management team are fundamental to creating a strong community

Your product is your best brand ambassador. By ensuring that the strategic outcomes of the development are made clear in the design

Integrate Branding From the Outset

Ebb & Flow, Reading The Vawdrey House

phase, the brand can be hard-baked into the layout and fabric of the Ebb & Flow, Reading The Vawdrey House building. Consider the Residents' Entire Journey Follow your resident right through the building. From arrival and approach, the car park, the lift car, the corridors. How do tenants move into the building with their belongings? How will they

with happy long term tenants.

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FORMATION ARCHITECTS Vawdrey House

#### dispose of rubbish? How do they collect their post? Each space deserves equal consideration and the brand should permeate all these day-to-day interactions. Build it Greener ... More environmentally conscious renters are prioritising sustainability. 7/10 renters rate sustainability as moderately important (MRI's Rental Housing Report), with this being more prominent in younger individuals. Efficient home design to reduce utilities, costs and leveraging technology to streamline operations is key. Brands will need their spaces to reflect and strongly signal their environmental credentials to appeal to increasingly more ESG conscious renters. Expect to see increased demand for net-zero buildings and B Corp certified operators. In interior design this means a clear avoidance of leather, plastics and toxic fire retardants and trends toward natural finishes, recycled/ recyclable furniture and a focus on indoor air Prioritising ESG by going beyond regulatory compliance, implementing sustainable building methods, creating inclusive communities and Ocean plastic-made furniture, Mater maintaining strong governance drives long-term value, attracts socially conscious investors and enhances project credibility. Looking long term, it is likely portfolios featuring non-compliance to ESG needs will be discounted.

Ebb & Flow, Reading, The Vawdrey House for Native

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If you would like to discuss these topics further, and how they might affect your future BtR projects,

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