



## Will 2018 be the year of build-to-rent?

2 March, 2018 Ashley Perry



In the year since the housing white paper was published, emphasis has been placed on the need to diversify the UK's housing market – including encouraging further investment in build-to-rent developments.

The government proposed two key changes.

The first of these was to the National Planning Policy Framework 2012 (NPPF) to ensure local planning authorities actively plan for build-to-rent where there is an identified need – we'll come to that later.

Secondly, the white paper recommended making it easier for build-to-rent developers to offer affordable homes and to enable the creation of family-friendly tenancies of three or more years. Time will tell how the government proceeds on both fronts.

### **Council awakening**

Good progress has been made on the adoption of the Affordable Housing and Viability Supplementary Planning Guidance. This has brought clarity to projects we are involved in. It has even brought clarity to boroughs outside of capital that are less familiar with the idea of build-to-rent.

The Draft London Plan published late last year indicated that a fast-track route for affordable housing, including a large proportion of London Living Rent-type housing, will be given special dispensation to deliver homes more quickly. While this is a positive move, don't expect results overnight.

There is something concerning, however, relating to local planning authorities' awareness, and acceptance of this not-so-new form of housing.

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The money from across the globe is there to invest in the right opportunities, but – disappointingly – some local authorities in London still have not understood, accepted or welcomed build-to-rent.

Research from Nexus Planning has found that “of the 33 local authorities in London, about half make no reference to build-to-rent in their adopted or emerging planning policy”.

Nexus continues: “Just 30 per cent of local authorities in London have clear, positive positions on the sector, evident through policies or guidance relating to build-to-rent.”

Room for improvement, it would be fair to say.

### **Build-to-rent hotspots**

It is also important to note that many of the local authorities identified in the Nexus report as having a negative stance towards build-to-rent are ideal locations for development. Hillingdon and Ealing to the west and Havering and Greenwich to the east in particular are great hubs for build-to-rent – not least given the impending boost from the opening of the Elizabeth line.

There are several large sites coming forward that can benefit from the improved public perception and understanding of build-to-rent. The acceptance of ‘tenure-blind’ integration of affordable housing promises a new era of cohesive rented communities.

2017 was an exciting year as build-to-rent gained traction through the housing white paper and, while the high-end residential market softens, this is a sector full of optimism.

Now it’s time to realise this potential.

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