



ASCEND PROPERTIES

# BUILD TO RENT GUIDE

Ascend



THE LATEST

# > PROPERTY BUZZ WORDS

**PRS/PRC/BTR** – These terms have been used quite heavily over the past twelve months; by developers, agents, the media and also by those who haven't a clue what all the fuss is about.

## PRS

Private Rented Sector

## PRC

Private Rented Community

## BTR

Build to Rent

Over the past few years Built to Rent (BTR) has grown substantially throughout the UK, accounting for around 16.5% of households.

The concept has been around for years; only now are we seeing a hive of activity around Manchester and the momentum has begun to gather.

WHAT IS

# > BUILD TO RENT?

The understanding of the BTR sector varies dependent on the source. In short, Build to Rent developments are:

- Properties which have been created specifically for the main purpose of being rented. Not sold
- Owned in its entirety by one owner
- Managed in its entirety by one manager

**The ultimate key to BTR is that the priority is the end user – the tenant.**



BTR IS MUCH MORE THAN A PLACE TO LIVE...

# > IT'S A LIFESTYLE

Today's discerning tenants expect much more from rental accommodation.

A huge 83% of properties in Manchester city centre are rented; that's one statistic that cannot be ignored. The sector needs to raise their game, listen to what tenants want and deliver it to the best of their ability.

Tenants want amenities, services of convenience and lifestyle enhancing add-ons, and developers are quickly realising that hospitality plays a huge part in the success of a BTR scheme.

There's no doubt that BTR is set to be a popular way of living in the future. The gap in the market is huge. The demand for property in the UK is very quickly outstripping supply and BTR is hoping to address this imbalance.

"The average age of people looking to move into a first home in the UK is between 25-35 years old. The open market is not currently catering for this demographic as most new home developments across the UK are 3-4 bed houses."

**UK RESIDENTIAL: WHAT IS 'PRS' OR 'BUILD TO RENT' AND HOW CAN DEVELOPERS CAPITALISE ON THIS OPPORTUNITY** ([CHAPMANTAYLOR.COM](http://CHAPMANTAYLOR.COM))

# THE MARKET HAS > SHIFTED

Home ownership is now no longer a goal for many of our generation who prefer the flexibility of rented accommodation.

Whilst buy to let has undoubtedly been the main source of quality rental properties throughout the city for many years, the BTR sector will continue to bolster Manchester's rental appeal and deliver additional accommodation with the added benefit of first-class service levels. The 25-35 age group in particular are happy to live in BTR housing, as proven by the number of successful BTR schemes currently underway. This age group aren't the only chunk of people who could benefit from BTR though, as students and downsizers are also equally attracted to the benefits of BTR and the services which come hand-in-hand.

Over the next four years, the build to rent sector is estimated to be worth in excess of £50 billion. That's a lot of build to rent units.

"The private rented sector (PRS) has expanded rapidly in recent years, with 4 million PRS properties housing 9.1 million people in England in 2012-13, 18% of the population. In 2011-12, the sector overtook social renting as the second largest tenure behind owner occupation."

**BUILDING THE NEW PRIVATE RENTED SECTOR**  
(HOUSE OF COMMONS – BRIEFING PAPER)



# > LET'S SEE HOW THE GUYS ACROSS THE POND DO IT

## AND WHY THEY'RE SO SUCCESSFUL AT IT

The UK aren't the first to adopt the BTR concept. The US has operated 'Multifamily Developments' for a number of years now. And they've done it well. It actually provides some of the best returns in American real estate – think along the lines of \$110 billion and you'll be hitting the nail on the head. Whilst the UK hasn't adopted the same name, there are a number of lessons that can be learned from our friends across the water.



## GREYSTAR

These guys have a huge multifamily portfolio of over 425,000 properties (which also includes residences in the Student and Senior Living sector). As one of the biggest multifamily investors in the US, Greystar has had a number of successful schemes.

For example their 'Cliff Apartments' have a huge focus on customer service and luxury living. These top tier apartments have been extravagantly designed throughout and have shared amenities and services directly inside the development. It has a luxury landscaped entrance plaza, 24-hour attended lobby, an onsite café, fitness centre and a rooftop sundeck.

## Hines

These guys are responsible for the popular 'Waterfall Place' in Houston, Texas. Taking hospitality to a new level; they've not just stopped at luxury residential units with club amenities, they've installed state-of-the-art communal areas, a resort-style swimming pool, a fitness centre and business centre. Not only did they choose their location well, offering residents stunning views across the park, they provided on-site parking and a super swanky 7th level sky lounge.

### IN BRIEF

The success of the US multifamily concept has been built on their attention to detail, high quality design, a plethora of amenities and a wholehearted dedication to customer service.

While BTR may not be fully established yet in the UK, it still has major potential as a solution to the housing shortage. If we can work out the kinks from the system, there's a great deal of promise for future growth, especially with the planned billions to be funded towards it over the coming years.

LET'S LOOK AT

# > UK BTR IN MORE DETAIL

- First-class facilities and amenities are included
- A modern and high-quality design throughout
- Socialising is made easy with the use of communal spaces
- The focus is purely on tenant needs
- BTR schemes are usually located in city centre locations, which is great for work, social and transport
- Easy access to amenities and extra lifestyle-enhancing services makes tenant's lives much easier
- Management and staff within BTR developments understand the need to deliver a first-class service

Whilst beautiful apartment blocks are fine for the buy to let sector, this usual run-of-the-mill offering just won't work in today's city centre market where tenants are looking for that je ne sais quoi... a certain quality and convenience expected from this type of tenure.

## Boring just won't cut it with BTR









## BTR SCHEMES NEED TO > DELIVER MORE

A work/life balance and a true sense of community. This, in turn, will result in longer tenancies and happier tenants. Studies have shown that tenants who socialise with others in a building are over 75% more likely to renew their tenancy agreement.

“Many funds/developers are acquiring/building blocks of apartments, labelling it as ‘PRS’ and are expecting to achieve premium rents. Unfortunately, this isn’t going to stick in Manchester unless the proposition is nailed on.

The PRS/Build to Rent concept is a lifestyle; people will want to live there for the added extras, not just to rent somewhere to live. The market will be looking for added bonuses including gyms, concierge, outdoor areas and personal touches such as dry cleaning and food services. They will expect convenience and an unrivalled service for the premium rent they’re being asked to pay.”

GED MCPARTLIN, ASCEND PROPERTIES

## So how do developers ensure that they’re making their proposition as appealing as possible?

ASCEND'S PROPOSITION TO

# > DELIVER STAND-OUT PRS DEVELOPMENTS

We're often asked by developers: *'How can we ensure our proposition is the best?'*  
*'What is going to make our BTR scheme stand out over the several others currently underway in the city centre?'*

## In short ... we listen

We listen to what tenants want. The BTR sector has been firmly aligned with the hospitality sector and this is with good reason. The offering needs to deliver value to tenants. A community needs to be created and an incredibly high level of customer service should be at the absolute forefront.

## How can you do this?

You need to be offering unique services and amenities that no other BTR development offers. These services need to put the tenants first and ensure that both their work and personal lives can run efficiently with minimal effort on their part. Ensure the management is undertaken by a provider who understands your needs as a developer and the needs of your tenants. Ensure they employ staff from the hospitality sector who will provide an unrivalled level of customer service. Tenants need to receive the full BTR experience they desire.

## OUTDOOR SPACES

- An outdoor BBQ/grill area
- Sports court for team games
- Rooftop sun terrace
- Rooftop bar/restaurant



## THE LITTLE TOUCHES

- Welcome packs for new movers
- Birthday (card and gift from building manager)
- Option for a home clean (with a free bi-yearly spring clean)
- Contract free TV and internet packages



## FITNESS ENTHUSIASTS

- Gym/Fitness centre
- Swimming pool
- Spa/Sauna



## SOCIAL SCENE

- Private cinema
- Tenant social activities (friendly football match)
- Seasonal celebrations (Easter, Halloween etc.)
- Social pages for the residents to help create a sense of community online

## SERVICES

- 24/7 concierge
- Mail and parcel drop-off and collection
- Laundry and dry-cleaning services
- Dedicated taxi service (or have the concierge arrange one for you)

- A phone app which allows you to pay rent, socialise, make bookings and track any property issues (such as getting a light fixed). Tenants could also request that they have a coffee waiting in the lobby whilst on their way out to work.

- The option for online shopping/ groceries/parcels to be collected and put away
- The ability to control the apartment dynamics through your phone (lighting/heating etc.)



## PRACTICALITY

- Amenities that run 24/7
- Easy access bin chute
- Visitor parking
- Security and privacy (gated development with CCTV)
- Bike storage and bike rentals

- Workspace hire for business meetings and general office use
- Long and short term storage facilities
- On-site café

- The ability for tenants to personalise their home (colour scheme, appliances, artwork etc.)
- The option to upsize or downsize to a different apartment depending on your financial situation





Ascend manage over

**4,000**

units

Across

**72**

blocks

**> WE'LL CUT TO  
THE CHASE...**

With over

**6,000**

happy tenants



# The Ascend team have decades of experience managing entire blocks on behalf of investors.

We also have an unrivalled knowledge of Manchester. We can help you deliver a BTR scheme which will truly set the bar high and get your development head and shoulders above the rest. Because we're built on higher standards, we keep our fingers on the pulse. We know what works and what doesn't. We've done it for years... and we're pretty good at it.

## With Ascend, you'll get:

### A FULL PRS CONSULTATION

We'll look at your proposition and construct a plan. We take into account everything from concept and design, all the way through to deliverability.

### A FULL LAUNCH PLAN

We don't just mean a good party. We'll meticulously plan a full launch of your development which will make a splash, all the way through to the end user – the tenant.

### FULL MANAGEMENT AND SUPPORT

We'll fully manage your asset from start to finish, allowing a total hands-off approach.

WHAT YOU GET WITH ASCEND

# > THE PERKS

Whilst we won't give away all our trade secrets, here are just some of the perks you'll get with Ascend:

- We manage the entire scheme; from block management to tenant management
- Rent guarantees
- Unique tenant vetting to help you build the right community, with the right type of tenant
- We'll work alongside you and your target market (complete with focus groups and plenty of consumer outreach) to deliver the best BTR proposition possible
- Your development will benefit from a launch like no other
- You get one single point of contact to manage your asset (who is supported by first-class infrastructure)
- We've won awards for our service and have 5\* reviews across the board
- You'll get nothing but a first-class service with honest, open communications
- Our marketing is slick – nobody can make a splash the way we do. Say 'goodbye' to amateur tactics and 'hello' to professional campaigns to deliver full occupancy levels
- We only recruit the finest talent around. BTR is about the service. We won't settle for anything short of impeccable
- You get support with financial planning, forecasting and other services to maximise returns on your investment
- We deliver on our promises. **That's a promise.**

# We'd love to chat to you in further detail.

Call us today at one of our various offices.

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# Ascend

Built on higher standards

Fancy a chat? Contact us

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