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Yorkshire targeted for build-to-rent

Sheffield and Leeds are a magnet for build-to-rent developers who plan to offer cradle-to-grave homes. Sharon Dale reports.

The number of build-to-rent apartment schemes is burgeoning and the boom looks set to continue as developers and big-name investors look set to expand the concept to the suburbs where they will construct family-size properties and flats for the over-55s.

Recent figures from the British Property Federation show that the number of purpose-built, amenity-rich rental developments has soared by 50 per cent in the regions, with Leeds and Sheffield emerging as key hotspots.

Andy Pointon, partner and investment specialist at Allsop Leeds, says: "The Yorkshire region is a hotspot for developers as the demographics of the major cities support a strong rental demand."

Allsop research shows that Leeds has approximately 5,600 build-to-rent homes either completed, in construction or in planning.

Sheffield has 2,700 and York 650. There are also early stage

plans for developments in Bradford and Hull.

Manchester and Salford lead the way, with almost 23,000 but the market there is becoming more saturated.

"The Yorkshire schemes are due for delivery over the next one to five years," says Andy Pointon. "Tenants will certainly see a difference from the rental properties they have been used to."

"These purpose-built places generally provide amenity space, such as a shared resident lounge, workspace, gyms, communal dining areas, cinema rooms and gardens. Some will also be pet friendly."

Rents are at least 20 per cent higher than conventional lets but this accounts for the extra amenities and free wifi. Longer-term tenancies are also on offer and, as institutional investors are in it for the long term, security of tenure is greater.

Allsop manages a number of build-to-rent developments

and will oversee Fabrik, a £34m scheme which is being developed by Leeds-based Oakapple Group in the Holbeck area of the city.

Fabrik will include 212 apartments for rent plus a residents' lounge and workspace, a gym and outdoor facilities.

The scheme, which is expected to open in late 2021, has been acquired by Newcastle-based Grainger plc, the UK's largest listed residential landlord.

Grainger is also turning the former *The Yorkshire Post* site on Wellington Road into 242 rental apartments set to open in spring 2021. Over in Sheffield, it has Brook Place up and running with another build-to-rent scheme under construction and set to open in 2022.

Grainger's investment director Andrew Saunderson, says: "Leeds is somewhere we would like to keep building and we are keeping Sheffield under review because Brook Place has performed well above expectations."

"We are also beginning to look at build-to-rent suburban housing around Sheffield and Leeds. This would be low rise and aimed at families who can't buy or don't want to buy."

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BUILT TO RENT: The shared lounge at Fabrik, Leeds, set to open in 2021.

are many reasons why this rental sector revolution is gaining traction.

“People can see the benefits of renting from a professional landlord rather than from someone who buys-to-let. We offer longer tenancies and if something goes wrong in your home we have a 24-hour care line.”

The biggest draw, he believes, is the shared amenities, which help people make friends and create a community.

Biomedical engineer Johanna Uthoss moved to Sheffield from Iowa, USA, to work as a researcher. While she could have rented a one-bedroom flat in a conventional apartment block for £600 per month, she chose to spend £800 on a one-bed apartment at Brook Place, Grainger’s built-to-rent development, which has a gym, co-working space and a communal lounge.

“I didn’t know anyone in the city so the draw for me was the chance

to meet other people,” she says. “It has really helped. If I had been in an apartment without any of the shared facilities I wouldn’t have the social life I have now. The rent is more expensive but I do think it is worth it.”

Grainger expects the average length of tenure to be 18 months to two years or longer. What is certain is that the build-to-rent boom will continue. It is being backed by institutional investors who want a relatively safe place to put their money.

“At the moment, it is two per cent of the overall rental market so there is plenty of room for growth,” says Andrew Saunderson. “There will be a greater variety of product, including properties aimed at families, retirees and at co-living, which is for graduates and includes smaller individual rooms and bigger amenity space.”

Andy Pointon agrees: “Allsop is advising on sites in Yorkshire. In these schemes, amenity provision will be more focussed on families, with an on-site manager, security and gym. Some will also have outdoor games facilities and spaces for uses such as a parent and baby club and exercise classes.

“It is an exciting time to be a renter.”