



BTR Stream

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BTR investment strategies and market dynamics

Presentation by Andrew Screen, head of residential capital markets, BNP Paribas Real Estate

The discussion focused on the current state of debt and equity funding in the real estate market, particularly in the living sectors such as BTR, single-family housing, co-living, and student accommodation. It highlighted a £30 billion influx into capital markets, with a shift from 20% IRR to 15% due to rising costs and interest rates. Upcoming billion-pound transactions are expected to establish new price benchmarks. Rental growth is now around three to four per cent annually, and operational costs have risen. The conversation also covered the impact of regulatory changes and the preference for sub-18m developments. Debt funding is abundant, with banks offering 65% leverage and 8-11% returns.

Delivering successful communities: BTR design, development, and placemaking.

Moderator: Brendan Geraghty, CEO, Association for Rental Living

Panellists:

- Nathan Wise, director of leasing, Quintain Living
- Josie Baum, co-founder and CEO, ARC Club
- Tom Lord, director, UK multifamily operations, Greystar
- Grace Morgan, director of operations, AREA

The discussion focused on creating and sustaining communities in residential assets. Key points included the importance of hiring passionate individuals over experienced ones, emphasizing consistency, and fostering a sense of belonging. The conversation highlighted that while physical

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amenities are important, it's the use and activities within these spaces that truly build community. Examples included leveraging simple activities like running clubs to foster connections and retention. The panel also discussed the challenges of balancing commercial goals with community engagement, the need for innovative approaches, and the importance of measuring community success through metrics like retention rates and resident satisfaction.

Strategies to drive occupancy retention, and resident satisfaction

The panel discussed strategies to drive occupancy, retention, and satisfaction in the UK's BTR market. Key points included the importance of meeting high resident expectations, leveraging technology for better service delivery, and fostering community engagement. Metrics highlighted were the £2 billion annual investment in the UK BTR sector, 93,000 units under construction, and a 4% increase in activity among US residents. The panel also emphasized the significance of quick service, proactive communication, and ancillary revenue models, which can generate up to 20% additional income for property owners.

Other discussion points included opportunities to integrate local community groups and activities into the resident experience; a proactive approach to collecting resident feedback; implementing a short-term rental program that provides owners with control and flexibility; and mystery shopping exercises to assess the quality-of-service delivery and identify areas for improvement.

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