

Keys to the kingdom

Successful, large-scale property management requires a range of skill sets – it's not just about managing. **RUPERT BATES** talk to FirstPort.

Institutional investors are hungry; the money is pouring in; the sector is buzzing. But in the rush to build to rent, don't forget the customers – the fuel that will determine if this asset class takes off and powers a housing revolution.

This is where property management companies come in, but in the case of FirstPort, the largest residential property management group in the UK, this goes way beyond any tick box, rent collector misconceptions about the role of a property manager. For build to rent, whatever the bells and whistles offered in terms of amenities, will fail if service delivery and operational efficiency is not exceptional and, yes, revolutionary.

"Build to rent is a genuine asset class of its own as part of long-term

investment portfolios. Buildings need to be properly serviced and managed. It requires a completely different range and level of skill sets which we at FirstPort, with our size, experience and expertise, can deliver," says Martin King, director of business development, marketing and communication at FirstPort.

It needs the industry to move away from traditional methods of operational management, with no one-size-fits-all approach and different clients having different requirements through the lifecycle of the investment right through to tailored exit strategies, however long-term.

"A new mindset is required – a client relationship that is more typically found in commercial property and asset management. It calls for a ►





multiskilled, multifaceted approach," says Jeremy Ogborne, business development manager at FirstPort.

There is nothing new about renting. Somewhere – post-Victorian era – a stigma was attached to being a mere tenant, a plaything for rogue landlords, fast and loose with tenancies and slow and lazy when it came to fixing boilers. There were some pretty awful tenants too – long before The Young Ones, those flatmates from hell, came to our TV comedy screens.

Like most things, the truth lies somewhere in between. But maybe the rental stars are aligning. The traditional buy-to-let private landlord might have a high churn rate – say 14 to 18 months. But the institutional landlord wants a much longer length of tenancy – three years plus – and increasingly so do the modern tenants, taking a more long-term view of rental accommodation, for lifestyle as well as affordability reasons, but with the comfort blanket of flexibility and mobility too.

"This is what bespoke build to rent developments can provide, giving both customer and investor/developer what they want. This requires specialist management to ensure premium, but competitive rents and minimal void periods," says King.

Mainstream developers unwittingly become build to rent providers when an open-market apartment block doesn't sell. That just doesn't cut it.

"Design and amenities are incredibly important. But it is not just about putting in a residents' gym. People are seeking a better work-life balance and that includes working from home and

co-working is becoming increasingly popular. You have to adapt and evolve in this market and new technology is a key player," says Ogborne.

King stresses that it is not just a young person's game, with young professional individuals and couples just a part of the demographic mix – a mix that is crucial for the sustainability of BTR schemes.

"The retirement sector is a huge demographic with equity to release and technology can help children monitor their elderly parents. Or it might simply be someone who is semi-retired, looking to run a consultancy from home in an oven-ready co-working environment. You want to create the community vibe and mix of a small village," says King.

Developments should not be conceived as a series of individual apartments. A customer can move up a bedroom number and a floor depending on changing circumstances, relationships and family.

FirstPort emphasises the need for the supply chain of products and services to adapt as well – for instance white goods that need to stand the test of time and technology, backed up with copper-bottomed warranties and maintenance contracts.

"It does not matter how commercially cold and clinical the investor is, for build to rent will not work without understanding, addressing and satisfying the needs and wellbeing of the customers," says King.

Ogborne estimates that the sector will be a £100bn industry by 2022. "A lot of money is looking for a home, but that money needs to know who to talk to in





LEFT TO RIGHT:
Jeremy Ogborne
Martin King
Ryan Collier

terms of land, planning, design, build and management. We understand all the component parts and can answer the questions," says Ogborne.

The sector is ripe for mixed use, which requires further layers of management, welding together the requirements of residential, commercial, retail and leisure.

It is also a massive opportunity for developers to build brands, replicating quality and consistency of product and performance across the UK. "Again, this is where specialist management comes in. A customer wants to move cities, so can stay within the brand family and that should be seamless. One phone call to organise anything from the move itself, the tenancy agreement, through to working WiFi on arrival," says King.

Such purpose-built schemes in a nascent market command premium rents, but competition amid sector

growth should ensure such developments are not prohibitively expensive. Occupancy levels ultimately drive the success of any rental project and that can be as high as 96% over a sustained 20-year period to give investor comfort and an exit route.

"You need the amenities to be excellent, fit for purpose and relevant to the demographic mix in situ, but there also needs to be a constant level of planned expenditure on the building to maintain standards," says Ryan Collier, regional director of FirstPort Bespoke Services, looking after around 25,000 units under the Bespoke brand.

"You have to understand not just the mechanics of the building, but its lifecycle and the cost implications, right down to the durability of the skirting board, how much it costs to run a lift, replace a carpet, paint the walls. It is imperative to design in the economics from the start," adds

Collier, with FirstPort armed with information across around 3,800 developments throughout the UK.

"Our national footprint and scale gives us a huge amount of data and an ability to measure expenditure and income over long periods of time – specialist knowledge and cross-functional relationships," says King.

Hard data and technical know-how but also soft skills, says Collier, with the ability to interact with people across a range of services a crucial part of staff recruitment.

"Which is why we have a Concierge Academy, teaching staff how to work with and care for customers and learning skills from other industries," says Collier.

A concierge can conjure up polar opposite images of a porter asleep on the job as you go to collect that parcel from your pigeonhole or a dapper Jeeves in the lobby of a five-

star hotel, able to book theatre tickets, or arrange flowers in the room for the anniversary.

Both images are arguably old fashioned and out of date with what a modern concierge service offers. A concierge is the customer's first point of contact and the 'face of a development'. They provide every aspect of service, from security – vital to keeping customers safe while at home – to providing services such as parcel collection that helps lives run more smoothly. But this needs to be complemented with quality of performance and financial reporting. Back of house is vital to the mood of the investor, but front of house is equally important – the customer's first port of call. Combine both and you have the modern property manager – a key component in unlocking the value and sustainability of the build to rent model. [sh](#)

