

The Build to Rent Opportunity in Scotland



Commissioned by



The Scottish
Government
Riaghaltas na h-Alba

improving living in scotland

What is Build To Rent?

Although a relatively new feature of the UK property market, Build to Rent (BTR) is being increasingly recognised as an exciting opportunity for investors, local authorities, and developers. BTR developments will help transform the private rented sector, creating vibrant new communities that support placemaking while improving customer experience and choice within the sector.

As a new building typology, BTR is designed specifically to offer high-quality public and private spaces within well-managed environments

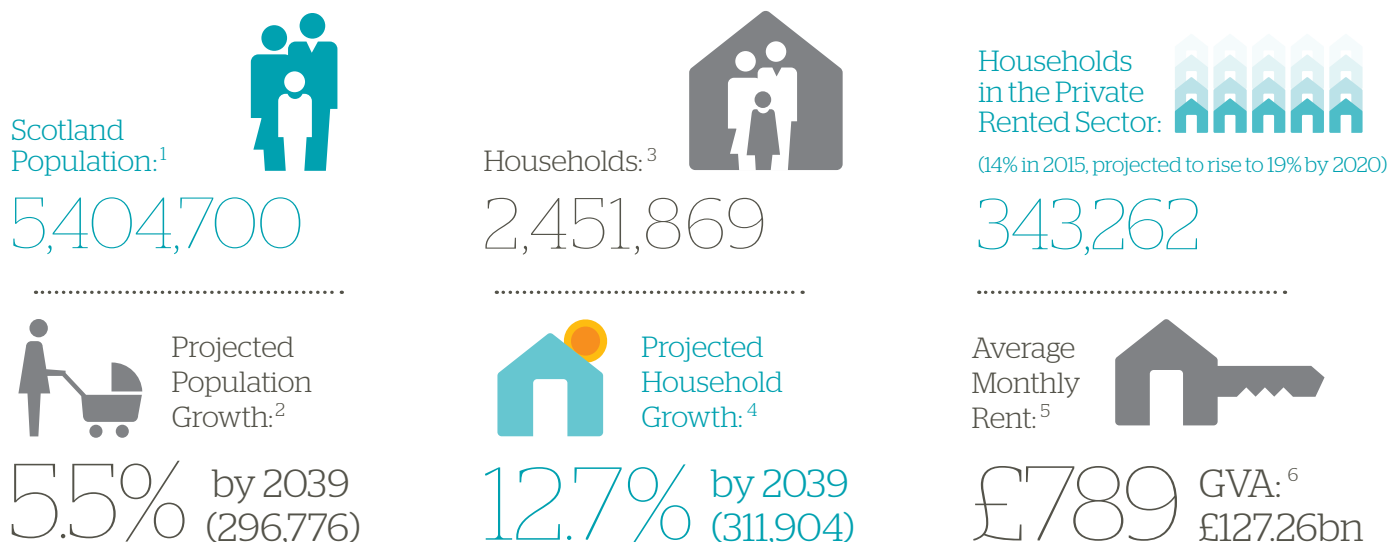
Key characteristics include:

- Designed and built around professional management
- Single ownership with a focus on customer experience
- A diverse range of high-quality and energy efficient homes that are focused on wide-ranging customer needs
- High-quality placemaking and public realm provision
- The ability to create mixed communities and tenure-blind development managed under single ownership with no differentiation of service
- Promoting sustainability by encouraging healthy life choices with enhanced cycling and pedestrian facilities
- Rich in onsite amenities, which can include gyms, co-working spaces, resident lounges, indoor and outdoor recreational spaces, secure storage and concierge provision



The Opportunity in Scotland:

An Overview



Strong and Growing Demand For Private Rented Accommodation

The private rented sector (PRS) has doubled in size over the last 15 years in Scotland, highlighting significant changes in demographic behaviours that stem from long-term tenure-neutral policy and structural housing market imbalances. This trend is set to continue with it expected to grow to 19% by 2020

An Enabling Planning Framework

In recognition of the positive impact BTR can have on placemaking, the creation of vibrant communities and meeting housing need and demand, the Scottish Government fully supports the growth of the BTR sector. The government has asked local authorities to explore the positive policy interventions as well as flexible approaches to design guidance and developer contributions that support growth in this relatively new sector.

Supporting Investment

The Scottish Government has worked collaboratively with industry and wider stakeholders to develop a more supportive investment framework that is capable of delivering growth of BTR across Scotland.

A Modern Tenancy System

The development of a new modern tenancy system aims to strike a balance between the needs of both landlords and tenants to better reflect private renting as a mainstream housing tenure.

Tenure Mix - Scotland

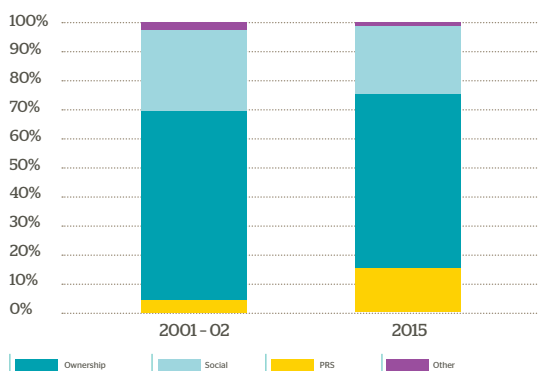


Figure 1: Breakdown of Housing Tenure in Scotland

Tenure Mix by Age - Scotland

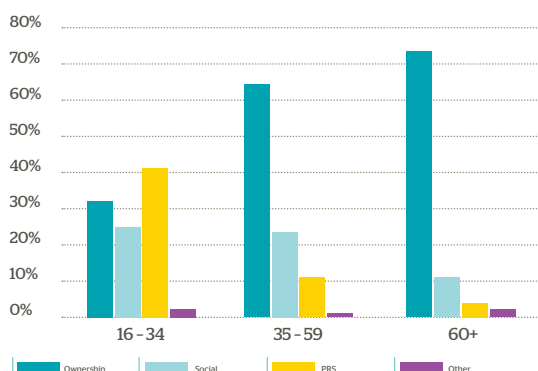


Figure 2: Breakdown of Housing Tenure in Scotland by Age

Map of Scotland

Inverness Region

Average Monthly Rent:

£663

Population:

234,770

PRS:

12% (27% - 16 to 34 year olds)

Perth Region

Average Monthly Rent:

£544

Population:

150,680

PRS:

15% (42% - 16 to 34 year olds)

Stirling City

Average Monthly Rent:

£658

Population:

93,750

PRS:

16% (50% - 16 to 34 year olds)

Glasgow City

Average Monthly Rent:

£755

Population:

615,070

PRS:

18% (44% - 16 to 34 year olds)

Aberdeen City

Average Monthly Rent:

£788

Population:

229,840

PRS:

19% (48% - 16 to 34 year olds)

Dundee City

Average Monthly Rent:

£603

Population:

148,270

PRS:

22% (50% - 16 to 34 year olds)

Edinburgh City

Average Monthly Rent:

£1,037

Population:

507,170

PRS:

27% (63% - 16 to 34 year olds)

- 1 National Records of Scotland - Mid-year Population Estimates (April 2017)
- 2 National Records of Scotland - Population Projections for Scottish Areas (2014-based) (January 2017)
- 3 National Records of Scotland - Household Estimates
- 4 National Records of Scotland - Household Projections for Scottish Areas (2014-based)
- 5 Scottish Household Survey 2015 - Scottish Government (November 2016)
- 6 Citylets Datahub - Quarterly Cities and Towns Data (Q2 2017)

Build to Rent is an important part of the Scottish Government's approach to growing and improving the private rented sector. It offers significant opportunities to provide high-quality professionally-managed homes, in well-designed, sustainable places, quickly and at scale. Following our More Homes Scotland approach, I want to see an increase in supply across all tenures, building homes and supporting jobs and our economy. Scotland is open for business, and the fundamentals of the housing market remain strong for this investment.

Kevin Stewart MSP

Minister for Local Government and Housing

There is significant investor interest in this market, and the Scottish Cities Alliance is keen to identify and support potential opportunities from both the public and private sectors to get out to the wider market. Through the work of the Alliance, more than £100 million has been invested into our cities, bringing with that jobs and the associated economic boost – and through this work, it could also help alleviate pressure on our housing market.

The Build to Rent opportunity was identified at an early stage, and the Alliance's collaborative approach – working closely with Homes for Scotland – has been instrumental in identifying these opportunities.

Cllr John Alexander

Chair, Scottish Cities Alliance



With strong demand for private renting across Scotland, and a growing recognition from the Scottish Government and local authorities of the potential for build to rent to quickly increase the supply of new homes, the opportunity exists for investors and developers to transform the private rented sector offering in Scotland.

I am convinced that the emergence of a new, professionally managed, institutionally invested, purpose-built private rented sector will result in the rapid delivery of high-quality new homes, boosting volume, flexibility, choice, and affordability in doing so.

Nicola Barclay

Chief Executive, Homes for Scotland

With innovative design and modern construction techniques supplemented by new standards of professional management and service delivery, build to rent presents an opportunity to transform the customer experience while simultaneously creating a strong asset class for investors and developers in Scotland.

The dynamics of the private rented sector are changing in Scotland, and what was often seen as the tenure of last resort is no longer the case. Many are renting as a lifestyle choice. This, together with the continued and expected rise in population and the number of households in coming years, is putting pressure on

all sectors of the housing market, not just the PRS. Institutional investment in the build to rent sector offers an opportunity for both investors and the Scottish Government to meet demand for rented accommodation across Scotland through the provision of high quality, well managed homes.

Edward Trevillion

Hon Professor Of Real Estate And Finance At Heriot-Watt University and
Chair Of The PRS Working Party

In order to support economic growth and to meet the demand of a rising number of households in Scotland, there is an on-going pressing need for the development of new high-quality housing across all tenures. A thriving BTR sector, delivering long-term institutional investment in purpose built, professionally managed

market rent homes, is an exciting opportunity to increase housing supply. The Scottish Government has sent a strong signal of support for the BTR sector by the launch of the Rental Income Guarantee Scheme. Scottish Futures Trust is delighted to be managing this scheme on its behalf.

Barry White

Chief Executive, Scottish Futures Trust

Demand

A Strong and Growing PRS Market

As with the rest of the UK, the composition of Scotland's residential market continues to evolve. However, one of the most notable market trends in recent years has been the marked growth in the private rented sector, matched by a simultaneous downturn in the rates of home ownership and social renting.

Over the past century, Scotland's housing market has undergone significant structural change in terms of patterns of home ownership and renting. The historical decline of the PRS, as well as social (or affordable) housing tenures, is rooted in the more tenure-neutral policies adopted across the UK since the 1960s.

However, data indicates that the dynamics of the private rented sector are changing⁷. What was often seen as the tenure of last resort is no longer the case, with many now renting over the longer term as a lifestyle choice.

With the projected number of households exceeding population projections over the coming years⁸, there are continued pressures on all sectors of the market, not just the PRS. Amplified by the continued affordability challenges faced by potential home buyers since the global financial crisis, investment in the BTR sector offers an opportunity for both the investor and the Scottish Government to deliver homes quickly and at scale.

7 Scottish Household Survey 2015 – Local Authority Tables, Scottish Government (November 2016)
8 National Records of Scotland: Household and Population Projections 2014

Tenure Mix - Scotland (Time Series)

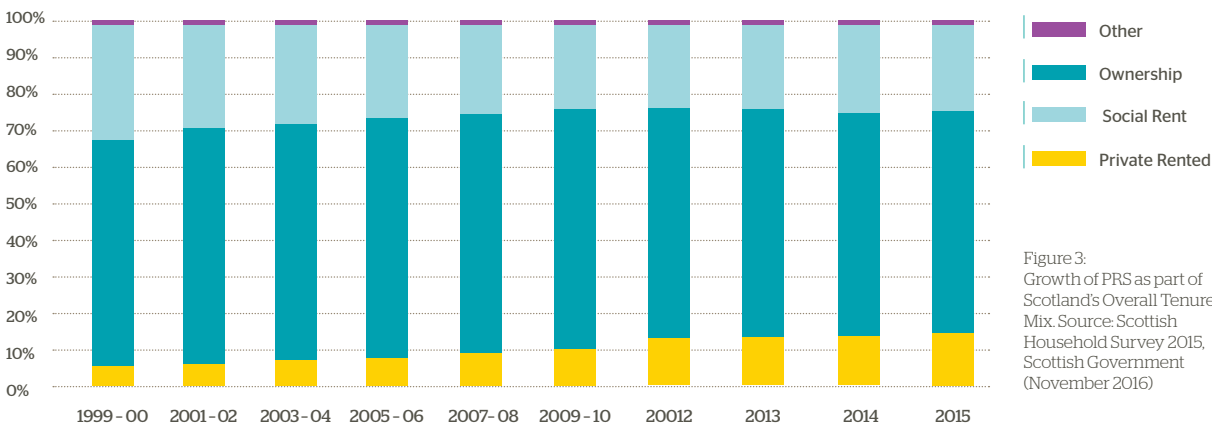


Figure 3: Growth of PRS as part of Scotland's Overall Tenure Mix. Source: Scottish Household Survey 2015, Scottish Government (November 2016)



Indeed, there is clear evidence of a growing demand for private rented accommodation in Scotland over the last 15 years⁹, suggesting that this is not simply a result of the short-term effects of mortgage affordability. Data indicates that the average length of a lease is around 15 months¹⁰, with an average length of stay in PRS accommodation around 2.7 years¹¹. The PRS in Edinburgh is now the second most common tenure, and the situation in Aberdeen and Stirling is moving quickly in the same direction. A closer look at specific city-centre locations across Scotland shows that PRS is clearly becoming the most common tenure¹².

Based on 2011 census data, around 50% of households in city-centre neighbourhoods are in the PRS. This proportion is likely to have risen further since then.

9 E Trevillion & D Cookson, Demand Patterns in the Private Rented Sector in Scotland: Time to Commit to Residential Investment? (September 2016)

10 ARLA: Private Rented Sector Report (June 2016)

11 Scottish Household Survey 2015, Scottish Government (November 2016)

12 See footnote 9 and <http://j.mp/PRSDensityMap>

Proportion of Households in PRS

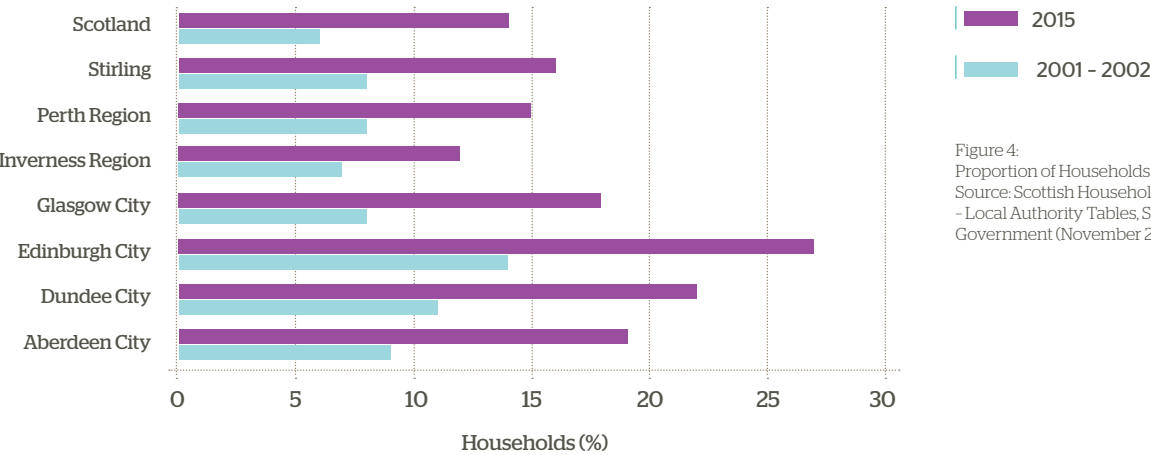


Figure 4:
Proportion of Households in PRS.
Source: Scottish Household Survey
- Local Authority Tables, Scottish
Government (November 2016)

Proportion of Households in PRS by Age

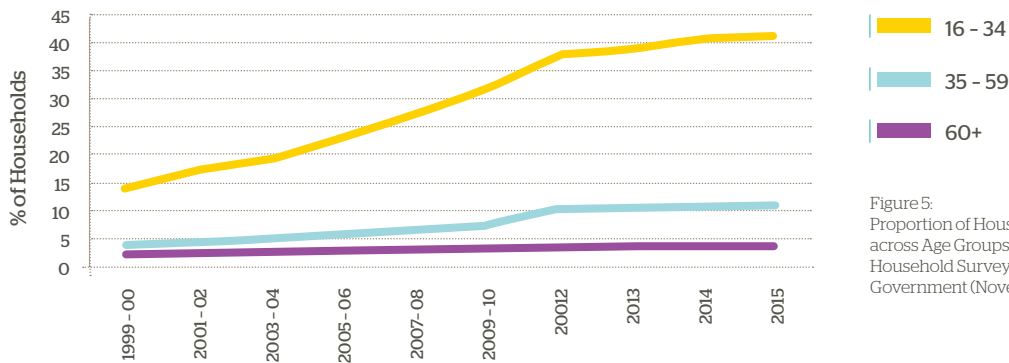


Figure 5:
Proportion of Households in PRS
across Age Groups. Source: Scottish
Household Survey 2015, Scottish
Government (November 2016)

Why Invest in Build to Rent in Scotland

With growing demand for high-quality private rented accommodation in Scotland, BTR offers a solution to cater for this currently unmet need. In that context, the Scottish Government has been working with

public and private sector stakeholders to develop policy interventions that can help create an attractive planning and investment landscape to support the growth of this sector.

An Enabling Planning Framework

The BTR building typology is one that closely aligns with Scotland's policy statement on architecture and place, *Creating Places*¹³. There is growing recognition of its potential to deliver quickly, and at scale, vibrant and dynamic communities surrounded by high-quality services and amenities that can contribute to a flourishing economy.

Formalising the support for BTR outlined within the letter from the Scottish Government's Chief Planner in October 2015¹⁴, the Scottish Government has recently prepared its Planning Delivery Advice (PDA) on Build to Rent¹⁵. Recognising the positive impact BTR can have in meeting housing need and demand, as well as its contribution to well-designed sustainable places, the PDA provides advice as to how local authorities can positively facilitate BTR developments in their areas.

The PDA describes key characteristics of BTR to help explain this new housing typology. Local authorities are encouraged to take a flexible approach to design standards and developer contributions that will be more reflective of this tenure. Furthermore, local authorities are asked to consider the opportunities available to them to provide affordable housing contributions under the management of a single landlord within an undifferentiated service, tenure-blind development model.

A number of local authorities are already developing planning design guidance that recognises the significant opportunity that BTR can provide in meeting housing need within their regions.

Comparative Tax Advantage

There are a number of differences between Scotland and the rest of the UK worth noting when considering the Land & Buildings Transaction Tax (LBTT), Scotland's equivalent to Stamp Duty Land Tax (SDLT).

Importantly to investors and parties interested in this sector, the Scottish Government has made available a multiple-dwellings relief where six or more residential properties are purchased in a single transaction. While this is comparable to the multiple-dwellings relief available under SDLT, such transactions in Scotland are also exempt from the 3% LBTT Additional Dwellings Supplement.

In addition to this the bands have been structured differently, with the tax burden starting at a higher level than it does under SDLT (£145,000 compared with £125,000), but the 10% rate comes into effect much earlier on transactions valued over £325,000. Analysis to date indicates that 92.5% of LBTT transactions do not exceed this band limit¹⁶, with average house prices in each of Scotland's seven cities falling well below this threshold¹⁷.

13 <https://beta.gov.scot/publications/creating-places-policy-statement-architecture-place-scotland/>

14 <http://www.gov.scot/resources/0048/00487061.pdf>

15 <https://beta.gov.scot/publications/planning-delivery-advice-build-to-rent-advice>

16 Revenue Scotland LBTT Statistics (February 2017)

17 YourMove Acadata Scotland HPI - Scotland's Seven Cities January 2017 (March 2017)

Supporting Investment in Build to Rent

The Scottish Government has announced its Rental Income Guarantee Scheme (RIGS) to help support the BTR sector in Scotland. RIGS seeks to provide investors with greater confidence during the early stages of a development, when letting risk is likely to be highest. Should a participating investor not achieve their anticipated level of rental income post-habitation, a Scottish Government guarantee would compensate them for part of this, with the Scottish Government sharing equally with the investor the shortfall within the defined tranche. Figure 6 visually demonstrates this model. RIGS is operated through the Scottish Futures Trust (SFT), with further detail regarding the initiative available via the Scottish Government and SFT websites.

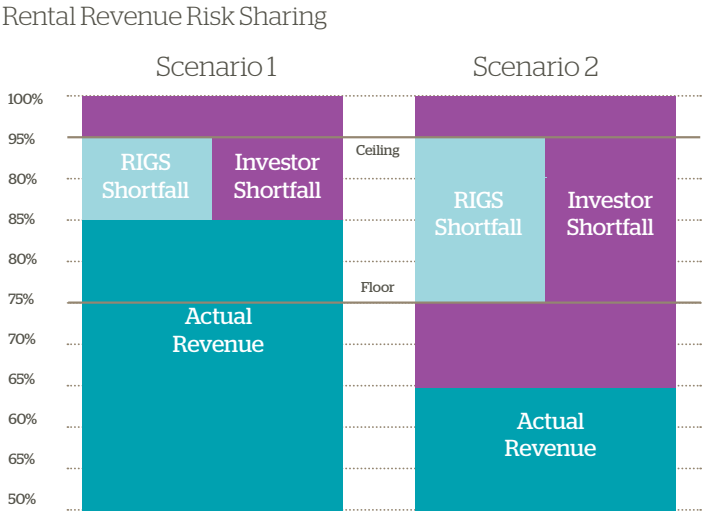


Figure 6: Rental Revenue Risk Sharing Scenarios

A Modern Tenancy System

A new PRS tenancy is set to be implemented from December 2017, aiming to strike a balance between the needs of both landlords and tenants. This will provide a modern, streamlined tenancy system reflective of the recent growth in private renting as a mainstream housing tenure.

Through consultation with industry and public stakeholders, the Scottish Government has announced a number of new features of PRS tenancies, including the adoption of a Model Tenancy Agreement. Rather than having an initial term, tenancies in Scotland will be open-ended, which landlords will be able to terminate using one of 18 'grounds for repossession', and tenants can conclude by providing a notice to leave.

While local authorities will be able to apply to the Scottish Government to introduce localised 'rent pressure zones' (RPZ), this will only apply to sitting tenants. Under an RPZ, all initial rents will be market-led and can be increased annually subject to a cap that can be used to limit rent increased by CPI plus a minimum of 1%.

Enforcement of the new tenancy system will come via a specialist housing tribunal.

The new tenancy system aims to change perceptions of the private rented sector, providing greater transparency and a system that reflects this as a mainstream tenure, setting the foundations of making PRS an attractive, long-term housing option in Scotland.



Build to Rent: Further Considerations

BTR has the potential to transform the PRS in Scotland, providing high-quality, energy-efficient, professionally managed rented accommodation and improving customer experience and choice within the sector. Consideration should be given to the design of this innovative building typology, in particular regarding

how the design is influenced by the long-term professional management and maintenance of this asset class as well as the opportunities available to minimise construction and financial risks in the early stages of a development.

Design and Construction

The Urban Land Institute (ULI) Residential Council published its 'Build to Rent: A Best Practice Guide (Second Edition)' in March 2016¹⁸. This provides a comprehensive guide to the design, construction, maintenance, and management considerations of BTR and sets out the principles of an industry standard for this building typology. The guide also highlights the significant benefits of using Modern Methods of Construction (MMC) and Building Information Modelling (BIM) throughout the lifecycle of this asset class.

Utilisation of MMC, such as offsite or modular (volumetric) construction, can help minimise many of the risks associated with construction. Consideration should be given to the use of such systems early within the feasibility and design stages of a development to take advantage of benefits including better build and product quality, improved sustainability, and reduced build-out time, which can help enable a quicker return on investment. Further information regarding the benefits of MMC, example case studies, and details of product suppliers can be found on the Offsite Hub¹⁹.

Use and knowledge of BIM is rapidly growing among architecture and built-environment professionals across the UK. BIM provides a data-rich collaborative platform for design and construction teams, bringing together cost, performance and maintenance information about nearly every component of a building in one place; this provides a foundation of information used to make design decisions based on the lifecycle costs of a building. This can be used to reduce design risks through clash detection, thus minimising abortive costs. Critically for BTR BIM can be an integral component in producing maintenance and replacement schedules and streamlining facilities-management services for the lifecycle of the building. As with MMC, use of BIM systems should be incorporated at a project's inception. Further information regarding the benefits BIM can offer can be found via the BIM Portal²⁰.

¹⁸ <http://uk.uli.org/councils-and-forums/residential-council/build-rent/>

¹⁹ <http://www.offsitehub.co.uk/info-centre/supplier-directory>

²⁰ <https://bimportal.scottishfuturestrust.org.uk/>

Professional Management

The management of residential rented property has historically suffered a disjointed service delivery through a number of different agents - letting agents, unit managers, block/leasehold managers (or factors as they are known in Scotland) and even facilities managers. Professional management in the BTR sector needs a holistic and integrated approach to customer service and asset management - more akin to the hospitality sector. The Institute of Residential Property Managers (IRPM) has recognised this, and has developed a bespoke BTR qualification²¹ for operators.

In BTR, the end manager - the operator - needs to be consulted as early as the design stage. To achieve a long-term, sustainable investment, management

considerations need to influence decision-making from day one - from viability to design, development, delivery and to eventual exit. The importance of this cannot be underestimated.

Improving standards of customer service at all levels is the key to professionalising the residential rental sector. The United Kingdom Apartment Association (UKAA), a membership body for all involved in BTR in the UK, has designed a customer service excellence programme²² in collaboration with training partner, Livewire Experientialists, specifically for operators and suppliers in the sector. Livewire are experts in hospitality, specialising in property industry training.

Warranty Provision

There are a number of warranty providers that are keen to explore the BTR opportunity in Scotland. Warranty providers already have extensive experience providing warranty and insurance options on major residential projects as well as providing services that help manage development risk throughout the construction and post-construction stages of an asset.

Some warranty providers offer specialist warranty and insurance cover for newly built or converted rental developments. As well as protecting landlords and asset owners from the risk of building failures, cover can also include benefits such as loss of rent and

pre-completion contractor insolvency. Some policies also offer the ability to transfer policies in the event a BTR development is sold on to another investor or individuals.

As well as providing protection against construction defects, some providers will also offer major project support, with a dedicated team providing specialist technical advice throughout design and construction operations through to final completion.

Finance, Debt and Guarantees

There has been the perception that mainstream lenders have to date been unwilling to provide both short-term development and longer-term investment finance for BTR in Scotland. However, the growing number of projects emerging in Scotland suggests that attitudes towards the BTR opportunity are changing. There is a growing recognition of the investment opportunity for BTR in Scotland, and mainstream lenders are supportive of this emergent sector.

"The Bank of Scotland views Build to Rent (BTR) as a key part of the solution to the country's housing shortage. BTR offers sustainable, long-term income underpinned by robust capital values. As a UK-focused bank, we're here to support our clients who are developing and financing BTR products. This includes short-term development or investment funding, as well as longer-term debt finance via our partnership with Scottish Widows. We can fully support clients throughout the life of a project."

Alan Brennan

Relationship Director, Commercial Real Estate - Scotland
Bank Of Scotland

²¹ www.irpm.org.uk/docs/public/BuildtoRentModulePlanAVB3.3Website.pdf

²² www.ukaa.org.uk/training-courses

“At Royal Bank of Scotland, we value the responsibility that comes with our significant role in providing liquidity to the UK housing sector and are committed to supporting the UK’s housing needs and believe that purpose built to rent homes have an important role to play in increasing and diversifying the choice that people have when choosing a place to live. This commitment combined with a deep understanding of the BTR market, our relationships with our customers, industry experts and bodies, meant we were the first high street bank to publicly champion the BTR sector, setting aside £1bn to fund over 10,000 units for rent across the country. This is on top of the substantial levels of funding we provide to housebuilders, developers of homes to buy, retirement housing, student housing, affordable and social housing.

The case for Build to Rent in the major Scottish cities is strong: the number of people that live in PRS in Scotland roughly trebled since 1999 (Scottish Household Survey), driven partly by personal choice and lifestyle and partly by a real challenge to affordability.

Investors in Scotland will also be able to access support through UK Government-backed initiatives such as the Private Rented Sector Guarantee Scheme currently being delivered by Venn Partners²³ on behalf of the UK Government Department for Communities and Local Government.

The emergence of BTR in Scotland gives tenants access to additional and institutional quality housing managed by professional teams incentivised by the long-term viability of the property. That means the asset will be maintained to a high standard and the tenants will receive a level of service geared at retaining them as “customers” in the long term.

We see our primary role in the delivery of BTR as providing development and initial investment finance that will enable schemes to be built and let. Our ability to provide flexible short to medium term investment debt is a vital element in helping to establish PRS as a viable asset class.

The initiatives outlined in this document to support the sector are both helpful and welcomed as we see the public and private sector come together to deliver solutions for the sector in Scotland.”

Stuart Heslop

Managing Director, Real Estate Finance
Scotland & North England
Royal Bank Of Scotland

Worth £3.5bn, the scheme aims to help accelerate growth on investment in BTR through the creation of a government guarantee bond programme used to finance long-term loans to eligible PRS operators.

²³ <http://www.venn-partners.com/prs>

Conclusion

There is a significant opportunity for BTR in Scotland. The underlying fundamentals are strong, underpinned by significant growth in private rented housing across Scotland's seven cities and accentuated by the pronounced imbalances between supply and demand. For some, the case has already been made to deliver a number of high-quality BTR developments over the upcoming years.

The Scottish Government has proactively worked with public and private sector stakeholders to help foster a policy environment conducive to growth in this sector. Tenancy reform will bring clarity and transparency to the market, whilst the favourable LBTT position, the innovative RIGS incentive, and planning delivery advice all further demonstrate the Scottish Government's commitment to this sector. BTR is seen as an opportunity to not only meet housing demand, but also to transform customer experience and choice in this sector.

Further work is being undertaken to support the sector in Scotland, including the Royal Incorporation of Chartered Surveyors (RICS) Scotland's collaboration with its counterparts in England and Wales, which will issue updated valuation guidance, complimenting ULI's second edition of 'Build to Rent: A Best Practice Guide'. Strong Scottish Government support for BTR is helping to create a favourable investment environment for the sector, which is now poised to grow significantly over the short to medium term.

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Scotland's Seven Cities And Development Case Studies





Aberdeen

Aberdeen is Scotland's third most populated city and a leading business hub, comprising around 25% of Scotland's top 100 companies across the energy, food and drink, and life sciences sectors. It is home to two leading research universities (University of Aberdeen and Robert Gordon University) as well as a number of world-renowned research centres.

Its city and shire councils have been working collaboratively with public and private sector partners to help develop the region's economic strategy, resulting in plans for significant investment across transport connectivity, digital technology, and large infrastructure projects with the aim of transforming city-centre living, regeneration, and the creation of a vibrant new feel to the region.

La Salle Investment Management has recently purchased one of Scotland's first BTR developments: a mixed community of 292 BTR apartments and townhouses at Forbes Place, Stoneywood.

Tenure Mix (Aberdeen)

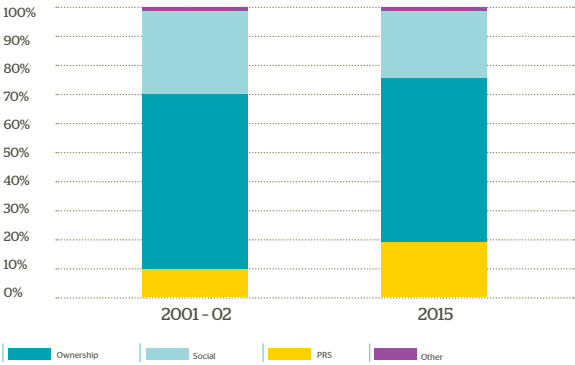


Figure 7: Breakdown of Housing Tenure in Aberdeen

Tenure Mix by Age (Aberdeen)

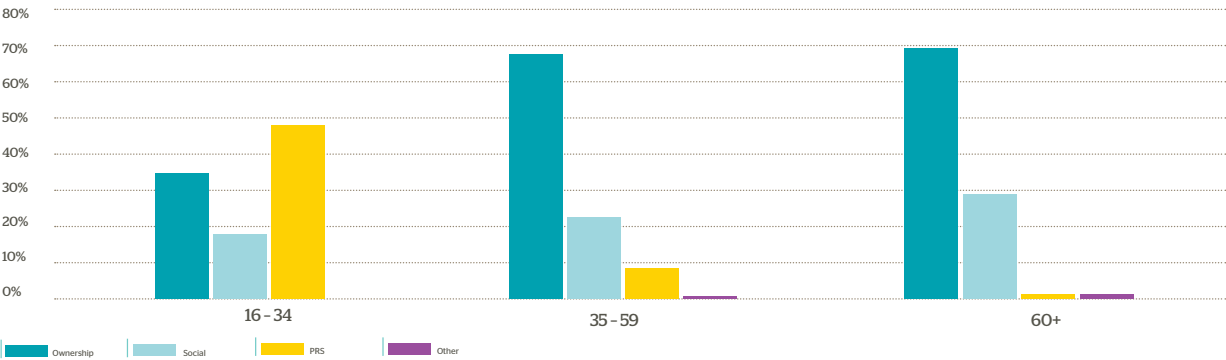


Figure 8: Breakdown of Housing Tenure in Aberdeen by Age

Case Studies

Forbes Place, Stoneywood – Aberdeen

Forbes Place is the first institutionally funded Build to Rent development in Scotland. It was purchased by a major UK pension fund, establishing the significant investability of the sector. Completed in just 23 months, it is also one of the first UK BTR developments featuring dedicated BTR design and leading-edge offsite pre-fabrication techniques.

Designed specifically to address the demand for high-quality rental accommodation from mobile professionals in Aberdeen, the development comprises 16 four-bedroom townhouses and 292 fully furnished studios, one and two-bedroom apartments. All the residences follow industry-standard design principles that were established from the mature “multi-family” model in the USA to allow for apartment sharers.

The development is professionally managed by Dandara Living from a dedicated onsite management suite open seven days per week. Other onsite amenities include superfast broadband of up to 100MBs; underground car parking; a Co-operative Food Store and Marks & Spencer Food Hall; and a coffee shop.

Project Credits

Developer: Dandara

Investor: LaSalle Investment Management

Managing Agent: Dandara Living



Top: 16 four-bedroom family townhouses

Bottom: Fully furnished studios and one and two bedroom apartments



Dundee

Located on the River Tay, Dundee is a ‘young’ city undergoing a major transformation, fronted by the £1bn Waterfront regeneration project and the construction of the V&A Museum of Design, which is set to be completed in 2018.

It is home to two well-renowned universities (University of Dundee and Abertay University), with the city’s high proportion of graduates feeding into the local life sciences, healthcare, creative, and digital media sectors.

Proposals are already in place for the regeneration of the city’s old commercial college, with VOX Dundee looking to deliver 110 high-quality BTR apartments in the heart of the city. In addition, Our Enterprise, in a joint venture with the local council, have put forward proposals to develop a creative hub at the Waterfront that will bring forward a mix of 91 BTR units as well as commercial space aimed at helping retain Dundee’s graduate and entrepreneurial talent, creating a renewed vibrancy to the city’s look and feel.

Tenure Breakdown (Dundee)

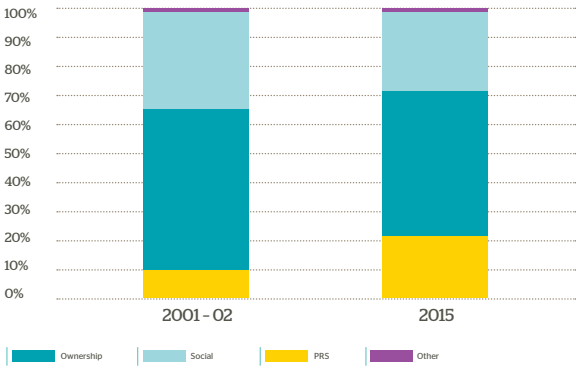


Figure 9: Breakdown of Housing Tenure in Dundee

Tenure Breakdown by Age (Dundee)

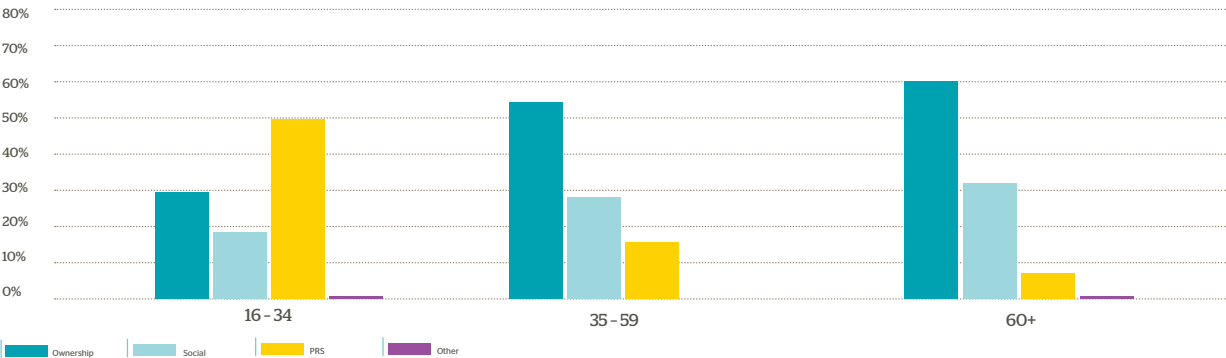


Figure 10: Breakdown of Housing Tenure in Dundee by Age

Case Studies

Vox Dundee

Vox Dundee looks to regenerate and reuse the city's former commercial college, stripping the building back to its concrete frame before bringing the site back up to modern-day standards.

The development will create 110 new one and two-bedroom apartments, providing high-quality rental accommodation for Dundee's young and vibrant workforce. Large glazing and inset balconies scattered across the elevations will provide tenants with breathtaking views over the city and the River Tay. Use of an office hub, café, cinema space, external storage facilities, laundry, and south-facing gardens means residents will not just live within the four walls of the apartment, ensuring the building continues to inspire the young people of Dundee for generations to come.

Project Credits

Developer: Whiteburn Projects

Architect: Keppie Design



Top: Illustrative view of development from Union Terrace

Bottom: Illustrative view looking up from Barrack Road



Edinburgh

As well as being the capital of Scotland, Edinburgh is a European centre of commerce, culture, and innovation. It is one of the fastest-growing cities in the UK and home to many international companies across the finance, technology and software, and life sciences sectors.

Edinburgh has a number of world-leading universities (University of Edinburgh, Edinburgh Napier University, Heriot-Watt University and Queen Margaret University) and has one of the most highly qualified workforces in the UK, with 55% of working-age residents educated to degree level or above.

An attractive, compact city, Edinburgh is home to a thriving cultural scene and globally renowned festivals, which attracted more than 4.5m visitors in 2015.

There are a growing number of BTR developments coming through the system in Edinburgh, including India Quay, which will deliver around 300 BTR homes in the heart of the city; Threesixty's 191 BTR unit development at Lochrin Place; and Moda Living, with their prominent large-scale development proposals at Fountainbridge.

Tenure Mix (Edinburgh)

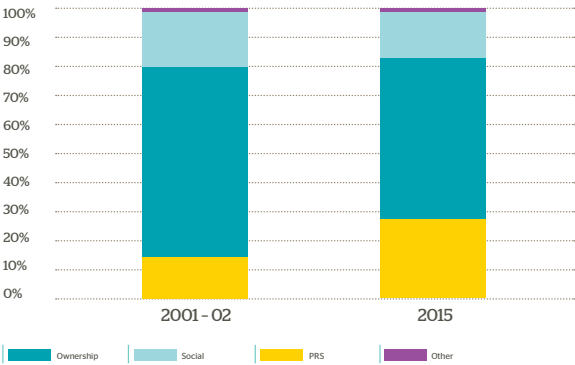


Figure 11: Breakdown of Housing Tenure in Edinburgh

Edinburgh Continued

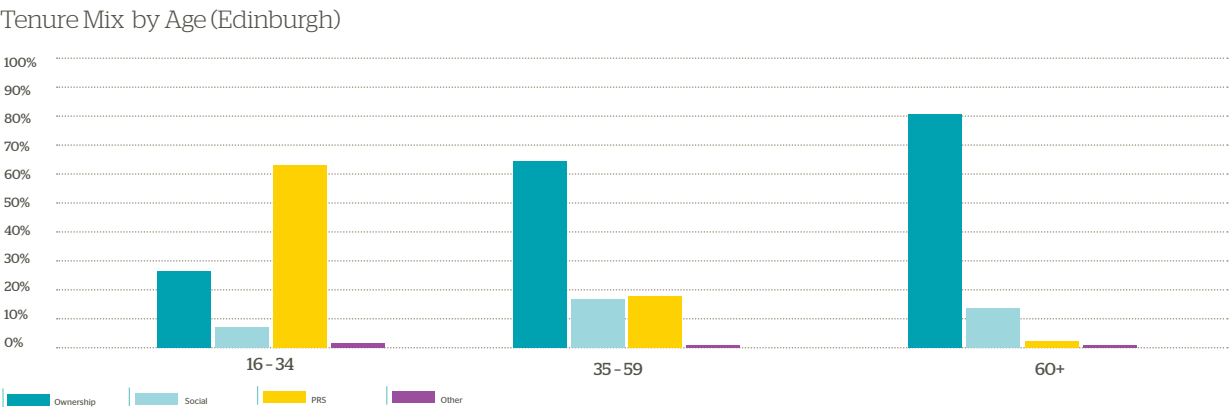


Figure 12: Breakdown of Housing Tenure in Edinburgh by Age

“The population of Edinburgh is projected to grow by 25% over the next 20 years, an unprecedented rate of growth in living memory. To retain Edinburgh’s place as one of Europe’s most popular cities, we need to find dynamic new ways of housing the vibrant and diverse workforce of the future across all tenures. Build-to-Rent can play a key part in this, not only by providing good-quality, well-managed, energy-efficient new homes, but it also has the potential to build more homes more quickly, and could be the catalyst to accelerate building in regeneration areas which are so vital to this city’s growth and evolution”

Andrew Kerr
Chief Executive, City of Edinburgh Council

Case Studies

Springside, Edinburgh

Following receipt of full planning permission in December 2016, Moda Living (with joint-venture partner Apache Capital) purchased the Springside site from Grosvenor Britain and Ireland in early 2017.

This joint venture will see a £215 million investment into the regeneration of the former Scottish and Newcastle Brewery site and will deliver around 550 new BTR homes alongside a range of onsite amenities for residents – including a gym, communal lounges, roof terraces and fully managed gardens. The development will also establish new commercial, retail, and leisure spaces, providing opportunities to help build a new vibrant and dynamic community within this centrally located gap site in the heart of Edinburgh.

Moda Living and Apache Capital are working with the City of Edinburgh Council on the delivery of the Springside regeneration scheme, with a main contractor anticipated to start on site early in 2018. A first phase of approximately 350 new homes is due to be completed in early 2019, with the second phase expected to complete by 2022.

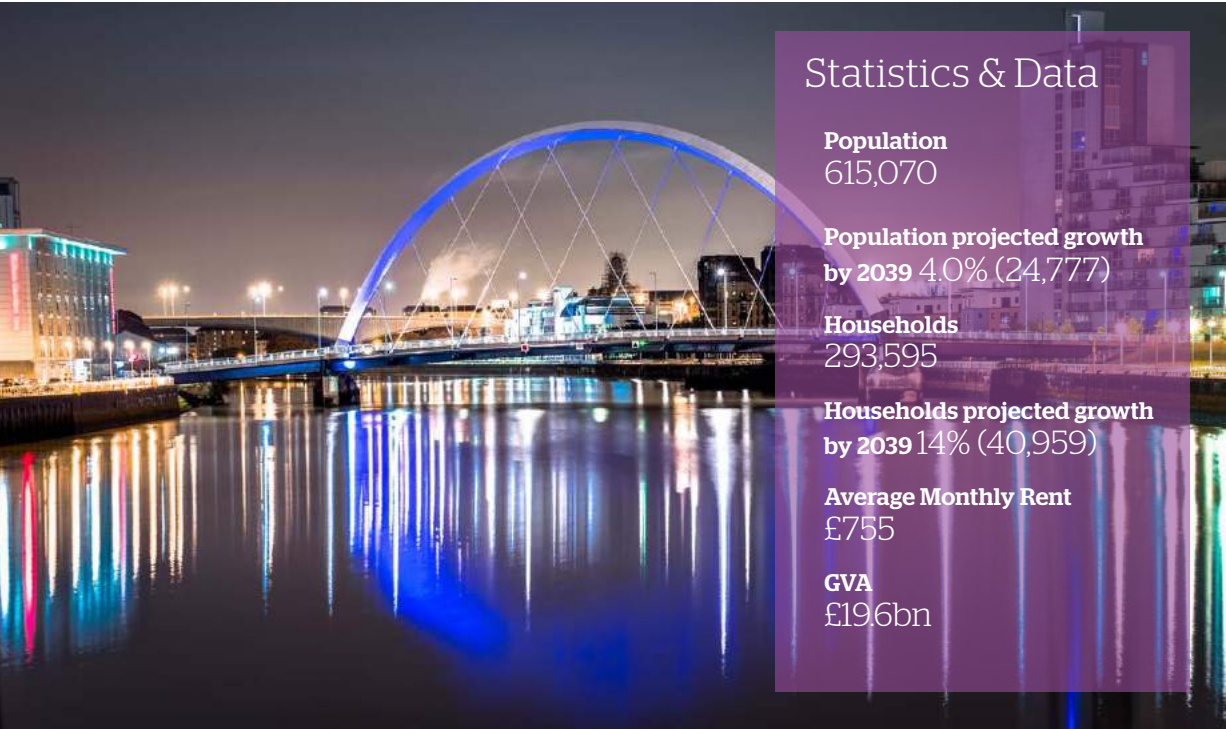
On the announcement of the multimillion-pound investment, the Minister for Local Government and Housing stated, *“I am delighted to see Moda Living and Apache invest significantly in Scotland’s growing build to rent sector. This government has made clear its commitment to boosting housing supply across all tenures, and we recognise the significant contribution that can be made by a high-quality purpose-built private rented sector.”*

Project Credits

Developer: Moda Living
Architect: Apache Capital



Top: Illustrative view of Springside from Fountainbridge
Bottom: View of Springside from the Western Approach Road



Glasgow

Glasgow is Scotland's largest city and is home to a vibrant and multicultural population. It is an economic centre for low-carbon industries and the life sciences, engineering, design, and manufacturing sectors, producing a GVA of £19.6bn in 2015. A £1.13bn City Region Deal will see significant investment going into construction, infrastructure and connectivity projects that look to transform the fabric of the city and metropolitan region over the next 20 years.

Glasgow is home to a number of renowned universities (University of Glasgow, University of Strathclyde, Glasgow Caledonian University, and Glasgow School of Art) as well as leading further education establishments, all with strong connections to local employers. Strong economic growth as well as its vibrant and colourful cultural and social scene makes Glasgow a highly attractive place to live, work, and play.

There are a growing number of BTR developments coming through the system in Glasgow, including Holland Park, Moda Living's redevelopment of the former Strathclyde Police HQ; and Get Living's development on the High Street in the Merchant City, which will include over 600 BTR homes.

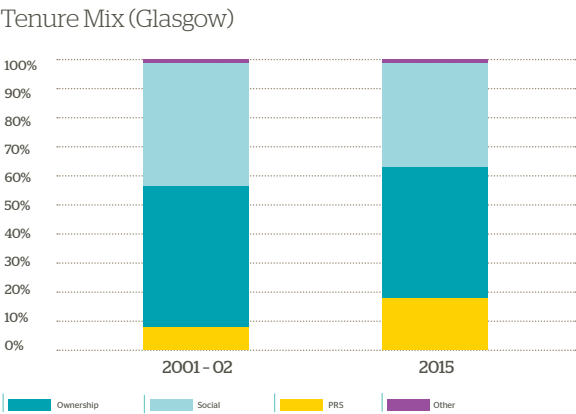


Figure 13: Breakdown of Housing Tenure in Glasgow

Glasgow Continued

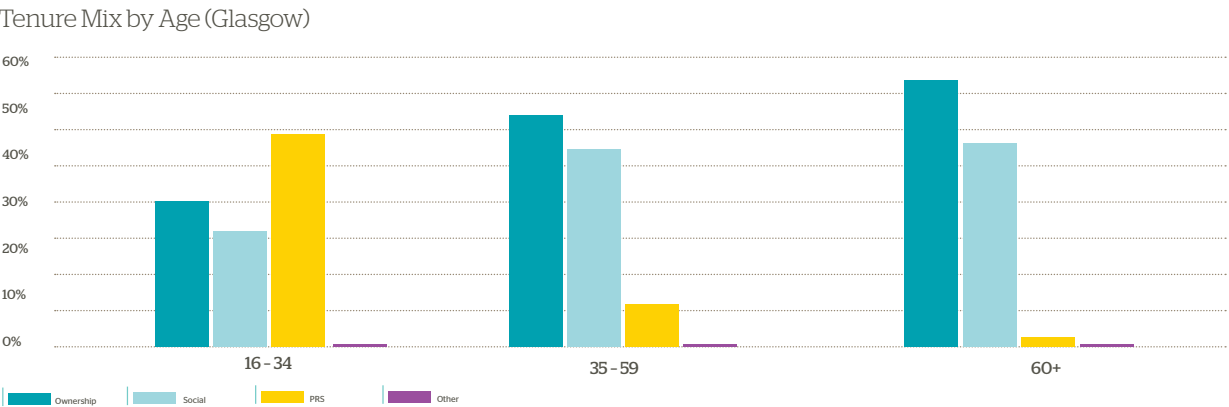


Figure 14: Breakdown of Housing Tenure in Glasgow by Age

“Glasgow is one of the fastest growing major city economies in the UK with a diverse business and industry base and a highly skilled population. 1.85million people live in the Glasgow metropolitan area, including a growing student population. Build to Rent PRS has an important part to play in supporting this growth in providing new well designed, purpose built and expertly operated accommodation. There is a particular opportunity to meet the growing demand to live in Glasgow city centre. Glasgow City Council is helping by investing £115million in public realm in the area through the Glasgow City Region City Deal to enhance our Victorian city centre’s sense of place”

Annemarie O'Donnell
Chief Executive, Glasgow City Council

Case Studies

Merchant City, Glasgow

Get Living, the multi-award winning pioneer in the UK's build to rent sector, plans to create a residential-led neighbourhood on Glasgow's High Street including over 600 build-to-rent homes. As well as implementing new public amenities and access routes, the development would include, retail, leisure, food and drink, business and commercial uses, alongside student accommodation and a central public square. Plans include space for a range of occupiers, such as cafes, restaurants, a gym, a supermarket, an art gallery, a doctor's surgery and a nursery.

Glasgow will be Get Living's first city location outside of London, where they rent more than 1,800 homes. The company is committed to changing the way the UK rents through key features of their offer which include not charging fees, not requiring a security deposit and offering long-term tenancies with a resident-only break clause; providing greater security, flexibility and outstanding customer experience. Get Living was recognised as Property Week's Private Landlord of the Year in 2015 and 2016.

Project Credits

Developer: Get Living
Architect: Stellan-Brand



Top: Image of Get Living's East Village Development in London
Bottom: Aerial view of High Street site



Inverness (Region)

Inverness is the northern-most city in the United Kingdom and one of the fastest growing cities in Europe. Anecdotally noted as the “capital” of the Highlands, Inverness is a commercial hub to the Highlands and Islands, with a quarter of the Highland’s population living in or around the city.

The region is set to benefit from a share of a £1bn city deal to support investment into skills and infrastructure delivery which will help support key sectors including retail, life sciences, energy, construction, and financial and business services. Inverness is also home to the UK’s newest university, the University of the Highlands and Island’s. Its new flagship campus is considered to be one of the most important developments for the region over the next 20 years and is estimated to help contribute more than £50m to the Highland economy.

On the doorstep of the Highlands, Inverness is within easy access of a vast range of outdoor pursuits and is a gateway for tourism in the regions. This makes Inverness an attractive place to work and play, and thus offers significant opportunities for developers wishing to enter this thriving region.

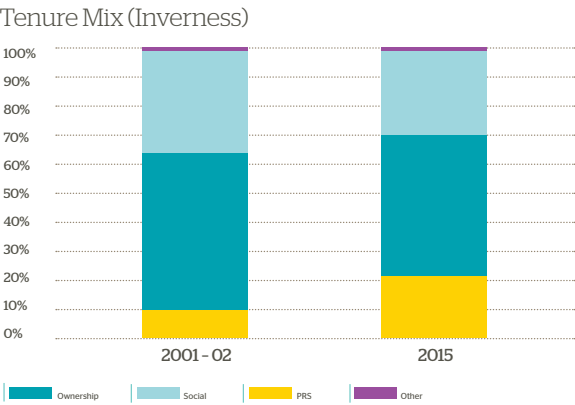


Figure 15: Breakdown of Housing Tenure in Inverness

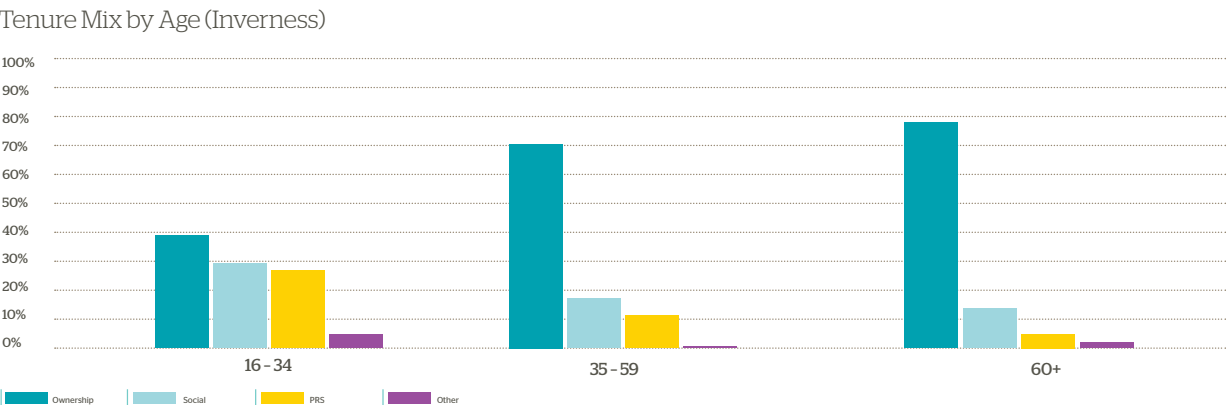


Figure 16: Breakdown of Housing Tenure in Inverness by Age



Perth (Region)

Perth is a small, dynamic city with significant growth potential located in one of the fastest-growing regions in Scotland. Centrally located, there are good transport links to all of Scotland's seven cities and higher education establishments. Perth is home to one of the University of the Highlands and Islands campuses, and is noted as having the highest percentage of graduates in the workforce of any Scottish city.

A highly educated workforce supports Perth's key industries, including food and drink, financial and business services, and the renewable and clean technology sectors, and is home to several corporate headquarters, which include Scottish and Southern Energy (SSE), Stagecoach, and Aviva.

Perth has a vibrant social and cultural hub with excellent links across Scotland, which offers significant opportunities for residential investment.

Tenure Breakdown (Perth)

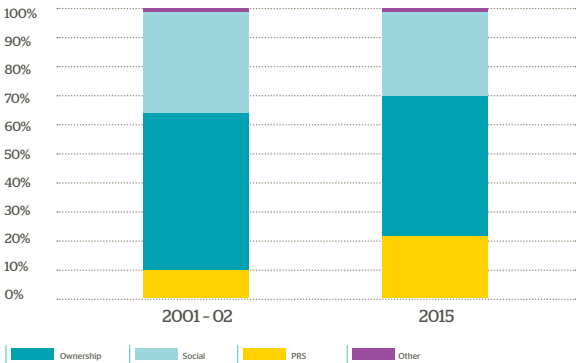


Figure 17: Breakdown of Housing Tenure in Perth

Tenure Breakdown by Age (Perth)

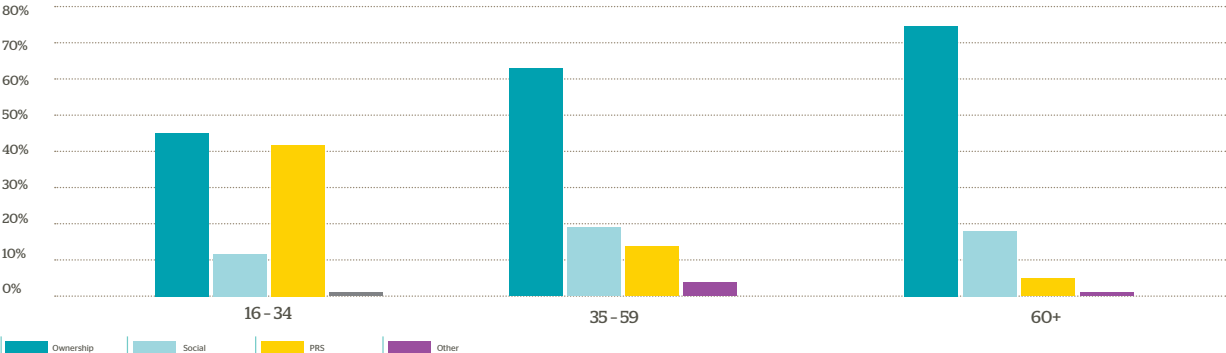


Figure 18: Breakdown of Housing Tenure in Perth by Age



Stirling

Historic Stirling is a well-connected hub in the heart of Scotland, ideally situated for those who like a mix of both urban and rural living. It boasts fast links to both Edinburgh and Glasgow and has a strong local economy, supporting employment in the financial and food and drink industries, and the rapidly emerging technology sector.

The University of Stirling, a stunning campus university situated just outside the Bridge of Allen, and Forth Valley College, with around 20,000 students, helps support a strong, vibrant and multicultural community culture in the city. In topping the list of universities in Scotland for employability, the University of Stirling will continue to be a popular destination for prospective home-grown and international students.

As a central hub with great links across Scotland, Stirling offers significant opportunities for residential investment.

Tenure Breakdown (Stirling)

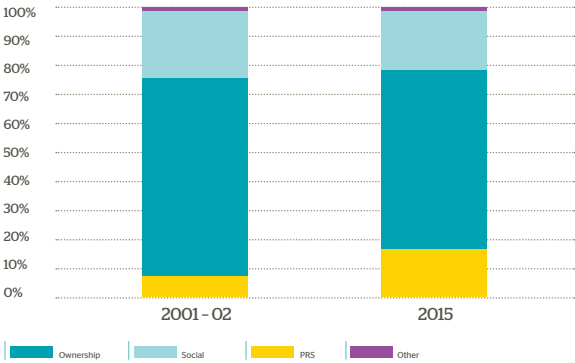


Figure 19: Breakdown of Housing Tenure in Stirling

Tenure Breakdown by Age (Stirling)

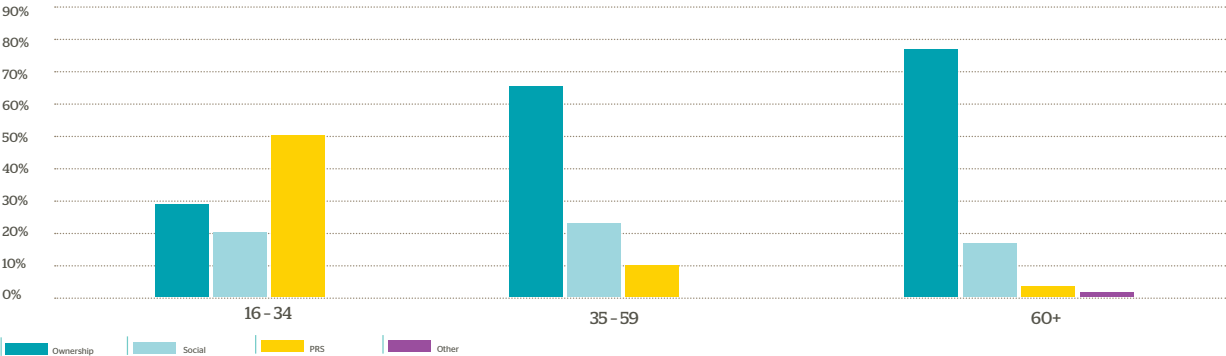


Figure 20: Breakdown of Housing Tenure in Stirling by Age

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Gavin Wyley

Dandara

John Shepherd

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Graham Sibley

NHBC

Alan Brennan

Bank of Scotland

Stuart Heslop

Royal Bank of Scotland

Kate Leer

Scottish Cities Alliance

Lillian McDowall

Scottish Cities Alliance

Brad Gilbert

Scottish Government

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