

Advantages of the build-to-rent model

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| Build-to-rent (BTR)

There is no doubt that “Build to Rent” (BTR), also known as the Private Rental Sector, is the top asset class in the Irish real estate market at present and is showing no signs of slowing down.

In fact, the Irish Independent recently reported that “potential purchasers of homes at Park Developments' Fernbank scheme in Churchtown, Dublin 14, were left disappointed when Irish Life Investment Managers snapped up all 262 of its apartments for €120m.”

What is BTR?

Tim MacMahon, director at CBRE Ireland, describes Build to Rent as the system of “delivering purpose-built residential rental accommodation and associated amenity space that is designed with the sole purpose of being used as long-term rental accommodation and professionally owned and managed by an institutional landlord”. BTR schemes are developed with the consumer lifestyle requirements in mind. Convenience and amenities are at the forefront of the schemes.

Advantages

- **Supply to the market.** Ireland is amid a housing crisis with demand far exceeding supply. BTR plays a vital role in bringing quality affordable homes to the market quickly and at scale.
- **Robust assets.** BTR developments are designed for long term investment purposes which means developers are building more robust buildings with higher standards of quality. This is cost effective approach for institutional owners whilst simultaneously providing a better standard of living for tenants. This in turn minimises rental voids and operating costs – a win-win.
- **Security of Tenure** – broadly speaking BTR developments offer longer term rentals with the option to break than those being provided by private ‘buy-to-let’ landlords. It is this security

with an added touch of flexibility that is becoming increasingly attractive to long term renters.

- **Amenities.** BTR developments come with ready access to amenities such as gyms, on site car sharing, ground floor retail, cinema rooms, lounges as well as being close to transport links. The developments usually provide a great deal of open space for socialising too. It should be noted of course that the provision of such amenities often come at a premium for tenants.
- **Professionally managed.** BTR developments are professionally managed by professionals who are able to respond to issues quicker without involvement from the tenant.

For more advice on this topic, please contact Sarah by emailing sarah.keenan@ogier.com

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