

The Irish housing crisis and build-to-rent schemes

Insights - 05/02/2018

| Trends in real estate investment

There has been an increase in “alternative” real estate investment over the last few years with many international investors seeking to diversify their portfolio and move away from more traditional investment sectors.

According to [CBRE's first bi-monthly report for 2018](#), as much as €5 billion in institutional investment is now seeking build-to-rent ("BTR") opportunities in Ireland's residential property market.

What does "build-to-rent" mean?

BTR schemes are focused on the delivery of purpose-built residential rental accommodation that is designed with the sole purpose of being used as long-term rental accommodation and owned and managed by a professional, institutional landlord. These types of schemes are generally designed to a high spec and include amenities such as gyms, residents' lounges and outdoor spaces.

Given housing supply shortages, particularly in cities such as Dublin, it is likely that BTR schemes will continue to grow over the next few years which will in turn increase and improve the quality and stock of rental accommodation in the Irish residential market.

Is build-to-rent the answer?

BTR schemes have proven to be very successful in other jurisdictions such as the US and Germany and are now an attractive asset class for institutional investors based on scale, management, amenities and yield. These schemes can offer an affordable alternative to home ownership and may be a viable solution towards easing the imbalance between supply and

demand in the Irish residential sector.

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