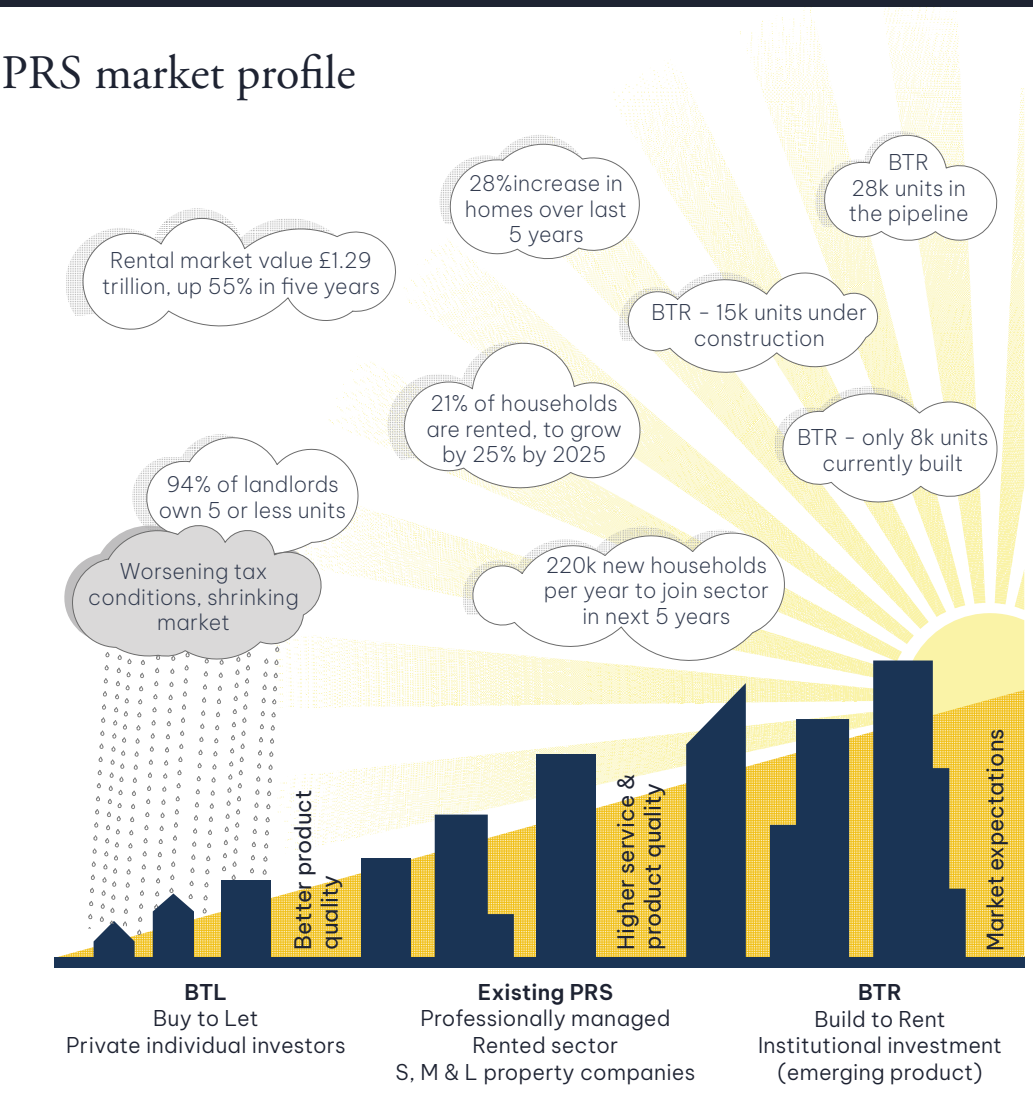
Build to Rent (BTR) sector
Explained

UKAA
NAA Global Alliance Partner
Shaping the Future of Build-to-Rent

PRS market profile



BTR: New or existing PRS product?

		BTL Individual or small groups of units	PRS Large groups of units or whole building	BTR Whole building
Revenue	Number of units	1-9	10+	100+
	Revenue model	Rent, with option to sell	Rent, with option to sell	Rent only
	Integrated business and brand delivery	X	X	✓
Management culture	Price point	Market driven	Market driven	Market + brand premium
	Management scope include asset and tenant services	Asset	Asset & some tenant	Asset & tenant
	Customer service informs design	X	Sometimes	✓
	Integrated unit & asset management	X	X	✓
Design	Fit out specification set at 'For sale' product standard	✓	✓	Higher quality than for sale product fit out specification X
	Design	Adapted sales product	Adapted sales product	Bespoke design product
	Portfolio standardised fit-out & specification	X	X	✓
	Onsite amenities included	X	Sometimes	✓
	Design for optimisation of operational model	X	X	✓
Occupier experience	Forming community is a business objective	X	X	✓
	Entire building as 'home'	X	X	✓
	Create & maintain relationships	X	X	Brand loyalty is a key objective ✓
	Integrated brand, building & business model	X	X	✓

Defining differences

1 Revenue

PRS = Rented model, sometimes with service revenue, with option to sell.

BTR = Is a long income model, revenue derived from rent & service.

2 Design

PRS = Is an adapted for sale product with some additional features.

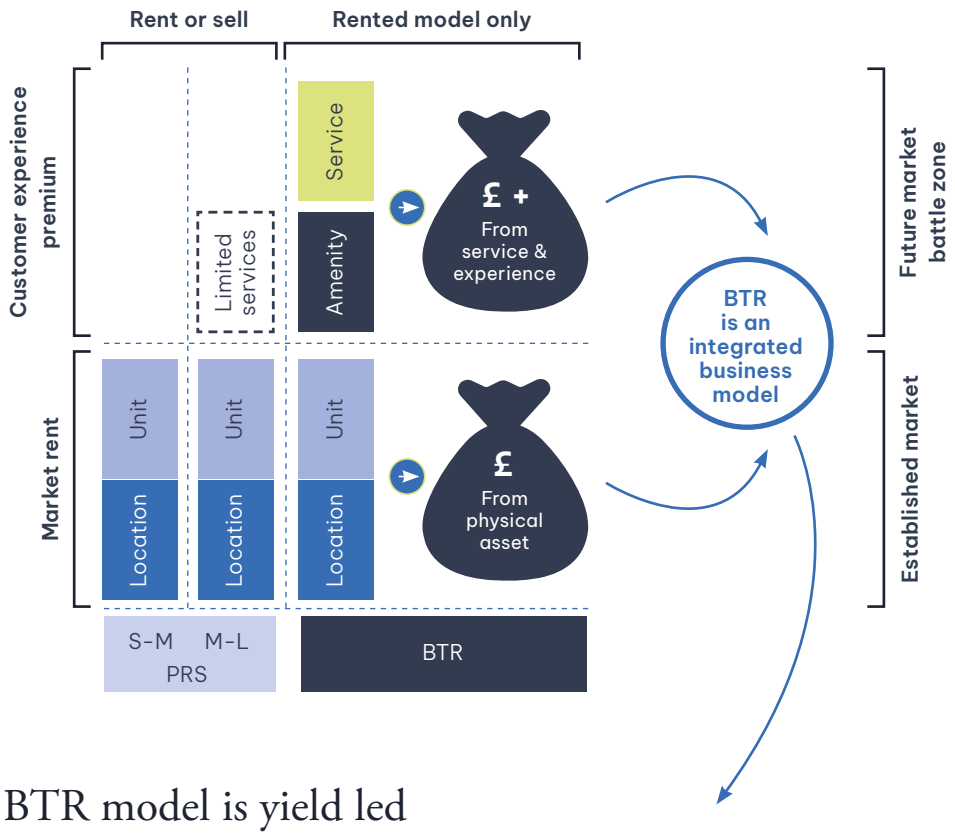
BTR = Is a bespoke design based on an integrated BTR business model.

3 Occupier experience

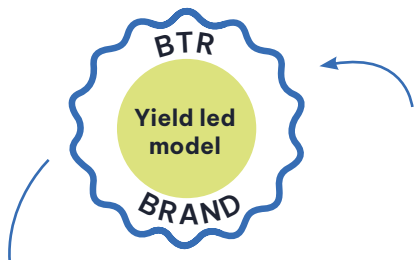
PRS = Supply market bias, transaction culture, occupants are tenants.

BTR = Demand market bias, relationship culture, occupants are customers.

Revenue model



BTR model is yield led



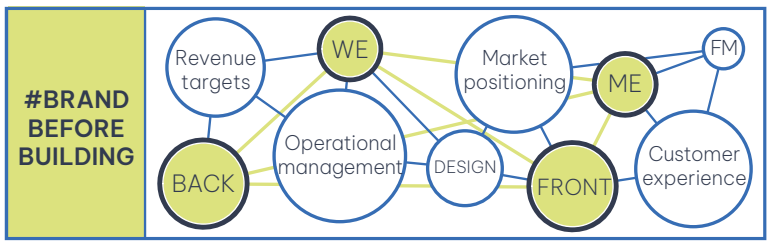
Yield led business model combines:

- ✓ Business objectives
- ✓ Customer service
- ✓ Operational management
- ✓ Design + specification
- ✓ Facilities management
- ✓ Revenue targets

This creates the business brand.

'Brand architecture' - me, we, front, back

Brand architecture is the customer's experience of the business model. The brand helps to define & communicate business objectives, it qualifies & guides business, design, delivery & operating decisions.



ME = Quality of private accommodation
WE = Shared areas, communal spaces & community
FRONT = Consumer experience & service levels
BACK = Administration, back of house & operational efficiency

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Infographics created by Brendan Geraghty. April 2022.