

Build-to-Rent (BTR) Market Snapshot

Sheffield
May 2023



Cortland Consult in
collaboration with the UKAA



Summary

Historically known as the 'Steel City', Sheffield occupies a unique position as one of the nation's largest and most diverse cities, with one-third of the city area occupied by the Peak District National Park. It is the epitome of city and country rolled into one, with 100,000 trees making it the greenest city in the UK.

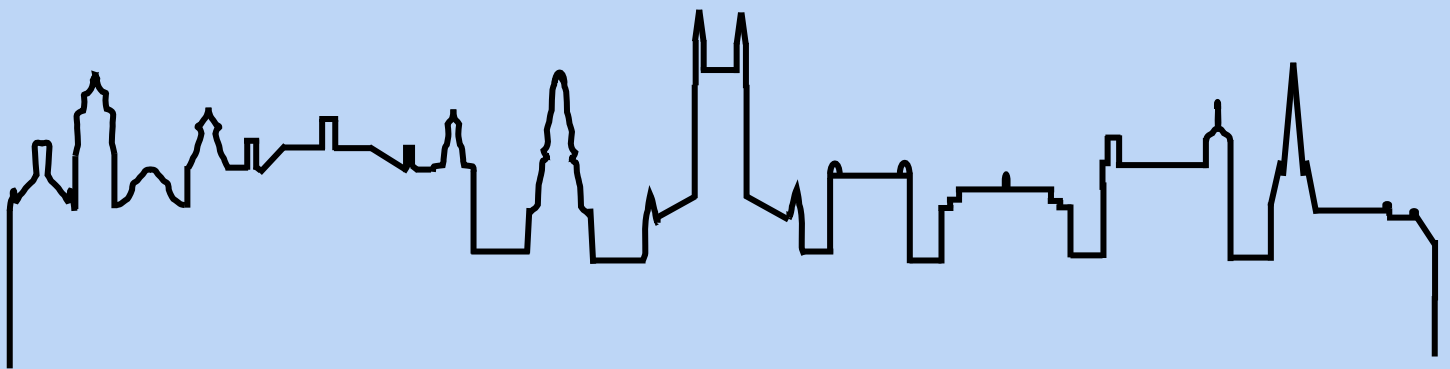
Sheffield played a pivotal role in the global steel industry earning it the nickname 'Steel City' and was once home to numerous steelworks and factories, but has successfully diversified its economy and embraced various sectors to foster growth and innovation.

Today, the city's economy encompasses advanced manufacturing, engineering, healthcare, education, creative industries, and is one of Europe's largest tech hubs. The

city is home to several world-class universities, and benefits from excellent transport links to all major UK cities.

The city's BTR sector remains relatively small with only four developments in total, shown below. The city enjoys a strong pipeline however, with 4,805 units in total across 15 developments, enabling Sheffield to catch up with more mature BTR markets such as Leeds.

Sheffield's rental market is dominated by PRS/BTL apartments that are typically aged, which is reflected in average rents for 2 and 3 bed apartments of £963 and £1,262 pcm respectively. Studio apartments make up a smaller portion of available units on the market and have the largest BTR rental uplift of 26% against the embedded market, compared to any other unit type.



Key operational Sheffield BTR

Brook Place



Iron Yard



Velocity Village



Loxley Heights



Sheffield Dashboard

Latest rents – Q1 2023

Studio apartments

Average: £584 pcm
 Upper quartile: £660 pcm
 Build to Rent: £735 pcm

BTR
+26%
 Uplift

1 bed apartments

Average: £744 pcm
 Upper quartile: £775 pcm
 Build to Rent: £814 pcm

BTR
+9%
 Uplift

2 bed apartments

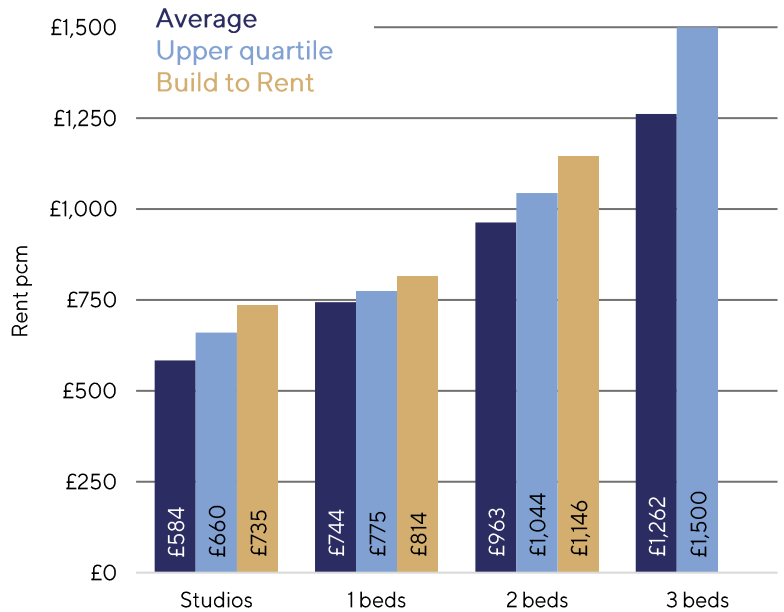
Average: £963 pcm
 Upper quartile: £1,044 pcm
 Build to Rent: £1,146 pcm

BTR
+19%
 Uplift

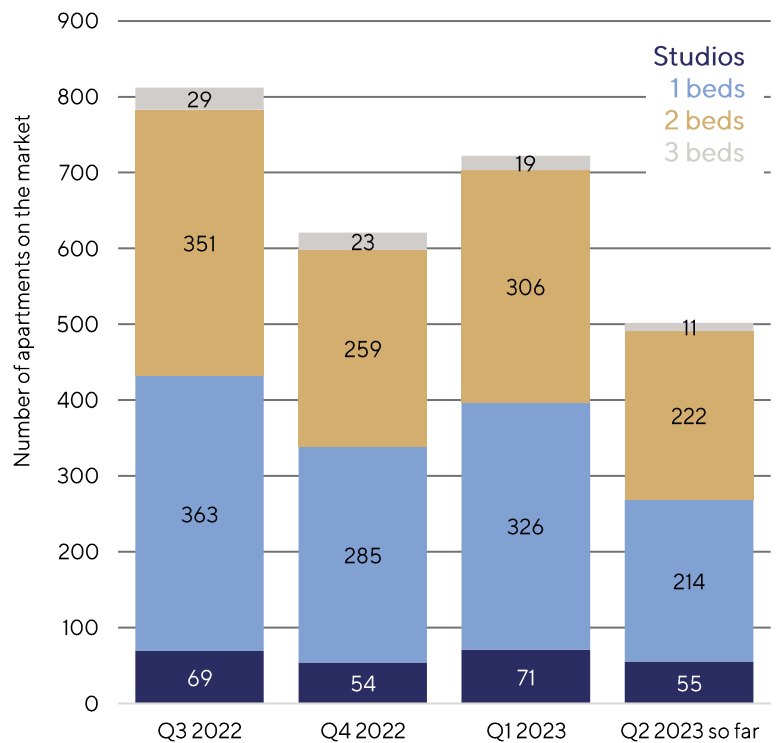
3 bed apartments

Average: £1,262 pcm
 Upper quartile: £1,500 pcm

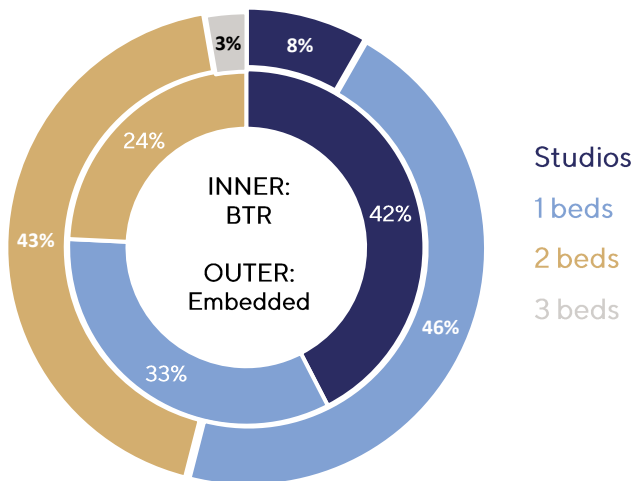
▼ | Average and upper quartile embedded vs BTR rents during Q1 2023, Sheffield



▼ | Number of listed apartments per quarter since Q3 2022



▼ | Embedded vs BTR unit mix in Sheffield



BTR Market

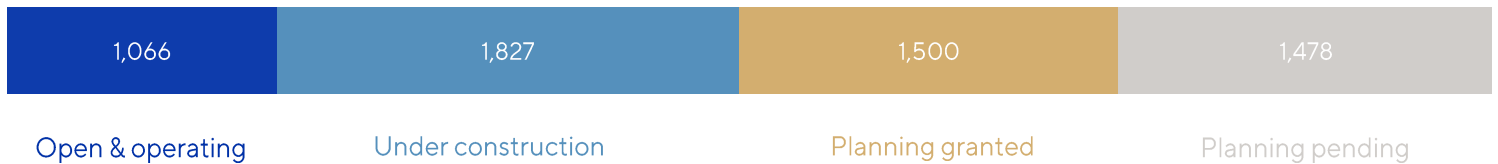
Latest average rents – Q1 2023 – case study?

Most expensive/cheapest

Q1 2023	Studios	1 beds	2 beds
Brook Place *	£862	£960	£1,220
Iron Yard	N/A	£803	£1,292
Loxley Heights	£813	£1,240	None listed this quarter
Velocity Village	£658	£757	£1,058

*rents taken from previous quarters where otherwise not available for Q1 2023

BTR Pipeline (excluding co-living)



Map of operational and pipeline BTR communities in Sheffield

Operational

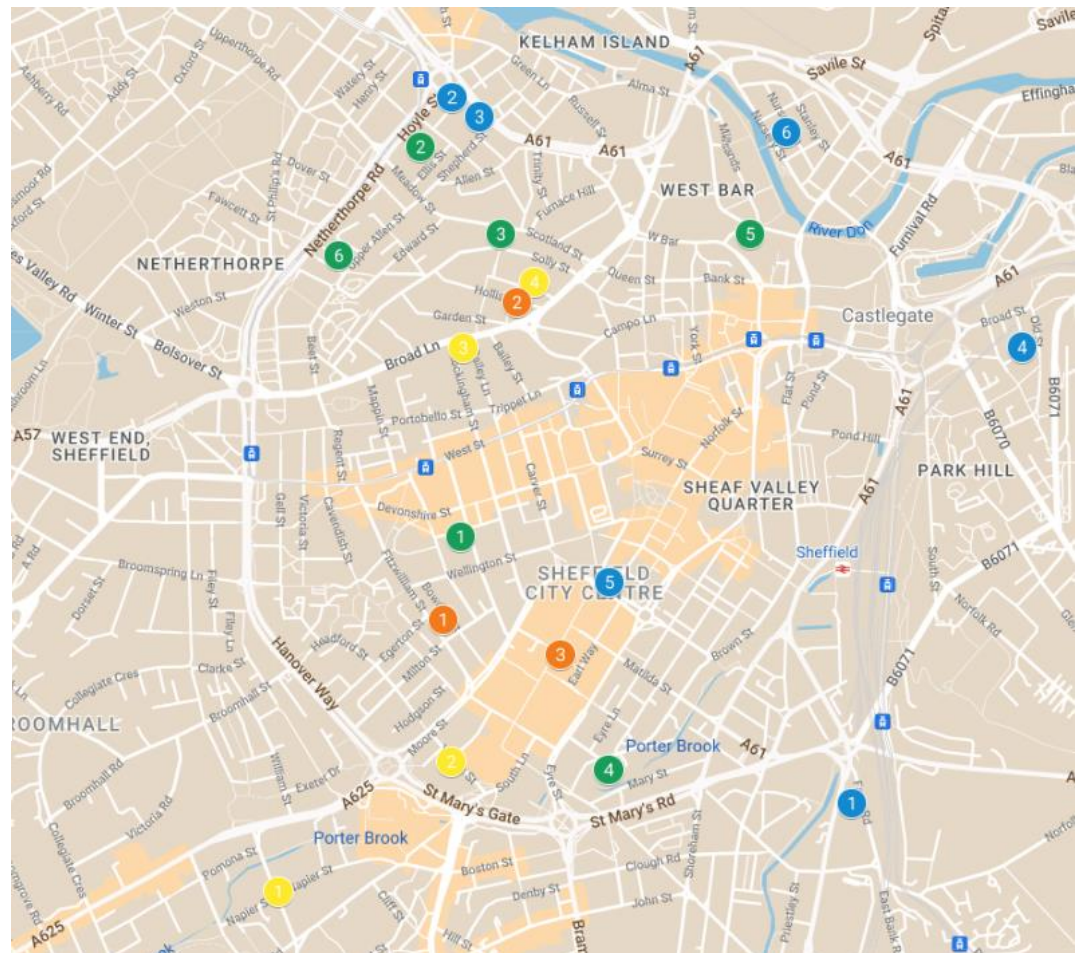
- 1 Brook Place
- 2 Iron Yard
- 3 Loxley Heights
- 4 Velocity Village

Under Construction

- 1 Kangaroo Works
- 2 Hoyle Street
- 3 The Ironworks
- 4 PLATFORM_Sheffield
- 5 Soho Yard
- 6 The Tilt Works, Well Meadow

Granted

- 1 The Meridian
- 2 The Mirador
- 3 Nichols Building
- 4 Stepney Street Car Park
- 5 St Pauls Place
- 6 Wicker Island

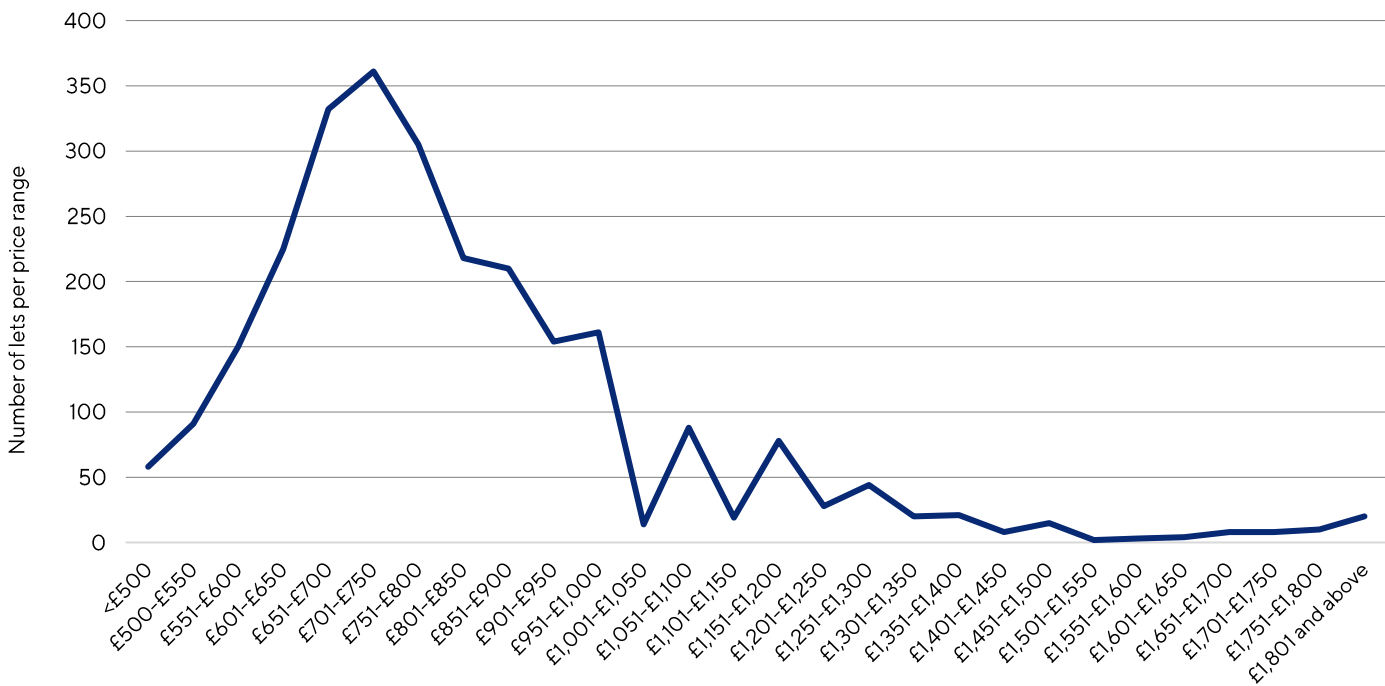


In Progress

- 1 Fitzwilliam Street
- 2 Hollis Croft/White Croft
- 3 The Moor

Market Scale

Sheffield rental Market Scale



Cortland Consult's Market Scale chart shows how many apartments were let between a scale of price points over the last year in Sheffield City Centre. It portrays the size and scale of the city's rental market. We have surveyed nearly 2,700 listings from Rightmove to produce this data, using let agreed price data for a more accurate market position.

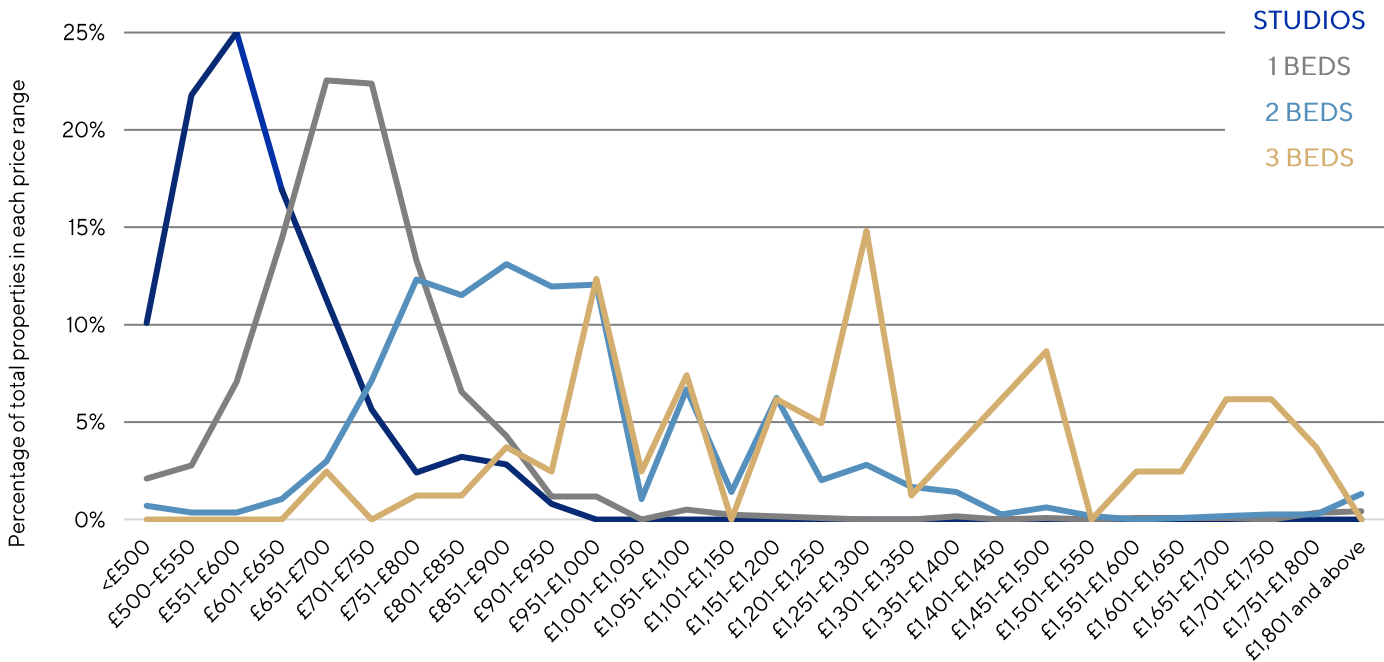
Sheffield's rental market is more uniform than other major British cities, with 54% of properties priced between £601 and £850

pcm. The high-end market is small, with 15% of properties priced over £1,000 pcm. Just 2% of apartments in Sheffield rent for over £1,500 pcm. Sheffield's growing BTR pipeline is likely to enhance and expand the city's high-end rental market.

We will conduct similar Market Scale studies for Sheffield in future and compare this scale with future ones to help us track where the market moves. You can request a Market Scale study for anywhere in the UK by contacting us.

Market Scale

▼ | Sheffield rental Market Scale, arranged by % of total studios, 1, 2, and 3 bed apartments



This chart splits the data on the previous page by unit mix – studios, 1 beds, 2 beds, and 3 beds.

In the past 12 months, 248 studios were let in Sheffield; as well as 1,189 one bed apartments; 1,137 two bed apartments; and 81 three bed apartments (2,655 lets in total).

Due to the different quantities of each unit type, the chart shows what percentage of studios, 1 beds, 2 beds, and 3 beds fall between certain price points.

Studio and 1 beds in Sheffield have a very pronounced rental peak. 64% of studios are priced between £500 pcm and £650 pcm, while 58% of 1 beds are between £651 and £800 pcm.

Conversely, rents for 2 and 3 beds spread across the market scale spectrum, with no particularly-pronounced peak. There are also a notable proportion of 3 beds (19%) priced at the upper end of the scale, between £1,601 to £1,800 pcm.

Contact

Iain Murray
Senior Director BTR Consultancy (Europe)
iain.murray@cortlandconsult.com
www.cortlandconsult.co.uk

CORTLAND CONSULT
Leaf A, Level 9, Tower 42, 25 Old Broad St. | London EC2N 1HQ

In this market analysis, we have analysed asking rents for apartments listed during the Q1 2023 period on leading property search portals and operator websites. The analysis shows a comparison of the advertised rents for BTR operators alongside the wider embedded market (average and upper quartile). It excludes all short term, holiday, and student lettings. The analysis covers postcodes within the central postcode districts of S1 2, S1 4, S2 4, S2 5, S3 7, S3 8, S6 3, S10 1, S10 2, S10 3, S10 5, and S11 8. These are areas that contain the city's purpose-built BTR schemes, high-quality traditional PRS schemes, and major employment hubs.