

Build-to-Rent (BTR) Market Snapshot

Cardiff
July 2023



Cortland Consult in
collaboration with the UKAA



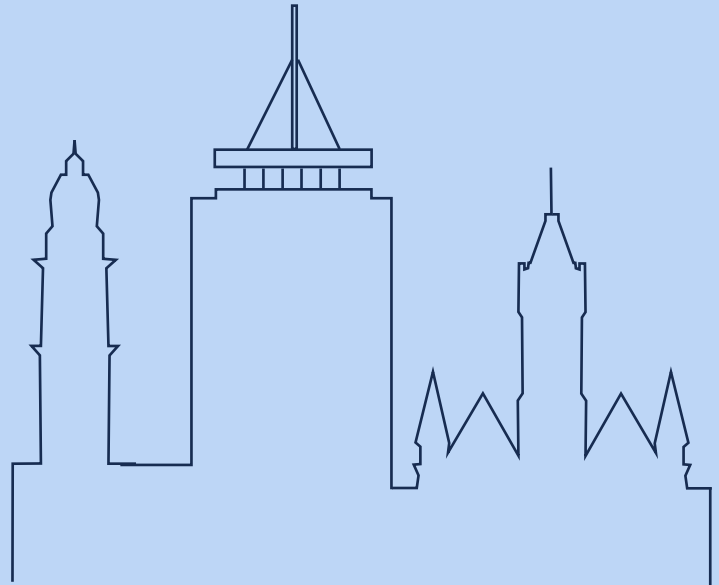
Summary

Cardiff stands as the capital city of Wales and represents a major cultural, economic and political centre. Over the past two decades, Cardiff has witnessed a remarkable increase in its population, with a growth rate of nearly 17%. More than 16,000 more people chose to make Cardiff their home in the decade to 2021. This relates to a positive trajectory for job opportunities, with employment levels expected to increase by 1.5% annually in Q4 2023 (Business News Wales).

In line with rental trends across the UK, Zoopla reported a 9.6% increase in rents across Wales (Zoopla June Update 2023). The first two quarters of the year featured higher availability of apartments to rent in Cardiff than in both Q3 and Q4 2022, showing signs of market rebalance.

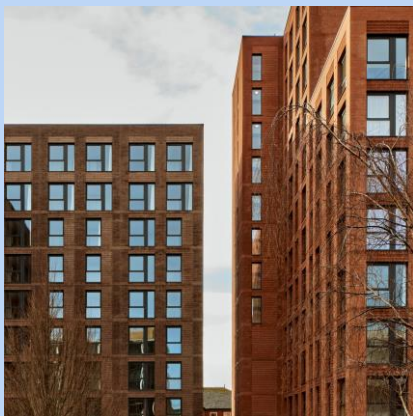
During Q2 2023, studios and 1 bed apartments saw the most uplift between the embedded market and BTR, at 56% and 51% respectively. However, studio units only make up a small portion of Cardiff's rental market.

Cardiff's BTR market is still in its infancy as we record three operational schemes at present, amounting to 674 units. There are a further 3,374 BTR units in Cardiff's pipeline.



Operational BTR

PLATFORM_



Wood Street House



Verse



Cardiff Dashboard

Latest rents – Q2 2023

Studio apartments

Average: £663 pcm
 Upper quartile: £750 pcm
 Build to Rent: £1,037 pcm



1 bed apartments

Average: £845 pcm
 Upper quartile: £900 pcm
 Build to Rent: £1,275 pcm



2 bed apartments

Average: £1,142 pcm
 Upper quartile: £1,250 pcm
 Build to Rent: £1,557 pcm

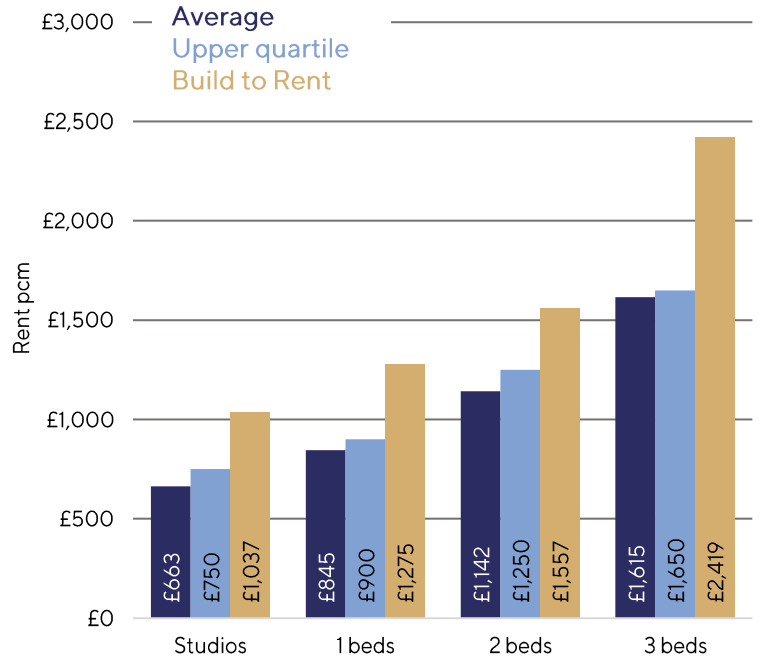


3 bed apartments

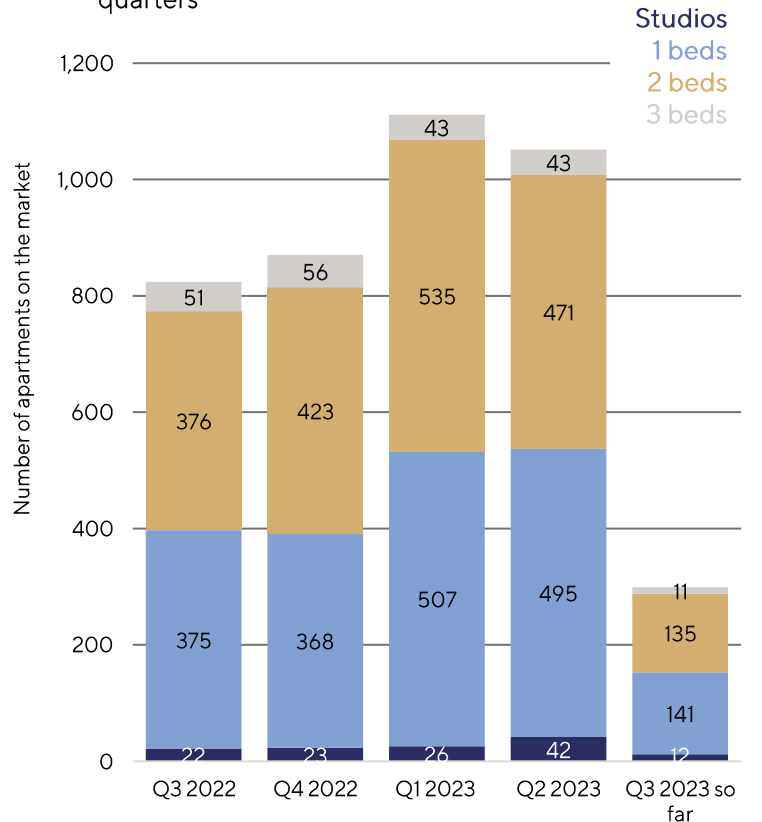
Average: £1,615 pcm
 Upper quartile: £1,650 pcm
 Build to Rent: £2,419 pcm



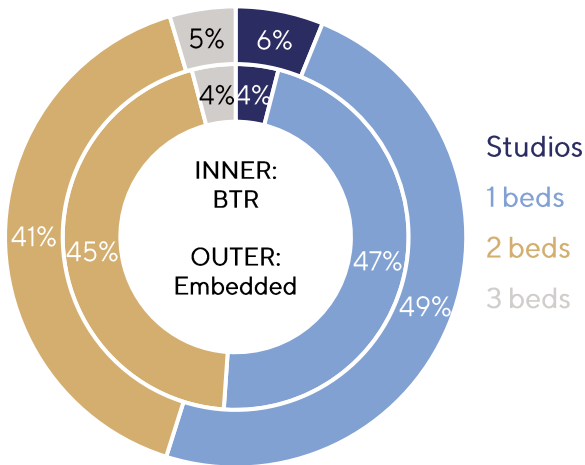
▼ | Average and upper quartile embedded vs BTR rents during Q2 2023, Cardiff



▼ | Number of apartments on the market per quarter during the last four quarters



▼ | Embedded vs BTR unit mix in Cardiff



BTR Market

Latest average rents – Q2 2023

Q2 2023	Studios	1 beds	2 beds	3 beds
Wood Street House	NA	£1,227	£1,624	£2,419
PLATFORM_	-	£1,291	£1,645	NA
Verse	£900-£1,210	£1,250-£1,710	£1,750-£2,190	NA

BTR Pipeline



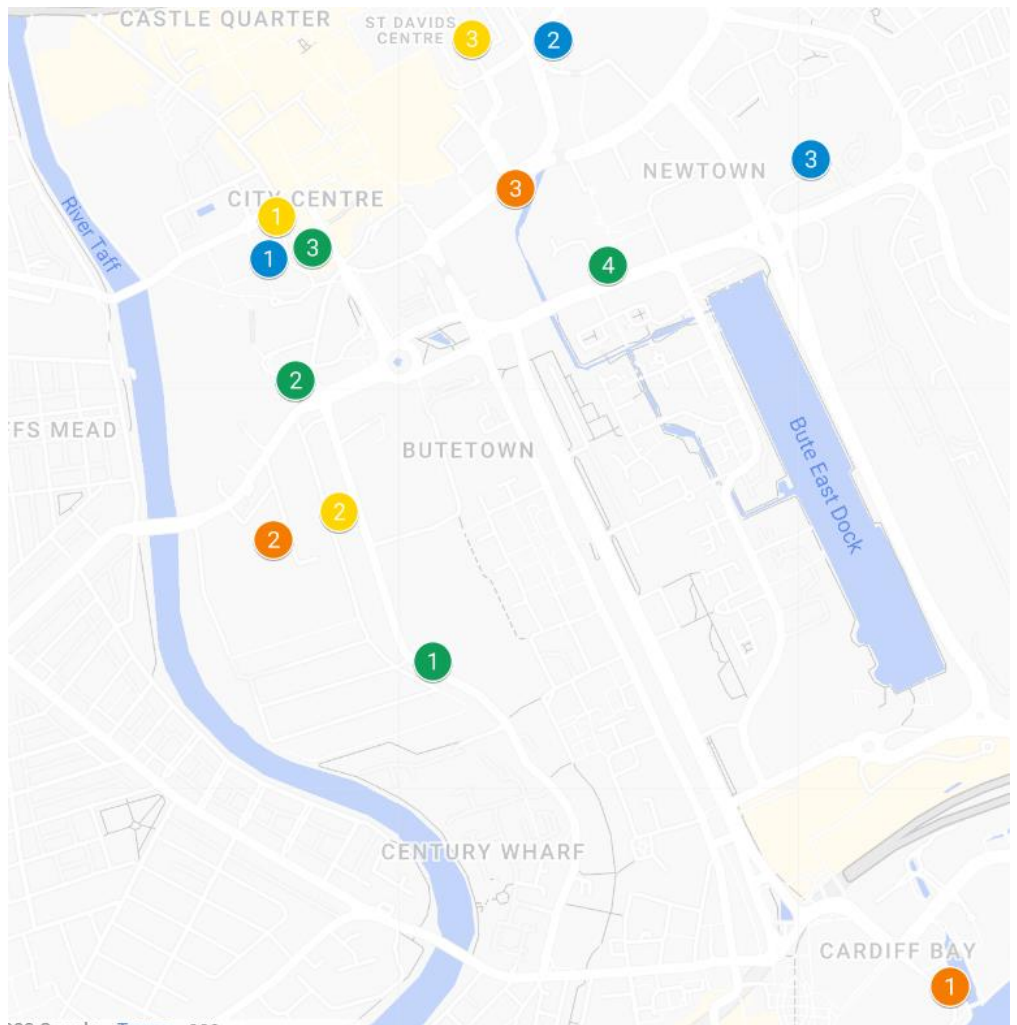
Open & operating

Under construction

Planning granted

Planning pending

Map of operational and pipeline BTR communities in Cardiff



Operational

- 1 Wood Street House
- 2 PLATFORM_
- 3 Verse

Under Construction

- 1 Anchor Works
- 2 Central Quay
- 3 Gramercy Tower
- 4 The Copper Works

Granted

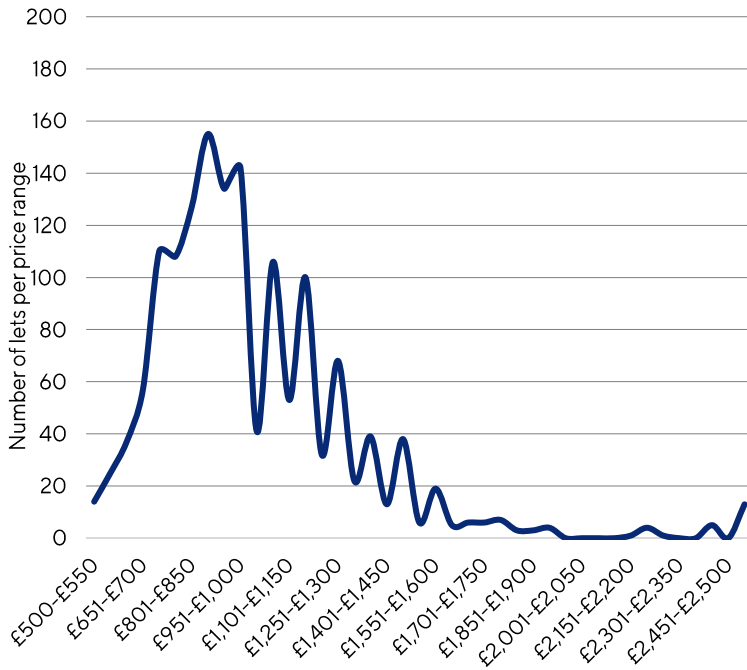
- 1 Central Square
- 2 Guildford Crescent
- 3 Atlantic Wharf

Progress

- 1 Scott Harbour
- 2 Suffolk House
- 3 Harlech Court

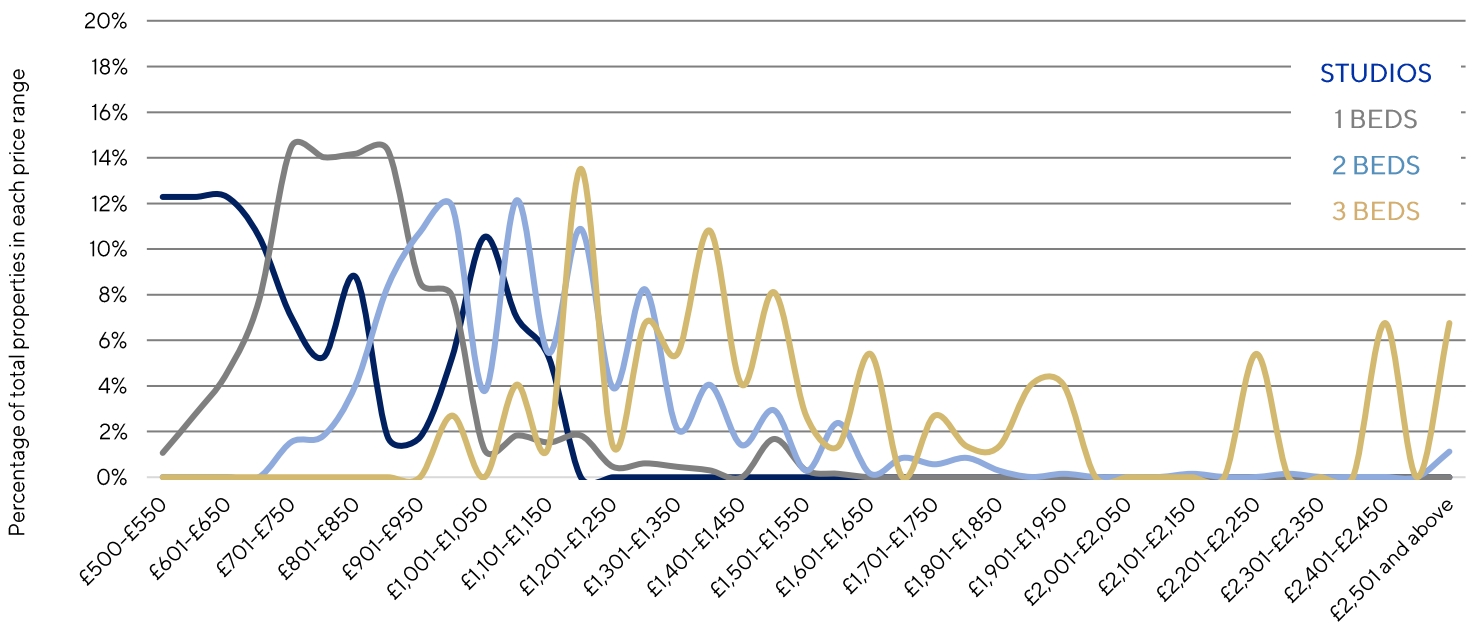
Market Scale

Cardiff 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 Cardiff. It portrays the size and scale of the city's rental market. We have surveyed nearly 1,504 let agreed apartments from leading property portals.

Cardiff's rental market is fairly saturated in the low-to-mid price range, with 40% priced between £801 and £1,050. Compared to other regional markets, Cardiff's high end market is relatively small; just over 5% of apartments priced over £1,501pcm. We will conduct similar Market Scale studies 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.



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

In the year to mid-July, 57 studios were let in Cardiff; as well as 656 one bed apartments; 717 two bed apartments; and 74 three bed apartments. 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 apartments feature two peaks: one at £801-£850 pcm and another at £1,001-£1,050 pcm. 1 beds are similar, while 2 and 3 beds spread across the scale.

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In this market analysis, we have analysed asking rents for apartments listed during the Q2 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, student and lettings with all-inclusive bills. The analysis covers postcodes within the central postcode districts of CF10 1, CF10 2, CF10 3, CF10 4, CF10 5, C11 6, CF11 7, CF11 9, CF24 0, CF24 3, CF24 4 and CF24 5, which are areas that contain the city's purpose-built BTR schemes, high-quality traditional PRS schemes, major employment hubs and are key growth areas.