

Build-to-Rent (BTR) Market Snapshot

Leeds
September 2023



**Cortland Consult in
collaboration with the UKAA**



Summary

Yorkshire's largest city is home to high-profile employers across a wide range of sectors, including HMRC, Channel 4, Asda, First Direct, BT and Yorkshire Bank. Boasting five world-class universities and research facilities, Leeds is underpinned by a youthful, educated workforce and strong demographic fundamentals to support BTR.

Leeds has one of the largest stocks of BTR apartments in the UK, with nearly 3,200 homes spread across ten communities. Our previous Leeds market report in summer 2022 showed five BTR communities operational, with 1,900 homes. Therefore, the sector has already doubled in less than a year. Notable operators such as Native, MODA, Grainger, Dandara and L&G/urbanbubble operate here, while the city boasts a pipeline of 10,132 BTR homes across 22 new communities. Operators due to enter the Leeds market soon include Get Living, Realstar, Glenbrook, and PLATFORM_.

Competition is fierce although this hasn't impacted rental growth, with rents in the Embedded Market climbing 28% since summer 2022. Build to Rent homes see a significant 33% uplift on Average rents – a strong indication that BTR is delivering a once-missing market of high-quality homes in the city centre.

BTR rents in Leeds range between £1,078 pcm for a studio apartment at MODA's New York Square, to £2,413 for a 3 bed at the same development.

Leeds Dashboard

Latest rents – Q3 2023 (up to 18th September)

Studio apartments

Average: £761 pcm
 Upper quartile: £937 pcm
 Build to Rent: £1,101 pcm

BTR
 +45%
 Uplift

1 bed apartments

Average: £890 pcm
 Upper quartile: £1,127 pcm
 Build to Rent: £1,230 pcm

BTR
 +38%
 Uplift

2 bed apartments

Average: £1,283 pcm
 Upper quartile: £1,678 pcm
 Build to Rent: £1,660 pcm

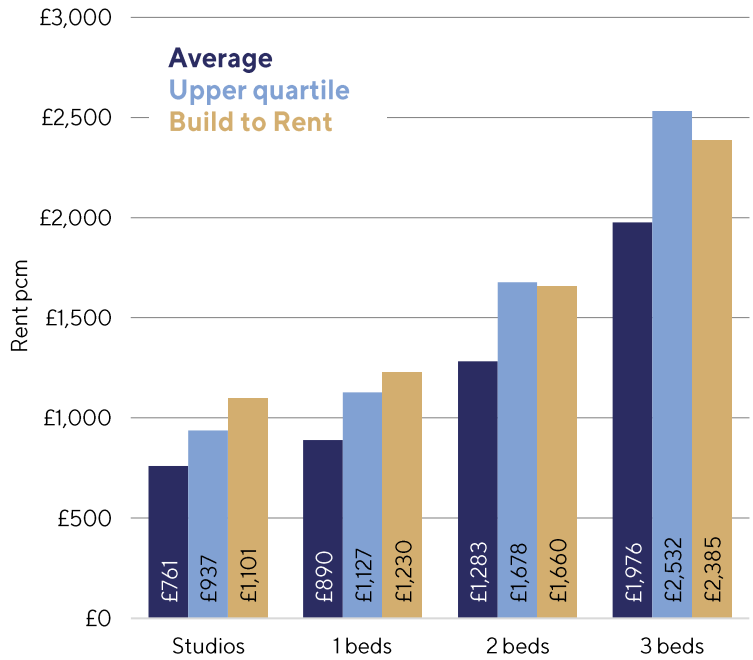
BTR
 +29%
 Uplift

3 bed apartments

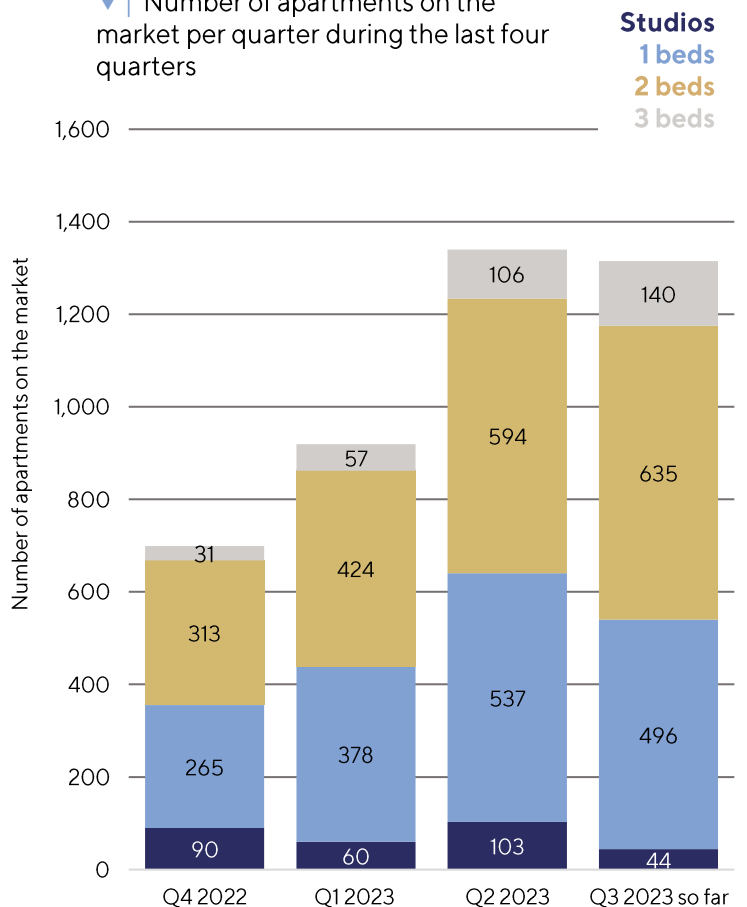
Average: £1,976 pcm
 Upper quartile: £2,532 pcm
 Build to Rent: £2,385 pcm

BTR
 +21%
 Uplift

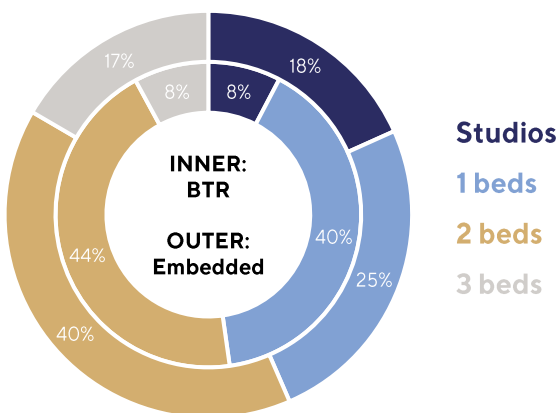
▼ | Average and upper quartile embedded vs BTR rents during Q3 2023, Leeds City Centre



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



▼ | Embedded vs BTR unit mix in Leeds



BTR Market

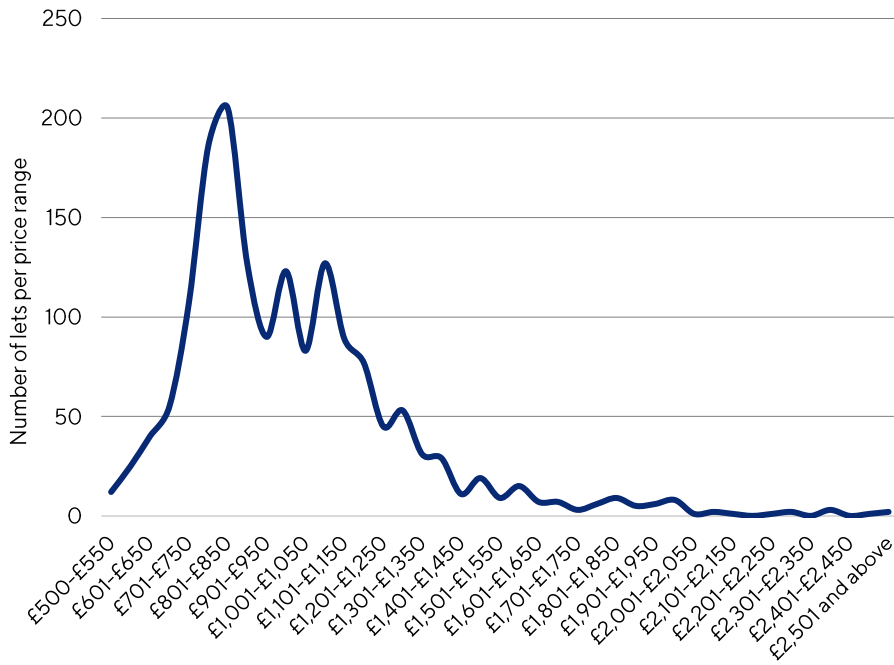
Latest average rents – Q3 2023

| Q3 2023 so far | Studios | 1 beds | 2 beds | 3 beds |
|-----------------|---------|--------|--------|--------|
| Tower Works | £1,150 | £1,163 | £1,658 | £2,123 |
| Live Oasis | £1,161 | £1,444 | NA | NA |
| The Junction | NA | £1,198 | £1,565 | £2,110 |
| New York Square | £1,078 | £1,198 | £1,689 | £2,413 |
| Pin Yard | NA | £1,050 | £1,235 | £1,785 |
| Leodis | NA | £964 | £1,226 | £1,700 |
| The Headline | NA | £1,088 | £1,335 | NA |
| Mustard Wharf | NA | £1,090 | £1,541 | £1,998 |



Market Scale

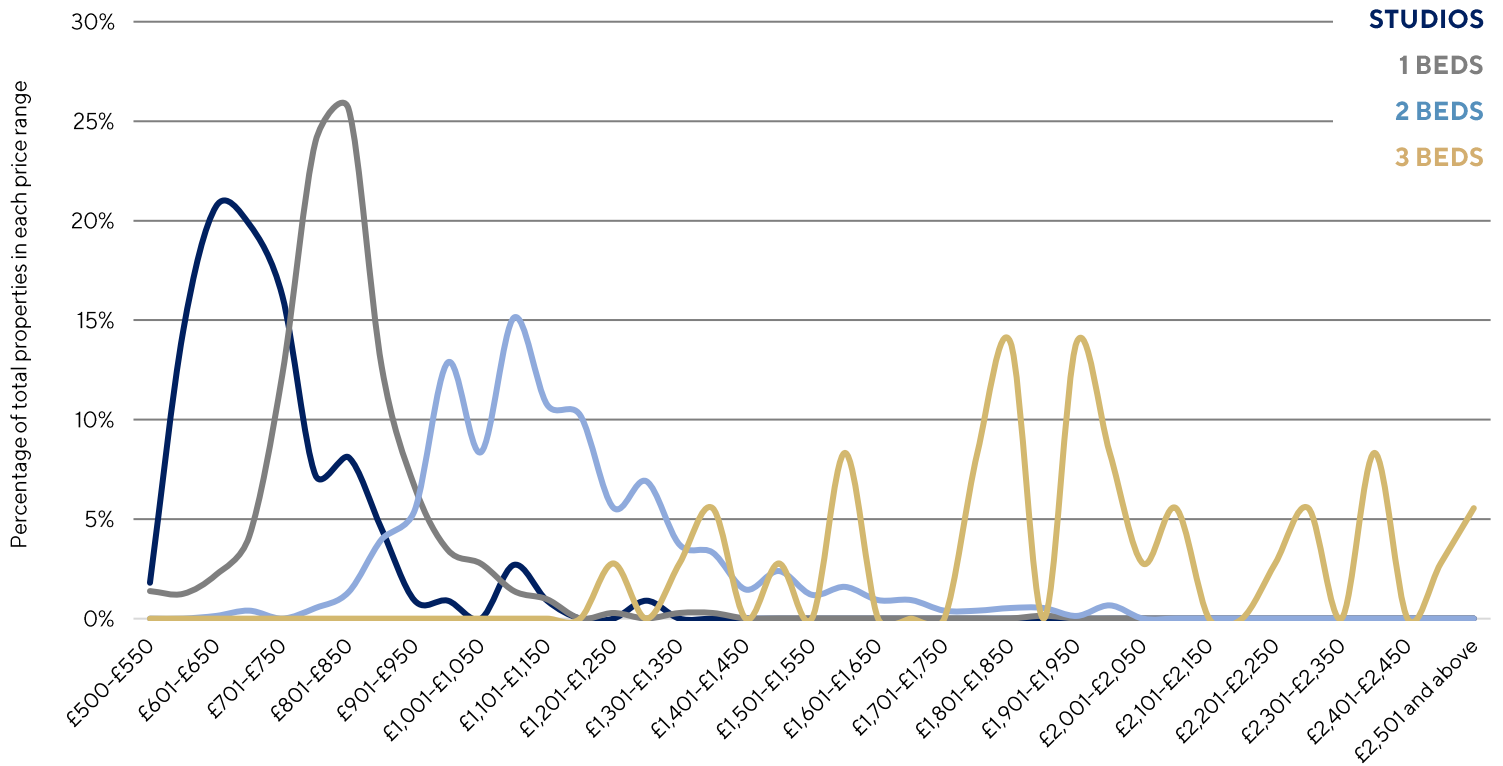
Leeds City Centre Rental Market Scale



Cortland Consult's Market Scale chart shows how many apartments were let between a scale of price points over the last year in Leeds. It portrays the size and scale of the city's rental market. We have surveyed over 1,600 let agreed apartments from leading property portals.

70% of Leeds' rental market is concentrated between the £701 and £1,150 pcm price points. We can see from the chart below that studios and 1 beds peak sharply, with 75% of 1 beds let between £701 and £900 pcm. Meanwhile, 2 and 3 bed values spread across the scale.

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



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In this market analysis, we have analysed asking rents for apartments listed during the Q3 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 LS1, LS2, LS7, LS10, and LS11, 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.