

Build-to-Rent (BTR) Market Snapshot

Birmingham
December 2023



Cortland Consult in
collaboration with the UKAA



Summary

Birmingham, the West Midlands' largest city, has a population of over 1.1 million people, which grew by 6.7% in the ten years until the 2021 Census. Numerous large-scale inner-city regeneration projects, the recent 2022 Commonwealth Games, and the current construction of HS2 has made Birmingham an increasingly appealing location for investors. This has been particularly highlighted in the growing BTR sector with 15 operating schemes in Birmingham and over 20,000 BTR units in the current pipeline.

Rental values in Birmingham have steadily increased over the past year. Since Q3 2022, rents for studio apartments have increased 9% from £788 pcm to £861 pcm; 1 bed apartments have increased 10% from £884 pcm to £973 pcm; 2 beds have increased 6% from £1,270 pcm to £1,344 pcm; whilst 3 beds have increased 4% from £1,907 pm to £1,990 pcm.

There has been an 17% increase in rental listings on Rightmove between Q2 and Q3 2023. This increases to 52% between Q4 2022 and Q3 2023. This suggests that following a low point in supply, there has been a promising increase in the past year to help support a strong demand for rental apartments.

Birmingham's 'BTR Uplift' (the gap between average and BTR rents) ranges from 8% for studio apartments to 18% for 3-bed apartments. Current average BTR rents are only slightly above upper quartile rents for studio to 2-bed apartments and below for 3-beds. Nonetheless, BTR apartments in Birmingham still demand a notable premium over comparable rental units in the wider rental market.

17%

Increase in rental listings in between Q2 and Q3 2023

12.75%

Average BTR rental uplift across all unit sizes compared to average rents.

£1,107

Average PCM for a 1-bed BTR apartment in Birmingham in Q3 2023

4,828

Completed BTR homes in Birmingham across 15 schemes – the Midland's largest city for BTR.

20,934

Pipeline BTR units in Birmingham – one of the largest pipelines of any city in the UK.

Birmingham Dashboard

Latest rents – Q3 2023

Studio apartments

Average: £861 pcm
 Upper quartile: £900 pcm
 Build to Rent: £933 pcm



1 bed apartments

Average: £973 pcm
 Upper quartile: £1,050 pcm
 Build to Rent: £1,107 pcm



2 bed apartments

Average: £1,344 pcm
 Upper quartile: £1,450 pcm
 Build to Rent: £1,491 pcm

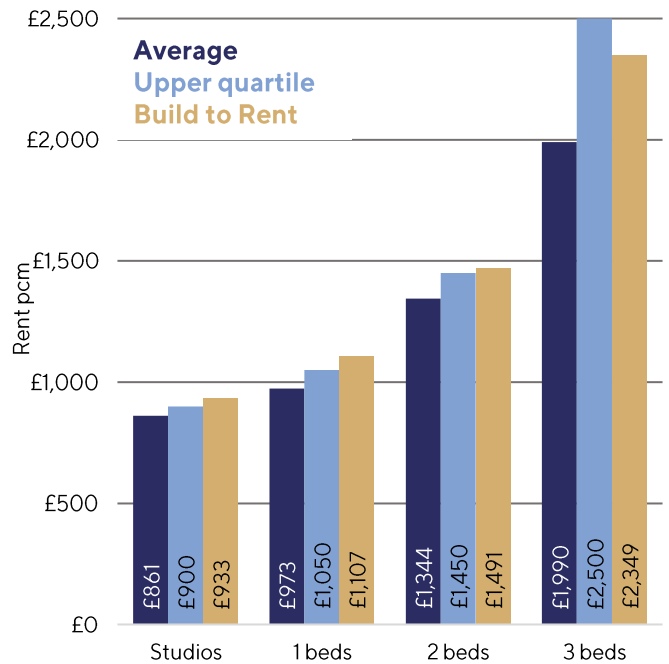


3 bed apartments

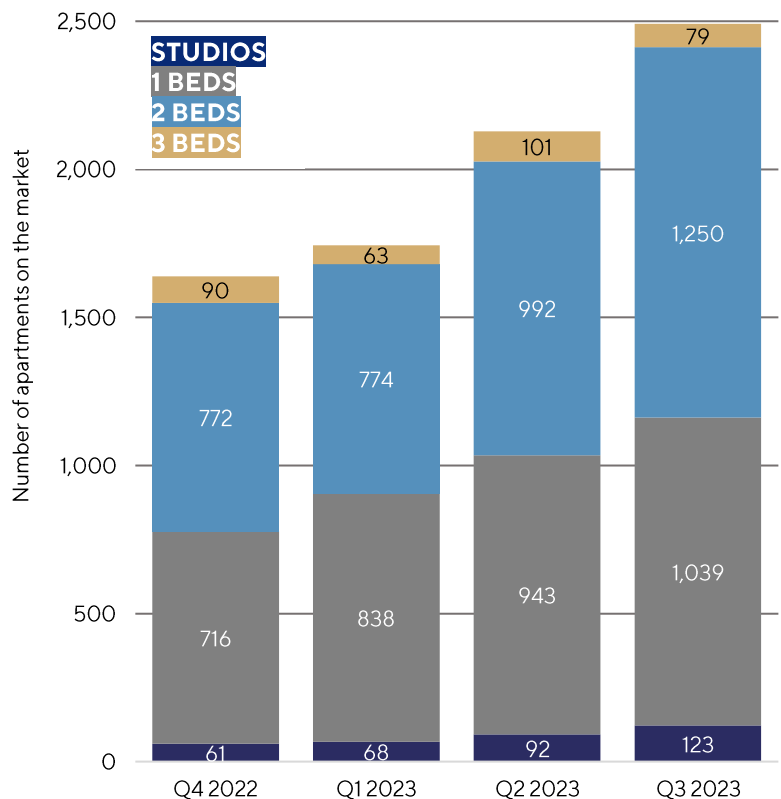
Average: £1,990 pcm
 Upper quartile: £2,500 pcm
 Build to Rent: £2,349 pcm



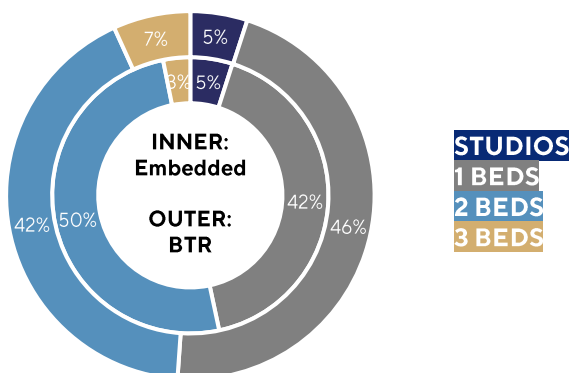
▼ | Average and upper quartile embedded vs BTR rents during Q3 2023, Birmingham City Centre



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



▼ | Embedded vs BTR unit mix in Birmingham



BTR Market

Latest average rents – Q3 2023

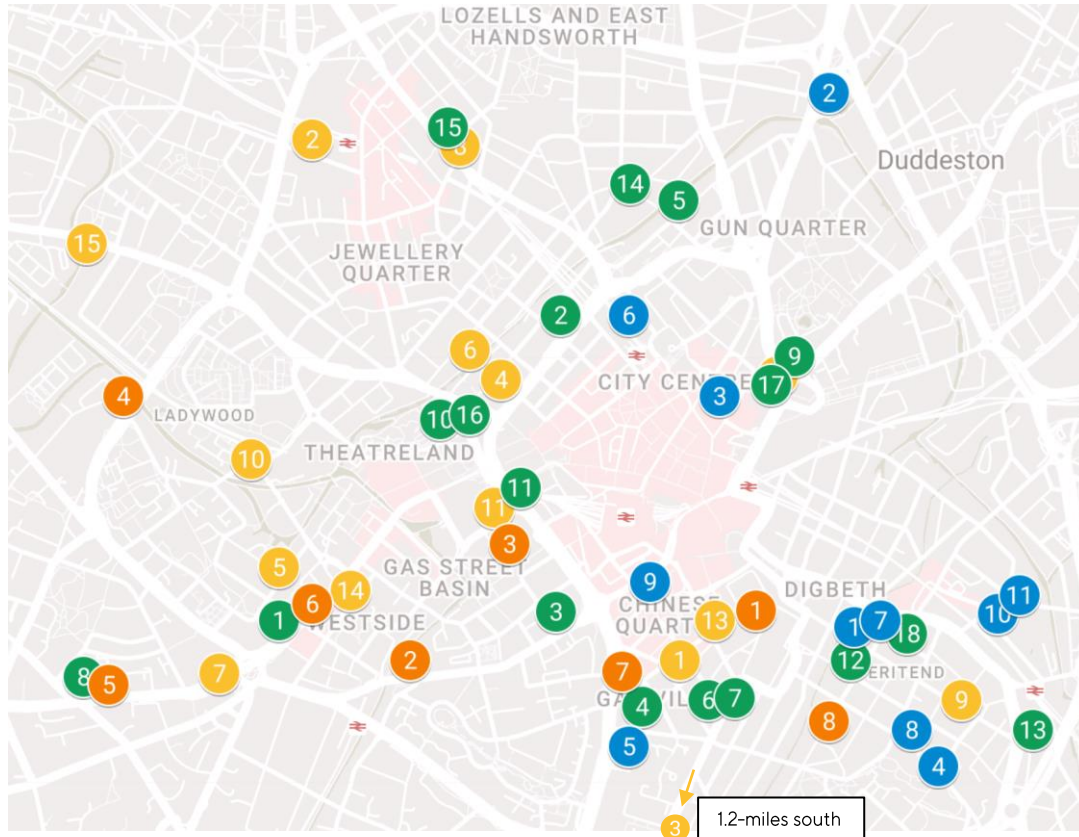
Q3 2023	Studios	1 beds	2 beds	3 beds
Allegro Living	£950	£1,051	£1,333	None listed in this quarter
Aston Place	£915	£1,104	£1,296	None listed in this quarter
Corkfield	None listed in this quarter	£1,156	£1,620	None listed in this quarter
Embankment West	None listed in this quarter	£825	£1,200	None listed in this quarter
Gilders Yard	None listed in this quarter	£1,094	£1,387	None listed in this quarter
Hairpin House	None listed in this quarter	£1,092	£1,334	None listed in this quarter
Landrow Place	None listed in this quarter	£1,040	£1,456	£1,845
Sherborne Place	None listed in this quarter	£1,200	£1,371	None listed in this quarter
Soho Wharf	None listed in this quarter	£907	£1,255	£1,857
The Forum	None listed in this quarter	£1,150	£1,525	None listed in this quarter
The Goodsyard	None listed in this quarter	£1,244	£1,627	£2,296
The Lansdowne	None listed in this quarter	£1,183	£1,634	£2,625
Moda, The Mercian	None listed in this quarter	£1,510	£2,067	£2,863
The Whitmore Collection	None listed in this quarter	£965	£1,550	None listed in this quarter
U&A	None listed in this quarter	£1,080	£1,710	£2,610

BTR Pipeline



BTR Market

Map of operational and pipeline BTR communities in Birmingham



Operational

- 1 U&A
- 2 The Goodsyard
- 3 Corkfield
- 4 Landrow Place
- 5 Sherborne Place
- 6 The Whitmore Collection
- 7 The Lansdowne
- 8 Gilders Yard
- 9 Hairpin House
- 10 Embankment
- 11 Aston Place
- 12 Allegro Living
- 13 The Forum
- 14 Moda, The Mercian
- 15 Soho Wharf

Under Construction

- 1 Cortland Broad Street
- 2 Great Charles Street
- 3 Holloway Head
- 4 Kent Street Baths
- 5 Lancaster Wharf
- 6 Lower Essex Square
- 7 Maker's Yard
- 8 New Garden Square
- 9 One Eastside
- 10 Ora
- 11 Paradise View
- 12 S&K Digbeth
- 13 Smith's Garden
- 14 The Crown Works
- 15 The Lampworks
- 16 The Octagon
- 17 The Silver Yard
- 18 The Stone Yard

Granted

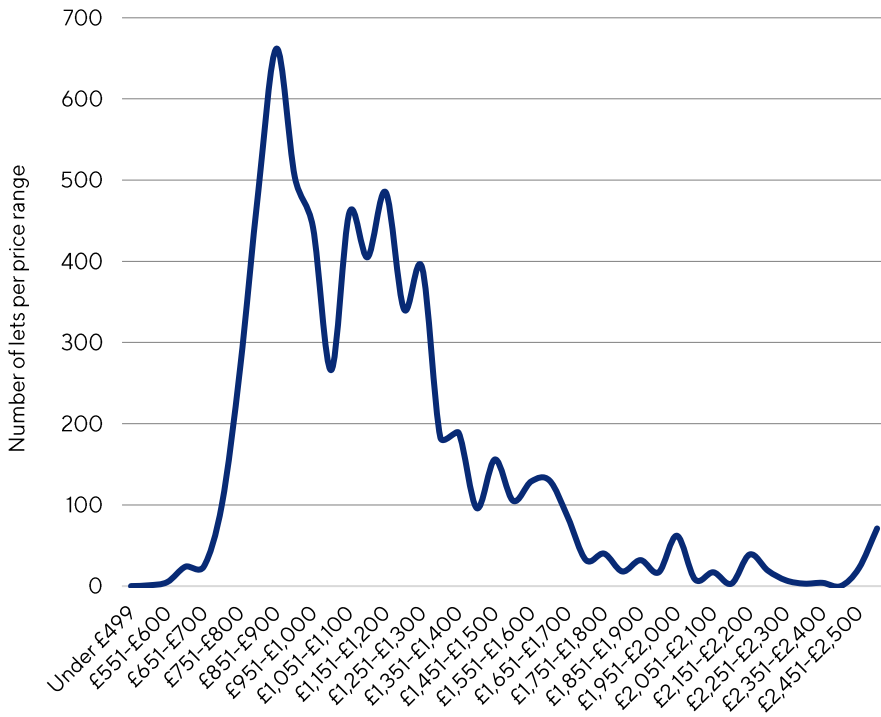
- 1 Connaught Square
- 2 Curzon Wharf
- 3 Martineau Galleries
- 4 Moseley Street
- 5 New Monaco
- 6 Snow Hill
- 7 Tower Leaf
- 8 Westminster Works
- 9 Smallbrook Queensway
- 10 Upper Trinity Street
- 11 Metalworks

In Progress

- 1 Smithfield Birmingham
- 2 Former Queens Hospital
- 3 Goods Station
- 4 Icknield Square
- 5 New Garden Square (Phase 2)
- 6 The Hundred
- 7 Trifecta Residences
- 8 Warners Fields

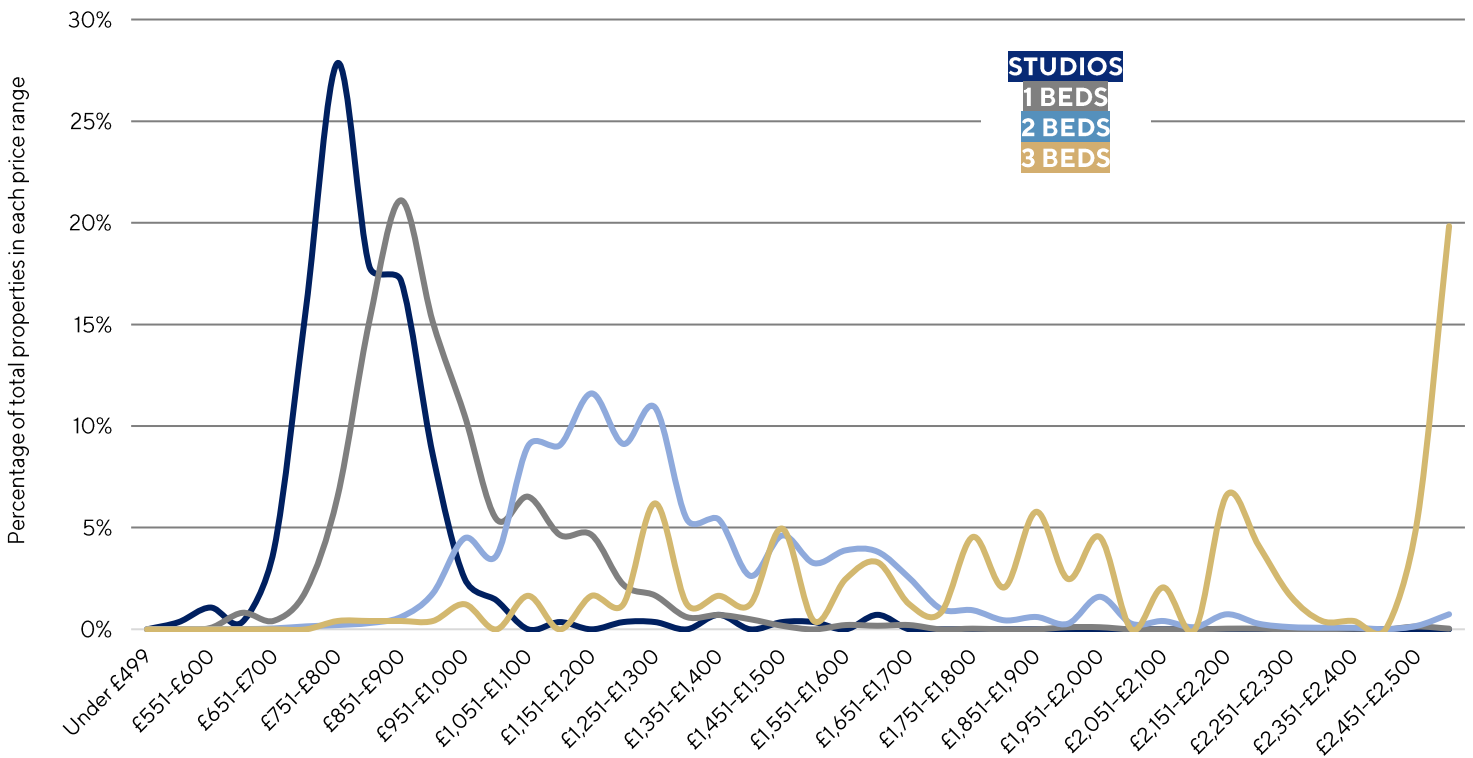
Market Scale

▼ | Birmingham City Centre Rental Market Scale



Cortland Consult’s Market Scale charts shows how many apartments were let between a scale of price points over the last year in Birmingham. We have surveyed over 6,300 listings from Rightmove to produce this data, using let agreed price data for a more accurate market position.

In the past 12 months, Birmingham’s rental market has been uniform, with 70% of properties priced between £801 and £1,300 pcm. There is a significant high-end market with 29% of 3-bed apartments in renting for over £2,500 pcm. Birmingham’s growing BTR pipeline is likely to enhance and expand this high-end rental market.



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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, and student lettings. The analysis covers postcodes within the central postcode districts of B1, B2, B3, B4, B5, B15, and B16. These are areas that contain the city's purpose-built BTR schemes, high-quality traditional PRS schemes, major employment hubs and are key growth areas.