

Capitalising on the Value of Building Safety in Build to Rent

A Discussion Green Paper Association for Rental Living (ARL)

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Foreword

As the Build to Rent (BTR) and wider rental living sector continues to mature, building safety has emerged as both a regulatory obligation and a strategic opportunity. The Building Safety Act 2022 has reshaped how we think about accountability, competence, and the long-term stewardship of residential assets. However, as the ARL / Ark Workplace Risk roundtable made clear, the real challenge now is to move from compliance to value creation — from regulation to results.

This Green Paper sets out the insights and recommendations gathered through industry collaboration, focusing on how safety can become a defining feature of quality, investment confidence, and operational excellence. Our aim is to help the sector unlock long-term value through safer, smarter buildings — and to encourage continued dialogue between investors, developers, operators, insurers, and regulators.

1. Executive Summary

The introduction of the Building Safety Act 2022 marked a turning point for the residential property sector. Three years on, the industry faces the dual challenge of maturing regulation and shifting from compliance to competence. This paper explores how the Build to Rent (BTR) sector can capitalise on the value of building safety — improving investment performance, insurance stability, and resident trust.

The insights in this Green Paper are drawn from the ARL / Ark Workplace Risk roundtable and subsequent industry discussions. It identifies opportunities to integrate safety across the building lifecycle, align stakeholders, and position safety as a measurable component of asset value.

2. Context and Policy Background

The Building Safety Act 2022 established the Building Safety Regulator (BSR) and introduced the Gateway process for higher-risk buildings. Together with the Fire Safety (England) Regulations 2022 and the Higher-Risk Buildings (Management of Safety Risks etc) (England) Regulations 2023, it has created a new framework and transparency within the management of existing buildings.

These reforms follow Dame Judith Hackitt's 2018 review, *Building a Safer Future*, which called for systemic change based on competence, integrity, and information management. Central to

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this is the 'Golden Thread' of information, ensuring that data about safety, materials, and systems is maintained throughout a building's lifecycle.

For the Build to Rent sector, this represents both a compliance obligation and a competitive advantage. The ARL supports members in aligning with these frameworks through its Code of Practice and Customer Charter, which promote professional standards, transparency, and resident well-being.

3. Challenges and Opportunities

While the principles of the new safety regime are clear, practical implementation remains uneven. Applications to the BSR often face delays, unclear feedback, or inconsistent interpretation. The BSR has accepted that their plans didn't survive first contact, but as an industry we, as applicants, have also not provided the regulator with adequate information, adequate justification of safety, and a general lack of understanding of the risks involved. There is plenty of evidence to show, for example, that structural safety matters are often misunderstood or often ignored. Investors and operators alike report frustration at the administrative burden, yet recognise the long-term benefits of a more transparent, competence-driven system.

The opportunity lies in reframing building safety as a value driver. Verified safety performance can reduce insurance volatility, enhance investor confidence, and improve portfolio liquidity. In short, safer buildings are not just compliant - they are more investable, sustainable, and valuable.

4. Discussion Themes and Insights

From Compliance to Competence

The industry is moving away from box-ticking compliance towards demonstrable competence across all roles. Developing a culture of continuous learning and accountability is essential.

Lifecycle Integration and the Golden Thread

Design, construction, and operation must be connected through continuous information flow. Lifecycle safety briefs can ensure that operational needs and safety obligations are embedded from project inception.

Insurance and Investor Confidence

Insurance volatility reflects uncertainty. Demonstrable safety data enables insurers to offer more predictable terms and investors to price risk more accurately.

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The Operator's Role and Recognition

Operators are critical custodians of building safety but often under-recognised. Adequate resourcing, competence training, and performance measurement must reflect their responsibility.

Investor Awareness and Legal Accountability

Many investors underestimate their exposure under the Building Safety Act. Education and engagement at board level are essential to align fiduciary responsibility with safety outcomes.

5. Stakeholder Engagement Strategy

- Investors and Funders – Build awareness of fiduciary duties, governance obligations, and the financial upside of safety performance.
- Developers and Contractors – Align Gateway submissions and ensure operational input during design and construction.
- Operators and Managing Agents – Define competence frameworks, provide resources for compliance, and adopt digital safety systems.
- Insurers – Collaborate early to align data standards and reduce pricing volatility.
- Residents and Communities – Improve transparency through visible safety communications and trust-based engagement and consultation.

6. Practical Solutions

- Adopt Lifecycle Safety Briefs linking design, construction, and operation.
- Develop an ARL Building Safety Value Framework connecting safety performance to investment and insurance outcomes.
- Establish an Insurance and Safety Working Group to promote early insurer engagement and data consistency.
- Define investor and operator competence KPIs and embed safety metrics in management agreements.
- Promote digitisation of the Golden Thread to support transparency and accountability across the building lifecycle.

7. Next Steps and Action Plan

- Publish and circulate this Green Paper following the ARL Annual Conference.
- Form an ARL Building Safety Working Group including investors, insurers, operators, and regulators.
- Develop director and investor education sessions on safety governance and legal responsibility.
- Pilot 'Building Safety as Value' case studies across selected Build to Rent portfolios.

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- Engage with MHCLG and the Building Safety Regulator to advocate for policies recognising verified safety data in valuation and underwriting.

8. References

- Building Safety Act 2022
- Fire Safety (England) Regulations 2022
- The Building (Higher-Risk Buildings Procedures) Regulations 2023
- Higher-Risk Buildings (Management of Safety Risks etc) (England) Regulations 2023,
- Building a Safer Future – Dame Judith Hackitt (2018)
- Building a Safer Future Charter (BSF)
- ARL Code of Practice and Customer Charter (2024)