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THOUGHT LEADERSHIP

# Build to Rent: Innovating Tenure & Construction

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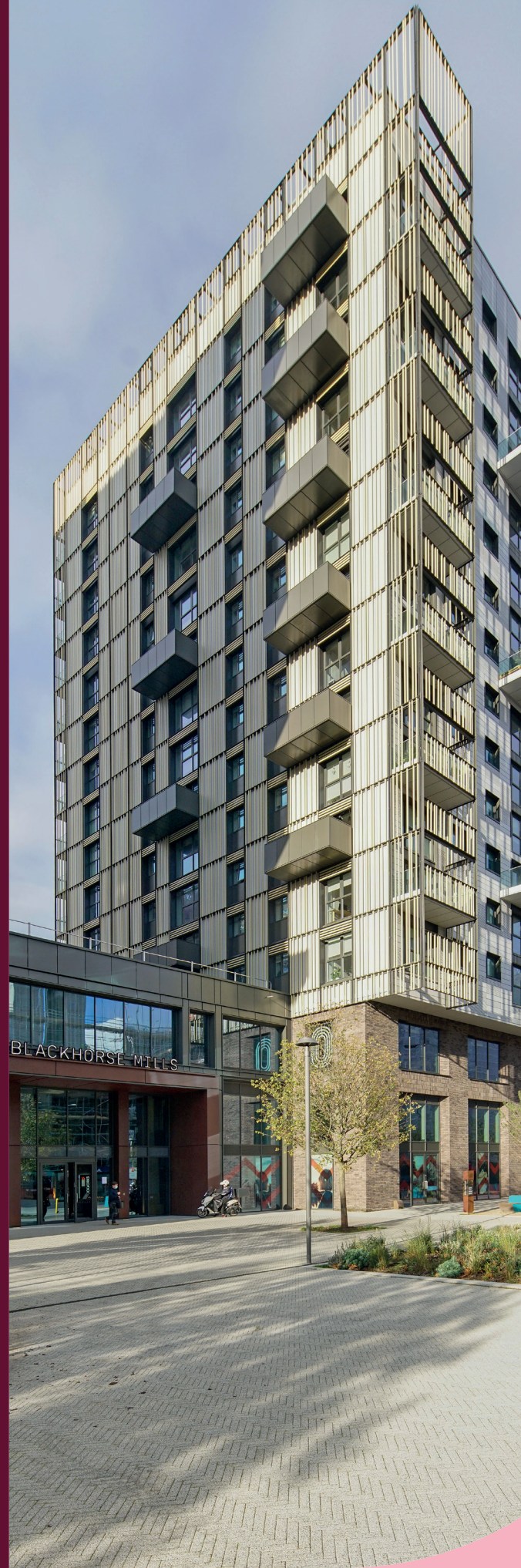


# Construction



**Mark Farmer**  
Cast CEO

Cast is a leading UK construction consultancy with extensive experience in the residential sector and a strong focus on Modern Methods of Construction. Founding Director and CEO Mark Farmer provides insights into how the BTR sector is perfectly placed to benefit from construction innovations.





When I first started getting involved in the emerging Build to Rent sector in the UK over 10 years ago now, learning and understanding was mostly being derived from the mature US multi-family housing market. I remember going on Urban Land Institute (ULI) study tours to the likes of Washington, Boston and Chicago exploring how this new asset class had established itself, and heard for the first time the term ‘resitality’ being used by one of the largest US multifamily operators – the fusion between residential and hospitality thinking.

This term and the associated change in thinking goes to the heart of the Build to Rent model, with customer and operational feedback driving design and product – something that all too often is perhaps lacking in the established new build private for sale model, where returns are defined at the point of transaction. It was also a critical part of the thinking behind the ULI Build to Rent Best Practice Guides which have helped inform many practitioners over the last few years of the key differences from ‘traditional’ residential.

**This change of thinking is very relevant to demonstrating the ability to drive brand-led loyalty in the residential real estate space in just the same way that hotel branding has differentiated the sector and led to a spectrum of price points and customer offers.**

With the first and indeed second wave of bespoke Build to Rent schemes now being completed and occupied, there is real data available on how successful these schemes are. This will aid the maturity of B2R brands, portfolio valuation and the associated transactional market.

## MMC on the rise

However, parallel to this, and much closer to Cast’s interest in construction innovation, an opportunity is increasingly emerging in how we not only design and operate these assets differently but also in how we physically build them. The move towards ‘Modern Methods of Construction’, or MMC, has long been talked about, but on the back of Government support and an increasing awareness of developers, investors, construction advisors and supply chain partners, the uptake of MMC is now definitely on the rise.

Nowhere is this more apparent than in the Build to Rent sector and again follows links to the hotel sector, where there has been much greater historical use of MMC. A combination of clear brand and design standards aiding repetition, a portfolio approach to development rather than project by project driving economies of scale, an imperative for quicker build times to advance income receipts and an interest in downstream asset performance have all conspired to make Build to Rent one of the catalysts for much wider construction industry modernisation.

Cast has seen this play out first-hand over the last few years on some of our projects. Essential Living’s Union Wharf scheme was delivered using a fully modular approach. Our schemes for Legal & General at Blackhorse Mills, Walthamstow and Boxmakers Yard, Bristol have also seen the very latest thinking applied in terms of how Contractors can improve their quality and efficiency at speed, which is now being further improved upon for new schemes in Wandsworth and Brighton.

The same applies to our latest schemes being added to the East Village community for Get Living, where we have been project managing major innovations in construction methodology that are reducing site labour hours and speeding up build whilst improving quality and minimising defects with more of a manufacturing rather than construction approach.



# Sustainable investing

All of this is only going to be further accelerated by an increasing interest from major investors in ESG-led investment, including decarbonising the embodied and operational emissions inherent in asset creation.

This will start to have radical impact on construction materials, wasteful processes and driving improved building performance ahead of regulations which will require MMC being applied more and more.

Legal and General, amongst other investors, are already measuring and proving this at a project level through use of the Housing Quality Mark standard and at a portfolio level using GRESB benchmarking. This sits alongside measures such as WiredScore, proving also this is only going to be further accelerated by the embedded technology offer and level of future proofing. The way in which we design and build these assets will increasingly be a determinant of not just achieving maximum customer satisfaction but also deciding how investible those assets will be in the future.

The future of Build to Rent is in my view going to be very exciting, driving a better offer for the customer whilst helping to finally drag the construction industry into the 21st century!

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