



1st May 2015

To the future British Government

Better Renting for Britain

We write to you today as part of the Better Renting for Britain campaign, which is backed by a wide range of not-for-profit housing associations, publicly quoted companies, pension funds, global institutions and corporate investors. With one in five households renting privately, a greater focus needs to be placed on recognising and promoting Build to Rent as a vital source of new housing supply wholly different from the existing housebuilding model. Without Build to Rent development, the next government's promise of substantially increasing housing supply will remain out of reach.

We want to create more professionally managed rented housing, purposefully designed and built with the long term occupier in mind. The PRS Taskforce has identified £10bn of potential investment in our sector, but with the right conditions from an ambitious Government as much as £30bn is waiting to come into this sector over the next Parliament . a figure based on new primary data gained from surveying investors¹. This could provide around 150,000 homes for around 350,000 people. In return, we seek a real commitment to help our sector grow. Homes for long term rent created alongside housing for sale could be delivered fast and soon but only with the right level of unequivocal support.

Fundamentally, we need genuine acceptance that Build to Rent differs from traditional housebuilding both practically and financially. It necessitates a wholly different business model on various levels (financing, product design and long term management). Since Build to Rent homes are for long term renting, design, specification and amenities will be tailored to support renters' lifestyles. This could mean creating a shared garden or a communal lounge so that those renting a studio flat have space to socialise. The creation of somewhere to call home and not just somewhere to live is central to our philosophy.

Buy-to-let investors have played a crucial and commendable role in supporting Britain's housing market over the past 20 years. However, Build to Rent is different: groups of properties will be built specifically for long term rent and owned by a single entity focused on the business of renting.

¹ Savills



North America, Europe and Scandinavia have established thriving institutionally backed rental markets. Many of the players in those markets are keen to invest here because they are attracted to the stable, long term income newly built and well-designed housing generates. By supporting our campaign, the next government has a once in a generation opportunity to secure global capital for new homes without any cost to taxpayers. Crucially, it is additional money, creating a different kind of housing offer.

While the majority of Britons want to own their own property, many are buying later in life. The emergence of a professionally managed rental product has legitimised renting for some as a lifestyle choice while for others it is a welcome solution to a lack of affordability. Whatever the reason, consumers deserve a better deal and wider choice. We want to provide not just better quality housing with a higher level of service, but better value in a transparent marketplace.

America's \$27.5tr housing market includes a mature and thriving Multi-Family rental sector. Buildings are designed specifically for rental, and offer a range of unit type and size. Developments tend to be large, located in urban centres, usually offering several hundred apartments, rendering the associated infrastructure and amenities viable. The Multi-Family sector, as it's called, also provides lower rise housing in suburban locations to cater for a wide range of consumers including families, with facilities chosen to support their long term occupation.

The common feature between us is that one business owns all the homes in a development. This is the fundamental difference between the private rented sector run by buy-to-let investors and the professionally managed Build to Rent sector we are proposing. Build to Rent investors can provide the funding for a rapid growth in new home starts, stimulating real change quickly.

We intend that this substantial new investment will drive up quality across the entire market. We want individuals and families to be able to choose to rent for years, not months. Many of us will retain our investment in these new rental homes for the long term and will manage them ourselves, developing good relationships with our customers (our tenants) and our neighbours in the community.

Already, many of us are offering longer-term tenancies in our new rental communities, with inflation linked rents, without the need for prescriptive regulations. We fully agree that those wishing to rent deserve to be treated with respect and be provided with a high level of customer service. This is already fundamental to the ethos of our businesses. Because of this long term approach we stand shoulder-to-shoulder with those calling for improvements across the entire housing sector.



We must be able to innovate in terms of how we deliver homes and services. Investment at the proposed scale carries significant risk, not least across the planning system. We need a stable regulatory environment and a commitment to the market is non-negotiable if the next government is serious about attracting the investment it desperately needs.

We therefore call on the future British Government to recognise that renting is our fastest growing housing tenure and that we need homes to keep up with this escalating demand. Build to Rent is part of the solution. We also seek acknowledgement that Build to Rent is neither the same as the existing PRS nor ~~for~~ for sale housebuilding. Our homes do not generate a quick capital receipt . they generate long term income. With scale and design for the long term Build to Rent can provide a long term solution for those wishing to rent, but its investment characteristics are fundamentally different.

We, the undersigned, therefore call on the future British Government to do the following:

1. Implement a national policy so that local authorities identify the need for market rented housing and allocate land supply to meet that need, using planning conditions or covenants to keep it in the rental market.
2. Support an initiative for a Build to Rent industry team to work with UK wide local authorities to facilitate the delivery of substantial Build to Rent developments through innovative partnerships or innovative uses of public land which could generate significant income for councils themselves.
3. Help us modernise the approach to delivering rented housing which recognises the wholly different funding structures relating to Build to Rent compared with housing for sale.
4. Allow the sector to continue operating as a market, which is vital to securing private and institutional investment for additional housing supply.
5. Work with us to find ways to promote best practice and better inform the public so we can help improve the perception of the entire rented sector.

In return for this, the sector will work to deliver the potential £30bn of new housing and work with you to ensure everyone seeking a rental property gets a rental home. We pledge transparent pricing and service consistent with the rent they pay, ensuring that both short and long term tenants are dealt with fairly, as customers, fully in keeping with existing legislation.



We want to improve the sector for everyone and look forward to your support in delivering vital new homes as part of offering Better Renting for Britain

Yours sincerely,

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John Hamilton	Chief Executive Officer	Winchburgh Developments Ltd
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