

## Build-to-rent investment slows to lowest level since 2019, said JLL

3 years ago



Real estate business [JLL](#) has reported its research revealed that build to rent (BTR) projects attracted £451m of investment in the last quarter, down 75% on the same period last year and 62% below the five-year average, making it the quietest quarter since 2019.

Research also highlighted that deals were smaller, at an average of £36.7m down from £67m last quarter.

The volume of activity fell across both multifamily and single family. This slowdown followed a robust first half, which saw total BTR investment of £3bn, in line with 2022 levels despite challenging conditions in an inflationary environment. Its research also showed that year-to-date investment in 2023 matched the five-year average of £3.5bn.

Whilst investment has historically been overwhelmingly focused on development deals (Q2 2023: 99%; Q3 2022: 81%), they accounted for a relatively subdued 64% of volumes this quarter. The total benefited from Long Harbour's forward purchase of a 370-home BTR development from Berkeley subsidiary St George on the last week of the quarter.

Living Capital Markets lead director Simon Scott said: "We knew there had been a market slowdown, and these numbers are a harsh reflection of that. Our sense is market sentiment, particularly post the interest rate decision, is improving and the investment market is more confident on where pricing should be, so we expect a return to more normalised trading figures in quarter four."

Research highlighted that living has received a boost from student housing, with total living investment figures landing on £2.1bn, down 46% on the £3.8bn transacted in Q3 2022. Student housing accounted for more than half (58%) of investment this quarter.

Some £1.2bn in deals reflected the most active quarter of the year so far for the sector and a 56% jump on Q3 2022.