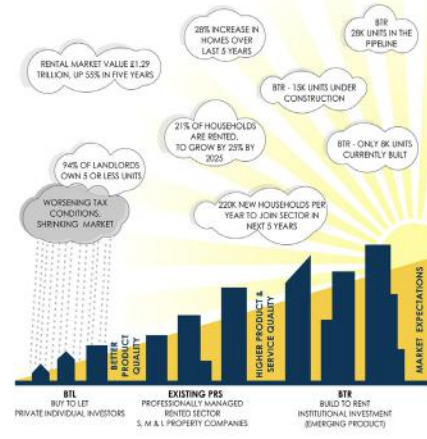


# PRIVATE RENTED SECTOR EXPLAINED

## PRS MARKET PROFILE



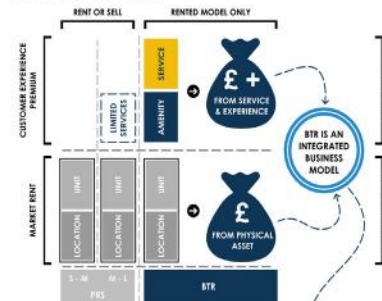
## BTR: NEW OR EXISTING PRS PRODUCT?

	BTL (Individual or small groups of units)	PRS (Large groups of units or whole buildings)	BTR (Whole buildings)
<b>NUMBER OF UNITS</b>	1 - 9	10 +	100 +
<b>REVENUE MODEL</b>	Rent, with option to sell	Rent, with option to sell	Rent only
<b>INTEGRATED BUSINESS &amp; BRAND STRATEGY</b>	✗	✗	✓
<b>PRICE POINT</b>	Market driven	Market driven	Market + Brand premium
<b>MANAGEMENT SCOPE INCLUDE ASSET &amp; TENANT SERVICES</b>	Asset	Asset & some tenant	Asset & tenant
<b>CUSTOMER SERVICE INFORMS DESIGN</b>	✗	Sometimes	✓
<b>INTEGRATED UNIT &amp; ASSET MANAGEMENT</b>	✗	✗	✓
<b>Fit out specification set at 'FOR SALE' PRODUCT STANDARD</b>	✓	✓	✗ Higher quality fit out product fit out specification
<b>DESIGN</b>	Adapted sales product	Adapted sales product	Bespoke design product
<b>PORTFOLIO MANAGED FIT-OUT &amp; SPECIFICATION</b>	✗	✗	✓
<b>ONSITE AMENITIES INCLUDED</b>	✗	Sometimes	✓
<b>DESIGN FOR OPTIMISATION OF OPERATIONAL MODELS</b>	✗	✗	✓
<b>FORMING COMMUNITY IS A BUSINESS OBJECTIVE</b>	✗	✗	✓
<b>ENTIRE BUILDING AS HOME</b>	✗	✗	✓
<b>CREATE &amp; MAINTAIN RELATIONSHIPS</b>	✗	✗	✓ Brand loyalty & key objectives
<b>INTEGRATED BRAND, BUILDING &amp; BUSINESS MODEL</b>	✗	✗	✓

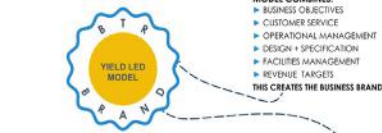
## DEFINING DIFFERENCES

- REVENUE**  
 PRS - RENTED MODEL, SOMETIMES WITH SERVICE REVENUE, WITH OPTION TO SELL.  
 BTR - IS A LONG INCOME MODEL, REVENUE DERIVED FROM RENT & SERVICE.
- DESIGN**  
 PRS - IS AN ADAPTED FOR SALE PRODUCT WITH SOME ADDITIONAL FEATURES.  
 BTR - IS A BESPOKE DESIGN BASED ON AN INTEGRATED BTR BUSINESS MODEL.
- OCCUPIER EXPERIENCE**  
 PRS - SUPPLY MARKET BIAS, TRANSACTION CULTURE, OCCUPANTS ARE TENANTS.  
 BTR - DEMAND MARKET BIAS, RELATIONSHIP CULTURE, OCCUPANTS ARE CUSTOMERS.

## REVENUE MODEL



## BTR MODEL IS YIELD LED



**'BRAND ARCHITECTURE' - ME, WE, FRONT, BACK**  
 BRAND ARCHITECTURE IS THE CUSTOMER'S EXPERIENCE OF THE BUSINESS MODEL. THE BRAND HELPS TO DEFINE & COMMUNICATE BUSINESS OBJECTIVES, IT QUALIFIES & GRABES BUSINESS, DESIGN, DELIVERY & OPERATING DECISIONS.



**GERAGHTY TAYLOR BTR EXPERIENCE**  
 3,200 units designed | £1.2 billion currently in design | 12% of completed BTR stock | 10-15% uplift on projected value

OUR TEMPLATE #brandbeforebuilding PROVIDES:  
 ► DESIGN AND SPECIFICATION  
 ► OPERATIONAL GUIDANCE  
 ► BRAND GUIDE

TO FIND OUT MORE PLEASE CONTACT:  
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# BTR (BUILD TO RENT) A 'HOW TO' GUIDE

## GERAGHTY TAYLOR

Developing BTR business through DESIGN

## FOLLOW OUR STEPS TO CREATE A SUCCESSFUL BTR PRODUCT

- STEP 1** Use Golden Rules to create a BTR business model
- STEP 2** Add site & context data to business model to determine typology
- STEP 3** Add appropriate amenity to complete site specific offer
- STEP 4** Get in touch with us for guidance on Branding, Design and Architecture.

## STEP 1 OUR FIVE GOLDEN RULES...

- YIELD DRIVEN DESIGN, LONG INCOME MODEL**  
 YIELD =  $\frac{\text{Revenue} - \text{Operating Cost}}{\text{Capital Invested}}$   
 YIELD = % return on investment  
 REVENUE = market rent + premium + event fees  
 PREMIUM = value added to market rent price point  
 EVENT FEES = revenue from purchasing optional upgrades, services & amenities
- CUSTOMER EXPERIENCE**  
 Residents are customers, not tenants. Aim to establish trust and loyalty by delivering consistent and reliable services with customer focused management. Use smart technology to communicate and deliver your brand of BTR.
- BRAND BEFORE BUILDING**  
 Define all aspects of the business proposition, product quality, services options and operating standards before designing the building. Use the brand to inform the building design, look and feel and operational model; design from the inside out.
- LOCATION, LOCATION, LOCATION**  
 (Site) (Context) (Amenity)  
 A detailed gap and opportunity analysis of local infrastructure, economic and social assets will reveal what to offer into, or leverage off the local community context with your BTR product.
- DIGITAL DEVELOPMENT**  
 BTR has the potential to be dramatically digitally enabled. Use smart technology to link design, delivery, operations, revenue collection, service provision, customer communication & data collection.

## STEP 2 ADD SITE & CONTEXT DATA TO DETERMINE TYPOLOGY

	THE INDEPENDENT BUILDING	THE INTER-DEPENDENT BUILDING	MIXED TENURE DEVELOPMENT
<b>LOCAL AMENITIES (Leisure &amp; Retail Services)</b>	Low dependence In house	Modest dependence In community	High Dependence BUT probably on site
<b>TRANSPORT LINKS</b>	5 mins walk	10 - 20 mins walk	10 - 15 mins walk
<b>MARKET</b>	Higher end	Medium to low	High to low
<b>PRIVATE AMENITY</b>	High	Low	Low
<b>OPEN AMENITY</b>	Low	Medium	High
<b>REGENERATION CATALYST</b>	Modest	Medium/High	High

## STEP 3 ADD APPROPRIATE AMENITY

