



Build to Rent

Patterns in growth and geography

Summer 2025

Summary

Based on analysis of multifamily build to rent development since 2004, this briefing sets out the following six facts on this development in UK:

1. “Build to Rent” (BtR) is focused in urban areas, especially large cities, which sets it apart from the rest of the housing market. Eighty-four per cent of BtR stock is located in large cities. The sector is predominantly multifamily in nature, with single-family housing making up only 3 per cent of BtR developments.
2. BtR has grown quickly since the early years of the 21st century; even more so after 2017. London, Manchester and Sheffield saw some of the earliest development. London now accounts for 44 per cent of developments and Manchester is the second largest contributor of BtR housing additions. While Sheffield has seen very little recent development, Birmingham has been building at more than twice the UK average rate since 2019.
3. BtR is now an important part of housebuilding in large cities, making up 14 per cent of new accommodation.
4. BtR is concentrated in city centres and adjacent neighbourhoods in large cities outside of London. Its distribution in London is spread across the suburbs, with marked differences between boroughs.
5. Demand is driven by young professionals, but minimum space standards may be preventing supply of BtR from meeting demand from this group.
6. BtR is primarily financed by institutional funders and could be a more effective vehicle for driving greater domestic investment from pension funds.

Given the increasing role it has played in the supply of dense housing in inner city areas – parts of the country where the private sector has struggled to build since the end of the Second World War – this briefing recommends that policy takes further steps to facilitate the future growth of BtR. Centre for Cities suggests that growth could be supported by clear government guidelines and mayoral spatial plans (outside of London) concentrating BtR around transport hubs in the suburbs. A balance between residential and commercial development, and the application of minimum space standards, also requires further detailed consideration.

Introduction

The UK has a housing backlog of 4.3 million homes.¹ The Government recognises this, and has set a 1.5 million new homes target for England by the end of this parliament. Yet, current reforms and housebuilding rates don't match up to this bold target – especially in cities, where housing availability and private development are under particular strain.

Build to Rent (BtR) – purpose-built housing designed exclusively for rent – has emerged as an innovative alternative for accommodation in many large cities. Backed by the National Planning Policy Framework (NPPF)² and the London Plan³, BtR is recognised for its potential to intensify and diversify housing supply. The London Plan in particular sets an expectation that local planning authorities will support the development of BtR.

This briefing explores the geography of BtR across the UK and considers its role in national housing policy. It reviews the evidence on the role that BtR has played to date in supplying new homes, setting out six key facts, and makes a number of policy recommendations on how to further support it.

There are two main types of BtR: multifamily i.e. apartment blocks; and single-family homes i.e. houses. This briefing mainly focuses on the multifamily type, as it makes up 89 per cent of the total BtR stock in the UK.

Box 1: Data used in this briefing

Molior data: Molior London provides data on multifamily BtR developments in UK, covering 494 schemes under construction or completed between 2004 and 2024, each with more than 100 units. Of these, 284 have a single phase, while the rest have two to six phases. Most schemes are privately owned, with 94 also including affordable housing. Twenty-four schemes have only co-living tenure.

Molior data is the primary source of data for analysis in this report, as it provides the most detailed BtR data available.

BPF data: British Property Federation (BPF) provides data on both single and multifamily BtR developments in UK, covering 1466 schemes under construction or

1 Watling, S. and Breach, A. (2023), [The housebuilding crisis: The UK's 4 million missing homes](#), London: Centre for Cities

2 Ministry of Housing, Communities & Local Government (2024), [National Planning Policy Framework](#), London: MHCLG

3 Greater London Authority (2021), [The London Plan: The Spatial Development Strategy for Greater London](#): Greater London Authority

completed between 2004 and 2024.

This briefing uses BPF data to complement the analysis of single family homes.

Net additional dwellings data: Data is published at the local authority level in England from 2012-13 to 2023-24 by the Office for National Statistics (ONS). The data provides net additional dwellings by financial year, and the analysis converts all figures to calendar years.

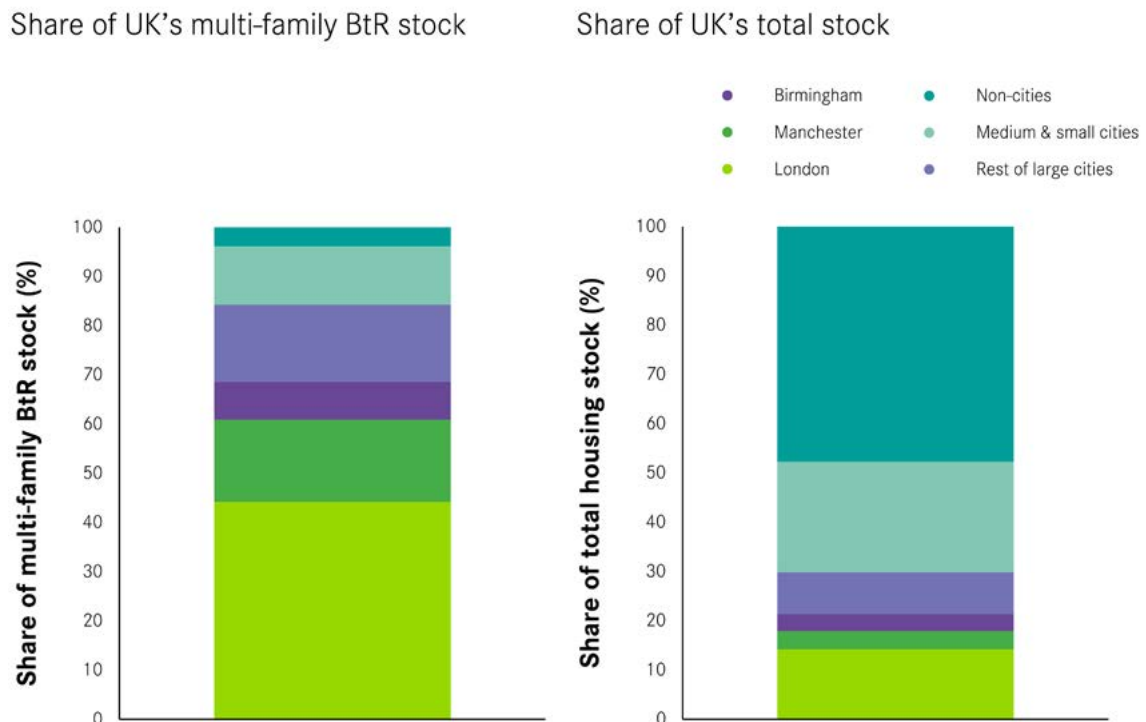
Primary Urban Areas (PUA): The Centre for Cities analyses cities and towns using a measure of their “built up” area. The definition of Primary Urban Areas can be found at <https://www.centreforcities.org/city-by-city/puas/>

1. BtR is focused in urban areas, especially big cities and London.

BtR is highly urban-focused, with 96 per cent of BtR stock located in cities and 84 per cent concentrated in large cities, as shown in Figure 1. London alone accounts for 44 per cent of BtR stock, followed by Manchester (17 per cent) and Birmingham (8 per cent).

In contrast, cities account for 52 per cent of overall housing stock, which underlines how urban focused multifamily BtR is. Box 1 discusses the role and geography of single-family BtR.

Figure 1: Cities make up the majority of UK’s multi-family BtR



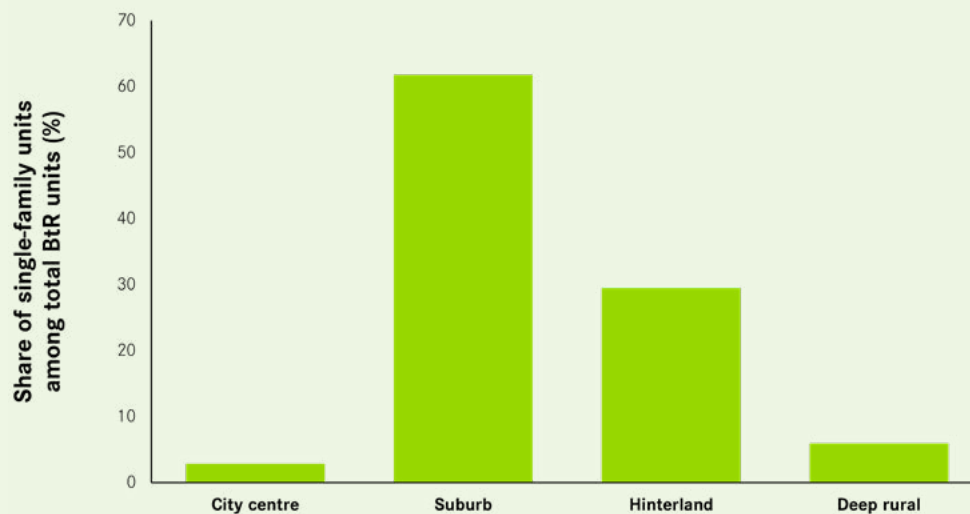
Source: Molior, 2004 - 2024 (2025); Department for Levelling Up, Housing and Communities 2023 (2024); National Records of Scotland 2023 (2024); Welsh Government dwelling stock estimates by local authority and tenure 2023 (2024); Northern Ireland Department of Finance 2023 (2024)

Box 2: Single-family BtR is unlikely to play a significant role in increasing urban housing

Unlike multifamily BtR, single-family BtR is much more focused in suburb and hinterland locations, as Figure 2 shows. In fact, fewer than three per cent of them are in city centres, and none are in Greater London.

Figure 2: Single-family BtR has a different geography

Share of single-family units by location



Source: British Property Federation, 2004-2024 (2025)

Note: City centres are defined as a ring around a central part of a city, which varies according to city size. Suburbs are defined as the rest of the city. Hinterlands are areas around cities determined by the average commuting distance into a city. And rural is the remaining area of the UK.

While single-family BtR accounts for just 11 per cent of the sector, there are reports that it is a growing part of the housing and rental market.

However interviews taken as part of this research suggest that the figures could be affected by some build-to-sell being repurposed as BtR. Supply from this source is likely to decline as the buy-to-sell market shows stronger growth.

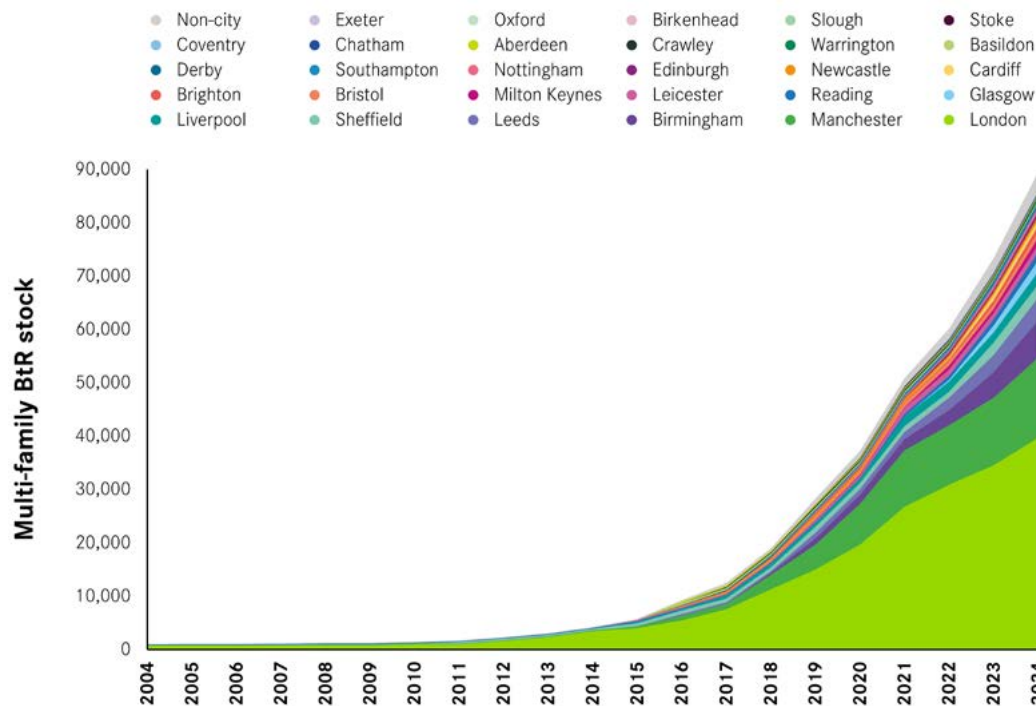
2. BtR has grown quickly in recent years

BtR has grown significantly over the past 20 years. Figure 3 shows that it accounted for very little housing in 2004 - just 972 units. In 2024 this had increased to 89,439 units. Growth began to accelerate with the launch of the Government's £1 billion Build-to-Rent fund in 2012, and has grown sharply since 2017.⁴

⁴ Kelly, L. (2013), [Build-to-rent scheme is likely to be viable across more than half of England](#), London: The Guardian.

Figure 3: BtR has increased sharply, particularly since 2017

Multi-family BtR stock in UK, 2004-2024



Source: Molior, 2004-2024 (2025)

London and Reading were the earliest BtR markets, and London continues to see the lion's share of development today. Sheffield and Manchester also had some of the earliest developments. But subsequent growth has differed in these two early adopters. While BtR's role hasn't grown much since in Sheffield, Manchester now has the second-largest stock of BtR.

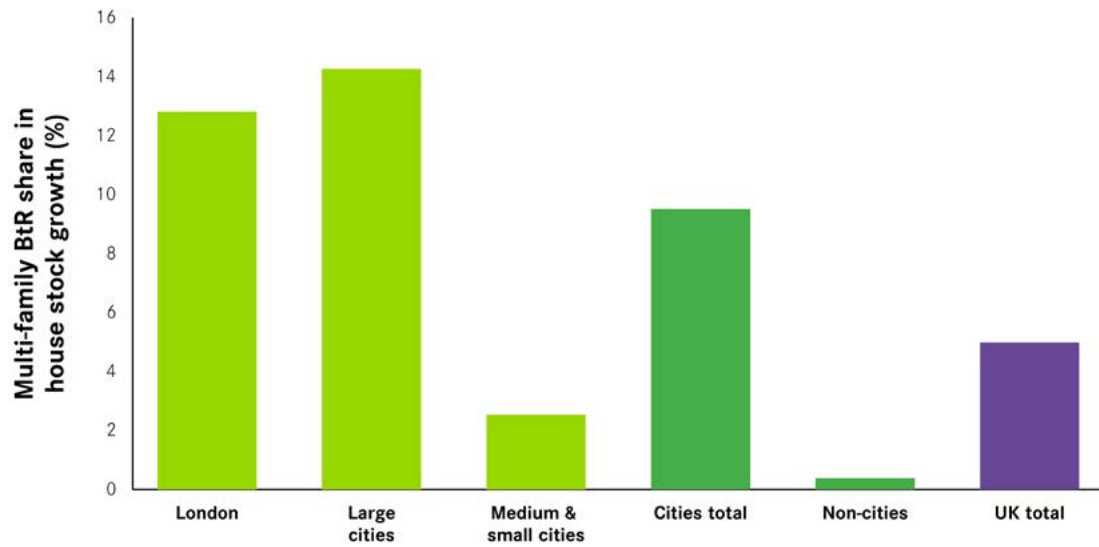
BtR developments in the third and fourth-largest BtR stock holders, Birmingham and Leeds, have been much more recent. Their first completed developments were in 2018 and 2016 respectively, but BtR has subsequently expanded rapidly. Since 2019, Birmingham has been building at more than twice the UK's average BtR rate and four times Sheffield's rate.

3. BtR has been an important part of some cities' recent housebuilding

BtR is now an important part of housing growth in big cities. While its average share in UK housing growth over the past five years is only five per cent, it rises to 10 per cent in cities, and 14 per cent in large cities, as shown in Figure 4.

Figure 4: BtR is now an important part of the housing stock growth in cities

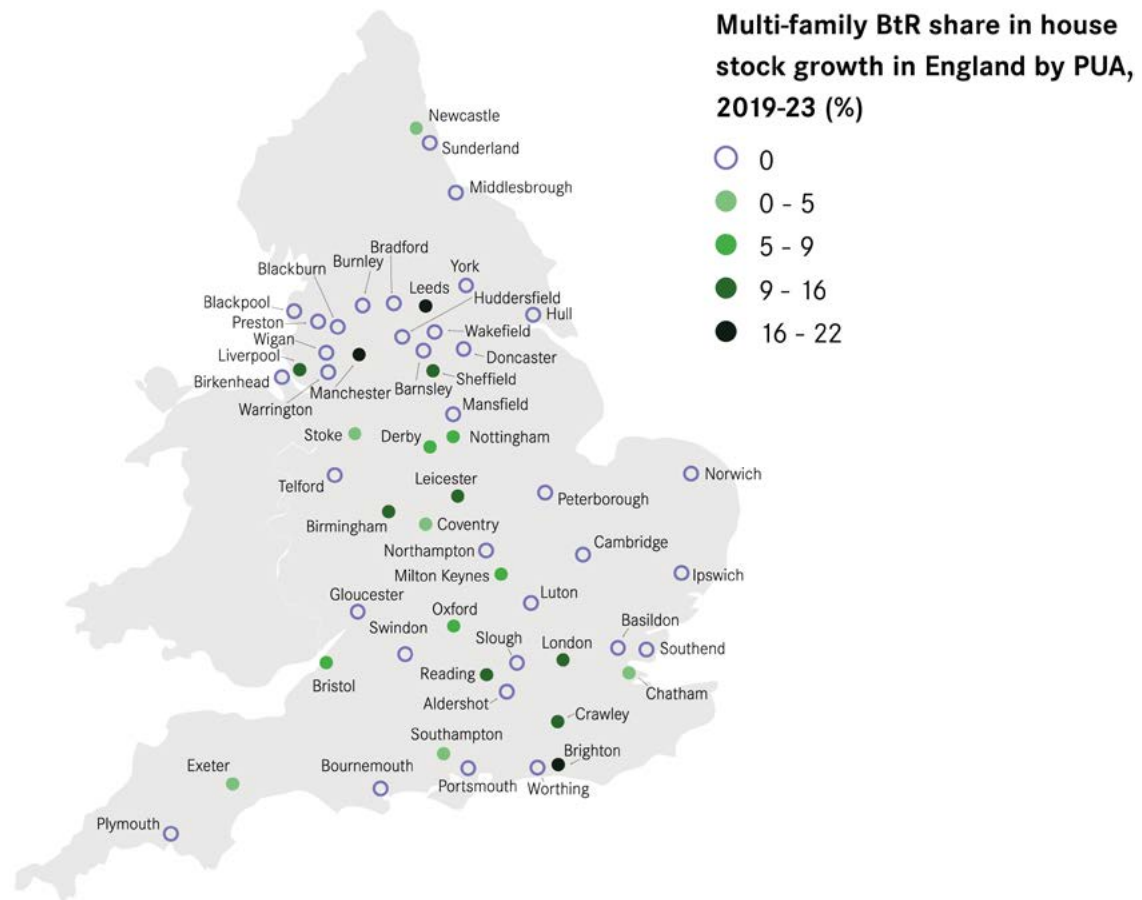
Multi-family BtR share in house stock growth in England, 2019-2023



Source: Molior, 2004-2024 (2025); Official for National Statistics, 2021-2024 (2024)

This is even more pronounced in some cities. In Manchester and Leeds, it has provided over one in five new homes in the last five years. Figure 5 shows how geographically concentrated this growth has been.

Figure 5: BtR is particularly important for housing stock growth in large cities like Manchester and Leeds



Source: Molior, 2004 - 2024 (2025); MHCLG: Table 123, 2012-2024 (2024)

The large city focus of BtR is particularly interesting in the context of the wider struggles to build in these cities since the Second World War. Previous Centre for Cities research has shown that building rates in these cities have lagged behind rates elsewhere in the country over the last 70 years, and this has contributed to the deficit in homes that the country faces today.⁵ This suggests that BtR could be a helpful tool in addressing this long term underperformance.

4. BtR development has been overwhelmingly focused on city centres and inner-city areas

Within cities, BtR is concentrated in specific places. In particular, it is focused in city centres – 31 per cent of BtR stock is in city centres. London is an outlier on this, with its development being more suburban (see Figure 6).

⁵ Breach, A. (2024), *Restarting housebuilding I: Planning reform and the private sector*, London: Centre for Cities

Figure 6: BtR has a city centre bias nationally, except in London



Number of multifamily BtR projects by LSOA, 2004-2024



Source: Molior, 2004-2024 (2025)

In London, BtR schemes are spread across suburbs, away from the city centre, which reflects the greater demand for BtR away from the centre in London compared to other cities. But there are differences between boroughs:

- Among central London boroughs, only Southwark, Lambeth, and Camden have BtR stock, as Figure 7 shows.
- The City of London has not seen any BtR developments to date, largely due to GLA policies that require housing projects not to compromise the City's commercial and office core.⁶
- Islington has seen BtR projects in the past, but none have been developed in the last five years. This may be the result of a less BtR-friendly Local Plan introduced in 2019,^{7,8} which viewed BtR as an impediment to affordable housing supply and potentially detrimental to the local housing market.
- In contrast, Newham has delivered 3,810 new BtR builds since 2019, with its Local Plan stating that BtR helps ensure a viable rental offer that provides the quality and security needed to keep people in their homes and in Newham for longer.⁹

In cities outside of London, BtR developments are concentrated in city centres and adjacent neighbourhoods:

- Most cities have half or more of their BtR developments concentrated in the city centre, as shown in Figure 7.
- For example, Manchester and Salford local authorities contain 89 per cent of BtR stock in the Manchester primary urban area.¹⁰ And Birmingham local authority accounts for 99 per cent of BtR stock in the wider Birmingham primary urban area.¹¹ This has in part been enabled by the large amount of brownfield land that has been available in recent decades.

6 Greater London Authority (2016), [Central Activities Zone Supplementary Planning Guidance](#), London: Greater London Authority.

7 Islington Council (2019), [Local Plan: Strategic and Development Management Policies](#), London: Islington Council.

8 The Islington Local Plan 2023 adopts a slightly more positive approach.

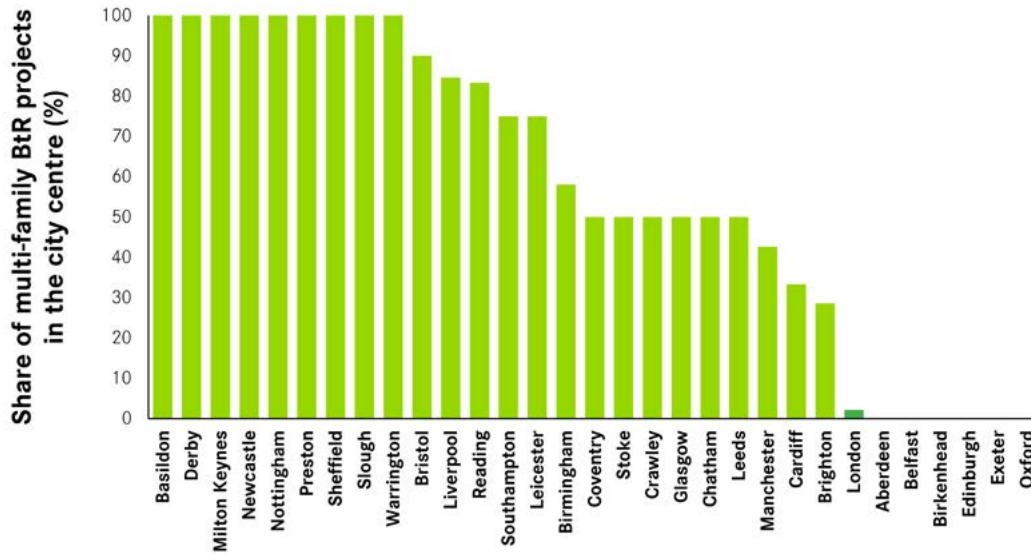
9 London Borough of Newham (2018), [Local Plan: Strategic Policies 2018 - 2033](#), London: London Borough of Newham.

10 Manchester primary urban area includes seven local authorities: Bury, Manchester, Oldham, Salford, Stockport, Tameside, and Trafford. Manchester and Salford are the most centrally located.

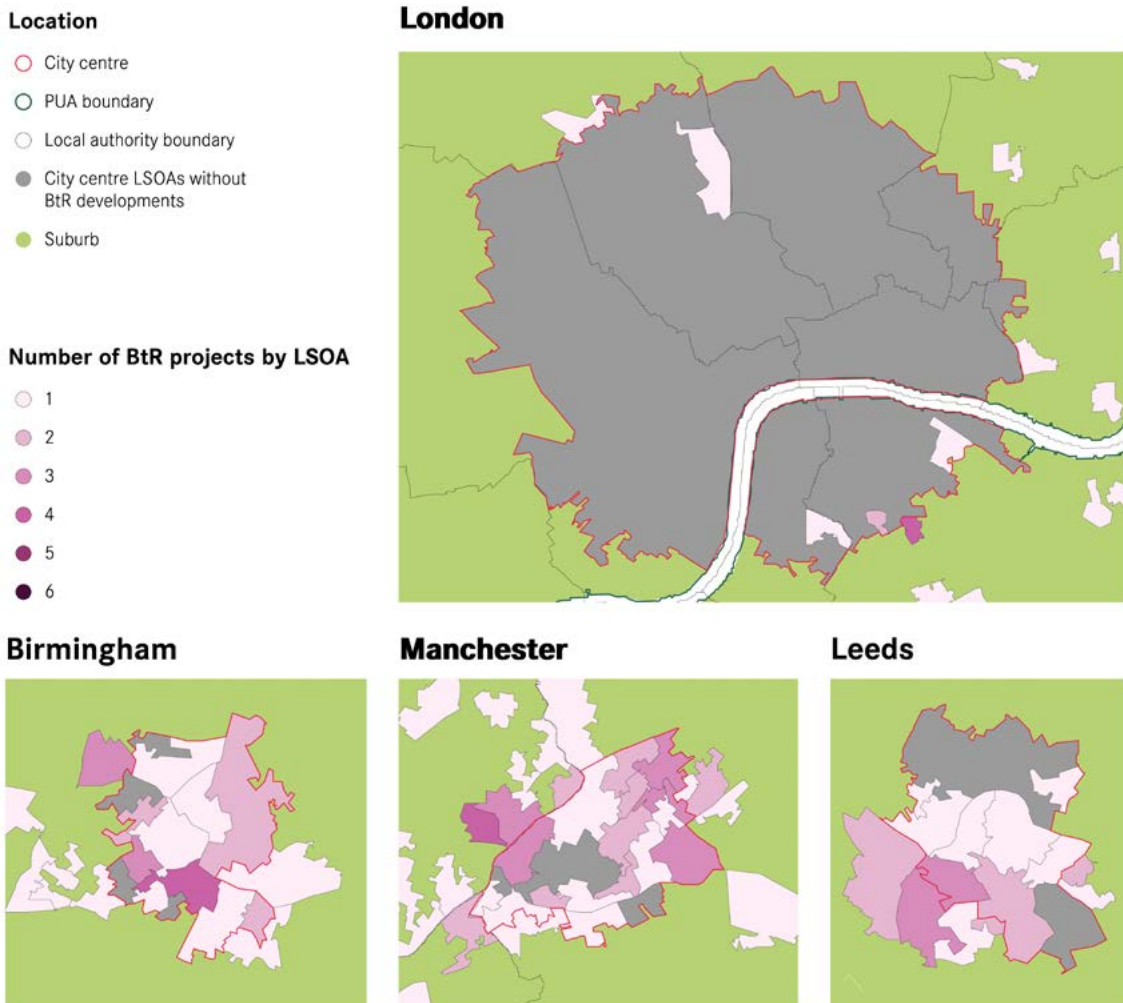
11 Birmingham primary urban area includes six local authorities: Dudley, Birmingham, Sandwell, Solihull, Walsall and Wolverhampton. Birmingham LA is the most centrally located.

Figure 7: BtR development tends to be city-centre focused

Share of multifamily BtR projects in the city centre, 2004-2024



Number of multifamily BtR projects by LSOA, 2004-2024



Source: Molior, 2004-2024 (2025)

The question is whether this will – and should – remain the distribution of BtR in the big cities.

While helpful for city centre regeneration, there is potentially a trade-off that local authorities need to consider from these patterns of development. City centres play a particular role in the local and national economy given the preference for high-skilled, cutting-edge companies to locate in them.

Given this, there is a balance to strike so that residential development doesn't crowd out commercial development in the core, with the latter likely to determine the success of the wider city economy over the coming decades.¹² And those centrally located local authorities will have to work with other authorities to help achieve this balance.

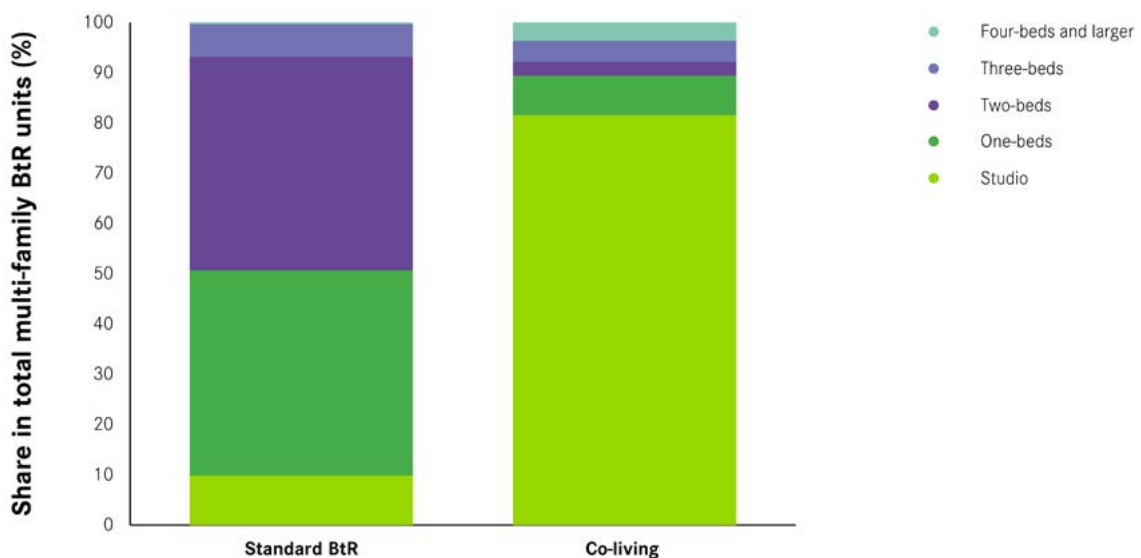
5. Build to Rent is driven by demand from young professionals, but minimum space standards could be holding back supply

One reason for the city-centre focus of BtR is because the target market is young professionals.¹³ According to the BPF, 16 to 34 year olds are the primary demographic for BtR.¹⁴ And this demographic over the past thirty years has shown a strong preference for city centre and urban living.¹⁵

This is reflected in the supply of stock that is provided. Few family homes are provided by BtR – only 6 per cent have three bedrooms or more as Figure 8 indicates.

Figure 8: Most BtR is not family housing

Share of different size units in BtR developments, standard BtR and co-living, 2004-2024



Source: Molior, 2004-2024 (2025)

12 McDonald, R. & Bessis, H. (2018), *City Space Race: Balancing the need for housing and office space in cities*, London: Centre for Cities.

13 JLL (2024), *Big Six Residential Development Report – Summer 2024*, London: JLL.

14 PriceHubble, Dataloft & British Property Federation (2024), *Who Lives in Build-to-Rent?*, London: British Property Federation.

15 Thomas, E., Serwicka, I. and Swinney, P. (2015), *Urban Demographics: Where Do People Live and Work in England and Wales?*, London: Centre for Cities.

However, when comparing single-occupant BtR and co-living BtR, the kinds of homes provided suggest that there may be an under-supplied market for single-person, or studio flats.

In standard BtR developments, hardly any studio apartments are built, while in co-living blocks, studios are the main focus. This is because the minimum size for studios in each development type differs significantly. While a studio in a standard development (the left bar chart) must exceed 37m², studios in co-living schemes (the right bar chart) can be as small as 18-27m².¹⁶

In other words, when the minimum space standard restrictions are lifted, the supply of homes provided is overwhelmingly in studio apartments.

This suggests that if minimum space standards were reduced for one-bedroom and studio apartments in standard blocks, more such units would be delivered, which could help BtR better serve its target market.

6. BtR is primarily financed by institutional funders

Institutional funders¹⁷ are the primary source of financing for BtR developments, supporting nearly half of the projects currently in the pipeline across all geographies, as shown in Figure 9. Among those funding or owning 10 or more projects, 79 per cent are institutional investors.

Figure 9: Institutional funders are the primary source of financing for BtR developments

Share of different funding types for BtR projects from 2004 to 2024



Source: British Property Federation, 2004-2024 (2025)

¹⁶ Breach A (2025), [currently working on](#), London: Centre for Cities

¹⁷ Institutional investors typically include pension funds, real estate investment trusts, and private equity firms.

This implies that BtR could be an effective vehicle to drive more domestic investment from pension funds through institutional funders. Given the Government's desire to increase investments by UK pension funds in the UK,¹⁸ this means that BtR could be a good target for such investment.

7. What needs to change?

Although BtR accounts for a small share of England's total housing stock, it has grown significantly and made a notable contribution to housing growth in large cities. It could serve as a helpful tool in these places – areas where the private sector has struggled to build since the end of the Second World War – to help the Government meet its housebuilding targets.

To support further growth in the sector:

- National Government should set clear guidelines in the National Development Management Policies (national policies with statutory weight that can override local development plans) to prevent councils that are against BtR from blocking such developments outside of city centres.
- Mayors outside London should set spatial strategies that focus BtR around transport hubs in suburban areas, and be explicit in setting a balance between residential and commercial space in city centres.
- National policy should explore reducing minimum space standards for one-bedroom flats, and local authorities should be prepared to approve such provisions within BtR schemes.

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¹⁸ Gathergood, J. and Hall, S. (2025), [Can reforms of financial regulation encourage economic growth?](#), Bristol: Economics Observatory

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