



grainger plc

Raising standards in the Private Rented Sector

How Build-to-Rent can deliver a better Private Rented Sector

It is right that political attention has turned to the standards and practices of the Private Rented Sector (PRS), as some landlords have been failing to meet the high standards that tenants have a right to expect.

Grainger shares aspirations to raise standards in the PRS and welcomes a broad reset of the balance of power between landlord and tenant. As the UK's largest listed residential landlord, Grainger wants to increase security and stability for renters, enhance protections for tenants, and strengthen accountability for landlords. In particular, **Grainger agrees that reform of the Private Rented Sector should include the abolition of Section 21 'no-fault' eviction notices.**

The PRS is a crucial part of the UK's housing market, providing homes to individuals and families, whilst also being essential for labour

mobility within the economy. Grainger is not seeking to grow the overall proportion of privately rented homes within the UK housing market, but rather to professionalise the PRS and provide high-quality options for those who choose to rent. The Build-to-Rent (BTR) sector currently comprises less than 2% of the PRS so there are significant opportunities to expand that provision.

As a leader in BTR, Grainger is a champion for the role that BTR can play in building communities and raising standards in the PRS. BTR offers safe, energy-efficient homes available for long-term rent – at costs that local people can afford. BTR not only makes a significant contribution to housing supply and economic growth, but it delivers a customer-centric experience, with a visible and accountable landlord.

Grainger is well-placed to be a constructive industry partner in building the rental market that local communities need, at a standard that renters deserve.

About Grainger

A Newcastle-based firm founded in 1912, Grainger plc is the UK's largest listed residential landlord, providing c.10,000 rental homes to more than 20,000 customers – with more than half of our residents living outside of London.

A FTSE250 business, Grainger is investing £1.5bn into new BTR schemes delivering 6,000 new homes.

Grainger has made a significant contribution to rental housing supply, including through major regeneration schemes delivered with public sector partners, including TfL, the MoD, and Network Rail.

Through Grainger Trust, its in-house registered provider of affordable housing, Grainger has also provided mixed communities of market and affordable BTR homes, where everyone has equal access to shared amenities and customer service.

Grainger offers long-term leases of 1, 3 and 5-years, helping to forge a strong community. Its average rental customer stays for around 32 months, with an overall retention rate of more than 60%.

Grainger scores highly across all customer satisfaction metrics, with a +43 net promoter score and 9 in 10 customers saying, "they really like their Grainger home".

The average EPC rating in a Build-to-Rent property is far higher than elsewhere in the PRS, offering tenants lower energy bills and more efficient heating.

91% of Grainger's properties have EPC ratings between A and C, ensuring homes are decent and affordable.

Who we house

Median salary £35k vs £33k UK avg	17% employed in Education or Healthcare
1 in 5 employed in the public or third sector	54% between 26-40 years old

About the BTR sector

The Build-to-Rent sector is very distinct from the wider Private Rented Sector.

A fast-growing part of the market, BTR properties are new-build residential schemes, often blocks of apartments but also suburban single-family housing, constructed specifically for the rental sector, reflecting the needs and priorities of modern renters. BTR developments typically comprise c.50 homes or more owned and managed by a single landlord.

BTR avoids many of the issues plaguing the PRS, such as poor-quality homes, unscrupulous landlords, and poor value for money. Instead, BTR fosters communities within their developments and supports affordability by including features such as free fibre optic broadband and Wi-Fi, communal areas, gyms, co-working, and dining spaces – and by supporting residents through wellbeing initiatives and community events.

BTR attracts and translates patient capital investment into high-quality homes for rent which would not otherwise be delivered. With its funding derived largely from long-term institutional investors seeking steady, predictable returns over the long-term, **BTR relies upon residents being satisfied with, and secure in, their homes, mitigating against excessive rent rises or insecure tenancies.**

From the outset of Build-to-Rent in 2012, the sector as a whole has delivered more than 267,000 homes, all through private investment. **Knight Frank estimates the sector to be worth over £56bn, which is likely to increase to over £100bn by 2028.**

How Build-to-Rent can improve standards for renters

Grainger as a constructive industry partner



Decent Homes Standard

Grainger supports a Decent Homes Standard for the Private Rented Sector

Grainger supports extending a legally binding Decent Homes Standards and the obligations of Awaab's Law to all PRS buildings. High-quality BTR developments meet the high standards that renters have a right to expect. Equally, the profitability of BTR depends on excellent customer service, preventing and fixing problems rapidly and professionally.

National Landlord Register

Grainger supports the creation of a national register of landlords or landlord database.

BTR landlords believe in transparency and sharing best practice and would welcome a central portal as a means to drive out bad actors. Such a portal could offset the need for the current selective licensing regime, which can be complicated, locally-divergent and poorly designed for professional, large-scale, national BTR providers.

Grainger has carefully considered the debate around reform in the private rental sector, both in Labour’s emerging rental reform agenda, and the Government’s Renters (Reform) Bill.

Grainger has identified key areas where it wants to see policy makers improve standards in the sector and is willing to lend its expertise in the development and potential implementation of rental reform.

Going forward, Grainger would be keen to engage on how regulation can be changed without causing adverse consequences for future investment in, and supply of, new long-term rental homes.

Portable deposits

Grainger supports the development of a national ‘portable deposit’ scheme for the PRS.

Grainger appreciates that accumulating a deposit to rent a flat can be a financial obstacle for people looking to rent. For existing customers looking to move from one Grainger home to another, Grainger can allow residents to port their deposit, reducing costs.

Long-term renting

Grainger supports moving to longer-term tenancies as standard.

Build-to-Rent is funded by long-term patient capital, with investors seeking steady, predictable rewards. As such, it is in the commercial interest of professional BTR landlords to offer long-term tenancies as standard, to maintain high occupancy. Grainger already offers long-term lease agreements of 1, 3, or 5 years, finding that its average customer stays for around 32 months.

Pet-friendly renting

Grainger supports giving renters a legal right to request a pet within their rental home.

Grainger backs plans to give tenants the right to request a pet, as this is a right many Grainger customers enjoy as standard. Grainger would be happy to provide its response within 28 days of a tenant request and not to withdraw consent once given. Grainger’s only reservation would be where there are serious questions of animal welfare, safety or serious allergies from other residents.

Section 21 abolition

Grainger supports the principle of abolishing Section 21 ‘no fault’ eviction notices.

Grainger’s business model depends on maintaining high occupancy as a means of securing steady, predictable returns over the long-term. **The professional, Build-to-Rent sector has no commercial incentive to remove tenants without cause.** Grainger has focused on the finer details, notably in relation to the courts, Section 13 and Section 8, so that Section 21 abolition can progress.

Reasonable adjustments

Grainger supports giving renters rights to make adjustments to their homes, so long as these are reasonable.

Linked to its offer of longer-term tenancies as standard, Grainger and BTR operators enable tenants to make reasonable adjustments to their properties. A Grainger renter can make reasonable adjustments and alterations to their property, helping to make their house or flat a home.





For more information about how Grainger can help policymakers to improve standards for all private renters, visit graingerplc.co.uk/better-renting or scan the QR code.

Together we can improve renting for all.



Rent well. Live well.