A dedicated office space designed by Redwing

The gym at Cole Waterhouse's Eda development in Salford Quays

FEC's MeadowSide, Manchester

High-performing rental property

With energy-efficiency regulations tightening, mortgage rates soaring and a Renters Reform Bill soon to become law, Alex Bell explores how landlords and businesses can react to moving challenges and maximise their residential property values

In today's evolving residential property market, strategies implemented by landlords and businesses have to be careful and considerate if they are to maximise values of their assets.

Growing environmental consciousness among renters, shifting lifestyle trends, remote and hybrid working seemingly fixed in day-to-day life, regulatory changes and rising mortgage rates.

These are a handful of the many investment factors to be considered by property owners who seek the biggest and best results possible.

Seizing opportunities

Regenda Group's property agency Redwing is part of a team – alongside Peel L&P and its build-to-rent company Letta – that will manage 1,000 (when all built) rental homes across the North West.

Alex Andani is Regenda's executive director of property and says that while location remains a top priority for tenants, concerns about energy costs, the need for suitable home office spaces and overall safety are gaining traction.

"Despite numerous challenges, rents are currently exceeding projected targets in some areas," says Andani. "However, mounting pressures have led many small landlords to make the decision to exit the market, creating an opportunity for larger portfolio landlords to capitalise on the decreasing availability of high-quality accommodation."

Andani believes legally compliant accommodation, understanding tenants' wants and needs and meeting servicing and maintenance requirements will enable landlords to seize on existing opportunities.

"Landlords must also prioritise making their properties energy efficient," she says. "Predictions suggest renters will increasingly prioritise accommodation with lower energy bills. This, especially among the younger generation, will shape decision making."

Never underestimate amenity

Emma Courtney, asset manager at Cole Waterhouse, agrees. "It's always primarily about enhancing the resident's experience," says Courtney. "That connection with the product and 'buy-in' to the offer is where the value lies and is a point from which we can build the value of the asset. We never underestimate the value of delivering a strong amenity offer.

"Prior to even looking at the design of a scheme with our architects, we undertake in-depth market research in the area of the development to ensure it meets the needs of our core demographic."

Insider's Development of the Year, Eda in Salford Quays, is a good example. Courtney adds: "At Eda we have put residents' needs front and centre at every step."

A concierge service, private dining, cinema, games rooms and a fitness centre all form the fabric of Eda's amenity offer. "It's important to understand what our prospective residents want," she adds.

"In response to customer demand, we have also introduced flexible tenancy agreements. Our core demographic often prefer a six-month tenancy rather than being tied into a 12-month contract."

The human touch

According to Gemma Price, managing director at FEC Estates, people now place much more value on "experience" and will pay a rental premium to have this.

"At FEC's MeadowSide development, The Gate, The Stile and Mount Yard, in Manchester, customers have access to a community of small innovative and independent businesses that has been created at its neighbouring Red Bank Arches," says Price.

"Residents can benefit from exclusive offers from some of the retail brands in the neighbourhood and attend free events including yoga in Angel Meadow Park.

"Back inside the home, landlords must ensure there is a human touch at every possible stage of a renter's journey. This means creating a personalised service, having face-to-face interaction and consistently taking on feedback to improve the customer offering."

Honing in on Manchester, private and institutional landlords are vying to be the most compelling choice for renters. "We've seen an increasing number of properties coming to the market in the city centre, all with their own unique customer propositions," says Price. "Certain amenities which were once considered exclusive are now expected to come as standard. We believe rental demand is being driven by the desire for a holistic living proposition, which includes not just what's inside the home and the amenity within the building, but also what is happening in the community around it."

The key to thriving

The private rented sector – an estimated four million properties are privately rented – will soon face its biggest shake-up in 30 years. Since the government committed to passing the Renters Reform Bill into law before the general election, opinion has been divided among landlords, businesses and renters. Whether the law comes in this year or next, strategies to maximise residential assets will no doubt continue to pivot.

> "Certain amenities which were once considered exclusive are now expected to come as standard."
> **Gemma Price**
> FEC Estates

Regenda's Andani says: "With remote and hybrid working models becoming permanent in many organisations, the demand for a dedicated home office is rising.

"At Redwing, we have seen innovative approaches in recent build-to-rent models offering insights for landlords to consider during property renovations, to attract tenants and maximise rental income."