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UK Build-to-Rent Woes Deepen Amid International Expansion

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The build-to-rent (BTR) housing model is encountering growing difficulties across the United Kingdom, even as it shows strong momentum in several international markets, including the United States, Australia, New Zealand, and the United Arab Emirates.

Across the UK, BTR developers are grappling with declining project starts, slower planning approvals, and calls for greater government support. In contrast, overseas markets appear to embrace the concept with increasing enthusiasm and growing competition figures.

PropTech company Inventory Base recently reported that BTR is gaining a solid foothold in global real estate. Among the most significant developments is New Zealand, where the number of completed BTR homes surged by 34.5% in just one year, reaching 1,949 units by the end of April 2025. This is despite the country's relatively small population, which is just over half the size of London.

Australia has also seen considerable expansion in its BTR sector. Completions totalled 4,878 homes in 2024, with a projected increase of 21.5% to 5,928 units by the end of 2025. Meanwhile, the United States delivered 5,200 new BTR homes last year, pushing the national stock to 39,000 properties, marking a 15.4% year-on-year rise.

Commenting on the trend, Sián Hemming-Metcalf, operations director at Inventory Base, said: "Build to Rent is reshaping rental markets across continents. The sector's growth reflects a fundamental shift in how people view renting – no longer as a temporary step, but a lifestyle choice driven by flexibility, convenience, and service quality."

She also noted that Dubai is fast becoming a potential new frontier for the BTR market, pointing to residency reforms, a rising expatriate population, and supportive government policies as key drivers attracting both private developers and sovereign investment interest.

Back in the UK, the outlook is far less optimistic. New figures suggest a slowdown in development activity, particularly in Scotland. The Scottish Property Federation (SPF), in partnership with real estate consultancy Savills, reported a 15% year-on-year drop in the number of BTR units under construction in the second quarter of 2025. This figure has fallen to 2,101 homes, compared to 2,472 in the same period last year.

In response, the head of the SPF has urged the Scottish Government to offer dedicated support to the BTR sector to prevent further contraction.

At the UK-wide level, BTR organisations are beginning to coordinate lobbying efforts in the face of what some are calling a sector in crisis. A coalition of industry players has been formed to press for tax incentives and planning reform, arguing that the model's viability is under pressure.

For the sixth quarter in a row, the number of completed BTR homes has outpaced the number of new projects breaking ground. Planning approvals are also down, with new schemes in the second quarter of 2025 dropping by 18% compared to the first quarter. So

far this year, only 5,000 new BTR homes have entered the planning pipeline—a figure the new lobby group has labelled “disappointingly low.”

While London has managed to record a modest 16% rise in schemes at the planning stage, no growth has been recorded in the rest of the country, pointing to a worrying imbalance between the capital and the regions.