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Developer to make 5,000-home PRS move

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A developer is making a major move into Build to Rent development for the first time after agreeing a partnership to build 5,000 rental homes over five years.

Inside Housing can reveal **regeneration** and **housebuilding** firm Keepmoat has agreed a 'strategic partnership' with urban regeneration group Sigma Capital to **build** the homes, which will have a development value of £800m when complete, by 2021.

The move will see it build 1,000 rented homes per year, making it one of the largest developers of specialist **private rented sector (PRS)** schemes in the country.

It marks a significant shift for the £1bn-turnover firm which has previously focused on building for sale, developing for social landlords, regeneration work and repairs.

David Carmichael, group land and partnerships director, said: "We have a land bank of around 20,000 plots, and we are seeing the **benefits** of delivering housing in a multi-tenure way - for rent, for sale, for shared ownership.

"If you can get all those streams flowing together, not only can we accelerate the growth of our **business**, but we can help meet the government's agenda to increase supply."

Keepmoat will build the homes mainly on land it owns or has acquired. It is also in talks with Sigma about taking on the repairs function once they are completed.

Meanwhile, Sigma will provide the investment to the partnership and will also take on the lettings and management of the properties. The developments will be two, three and four-bedroom homes in mainly urban areas spread across the north of England, down towards sites just north of London. Mr Carmichael said it may expand outside of this footprint eventually, but it is currently where the "economics of [PRS] work best".

It will break ground on its first scheme, in Sheffield, this summer.

Sigma is already a major player in the **development** of PRS homes, through partnerships with **Gatehouse** and **Grainger**, as well as **launching its own portfolio last summer**.