PRS Insights

Grant Thornton and arc4 have teamed up to create a comprehensive PRS analytics platform and advisory service for developers and investors in the private rented sector.

The analytics platform is underpinned by current real estate, demographic, socio-economic, financial and environmental data to enable multi-dimensional analysis of any PRS opportunity.

PRS Insights enables investors and developers to understand past, current and forecast performance of the sector from national to local postcode level.

The information provided by the tool is visual and powerful, and will assist you in making informed investment decisions. It is tailored to meet your individual requirements and is not prescriptive.

PRS Insights helps you to address and understand key challenges in the sector including:

1 planning optimisation
2 development viability
3 location selection
4 occupancy maximisation
5 tenant profile
6 product and living environment design
7 investment growth potential
8 funding option.

Our approach

We analyse all our data from these perspectives and bring our insight together under the following headings bearing in mind these fundamental questions:

People – who is going to pay the rent and how much will they pay now and in the future?

Product – what is the best product to build to achieve the maximum rent?

Place – where is the best location to build the most profitable scheme?

We then feed all of this analysis into our sophisticated financial model which encompasses a development appraisal and an investment appraisal to show initial viability and long term profitability.

Using this financial analysis, we then structure the most appropriate funding package for your scheme.

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People

PRS Insights delivers comprehensive analysis of the size, profile and activity of a rental market.

From this, we provide deep insight into people, for example:

- the types of tenants who will want to rent your property now and in the future and where they are likely to be living at the moment – enabling you to launch a targeted marketing campaign before your scheme reaches practical completion
- a profile of a typical tenant – so you know what specific type and size of properties they want to rent
- affordability – the affluence of renters and potential renters, where target markets dominate and where population profiles match your target market
- household income levels – down to postcode level to back up the affordability calculations
- where educational attainment indicates high or low social mobility
- where the highest demand for rental property should occur and therefore which sections of society are more likely to be your customers for any given location.

Product

We provide insights on the performance of rental markets and identify the type of product generating above market average returns.

Our real-time market data drills all the way down to the individual property level, covering amongst other things the following indicators: house prices; sales figures; letting values; time-to-let – all by property type and size.

We compare rental performance of different geographic areas, allowing you to focus on locations that outperform average market returns.

We supplement our analysis with 'on the ground' experts interviewing local letting agents about the market. We visit high performing locations and buildings to identify their offer and provide insights on the ideal specification, including on-site amenities and detailed apartment/house specification.

We also review the performance of local letting agents so that you are able to use 'best in class' agents to maximise the income of your scheme.

Place

PRS Insights focuses on location and finding the right place for investment. It pin points optimum locations by identifying those that meet your specific requirements.

We analyse many factors including: economic growth; regeneration; investment; the likeability factor (café culture, leisure, retail and social offer); access to good services and schools; and connectivity by private and public transport. You get a clear picture of the local environment today and how it will evolve in the future.

PRS Insights highlights locations where the growth in residential units is not keeping up with demand, what planning permissions have been granted and how many new schemes are in construction and recently completed, providing you with a detailed understanding of current and future competition.

Financial model

We then feed all our analysis into our two financial models, one covering the development appraisal and the other the operating performance of the investment over the short, medium and long term.

We sensitise the models so you can better understand the financial consequences of both the risks and opportunities associated with the scheme. We use the outputs to help structure the optimal funding package for both the development of the scheme and the ongoing operation of the business.

The development appraisal also provides you with a transparent tool to assist you in your S106 negotiations.

Conclusion

You are now in a position to make an informed investment decision.

PRS Insights is a powerful platform with numerous applications, for example, it helps you understand the viability of specific sites. It can also identify locations, and potential sites, where there is high PRS demand but little supply and whether these locations are commercially viable for PRS development.

Contact us

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