

# Build-to-Rent (BTR) Market Snapshot

---

Newcastle  
June 2023



---

Cortland Consult in  
collaboration with the UKAA

# Summary

---

Newcastle boasts a rich socio-economic history as the powerhouse of Northeast England. Since deindustrialisation, it has diversified its economic sector and benefits from impressive transport connectivity. Whilst Newcastle’s BTR sector has not yet matured like other comparable Northern cities, our analysis suggests that this situation is expected to change.

Newcastle has a rich history as a historic centre of industry, coal, and ship building. It has since transformed its economy with a particular focus on professional and financial services.

Today, important sectors in the city's economy include professional and financial services, life science and sustainability, digital & technology services, and logistics. The city is home to two large universities enrolling over 50,000 students (HESA, 2021/22). It was voted by students as the UK’s best student city in 2022 (Student Crowd). Hosting an international airport and connected to the East Coast Main Line, the city benefits from excellent transport links to major UK and European cities.

Currently, Newcastle lags behind more mature Northern BTR markets such as and Leeds. Grainger’s 283-unit ‘The Forge’ is Newcastle’s only operating BTR development. The development commands a significant and consistent rental uplift over comparable PRS housing across 1 to 3-bedroom units. Newcastle and the adjacent town of Gateshead share a small but promising pipeline with over 1,300 units across 4 developments receiving planning permission.

Newcastle’s rental market is dominated by PRS 2-bedroom apartments which make up 58% of the embedded market (within the data timeframe). This is reflected in average rents for 2-bedroom apartments of £ 1,123 pcm, a 13% increase in the past 12 months. Studio and 1-bedroom apartments make up a small proportion of available market units (30%). The latter has the largest BTR rental uplift of 23% against the embedded market, compared to any other unit type.



## Operational Newcastle BTR

### The Forge



# Newcastle Dashboard

Latest rents – Q2 2023

## Studio apartments

Average: £729 pcm  
Upper quartile: £793 pcm

## 1 bed apartments

Average: £795 pcm  
Upper quartile: £850 pcm  
Build to Rent: £988 pcm

BTR  
**+24%**  
Uplift

## 2 bed apartments

Average: £1,114 pcm  
Upper quartile: £1,250 pcm  
Build to Rent: £1,271 pcm

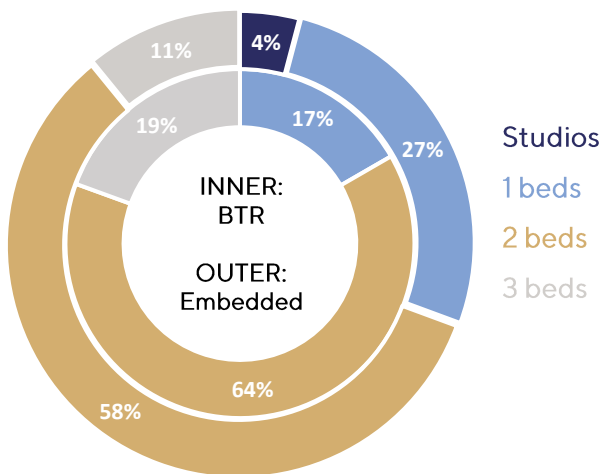
BTR  
**+14%**  
Uplift

## 3 bed apartments

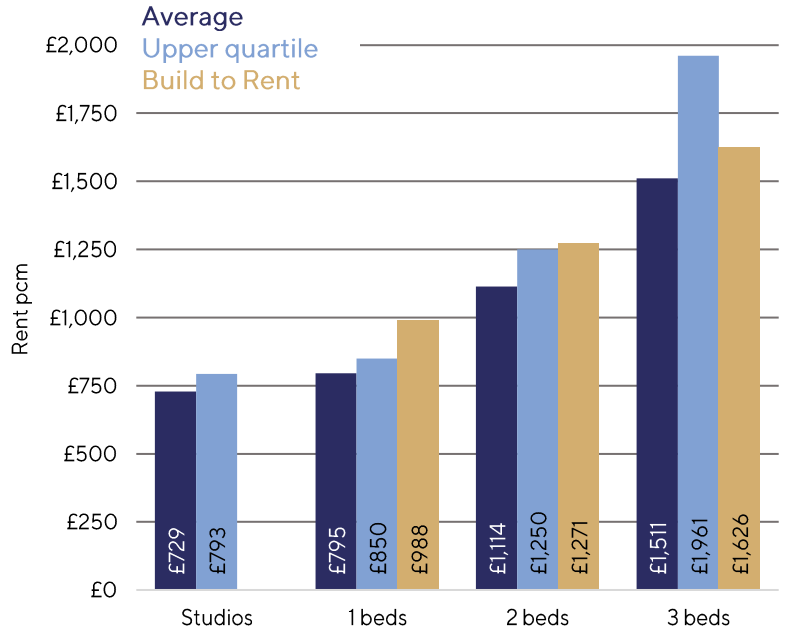
Average: £1,511 pcm  
Upper quartile: £1,961 pcm  
Build to Rent: £1,626 pcm

BTR  
**+8%**  
Uplift

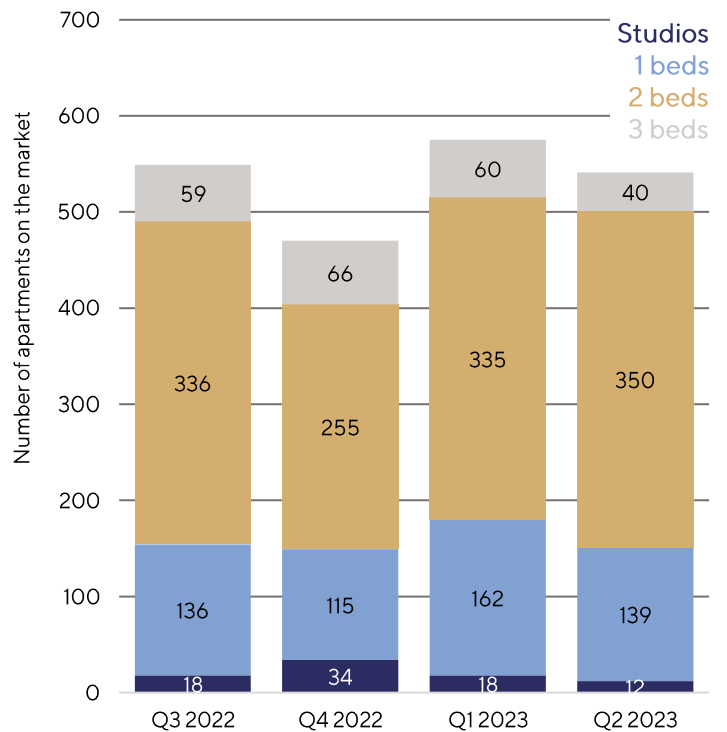
▼ | Embedded vs BTR unit mix in Newcastle



▼ | Average and upper quartile embedded vs BTR rents during Q2 2023, Newcastle



▼ | Number of listed apartments per quarter since Q3 2022



# BTR Market

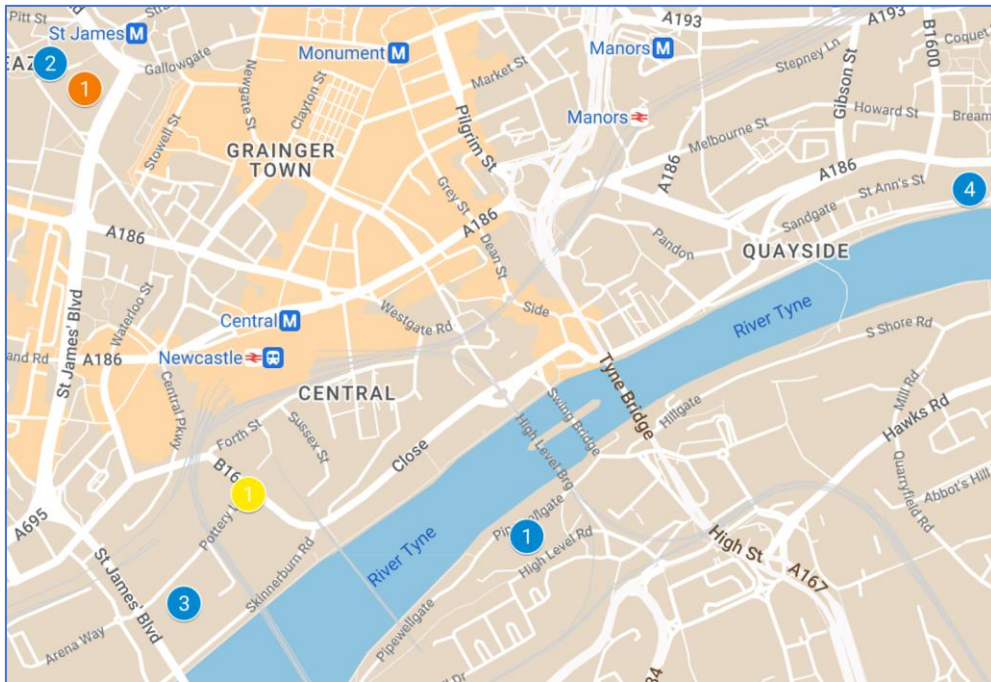
Last 6 months average rents

	1 beds	2 beds	3 beds
The Forge	£955	£1,269	£1,658

## BTR Pipeline



Map of operational and pipeline BTR communities in Newcastle



### Operational

- 1 The Forge

### Granted

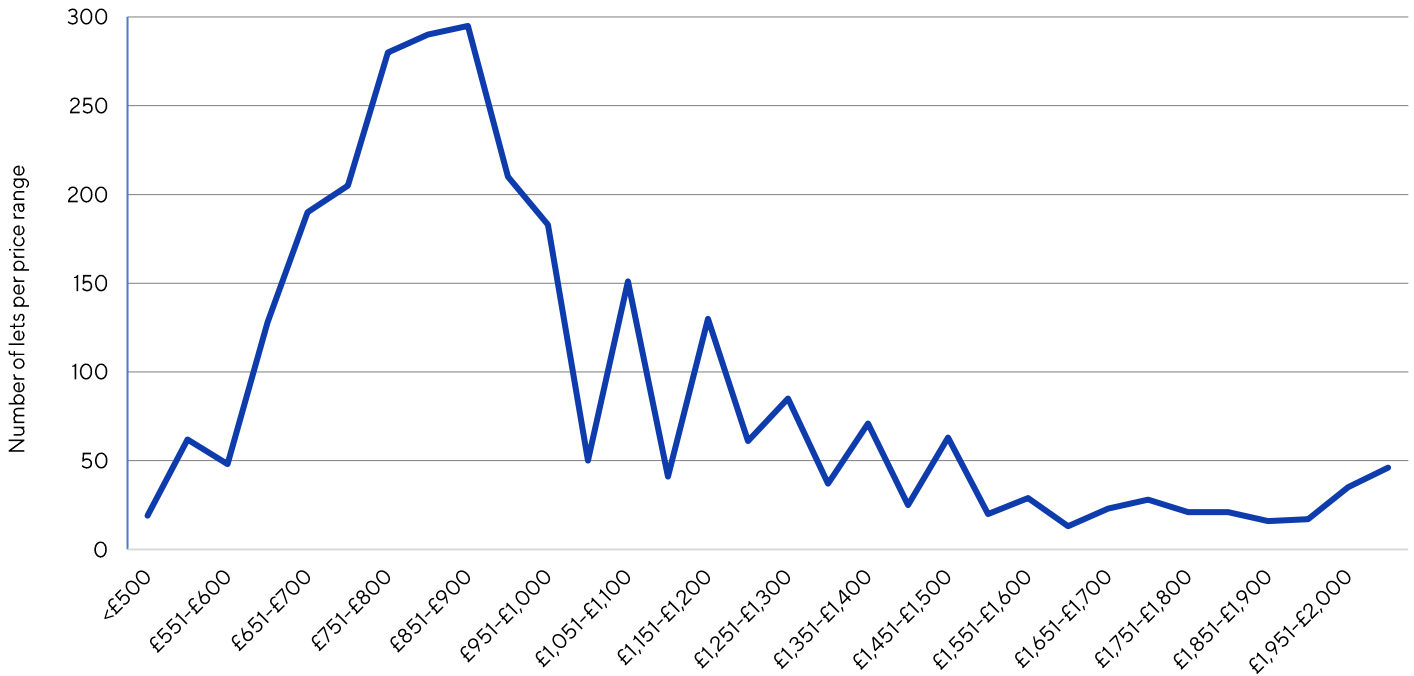
- 1 Brett Wharf
- 2 Heber Street
- 3 Pottery Lane
- 4 Quayside 12

### Pre-Planning

- 1 Newcastle Helix

# Market Scale

## ▼ | Newcastle rental Market Scale



Cortland Consult's Market Scale chart shows how many apartments were let between a scale of price points over the last year in Newcastle. It portrays the size and scale of the city's rental market excluding current BTR listings. We have surveyed nearly 2,900 listings from Rightmove to produce this data, using let agreed price data for a more accurate market position.

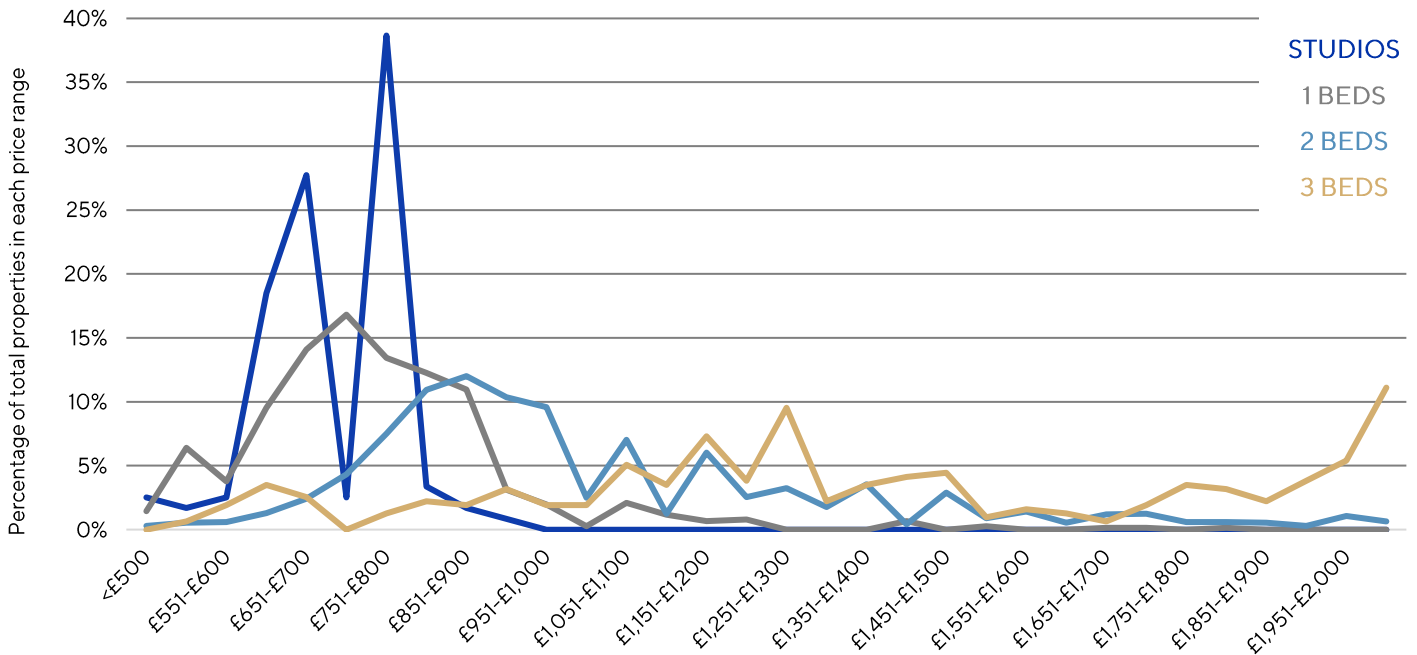
In the past 12 months, Newcastle's rental market has been uniform, with 51% of properties priced between £701 and £1000

pcm. The high-end market is small with 9% of apartments in Newcastle renting for over £1,500 pcm. A growing BTR pipeline in Newcastle is likely to enhance and expand the city's high-end rental market.

We will conduct similar Market Scale studies for Newcastle in future and compare this scale with future ones to help us track where the market moves. You can request a Market Scale study for anywhere in the UK by contacting us.

# Market Scale

▼ | Newcastle rental Market Scale, arranged by % of total studios, 1, 2, and 3 bed apartments



This chart splits the data on the previous page by unit mix – studios, 1 beds, 2 beds, and 3 beds.

In the past 12 months on Rightmove, 119 studios, 767 one-bed apartments; 1692 two-bed apartments; and 315 three-bed apartments were let in Newcastle (2,893 lets in total). This confirms that two-bed apartments dominate Newcastle’s private rental market.

Due to the different quantities of each unit type, the chart shows what percentage of studios, 1 beds, 2 beds, and 3 beds fall between certain price points.

Studio and 1 beds in Newcastle have a very pronounced rental peak. 87% of studios are priced between £601 pcm and £800 pcm, while 77% of 1 beds are between £601 and £900 pcm.

Conversely, rents for 2-bed apartments are more spread across the market scale spectrum with 67% of listings priced between £751 pcm and £1200 pcm. There is a notable proportion of 3 beds (29%) priced at the upper end of the scale at above £1,750 pcm. This would suggest a significant demand for rentals in this unit size that could be supported by future BTR investment.

# Contact

---

Iain Murray  
Senior Director BTR Consultancy (Europe)  
[iain.murray@cortlandconsult.com](mailto:iain.murray@cortlandconsult.com)  
[www.cortlandconsult.co.uk](http://www.cortlandconsult.co.uk)

CORTLAND CONSULT  
Leaf A, Level 9, Tower 42, 25 Old Broad St. | London EC2N 1HQ

In this market analysis, we have analysed asking rents for apartments listed during the Q2 2023 period on leading property search portals and operator websites. The analysis shows a comparison of the advertised rents for BTR operators alongside the wider embedded market (average and upper quartile). It excludes all short term, holiday, and student lettings. The analysis covers postcodes within the central postcode districts of NE11, NE2, and NE4. These are areas that contain the city's purpose-built BTR schemes, high-quality traditional PRS schemes, and major employment hubs.