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BUILDER

13 INSIGHTS FOR THE BUILD-TO-RENT MARKET PLAYERS IN 2024

Industry professionals gathered in Dallas to discuss trends and predictions surrounding the emerging build-to-rent product type.

By [Symone Strong](#)



Courtesy Zonda

Looking to network with peers and gain more knowledge in the evolving build-to-rent (BTR) sector, industry professionals, including owners, operators, builders, capital partners, and more, gathered Jan. 29 to 30 at Zonda's Build-to-Rent conference in [Dallas](#).

Attendees had the opportunity to listen in to 13 different sessions with over 30 experienced panelists on a range of topics, from financing future projects to BTR community design drivers to improving resident experiences. But, for those that

didn't get a chance to be there in person, here are 13 high-level takeaways that could help shape future BTR companies and communities.

1. It costs more to own than rent today: With elevated home prices and high interest rates, renting is a more affordable play for people right now. Tim Sullivan, chief advisory officer at Zonda, said currently "90% of markets are more expensive for ownership than renting." Ultimately, this means there is huge demand for BTR product, given its look and feel and financial attractiveness.

2. Today's BTR offerings are diverse: Kimberly Byrum, managing principal of multifamily at Zonda, delved into all the BTR products being offered today in her session. They include cottage, single-family detached, single-family attached, townhome, and hybrid. Although it will vary by market, townhome is emerging over cottage, but cottage is still absorbing the quickest, according to her findings.

3. There are lots of paths to success in BTR: The speakers on the Rental REIT and Institutional Investment Trends panel, including executives from Tricon Residential, Invitation Homes, and Pretium, stated there's lots of runway for various paths of BTR, whether who you're targeting or where or what you're building. "We're still in the pre-season of this," they said.

4. Vertically integrated is a good idea: In the BTR Pioneers Power Panel, four founders and CEOs presented how they've set up their companies for success. One point that was discussed was how vertically integrated, or everything operating under one roof, across markets can be complex but "is a huge advantage" because "costs are just less expensive."

5. Highly educated markets are attractive: While [Phoenix](#), Dallas, and [Houston](#) were all mentioned as hot BTR markets, the panelists on the Show Me the Money session stated markets with a highly educated population, such as college towns, are attractive to capital partners. Be thinking of places like Missoula, [Montana](#), and other smaller tertiary markets with a lot of students or recent grads.

6. Make the homes timeless and diverse: On the Demographics, Demand Drivers, and Design Evolution panel, Garrett Hoskins of Robert Hidey Architects and Mike Cantrell of WHA Architects presented some of their recent BTR home designs. Both reiterated that timeless designs will help the product age gracefully, and diversity in facades will give the community more depth.

7. Offer various sizes: In the early days of BTR, a lot of developers were focused on the one- and two-bedroom floor plans. Now, many panelists agreed that offering three-, four-, and sometimes even five-bedroom floor plans will be attractive to many renters. Although it will differ by market, consider offering a variety of home sizes for singles, couples, and larger families.

8. It's an entry into the master plan lifestyle: A lot of today's BTR homes are being built within larger master-planned communities (MPCs). While some prospective buyers may not be able to afford to buy within those MPCs currently, BTR homes situated in close proximity to their dream home allow those buyers to live and experience the community as a renter first and then potentially as a buyer later.

9. Tech, food, fitness, and alcohol are the top amenities: Zonda principal Mollie Carmichael presented her findings on the top requested amenities of communities today. In her research, she found people are definitely interested in Wi-Fi, coffee shops or small grab-and-go markets, indoor and outdoor fitness, and wine bars or beer gardens.

10. Hire team members who are passionate: On the management side of the business, three experienced vice presidents from top BTR property management companies explained when it comes to hiring community managers, it's best to hire people who are passionate about BTR. While multifamily managers will have similar sales qualities, a person that loves the BTR product over traditional apartments will thrive.

11. Do something that will set you apart: Also in From Leasing to Living: Improving the Customer Experience, the three vice presidents advised to add an element that will set your BTR community apart from others nearby. That could be adding more technology, a cool amenity, or anything that puts your community one step above your competitors.

12. Create “stickiness:” The term “stickiness” was mentioned throughout the event, meaning to create places that BTR renters never want to leave. Whether that’s through your community design, the amenities, the social programming, or the location, the experts said to always be thinking about ways to keep residents happy so they don’t want to move.

13. Think of the future: In terms of BTR’s history, it’s young and still taking shape as a U.S. housing type. As you start to make decisions about these communities, be mindful how they will live today and years from now. Marcie Merriman, Americas cultural insights and customer strategy leader at Ernst & Young, in her presentation on societal change driving the next business shift stated “today’s tools will leave you dated.” So, make sure you are mindful of what’s to come as Gen Z starts to enter the market.

ABOUT THE AUTHOR



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