GET LIVING SWINGS BACK TO PROFIT IN COVID RECOVERY YEAR

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Build-to-rent operator's value and rental income have both bounced back from the pandemic, though headwinds remain

- What Get Living posted a £58m profit in the year to December 2021, after a loss the year before
- Why Rental market was hit by dipping values and occupiers leaving cities in response to the pandemic
- What next Chief executive expects "2022 figures to be a material leap forwards", though rising costs are in focus

Build-to-rent specialist Get Living has significantly shored up its finances since the challenges of pandemic-hit 2020, securing a pre-tax profit of £58m for the year to December 2021, React News can reveal.

In the previous year, impacted by the emergence of Covid-19 and various lockdowns, Get Living made a £45m loss, partly due to a £30m valuation loss across its residential portfolio and a reduction in rent as people moved out of cities.

By the end of 2021, the results were improved by a revaluation of £61.9m.

Occupancy also returned and rental income increased from £42m to £63.8m, while the size of Get Living's portfolio also increased by 18%, from £2bn to £2.36bn.

The company, backed by Oxford Properties and Delancey's Door fund, Dutch pension fund APG and Qatari Diar, also secured a range of debt during 2021 to enable its developments.

During the period Get Living secured a £160m new debt facility with BNP Paribas and United Overseas Bank to fund its development at Lewisham Gateway in a joint venture with Muse. In addition, the mezzanine and senior loans, secured over Portlands Place in East Village, were amended to extend the maturity date of the loans to September 2023.

In December 2021 the group also agreed a £365m loan with Starwood Capital to fund redevelopment of the former Elephant & Castle shopping centre in south-east London, one of the largest development loans of the year.

Overall, Get Living has an operational portfolio of 4,000 homes and a pipeline of more than 6,000 homes, with ambitions to grow to 15,000 homes within five years.

For further information please contact:

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"A sensitive clutch movement"

Speaking to React News, Rick de Blaby, Get Living's chief executive, said:

"2020 was dominated by lockdowns so 2021 was all about rebuilding occupancy.

"People just weren't in big cities, so we focused on getting people back and building our proposition and ended the year at between 90-95% occupied across our buildings and rent collection at 97%.

"In the background there was a lot of work going on to make sure we were set up for success – getting ready for launches of Portlands Place at East Village, two buildings in New Makers Yards in Salford, which equates to 750 homes ready to come to market in the next six weeks."

Looking ahead to the rest of 2022, de Blaby said Get Living was aiming to make three acquisitions, as well as progressing its sites across London, Birmingham, Leeds and Glasgow.

"As we grow in operational scale we want to deliver efficiency without any reduction in resident experience," he said. "In 2022 we're seeing a lot of rental improvements coming through; there's a shortage of homes across the piece and we're experiencing high levels of demand.

"However I'm aware that it's a sensitive clutch movement, between delivering shareholder value as well as a proposition that residents value even if prices are going up – public realm, neighbourhood and service provision has to be perceived as a good value and that's essential to the sustainability of our business."

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Despite income improvements, de Blaby acknowledged rising costs as a serious consideration.

“Like many we’re experiencing rising utility costs, staff costs and construction costs, and we’re managing that carefully. We’re in a comparatively good position as we have 4,000 operational homes so that level of scale and income helps you weather the headwinds.

“Our development programme is substantially locked in to fixed construction prices which is reassuring, and on the debt piece, we have long weighted average debt, and the average weighted cost is looking increasingly encouraging.

“Though I expect 2022’s results will be a material leap up from 2021 figures, I wouldn’t for a minute want anyone to be complacent about the headwinds we’re facing and we still need to make sure our resident proposition is relevant and compelling.”

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