

# Build-to-rent: The new model of property ownership promising more security and comfort

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An innovative new model of property ownership has hit the Australian market, promising more security, comfort and flexibility for tenants. It's called build-to-rent and it has the potential to wipe out many of the

typical frustrations faced by people who, by choice or circumstance, find themselves renting.

Build-to-rent refers to residential projects in which the developer owns all the apartments and the leases them to tenants, instead of selling them. The developer remains responsible for ongoing property maintenance.



Communal amenities include a gym, co-working spaces, bookable meeting and function rooms, barbecue areas, a cinema space and children's games area.

Andrew Hansen is head of operations for one of the first large-scale build-to-rent developments in Sydney: the 315-apartment LIV Indigo at Sydney Olympic Park, which is about to welcome its first residents.

“What really cuts through with renters is that security of tenure, which is built into the model,” Hansen says. “If you’re in an apartment, you have the first right of refusal. You can stay there for the rest of your life if you want to.”

The ability to personalise homes is also striking a chord with prospective renters.



Liv by Mirvac in Sydney Olympic Park is an example of the build-to-rent model in action.

“It’s a model where you don’t move into a place that feels like someone’s investment property ... You can hang pictures, bring your pets. We’re trying to make people feel like they’re at home.”

An emerging sector in the Australian property market, build-to-rent has been gaining traction overseas for years.

Australia has traditionally embraced two main styles of home ownership: individual ownership or “mum-and-dad” investors. As house prices have risen, home ownership rates have tumbled, meaning more households are renting.



The model has the potential to iron out the frustrations many have with the current system of renting.

The NSW government recently announced it would give developers who invest in new build-to-rent housing projects a [50 per cent discount on land tax](#) for the next 20 years.

The move is designed to provide greater certainty to tenants, boost construction and support jobs during the COVID-19 pandemic recovery. Hansen says residents at LIV Indigo will have round-the-clock on-site building managers. Appliances are included, sustainability features are emphasised, rent increases are capped and bonds have been scrapped. Communal amenities include a gym, virtual fitness spaces, co-working spaces, bookable meeting and function rooms, barbecue areas, a cinema space and children's games area.

Weekly rents start at \$535 for one-beds, \$615 for two-beds and \$900 for three-beds, including gas and water.