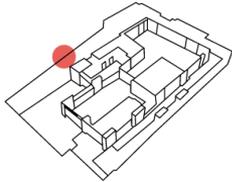


Future Living Report



About Vita

- Vita Group was started in 2012 with the aim of revolutionising student accommodation
- Uninspired by characterless halls which didn't speak to their residents or provide an environment for them to succeed
- Vita wanted to put the students first, provide them a platform to succeed
- Now Vita Group has developed into an intelligence driven platform creating tomorrow's urban living
- It's represented by five lifestyle brands catering for all living verticals



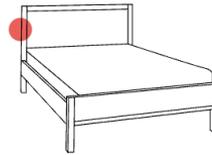
26

communities



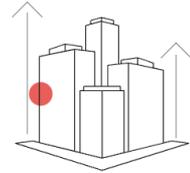
9,348

People living with us



9,537

Secured beds in the pipeline



£2+bn

Total development pipeline

The Vita Lab



Vita Lab is our space for innovation – a place to test new ideas.

- It's a collaboration between our brand, development and data teams
- It draws on insights from across the platform and looks for opportunities to challenge conventions, innovate and develop new products and technology
- We have thousands of data touchpoints across the business – from building data tracking the usage of communal spaces, private dining rooms and cinemas to market data on buying intent by location, sales journey and much more
- It's this data we study, draw micro trends from and test on a greater scale
- It's this investment into data and research which keeps the platform at the cutting edge and ensure our product stands out in an ever more competitive market

The Future Living Report



Future Living Report

The intelligence driven platform creating tomorrow's urban living
www.vitagroup.com

▼ VITA GROUP

- It's the first time the business has formalised and externalised a piece of research of this nature. But, in doing so, It demonstrates the investment and importance we place on the lab, data and innovation.
- Over 8,000 people took part in the fieldwork which was completed in September 2022, using independent research partner 3 Gem.
- It put to the test trends we've observed across the platform as well as external pressures such as the the pandemic and cost-of-living crisis which have forced people to change behaviour.
- The research was conducted using UK households crossing all key demographics and localities age 18+
- **To read the full report visit:**
www.vitagroup.com/vita-lab/future-living-report

Cost-of-living crisis, energy and rising inflation

80%

of Brits will remain in
their existing home

Marginalised Masses

- Britain is now at the point where everybody is feeling the pressures of the cost-of-living crisis.
- Inflation, rising interest rates and energy costs are impacting households spending power and as a result, consumer confidence is lower.
- This has cooled the housing market – especially for those looking to purchase with a mortgage.
- Our research found that only 5% of those with a mortgage would look to move home – a direct result of rising interest rates.
- 'Bills included' – becomes largest rental search term as people try to fix their outgoings.
- Post pandemic we've seen a flight to quality, people prioritising spending on their home and the environment they live over and above other things they spend their disposable cash on.
- Consumers are willing to cut back on fashion, TV subscriptions, eating out and their morning coffee, adopting more sustainable buying habits.
- This is likely to hit retail and leisure operators over the coming months.

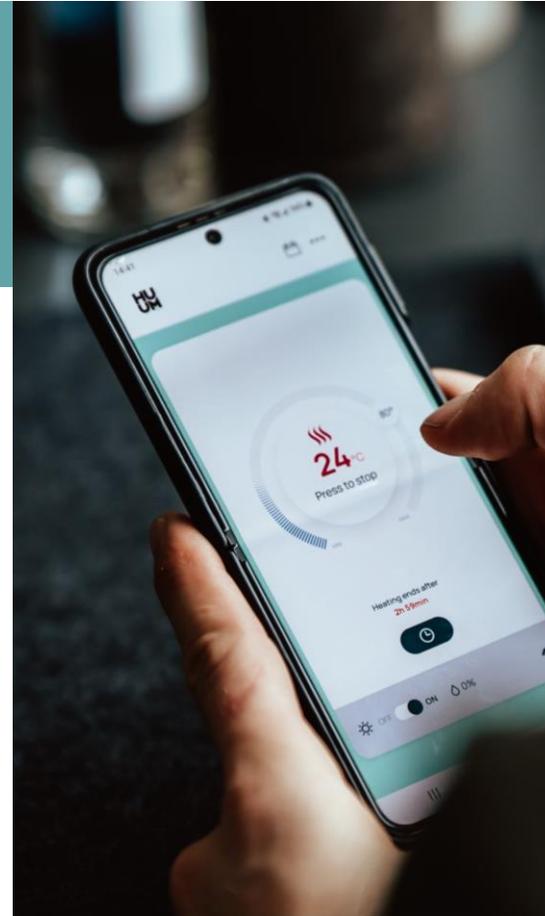


Rising energy creating greener homes

- Perhaps for the first time in British property, there's a shift in where people are spending their money when upgrading their home.
- Rising energy costs are forcing people to focus on prioritise investment into their home on reducing their operating costs instead of renovating to add value.
- Two fifths have made changes in the last six months to make their home more energy efficient.
- A fifth are currently saving for home improvements which will reduce household running costs.
- This means we're going to see more people insulating their homes, changing their boilers, adding smart meters and controllers (1/3rd of households have already in the last 6 months) and invest in their own energy provision through solar.
- One in six Gen Zs moved home to a more energy efficient home – a real opportunity for BTR operators to celebrate their high performing buildings and champion sustainability credentials in a more consumer focused way

1 in 6

Gen Zs moved to a more energy efficient home



City demographics age

The UK housing cycle has aged

- Reduced opportunities for young adults due to rising property prices and a shift in culture / priorities to start a family later and buy means people are now making the move to the suburbs in their mid-30s instead of late 20s.
- The effects of the pandemic and rising interest rates is set to compound this further, challenging affordability.
- The direct result of this is something we've already started to see – more families living within our buildings with babies and toddlers.



- At present this increase is subtle – however over the next three years, it could rise by well over 13% if people's 'strong desire' to start a family kicks into action.
- Short-term there are undoubtedly easy adjustments operators can make – more services and amenity aligned to this audience.
- Long-term it presents planners with a greater challenge, lack of infrastructure such as schools and access to green space makes raising children over 4 more difficult.



A pandemic of pets

Pets will change BTR forever, tenants demand more

- With bars and restaurants closed and social interactions confined to Zoom and TikTok – Gen Zs and Millennials got pets in their droves during the pandemic.
- It was almost entirely a phenomenon amongst young people with 44% of those under 34 owning a dog and 31% owning a cat.
- It also forced many to move – 46% moved either so they could be a pet owner, or because they had a pet .
- As a result, 'Pet Friendly' is one of the highest-ranking search terms in BTR.

46%

of people living in a city moved home in order to get a pet

- It also calls into question what being 'Pet Friendly' means – and it's clear that this audience is demanding more for their pups.
- For developers to stand out, there's a need to do more to equip their buildings and offer more services.
- Connecting the pet community to increase social opportunities is one easy shift all operators can make quickly. Others such as pet washes, grooming and care services as well as pet focused events scored highly.
- What's great – the cat can get the cream – pet owners are willing to pay a premium to get access to these services, so as well as standing out in a crowded and competitive market, there's an opportunity to increase revenue.



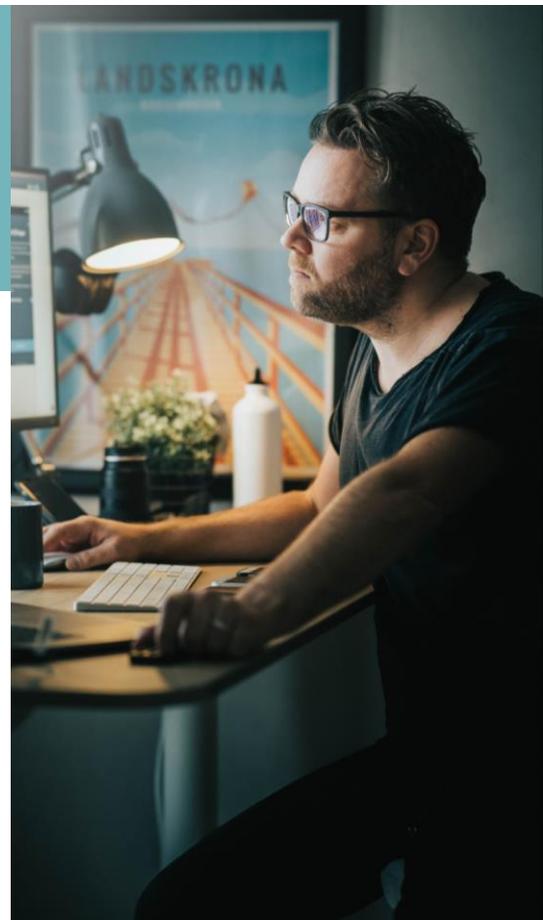
Hybrid working

- The office has changed more in the last three years than it has in the last twenty years. And with it – so has the home.
- Since returning back to the office post-pandemic – two fifths of Brits are working from home at least one day a week. But for most hybrid workers – they're working on average 3 days a week from home.
- Greater flexibility has made people move on mass – and they've had to invest into their work from home environment.
- The average household has spent £4300 on upgrading their work environment. Even those in private rented accommodation spent on average £2,714 on upgrades.

£4.3k

the amount the average household spends on upgrading their office space

- For developers and build to rent operators – this vast shift in behavior presents opportunities to stand out – and pinch points in buildings.
- A building with 1,000 residents should expect over 400 of them to be working from home and a building with a higher demographic of 'office workers' should expect considerably more.
- This means that apartments need a greater focus on work – with workspaces which easily transition from work to play.
- Amenity spaces also need a greater focus to work. Desks, private bookable call booths, places to think and be creative are all requirements to keep the WFH workforce engaged and productive.



The digital cottage industry breeding a new era of side hustlers

- For many young adults, the pandemic, and its impact on their opportunities to earn, meant many turned their skills and hobbies into revenue streams – either alongside their existing job, out of necessity or just for fun.
- As Britain emerged from the pandemic, this entrepreneurial behavior remained.
- Now, seven-in-ten Gen-Zs have some form of owned earnings – roughly two fifths of those have it as their main income stream, with the rest part-time or hobbyist operators.
- This new-era 'a digital cottage industry' taps into a global economy and creates its own micro economy – content creators, voice-over artists, coders, web-developers, crafters and makers all have an opportunity to build an empire and global market-places such as Fiverr, Shopify and Etsy have made it easier than ever to scale.

78%

said they would move to a property if it provided services and amenities which support the growth of their business

- But developers are yet to latch onto this trend – as the world of hybrid BTR develops, incorporating a proposition which resonates with this creator community will resonate and provide greater opportunities to monetise amenity.
- Workshops, audio suites, media studios and even salon spaces could all help to activate ground floor and amenity whilst creating a community which can earn and learn at the same time.



Thank You

Any Questions?

To read the full report visit:

www.vitagroup.com/vita-lab/future-living-report