

# PRS / BTR AND BIKES: FRIENDS OR FOES?



Nick Knight,  
MD Eco Cycle



*How the humble bicycle could be the secret ingredient that propels residential schemes to the head of the pack*

It used to be only couriers, students and the occasional bonafide cyclist who took to two wheels to get around on. Now you can barely move for bikes, with commuters, creatives and families all battling for their piece of tarmac.

Consider that the cycling trend is showing plenty of signs that it is only going to grow, meaning bike spaces will become more and more necessary. Using pedal power means cyclist residents can avoid the city's overstretched public transport, while being environmentally friendly and mixing commuting with fitness.

Why then are some developers reluctant to factor in more quality parking into the design phase, improving schemes to capitalise on the continuing growth of cycling? Including the added value facility of a secure, stylish and easy way to lock up bikes in the development phase of residential properties, could mean the difference between successfully renting out units or not.

## **Institutional asset class**

As a relatively new institutional asset class, the PRS and BTR residential sector has attracted pension and insurance funds, who are ploughing in and making their mark in developing residential portfolios from scratch, often in partnership with developers and specialist asset managers. Others

will follow when returns are proven, and shall look to acquire completed schemes that fulfil their institutional requirements.

All this interest has created a rush to entry with now many thousands of residential units in the planning and development pipeline. And following the slowdown of the residential sales sector, particularly at the upper end in London, investors have been fortunate in being able to switch strategies from sales to rentals.

With so much potential competition round the corner, it's vital to get the design right upfront. This isn't referring to the funky name or branding behind the scheme that might entice the initial wave of residents to sign up; it's the design of the fabric of the building that needs to have a longevity to ensure occupancy remains high, and crucially, that running costs are controlled. Commercial property has long had a Grade A specification, and those properties that don't make the class suffer in terms of value. With the funds entry, residential will also have it's benchmark of quality and it's worth bearing in mind when considering the exit strategy.

## **How much space should you allocate?**

There is still no national planning policy guidance regarding the provision of spaces for bike parking

within new residential developments. Instead it is up to each local planning authority to draw up plans and provide their own parking ratios. This has provided an ad hoc approach, with parking requirements varying significantly, so investing in meaningful amounts of bike parking may mean going over and above planning policy guidance.

Some canny developers are already “over-providing” bike parking spaces, even if they’re not incentivised to do so. Looking ahead, they can see that bike power is the future. Not only that, when residential investments are being traded, the developers who have fulfilled their Grade A specification requirements and also offer a strong parking ratio, could see their far sightedness reflected in the pricing and saleability of their units.

When cycle spaces become a market-driven necessity, a right rather than an aspiration, offering the bare minimum of spaces (even if in accordance with a particular local plan), isn’t going to cut it. Consider instead the number of bedrooms and their theoretical occupants (two people per bedroom) to give you the full occupancy total, then promote your property as offering one cycle space per x% of residents, which will be a more meaningful universal measure. At a glance, investors can then see whether the scheme is under-parked.



Bear in mind your location too. If you’re on a cycle route, factor in more spaces as it can be a tool to increase density within the scheme. The Housing White Paper released in February 2017 stated that accessibility and infrastructure capacity of an area would be taken into account when assessing housing density; and cycling is an effective transport solution as it can ‘Shrink the Distance’

reducing travel times relative to other modes of transport.

### Don’t forget it’s about quality too

It’s not just about quantity – quality is key too. Residents are often precious about where they leave their two-wheeled pride and joy. The results of a cycle parking study by SKM Colin Buchanan\* concluded that many parking spaces are underutilised because of the perception and risk of theft.



Bikes are often worth several hundred, even thousands, of pounds, and when the parking is in semi-public areas unattended for long periods of time, then they’re compelled to take them upstairs. Look skywards and you’ll see them on balconies or within the apartments. If yours is a premium property, occupants can afford higher value bikes meaning secure parking is even more essential if you don’t want scuffed corridors and lifts in your property, lowering the perceived quality and adding to maintenance bills (which in turn reduces investment returns).

Paying attention to design attributes that can save running and maintenance costs is in stark contrast to the build for sale sector that doesn’t have the same outlook or responsibilities of ownership that long-term investors have.

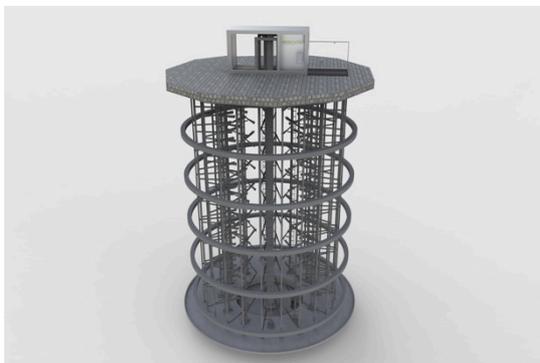
### Superior cycle parking

If you claim your traditional bike storage seems to be underused, it could be that its design just isn’t fit for the purpose. If the product and the environment are designed well, then the store will be utilised, as there’s an underlying demand for secure bike parking.



Eco Cycle, an automated cycle parking system, offers the solution. It is completely secure therefore appealing to residents; doesn't take up much footprint, appealing to developers; and is simple and easy to use. Plus the innovative technology used to create it is undeniably cool and fun.

Residents wheel their bicycle up to the access pod and their bike is recognised and swept in, either up (for above ground) or down (for underground) into the spiral storage facility in an interaction that is mesmerising to watch. The security means cyclists can safely leave possessions on the bike, like lights, trip computers, pumps, pannier bags and helmets, saving time and hassle. And when you need your bike back, just swipe your card and in only 13 seconds it is in your hands.



The access pod and entrance measures 8.2sqm, saving up to 95% of traditional cycle store footprints, which on average require 0.70 to 1.15 sqm per bike when within buildings. While the vertical cylindrical store has a capacity of 204 bikes, this can be scaled up or down in layers of 12 bikes. And Eco Cycle can be placed within the landscaping area outside the building (saving 100% of the area reserved for parking inside) or within the building with the access pod integral to the façade.

## Make cycle parking pay

The value of the footprint saved can be significant, with the option of introducing amenities for the residents, such as self-storage facilities, or perhaps not incurring the cost of building a basement level.

For investors still concerned about costs and returns, as each bike space is uniquely identifiable, spaces can be specifically allocated so that a charging regime can be brought in, potentially offering a valuable income stream. Where residents aren't charged, surplus spaces can be monitored and made available for a fee to the public or for a bike-sharing platform.

## Make cycle parking do your marketing

Large-scale mixed-use projects can share parking solutions between residential and commercial uses as well as for the public. Public cycle parking is often poor quality and in short supply, and provision can be a planning gain, improving the active travel attributes of a scheme and offering social sustainability, while raising the possibility that the Community Infrastructure Levy could be used to subsidise the facility.

Logos, ads and public art funds could be used to decorate the cladding of the access pod and other visible elements. Digital media can be installed to provide information, music and sporting events, adding to the schemes placemaking proposition.

In summary, the provision of Eco Cycle within PRS / BTR offers numerous advantages for all stakeholders; the residents, developers and investors, with the public also able to benefit. Where Eco Cycle is installed it will form a tantalisingly high benchmark for other schemes to follow, and will form part of the Grade A residential rental specification.

So if you're looking for a USP that's also a potential source of revenue and release of valuable footprint, you've found it. Make bikes your friends, not your foes, with Eco Cycle.

*\* The Greater London Authority: Further Amendment to the London Plan released in March 2015.*