

The PRS Lexicon

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May-20

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Absorption Rate

AR

The rate at which BTR homes are leased up by renters. Often determined by a number per week, month or year. Depending on the size of the scheme. Lease up rates are commonly held to be 2.5 times faster than sales rates.

Affordable Housing Provision

AHP

Affordable housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision

Affordable Private Rent

APR

Affordable rents were introduced by the Government to allow social housing providers to charge up to 80% of the local market rent for the homes they let. These rents may be higher than those they charged for social rent in the past and the extra income is used to help develop new homes for those in housing need. Also known as **Intermediate Rent**.

Amenity

Broadly speaking, multifunctional spaces, generally starting at the ground floor with a lobby, lounge, Wi-Fi, curator, and café, (possibly open to the public) and extend to roof level where dedicated communal floors include a cinema, lounges and dining areas, exercise space, roof top allotments, play space, and barbeques. these spaces offer residents an attractive and stimulating environment helping to foster strong communities

Apartment

An apartment (in U.S. and Canadian English) or a flat (in the UK) is a self-contained housing unit (a type of residential real estate) that occupies only part of a building, correctly, on a single level without a stair. Such a building may be called an *apartment building*, *apartment complex*, *flat complex*, *block of flats*, *tower block*, *high-rise* or, occasionally *mansion block*, especially if it consists of many apartments for rent. In Scotland it is called a block of flats or, if it's a traditional sandstone building, a *tenement*, which has a pejorative connotation elsewhere. Apartments may be owned by an *owner/occupier*, by leasehold tenure or rented by *tenants*

Application Program Interface

API

Application program interface (API) is a set of routines, protocols, and tools for building software applications. An API specifies how software components should interact. Additionally, APIs are used when programming graphical user interface (GUI) components. A good API makes it easier to develop a program by providing all the building blocks. A programmer then puts the blocks together.

Appreciation

Appreciation is an increase in the value of an asset over time. The increase can occur for a number of reasons, including increased demand or weakening supply, or as a result of changes in inflation or interest rates. This is the opposite of depreciation, which is a decrease over time.

ARLA Property mark	ARLA	See: Association of Residential Letting Agents
Arrears		Arrears is a legal term for the part of a debt that is overdue after missing one or more required payments. The amount of the arrears is the amount accrued from the date on which the first missed payment was due. The term is usually used in relation with periodically recurring payments such as rent.
Article 4 Direction	AFD	Issued by a local authority to remove Permitted Development Rights (PDR) Article 4 directions are made when the character of an area of acknowledged importance would be threatened. They are most common in conservation areas. In cities, they are generally used to prevent the conversion of office space to residential in areas where mercantile activity is important.
Asset Class		An asset class is a group of securities that exhibits similar characteristics, behaves similarly in the marketplace and is subject to the same laws and regulations. The three main asset classes are equities, or stocks; fixed income, or bonds; and cash equivalents, or money market instruments. Various types of real estate can also be identified by 'Asset class' Build to Rent investments are now distinct from other real estate types as a separate asset class.
Assignment		An assignment (Latin <i>cessio</i>) is a term used with similar meanings in the law of contracts and in the law of real estate. In both instances, it encompasses the transfer of rights held by one party—the assignor —to another party—the assignee
Association of Residential Letting Agents (Now ARLA Propertymark)	ARLA	ARLA Propertymark protects and guides consumers, helping tenants and landlords to find and manage their homes. They work to raise professional standards among letting agents from single branch independents to large national groups, promoting education and qualifications within the sector. Nearly 9,000 letting agents are ARLA Propertymark Protected, and claim to meet higher standards than the law demands.
Association of Residential Managing Agents	ARMA	ARMA represents firms of residential managing agents (Block managers) . They do not represent individual property managers. ARMA's members range from small family run businesses looking after a few blocks, to national companies managing tens of thousands of flats across numerous developments. The types of buildings ARMA members manage can vary enormously in size and style; some are new build tower blocks, some are converted houses and others are purpose built mansion blocks dating back to the Twenties and Thirties.
Assured Shorthold Tenancy	AST	The most common form of tenancy is an AST. Most new tenancies are automatically this type. An Assured Shorthold Tenancy entitles the landlord to a possession order immediately after the initial agreed period, which is usually for six months. The landlord is therefore able to evict the tenant after the initial fixed term without a legal reason. A tenancy can be an AST if all of the following apply: A: you're a private landlord or housing association. B: the tenancy started on or after 15 January 1989. C: the property is your tenants' main accommodation. D: the landlord doesn't live in the property. A tenancy can't be an AST if: 1: it began or was agreed before 15 January 1989. 2: the rent is more than £100,000 a year. 3: the rent is less than £250 a year (less than £1,000 in London). 4: it's a business tenancy or tenancy of licensed premises. 5: it's a holiday let. 6: the landlord is a local council.
Assured Tenancy	AT	Tenancies starting between 15 January 1989 and 27 February 1997 may be assured. There is increased protection from eviction with this type of agreement.

Bailiffs		In the context of PRS, generally an Enforcement Officer, County court bailiffs remain directly employed by HM Courts Service, carrying out enforcement for county courts. The current frequency of different types of case means that they are mainly involved in recovering payment of unpaid county court judgments. Like Magistrates' bailiffs, they can seize and sell goods to recover a debt. They can also affect and supervise the possession of the property and the return of goods under hire purchase agreements, and serve court documents.
BANANA		An acronym for "Build Absolutely Nothing Anywhere Near Anything" (or "Anyone"). The term is most often used to criticize the ongoing opposition of certain advocacy groups to land development
Bonds		Bonds are a form of financial investment that involve lending money to an institution for a fixed period of time. They usually come in two varieties: corporate bonds and government bonds, depending on the type of institution you are lending to. The bond will contain details of its interest rate (known as its coupon) from the outset. Since your initial investment is returned to you after the period of the bond expires (called the maturity date), this is the only profit that bonds pay. Bond values are set at a par, typically either £100 or £1,000. This represents the face value, or amount that the initial investment will be worth at the bond's maturity. Interest rates are a calculation of the credit status of the issuer and duration of the loan.
Brand/Branding		Branding is a set of marketing and communication methods that help to distinguish a company from competitors and create a lasting impression in the minds of customers. The key components that form a brand's toolbox include a brand's identity, brand communication (such as by logos and trademarks), brand awareness, brand loyalty, and various branding (brand management) strategies. Brand equity is the measurable totality of a brand's worth and is validated by assessing the effectiveness of these branding components
Break Clause		A break clause gives the Landlord or Tenant an option to give notice (usually 2 months) during the fixed term of the tenancy. Although notice under a break clause can be given at anytime during the fixed term the tenant's statutory right to remain at the property for a minimum of 6 months means that they are normally put in to give both the Landlord and Tenant some flexibility after the initial 6 months period.
British Property Federation	BPF	British Property Federation (BPF) is a not-for-profit membership organisation representing companies involved in property ownership and investment. It is a membership organisation for, and the voice of, the UK real estate industry. They represent and promote the interests of all those with a stake in real estate in the UK – owners, developers, funders (equity and debt), agents and advisers. They work with government and regulatory bodies to help the real estate industry grow and thrive, to the benefit of our members and the economy as a whole. Because their membership is industry wide, they provide government and regulators with the knowledge they need to make decisions.
Build to Rent Fund		The Build to Rent Fund was a fully recoverable investment where the government shared risk or bridged finance to help schemes to be built, managed and let. The investment could be used to cover costs such as land, construction or management costs. Developers sold on their interest or refinanced and repaid the investment once a scheme was fully let. See Home Building Fund
Build-to-Rent	BTR or B2R	Industry term for purpose-built private rented stock broadly analogous to the US multifamily sector, on which the model is based. As such, it is also occasionally referred to as UK multi-family. While this has become for many the default term to describe this new sector, it narrowly refers to the physical creation of this new asset class, ignoring the crucial long-term management and performance of the buildings. <i>attrib JLL</i>
Build-to-Rent: A Best Practice Guide		Publication by the ULI that lays out best practice principles for the evolving Build to Rent market and the management thereof.

Building Information Modelling	BIM	A digital representation of physical and functional characteristics of a facility. A BIM is a shared knowledge resource for information about a facility forming a reliable basis for decisions during its life-cycle; defined as existing from earliest conception to demolition
Building Management Systems	BMS	A building management system (BMS), otherwise known as a building automation system (BAS), is a computer-based control system installed in buildings that controls and monitors the building's mechanical and electrical equipment such as ventilation, lighting, power systems, fire systems, and security systems.
Buy-to-Let	BTL or B2L	Buy-to-let is a British phrase referring to the purchase of a property specifically to let out, that is to rent it out. A <i>buy to let</i> mortgage is a mortgage specifically designed for this purpose.
Calling In		"Calling-in" of a planning application refers to the power of the Secretary of State to take the decision making power on a particular planning application out of the hands of the local planning authority for his own determination. This can be done at any time during the planning application process, up to the point at which the local planning authority actually makes the decision. If a planning application is called-in, there will be a public inquiry chaired by a planning inspector, or lawyer, who will make a recommendation to the Secretary of State. The Secretary of State can choose to reject these recommendations if he wishes and will genuinely take the final decision. The power to call-in planning applications is very general and the Secretary of State can call-in an application for any reason. In practice, very few applications are called-in every year. They normally relate to planning applications which raise issues of national significance.
Capital Expenditure	CAPEX	Usually all costs associated to get to an operational asset, and potentially a stabilised occupancy, ie fully occupied
Capital Gain	CG	Capital gain is an increase in the value of a capital asset (investment or real estate) that gives it a higher worth than the purchase price. The gain is not realized until the asset is sold. A capital gain may be short-term (one year or less) or long-term (more than one year) and must be claimed on income taxes.
Capital Gains Tax	CGT	Capital Gains Tax is a tax on the profit when you sell (or 'dispose of') something (an 'asset') that's increased in value. It's the gain you make that's taxed, not the amount of money you receive. If you're a basic rate taxpayer, the rate you pay depends on the size of your gain, your taxable income and whether your gain is from residential property or other assets. If this amount is within the basic Income Tax band you'll pay 10% on your gains (or 18% on residential property). You'll pay 20% (or 28% on residential property) on any amount above this. If you're a higher or additional rate taxpayer you'll pay: 28% on your gains from residential property, 20% on your gains from other chargeable assets.
Capital Value		The total worth of one or more investment properties.
Churn		The process of selling assets once they become vacant and replacing with additional assets. Increases rent to the Investor in the form of a capital gain but has CGT implications. REIT's are generally precluded from 'Churn'. In rental terms, it can mean the rate at which units are vacated and re-let. This may have some impact on the voids profile for a particular asset, operator or management company.
Claw-Back		The claw back principle can be applied to enable a selling owner to enjoy future uplifts in value provided the appropriate legal machinery is incorporated into the documents at the time of the sale so that it binds the purchaser. Particularly popular when assets are sold by the public sector or charities to avoid future embarrassment if the asset is subsequently sold on for profit.

Client Money Protection	CMP	The Client Money Protection (CMP) Scheme is a compensation scheme run by Propertymark which provides compensation to landlords, tenants and other clients should an agent misappropriate their rent, deposit or other client funds.
Close Ended Fund	CEF	A type of investment fund that has a fixed amount of share capital and cannot issue or redeem units according to shifts in demand. Normally listed on the stock exchange. Called an investment trust in the UK. The opposite of an open-end fund (or unit trust in the UK). The investment company operating a closed-end fund is called a closed-end management company. Also referred to as a closed-end mutual fund, closed-end funds are a type of actively managed investment fund containing multiple securities. However, unlike traditional open-end mutual funds, closed-end funds have a fixed amount of share capital and cannot issue or redeem units according to shifts in demand. Closed-end funds raise capital through initial public offerings (IPOs) and then are traded on exchanges like stocks
Co-Living		A relatively new phenomenon arising from the Houses of Multiple Occupation model. Early schemes were niche, modest in size and focussed on affordability and community offering social value. Later schemes have developed into expensive hotel style models with multiple micro-apartments augmented by heavily curated amenity, activity management and communal space. Later scheme models unlikely to prove viable.
Community		In PRS terms, A social group of any size, culture and age, whose members reside in the same locality, and who share facilities and amenities offered by a PRS or BTR operator. The operator will foster a sense of community to improve tenants quality of life and to ensure the investors returns are stable and consistent.
Community Infrastructure Levy	CIL	The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010
Community involvement Scheme	CIS	In Wales, a statutory statement similar to that of the "Statement of Community Involvement" in England, (See SCI)
Concierge		A concierge is a virtual, or physical, one-size-fits-all provider of personalized services. In a residential apartment building, they would typically work at a desk or station near the front of the building. Generally, they are the interface between the customer and the property management team. Their primary objective would be to ensure the well being of the customer and deliver on the brand aspiration of the operator or management company
Construction Risk		A construction risk can be defined as any exposure to possible loss. Because every construction project is different, each offers a multitude of varying risks. To ensure the success of a project, a contractor starting on a construction project must be able to recognize and assess those risks.
Consumer Price Index	CPI	A consumer price index (CPI) measures changes in the price level of market basket of consumer goods and services purchased by households. The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically.
Council Tax		Council Tax is a local taxation system used in England, Scotland and Wales. It is a tax on domestic property which was introduced in 1993 by the Local Government Finance Act 1992, replacing the Community Charge (popularly known as the Poll Tax). Each property is assigned one of eight bands (A to H) based on property value, and the tax is set as a fixed amount for each band. Some property is exempt from the tax, some people are exempt from the tax, while some get a discount.

County Court Judgement	CCJ	A County Court Judgment (CCJ) is a type of court order in England, Wales and Northern Ireland that might be registered against you if you fail to repay money you owe. In Scotland the process is called enforcing a debt by diligence.
Covenant Agreement		An agreement between the Local Planning Authority (LPA) and the developer whereby the developer agrees to maintain the agreed status of the consented scheme usually for a fixed period of time. May generally be used in a PRS context to ensure a scheme is to remain 'for rent' only for 10-15 years. Should the developer or eventual owner wish to vary or discharge the covenant before 'term' the original agreement will often contain a formula for compensation in favour of the LPA
Covid-19		On 31 December 2019, WHO was informed of cases of pneumonia of unknown cause in Wuhan City, China. A novel coronavirus was identified as the cause by Chinese authorities on 7 January 2020 and was temporarily named "2019-nCoV". Coronaviruses (CoV) are a large family of viruses that cause illness ranging from the common cold to more severe diseases. A novel coronavirus (nCoV) is a new strain that has not been previously identified in humans. The new virus was subsequently named the "COVID-19 virus". Covid-19 has subsequently severely disrupted the global economy and with it the UK real-estate sector.
Cross Laminated Timber	CLT	Cross-laminated timber (CLT) is a wood panel typically consisting of three, five, or seven layers of dimension lumber oriented at right angles to one another and then glued to form structural panels with exceptional strength, dimensional stability, and rigidity. CLT is becoming increasingly popular in the BTR sector as it offers sustainability, ease and speed of construction and is suited to OSM construction which is becoming more common.
Crowd-Funding		Crowdfunding is the use of small amounts of capital from a large number of individuals to finance a new business venture. Crowdfunding makes use of the easy accessibility of vast networks of people through social media and crowdfunding websites to bring investors and entrepreneurs together.
Curator		A term used as an alternative to 'Concierge' which some perceive as being identified too strongly with the Leisure industry. Curators integrate with the customer and possess both property management and inter-personal skills. They will be knowledgeable about the local environment
CUOA	CUOA	"Compulsive Use Of Acronyms" Used by extremely annoying people to demonstrate their complete sector knowledge whilst testing that of others.
Customer Experience	CX	Customer experience (CX) is the sum total of customers' perceptions and feelings resulting from interactions with a brand's products and services.
Customer Relationship Management	CRM	Customer relationship management (CRM) is a term that refers to practices, strategies and technologies that companies use to manage and analyse customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth. CRM systems are designed to compile information on customers across different channels -- or points of contact between the customer and the company -- which could include the company's website, telephone, live chat, direct mail, marketing materials and social media. CRM systems can also give customer-facing staff detailed information on customers' personal information, purchase history, buying preferences and concerns.
Debt Guarantee Scheme	DGS	The Government sponsored scheme, first introduced in 2012, aims to accelerate the growth of investment in the private rented sector by institutional investors, through the creation of a government guaranteed bond programme that will be used to finance long-term loans to eligible PRS operators. To be eligible, properties must be completed, with stable incomes and a value over £10 million. The Scheme is administered by Venn Partners

Defects Liability Period	DLP	A period following practical completion (usually six or 12 months) during which a building contractor retains liability under a building contract for dealing with any defects which manifest themselves. Also known as a rectification period.
Delinquency Rate	DR	The DR is express as a % of customers either in arrears or unable to pay their rent. Generally this figure is extremely low due to high quality referencing. DR's are especially sensitive to economic shocks and should be factored in to long term cashflows using historical data and economic forecasting
Department of Communities & Local Government	DCLG	Now renamed the Ministry of Housing, Communities and Local Government. (See MHCLG)
Department of Heath & Social Security	DHSS	Superseded by the Department of Works and Pensions, the acronym DHSS still persists in the PRS, pejoratively, to identify those looking for accommodation paid by benefit allowances. Private landlords often refuse to house DHSS applicants.
Deposit		A security deposit is a sum of money held in trust in the course of a rental agreement to ensure the property owner against default by the tenant and for the cost of repair in relation to any damage explicitly specified in the lease and that did in fact occur.
Depreciation		In strict terms, the fall in asset value due to market conditions. In accounting terms, depreciation is a term used to describe the cost of using an asset over a period of time
Design for Manufacture & Assembly	DfMA	Design for Manufacture and Assembly (DfMA) is a design approach that focuses on ease of manufacture and efficiency of assembly. By simplifying the design of a product it is possible to manufacture and assemble it more efficiently, in the minimum time and at a lower cost. Traditionally, DfMA has been applied to sectors such as the design of automotive and consumer products, both of which need to efficiently produce high quality products in large numbers. More recently, construction contractors have begun to adopt DfMA for the off-site prefabrication of construction components such as concrete floor slabs, structural columns and beams and so on.
Development Risk		Risks associated with developing a building: Increase in Interest Rate, Increase in cost of human resources, planning risk, increase in commodities risk, downturn in market values. Poorly assessed cost plan.
Dilapidations		The term 'dilapidations' refers to breaches of lease covenants that relate to the condition of the property, and the process of remedying those breaches.
DINKY	DINKY	Dual Income No Kids Yet" Pretty much self explanatory.
Direct Debit	DD	A Direct Debit is an instruction by an individual to a bank or building society. It authorises the organisation the payer wishes to pay to collect varying amounts from their account – but only if the payer has been given advanced notice of the amounts and dates of collection. Once agreed, the money is deducted automatically. If the organisation the payer is paying wants to change an amount or date of collection, they have to be informed first.

Discount to Market Rent**DMR**

Discounted market rent (or **DMR** for short) is a new type of affordable housing for the **rental market**. ... This **means** that **rental** developers can fulfil their obligation to provide affordable housing without having to build a separate block and hand it over to a housing association. Defined in the **NPPF** glossary as follows: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

Discount to Vacant Possession**DVP**

The valuation of a portfolio of private rented residential properties will be based on capital values, typically at a discount to vacant possession (VP) value if the property is let. The application of a discount to VP value stems from the historic relationship between landlords and tenants where the tenant had much greater security of tenure which made it difficult for landlords to remove them and gain possession of their property.

Distribution

Distribution refers to a company's payment of stock, cash or physical products to its shareholders. Mutual fund companies give earnings and other pay-outs to shareholders as a distribution. Distribution is an allocation of capital gains and income that mutual funds generate for their investors periodically during a calendar year. Distribution is a payment of interest, principal or dividend by the issuer of a security to the shareholders on a regular basis.

Dumbbell

Generally a two bedroom apartment where the bedrooms are of equal size and each with an ensuite bathroom. Originally a term from James Ware's 1900's design in NY. "dumbbell tenements" after the shape of the building footprint: an air shaft gives each tenement the narrow-waisted shape of a dumbbell, wide facing the street and backyard, narrowed in between to create the air corridor. They were built in great numbers to accommodate waves of immigrating Europeans.

Duplex

duplex apartment - an apartment having rooms on two floors that are connected by a staircase.

Earnings Before Interest Tax and Amortisation Major Repairs Included**EBITDA MRI**

EBITDA is essentially net income with interest, taxes, depreciation and amortization added back to it. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions. EBITDA is often used in valuation ratios and compared to enterprise value and revenue.

Effective Floor Area**EFA**

Effective Floor Area is the usable area of the rooms within a building measured to the internal face of the walls of those rooms

Environmental Impact Assessment EIA

Environmental assessment (EA) is the assessment of the environmental consequences (positive and negative) of a plan, policy, program, or actual projects prior to the decision to move forward with the proposed action. In this context, the term "environmental impact assessment"(EIA) is usually used when applied to actual projects by individuals or companies. The purpose of the assessment is to ensure that decision makers consider the environmental impacts when deciding whether or not to proceed with a project. The International Association for Impact Assessment (IAIA) defines an environmental impact assessment as "the process of identifying, predicting, evaluating and mitigating the biophysical, social, and other relevant effects of development proposals prior to major decisions being taken and commitments made.

Environment social and Governance

ESG

ESG is quickly becoming one of the most important metrics by which a BTR asset is assessed. Environmental, social and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights. ESG criteria will become a critical element determining asset value.

Equitable Interest

An equitable interest is an "interest held by virtue of an equitable title (a title that indicates a beneficial interest in property and that gives the holder the right to acquire formal legal title) or claimed on equitable grounds, such as the interest held by a trust beneficiary.

Equities

An instrument that signifies an ownership position, or equity, in a corporation, and represents a claim on its proportionate share in the corporation's assets and profits. A person holding such an ownership in the company does not enjoy the highest claim on the company's earnings. Instead, an equity holder's claim is subordinated to creditor's claims, and the equity holder will only enjoy distributions from earnings after these higher priority claims are satisfied. also called equities or equity securities or corporate stock.

Equity

Typically, The amount of money an investor contributes to an investment structure or, in real estate terms the difference between the financed element of a property and its value. Occasionally, the property is worth less than the amount of finance. Hence 'negative equity'.

Eviction

Eviction is the forcible legal removal of a tenant from rental property by the landlord. This is effected by due process. However, not all landlords evict tenants legally.

Excluded Tenancy

A tenant is likely to be an **excluded** occupier if: they live in your home. you or a member of your family share a kitchen, bathroom or living room with them

Exit (Strategy)

A determination of the method employed by the investor to realise the capital value of the investment. In PRS terms this could mean, for example, breaking up the investment and selling to individual owner occupiers or disposing of the investment property as a whole to another investor.

Facilities Management

FM

Facility management (or facilities management or FM) is a professional management discipline focused upon the efficient and effective delivery of support services for the organisations that it serves. It encompasses multiple disciplines to ensure functionality of the built environment by integrating people, systems, place, process, and technology.

Fair Rent

If a tenancy started before 15 January 1989, this is likely to be a regulated or secure tenancy. A landlord or a tenant of a regulated or secure tenancy can make an application to have a fair rent registered. A fair rent may be lower than the market rent. Fair rents are registered by Valuation Office Agency (VOA) rent officers. Tenants may apply for registrations of rent every two years, or sooner if there are major changes to a property eg repairs, improvements or rebuilding works. Landlords can apply for registrations of rent after 21 months.

Fair Wear & Tear

The House of Lords defines fair wear and tear as: 'Reasonable use of the premises by the tenant and the ordinary operation of natural forces

Farmer Review: Modernise or Die

Whilst not specifically PRS or BTR, In February 2016, Cast CEO, Mark Farmer, was commissioned by the Construction Leadership Council, at the request of Brandon Lewis and Nick Boles (the ministers for Housing & Planning & Skills respectively at that time) to undertake a review of the UK's construction labour model. The review was asked to focus on areas as follows:-

Evidence of how the construction labour model and recruitment practices impact on incentives for skills development in the sector (including in the supply chain) and on the introduction of more novel techniques such as off-site construction.

What business models and other arrangements could better support skills and skills pipelines in the sector?

What measures could improve wider incentives for capacity investment and the introduction of new ways of working?

What are the barriers and enablers to greater use of off-site construction?

How could the range of participants in the UK housing market be broadened, including through the better introduction of institutional funds?

Feuhold		Feuhold is the Scottish equivalent of what is known in England and Wales as freehold. The term basically defines the fact that a property is called a freehold when both the building and its surrounding land area are under the ownership of an individual.
Financial Conduct Authority	FCA	The FCA regulate the financial services industry in the UK. Their aim is to protect consumers, ensure the industry remains stable and promote healthy competition between financial services providers.
Financial Services Authority	FSA	The Financial Services Authority (FSA) was a quasi-judicial body responsible for the regulation of the financial services industry in the United Kingdom between 2001 and 2013. It was founded as the Securities and Investments Board ("SIB") in 1985. Its board was appointed by the Treasury, although it operated independently of government. It was structured as a company limited by guarantee and was funded entirely by fees charged to the financial services industry. Now superseded by the FCA and the PRA .
Flat		See 'Apartment'
Forward Funding		Forward Funding". In such a cases, a fund usually acquires land from a developer at a pre-agreed figure, but where the development has not been carried out but generally has planning consent. The developer will construct the development, paid for by the fund with an additional, profit-related, payment to the developer at completion assuming all has gone well. Properly structured, this can be tax efficient.
Freehold	FH	A life estate, an interest in land the duration of which is restricted to the life or lives of a particular person or persons holding it, or an estate in fee, an interest in property that is unconditional and represents the broadest ownership interest recognized by law. In order to be categorized as a freehold, an estate must possess the characteristics of (1) immobility- in the sense that the property must be either land, or some interest derived from or affixed to land—and (2) indeterminate duration.
Front of House	FOH	The part of the apartment building or complex where the customer first engages. Not dissimilar to hotels, thought has gone into creating a positive first impression through, arrival and departure experience and layout design to generate a reassuring atmosphere and sense of being home. It is where the employees deal directly with customers: The front of house service is ultra-efficient and observant, yet human and personable
Fund (Investment)		An investment fund is a supply of capital belonging to numerous investors used to collectively purchase securities while each investor retains ownership and control of his own shares. An investment fund provides a broader selection of investment opportunities, greater management expertise and lower investment fees than investors might be able to obtain on their own.
Fund Manager	FM	A fund manager is responsible for implementing a fund's investing strategy and managing its portfolio trading activities. A fund can be managed by one person, by two people as co-managers, or by a team of three or more people. Fund managers are paid a fee for their work, which is a percentage of the fund's average assets under management (AUM).
Furnished		A property where the landlord furnishes the property either in whole or in part and may also provide essential kitchen and dining equipment.

Gearing		Gearing refers to the level of a company's debt related to its equity capital, usually expressed in percentage form. It is a measure of a company's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders. The term "gearing" also refers to the ratio between a company's stock price and the price of its warrants.
General Use Classes Order (Use Classes Order)	GUCO	The 'Classes' of potential uses are divided into groups. The uses falling under Part A are types of professional service provided to the public and business communities, including the sale of goods or service in shops. Part B : Further Industrial and Business Activities. Part C : Hostels, Hotels and Dwelling Houses. Part D : Non-Residential Institutions. Each Part is further divided into sub-groups, which each then contains the specific uses the law is actually concerned with. Each of the subgroups is assigned a letter (from A to D) and a number, creating for example a 'Class A1 Use', a 'Class B3 Use', etc. Each Class is used by the Local Planning Authority (LPA) to allow them to create a suitable balance between residential areas and those for business purposes. They have the authority to effectively prohibit a 'use' which would be inadvisable due to a particular property's location or other relevant considerations. The aim is to prevent types of business activities taking place which would have a detrimental effect on the local community. Not every use of building is assigned a Class under this legislation. Examples of these include theatres, scrap yards, petrol stations, nightclubs, and casinos, and these are known as sui generis .
Generation Rent	Gen Rent	A generation of young adults who, because of high house prices, live in rented accommodation and are regarded as having little chance of becoming homeowners:
Generation X	Gen X	Demographic cohort following the baby boomers. There are no precise dates for when this cohort starts or ends; demographers and researchers typically use starting birth years ranging from the early-to-mid 1960s and ending birth years ranging from the late 1970s to early 1980s
Generation Y	Gen Y	Also known as 'Millennials' the demographic cohort following Generation X. There are no precise dates for when this cohort starts or ends; demographers and researchers typically use the early 1980s as starting birth years and the mid-1990s to early 2000s as ending birth years
Generation Z	Gen Z	Also known as Post-Millennials the iGeneration Plurals or the Homeland Generation , is the demographic cohort after the Millennials. There are no precise dates for when the Gen Z cohort starts or ends; demographers and researchers typically use starting birth years that range from the mid-1990s to early 2000s, and as of yet there is little consensus about ending birth years.
Gilts		Gilts are bonds that are issued by the British government, and they are generally considered low-risk investments. Gilts are the U.K. equivalent of U.S. Treasury securities, and the name originates from the original certificates, issued by the British government, which had gilded edges. Gilts given an assured, but relatively low rate of return. Over the past 50 years, Gilts have returned (after inflation) an average of 2.9%
Gross Development Value	GDV	This is the capital value that the completed property is expected to be worth on the open market when sold to a willing purchaser.
Gross External Area	GEA	The UK government's Valuation Office Agency (VOA) Code of measuring practice: definitions for rating purposes suggests that 'gross external area' refers to the whole area of a building taking each floor into account, including perimeter walls. ...Areas occupied by internal walls (whether structural or not) and partitions
Gross Initial Yield	GIY	The gross initial yield is the yield on an investment at acquisition before the deduction of taxes and expenses. Gross yield is expressed in percentage terms. It is calculated as the annual return on an investment prior to taxes and expenses divided by the current price of the investment.

Gross Internal Area	GIA	Gross Internal Floor Area is the area of a building measured to the internal face of the perimeter walls at each floor level, which includes: Areas occupied by internal walls and partitions. Columns, piers chimney breasts, stairwells, lift-wells, other internal projections, vertical ducts, and the like.
Gross Return		Gross rate of return is the total rate of return on an investment before the deduction of any fees or expenses. The gross rate of return is quoted over a specific period of time, such as a month, quarter or year.
Grounds for Possession		Grounds for Possession of Dwelling-houses let on Assured Tenancies: Schedule 2 of the Housing Act 1988 contains 17 Grounds upon which the Court must order possession.
Guarantor		A person who gives a guarantee. For example, where a prospective renter is unable to obtain the required references, the landlord or agent may suggest that the prospective renter's parents guarantee the payment of rent. In this situation the parents are acting as guarantors.
High Net Worth	HNW	High net worth individual (HNWI) is a classification used by the financial services industry to denote an individual or a family with high net worth. Although there is no precise definition of how rich somebody must be to fit into this category, high net worth is generally quoted in terms of liquid assets over a certain figure. The exact amount differs by financial institution and region.
Home Building Fund	HBF	The government has created a £3 billion fund to increase the number of homes built in England. You can apply if you're a private sector business that builds new homes or prepares sites for housing developments. This includes small builders, community builders, custom builders and regeneration specialists, as well as larger builders and developers. The Home Building Fund is managed by the Homes and Communities Agency (HCA) on behalf of the government. HCA is the national housing, land and regeneration agency in England.
Homeland Generation		See Generation Z
Homes England	HE	Formerly The Homes and Communities Agency (HCA) Homes England is the non-departmental public body that funds new affordable housing in England. It was established by the Housing and Regeneration Act 2008 as one of the successor bodies to the Housing Corporation, and became operational on 1 December 2008.
House of Multiple Occupation	HMO	A house in multiple occupation is a property rented out by at least 3 people who are not from 1 'household' (eg a family) but share facilities like the bathroom and kitchen. It's sometimes called a 'house share'.
House Price Index	HPI	The UK House Price Index (HPI) uses house sales data from Land Registry, Registers of Scotland, and Land and Property Services Northern Ireland and is calculated by the Office of National Statistics. The index applies a statistical method, called a hedonic regression model, to the various sources of data on property price and attributes to produce estimates of the change in house prices each period. The index is published monthly, with Northern Ireland figures updated quarterly.
House Share		See: 'HMO'
Housing Association	HA	Housing associations in England are independent societies, bodies of trustees or companies established for the purpose of providing low-cost social housing for people in housing need on a non-profit-making basis. Any trading surplus is used to maintain existing homes and to help finance new ones. They are now England's major providers of new homes for rent, while many also run shared ownership schemes to help people who cannot afford to buy their own homes outright.
iGeneration		See Generation Z

Illegal Eviction

Illegal eviction is a criminal offence. ... It's a criminal offence for a landlord to evict you without following the correct legal steps for eviction. The rules for eviction depend on whether you are a private tenant, a council tenant or a housing association tenant.

Institute of Residential Property Management **IRPM**

The IRPM was launched in 2002 as a means of delivering a portable professional qualification in residential property management, available to anyone working in the sector and accepted by all those operating within it. The Association of Residential Managing Agents (ARMA,) Association of Retirement Housing Managers (ARHM) and the Property Managers Association Scotland (PMAS) were founding sponsors

Institutional Investor

Institutional investor is a term for entities which pool money to purchase securities, real property, and other investment assets or originate loans. Institutional investors include banks, insurance companies, pensions, hedge funds, REITs, investment advisors, endowments, and mutual funds.

Institutional Private Rented Sector **iPRS**

This is the tenure of market-rented properties in the UK, sitting alongside social rented and owner occupation as the three main rental tenures. In this instance, it describes large scale institutional investment, normally in apartment blocks of more than 100 units. A sub-set of iPRS would be Build to Rent.

Intermediate Rent

See: 'Affordable Private Rent'

Internal Rate of Return **IRR**

The IRR is defined as the discount rate at which the net present value of a set of cash flows (i.e., the initial investment, expressed negatively, and the returns, expressed positively) equals zero. In more simple terms, it is the rate at which a real estate investment grows (or, heaven forbid, shrinks). In this sense, you can think of it as a time sensitive compounded annual rate of return. An average IRR for Real Estate funds would be in the region of 15-16%

Internet of Things **IoT**

The Internet of things (IoT) is the inter-networking of physical devices, vehicles (also referred to as "connected devices" and "smart devices"), buildings, and other items—embedded with electronics, software, sensors, actuators, and network connectivity that enable these objects to collect and exchange data.

Inventory

An itemised list of all the furniture, fixtures and fittings contained in a property.

Investment Return **IR**

A profitability measure that evaluates the performance of a business by dividing net profit by net worth. Return on investment, or ROI, is the most common profitability ratio. There are several ways to determine ROI, but the most frequently used method is to divide net profit by total assets.

Investment Structure

A financial & legal construct designed to allow investors to create, for example, partnerships or other holding structures /vehicles with which to invest in any asset for the purpose of increasing the value of the investment.

Investment Value **IV**

Investment value is the value of a property to a particular investor. In the U.S. and U.K., it is equal to market value for the investor who has the capacity to put the property to good use—its highest-and-best-use, its most valuable use.

Job Seekers Allowance **JSA**

As with DHSS applicants, private landlords prefer not to take JSA tenants.

Joint Tenancy

Joint tenants take the tenancy of the property as a group at a single rent for the whole property, and the requirement of the four unities means that the interests of each sharer must be of the same nature, duration and extent. Legally each joint tenant has an interest in, and exclusive possession of, the entirety of the whole property; unlike tenants in common they are not allocated a proportion of the property. The principle behind the joint tenancy is that, although the rights granted by the landlord are granted to a group of people, this group is treated by the law in many respects as if it was a single person. Under a joint tenancy, if one occupier breaches the terms of the agreement, or each occupier denies individual responsibility for damage to the property, the landlord can either claim against all of them jointly or against each one individually.

Joint Venture	JV	A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it. However, the venture is its own entity, separate and apart from the participants' other business interests.
Judicial Review	JR	Judicial review (JR) is the process of challenging the lawfulness of decisions of public authorities, usually local or central government. The court has a "supervisory" role - making sure the decision maker acts lawfully. It is important to understand that a JR is not a re-run on the merits of the decision but a challenge to the lawfulness of the decision that was made. There is a six week time frame within which to initiate a JR.
Land and New Homes	LNH	The term by which departments within estate agencies are known. They see the process from land acquisition through to the sale of the developed product. Often they will offer a development consultancy advising on the type, configuration & specification of the units.
Landlord		A lessor of real property; the owner or possessor of an estate in land or a rental property, who, in an exchange for rent, leases it to another individual/company known as the tenant.
Lease		A contract renting land, buildings etc., to another; a contract or instrument conveying property to another for a specified period or for a period determinable at the will of either the lessor or lessee in consideration of rent or other compensation.
Lease-Up		The initial period immediately following 'mobilisation' and PC of a new scheme where the homes are being leased to new renters. Can also be used in general terms to describe normal letting activities. A term taken from US multi-family operators.
Leasehold	LH	Ownership of property by way of a leasehold interest for a fixed term, usually with an annual ground rent.
Leasehold Advisory Service	LAS	LEASE was set up in 1994 to provide free information, initial advice and guidance to members of the public about residential leasehold and park homes law. They have been providing this service for more than 20 years. As the first point of contact for leaseholders, they are independent and impartial and all of their advisers are legally qualified.
Leasehold Knowledge Partnership	LKP	The Leasehold Knowledge Partnership is a private organisation which exists to protect ordinary leaseholders. The organisation helps the leaseholder navigate sometimes complex elements within the leasehold structure to ensure they have a voice against the often professional interests of the landlord.
Lessee		A person who holds the lease of a property; a tenant.
Lessor		A person who leases or lets a property to another; a landlord.
Licence		A licence is normally created where a person is granted the right to use premises without becoming entitled to an exclusive possession of them. In practice, most commonly licences operate as to allow for the property to be used for a specific purpose and for a defined period of time

Life-Cycle Cost Analysis	LCCA	Life-cycle cost analysis (LCCA) is a tool to determine the most cost-effective option among different competing alternatives to purchase, own, operate, maintain and, finally, dispose of an object or process, when each is equally appropriate to be implemented on technical grounds.
Limited Liability Partnership	LLP	A limited liability partnership (LLP) is a partnership in which some or all partners (depending on the jurisdiction) have limited liabilities. It therefore exhibits elements of partnerships and corporations. In an LLP, one partner is not responsible or liable for another partner's misconduct or negligence.
Liquidity		Liquidity determines whether assets will be sold quickly or slowly and if the price will be above or below market value. Property that is easy to sell and purchased at market value is liquid. Conversely, assets that are harder to sell and transact for a discounted price are considered illiquid
Local Authority	LA	Local authorities are registered providers with the Homes and Communities Agency. Stock in this category represents all dwellings owned and built by local housing authorities under the Housing Act 1985. Although dwellings built by New Towns and other government departments (eg Armed Forces such as Ministry of Defence and prison authorities etc.) were historically collected separately, their number are often included in this category
Local Planning Authority	LPA	local planning authority (LPA) is the local authority or council that is empowered by law to exercise statutory town planning functions for a particular area of the United Kingdom. Although, in Scotland, where all of the local authorities are unitary, the term 'planning authority' is used without the 'local' prefix.
Maintenance		See 'Facilities Management'
Maisonette		An apartment occupying two or more floors of a larger building and often having its own entrance from outside.
Management Company		A company contracted by the Investor or operator to manage the letting and day to day business of a specific building(s). (See also Third Party Management TPM)
Manager		In fund terms, a property investment expert who will manage the fund/holding structure which invests in the PRS assets. This person will be FCA accredited.
Mandate		A mandate is an agreement between the owner and the representing agent regarding the marketing and management of a property. It outlines the agreement duration and obligations for both parties
Market Rent		The amount of rent that can be expected for the use of a property, in comparison with similar properties in the same area.
Migration		The process by which tenants may move from one asset class/tenure to another. Generally from student accommodation to PRS and onto home ownership.
Millennials		Also known as Gen' Y, the demographic cohort following Generation X. There are no precise dates for when this cohort starts or ends; demographers and researchers typically use the early 1980s as starting birth years and the mid-1990s to early 2000s as ending birth years
Mobilisation		The process of analysing, refining and implementing design, operational and legal element of a BTR asset to ensure optimal outcomes in both revenue, Whole Life Costs, and customer retention.
Modular Building Systems	MBS	See: 'Permanent Modular Construction' (PMC)

Ministry of Housing, Communities & Local Government	MHCLG	Formerly the DCLG. UK Government department for communities and local government in England. It was established in May 2006 and is the successor to the Office of the Deputy Prime Minister, established in 2001. Its headquarters is located at 2 Marsham Street, London. The Ministry of Housing, Communities and Local Government's job is to create great places to live and work, and to give more power to local people to shape what happens in their area.
Modern Methods of Construction	MMC	A construction process that can encompass the use of composite new and traditional materials and components often with extensive factory produced (off site) sub-assembly sections. This may be in combination with accelerated on-site assembly methods and often to the exclusion of many of the construction industry traditional trades. The process includes new buildings and retrofitting, repair and extension of existing buildings.
Montague Review		This report summarises the results of Sir Adrian Montague's review of the barriers to institutional investment in private rented homes. It examined how best to encourage greater investment in rental properties and explores the factors that might encourage institutions to invest in new homes for rent. The government's response was included in the housing and planning package announced on 6 September 2012. The Report is generally acknowledged to have created the impetus for Institutional re-engagement with the PRS and subsequent development of Build to Rent.
Mortgagee		The lender in a mortgage, typically a bank, building society, or savings and loan association.
Mortgagor		The borrower in a mortgage, typically a homeowner.
Multi Dwelling Relief	MDR	You can claim relief when you buy multiple dwellings where a transaction or a number of linked transactions include freehold or leasehold interests in more than one dwelling. If you claim relief, to work out the rate of tax HMRC charge: (A) divide the total amount paid for the properties by the number of dwellings. (B) work out the tax due on this figure. (C) multiply this amount of tax by the number of dwellings. The minimum rate of tax under the relief is 1% of the amount paid for the dwellings. Higher rate SDLT (3%) still applies to MDR calculations.
Multi-Dwelling Unit	MDU	See 'Tower' and 'Multi-Family'
Multi-Family	MF	Multifamily residential (also known as multidwelling unit or MDU) is a U.S. classification of housing where multiple separate housing units for residential inhabitants are contained within one building or several buildings within one complex. A common form is an apartment building. Generally, these would be rental only buildings with a strong focus on creating a sense of community amongst the residents who benefit from the diverse community amenity intrinsic to the building(s).
Multi-Tenure		Generally a new build block of apartments and BTR that is made up of differing types of tenure. i.e. social rent, affordable market rent and market rent.
MUPPIE	MUPPIE	"Middle Aged Urban(e) Professional"
MyDeposits		One of three Government authorised firms protecting deposits for tenants
NAEA Propertymark	NAEA	See: National Association of Estate Agents
National Apartment Association (US)	NAA	The National Apartment Association (NAA) is a non-profit trade association of apartment communities, owners and suppliers. These member companies are also part of NAA with their membership at the local level. Members represent the various facets of the multifamily housing industry: apartment owners, management executives, developers, builders, investors, property managers, leasing consultants, maintenance personnel, suppliers and related business professionals throughout the United States and Canada. NAA has its headquarters in Arlington, VA. The UKAA is the United Kingdom's equivalent.

National Association of Estate Agents (Now NAEA Propertymark)	NAEA	NAEA Propertymark protects and guides consumers, helping people to buy and sell their homes. They work to raise professional standards among estate agents from single branch independents to large national groups, promoting education and qualifications within the sector. More than 10,500 estate agent offices are NAEA Propertymark Protected and claim to meet higher standards than the law demands.
National Planning Policy Framework	NPPF	The National Planning Policy Framework was published by the UK's Department of Communities and Local Government in March 2012, consolidating over two dozen previously issued documents called Planning Policy Statements (PPS) and Planning Policy Guidance Notes (PPG) for use in England.
National Planning Practice Guidance	NPPG	The National Planning Practice Guidance adds further context to the National Planning Policy Framework ("NPPF") and it is intended that the two documents should be read together. The NPPG replaces over 7,000 pages of planning guidance that was previously published in separate documents. It is now available entirely in one place, online and not in hard copy. It is possible sign up for email alerts on any changes the Government makes to it in the future.
Net Development Value	NDV	Net Development Value. Net Development Value is the estimated end value of a development project as determined by the external valuers for when the building is completed and fully let (taking into account tenant incentives and notional purchaser's costs).
Net Initial Yield	NIY	Net initial yield is the annualised rents generated by the portfolio, after the deduction of an estimate of annual recurring irrecoverable property outgoings, expressed as a percentage of the portfolio valuation (adding notional purchaser's costs), excluding development and residential properties.
Net Internal Area	NIA	The net internal area (NIA) of a building is the usable area measured to the internal finish of the perimeter or party walls, ignoring skirting boards, at each floor level. Net internal area covers all of those areas that can be used for a particular purpose.
Net Operating income	NOI	Net operating income (NOI) is simply the annual income generated by an income-producing property after taking into account all income collected from operations, and deducting all expenses incurred from operations
Net Present Value	NPV	Net Present Value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows. NPV is used in capital budgeting to analyse the profitability of a projected investment or project.
Net Return		Net return is the income return on an investment after expenses have been deducted. The expenses or operational costs associated with an investment property can be significant and can include acquisition and transactions costs, management fees, repairs and maintenance costs, rates and insurance. Net yield is determined by first subtracting the property's annual operational costs from its annual rent and then dividing this by the property value
Net Sales Area	NSA	Net Saleable Area (NSA) Usually used for residential property and is very similar to Gross Internal Area (GIA). It includes all floor area including internal walls, mezzanines, hallways, bathrooms but excludes common spaces, patios, balconies.
New Build		A newly constructed property that has not previously been lived in.
NIMBY	NIMBY	"Not In My Back Yard" A person who objects to the siting of something perceived as unpleasant or hazardous in their own neighbourhood, especially one who raises no such objections to similar developments elsewhere.

Occupancy Level	OL	Occupancy level (or rate) is the number of homes within a scheme currently leased by residents. Often expressed as a % of the total homes available to rent, most operators would look to achieve an occupancy level above 97%
Off Site Construction	OSC	Offsite construction generally occurs in a manufacturing plant specifically designed for this type of process. Individual modules or panels of the building are constructed in the factory then transported to the site.
OINKY	OINKY	"One Income No Kids Yet"
Open Ended Fund		An open-end fund is a type of mutual fund that does not have restrictions on the amount of shares the fund can issue. The majority of mutual funds are open-end, providing investors with a useful and convenient investing vehicle.
Open Market Value		The amount that a property might be expected to realize, usually expressed in monetary terms, when it is offered for sale in an open market , for a reasonable period of time, by a willing seller, in order to enable the property to be brought to the attention of all or most potential and willing buyers and when the transaction is not affected by any special circumstances that might affect the buyer, the seller or the property.
Operator		The PRS 'operator' is the investor arm responsible for the financial operation of the building and the returns made. This is distinct from the 'manager' whose role is not associated with risk derived from occupancy. 'Managers' report to operators.
Operational Expenditure	OPEX	all the costs associated with operating the asset including facilities management, lettings, staff, marketing, etc. This is often described in build to rent (B2R) as the gross to net leakage
Option Agreement		An agreement between two parties that provides one of the parties with the right but not the obligation to buy, sell or obtain a specific asset at an agreed upon price at some time in the future.
Overage		"Overage" is the term normally used, in the context of a property transaction, to mean a sum which the vendor may be entitled to receive after completion if a specified condition is satisfied; the condition may be: The grant of a new planning permission; or The grant of planning permission for a new (perhaps more valuable) use of the land; or The construction of more than a specified number of houses, or a larger than specified commercial development on the land; or The on-sale of the land in its present state, where the vendor fears that the purchaser may take advantage of a rapidly rising market to make a quick profit from the land. This will be particularly useful in the case of a vendor who is anxious not to be embarrassed by being seen to have sold at an undervalue, such as a local authority or charity.
Periodic Tenancy		A tenancy that, in general terms, following the end of a fixed term AST, is a tenancy which runs from month to month, or less commonly from week to week. Some, rarely, run from quarter to quarter or even year to year,

Permanent Modular Construction PMC

Permanent Modular Construction (PMC) is a delivery method utilizing offsite, lean manufacturing techniques to prefabricate single or multi-story whole building solutions in deliverable module sections. PMC buildings are manufactured in a controlled setting and can be constructed of wood, steel, or concrete. PMC modules can be integrated into site built projects or stand alone as a turn-key solution and can be delivered with MEP, fixtures and interior finishes. The buildings are 60% to 90% completed offsite in a factory-controlled environment, and transported and assembled at the final building site. This can comprise the entire building or be components or subassemblies of larger structures. In many cases, modular contractors work with traditional general contractors to leverage the resources and advantages of each type of construction. Permanent modular buildings are built to meet or exceed the same building codes and standards as site-built structures and the same architect-specified materials used in conventionally constructed buildings are used in modular construction projects. PMC can have as many stories as building codes allow. Unlike relocatable buildings, PMC structures are intended to remain in one location for the duration of their useful life.

Permitted Development Rights PDR

Permitted development rights are a national grant of planning permission which allow certain building works and changes of use to be carried out without having to make a planning application. Permitted development rights are subject to conditions and limitations to control impact and to protect local amenity. This right was temporarily extended to allow conversion of offices to residential in 2003 and was to expire in 2016. It was subsequently extended indefinitely. Exemptions (Article 4 Directions) are currently in force across 17 local authorities and in London, Manchester and Ashford.

Pet Friendly Communities

Schemes where pets are not just accepted, but actively encouraged. In the US, pet owners are approximately 40% of all rental customers.

Place Making

Place making is a multi-faceted approach to the planning, design and management of public spaces. Place making capitalizes on a local community's assets, inspiration, and potential, with the intention of creating public spaces that promote people's health, happiness, and well being.

Plurals

See Generation Z

Pods

An off-site prefabricated cell, such as a fully fitted kitchen or bathroom, which is delivered to a construction site and can just be slotted in.

Poor-Doors

A pejorative term to describe the practice, particularly in tower developments, of segregating access points so that the affordable housing occupants are kept separate from the common areas of the privately owned units.

Porter

A person, in the UK, not dissimilar to the concierge. In the US, the term 'porter' tends to mean an individual responsible for maintaining the fabric of the building on a day to day basis. Generally, cleaning and ensuring the building is clean and tidy with some light maintenance duties.

Portfolio

A group of properties which are held in one ownership. Decisions taken in respect of any issue are reached on the basis of achieving the maximum benefit for the owners, having regard to the effect on the portfolio as a whole rather than on an individual property.

Post-Millennials

See Generation Z

Pre-Action Protocol**PAP**

Planning: The first step in the Judicial Review (JR) procedure is to write a formal letter to the proposed defendant setting out the proposed claim and what you are seeking. This is known as a pre-action protocol (or PAP) letter. Normally a response is expected within 14 days. However, in cases challenging a grant of planning permission, the 6 week time limit to issue a claim does not leave much time for pre-action correspondence, although you must try to complete it if possible.

Pre-Manufactured Value	PMV	"The % proportion of a construction project's cost which is related to the value created prior to arrival at site. This includes the cost delivered to site of all materials, components and consolidated or manufactured assemblies. It excludes the cost of all on site labour, supervision, management, plant, temporary works & logistics. The PMV range is typically from circa 40% for 'traditional' construction up to circa 75% for a highly pre-manufactured solution using fitted out volumetric modules. The PMV % is a direct proxy for higher construction productivity, site process waste minimisation, quicker delivery speed and improved overall predictability."
Private Rented Community	PRC	A term coined by JLL in 2016 to refer, in the most part, to 'Build to Rent' (BTR) but can, in some instances encompass the institutional PRS sector, acquisition of house builder stock for investment and standing investment stock.
Private Rented Sector	PRS	This is the tenure of market-rented properties in the UK, sitting alongside social rented and owner occupation as the three main rental tenures. It is often misused as a comparable term for the modern Build to Rent sub-set. It is also referred to as 'market rent'.
Professional PRS	PPRS	A term to used to distinguish between the BTL market and corporate ownership of PRS assets. Can also be applied to Institutional PRS (see iPRS) and Build to Rent (BtR)
Propertymark		Propertymark's membership organisations – the Association of Residential Letting Agents (ARLA), the National Association of Estate Agents (NAEA), the National Association of Valuers and Auctioneers (NAVA), the Association of Professional Inventory Providers (APIP) and the Institution of Commercial and Business Agents (ICBA).
PropTech		PropTech is a buzzword gaining currency in media, tech and property circles. It refers to the wave of companies using technology to refine, improve or reinvent the services we rely on in the property industry to buy, rent, sell, build, heat or manage residential and commercial property
PRS 'Champion'		The Government PRS Champion, as at 17/03/2017, is Mark Davis of the DCLG. This post was created in the wake of the PRS Taskforce which was disbanded in March 2015.
PRS Task Force		The taskforce was headed by Andrew Stanford. Andrew, now Head of UK Residential and Private Rented Sector Investment - LaSalle Investment Management. Taskforce members that took up post in April 2013 were: Tracey Hartley, Director of Residential at Howard de Walden, Julian D'Arcy of Kirkby Capital, a former regional chairman and proprietary partner at Knight Frank, Joanna Embling, a property consultant and chartered surveyor, specialising in urban redevelopment and a former equity partner at Cushman Wakefield and Dominic Martin, senior analyst at EC Harris and a qualified surveyor. Paul Belson joined at a later date. Disbanded in March 2015, it was supplanted by Mark Davis as PRS 'Champion' at the DCLG
Prudential Regulation Authority	PRA	The PRA is a part of the Bank of England and responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. It sets standards and supervises financial institutions at the level of the individual firm.
Purpose Built	PB	A purpose built flat is a flat that was originally constructed to be a flat. In this way it is totally different from a converted flat. Purpose built flats are usually grouped in large blocks. The various flats in a block will usually be identical or similar in design.
Qualified Investor Scheme	QIS	Qualified investor schemes are authorised funds which are intended, only for professional clients and for retail clients who are sophisticated investors

Real Estate Investment Trust	REIT	A Real Estate Investment Trust (REIT) is a single company REIT or a group REIT that owns and manages property on behalf of shareholders. A REIT can contain commercial and/or residential property but excludes the letting of owner-occupied buildings. REITs provide a way for investors to access the risks and rewards of holding property assets without having to buy property directly. In the UK, a company or group of companies can apply for 'UK-REIT' status, which exempts the company from corporation tax on profits and gains from their UK qualifying property rental businesses. In return, UK-REITs are required to distribute at least 90% of their taxable income, for each accounting period, into the hands of investors, where the income is treated as property rental income rather than dividends. In this way taxation of income from property is moved from the corporate level to the investor level.
Rectification Period	RP	See Defects Liability Period
Referee		A person who supplies a reference.
Reference		A recommendation given by a person or organisation regarding the suitability of an accommodation seeker as a future tenant or lodger.
Registered Social Landlord	RSL	Social housing is let at low rents on a secure basis to those who are most in need or struggling with their housing costs. Normally councils and not-for-profit organisations (such as housing associations) are Registered Social Landlords.
Regulated Tenancy		Tenancies starting before 15 January 1989 may be regulated. There is increased protection from eviction and tenants can apply for a 'fair rent'.
Rent		A tenant's regular payment, generally monthly, to a landlord for the use of prop
Rent Deposit Guarantee Scheme		Rent deposit schemes help people who can't afford a tenancy deposit to rent from a private landlord. Rent deposit schemes are usually run by a local council or housing association or sometimes by a charity. Rent deposit schemes offer loans to be used as deposits. Usually, the scheme lends you the money in advance and you pay it back over a period of time from your wages or benefits. If you pay a deposit to your landlord, your money must be protected with a tenancy deposit protection scheme . This applies if you have an assured shorthold tenancy. Most private tenants have this tenancy type. You should get your deposit back as a lump sum at the end of your tenancy if there are no problems.
Rent to Rent	RTR	Rent to Rent is where an individual or company rents a property from landlords where the Landlord receives a fixed guaranteed rent. These can be attractive to landlords who want a hands-off investment. Landlords agree to a guaranteed rent while the rent-to-renter looks after the property, does small maintenance jobs and finds and manages tenants.
Retail Price Index	RPI	The retail price index (RPI) and the consumer price index (CPI) are both measures of the price of goods and services in the UK. The UK government's stated policy is to use the consumer price index (CPI) for the indexation of benefits, tax credits and public service pensions, whereas it would use the retail price index (RPI) for the uprating of index-linked gilts and revaluation of excise duties. The retail price index, or the RPI, shows the changes in the cost of living. It reflects the movement of prices in a range of goods and services used regularly, such as food, heating, housing, household goods, bus fares and petrol. Items considered most important to us, such as housing and food, are given a higher weighting in the overall index, while items, such as tobacco, are given a lower weighting. The RPI is inclusive of VAT, and other taxes, and as such can change as a result of changes in taxation levels. RPI includes some components that are not included in CPI such as some elements of owner-occupied housing, such as mortgage interest payments.
Return On Capital Employed	ROCE	Sometimes referred to as ROC, Return on capital employed (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated as: $ROCE = \text{Earnings Before Interest and Tax (EBIT)} / \text{Capital Employed}$.

Return on Equity	RoE	Return on equity (ROE) is a measure of profitability that calculates how many £'s of profit a company generates with each £ of shareholders' equity . The formula for ROE is: ROE = Net Income/Shareholders' Equity . ROE is sometimes called "return on net worth."
Rider		A contract rider is an attachment to a contract. It can be a schedule, an amendment or any other writing that may modify the original contract. Riders allow contract drafters to avoid rewriting an entire contract.
Royal Institution of Chartered Surveyors	RICS	RICS are a professional body that accredits professionals within the land, property and construction sectors worldwide. RICS regulate and promote the profession; maintain the highest educational and professional standards; protect clients and consumers via a strict code of ethics; and provide impartial advice and guidance.
S Curve Forecasting	SCF	S-curve model or function, with cumulative labour and construction costs budgeted out through the life of the project. Deviations from the curve are then continuously monitored on an on-going basis through variance analysis and through using project reporting accounting software packages.
Schedule of Condition	SoC	A schedule of condition (SOC) is a factual record of the condition of a property, normally prepared for legal or contractual reasons. Schedules of condition can be prepared for either residential or commercial buildings. They create a complete record of the condition of the property on a particular date that can be used as a benchmark against which its condition can be assessed in the future and any changes identified.
SDLT Surcharge (Higher Rates for Additional Homes)		From 1 April 2016 , the rate of the SDLT charge for purchases of an additional residential property (such as a buy-to-let property or second home) became 3% above the existing residential rates on the whole of the purchase figure. Surprisingly levied upon the Institutional Investors by the Government, the surcharge is deeply resented by the sector.
Section 106 Agreement	S 106	A <i>section 106 agreement</i> is an agreement between a developer and a local planning authority about measures that the developer must take to reduce their impact on the community. A section 106 agreement is designed to make a development possible that would otherwise not be possible, by obtaining concessions and contributions from the developer. It forms a section of the Town And Country Planning Act 1990.
Section 106A	S106A	An application whereby the developer, within a five year period, applies to vary the agreed terms of a section 106 agreement.
Section 21 Notice	S21	A Section 21 notice also known as a Section 21 notice of possession or Section 21 eviction is in the United Kingdom the method by which a landlord can take possession of an assured shorthold tenancy or statutory periodic tenancy without providing a reason for wishing to take possession. A section 21 can only be served upon an assured shorthold tenant or statutory periodic tenant. A section 21 notice is invalid if a landlord has not protected the deposit in a recognised tenancy deposit scheme. Bond schemes are not covered by the tenancy deposit laws. The notice cannot be served until after the first four months of the fixed term, and the notice must be served at least two months before the possession date specified on the notice, and if the tenant does not leave possession proceedings must be commenced no more than six months after the date of service of the notice.
Section 73	S73	Section 73 of the Town and Country Planning Act 1990 'determination of applications to develop land without conditions previously attached' permits application to remove planning conditions or to vary planning conditions following the grant of planning permission. This may include minor 'material' amendments to a consent.

Section 73A	S73A	Section 73A of the Town and Country Planning Act 1990 permits retrospective planning applications to be made for developments which have been carried out without permission, or which have been carried out without complying with some of the planning conditions imposed on a planning permission.
Section 75	S75	Section 75 Agreements in Scotland, know as section 106 Agreements in England and Wales are planning obligation contracts entered into between a landowner and the planning authority
Section 8 Notice		Served upon a tenant where the tenant has broken the terms of the tenancy. Also known as the Section 8 notice to quit or the Section 8 possession notice, is a prerequisite if the landlord of an assured tenancy wishes to obtain possession order from the court, thereby ending the tenancy, for a reason based on a circumstance entitling the landlord to possession. It is used in England and Wales and is part of the Housing Act 1988
Section 96A	S96A	Section 96A of the Town and Country Planning Act 1990, amended by the Planning Act 2008, permits applications for non-material amendment to planning permissions. This avoids the need for a new planning application to be submitted, allowing instead for the existing permission to be amended whilst remaining subject to the original conditions and time limits.
Sharer		A person who shares a room or property with one or more other people who are not family members.
Single Family	SF	A term used in the US to distinguish between 'Multi-family' apartment blocks and compounds. Single family homes are a rarer real estate asset than multi-family but offer significantly better investment returns and flexibility. Often found in suburban neighbourhoods, they can be detached, semi-detached or terraced structures, usually with a garden, garage or off-street parking.
Social Housing Provider	SHP	Social housing is let at low rents on a secure basis to those who are most in need or struggling with their housing costs. Normally councils and not-for-profit organisations (such as housing associations) are the ones to provide social housing.
Special Purpose Vehicle	SPV	Also known as Special Purpose Entities (SPE's) SPVs/SPEs may be formed through limited partnerships, trusts, corporations, limited liability corporations or other entities. An SPV/SPE may be designed for independent ownership, management and funding of a company; as protection of a project from operational or insolvency issues; or for creating a synthetic lease that is expensed on the company's income statement rather than recorded as a liability on the balance sheet. They help companies securitize assets, create joint ventures, isolate corporate assets or perform other financial transactions
Stabilised Asset	SA	An asset that has reached occupancy potential and that has been trading for a sufficient period such that a stable level of income can be identified.
Stamp Duty Land Tax	SDLT	Stamp duty land tax (SDLT) has applied since 1 December 2003 when it replaced stamp duty on UK land and buildings. SDLT is charged in bands which increase as the value of the property increases. SDLT was restructured on purchases of residential property with effect from 4 December 2014 so that the charge is now made at different rates depending on the portion of the purchase price that falls within each rate band. SDLT on non-residential property is still calculated as a 'slab tax' whereby a single rate, 5%, determined by the value, is largely applicable to the whole amount.
Standing Order	SO	A standing order (or a standing instruction) is an instruction a bank account holder ("the payer") gives to his or her bank to pay a set amount at regular intervals to another's ("the payee's") account. The instruction is sometimes known as a banker's order.

Standing Stock		Existing PRS/BTR assets, generally with stabilised income and management.
Statement of Comprehensive Income	SOCI	This is simply an extension of the income statement. The reason for this is that some gains the business makes during the year are not realised gains. The main example is the revaluation of tangible assets. The gain is not realised until the asset is sold and converted into cash. The revaluation represents a hypothetical gain (i.e. what gain would a company make if the asset was sold).
Statement of Community Involvement/Engagement	SCI	Established as part of the Planning and Compulsory Purchase Act 2004 in United Kingdom law, the statements of community involvement are produced by local authorities to explain to the public how they will be involved in the preparation of local development documents. (Known as CIS in Wales)
Statement of Financial Position	SOFP	The statement of financial position is another name for the balance sheet. It is one of the main financial statements and it reports an entity's assets, liabilities, and the difference in their totals.
Structural Insulated Panels	SIPs	Structural insulated panels (SIPs) are a high performance building system for residential and light commercial construction. The panels consist of an insulating foam core sandwiched between two structural facings, typically oriented strand board (OSB). SIPs are manufactured under factory controlled conditions and can be fabricated to fit nearly any building design. The result is a building system that is extremely strong, energy efficient and cost effective.
Sub-Let		By renting a property from a landlord and then during the tenancy the original tenant moves out and rents the property out to someone else, it has been sublet. In most tenancy agreementssubletting is prohibited.
T-House Design Flexibility		A term to describe T-shaped envelopes which can adapt to location specific demands and needs and can provide four 1-bed flats + one 2-bed house; six 1-bed maisonettes; two 3-bed houses and one 2-bed house; or one multi-generational house.
Target Returns		A target return is a pricing model that prices a business based on what an investor would want to make from any capital invested in the company. Target return is calculated as the money invested in a venture plus the profit that the investor wants to see in return, adjusted for the time value of money
Tenancy Agreement		The contractual, lease relationship between a lessor of residential premises (landlord) and his lessee (tenant); a tenancy of residential premises. A written or oral contract, oral, express or implied, between a landlord and tenant in regards to the latter's occupation of residential premises.
Tenancy Deposit Scheme		Under the provisions of the United Kingdom Housing Act 2004 every landlord or letting agent that takes a deposit for an assured shorthold tenancy in England and Wales must protect the deposit under an authorised tenancy deposit scheme The new regulations came into effect from 6 April 2007, and were amended by the Localism Act 2011, taking effect from 6 April 2012. The Deregulation Act 2015 further amended the regulations from 26 March 2015. Currently, there are three companies authorised: The Tenancy Deposit Scheme (TDS), MyDeposits, The Deposit Protection Service (The DPS)
Tenant		A person who occupies land or property rented from a landlord.
Tenure		The UK government has four classifications of tenure. They are: Owner Occupied, Rented Privately, Rented from Housing Associations and Rented from Local Authorities.
Term		The duration of the tenancy.
The Tenancy Deposit Scheme	The DPS	One of three Government authorised firms protecting deposits for tenants
The Tenancy Protection Service	The TPS	One of three Government authorised firms protecting deposits for tenants

Third Party Management	TPM	A company contracted by the Investor or operator to manage the letting and day to day business of a specific building(s). The TPM may also be the branded entity which, to all intents and purposes, appears to act like an operator but without assuming the financial risk/responsibility.
Timber Frame		Timber frame is a modern method of construction (MMC) – using standardised, prefabricated timber wall panels and floors commonly in use in many developed countries – which bears no relation to its Tudor 'post and beam' namesake. Nor does it bear much relation to the form of softwood framing common in the 19th and first half of the 20th centuries. This modern method of constructing housing and other buildings uses advanced breathable membranes, insulation and vapour control layers along with careful detailing to ensure durability. Building regulation requirements for thermal, acoustic and fire performance are all incorporated into the timber frame design.
Tower		A tower block, high-rise, apartment tower, residential tower, apartment block, block of flats, or office tower is a tall building or structure, generally of more than 20 storeys, used as a residential and/or office building. In some areas it may be referred to as an "MDU", (Multi Dwelling Unit). In the United States, such a structure is referred to as an apartment building or office building, while a group of such buildings is called an apartment complex or office complex.
Trading		A simple enough term but one that can have distinct financial implications. 'Trading' and 'Investing' are treated differently by HMRC. In PRS terms, trading is the sale of an asset, the original intention of which was to keep as an investment. CGT terms are more favourable in this respect.
Ultra High Net worth	UHNW	Ultra high-net-worth individuals (UHNWI) are defined as having a net worth of at least US\$30 million in constant 2012 dollars (after accounting for shares in public and private companies, residential and passion investments such as art, planes and real estate)
Unfurnished		A rented property where the tenant provides their own furniture and equipment.
United Kingdom Apartment Association	UKAA	UKAA is the leading membership body for all involved in the residential rental sector in the UK. They were developed as an organisation by Roger Southam in response to the increasing demand of the growing Build-to-Rent sector. They are a Global Alliance Partner of the NAA (National Apartment Association) in the US. NAA have been in existence for over 70 years and represent over 8.5 million rented units.
Unregulated Collective Investment Scheme	UCIS	A Ucis fund is an investment vehicle set up for asset classes that are unable to follow the UK's Financial Services Authority's (FSA's) specific rules on matters such as liquidity, leverage or cash reserves.
Urban Land Institute	ULI	ULI is one of the world's most respected and diverse organisations in the field of development, land use, and urban planning. Established in 1936, the Urban Land Institute is a not for profit education and research body with nearly 40,000 members across the globe—and nearly 1,000 here in the UK. The ULI has had particular influence over the PRS/Build to Rent market in the UK, organising fact finding missions to the US and Europe and with the publication of 'Build to Rent: A Best Practice Guide'
User Experience (Design)	UX or UXD	User experience design (UXD or UED) is the process of enhancing customer satisfaction and loyalty by improving the usability, ease of use, and pleasure provided in the interaction between the customer and the product.
Vacant Possession	VP	Land or property not subject to any lease, occupation or other adverse interest that would prevent a purchaser or owner taking possession.
Vacant Possession Value	VPV	The market value of a property on the assumption that the property is: unlet, vacant and available for occupancy. VPV is therefore a market value and all guidelines, methods, rules and techniques that govern the estimation of the market value equally apply to VPV.

Venn Partners		The company responsible for establishing and managing the Government's Debt Guarantee Scheme, including the origination, underwriting and on-going management of the loans, in addition to developing and managing a new government guaranteed bond programme to efficiently fund them.
Viability Assessment		Generally an assessment to identify the viability of a scheme. Viability may have a number of parameters based on differing imperatives: Investment return, capital value, GDV, affordable housing/S106 provision etc.
Voids		The period of time where a property is empty and not producing income. Often referred to as "void period"
Whole Life Costs	WLC	This is the total cost of the project over typically a 30- to 35-year period, It is also often referred to as the lifecycle cost and in ISO 15686 it is given the term service life planning. Essentially this is all of the sums of the individual parts over the life of the replaceable elements in the facility added together and expressed as a single number, for example, and very simply, over 30 years.
WOOF	WOOF	"Well Off Older Folk"
Yield		The "yield" of a property tells you how much of an annual return you are likely to get on your investment. It is calculated by expressing a years rental income as a percentage of how much the property originally cost or, on-going, current income verses current value.
YUPPIE	YUPPIE	"Young Upwardly Mobile Professionals"



May 2020 Update. Richard Berridge. 07960988321