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## Build to let will need good asset management ...

Sir,

The Homes and Communities Agency (HCA) is to be applauded for its private-rented sector initiative to encourage greater institutional investment (22.05.09)

However, I am concerned that there is a general lack of appropriate expertise in managing portfolios of residential property assets. Arguably, the UK has one of the world's most highly developed asset management markets but almost all of that experience is skewed towards the commercial sector.

A commercial asset management approach cannot simply be applied to residential property. One of the greatest hurdles to growing institutional involvement in the sector is in managing the large portfolios appropriately.

As an asset class, residential is management intensive and the sector has traditionally focused upon delivering property management to individual owners or landlords with small, fragmented portfolios.

Appropriate asset management needs to be high on the agenda and residential asset managers must step up and offer a robust, cost-effective service to maximise the benefits that institutional investors can derive from a worthy asset class.

***Neil Young, CEO, Young Group***