



What Are the Best Places in the UK to Invest in Property





Here, you'll find information on the UK cities with the most affordable property prices, the highest rental yields, and the strongest capital growth potential.

UK property is considered one of the most attractive ventures when it comes to investing your money. With a lot of potential on offer from investment opportunities in UK cities, such as strong rental returns and capital gain, investing in the UK market is a great way to build a lucrative portfolio and grow your income over time. As with any investment, however, there are certain things you need to know before you make an investment purchase, and knowing about property investment hotspots is one of them.

the UK, it's important to find out about the best places to buy property before committing to a buy to let purchase. In this detailed guide, we'll discuss the different benefits of each property investment hotspot, helping you select the best places to invest in property in the UK. Here, you'll find information on the UK cities with the most affordable property prices, the highest rental yields, and the strongest capital growth potential. We also include an FAQ's section which covers some commonly asked questions about investing in the UK and the UK property market overall, including a timeline on how the UK property market has changed from 2018 to 2020 and information on the effect that Brexit and Covid-19 will have on UK property investment in 2020 and beyond. If this sounds useful to you, scroll down to read our guide to the best areas for buy to let.



The Best Places to Invest in Property UK

A Guide to 14 UK Property Investment Hotspots

Liverpool

Average property price: £182,913
Average rental yield: 5.48%
5-year house price growth: 8.45%
Regional 5-year growth prediction: 27.3%

Nottingham

Average property price: £262,182
Average rental yield: 4.55%
5-year house price growth: 16.92%
Regional 5-year growth prediction: 22.6%

Manchester

Average property price: £242,723
Average rental yield: 5.16%
5-year house price growth: 15.76%
Regional 5-year growth prediction: 27.3%

Birmingham

Average property price: £250,165
Average rental yield: 4.12%
5-year house price growth: 14.17%
Regional 5-year growth prediction: 21.7%

Newcastle

Average property price: £223,421
Average rental yield: 5.47%
5-year house price growth: 6.20%
Regional 5-year growth prediction: 21.7%

Edinburgh

Average property price: £340,356
Average rental yield: 4.05%
5-year house price growth: 12.33%
Regional 5-year growth prediction: 25.4%

Sheffield

Average property price: £206,227
Average rental yield: 4.99%
5-year house price growth: 11.41%
Regional 5-year growth prediction: 24.1%

Leeds

Average property price: £270,336
Average rental yield: 5.12%
5-year house price growth: 9.14%
Regional 5-year growth prediction: 24.1%



Cardiff

Average property price: £269,263
Average rental yield: 3.79%
5-year house price growth: 11.02%
Regional 5-year growth prediction: 22.3%

Leicester

Average property price: £273,398
Average rental yield: 3.62%
5-year house price growth: 20.41%
Regional 5-year growth prediction: 22.6%

Northampton

Average property price: £254,570
Average rental yield: 3.31%
5-year house price growth: 14.41%
Regional 5-year growth prediction: 22.6%

Glasgow

Average property price: £193,399
Average rental yield: 5.18%
5-year house price growth: 15.05%
Regional 5-year growth prediction: 25.4%



Oxford

Average property price: £577,778
Average rental yield: 2.87%
5-year house price growth: 9.45%
Regional 5-year growth prediction: 17.3%

Bristol

Average property price: £338,111
Average rental yield: 3.45%
5-year house price growth: 16.57%
Regional 5-year growth prediction: 17.3%



Where is the Best Place to Buy Property in the UK for Affordability ?

When thinking about investing in property, it's likely that you will have set yourself a personal budget to stick to, as this is a key part of any property business plan. If you're just starting out in property as a beginner investor, you may not have a huge amount of money available to make the investment, so will want to explore the best places to invest in property the UK offers when it comes to affordability. Even if you're not a beginner and you're simply looking to build up your portfolio, affordability is still an important element to consider. While affordability doesn't necessarily indicate a good investment, it's definitely worth identifying the areas where property prices are lower before

exploring their potential further. Using Zoopla house price data, we've found some information on the areas with the best value for money property in the UK.

Wondering how to invest in property in the UK while keeping costs as low as possible? Out of the top buy to let hotspots listed above, here are some options for the best place to buy property in the UK when it comes to affordability.



Liverpool

Liverpool comes out on top as one of the UK's most affordable investment cities. With an average property price of £182,913 according to Zoopla, this Northern gem is a favourite for those seeking the best places in the UK to buy property if you're looking to keep costs low while reaping the full benefits of your investment.

Liverpool has always been considered one of the UK's most affordable cities for buying rental property, especially when compared to property prices in the South. When you compare the average value of a one-bedroom flat in Liverpool – which currently stands at £107,308 – with the London average of £453,999 for the same property type, Liverpool investment is the clear choice for those looking to spend less. Certain areas within Liverpool are more affordable than others, so it's important to identify this so that

you know where to look. For instance, savvy investors should avoid some of the more expensive neighbourhoods of the city such as Mossley Hill and Formby, and focus on areas where they'll get more for their money.

Some of the most affordable buy to let postcodes in Liverpool include L1, L2, and L6. In these postcodes, average property prices are lower than the overall average for the city, and investment prospects are very strong. The average property price currently stands at £119,936 in L1, £148,462 in L6, and £153,589 in L2. If you have a budget of £100k to spend on your Liverpool investment, it's possible to purchase a property in one of these postcodes for around £100,000. A good example of this is our Parliament Square development, which has prices starting at just £104,950.



Sheffield

Another of the most up and coming areas in the UK for buy to let, Sheffield is a fantastic city to consider if you want to invest in low-priced property. With an average house price of £206,227 according to Zoopla, Sheffield comes just after Liverpool on the affordability scale.

As with other average house price rates, the price of properties in Sheffield gets lower depending on the property type you look at. For instance, the average cost of a one-bedroom flat in Sheffield stands at just £104,255 while the average for a two-bedroom house is £146,165. Again, the average costs of property in Sheffield

highlight how the North of the country boasts some of the best places to buy in the UK.

The closer you get to the city centre of Sheffield, the cheaper property prices become. In Sheffield city centre, the average property price is just £135,570, while properties in the East of the city are also highly affordable. In the S2 postcode, for example, you can buy a one-bedroom flat for only £71,944. Investors looking into Sheffield property investment should avoid more suburban areas such as those in the S11 postcode, where the average house price is currently £329,365.



Newcastle

The vibrant and historic city of Newcastle is another of the best areas for buy to let in the UK, and a great choice if you want to know where to invest in property without breaking your budget. Zoopla area guide statistics for Newcastle reveal that the city's average property price stands at £223,421 – just over the average in Liverpool and Sheffield.



Newcastle is rising in reputation as a top property investment city due to its popularity with a young population of tenants. Both students and young professionals are seeking properties in Newcastle, which is why the area has attracted more investment over recent years. One downside, however, is that property prices in Newcastle city centre aren't as low as those in the city centre of other UK cities, where the average price for a two-bedroom flat is £185,609.

Property investors who want to know where to invest in property in Newcastle for lower prices should look to postcodes such as NE4 in the West of the city. Here, one-bedroom flats have an average of just £87,750. It's important to keep in mind, however, that you may be likely to benefit from higher levels of rental demand in the city centre, despite the higher prices.

Manchester



Considered one of the best places to invest in property in the UK for 2019 and 2020, Manchester remains a firm favourite for buy to let investment. One of the reasons that Manchester stands out for its investment potential is the affordability of property prices in the city. While Manchester's average of £242,723 is a little higher than the average property price in the city's Northern neighbour, Liverpool, the city still offers great prices for such a prominent UK hotspot.

In Manchester city centre, the average price for a one-bedroom flat comes to around £177,328 according to Zoopla. However, with the city centre generating such high and ongoing levels of rental demand from desirable tenant groups, along with offering a range of fantastic developments,

paying a slightly higher amount than you would in other Northern cities is justifiable. The Local Blackfriars development located in the city centre is a great example of this, priced from £180,000 but offering such a striking blend of grade listed architecture and modern designs.

In Salford, another of Manchester's top areas for investments, the average price for a one-bedroom flat is £158,097, highlighting better affordability outside of the city centre. Areas in Manchester where prices are typically lower are those in more suburban areas. As with any property investment, however, you need to weigh up the benefits of low property prices with the risk of not getting the most out of your investment by attracting less demand.



Glasgow

There's no doubt that Glasgow is one of the most affordable cities in the UK when it comes to property prices. Currently coming second to Liverpool, the cheapest place to buy property in the UK in 2020, average Glasgow property prices stand at £193,399 as of October 2020.

When focusing in on the different property types available for investment in Glasgow, a one-bedroom flat is the most affordable purchase with an average price of £101,791 according to Zoopla. In Glasgow city centre, where demand for apartments is likely to be high, the average price stands slightly higher at £128,515.

While property prices are certainly low in Glasgow, it's also important to consider the fact that house price growth may not be strongest in this city compared to in other areas like Liverpool and Manchester. Liverpool is the most affordable UK city with an average property price of £182,913, while also boasting the highest predicted capital growth of 27.3% in the North West region. While Scotland's expected growth isn't far behind, standing at 25.4%, Liverpool may be a more stable choice for investors looking for not only the cheapest place to buy property in the UK but the fastest growing, too.

Where to Invest in Property for Capital Growth?



Aside from generating regular returns in the form of rental income, part of the beauty of UK buy to let investment is the ability to benefit from an attractive return on investment thanks to capital appreciation. Capital appreciation, or capital growth, is a term that's used to describe a rise in property values over time.

The more your investment property grows in value, the larger return you will have when you choose to sell the property further down the line.

This is why, when researching where to invest in property and how to invest in property in the UK for the best return on investment when you come to sell the property, cities with a high level of capital growth are key. If you want to know the best place to invest in property, UK investments in the following cities should be top of your list. To find the following house price growth statistics, we used the most recent Zoopla market activity data.



Liverpool



When researching property price growth over the last five years, statistics from Zoopla reveal that Liverpool has seen an 8.45% growth in property value. While this is lower than the increase seen in some other cities, prospects for future growth exceed almost all other UK areas. With Liverpool's reputation as one of the most up and coming areas in the UK, increases in property value come as no surprise. Liverpool's property market has been growing for several years, with house prices boasting an increase of 21.19% over a ten year period.

Regeneration has played a major part in Liverpool's strong capital growth. The city has experienced ongoing regeneration in many areas, with major projects such as the Liverpool Knowledge Quarter, Project Jennifer, the Anfield Project and the upcoming Liverpool Waters scheme helping to revitalise the city. Not only has Liverpool displayed signs of high growth over previous years, but the city also boasts some of the highest capital growth predictions in the UK. According to Savills, property prices in the North West region are expected to grow by 27.1% from 2020 to 2024. This is a higher increase than any other UK region, including the predicted growth level of the country as a whole which is 20.4%. This is why if you're looking for top property growth areas, UK investments in Liverpool are definitely worth your while.

Manchester

Manchester offers similar, yet slightly higher, capital growth potential to Liverpool. With a five-year growth rate of 15.76% and long-term regional growth of 27.1% by 2024, Manchester is a great area to look into if you want to find the best place to invest in property in the UK. While Manchester does share similar growth rates with Liverpool, The city's rate of growth over the last ten years massively exceeds Liverpool's at 35.03%.

Manchester is another key player in the UK's regeneration scene, with a number of expansive past and current redevelopment projects. Perhaps the most notable project in recent years is MediaCityUK – a billion-pound scheme which saw Salford Quays Docks be transformed into a vibrant hub for business and leisure. Home to a number of huge business names like the BBC and ITV, MediaCityUK has attracted a lot of interest to Manchester over recent years, boosting the demand for property and thus aiding house price growth. Future regeneration plans in store for the city include a new city centre neighbourhood, St Johns, which is expected to bring even further growth to Manchester as a whole. It's clear that those seeking the best place to buy an investment property should not hesitate to explore Manchester investments further.





Birmingham

A city that's definitely becoming one of the most prevalent property growth areas, UK investors should consider Birmingham as a hotspot for capital appreciation. If you want to know where to invest in property for high growth, but you don't want to focus on the North of England for your investment, Birmingham is a good choice. Based in the West Midlands region, Birmingham has displayed property price growth of 14.17% over a period of five years.

Like all cities considered the best places to buy property, Birmingham has attracted attention from UK investors due to ongoing regeneration and demand from both students and young professionals. Birmingham also boasts high evidence of growth across the last ten years with a value increase of 31.67%, which is higher than the growth seen in other property investment hotspots. In regards to property price predictions, however, the West Midlands region is expected to grow by 21.7%, which is still a high amount but not as impressive as the North West's capital growth prediction.



Nottingham

When analysing recent Zoopla house price statistics, Nottingham comes out on top as one of the best places to buy property if your focus lies with capital growth. The average property price in Nottingham has increased by 16.92% in the last five years, which highlights the appeal of Nottingham as one of the top destinations for property investments.

Nottingham is a city located in the East Midlands region, which means that potential future growth is also relatively strong. With average property price growth predictions from Savills revealing a 22.6% increase, Nottingham house prices are likely to continue seeing significant growth into 2024, although a smaller increase is expected in this area compared to property investment hotspots like the North West.



Leicester



With a huge five-year property growth figure of 20.41%, Leicester is the most impressive city when it comes to past property price growth statistics. UK investors who purchased a buy to let property in Leicester five years ago will have likely seen their properties grow in value by a huge amount.

Like Nottingham, Leicester is part of the East Midlands region, therefore property price growth predictions aren't as high for the area as they are in other property hotspots in the UK. It's also worth noting that Leicester has one of the lowest rental yields, standing at just 3.62%. For investors looking for the best places to buy an investment property to benefit from not only capital growth but also rental returns, Leicester may not be the wisest choice.



The Best Place to Invest in the UK For Rental Yields

So we've talked about affordability and capital growth, but what about rental yields? Rental yields are a big factor to keep in mind when deciding where to invest in the UK. In the same way that capital growth dictates the level of return on investment that you'll receive thanks to added value, rental yields indicate the amount of rental income you can expect. This is why when it comes to how to invest in property, UK investors will often consider high rental yields to be the most important factor. For a lot of investors, the best place in the UK to buy an investment property is an area with high average rental yields to ensure the most significant returns possible.

Based on the average property price and rental value listed on Zoopla for each of our property investment hotspot cities, we've worked out an average rental yield percentage for each area. Here are the best places in the UK to invest in property for high rental returns.



Liverpool

Coming out on top for affordability and being one of the best property growth areas in the UK, Liverpool is also considered one of the best places to buy property for high yields. Liverpool's average rental yield is 5.48%, which makes Liverpool the best investment area if you're looking for a high yield rental property in the UK.

Thanks to Totally Money's buy to let yield map, Liverpool has been considered one of the best places in the UK to invest in property for 2018, 2019, and 2020. The city has been featured on both the 2018/19 and 2019/20 list. Currently, Liverpool's L1 postcode ranks number one out of a list of 25 areas, boasting yields of 10%. A total of six Liverpool postcodes appear in the Totally Money list, which is more than any other city. So why are rental yields in Liverpool so high?



The fact that Liverpool property is so affordable while rental demand is so high is the reason behind these attractive yields. High tenant demand in Liverpool has led to an increase in rental costs. According to Zoopla, the average rent in Liverpool city centre is £861 per month. By purchasing a Liverpool property for a low price while focusing on areas which attract a lot of tenant interest, you can maximise your rental income massively. Explore investment opportunities such as City Point in Liverpool, which offer prices starting at £59,995 and come with 8% net rental returns.

Manchester

When looking for the best place to invest, property in the UK's second city is one to watch for rental yields as well as affordability and capital growth. The average rental yield for Manchester is just below that of Liverpool at 5.16%. In research by Property Data, it was revealed that certain Manchester postcodes are capable of generating yields that exceed this overall average for the city. The M14 postcode, for example, has an average yield of 8.4%, while the M50 postcode which is home to Salford Quays and MediaCityUK offers rental yields of 6.8% on average. This is highlighted with the Salford Quays development, Bridgewater Wharf, which comes with 6% projected net yields.

Manchester is much like Liverpool in the fact that the city generates such a high demand for rental properties from both students and young professionals taking advantage of the fantastic business opportunities. Overall, this Northern city is certainly a prime contender in the hunt for the best place in the UK to invest in property.





Sheffield

With average rental yields of 4.99% Sheffield offers a lot of potential for investors wondering where to invest in property. Sheffield has been gaining attention as one of the best places to invest in property in the UK in 2018, 2019 and 2020, and this is partly thanks to the growing rental yields in the city. Sheffield's S1 postcode made the most recent Totally Money buy to let yields list due to its 7.83% yield. Covering parts of the city centre and inner-city Sheffield districts, S2 is a popular spot for renters, attracting demand from plenty of young professional tenants and boosting average rental costs for the area.

While Sheffield does have some high yields, however, there are certain areas that should be avoided. The S7 postcode in Sheffield made the Totally Money list of the 10 worst buy to let postcodes in the UK due to yields of just 2.19%. This highlights the importance of doing research when looking into the best places in UK to buy property, as even high-performing areas can have some negative attributes.





Edinburgh

With one of the lowest average yields within our top picks for UK investment areas, you might not automatically consider Edinburgh as a good choice for the best places in the UK to invest in property for rental returns. While the overall average rental yield of 4.05% for the Scottish capital may not be as impressive as those in other locations, the potential is still there when you explore certain parts of the city.

In Edinburgh city centre, Zoopla states the average purchase price of a one-bedroom flat as £193,017, while the average rent costs £821 pcm. This would mean that average yields for Edinburgh city centre come to around 5.10%. Evidence

also suggests that rental costs in Edinburgh are rising rapidly, with a reported growth of 46.3% between 2010 and 2019. This could mean that property investments in Edinburgh will become more and more lucrative as time goes by, especially with the city's popularity as a top student city. If you're prepared to research certain locations and spend a little more than you typically would in more affordable cities like Liverpool, Edinburgh can make one of the best places to invest in property in the UK in 2020.

Glasgow

Glasgow is another city which is often viewed as the best place to buy a property to let in the UK due to the rental yields available. Offering an average yield of 5.18% according to Zoopla's average property price and rental cost data, Glasgow is certainly the best buy to let city in Scotland, with Edinburgh yields averaging out at just 4.05%.

Arguably the best postcode area in Glasgow to invest in is the G52 postcode, which made third place on the Totally Money buy to let list with an 8.71% yield. The G51 Glasgow posted is also highly regarded due to yields of 7.32%. However, like Sheffield, certain parts of Glasgow are not as lucrative when it comes to finding the best locations for buy to let. A total of three postcodes made Totally Money's list of the worst buy to let areas in Scotland, with yields as low as 3.66% in the G77 postcode area.





Newcastle

With an average rental yield of 5.47% based on Zoopla data, Newcastle is definitely one to consider if you're looking to find the best places to invest in rental property for 2020. While Newcastle's average rental yield appears to be high, however, none of the city's postcode areas appear in the recent Totally Money list. This makes it more difficult to know which parts of the city investors should focus on if they're looking to make a Newcastle investment.

The nearest town to Newcastle which appears in the Totally Money list is Gateshead, with 7.27% yields in the NE8 postcode. Located just a 9-minute drive to Newcastle, Gateshead may be the smarter choice for investors who are set on a Newcastle investment but still interested in seeking the highest yields possible.

Frequently Asked Questions About Property Investment UK

Should I Invest in Property in the UK? Is UK property still a good investment?

Investing in property in the UK is an increasingly popular option. The best places to invest in the UK offer attractive qualities such as high rental yields, growing demand for rental accommodation, and huge property price growth. In 2020 especially, there's been a noticeable surge in levels of demand for rental properties, which has caused the average UK rental cost to rise by 2.1% in the year to September 2020. Property prices, like rental prices, are also expected to grow in the

coming years, leaving investors with some attractive potential capital growth. In updated property price predictions from Savills, UK house prices are set to see an overall increase of 20.4% by 2024, with even higher regional growth of 27.3% expected for the North West. Overall, investing in property in the UK – particularly buying property up North, remains a profitable option for buy to let investors to consider.



How Can I Make my Investment in the UK as Profitable as Possible ?

Knowing where to invest is an essential factor in securing a profitable property investment, but there are also some other things you should think about. If you want to know how to make your property investment venture as lucrative as possible, you should keep the following tips in mind.



- When embarking on a UK investment, be sure to research your options for investing in property. While buy to let is a popular strategy, and the one we reference most throughout this guide to the best places to invest in property, there's also buy to sell. Buy to sell works a little differently to buy to let due to the fact buy to sell investors don't rent their property out to tenants for a profit. With a buy to sell investment, the investor will purchase a property and then benefit from the money they make from its sale. This means that capital growth and added property value are crucial for this type of investor. While buy to let strategies are overall more profitable as the investor benefits from both rental income as well as income from the sale of the property, many people prefer buy to sell strategies, so make sure you research the different property investment opportunities out there to find one that you feel will be the most lucrative for you.
- Make sure you do further research on the best places to invest in the UK. This guide to the best areas to invest in property is definitely a good place to start, but once you know the basics, you should follow up with some research of your own. That means comparing investment opportunities in different cities, looking at house price growth statistics for different areas, and finding out about the population of each city to get a better idea of rental demand. By researching the best areas to invest, you can ensure that your investment in UK property is a lucrative one.
- Investing in off-plan properties is an important tip for investors who want to find the most lucrative property investment opportunities. One of the best tips for investors is to find properties that have below-market value prices, and since off-plan properties tend to be offered at discounted rates, they make a great choice. By paying lower amounts for your investment property, you're able to see experience heightened capital growth as well as a stronger rental yield. Off-plan properties are also often offered with incentive deals such as assured rental returns.

How Has the UK Property Market Changed from 2018 to 2020 ?

So we know that Northern cities offer some of the best opportunities for capital growth, rental yields and low-prices, but how has the market changed over recent years?



Here's a timeline with information on key events throughout the UK property market from January 2018 to October 2020.



4th January 2018

The West Midlands region was reported as the highest performing UK region for house price growth in 2017, having risen by 5.2% on average. (Nationwide)



29th March 2018

Rental returns were recorded as having decreased by 2.3% year on year. The lowest rental yields in the country were reported to be in London, the South East and the South West, where low yields have brought down the country's average. (Financial Adviser)



18th June 2018

Landlords in the UK were urged to consider Liverpool as the best place to buy property for investments. This is due to high yields in Liverpool's L1, L6 and L7 postcodes. (Telegraph)



16th April 2018

Liverpool, Leeds, and Manchester were named 'ones to watch' in the UK property market. Due to ongoing growth, investment, and regeneration, these cities were considered the best places to invest in property in 2018. (Buy Association)



5th July 2018

Despite low growth rates, property prices in London are seeing a slight improvement. In the twelve months to the end of June 2018, the annual fall in house prices reached 3.8%, which was less than the previous 4.2% decrease. (Property Wire)



14th September 2018

Savills predict that North West property prices will rise by 18.1% by 2022, while London will see an increase of 7.1% during the same period. Other regions expect attractive growth, with an increase of 17.6% predicted for the North East and Yorkshire, and 17% growth for Scotland. (Buy Association)



28th February 2019

Figures from Nationwide revealed that property prices in the UK had dropped by 0.1% in February 2019. Experts remained hopeful that the housing market would improve, however, due to the fact that unemployment rates were falling and wage growth was increasing. (Mirror)



26th December 2018

Edinburgh's property market displays strength, with the highest rate of house price growth in over a decade at 10.6%. Properties in the Scottish capital were also selling at a quicker rate compared to the previous year. (Financial Times)



25th April 2019

An analysis revealed that the number of property sales in the South of England had decreased by 13% since 2015. During the same period, however, sales in Northern England had grown by 6%. (Independent)



21 June 2019

Due to its thriving university scene, Newcastle was named the best university city in the UK for property investment, followed by Nottingham, Leeds, Sheffield and Manchester. (Property Investor Today)



30th August 2019

JLL reported a rise in demand for properties in Manchester due to a 117% growth in the number of people moving to the city in July 2019 compared to the previous year. (Buy Association)





25th October 2019

An updated Totally Money guide to the best places to invest in property in the UK for 2019/20 was released, showcasing Liverpool as the best location for buy to let yields with six postcodes making the list. ([Buy Association](#))



13th December 2019

After Boris Johnson's win at the general election on 12th December, property experts had predicted a boost in the UK housing market thanks to increased certainty. ([Your Mortgage](#))



11th February 2020

The North of England remains the best area for buy to let rental yields due to demand outpacing supply during the final quarter of 2019. ([Landlord News](#))



14th November 2019

Savills predicted that over the next five years, property prices in the North West will grow six times faster than that of London. In the same report, it was predicted that the number of first-time buyers in the UK would drop following the withdrawal of the Help to Buy Scheme. ([Property Industry Eye](#))



7th April 2020

Following the nationwide lockdown led by the Covid-19 pandemic back in March, property experts predict that UK house prices are set to fall due to economic uncertainty. ([City A.M.](#))



8th July 2020

Chancellor Rishi Sunak announces a 'stamp duty holiday', allowing buy to let investors and those buying a second home to make some huge savings on their stamp duty tax costs. ([BBC](#))



10th June 2020

UK property sales recover to pre-lockdown levels according to Zoopla. ([The Guardian](#))



30th September 2020

Savills update their property price predictions, with an even higher percentage of growth expected throughout the UK. The UK is predicted to see 20.4% growth, while the North West region is set to grow by 27.3%. ([Savills](#))



5th October 2020

The average rent in the UK has reportedly risen by 2.1% between September 2019 and September 2020. ([Mortgage Introducer](#))



What Effect Has Covid-19 Had on the UK Property Market ?

The Covid-19 pandemic of 2020 has had an impact on the UK property market, although not as negative as many had initially predicted. Following the nationwide UK lockdown in March, Zoopla predicted that Covid-19 would 'paralyse' the UK property market, with property price drops well into summer. As of September 2020, property prices are reportedly at a record high, having risen at their fastest rate since 2016. Despite some negative property

market performance during the Spring, UK property investment remained strong, with many investors looking to take advantage of enticing deals such as discounted property prices and the stamp duty holiday which was announced in July. So far, it looks like the UK market has stayed resilient in the face of uncertainty brought by the Covid-19 pandemic, with 2020 remaining a great time to invest money in UK property.





How is Brexit Expected to Affect the UK Property Market ?

While we know that property prices in a number of UK cities are currently performing highly, with some fantastic rental yields and property growth areas in the UK, the issue of property prices after Brexit is one that still leaves many investors feeling uncertain. If you're wondering 'where is the best place to invest in property following Brexit?' and whether the best places to invest in property in the UK for 2019 will remain promising after our exit from the EU, the following information should help.

After leaving the EU officially on the 31st of January, the UK has entered into a transition period that will last until the end of 2020. During this period, the UK will negotiate with the EU until a final deal has been reached. The main reason that Brexit has affected the UK property market over recent years has been due to uncertainty brought on by the vote. Following Boris Johnson's election victory in December 2019, however, things have massively improved in what's been named the 'Boris Bounce'.

Because Johnson was elected with such a high majority, the UK regained a lot of confidence in both the property market and economy. Immediately following the general election result, the GBP reached the highest rate it had been at since May 2018, investment sectors saw a growth in share prices, and property prices jumped by 1.8% in one month.

Due to this boost in market confidence, experts are predicting that both property prices and rental values are set to see a rise over the coming years, even with some remaining uncertainty around the Brexit deal. Specifically, the best places to buy in UK areas are expected to continue to be those in the North West, with JLL predicting a 3% growth in rental costs for Liverpool and Manchester. Rightmove has also suggested that UK property prices as a whole will increase by 2% on average during 2020.



Where in the UK Are Rental Returns Set to Rise? **?**

The best areas for rental properties in the UK are those based in the North West region, due to cities like Liverpool offering the highest yields in the country. But where are the best places to buy an investment property when it comes to future rental returns? A recent report from JLL reveals that the highest rental price growth is expected within one of the most prominent property hot spots in the UK – Manchester. Manchester is expected to experience a five year growth of 16.5% in the cost of rent,

which will inevitably lead to stronger rental returns. Liverpool is also set to see rental prices grow over the next five years, with an increase of 14.8%. This shows that if rental returns are your main motive for investing in UK buy to let, buying property up North remains a fantastic option over the coming years.





North Vs South: Why is Buying Property Up North More Lucrative



By analysing the most popular buy to let cities, it's evident that there's a clear divide between the North and the South when it comes to property investment. Five of the eight cities in this list of the best place to invest in property in the UK are located in the North. The remaining cities are based in the Midlands and Scotland, with no Southern cities offering signs of a high-performing property market in terms of yields, affordability and growth. So why is it that the best areas for buy to let tend to be up North?

Let's start by looking at property prices in three of the top cities in the South. In Brighton, average property prices according to Zoopla stand at £478,106. In Bristol, the average is a little lower at £338,111, and in London, the average property price is a whopping £906,907. Because of these high purchase prices, it's difficult to generate high rental yields.

In Totally Money's buy to let guide, London's WC1X postcode is home to the number one worst rental yield at 2.28%. In this postcode, average rental costs for a one-bedroom flat are around £1,880 per month according to Zoopla data. Pair this with the average purchase price of £634,776 for the same property, and you end up with a yield of around 3.55%. While this isn't as low a figure as some, it begs the question as to why you would spend so much on a London investment when you could spend a lower amount and benefit from higher yields in the North.

Capital growth is also typically low in the South, with London property values having grown by only 6.45% over the last five years compared to 15.76% in Manchester. Savills also predicts that house prices in London will have increased by just 12.7% by 2024. In the South East and South West, predictions for capital growth are a little stronger, with an increase of up to 17.3% expected. If you're adamant on not buying property up North for your investment, these regions are probably the best places to buy property in the South when it comes to capital gains.



So, What is the Best City To Invest in Property ?

While this guide has offered an in-depth analysis of the best places to invest in property, UK investors should take time to think about the locations that best meet their specific goals. Think about what it is that you care about most when investing in a buy to let property to understand where the best place to invest in property is.

If your main motive is to find a property that will significantly grow in value, you should focus on the best property growth areas UK-wide. As discussed, the best UK cities for capital growth are considered to be Liverpool, Manchester, Birmingham, Nottingham and Leicester. On the other hand, if rental yields are more important to you, the best investment areas to consider are Liverpool, Manchester, Sheffield, Edinburgh, Glasgow and Newcastle. When thinking about UK property investment on a broader scale, however, the best places to invest

in property are normally areas that tick multiple criteria instead of just one. This way, you're able to benefit from the maximum rate of return through both rental income and capital appreciation. So, with this in mind, where is the best place to buy an investment property if you want to benefit from these returns?

When thinking about the best place to invest in property, UK buy to let investors should definitely look towards either Liverpool or Manchester. These two cities tick all three boxes for affordability, rental yields, and capital growth, and have been hailed the best places to invest in property in 2018, 2019 and 2020. With a high and growing population of students and young professionals, ongoing regeneration, and predictions for some of the strongest capital growth over the next five years, it's easy to see why these North West cities are hotspots for buy to let.

Ones to Watch Upcoming Buy to Let Areas in the UK



Along with the usual contenders for the best place to invest in property in the UK like Liverpool, Manchester and Leeds, there are also a number of towns and cities that are on the rise for buy to let. The following areas may not be as well known for buy to let as the cities previously mentioned in this guide, but they definitely deserve to be on the radar of every UK investor. Find out more about the areas to watch for future property investment UK purchases.



Falkirk

Falkirk is a town located in the central Lowlands of Scotland. Voted Scotland's most beautiful town back in 2011, and home to attractions such as the Falkirk Wheel and the Helix, Falkirk is one of the lesser-known tourist spots of Scotland, following the Scottish capital.

The reason Falkirk is considered an up and coming area for those wondering where to invest in the UK is down to the town's rental yields. On Totally Money's latest rental yield guide, Falkirk came second in the list of the top 25 postcodes. The FK3 postcode followed Liverpool's L1 with an impressive rental yield of 9.51%. While demand for property from young professionals and students may not be as high here compared to larger UK cities, both Edinburgh and Glasgow are reachable in less than 30 minutes by train. This means that Falkirk may be a great spot for renters who want to be close to the hustle and bustle of the city while still living in a more suburban location.



Slough



Slough is a large town in Berkshire, located in the South East of England and just a short train ride to London. The area's proximity to the English capital makes Slough a great spot for investors wondering where to buy property in or near London without paying the capital's huge prices.

Statistics show that around 46% of properties in Slough are let to renters from London, confirming the area's status as a commuter town. The area is only continuing to develop thanks to ongoing regeneration projects such as 'the Curve', a recently developed cultural centre. While no exact rental yield average is clear for Slough, it's estimated that rental yields could stand at around 5%, which is higher than the yields on offer in many parts of London but still lower than rental yields available elsewhere.



Cleveland

Cleveland is another area that's being recognised for its buy to let potential. Cleveland is a former county which comprises parts of Yorkshire and Durham. Known for its rural scenery, the area's name was said to have derived from the phrase 'Cliff Land'.

While more rural areas like this may not spring to mind when it comes to buy to let, Cleveland is another UK spot that made the Totally Money rental yield list. With two postcodes listed, TS1 and TS3, Cleveland is able to generate yields of up to 8.50%. Close to Teeside University, both postcodes could be great spots for a student property investment, while Teeside boasts a fast-growing business scene which could help boost rental demand from young professionals.



Kilmarnock

Kilmarnock is yet another town which has attracted attention thanks to Totally Money's list of the top 25 rental yield postcodes. Located in East Ayrshire, Kilmarnock is the 15th most populated place in Scotland. Alongside boasting a high population of around 46,350 people,

Kilmarnock offers rental yields of 8.31% in the KA1 postcode. Like Falkirk, Kilmarnock is well connected to Glasgow. Therefore, the area could make a good place to invest in order to cater to a more diverse rental market of both young professionals and families/retirees.



Sunderland



While Newcastle has made our guide to the best places to invest in property in the UK, Sunderland is another Tyne and Wear city that deserves a mention in regards to its buy to let potential. Two of Sunderland's postcodes, SR8 and SR5, have made the Totally Money yield list, offering rental yields of up to 7.32%. This makes Sunderland

even more of an attractive prospect than Newcastle as of late. However, there are some areas which Newcastle has the upper hand, such as a larger student population and more famous nightlife scene. Even still, with such high yields, Sunderland should be one to watch for UK investors keen to expand their buy to let portfolio.



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The average house price data used in our guide to the best places to invest in property were found using Zoopla's property market data tool. For average rental yields, we took Zoopla average property price figures and Zoopla average rental price value figures to calculate a rental yield percentage. Past house price growth statistics were also found through Zoopla, while future property price predictions are based on Savills residential market forecasts.