



RWinvest

EST. 2004

London Property Investment 2022

www.rwinvest.com

London property investment can often be a confusing topic to discuss.

With prices sky-rocketing and lower-than-average rental yields, it's not necessarily the first choice for many would-be investors.

However, the city still sees its fair share of investment, particularly from foreign sources.

Read our guide to discover the benefits of London property investment, housing price growth and rental yields statistics, and details about the best places to invest in this top city.

Let's jump right in!





Why Invest in London?

Investors worldwide are diving in and regularly taking advantage of property investment opportunities in London.

In fact, a report from Statista in 2018 found that London featured 458 foreign investment projects – 12 times higher than Manchester in second place.

But why is this the case?

The main benefits of investing in London properties are:

- High Rent Prices
- Regeneration
- Top Destination for Commercial Real Estate



HEAP'S
MILL

Prices From

£124,950

Prime L1 Liverpool

City Centre

NET Rental Returns

7% Assured

FIND OUT MORE

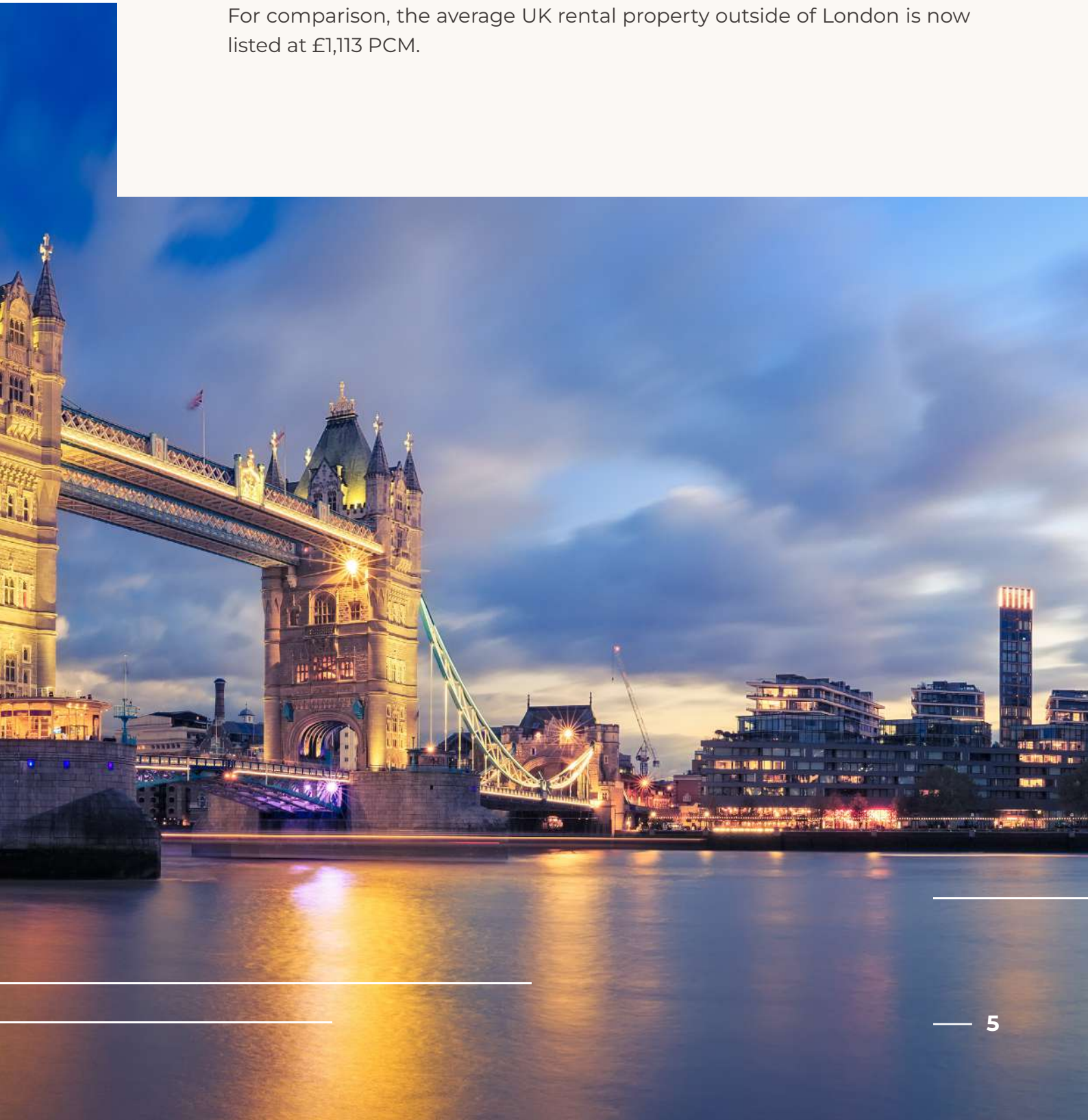


London Rent is Massively High

The main reason behind the continued real estate investment in London is the sky-high rental income generated from property.

According to Homelet, as of July 2022, the average rent in London for new tenancies is £1,832 a month – with rents in London increasing by 15.7% compared to last year.

For comparison, the average UK rental property outside of London is now listed at £1,113 PCM.





Commercial Real Estate

Investments in London, as mentioned, may not always be the standout choice – particularly when looking at a residential property.

Commercial real estate, however, is an entirely different story.

Taking advantage of its' trademark pull for businesses, investors from all over the globe are picking London as the ideal commercial property hunting ground.

As far back as 2019, for example, a report from Knight Frank found the city to be the number one spot for commercial real estate, seeing around £16.2bn worth of investment.

Beating out property juggernauts like Manhattan and Hong Kong (which earned £14.3bn and £8.4bn, respectively), the city undoubtedly cemented itself as a top dog in the commercial investment world.

Even better, this reputation proved to be resilient, with these numbers continuing to persist despite the impact of Covid-19 and Brexit.

In fact, in 2021, property group Savills declared that in terms of commercial development investment, London was “exceeding expectations”.

There's no question that the considerable amount of international investment sets commercial property investment in London apart from other European cities – and, arguably, most cities in general.

Massive Regeneration in London

As the UK capital, London attracts the bulk of UK inward investment, leading to considerable regeneration in the city.

Since the 2012 Olympics hosted in London, a series of transformative projects have helped the city continue to flex some economic muscles.

Likely the most extensive upcoming regeneration efforts in the city are:

- **Thamesmead** – A 30-year master plan aimed at regenerating the Thamesmead neighbourhood. Work includes 8,000 new homes, 4,000 jobs, and improvements to 5km of riverbank and 7km of canals.

- **Old Oak Common and Park Royal** – A £26 billion project to create a transport superhub, a brand-new high street and a £3bn Imperial College.

- **Crossrail** – a £14.8bn enhancement of train links in London. It involves the introduction of 118km of new rail track and is expected to boost the UK economy by £20bn.

Crossrail, in particular, is likely the most significant project as it will improve tenant demand in areas across the South of England.

This includes commuter towns like Slough, which has increased house prices by over 60% in areas near new Crossrail links.

Property Prices by London Region

To help you learn more about house prices in London, look at the following table to find the average property prices available for each region, according to Zoopla.

Area	Average Property Price	Detached	Semi-Detached	Terraced	Flats
Central London	£1,342,485	£1,185,900	£3,895,800	£3,014,581	£1,072,167
North London	£799,909	£1,798,031	£1,053,008	£861,715	£528,414
South London	£787,771.	£1,991,200	£1,072,655	£1,013,440	£531,489
West London	£1,169,878	£2,796,439	£1,526,255	£1,465,541	£751,418
East London	£509,813	£912,439	£587,623	£537,823	£383,583

Currently, East London is the cheapest location for real estate investment in London, with the average property valued at £509,813.

Here you can find flats and semi-detached houses for just £383,583 and £587,623 respectively, which is incredibly cheap – especially for London prices.

The most expensive area is Central London. For an average house, you can expect to pay a considerable £1,342,485.

Due to London property prices, many real estate investment London opportunities are unachievable if you are an everyday investor in need of a mortgage loan.

If these figures show anything, though, it's how just important it is to conduct proper research when looking for the best investment opportunities – whether it's in London or elsewhere.



London House Price Predictions for 2022 (and beyond)

If you haven't been put off from investing in London property, congratulations!

Now, you'll likely want to know the capital growth potential of real estate investments in London.

Well, historically, London property has seen some impressive growth over the years – with the average London property rising by around £300k since 2001, for example.

Of course, while house prices have seen considerable increases in the past, it would be slightly amiss to leave out that these percentages are not what they used to be – in fact, some would say they are quite minimal.

This is highlighted in the latest property price predictions from Savills.

One housing forecast splits the city's property market activity into different sections.

In prime central London – where the top-end properties go for the highest prices – it is expected for 2022 to bring solid house price rises of around 8% over the coming year.

On the other hand, Prime outer London is predicted to see a much more modest increase of around 4% over the coming months. This increase is still a significant amount of money, especially considering that many homes are already seeing values in the region of multi-million.

Looking at the mainstream London property market, we can see a slightly different story.

Savills gives a prediction of just a 2% house price increase in 2022.

This is markedly lower than their UK average of 3.5% and is in stark contrast to the North West – which could see average value increases of 4.5%.

There's also minimal growth expected in 2023, 2024, and 2025, with an overall five-year increase of 12.4%.

Based on the latest Land Registry data for the London region, this would mean that the average London property would be valued at around £590,000 by 2025 – if the Savills predictions are accurate.



ONE PARK
LANE

Prices From

£129,950

Required

25% Deposit

Prime L1 Liverpool

City Centre

[FIND OUT MORE](#)





The Best Places to Invest in London

If you're thinking about property for sale in London and you're wondering where to look for your investment, here are some of the best areas to invest in London.



EMBANKMENT EXCHANGE

Invest From
£179,950

FIND OUT MORE





West London

Average House Price: £1,790,982

Average Gross Rental Yield: 3.44%

Capital Growth Since 2011: 51.59%

West London is another popular spot for London property investments, depending on the borough/area.

Richmond Upon Thames, for instance, is expensive, with an average price of £553,505 for a flat in the area.

If you're looking to invest in London West and get the most out of your money, then boroughs like Hillingdon are your better option.

Harlington, based in Hillingdon, has an average value of around £221,021 for one-bedroom flats and offers returns of 4.70%.

Of course, especially when compared to costs in other parts of the UK, this is still relatively high.

However, this is about as low as you're likely to find when investing in London property.

Overall, you can expect rental yields of just 3.44% in West London, making it perhaps one of the best places to buy London property.



South London

Average House Price: £691,294

Average Gross Rental Yield: 3.53%

Capital Growth Since 2011: 60.60%

South London is another area that you may want to consider.

Of course, like other London areas, where you look specifically to invest will play a massive part in your success.

For example, Thamesmead is an excellent place to invest in London property – with some homes seeing yields of around 4.2%.

According to Zoopla, the area is quite popular and sees average property prices of around £343,593.

Croydon, another South London area, is a popular choice for investment in London.

Property prices are expected to see some of London's highest growth, partly due to the extensive regeneration efforts underplay.

Properties in Croydon can generate a yield of 4.74% for a two-bedroom flat.

Like other regions, South London's average rental yield is relatively low at around 3.53%.

Due to the lower London property prices, South London is often considered one of the city's best areas to invest in. Again, though, it's worth noting that these prices are still quite high (especially in terms of the rest of the country), so intensive research and preparation -as always - should be vital in your investment strategy.



Get the Latest Investment Properties for Sale with RWinvest

Here at RWinvest, we have several exciting buy to let properties for sale in London.

With prices starting from just £179,950, you can buy property in London, Luton, and South East areas, with up to 5% returns.

[FIND OUT MORE](#)



The Hive

Yes, we are slightly cheating with this one.

As you're probably wildly aware, Luton is not London.

However, its flourishing residential market is hard to resist – with a whopping 18% price increase expected by 2025.

And, with its close proximity to the capital city (just 20 minutes away!), Luton arguably has all of the benefits with significantly fewer costs.

Investors can break into the London market without paying the premium, and their tenants can experience London living without the price tag.

It's a win-win scenario!

A monumental £1.5 billion has also been invested into regeneration efforts, which has massively boosted the local economy.

Residents can benefit from the remarkable transformations of Luton Mall, the town centre, Luton airport, and Luton Town Football Club.

With a more affordable price tag, prices start from around £189,950.

Take a look at our other London investment opportunities:



West Quay Royal Arsenal

Prices from £390,000

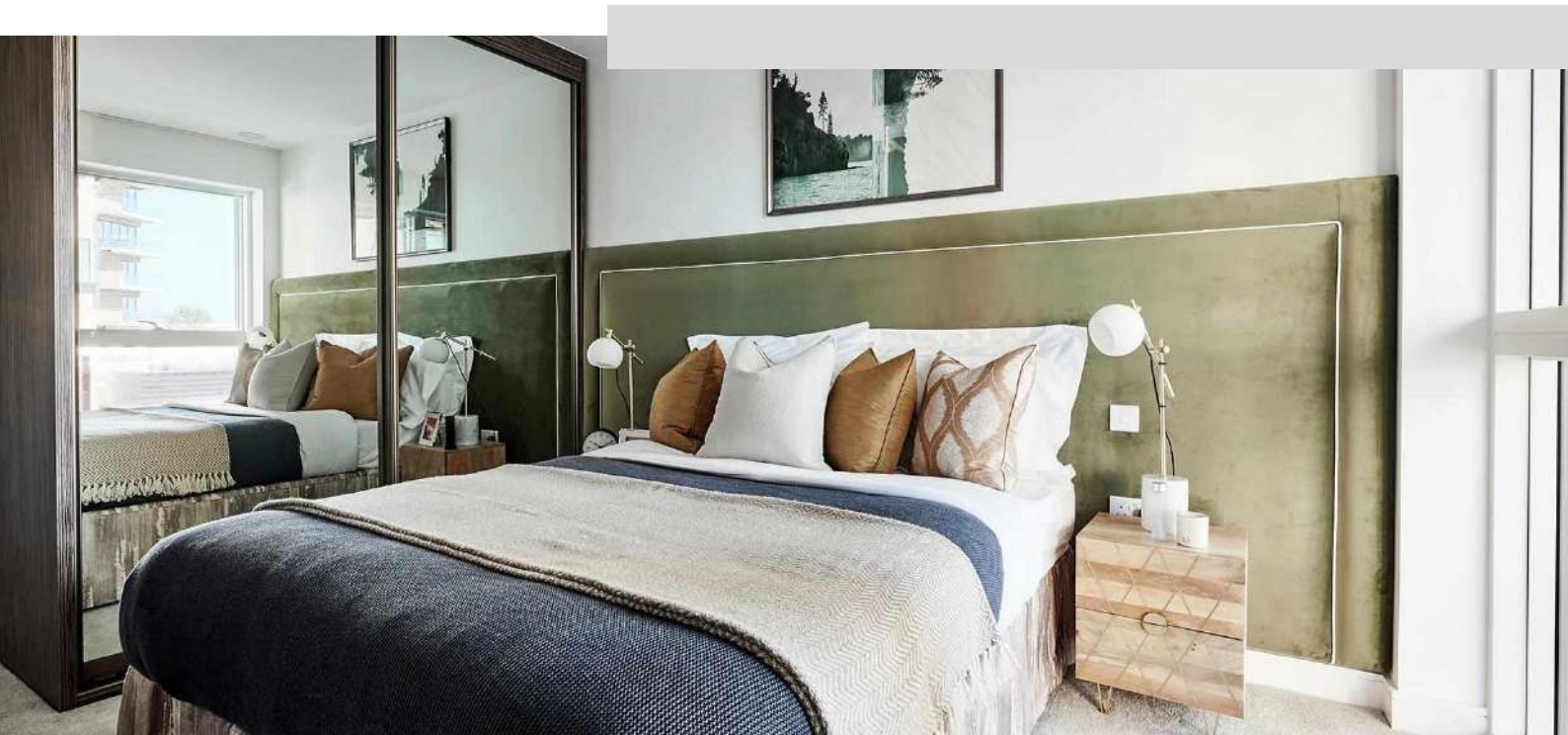
- Just 7 Minutes to London City Airport
- Relaxing and Idyllic Riverside Setting
- Beautifully Designed Contemporary Interiors



Birch House

Prices from £450,000

- Top Greenwich Regeneration Area
- Comfortable and Stylish Interiors
- Access to Luxury Residents-Only Gym
- Private Balconies, Terraces, and Winter Gardens



Centrum Court

Prices from £410,000

- Links to Central London in Under 16 Minutes
- Onsite Gym and 24-hour Concierge
- Beautiful Surrounding Greenery



If you'd like to learn more about property investment, consider reading some of our other latest up-to-date guides.

Or, if you're ready to get started with London property investment, get in touch with RWInvest today.

Our property consultants will connect you with the best units in the top London developments currently available.

Explore our London investment properties and begin your journey today!

RWinvest
EST. 2004