

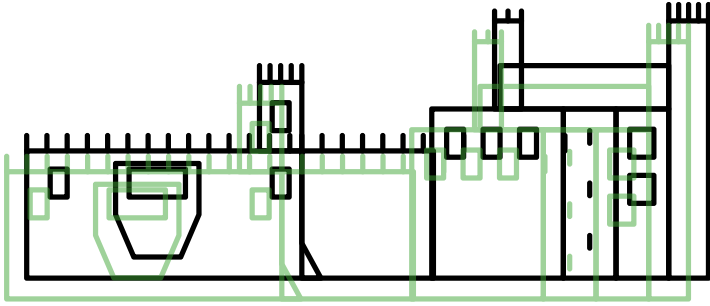
LEEDS

PROPERTY INVESTMENT

The Ultimate Guide to Buy to Let in Leeds

RWinvest

EST. 2004



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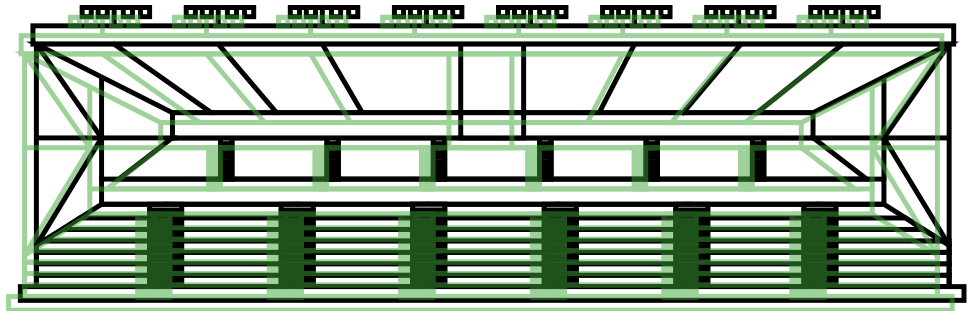
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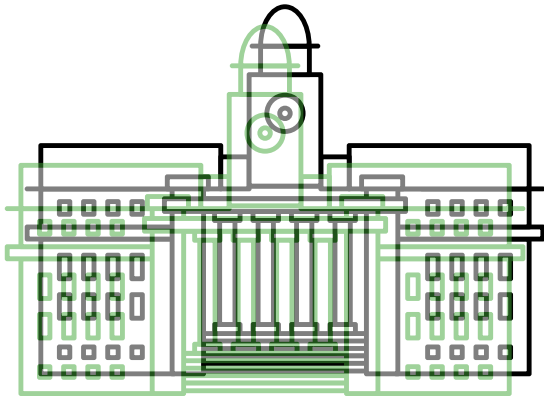


INTRODUCTION



Located in West Yorkshire, Leeds is one of the largest and most centrally located cities in the UK. This city is known for everything from its expanding business scene to famous shopping options and nightlife attractions. Tourism is popular in Leeds, with the city having seen a 6.3% increase in tourism visits between 2016 to 2017. This is no doubt fueled by the city's many events and attractions such as Leeds Music Festival and the popular Leeds City Museum.

Not only is Leeds a good spot for tourism. Thriving economic prospects, combined with a high demand for living space from potential tenants, make this northern city one of the best property investment UK areas. There are many valuable reasons to consider Leeds property investment, such as capital growth and the rising rates of rental yields.



WHY INVEST IN LEEDS?



The question on a lot of property investors lips is – ‘why invest in Leeds?’. Leeds property investment has become a more common prospect since the city has made a name for itself as one of the UK’s top property investment hotspots. The Leeds property market was reported to be worth £59.05 billion in 2018, a figure that increased by 4.2 % since 2017. Because of this figure, Zoopla recently ranked Leeds number nine in a list of the top ten UK housing markets, further boosting the appeal of Leeds investment.

So why is Leeds a good place for UK property investments? Before buying property in the UK, take a look at some of the reasons why you should take advantage of the opportunities for buy to let Leeds offers.



Leeds has High Demand from Young Professional Tenants

Population statistics last recorded in 2019 reveal that the Leeds population stands at around 792,525. A report by Centre for Cities found that the population in Leeds has grown at seven times the rate of London in recent decades, with an increase of 151%. Not only this, but the level of employment in Leeds is also increasing, with a 34% rise in employment recorded in 2018.

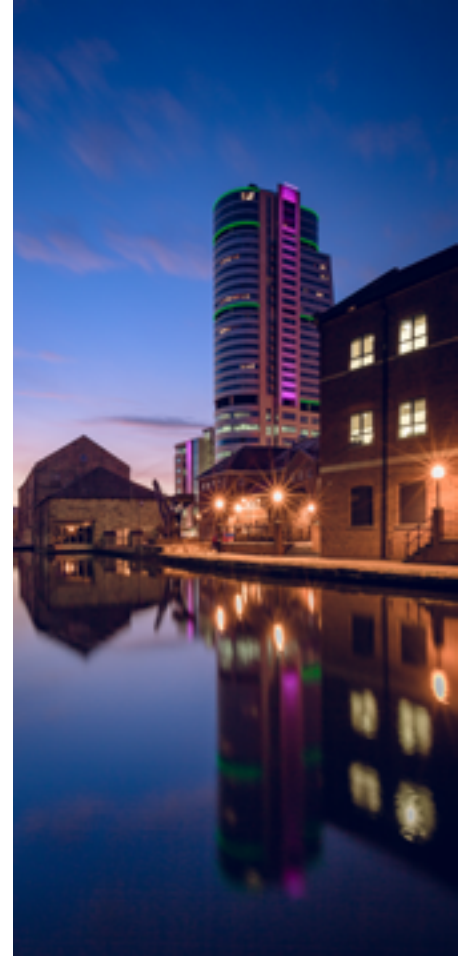
With a higher population comes a demand for more residential property to be built. This is where property investment comes in, as in order for buy-to-let investors to make returns through guaranteed rents in a city, there needs to be a significant level of demand. A report from IP Global states that Leeds is struggling to meet housing demands, with 90,000 new homes needed by 2021 but only 60,000 in the pipeline. This demand for property is coming from a wide range of people such as young professionals working in the city, young families that relocate to the area, and students attending the many universities Leeds has to offer. Throughout 2020, rental demand has surged across the UK, with a 2.2% annual rise in demand recorded by Zoopla in June for all regions excluding London. In Yorkshire and the Humber, in particular, the largest annual growth of 3% was recorded, showing that Leeds investment remains a strong prospect despite Covid-19 uncertainty.



A Thriving Business Scene is boosting Property Investment Leeds

The significance of the business scene in Leeds has a lot to do with this population growth and the rise of rental demand in the Leeds property market. Leeds is considered one of the UK's biggest business cities outside of London. Home to a diverse mix of businesses, this Yorkshire hotspot has something for everyone. Consequently, leading employers are also flocking to the city to take advantage of this influx of new talent.

With more business opportunities comes an influx of young professionals that need high-quality, well-located rental properties. To cater to this demand, property companies are offering new residential developments for investors seeking an investment property for sale in Leeds that offers regular rental income.



Leeds has a Reputation as a Student Investment City

When it comes to property investment, cities with high student numbers and a thriving university scene tend to generate some of the best opportunities for investors. This is because student properties are known for generating some of the highest rental yields and most reliable demand of any property type.

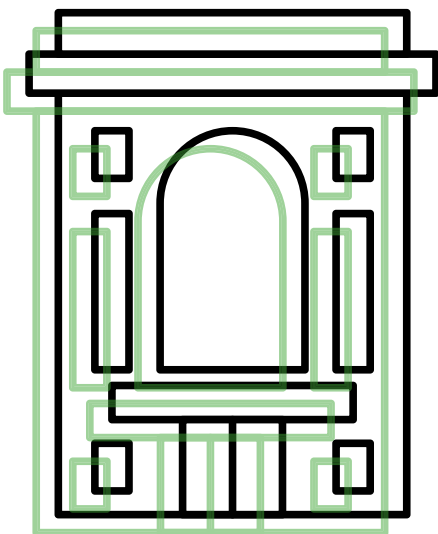
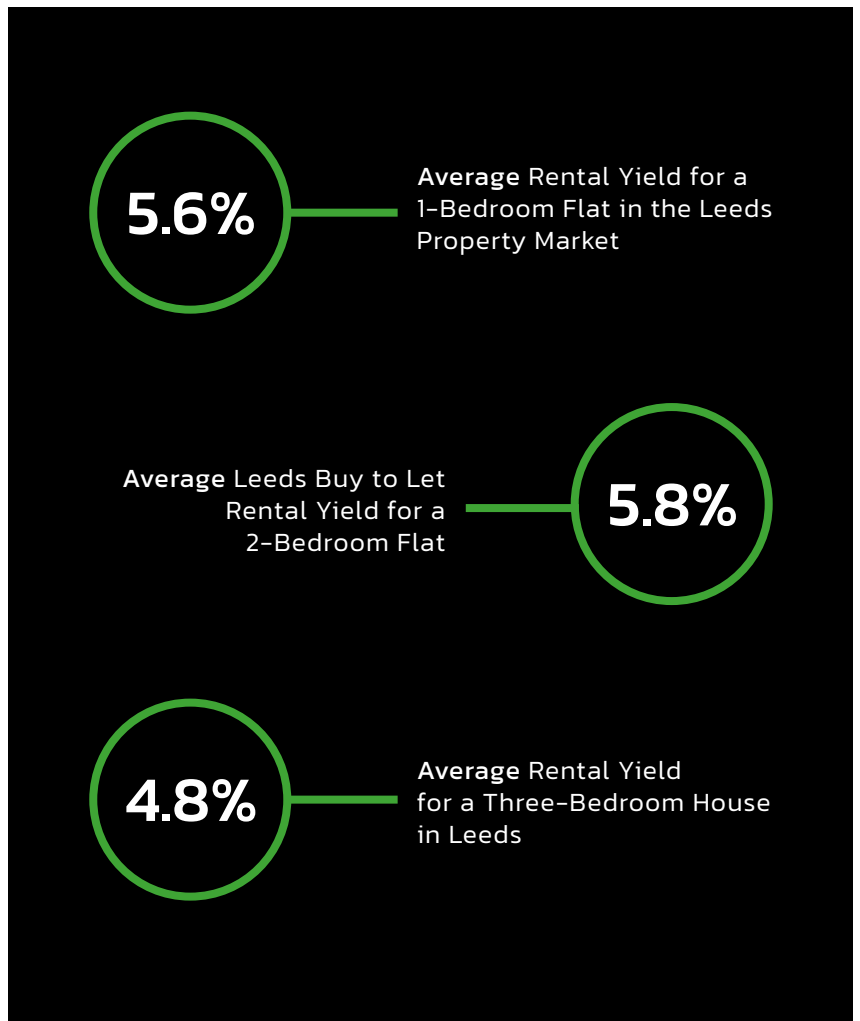
Home to one of the UK's largest populations of students in the UK and from overseas, and considered one of the best student cities in the country, Leeds property investment in student accommodation is certainly a worthwhile venture.

Leeds has High Rental Yields

Rental yields are an important thing to think about when finding a buy to let residential or student investment property. Those who buy property in Leeds will benefit from average yields of 5.12 % according to recent Zoopla statistics, with certain Leeds postcodes generating even higher returns.

Low property prices combined with increasing rental costs are the reason behind these yields for Leeds property investment. The average house price in Leeds stands at around £266,483, with Zoopla data reveals that the average value of a two-bedroom flat in Leeds has grown by 7% between 2019 and 2020.

To make the appeal of buy to let in Leeds a little clearer, here are some current average rental yields available in the city based on Zoopla average house price and rental price statistics for different types of property to buy in Leeds.

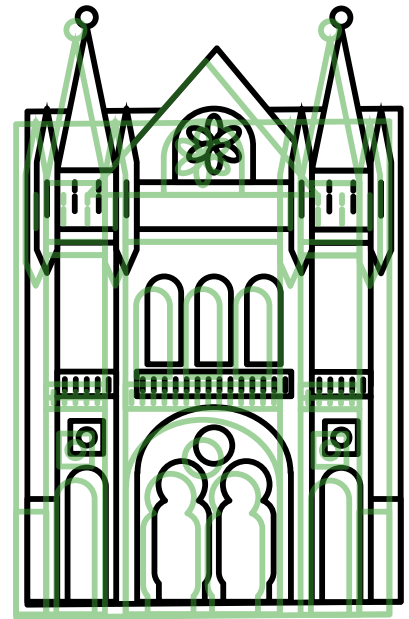


Increased Growth for the Leeds Property Market

Regeneration in Leeds is set to provide a catalyst for the city's economy, attracting a larger demographic to the city as the expansive plans maximise its appeal to commuters and present a healthier opportunity for investment.

With regeneration comes increased growth, and this is evident in the rising rate of property prices in Leeds. Predictions from JLL reveal that property prices in Leeds are expected to increase by 17.1 % by 2023. Better yet, in recently updated predictions, Savills expects property prices in the Leeds property market to increase significantly, with an expected growth of 24.1% for the Yorkshire and the Humber region. This shows that for those with capital growth as their main property investment goal, looking for an investment property for sale in Leeds is a good route to take.

THE TOP LEEDS 3 BUY TO LET HOTSPOTS



The prospects for property Leeds offers present a good investment option overall, but certain Leeds buy to let postcodes come with varying levels of potential. Before you buy Leeds property, find out about the best areas of Leeds to invest in with these top five Leeds buy to let hotspots.

1: Leeds City Centre

Population: **32,300** (Centre for Cities estimate)

Average House Price: **£214,294** (Zoopla)

3: Armley, Hunslet & Beeston

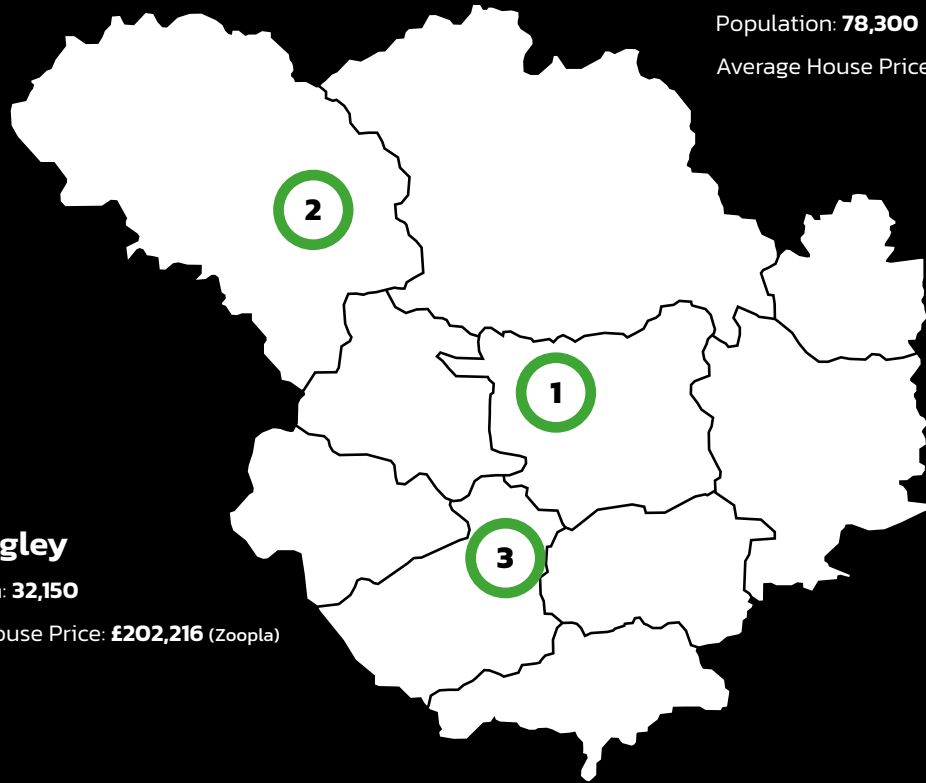
Population: **78,300**

Average House Price: **£172,987** (Zoopla)

2: Headingley

Population: **32,150**

Average House Price: **£202,216** (Zoopla)



City of Leeds

Armley, Hunslet & Beeston

The suburbs of Armley, Hunslet and Beeston, are located to the West of Leeds and are popular with property investors due to their low house prices. These areas mostly consist of terraced houses, which make them ideal for Leeds property investors looking to rent to families.

Yields in this area are strong thanks to the average property prices of £172,987 – lower than the average house price in Leeds. Regeneration plans for the area include the development of a new park which is to be introduced to the South Bank area of Hunslet, helping improve quality of life for residents and boost the appeal of the area.

Leeds City Centre

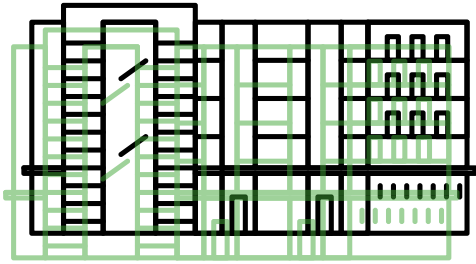
One of the most popular areas in Leeds for investments, the city centre is amongst the key areas of to consider if you're looking for property to buy in Leeds. City living most commonly appeals to students and young professional tenants who want to live close to their workplace, university, and the hustle and bustle of Leeds. This means that if you want to target these desirable tenant types, Leeds city centre may be one of the best areas to look to for investments.

The rental yields on offer are another reason why the city centre is one the best buy to let areas in Leeds. Rental yields within the city centre have an average of around 5%, while extensive regeneration schemes suggest that this is one of the best areas in Leeds for capital growth.

Headingley

Headingley is a big student hotspot in Leeds due to Leeds Beckett University campus, making it one of the best buy to let areas in the city for student investment.

Rental yields have been known to reach as high as 7.4 % in the Headingley area's LS6 postcode, thanks to the strong demand for high-quality accommodation. In 2018, the Headingley Investment Fund was launched – a scheme created by local residents as a way to promote their local community. Other recent regeneration plans include the redevelopment of Headingley Stadium, helping to bring funding and exposure to the area. If you're looking for houses or flats in Leeds to buy for an investment, Headingley is a great option.



INVEST WITH RWINVEST



Choose RWinvest for your Next Investment

Have you enjoyed our guide to property investment in Leeds and are interested in making a property investment in the UK? Take a look at this guide to six of our most exciting residential investments for sale in the UK, featuring some fantastic Liverpool and Manchester investment opportunities with net rental yields of up to 8%.

If you want to take your first step to investing in UK property with RWinvest, contact us today, and we can help you find your perfect residential or student investment from our range of developments.

About Our Data

The data and statistics we used in this Leeds property investment guide have been gathered from a range of sources. The population figures used in our top five Leeds buy to let hotspots were found from the Centre For Cities and Leeds Observatory population estimates.

Information on average Leeds property prices has been gathered from Zoopla and Totally Money. Statistics on student numbers have been taken from the University of Leeds and Leeds Art University website.

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DISCLAIMER: This guide to buy to let in Leeds was last updated in November 2020. This may mean that certain statistics have changed by the time you read this guide, in accordance with Leeds property market fluctuations.