

Why Invest in Liverpool in 2019, 2020 and Beyond?

Liverpool Property
Prices in 2019

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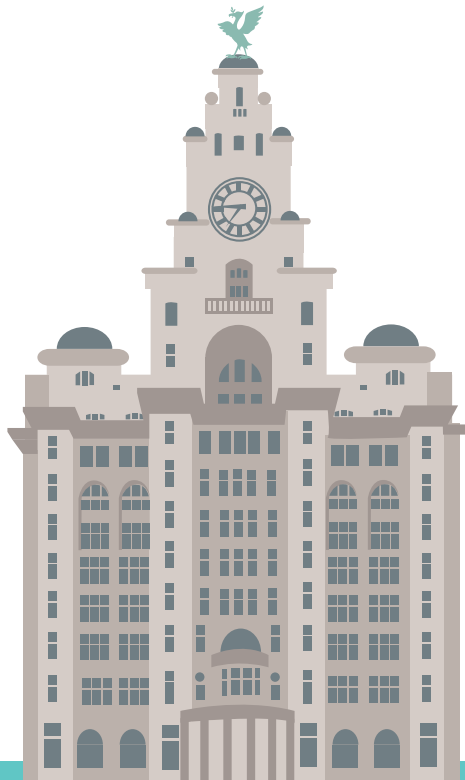
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Liverpool is a thriving UK city full of opportunities and big plans for the future. If you are looking to start your property investment journey, the property market Liverpool offers is easily one of the best choices.

Many people have found investing in Liverpool to be a highly profitable venture, and new build properties with guaranteed buy to let yields are in strong demand, providing excellent returns and stability for your Liverpool property investment. One of the reasons Liverpool is so popular as a buy to let investment city is because property prices in Liverpool are significantly lower than those in other UK areas. So what do low Liverpool house prices mean for investments, and how have property prices in Liverpool performed over 2019 and 2020? We cover all of this and more in our detailed guide to the Liverpool property market.



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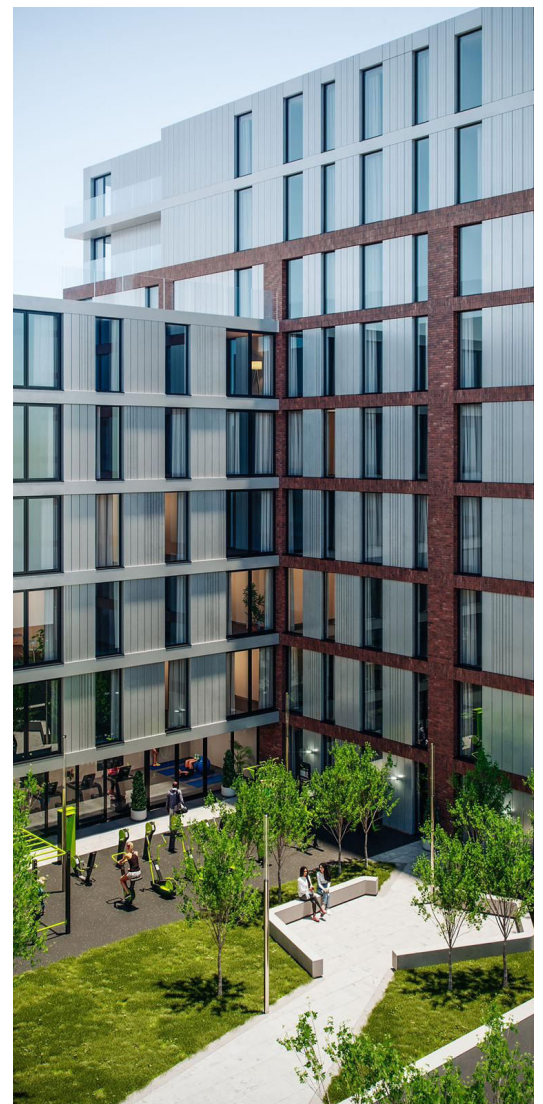
Liverpool Property Prices in 2019

According to the estate agents portal, Zoopla, the average price paid for Liverpool property was £173,991 back in November 2019. The average Liverpool property price in 2019 also varied by property type, with an average cost of just £99,830 for a one-bedroom flat during this time, while the average price for a four-bedroom house in Liverpool averaged out at a much higher £303,695.

In February 2019, a surge in interest from US investors looking to invest in Liverpool was noticed, with prop-tech firm Datscha reporting that £361 million had been invested into Liverpool property from overseas. By October 2019, Liverpool property news made the headlines once again after being named the best location for buy to let yields, with six Liverpool postcodes making the latest Totally Money rental yield list. By November 2019, further Liverpool property news stated that Liverpool house prices, and house prices across the North West, were expected to see an increase of 24% by 2024 according to Savills predictions.

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Liverpool Property Prices in 2020

Despite a turbulent year, Liverpool property prices in 2020 have experienced a significant boost. Liverpool house prices remained steady during the start of the year, with the city being included in a list of Zoopla predictions for the areas set to see the largest price growth over 2020. It was reported that in January, the Liverpool property market saw a 32% year-on-year jump in buyer interest, with a 51.4% increase in February.

In March, however, Covid-19 hit the UK and the property market became clouded with uncertainty. With the country going into a national lockdown, property market activity slowed, and many homeowners and property investors became worried about the effect that the coronavirus pandemic would have on property prices.



Are House Prices Rising in Liverpool in 2020?

Despite a rocky period, with average UK house prices falling by 0.2% in April, property prices in Liverpool made a speedy recovery, with the average Liverpool house price reaching £178,138 in June. By August 2020, the Liverpool Echo reported a 'mini-boom' in property prices in the city and the average house price in Liverpool rose to £188,566 according to Zoopla. Now, as of November, average Liverpool property prices stand at around £184,251. This shows a slight decrease over a three-month period, but a significant year-on-year rise compared to November 2019's £173,991 average price.



What are the Investment Benefits of Low House Prices in Liverpool?

To understand why the Liverpool property market offers such an attractive investment opportunity for both student and residential properties, here are some of the key reasons why you should invest in Liverpool.

High Yields & Low Prices

Liverpool property investment boasts the highest rental yields in the country, with six Liverpool postcodes making the Totally Money list of the top 25 buy to let postcodes in the UK. The average Liverpool rental yield is around 5.48% – far higher than cities like Oxford which has an average rental yield of 2.87%, and Bristol which is 3.45%. The property market in Liverpool also generates an average rental price growth of 2.65%.



As of 2020, some of the best postcodes in Liverpool for buy to let yields are L1 with 10%, L11 with 8.67%, L6 with 8.12%, L2 with 7.56%, and L3 with 7.40% and L4 with 7.13% yields. These are all way above the national average, increasing the appeal of Liverpool investing opportunities. If you're wondering where to invest in Liverpool, these postcodes are some of the best options.

So how does the average house price in Liverpool compare to other UK areas? According to Zoopla data, the average price of a house in the UK is currently around £315,150, compared to the far lower average Liverpool property prices of only £184,384.

Best Postcodes for Rental Yields in Liverpool

L1 – 10%

L11 – 8.67%

L6 – 8.12%

L3 – 7.40%

L4 – 7.13%

High Demand

Another major factor in the appeal of Liverpool property investments is the fact that the city attracts such high levels of demand from desirable tenants like students and young professionals.

Liverpool has a long reputation for academic excellence, with the University of Liverpool dating all the way back to 1903. The city is also home to Liverpool John Moores University, Liverpool Hope University, LIPA, and Edge Hill University, all of which have led Liverpool's population to be filled with students. Liverpool is home to over 70,000 students, and the strong demand for accommodation is set to continue. With a high student retention rate, these recent graduates and young professionals are perfect tenants for high-end, modern city centre apartment buildings such as our completed project, The Bridewell.

The fact that Liverpool offers so many amazing business opportunities, with huge UK names like Shop Direct and Matalan, means that more and more young professionals are looking to live and work in the city.

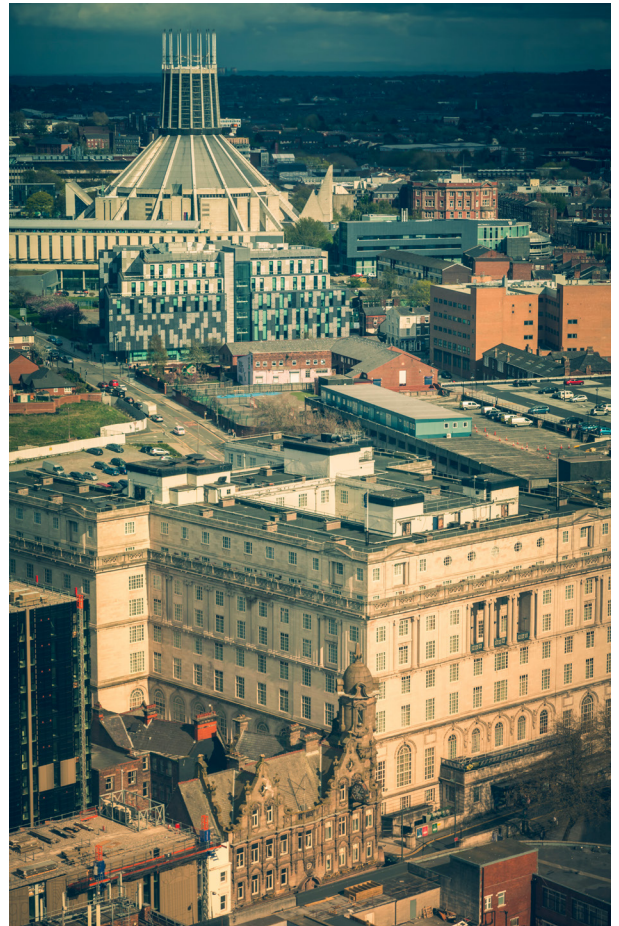


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Strong Capital Growth

Another reason so many investors considered investing in the Liverpool property market for 2019 and 2020 is because of the huge increase in prices the city has seen over recent years. Paired with low property prices in Liverpool and high rental demand, capital growth helps boost the appeal of the Liverpool real estate market even further.



In August 2018's UK Cities House Price Index, Liverpool property prices had the highest growth out of all of the recorded cities, at 7.5% over the last 12 months. At the same time, UK average house price growth was 3.6%, less than half the Liverpool house price growth rate.

The North West continues to outperform other regions in terms of house price growth, making the Liverpool property market of 2019/20 an attractive prospect. Liverpool property price forecast predictions suggest that the city's house price growth is set to continue over the years. The UK property market housing market forecast from Savills shows a percentage change of 27.3% growth expected for the North West region by 2024. Having recently been updated during the Covid-19 pandemic, these Savills predictions reveal an even higher rise in Liverpool house prices than the previous 24% increase, making Liverpool one of the top property hotspots of 2020 and beyond.

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