



# London



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Start your Investment Journey with RWinvest.

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PARLIAMENT  
SQUARE

Liverpool

Prices from **£104,950**

**7% NET** Rental Return

Cherry Pick **New Units**

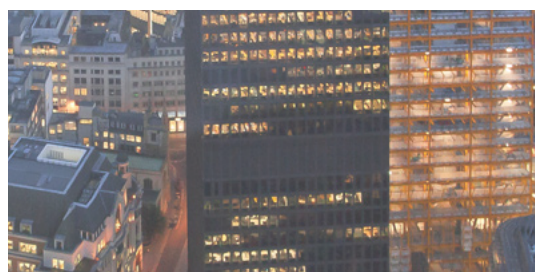
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**O**ne of the main questions asked by those investing in property is 'should I invest in property London has to offer or should I look elsewhere?'. While there are some benefits to investing in London property, there's also a lot to think about to ensure you're making the right decision.

London has long been considered the place to be to invest in property. England's capital city sees flocks of tourists, overseas workers, and investors heading to London year after year to take advantage of the sights, attractions, and opportunities available. Those considering their first investment in the UK might automatically look towards London property investment, but is this city really the buy to let investment hotspot that some of us might think it is? If you've been thinking about making a property investment purchase in the capital but want to find out more about the potential behind the London property market, be sure to read our detailed guide to London property investment.



# Is Property in London a good Investment?

**L**ondon property investment can be a worthwhile venture if you are selective with the areas you choose to invest in. If not, you could find that your investment suffers due to low rental yields, dwindling demand, and slow property price growth in many parts of London.

## Low Yields when Investing in London Property

One thing that turns many property investors away from making an investment in London is rental yields. Rental yields are a crucial element of any property investment venture, with higher yields meaning stronger rental returns.

The growth in London property prices that has been seen throughout past years comes with a decline in rental prices. In February 2017, the average rental property in London was let for around £1,280, presenting a 1% decrease year on year. High property prices and lower rent means one thing for investors — some disappointing average rental yields. Those investing in off-plan property in London can expect yields at an average of 3.7%, which is a lot lower than the yields available in other parts of the UK.

## High Property Prices for Investment Properties in London

The Office for National Statistics reports that the average London home cost £115,000 twenty years ago, growing to an average of £351,000 in 2008 and standing at around £671,412 by 2018. As of November 2020, Zoopla valuation data calculates an average London property asking price of £897,391. The more affluent London locations such as Kensington and Chelsea tend to have the highest property prices, with the average asking price of a two-bed apartment in Chelsea currently averaging out at £1,417,254.

Capital appreciation had long been the main force driving people to buy London investment properties, with the potential for London properties to grow in value over recent years. If an investor had purchased a London property for £200,000 in 2007, near Kings Cross station, for example, this would now be worth over £300,000.

While London house price growth may have offered a lucrative property investment option in the past, however, predictions highlight a less promising outlook for future growth. By 2024, London is predicted to have the lowest property price growth in the UK, with an expected rate of just 12.7% according to Savills.

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MERCHANT'S WHARF  
ORDSALL LANE, MANCHESTER

## Manchester

Prices from **£149,950**

**UP to 6.5%** Projected Rental Return

**55%** Below Market Value

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# Where to Invest in London Property? - The Best Places to Invest in London?

**S**o where can you find the best investment opportunities in London? If you're looking for the best area to invest in London property, consider areas like Ilford, Romford, Barking, Dagenham, Harlington, and Thamesmead. This is because these areas currently offer average rental yields of 5% and above, making them a good option to seek out a property to invest in.

Although still more expensive than elsewhere in the UK, property prices in these locations tend to be more affordable than in other London boroughs. Since

these areas see high levels of demand, rental costs can remain high, which brings the benefit of more attractive yields through the investment opportunities these London areas offer. This is the main reason why market research is so vital if you want to know how to invest in London successfully. Without knowing what the best places to invest in London are, it can be difficult to make a healthy profit. To help give you a better idea of where to invest in London property, here is a guide to some of the best places to invest in London, with details on rental yields, capital growth, and average property prices.

## ■ West London

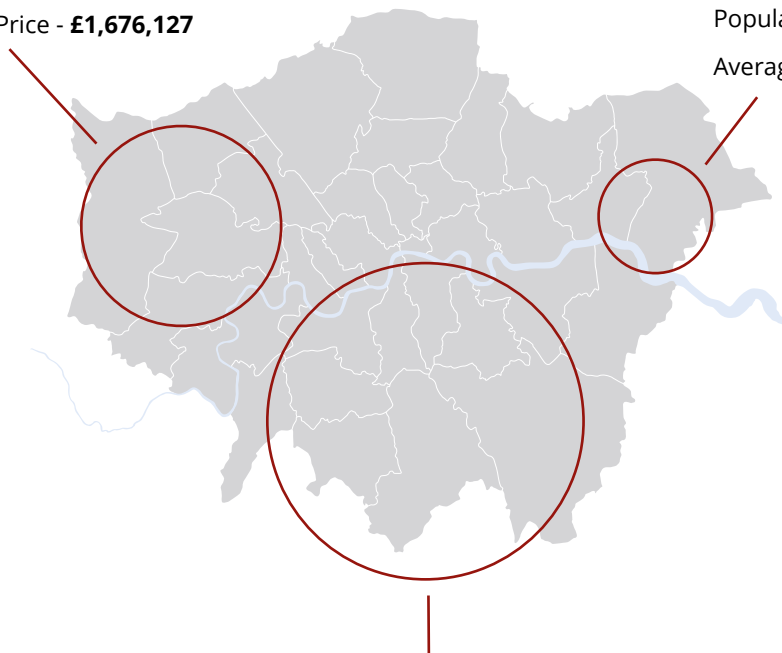
Population - **573,000**

Average House Price - **£1,676,127**

## ■ East London

Population - **185,900** (Barking & Dagenham)

Average House Price - **£585,316**



## ■ South London

Population - **2,385,200**

Average House Price - **£658,266**

# How Has Covid-19 Affected London Property Investment?

**W**hile 2020 has remained a promising year as a whole despite the uncertainty brought by the Covid-19 pandemic, the London property market has experienced some changes that have impacted property investment opportunities in the region. Most notably, the rental market in London has experienced a shift in line with changing rental market trends. As a result of Covid-19 and the lockdown it brought, more renters have started looking for properties featuring qualities such as gardens or outdoor space. This has led to less demand for city centre London property, and more demand for rental properties in more suburban London locations such as those on the commuter belt. Data from Hamptons International shows that the average cost of renting a room in London has fallen by 2.6% between October 2019 and October 2020, while rental demand has dropped by up to 23% in certain London locations.

One way that London property investment has been given a boost over 2020 is with the stamp duty tax holiday. The stamp duty tax holiday was introduced in July, and will allow investors or those buying a second home to benefit from some significant tax savings up until March 2021. In London, where the cost of properties is a lot higher than elsewhere in the UK, the stamp duty tax break gives investors the chance to save up to £15,000 in tax.





# Should I Invest in London Property?



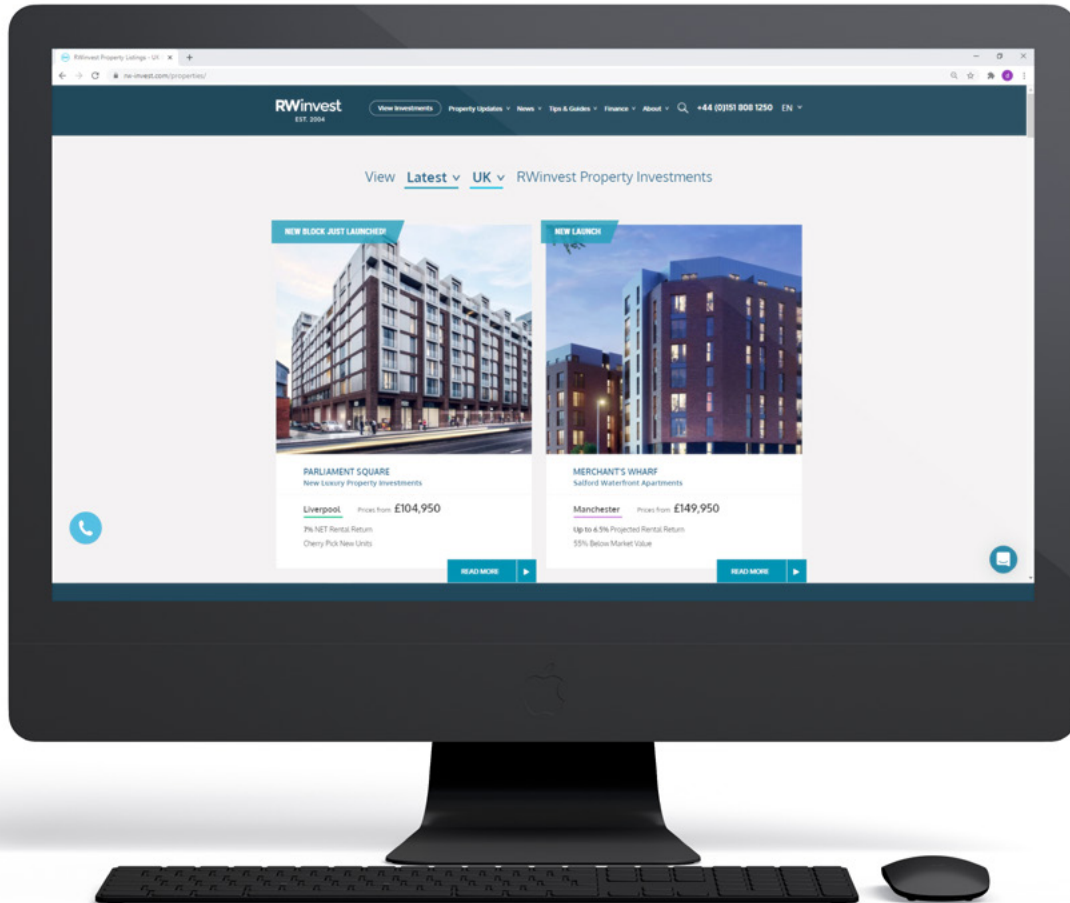
**A**ll in all, is it really worth it to invest in the London property market? While several property investment companies in London may claim that the city offers some worthwhile opportunities, the numbers show that when looking to invest, London property might not be the best option when investments up North present much more potential.

## **London Property Market Forecast Looking Forward**

With the lowest expected house price growth between now and 2024, property investors may want to steer clear of investment properties in the city of London if capital growth is an important part of their strategy.

The good news is that for 2019/2020 and beyond, the outlook is strong for UK property investment as a whole. In the north-west, in particular, property price growth is set to exceed any other region with an increase of 27.3% over the next five years, making now a good time to invest.

# Start your search today.



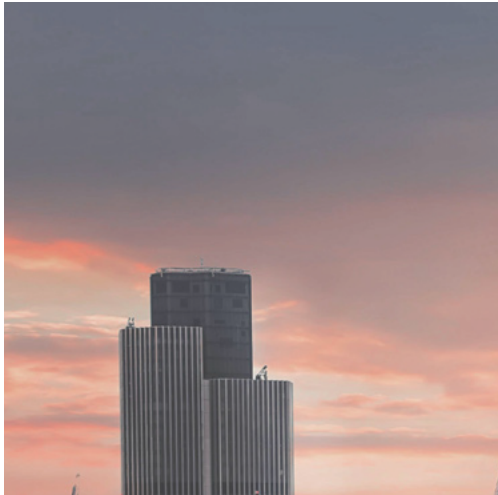
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Start your investment journey today.

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## **Start Your Investment Journey with RWinvest**

Here at RWinvest, we offer a choice of fantastic choices of new build property to invest in. Located in Liverpool and Manchester, all of our properties have competitive rental yields, attractive prices, and strong capital growth potential. If you're a property investor that's not interested in the types of property investment London offers and want to discuss our available properties elsewhere, don't hesitate to get in touch and our team of property professionals will happily advise you on the best opportunity for you.

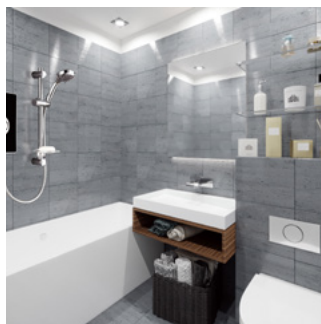
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# Over 140 Projects Launched

View our **£1bn portfolio** today with projects launched in 16 major cities.

City Terraces, Liverpool



## View Our Track Record

When we founded RWinvest in 2004, our mission was to help investors like you succeed, matching you with carefully vetted opportunities that offer excellent growth prospects. Our focus has always been on transparency, reliability and quality, bringing investors together with the best developers and management companies in the UK.

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**DISCALIMER**

Our guide to London property investment was last updated in November 2020. This may mean that certain statistics are outdated depending on the date that you're reading our guide.