



RWinvest

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Sheffield Property Investment 2023

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As a city with rich Northern history, well-respected universities, and an industrial legacy at its heart, Sheffield is quickly becoming one of the UK's best options for property investment.

Sheffield's property market has experienced strong growth in the past 12 months and offers a lot of potential for investors looking to expand their portfolios. As the 10th largest city in the UK with a growing population, Sheffield's property market will only continue to grow in the future.

So if you are looking to invest in one of the North's largest cities, this guide will inform you why Sheffield may be the right investment area for you. We will offer facts, figures, and key points to consider to help aid your decision.





Why Invest in Sheffield?

Several key factors make Sheffield's property market such an interesting proposition for investors.

Before you decide on other areas of the UK, here are several reasons why you should consider Sheffield's property investments:

- Sheffield has a large student population at some of the UK's best universities.
- Sheffield has rising property prices that are still under the national average.
- Sheffield's rental yields are rising at rapid levels.
- Sheffield's employment rates are rising with a growing focus on the technology and creative sectors.
- Sheffield has millions worth of regeneration coming into the city.

Here is more information on why these factors are benefiting Sheffield's property market.

Sheffield Property Market

A market that's becoming stronger in time, Sheffield has some of the fastest rising property prices in the UK as people move to the city in droves due to its strong industry and education sectors.

According to the latest UK House Price Index, property prices in Sheffield have risen steadily over the last year. At an average of £222,842 across the city, property values have risen by around £23,000 in the last 12 months.

Even with this sustained level of growth, average property prices in Sheffield remain well below the UK average which stands at £289,818. According to Savills, Yorkshire and The Humber - where Sheffield is located - is expected to see a regional property value increase of 11.7% between 2023 and 2027, presenting an excellent capital growth opportunity to investors.

On the whole, the current market outlook for Sheffield remains bright moving into the latter part of the decade, as the city continues to be one of the most cost-effective investment areas in the north of the country.

- £222,842 Average Property Price
- £23K Rise in Past 12 Months
- 11.7% Regional Growth Forecast





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New-Build & Off-Plan Property

Sheffield is a great place for those looking to invest in new build or off-plan properties, with some great deals often available on units in new developments in the city.

Research on recent new-build investment opportunities in Sheffield shows that investors can often expect to pay less than £130,000 on studio flats in the city, with more premium 2-3 bedroom units ranging up to around £300,000.

Offering a lower entry point for comparable properties in the UK's larger cities, as well as strong property and rental value growth, Sheffield deserves attention from investors looking to expand or start a buy to let portfolio.



Sheffield's Rental Yields

Sheffield has some of the most attractive rental yields in the UK. With property prices lower than the national average, this makes it cheaper to find buy-to-let properties in the heart of one of the UK's biggest cities, meaning you can make more of a return on your investment.

According to the latest data from Home.co.uk, the average asking rent in Sheffield is currently £1,076 pcm, which is below the UK average of £1,175 and makes renting in Sheffield an attractive option, boosting tenant demand.

As well as having a lower purchasing price for investors, relatively affordable rents in Sheffield are a big attraction for tenants, which is key to sustaining demand for any investment property.

This has also enabled buy to let properties in Sheffield to generate strong rental yields in recent years, which is an essential aspect of any successful investment strategy.

In prime residential areas, average rental yields in Sheffield are currently around 5.8%, according to data from the UK House Price Index and Home.co.uk. This sits above the UK average of 4.9%, warranting this Northern city's status as an increasingly lucrative buy to let investment area.

- Average Rent - £1,076
- Average Rental Yield - 5.8%

Sheffield's Student Population

Home to two of the UK's top educational institutions in the University of Sheffield and Sheffield Hallam University, the city is one of the most important centres for education in the north of England.

Between these two institutions, over 60,000 students come to Sheffield to study each year. This makes it one of the UK's top student accommodation markets.

According to recent figures from the University of Sheffield's website, students will pay between £5,000 and £7,600 in rent for on-campus accommodation in the 2023-24 academic year.

Currently, off-campus accommodation in Sheffield costs significantly less with students paying an average of £3,840 annually. Together, this shows just how much the student rental market is worth to the city and the lucrative investment opportunities that it presents.





Employment in Sheffield

According to the latest census report, approximately 93% of the labour market in Sheffield is currently employed. Although this sits slightly below the UK average rate of 94.8%, the future for Sheffield looks bright in terms of city-wide employment.

A recent report produced by the Centre for Economics and Business Research predicts that Sheffield will be among the top UK cities for employment growth in Q4 2023, coming just behind neighbouring Leeds.

Historically an industrial town known for its steel manufacturing, the bulk of employment in Sheffield now stems from its healthcare and education sectors. Home to the second-largest NHS trust in England, Sheffield Teaching Hospitals NHS Foundation Trust currently employs 16,000 people, while a total of 42,000 are employed in health and social care across the city.

Similarly, education accounts for around 13% (35,000 people) of employment in Sheffield with the city's two universities among the main employers in the area. Together, the University of Sheffield and Sheffield Hallam University currently employ just under 13,000 staff.

There is also a significant number of large companies that have established operations in Sheffield. These include major manufacturers like Tata Steel, the American food giant Mondelez International, and tech companies like ARM Holdings, Cap Gemini and IBM.



The Future of Employment

Key from an investment perspective is the fact that employment trends in Sheffield are far from stagnant. Coinciding with a range of investment and regeneration projects set to boost city-wide infrastructure, the Sheffield City Region Combined Authority is now heavily focused on the technology and creative sectors. This will ensure that Sheffield is moving with the times in terms of job creation and makes it a more attractive city to young professionals.

Capitalising on the fact that Sheffield is home to two top UK universities, particular attention will be paid to creating jobs in advanced manufacturing sectors such as:

- Healthcare Technology
- Aerospace Engineering
- Automotive Engineering
- Nuclear Energy
- Digital Technology
- Rail

Investment & Regeneration

One of the largest cities in the North of England, Sheffield is the target of a number of ongoing investment and regeneration projects set to transform the city's existing transport links and wider infrastructure.

From an investment perspective, the following are some of the most important projects currently being rolled out in Sheffield and the wider city region.



HS2 Rail Network

Key among these transformative investment and regeneration projects are plans to link Sheffield Midland train station to the new HS2 rail network. Importantly, this will make Sheffield even more accessible to major cities like Birmingham, London, Leeds and Manchester.

In conjunction with Sheffield's HS2 growth strategy, the wider region's strategic economic plan aims to create 70,000 new private-sector jobs and up to 6,000 new businesses. This has the potential to generate around £4 billion for the local economy, with over 6,000 jobs in the Sheffield city region stemming from the rail industry alone.

Under plans that have been approved by the government, Sheffield Midland Station will offer direct links to two new HS2 stations - Leeds and East Midlands.



Set to receive significant upgrades under the HS2 masterplan, Midland Station will provide quick and easy access to the city centre and key transport hubs like Manchester and Leeds Bradford Airports. Once complete, these plans will be a key driving force behind the regeneration of the wider Sheaf Valley area.

Sheaf Valley Regeneration

Under a joint development framework for both Sheffield Midland Station and Sheaf Valley, the major regeneration plans for this key district are central to Sheffield's future growth.

One of the city's main regeneration hubs, the Sheaf Valley Quarter will receive a £1.5 billion investment with the aim of regenerating the area and making the most of the proposed HS2 scheme.

Among plans to revitalise and transform residential living in the area is the construction of a £40 million skyscraper, set to house a range of luxury flats and a showpiece 'sky garden'.

Additionally, a new half-mile dual carriageway, a pedestrian bridge linking Park Hill with Howard Street and major improvements to the area's cycle lanes, will reduce traffic congestion in the area and help the city towards carbon neutrality by the end of the decade.

Perhaps most importantly, this framework plans to establish an interconnected hub with seamless links between all of the city's transport modes and networks. Key to this are proposed improvements to the city's tram line where links between Arundel Gate, Fitzalan Square and the station area will reconnect Sheaf Valley with the rest of the city.

- £1.5 Billion Investment
- Multi-Million Pound Residential Developments
- Strategically Connected by Brand New Tram Lines





Heart of the City

An ambitious revival of Sheffield's most central district, the Heart of the City regeneration project will bring a total of 1.5 million sqft of individually designed and repurposed multi-use buildings to the city centre.

Creating a contemporary hub of corporate, commercial and residential space, this exciting scheme is already transforming Sheffield into a modern, cosmopolitan city.

As part of the first phase of the project, the recently completed Grosvenor House has brought international companies like CMS and HSBC to the city centre, where they now occupy this 200,000 sqft workspace and employ 2,500 people collectively.

An area that's already beginning to thrive, the Heart of the City forms an exciting epicentre of work, shopping, living and leisure, perfect for a professional population that's on a steady rise.

Available Workspaces:

Isaacs Building - 39,000 sqft

Athol House - 3,000 sqft

Planned Workspaces:

Elshaw House - 72,000 sqft

Leah's Yard - 5,000 sqft

Cambridge Street & Wellington Street - 850 - 6,370 sqft



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South Yorkshire Supertram

Providing easy transport links across Sheffield and the wider city region, the South Yorkshire Supertram is currently one of the best ways to commute around the area.

Following a recent announcement that the Supertram will go into public control when Stagecoach's current contract runs out in 2024, the service is set to receive up to £100 million in government-funded upgrades over the coming years.

Approved in November 2022, this funding will cover the purchase of new trams, the renewal of existing tracks and upgrades to a range of facilities throughout Sheffield and Rotherham.

Under the current service, the South Yorkshire Supertram offers four routes that provide easy access to the surrounding city region. Following the successful rollout of these major investment plans and the addition of the HS2 rail network, Sheffield will be well connected to the rest of the UK and beyond.



Sources: <https://www.bbc.co.uk/news/uk-england-south-yorkshire-63305271>; <https://www.stagecoachbus.com/supertram>; <https://www.newcivilengineer.com/latest/funding-approved-for-8-6m-upgrade-of-south-yorkshire-supertram-15-11-2022/>

Government Levelling Up Scheme

Under the government's levelling up scheme, Sheffield has also been designated £37 million to fund two major regeneration projects. This includes a £20 million redevelopment of the historic Castlegate area which will initiate further plans to transform under-used areas of the city centre.

In addition, a £17 million investment in Attercliffe will see the development of the Centre for Child Health Technology, aimed at delivering one of the world's most advanced integrated healthcare systems for children.

These are just some of the ongoing investment and regeneration schemes currently attracting increasing numbers of people to live, work, and invest in Sheffield.

With a steadily rising population of around 746,000, demand for rental property in this exciting city is only set to increase, making it an excellent area for buy to let property investment.

* **Source:** Welcome to Sheffield - <https://www.welcometosheffield.co.uk/content/articles/sheffield-welcomes-37m-to-fund-two-major-regeneration-projects/>





Sheffield's Best Areas To Invest In

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

LIVERPOOL'S MOST POPULAR RESIDENTIAL HUB

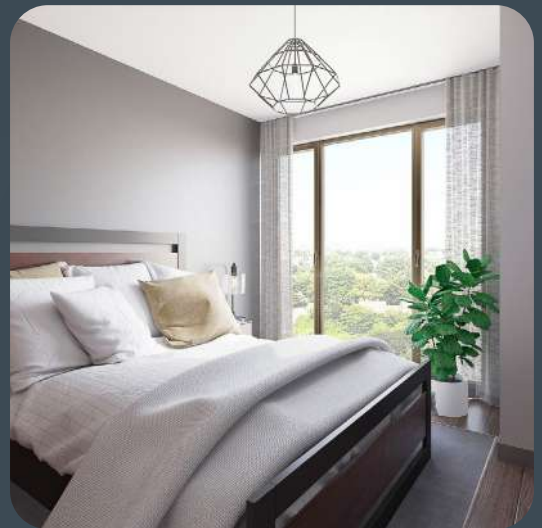


Residential Apartments in Liverpool



- **Baltic Triangle** Location
- Prices from **£187,950**
- **6% NET** Rental Income

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Sheffield City Centre

Population: 30,000

Average Property Price: £161,636 (Via Property Market Intel)

The key focus of a number of investment and regeneration projects that are set to transform key parts of the city over the coming years, Sheffield city centre presents an excellent buy to let investment prospect.

Well connected to the rest of the region with efficient transport links, the city is becoming an increasingly attractive commercial hub with some properties generating rental yields of over 7% in the last year.



South East Sheffield

Population: 158,000

Average Property Price: £213,235 (Via Property Market Intel)

Comprising some of the city's nicest residential suburbs, South East Sheffield is mostly made up of family homes. With prices ranging from £161,270 in the S2 postcode, to as much as £272,400 in more expensive areas, there is a lot of opportunity here from an investment perspective.

Strong rental yields averaging around 5%, along with affordable property prices, make for healthy returns from properties located a short distance from the city centre.



East Sheffield

Population: 133,500

Average Property Price: £165,168 (Via Property Market Intel)

Made up mostly of terraced houses, East Sheffield contains some of the most affordable properties in the city. Generating average rental yields of around 5.4%, the east of the city is becoming an increasingly popular residential hub and shouldn't be discounted in terms of buy to let property investment.

***Sources:**

Property Data - <https://propertydata.co.uk/cities/sheffield;>

Home.co.uk-https://www.home.co.uk/guides/house_prices.htm?location=sheffield



Should You Invest in Sheffield Property in 2023?

All things considered, Sheffield presents an excellent buy to let investment opportunity, which may come as a pleasant surprise to potential investors. Below UK average property prices, a growing buy to let market, strong rental yields, a thriving education sector, a growing population, rising employment opportunities and a host of transformative investment and regeneration projects, are among the key factors making Sheffield a competitive and worthy area of investment.

Additionally, with UK property prices set to drop briefly across the county in 2023 before making a steady ascent over the coming years, there is currently a unique window of opportunity when it comes to investing in buy to let property.



RW Invest

If you would like to consider property investment opportunities across the UK, our team here at RW Invest would be more than happy to help.

We are launching some fantastic properties in some of the UK's most popular areas at a range of price points. With guaranteed rental yields of 6% or higher, low deposits and affordable price points, it is our mission to help make your investment as smooth and profitable as possible.

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