

Why 2023 is the Year to Invest in Property



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As we enter a new year, one of your resolutions may be to find additional income streams to help you earn financial freedom.

We all want the ability to not rely on our job for income, so you may find yourself looking at ways to invest your money to make a profit.

While stocks and bonds have always been popular ways of investing, there is one investment strategy you may have overlooked - property.

Property investment was one of the most popular ways to invest in 2022, and this trend is likely to continue in 2023 thanks to the fantastic economic conditions property offers.

This guide will break down some of the key benefits of investing in property, and why 2023 is arguably one of the best times to invest in property in recent memory.



1: House Prices are Growing

House prices have been steadily growing for the past few years, and hit record highs by the end of 2022.

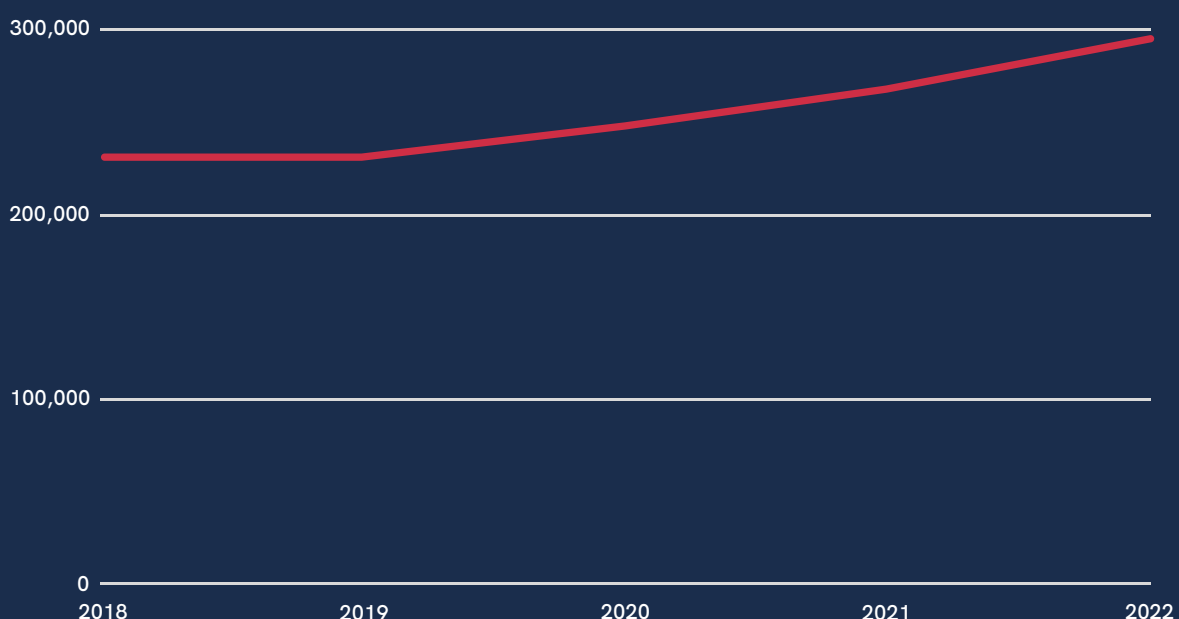
Every year for the past four years, house prices have risen, and with the UK recovering from Brexit and COVID, the past two years have seen this growth shoot up.

The end of 2022 saw UK house prices rise to a national average of £295,000 in November 2022, an all-time high according to the UK house price index and a rise of 10.3% from 2021.

While 2023 is not expected to continue this level of growth, as the market calms down to make property more affordable, this is actually a positive. Not only will it likely be cheaper to buy property in 2023, but this is only expected to be a temporary drop in value as the market resets.

Savills predicts that house prices will rise by 6.2% by 2027, which means that by buying property now you can make money from both the rental income you will collect and the profit you can make from selling the property.

Average House Price Per Year



2: High Rental Yields in Top UK Cities

A rental yield is a percentage value which indicates how much of a return you will make on your investment each year. Naturally, the higher the rental yield the better the return.

You may be surprised to learn that some of the most popular areas to invest in don't have that high a rental yield. London, for example, has some of the lowest yields in the country as property there is so expensive. You will likely find most London investment properties have a yield of around 3-4% if you are lucky.

However, other cities such as Liverpool and Manchester have much more affordable property prices, and as such their rental yields are much higher. It is common to find investment properties in these North-West cities with yields as high as 8%, meaning you can make far more of a return on your investment in some of the biggest cities in the UK.



3: Buy-To-Let Property Has High Security

Ever heard the phrase 'safe as houses'? Well, that is more than just a saying, as the UK property market is renowned across the world for its stability.

Recent times have proven this is not just a boast. While the UK has endured several events which have rocked the economy for months at a time, the property market has bounced back quickly and continued to grow to new highs.

With Brexit, the COVID-19 pandemic and the cost of living crisis all rocking the UK economy in their unique ways, many methods of investment have experienced ups and downs and caused investors to lose money.

Property being a physical asset tends not to be affected as badly as liquid investment strategies like stocks, and many consider it a more secure way of investing your money.



Why Invest in Property?

There are many reasons why more and more investors are choosing buy-to-let property investment in 2023, such as:

- High rental income thanks to rising rents.
- The stability provided by property being a physical asset.
- Growing house prices lead to great capital appreciation.
- Affordable prices in top UK cities.
- Regeneration efforts leading to a rise in new-build properties.

Be sure to read more of our articles and guides if you want to learn more about investing in property, and why it might be for you!





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