



2024

PROPERTY INVESTMENT GUIDE

The APG 2024 Investment Guide: Navigating
Opportunities in the UK Property Market Update

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Introduction

Welcome to the Anchor Property Group's 2024 Investment Guide. In this comprehensive guide, we'll explore the exciting opportunities available in the UK property market, focusing on key cities like London and Manchester, as well as emerging regional markets. Despite recent changes in government policies, inflation increases, and shifts in the cost of living, we remain confident that property investment continues to offer promising returns. Let's delve into the data and insights that will help you make informed investment decisions.

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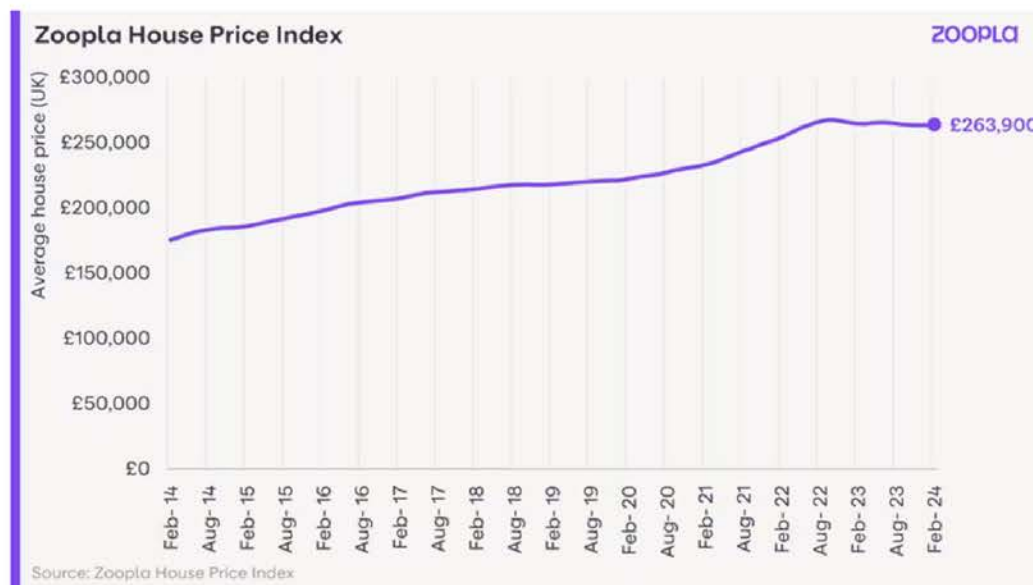
Government and Policy Updates

Government changes to policy and how they affect the property market.

OVERVIEW OF THE UK PROPERTY MARKET

Market Resilience

Despite global uncertainties, the UK property market has proven to be a bastion of stability and growth, showcasing remarkable resilience even amid economic fluctuations. This resilience is largely attributed to the convergence of several key factors, which have collectively propelled the market forward. Over the past year, this resilience has been particularly evident, with average house prices across the UK experiencing an increase of 1.4%, in Q4 and 2023 as reported by [Office for National Statistics].



The UK's population continues to grow steadily, driven by factors such as natural population increase, immigration, and urbanization. As more people flock to urban centers in search of employment opportunities and a higher quality of life, the demand for housing remains robust across the country. This sustained demand serves as a fundamental driver of the property market, underpinning its resilience even during periods of economic uncertainty.

Economic Stability and Favorable Business Environment:

The UK boasts a stable and diversified economy, characterized by its resilience to global economic shocks. With a well-established legal framework, strong property rights protection, and a transparent regulatory environment, the UK offers a conducive setting for property investment. Moreover, the country's reputation as a global financial center and its status as a hub for innovation and entrepreneurship continue to attract both domestic and international investors to the property market.

As we delve deeper into the intricacies of the market in subsequent sections, we'll explore how these factors shape investment strategies and influence decision-making processes.

SPOTLIGHT ON LONDON VS MANCHESTER

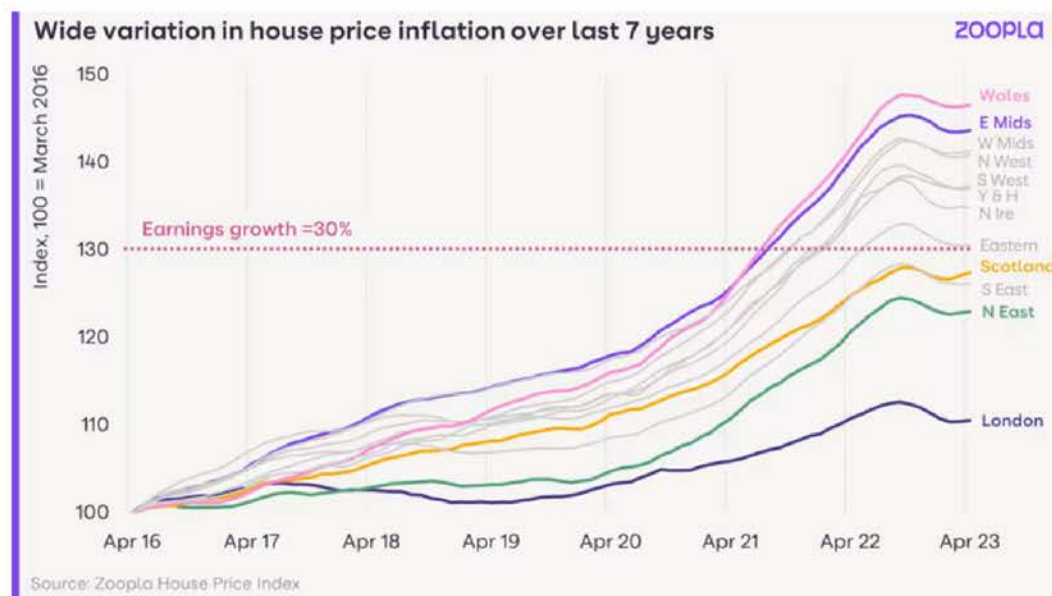
Contrasting Investment Opportunities

In this section, we'll compare and contrast the investment landscape between two of the UK's most prominent cities: London and Manchester. While both cities offer enticing prospects for property investment, they present distinct opportunities and considerations for investors.

London stands as a global financial and cultural powerhouse, renowned for its rich history, diverse communities, and thriving economy. The city's property market is emblematic of its stature, characterized by prestigious addresses, high demand, and premium prices.

Investment Appeal:

- **Prestige and International Appeal:** London's property market exudes prestige and allure, attracting discerning investors from around the world. Iconic landmarks, such as Buckingham Palace, the Shard, and the Houses of Parliament, contribute to the city's global reputation and desirability.
- **Strong Economic Fundamentals:** As a leading global financial center, London offers unparalleled opportunities for business and investment. Its robust economy, diverse industries, and access to talent foster a conducive environment for property investment and development.
- **Capital Appreciation Potential:** Despite its already lofty prices, London's property market continues to exhibit strong potential for capital appreciation over the long term. Limited supply, coupled with sustained demand from domestic and international buyers, contributes to the city's status as a prime investment destination.



Contrasting Investment Opportunities

Manchester, often hailed as the "Northern Powerhouse," has emerged as a dynamic and vibrant city, known for its cultural diversity, thriving business scene, and forward-thinking urban development. The city's property market reflects its resurgence as a hub of innovation and opportunity.

Investment Appeal:

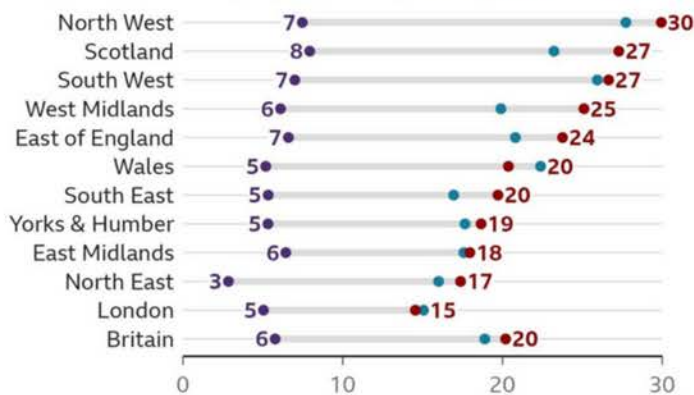
Affordability and Value: Compared to London, property prices in Manchester are more affordable, making it an attractive option for investors seeking value and higher rental yields. The city offers a diverse range of properties, from modern apartments to historic conversions, catering to various investment preferences.

Rapid Urban Regeneration: Manchester's ongoing urban regeneration initiatives have transformed the cityscape, revitalising neighbourhoods and attracting investment across sectors. Major projects, such as the Northern Quarter redevelopment and MediaCityUK, have elevated Manchester's profile and bolstered its appeal to investors.

Strong Rental Market: With a thriving rental market driven by a growing population and a buoyant economy, Manchester offers attractive rental yields for buy-to-let investors. The city's student population, in particular, contributes to demand for rental accommodation, creating opportunities for investors to capitalize on this demographic.

Rental enquiries have more than trebled

Enquiries per rental property in May 2019, 2022 and 2023



Source: Rightmove

BBC

By understanding the unique characteristics and investment dynamics of London and Manchester, investors can make informed decisions tailored to their objectives and preferences. In the subsequent sections, we'll explore additional regional markets and delve into financing options to further enhance your investment journey.

Both London and Manchester present strong cases for investment over a long term period.

Investing in UK property is like planting a seed in the fertile soil of opportunity, where every brick laid becomes a testament to the growth of wealth and stability.

EXPLORING REGIONAL CITIES



Introducing Regional Cities

In this section, we'll shift our focus beyond the bustling metropolises of London and Manchester to explore the burgeoning property markets of regional cities across the UK. These cities offer unique investment opportunities characterized by affordability, growth potential, and vibrant local economies.

Birmingham

Birmingham, often referred to as the "Second City," is a dynamic urban center with a rich industrial heritage and a forward-looking vision for the future. The city's property market benefits from its strategic location in the heart of England and its status as a major transportation hub.

Investment Appeal

- **Strategic Location:** Situated at the crossroads of the UK's road and rail networks, Birmingham offers unparalleled connectivity and accessibility. This strategic advantage has positioned the city as a prime location for businesses, investors, and commuters alike.
- **Urban Revitalization:** Birmingham's ongoing urban regeneration initiatives, including the redevelopment of areas like Digbeth and the Smithfield Quarter, are revitalizing the city's urban landscape and attracting investment across sectors.
- **Thriving Business Environment:** With a diverse economy spanning industries such as finance, technology, and healthcare, Birmingham offers a robust business environment that supports property investment and development.

Liverpool

Liverpool, a UNESCO World Heritage City, is renowned for its rich maritime history, cultural heritage, and vibrant waterfront. The city's property market reflects its dynamic spirit, offering a mix of historic architecture, modern developments, and waterfront living.

Investment Appeal

- **Cultural and Heritage Attractions:** Liverpool's iconic landmarks, including the Albert Dock, Liverpool Cathedral, and the Beatles' legacy, attract tourists and residents alike, contributing to the city's vibrant cultural scene and desirability as a place to live and invest.
- **Waterfront Regeneration:** The ongoing regeneration of Liverpool's waterfront, exemplified by projects such as Liverpool Waters and the Wirral Waters, is transforming the city's skyline and creating opportunities for waterfront living, leisure, and commerce.
- **Student Population:** With multiple universities and a large student population, Liverpool offers a steady demand for student accommodation, presenting opportunities for investors interested in the student housing sector.

EXPLORING REGIONAL CITIES



Continued Regional Cities

Leeds

Leeds, the largest city in Yorkshire, is a dynamic economic powerhouse known for its thriving business scene, cultural attractions, and vibrant nightlife. The city's property market benefits from its diverse economy and growing reputation as a regional hub for finance, technology, and commerce.

Investment Appeal

- **Economic Diversity:** Leeds boasts a diverse economy, with strengths in sectors such as finance, digital technology, healthcare, and education. This economic diversity underpins the stability and growth of the city's property market, attracting investors seeking a range of investment opportunities.
- **Infrastructure Investment:** Significant infrastructure investments, including the development of HS2 and the regeneration of areas like South Bank and Leeds Dock, are enhancing connectivity, stimulating economic growth, and driving demand for property in Leeds.
- **Cultural and Leisure Amenities:** From cultural institutions like the Royal Armouries Museum to leisure destinations like Roundhay Park, Leeds offers a wealth of attractions that contribute to its quality of life and appeal as a place to live, work, and invest.

Derby

Derby, nestled in the heart of the East Midlands, is a city with a rich industrial heritage and a modern outlook. Known for its manufacturing prowess, innovation, and green spaces, Derby offers a compelling mix of urban amenities and natural beauty.

Investment Appeal

- **Manufacturing Excellence:** Derby's legacy as a manufacturing hub, particularly in sectors such as aerospace, automotive, and rail, continues to drive economic activity and investment in the city. The presence of globally renowned companies like Rolls-Royce and Bombardier Aerospace underscores Derby's status as a center of excellence in advanced manufacturing.
- **Job Opportunities for Young Professionals:** With major employers such as Rolls-Royce providing job opportunities in high-tech industries, Derby attracts a young and dynamic workforce. This demographic of young professionals contributes to the city's vibrant culture, economic growth, and demand for quality housing.
- **Regeneration Initiatives:** Derby is undergoing a period of urban regeneration, with projects such as the Derby Riverlights development and the Castleward regeneration scheme revitalizing the city center and enhancing its appeal to residents and investors alike.

Investing in regional cities presents a promising opportunity due to their diverse economic sectors, job prospects from major companies, and ongoing urban regeneration efforts.

FINANCING OPTIONS

MORTGAGE

Navigating the Path to Property Ownership

In this section, we'll explore the various financing options available to investors looking to enter the UK property market. From traditional mortgages to alternative financing solutions, understanding the nuances of each option is crucial for making informed investment decisions.

Traditional Mortgages

Traditional mortgages remain a popular choice for property financing, offering investors the opportunity to purchase real estate with a combination of down payment and borrowed funds. Key features of traditional mortgages include:

- **Loan-to-Value Ratio (LTV):** Lenders typically offer mortgages with a loan-to-value ratio of up to 75-95%, depending on factors such as creditworthiness, property type, and loan amount.
- **Fixed or Variable Rates:** Borrowers can choose between fixed-rate mortgages, which offer stable monthly payments over a set period, or variable-rate mortgages, which may fluctuate with market interest rates.
- **Amortization Period:** Mortgages are typically repaid over a term of 15 to 30 years, with longer terms resulting in lower monthly payments but higher total interest costs.



Your Buy-to-Let Mortgages

Buy-to-let mortgages are designed specifically for investors purchasing properties with the intention of renting them out. Key features of buy-to-let mortgages include:

- **Rental Income Assessment:** Lenders assess the potential rental income of the property to determine the maximum loan amount, often requiring a rental coverage ratio of 125-145%.
- **Interest Rates and Fees:** Buy-to-let mortgages may have higher interest rates and additional fees compared to traditional mortgages, reflecting the increased risk associated with rental properties.
- **Regulatory Requirements:** Investors must comply with regulatory requirements for buy-to-let properties, including safety standards, tenancy agreements, and tax obligations.

"Securing the right mortgage isn't just about buying a property; it's about unlocking the potential for long-term investment success."

FINANCING OPTIONS

MORTGAGE

Alternative Financing Options

Alternative Financing Solutions:

In addition to traditional mortgages, investors can explore alternative financing solutions to fund their property investments. These may include:

- **Bridge Loans:** Short-term loans designed to bridge the gap between the purchase of a new property and the sale of an existing property, offering flexibility and quick access to funds.
- **Crowdfunding Platforms:** Online platforms that allow investors to pool funds and invest in real estate projects collectively, offering opportunities for diversification and access to high-potential properties.
- **Private Lenders:** Individuals or private companies that provide financing for property investments outside of traditional banking channels, offering tailored terms and faster approval processes.

Government Support Schemes

Government support schemes can also assist investors in accessing financing for property investment. These schemes may include:

- **Help to Buy:** A government-backed initiative that helps first-time buyers purchase a home with a smaller deposit, offering favorable mortgage terms and equity loans.
- **Shared Ownership:** A scheme that allows buyers to purchase a share of a property and pay rent on the remaining share, offering an affordable entry point into homeownership.
- **Starter Homes Initiative:** An initiative aimed at providing discounted homes for first-time buyers under the age of 40, offering financial assistance and incentives for purchasing newly built properties.

By understanding the range of mortgage options and financing solutions available, investors can confidently navigate the path to property ownership and capitalize on the opportunities presented by the UK property market.

The Help To Buy Scheme Has Been Extended Until 2024

In the 2023 Budget, it was announced that the Help to Buy Scheme will now be extended until the end of 2024, meaning that thousands more people will be able to buy their first home.

In this infographic, we explain what the Help to Buy Scheme is, who qualifies for it and how to apply for it.



"Government policies shape the landscape of opportunity in property investment, influencing where and how investors can build their financial futures."

INFLATION INCREASES AND THE COST OF LIVING



Inflation

Navigating Inflation Increases and Cost of Living

Inflationary pressures and changes in the cost of living can significantly impact investors' purchasing power and the overall performance of the property market. However, property investment has historically served as a reliable hedge against inflation, preserving the real value of assets and providing a steady source of income. Let's delve deeper into how these factors influence property investment:

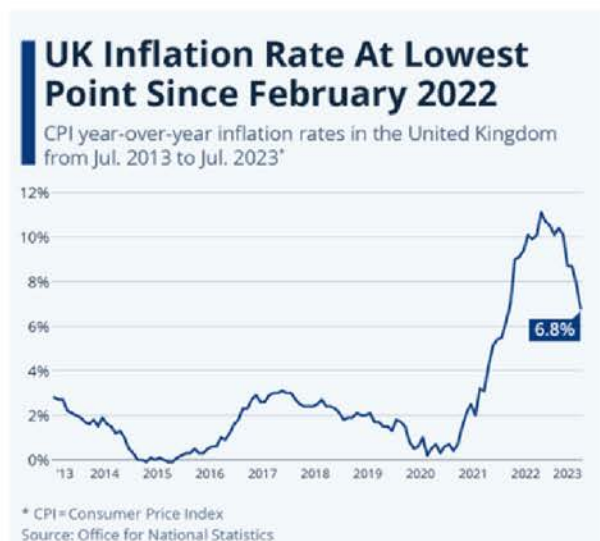
Understanding Inflation and its Impact

Inflation refers to the rate at which the general level of prices for goods and services rises, eroding the purchasing power of money over time. As inflation increases, the cost of living also rises, affecting consumers' ability to afford goods and services.

Property Investment as a Hedge Against Inflation:

Property investment is often considered a hedge against inflation due to several key factors

- **Appreciation Potential:** Property values have historically appreciated over time, often outpacing the rate of inflation. This means that property investors can potentially preserve and grow their wealth even in inflationary environments.
- **Rental Income Growth:** Rental income from investment properties tends to increase over time, especially in high-demand rental markets. As rents rise with inflation, property investors can benefit from a steady stream of income that keeps pace with or exceeds inflation rates.



This visual representation helps investors understand how inflation has fluctuated over time and its potential impact on their investment decisions.

GOVERNMENT AND POLICY

Government Changes and Policy Updates

Government Changes and Policy Updates

Government changes and policy updates can have significant implications for the property market, influencing investor sentiment, market dynamics, and investment strategies. Despite these changes, the property market remains resilient, offering opportunities for savvy investors to navigate shifting regulatory landscapes and capitalize on emerging trends.

Impact of Government Policies on the Property Market:

Recent government changes, such as the SDLT surcharge and EPC certificate changes, have direct and indirect effects on the property market. These policies may include changes to taxation, housing regulations, planning laws, and economic stimulus measures. Understanding the implications of these policies is essential for investors seeking to make informed decisions.

6.2 Resilience of the Property Market:

Despite the impact of government changes, the property market has demonstrated resilience over time. Factors such as population growth, urbanization trends, housing demand-supply dynamics, and economic fundamentals contribute to the market's ability to adapt to regulatory changes and external pressures.

6.3 Seizing Opportunities Amidst Changes:

Savvy investors can capitalize on government changes and policy updates by staying informed, conducting thorough market research, and adopting flexible investment strategies. By identifying emerging trends, anticipating regulatory shifts, and diversifying their portfolios, investors can position themselves to thrive in dynamic market environments.

Anchor Property Group

At Anchor Property Group, we understand the complexities of the UK property market and the importance of making informed investment decisions. Our mission is to empower investors with the knowledge, resources, and support they need to navigate the market with confidence and find the right property for their investment objectives.

We're more than just a property agency—we're your trusted partner in property investment success. Let us help you navigate the complexities of the market, make informed decisions, and achieve your investment goals. Contact us today to start your journey towards property investment success with APG.



2024

"Empowerment is the key to unlocking your potential in the dynamic world of property investment. At Anchor Property Group, we're committed to providing you with the knowledge, insights, and support you need to navigate the market with confidence and achieve your investment goals. Whether you're a seasoned investor or just starting your journey, trust APG to be your partner in property investment success. Together, let's build a brighter financial future."

April Boyes - Founder