



FJP Investment

UNCOVERING THE UK'S TOP PROPERTY INVESTMENT HOTSPOTS





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The UK's real estate market has long been seen as a premier destination avenue for both domestic and international investors. And yet the property sector has had to endure some major hurdles in recent years, with the uncertainty over Brexit colliding with the economic impact of the pandemic that took the world by storm and dramatically changed the course of the past 18 months.

In light of such challenges, the performance of the residential property market in the UK has been remarkable. According to the Office for National Statistics, average UK house prices increased by 13.2% over the year to June 2021.

Now, as we approach the final quarter of the year, the UK's economic recovery is starting to gather pace. The successful vaccination drive and growth of business activity, resulting from the lifting of social distancing restrictions in the second half of the year, has led to a shift from resilience to recovery. Indeed, the IMF has recently upgraded the UK's forecasted growth to 7%, with the economy expected to rebound at a faster pace than previously expected.

Positively, as we begin to emerge from the pandemic, the early signs of economic recovery combined with the pent-up demand that has

accumulated over the past year has led to a confident return of property investors to the market. But interesting questions remain.

Has the pandemic inspired more people to consider leaving towns and cities in favour of rural life? In turn, are property investors turning their attention to the countryside for their next investment? Or, do the traditional property investment hotspots still hold appeal?

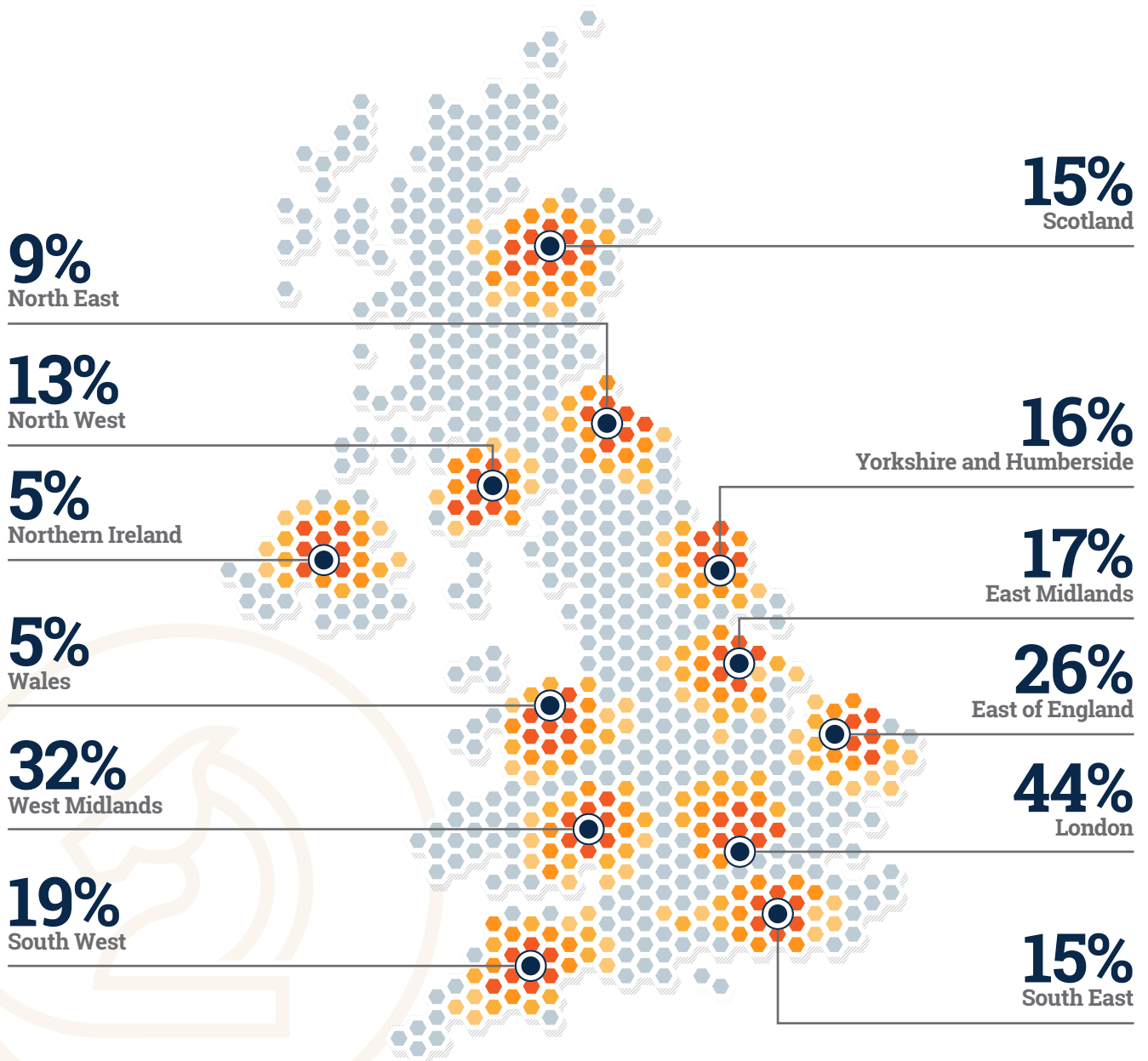
To examine the plans of UK property investors over the coming 12 months, FJP Investment has commissioned a new, independent study among 512 property investors, all of whom own two or more residential properties in the UK. The market research was carried out between 31st August and 3rd September 2021.

DEMAND FOR PROPERTY REMAINS HIGH

Our research reveals that there remains a strong appetite for real estate among domestic investors. According to the study, nearly half (44%) of UK property investors intend to expand their property portfolio over the next 12 months, with 42% citing real estate as the main focus of their investment strategy at present.

More than two fifths (44%) also said that since the start of the pandemic, they have become more likely to consider investing in properties in rural areas.

Importantly, FJP's research also uncovered the nation's top property investment hotspots for the coming year:



THE THOUGHTS OF FJP INVESTMENT

“The sense that the UK economy is showing green shoots of recovery is a welcome boost for investors’ confidence. With the successful vaccination roll-out paving the way for the lifting of most legal restrictions, the UK real estate market looks poised to benefit from the release of saved wealth and pent-up demand that has accumulated over the past year.

“At this interesting time for the UK’s post-pandemic rebuild, our research offers valuable insight into the trends that will shape the property investment sector over the year ahead.

“While urban centres remain the sole focus for the majority (56%) of the UK’s property investors, the shift towards hybrid working models is also likely to bring to the fore prime opportunities for investment in suburban, peripheral and rural areas in key regions across the country. Indeed, we should expect more investors to look to new, greener areas as they try keep pace with the changing preferences of both homebuyers and renters in the aftermath of the pandemic.

“The stamp duty holiday has clearly played a part in boosting activity in the property since July 2020. And it is positive to see that property portfolio expansions are high on investors’ agendas for the coming year – this comes despite some suggestions that the end of the stamp duty holiday would see demand in the property market dry up. Rather, it is clear that investors still regard bricks and mortar as an attractive asset in the current climate.

“Tellingly, London has retained its crown as an investment hotspot, despite speculation throughout the pandemic that the city may have lost its appeal as a place to live, work and invest. Yet our research also shows that regions such as the West Midlands and East of England rank high among investors’ wish lists, and we should expect these areas, along with the likes of the North East and North West, to attract high level of property investment in the coming years.

“Logic suggests that the capital will always remain key focus for property investors, given the sheer numbers of opportunities that exist there. However, over recent years there has been increasing interest in places like Manchester, Liverpool, Leeds and Newcastle – these cities have outstripped London in terms of both the capital growth and rental yields available on property investments.

“It is clear that significant numbers of investors are still looking to such locations across the North of England for their next property investment. It is a trend that is now well-established, and we should expect it to gather pace still further in the years to come.”



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