

# Manchester: Still the Best Choice for City-Centre Buy-to-Let

*With city-centre rentals continuing to grow in popularity, Manchester is still one of the best options for UK expats and foreign nationals.*

MANCHESTER, GREATER MANCHESTER, UK, May 25, 2022 /EINPresswire.com/ --

## Continued Competition for City Centre Rentals.

The number of people looking for rental homes in UK cities is increasing. But, crucially for UK expat and foreign national investors, the [supply of rental properties is not increasing](#). This means that prices are rising, leading to profitability for investors. [Zoopla's research showed](#) that the demand for rental properties in cities is 43% higher than the five-year average and the number of homes available to rent in cities is 43% lower. Because of this, city centre rents have hit their highest level in 13 years.

“

When it comes to capital growth rates, high rent, high rental demand and affordable prices, Manchester is consistently ticking those boxes for UK expat and foreign national investors.”

*Stuart Marshall*



Manchester has long been a favourite location for many investors looking to utilise UK expat and foreign national mortgage products.

Much of the rise in demand for city-centre rentals is being driven by the youth population, who are returning to city centres for study, work, and also for vibrant social scenes revolving around bars, clubs and restaurants. These younger people are living more fluidly, happy to rent amidst soaring property prices and the rising cost of living. For UK expat and foreign national investors, having a property that will satisfy the needs of this younger demographic is important as this will maximise demand, minimise void periods and maximise profits.

Choosing a City.

Choosing the location of a city-centre rental property is one of the most vital decisions that a UK expat or foreign national investor can make in their investment journey. For maximised profitability, targeting an area with high growth rates, high rent, high rental demand and affordable prices will be the ideal strategy. One area of the country has consistently offered this golden combination of factors over recent history – Manchester.

Manchester Still Reigns Supreme. Manchester has long been a favourite location for many investors looking to utilise [UK expat and foreign national mortgage products](#). 'When it comes to the factors mentioned above, Manchester is consistently ticking those boxes for UK expat and foreign national investors' says Stuart Marshall.

#### Capital Growth.

A high capital growth rate is especially important for those UK expat and foreign national investors looking to invest for retirement or for other long-term savings goals. The North West has the current highest growth prediction in the UK of 28.8%, followed by Yorkshire & the Humber at 28.2%. Other areas of interest are the Midlands and Wales, which have capital growth rates of 24% and 22.8% respectively.

Capital growth history is also a good indicator when looking toward the capital growth potential of a particular property in a given area. In looking at the time between 2001-2021, Manchester is the clear front-runner with 344.59% growth over the two decades. This easily beats the next highest area – Sheffield – which has a historic capital growth figure of 254.73%. Homing in on more recent subsections of this time, Liverpool overtook Manchester's growth in 2020-21,



Zoopla's research showed that the demand for rental properties in cities is 43% higher than the five-year average and the number of homes available to rent in cities is 43% lower. Because of this, city centre rents have hit their highest level in 13 years.



Rental figures tend to grow with the capital growth figures in an area as this broadly indicates that an area is popular or 'on the up'. This symbiotic relationship partly explains why rents in the North West increased by 6.3% between 2020 and 2021.

achieving a figure of 17.59% compared to Manchester's figure of 11.4%. This indicates that both of these areas will have a part to play in driving the capital growth of the North West long into the future. However, it's clear that over time, Manchester is the best performer when it comes to capital growth.

#### Affordability.

'Another factor to look at alongside capital growth is affordability' continues Stuart Marshall. 'If a property is both affordable and has strong capital growth potential, then it's likely to be a great investment decision. When it comes to

affordability, many of the same cities crop up as in the capital growth discussion. Sheffield, Liverpool and Newcastle all offer incredibly enticing affordability for investors with average property prices of £191,303, £152,974, and £167,964 respectively. The respective average prices of a terraced property in each of these areas is £165,911, £133,680, and £164,647. And the respective average cost of a flat in these areas is £124,516, £117,946 and £114,252. This makes these three cities some of the most impressively affordable for UK expat and foreign national investors.'

Meanwhile, Manchester's average property price is £199,235. Looking at more specific types of property, the average cost of a semi-detached property in Manchester is £247,326, the average cost of a terraced property is £187,376, and the average cost of a flat is £171,531. While Manchester's average affordability figures skew higher than Sheffield, Liverpool and Newcastle, Manchester does offer a unique investment proposition with its capital growth potential and the extremely high demand for property in that area. 'It can be easy to look at affordability and think that the more affordable properties will be a better investment' says Stuart Marshall. 'While this is true to a degree, there are other factors which are arguably more important when assessing the quality of the investment. After all, an affordable property is useless if it is not popular in the rental market and thus occupied by tenants. Further, rent will usually be proportional to the cost of the property so while affordability is a constraining factor in investment, it is not the be-all and end-all. This is especially the case when taking into account the incredible range of UK expat and foreign national mortgage products which are available to aid investment.'

#### Rental Demand.

Rental demand is a difficult factor to measure. 'The indicators that are usually best to look for are how fast properties sell, population growth, the number of property enquiries, and the increases in property prices and rent. Manchester is a consistently standout performer across all



Rent will usually be proportional to the cost of the property so while affordability is a constraining factor in investment, it is not the be-all and end-all.



of these areas. Zoopla found that the ratio between demand and supply for property in Manchester was 5:1. The huge demand for property shows that investors will have minimal void periods if they choose to invest in this area.'

Similarly, Manchester has seen a massive population growth of 27.8% since 1991. It also increased by 7.7% between 2006 and 2016, which is double the average growth rate in the UK. This highlights that more and more people are choosing to live in the city and the reasons behind this become even more obvious when looking at the demographic makeup of Manchester. Namely, 37% of Manchester's population are aged between 18 and 34. It's not surprising that young people are drawn to Manchester, especially when considering the student population of the city. Currently, over 100,000 students live in Manchester, 51% of which choose to stay after graduation. This is a really important factor for investors as younger people are more likely to rent, as they're often unable to buy their own property. This is especially true at the moment when the cost of living and property are exceptionally high. This younger age group is also a particularly desirable target market when it comes to rentals and can be massively profitable for those investing using a UK expat or foreign national mortgage. This demographic awareness helps to inform UK expat and foreign national investors on the type of property they should look for to appeal to the market in the area in which they are investing.

Rents.

The average rent in an area is an important figure as it obviously dictates how much a landlord can charge for a property. But rents are often tied into and dictated by many of the other factors we have already discussed. Higher rents are often dictated by rental demand as high rental demand will constrict supply and place upwards pressure on prices. Rental figures also tend to grow with the capital growth figures in an area as this broadly indicates that an area is popular or 'on the up'. This symbiotic relationship partly explains why rents in the North West increased by 6.3% between 2020 and 2021. And, with similar increases in capital growth in the North West predicted for the future, it's likely that we will see rents continue to grow too.

Liquid Expat Mortgages

Ground Floor, 3 Richmond Terrace,

Ewood, Blackburn

BB1 7AT

Phone: 0161 871 1216

[www.liquidexpatmortgages.com](http://www.liquidexpatmortgages.com)

Any media enquiries please contact Ulysses Communications.

[sergio@ulyssesmarketing.com](mailto:sergio@ulyssesmarketing.com)

+44 161 633 5009

Sergio Pani

Ulysses

+44 7811 326463

[email us here](#)

Visit us on social media:

[Facebook](#)

[Twitter](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/573933155>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2022 Newsmatics Inc. All Right Reserved.