

Where are the best places to invest in UK property in 2019?

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2019 is finally upon us and with the uncertainty surrounding Brexit, many are apprehensive about investing in the UK property market. We believe that there is still opportunity to be had, if you know where to look. Read on to find out where we think the best places to invest in UK property in 2019 are.



With Britain's impending exit from the European Union, many investors both home and abroad have apprehensions about investing in property in the UK. Surveyors in September 2018 gave their lowest forecast for house prices in three- and twelve-months' time, and Mark Carney warned that a "no-deal" Brexit could shave up to 35% off house prices.

The effect that Brexit has had so far on the UK housing market seems to be confined to London and high value properties over £2m. The fear of Brexit is heightened across these markets mainly because the financial commitment is so much higher. Across the country, average house prices have continued to rise – mainly propelled by regional markets. It is also worth noting that as the pound continues to fall relative to other currencies, it is then more attractive for overseas buyers to invest in property, thus buoying demand and helping to keep house prices afloat.

The threat of a "no deal" Brexit and measures put in place to stockpile goods

With the possibility of a no-deal Brexit on the table, companies are taking measures to avoid disruption to their supply chains and have started stockpiling goods. Several companies have already admitted to doing so, including Rolls Royce, Topps Tiles and the food group Nestle. Even without the possible impact Brexit would have, as consumers want goods almost instantaneously companies that sell online have been buying up shed space for storage.

Demand for UK industrial real estate remains strong. Distribution units and multi-let portfolios have continued to perform well as volumes hit £3.6bn which is roughly 13% of all commercial investment activity in the UK according to data from JLL. Strong demand has been underpinned by the positive market conditions and popularity of ecommerce.

These warehouses are mainly located in the midlands as it makes sense to be able to access all parts of the United Kingdom with ease. Amazon for example currently has 13 warehouses in the UK, including one in Coalville, one in Daventry and one in Milton Keynes. Another such example is Panattoni Park, where more than 1.6 million sq. ft of industrial and warehouse units available in Q4 of 2019 will be developed close to Northampton. Industrial units are also planned for the

green belt around Coventry Airport, which will also include foot and cycle paths and a community park.

With the increase in warehouse activity, it makes sense that as they expand, they are looking for new recruits. This makes property in certain midlands towns such as Northampton and Leicester in the east and Coventry in the west more appealing.

Northampton

Currently Northampton is one of the best places to invest in UK property and this is proven by homes in the town selling on average in 33 days, making it one of the quickest in the country for house sales. This indicates a high demand – possibly from those who are moving to the area for work. This has led to house prices in Northampton rising by 5.3% in the year to October 2018 – a larger increase than the national average.

Leicester

Another place in the midlands which has seen and is expected to see more growth is Leicester. Leicester bucked the trend for house price fall reporting the best year-on-year growth for property prices in any large UK city and has also been named the best city in the UK to invest in property according to [Hometracks Cities House price index](#).

Property prices in Leicester have increased by over 250% since 2000, and with its ideal midland location and promised future regeneration and investment of £3bn, Leicester will only become a more attractive option for property investment. We tip Leicester to be a property hotspot in 2019 as London can be reached in just over an hour, and Birmingham is just under an hour away by train making it convenient for those who commute into work.

Warrington

Situated between the cities of Liverpool and Manchester, Warrington is another place that is worth considering with regards to property investment in the UK. An Amazon warehouse is in the town, and Omega have revealed plans to build 758,000sq ft of speculative warehousing. With the promise of new warehousing space, new jobs will be created, and employees will be looking for somewhere to live. This could be an ideal time to invest in property in Warrington, to accommodate those employees who might rent initially but settle and choose to buy – which could create a good level of capital uplift.

Many are considering Warrington for an investment property over nearby Liverpool and Manchester due to the more accessible housing market as well as house prices in the town being considerably lower than its big city neighbors. This makes Warrington a great location to buy a house in 2019, especially for young professionals working in the cities or those looking to start a family.

Coventry

Coventry is one of the best places in the UK in terms of house price growth. Since the turn of the century house prices in Coventry have risen by over 250%, and it was the only town or city in the west midlands to make the list according to HouseSimple.

Coventry also offers landlords excellent rental yields – some of the highest in the country thus making it one of the best buy-to-let areas in the UK. Average net rental yield excluding tax is around 5.40%, and only 5 other places in the UK come ahead of it according to Private Finance. The excellent yields are complimented by great occupancy rates especially by students as the city has a two extremely popular universities which have a combined enrolment of over 50,000 students.

Halifax

Yorkshire is a well-located county and as a result, it is home to many distribution centres. Many corporations such as Aldi, Lidl, John Lewis, Morrisons and DPD have distribution centres set in Yorkshire.

Halifax was recently named by LendInvest as one of the best places to invest in property for buy to let. This is in part due to the number of businesses operating in the area, including McVities and Nestle, and its proximity to the distribution centres. This combined with affordable housing is why many people decide to lay down roots in the town, as the average house price in Halifax is R2.67m. This is cheaper than nearby Northowram, Hipperholme and Shelf, making it an attractive alternative to workers who are priced out of the surrounding areas.

Halifax also has superb connections. It is situated just 30 minutes away from the Peak District and trains run to Leeds every 15 minutes and Manchester every 30 minutes. It is also just a 15-minute train ride away from Bradford and Hebden Bridge. This makes it a convenient choice for those who commute to work but want affordable accommodation.

One opportunity to invest in the [Halifax buy to let](#) market is in the H1 development. H1 is in the popular West Parade area and the town centre is just a short walk away. The development is a contemporary collection of one-bedroom apartments starting at R1.19m. Features include anti-slip vinyl flooring and built in appliances. What makes this development particularly attractive is how affordable the apartments are. Priced under R1.24m, there is a flexible payment plan in place which means that R32,381 can be paid monthly for 24 months and then there are three years to pay the balance after completion.

Last-mile logistics and how that affects real estate in surrounding towns

The last mile is often referred to the last step in the delivery chain before goods arrive with the consumer. As people are wanting their goods delivered quickly and efficiently, companies are shifting their focus to the last mile and targeting sites close to urban areas. With good access to the M25, Essex is convenient for distributing goods to outlets along the perimeter of the capital. Next PLC has already announced plans to buy land near Waltham Abbey and Amazon has a warehouse in Tilbury – both in Essex.

The emergence of last mile warehouses close to urban areas will bring jobs. As living in cities can be expensive, some may choose to live closer to where they work, and as demand rises this will catapult the popularity of the surrounding area.

Colchester

One Essex town that has experienced phenomenal property growth is Colchester. The town is one of the best places to buy a house in the UK as it has great transport links, schools and amenities. In the last three years, prices have increased by on average £55,000 according to Housesimple.com. LendInvest also carried out research and ranked Colchester as the best place for a buy to let investment when it considered factors such as capital growth, rental yield and rental price growth.

The struggle of the high street and plans to stimulate growth

Other places that may be up for consideration for property investment include those which are due to experience town and city centre regeneration. It should be of no surprise to learn that the high street has been struggling for a while. Debenhams has announced branch closures, as have House of Fraser. Re-negotiating leases with landlords has become common and made retail investing unattractive since the folding of BHS.

Intu, a British Real Estate Investment Trust which focussed on shopping centre management and development has faced troubles with regards to profitability of the centres. A £2.8bn takeover bid was launched by the Peel Group and, even though it fell through, it highlights the struggle of the high street as consumers switch to making online purchases.

Plans have been put in place to stimulate growth in the high street and rejuvenate areas which are not doing so well. Philip Hammond proposed plans in the Budget to save the high street by cutting business rates of retailers with a rateable value of £51,000 or less by a third from April 2019. He also slapped a 2% digital services tax on large digital firms with a turnover of more than £500m to hopefully ease competition. The chancellor also committed to a new Future High Streets Fund, where councils can redevelop abandoned and underused retail and commercial space into residential units. A partner in Cushman & Wakefield, Ian Anderson said of the scheme “the government is right to use planning policy to bring more employment

and residential uses to our high streets, which can no longer afford to be so dependent on retail.”

Milton Keynes

This will help revitalise towns such as Milton Keynes where the town centre is largely dominated by its shopping centre. Recently the go-ahead was given to start work on one of the most significant retail and leisure developments in central Milton Keynes in over a decade. The development will include a boutique cinema, a dining area, new shops and public spaces. Certain spots will be redeveloped to improve the ambience and make them more welcoming. New landscaped areas and public spaces will give families and employees in the area a nice spot to relax and spend their lunch breaks.

Milton Keynes has always performed well when it comes to house price growth and there are no signs of it slowing in 2019. According to Hometrack, Milton Keynes comes in the top ten of places where house prices are rising the fastest. Now could be a good time to invest for those looking for good levels of capital uplift, as house prices will only increase once the rejuvenation work has been completed.

Edinburgh

Although Edinburgh’s high street may not be ailing, it is also undergoing a certain level of city centre regeneration. One such example is an £850m new Edinburgh St James project, which will comprise 850,000 square feet of retail space centred around a luxury hotel.

Edinburgh’s economy was one of the fastest growing in the UK last year and these fundamentals have had a positive effect on its desirability. The picturesque Scottish capital ranked top in a new study commissioned by the Royal Mail into the best places to live and work in the UK, due to its vast green spaces and access to education and healthcare. Other factors include its cultural offerings such as libraries and theatres, job opportunities and business activity.

The appeal of living in Edinburgh has not gone unnoticed. Property prices in the Scottish capital have risen by 7.70% between January 17 and January 18 and research by Hometrack has predicted that they will continue to rise by 30% by 2022.

Property investment in London is still viable – if one knows where to look

Although London house prices are expected to be most affected by Britain’s exit from the EU, there are still pockets of London that could prove profitable for property investment – if one knows where to look.

Leytonstone (London Borough of Waltham Forest)

North east London has been touted by almost a third of landlords as being the best place to invest in London property. They especially look for property near underground lines, with the Central line proving the most popular.

Leytonstone is one of London’s up and coming areas and it is situated in the London Borough of Waltham Forest which sits on the Central line on the boundary of zone 3-4. Although Waltham Forest was an Olympic borough and received certain levels of regeneration, it never really hit Leytonstone; but that could all be due to change.

Younger people are increasingly moving to outer boroughs in London due to the fact they can get more space for their money. The increase in desirability has been reflected in house prices, which have increased by 83% over five years in the London borough of Waltham Forest.

Having said this, prices in the borough remain relatively affordable in London terms with an average property price of £462,000, which is below the overall London average of £629,012 for 2018 (according to figures from Rightmove).

For those looking at the best places to invest in property UK 2019, look to the midlands

and areas with industrial investment

In conclusion, we are predicting that with the shift from the high street to online, towns and cities close to warehouse distribution centres will grow in popularity. As a result, property prices in these towns and cities will increase as they become more desirable. We recommend the best places to invest in UK property in 2019 to be key towns and cities in the east and west midlands, Colchester, Edinburgh and Milton Keynes. Edinburgh is one of the most desirable places to live in the UK, and its booming economy is attracting more workers to the city, which is reflected in its rising house prices. Places such as Milton Keynes should benefit from Philip Hammond's new initiative to revitalise high streets, and key towns and cities in the east and west midlands will benefit from the development of new warehouse space.

We predict that these places would be the most lucrative for [buy to let investments](#). Different measurements are used to predict the best places for [student accommodation investments](#), so subscribe to our newsletter to find out if student property investments are still viable and where the top places to consider are.

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