



# Building a profitable future

Property has always been an attractive investment but the trick is to know where – and when – to invest. Ann Graham takes a look at the investment property hotspots across the UK

Additional words: Jeremy Smadja

## Lucrative London

The capital, with its steady stream of recession-proof properties boasting iconic postcodes and famous neighbours, has always been a sensible place to invest.

The seemingly limitless demand for prime London property and the city's ever-expanding population means that it's always a safe bet. During times of recession, housing prices barely register a fall in London, and when the economy picks up, the sought-after London addresses will outperform the rest, selling fast and commanding top prices.

The only problem at the moment is finding somewhere to buy in the capital. With high demand and a scarce supply of new properties coming to market, buying in London is proving to be more than a little tricky.

The most exclusive areas are Chelsea, Belgravia, Mayfair and Marylebone where prices start from around £700,000 for a two-bedroom flat. However, if you've just completed a multi-million pound transfer deal and don't want to keep your money sitting in a bank, you might like to consider Eaton Square.

One of the most exclusive addresses in London, Eaton Square is an iconic Grade II-listed estate, home to scores of famous actors and

politicians. It's also one of the last remaining garden squares in central London and is only a short stroll away from Buckingham Palace.

For more information, contact Simon Barnes at Bodens on 020 7589 2000.

## The golden ring

Look just outside the capital and you'll soon find the best of both worlds: property that's value for money, offers a quieter existence, and is still within easy reach of city life. Hotspots include Crawley and High Wycombe according to Leaders, one of the largest specialist agents in the UK.

Leaders' Lettings Manager, Nikkie McNaughton says: "These areas are also often more pleasant than a lot of the London boroughs: less traffic, more open spaces, and in the case of Crawley - easier access to the South Coast, the countryside, and Gatwick Airport is on the doorstep. All this means continual high demand from people wanting to rent and therefore strong rents achievable in the long term."

Hotspots in Crawley include Maidenbower and Pound Hill. Recent two-bedroom houses of the required standard are letting easily at £875pcm. New ones may rent for higher, and those with an en suite shower could go as high as £925pcm. "A property offered to a good standard should yield about 5%," Nikkie says.



Georgian houses are in high demand in London

In High Wycombe, one-bedroom flats in walking distance of the station, can be purchased for around £120,000 - 130,000 and will rent for around £675 pcm (6% yield). Two-bedroom flats cost around £180,000 and will rent for around £750 pcm (5% yield).

Visit [www.leaders.co.uk](http://www.leaders.co.uk) for more information

## All eyes on Newquay

London and the South West are always going to be investment hotspots, according to Alister Betts, director of Midas Estates, but he's also shining the light on a new location – Newquay.

"It may be several hundred miles from London, but we've seen a real spike in demand for property in Newquay," he says. "As more and more people work from home, living out of the city is feasible and there are direct flights from London's City Airport to Newquay making it an easy location to get to."

But it's not just the relatively easy commute that's attracting many investors to Newquay – it's location on the Atlantic Coast of Cornwall and its reputation as the UK's top surf spot is drawing many to the area. "It's renowned for its surfing all year round," says Alister, "and further up the coast in North Cornwall, at places like Padstow, you find the likes of celebrity chefs Jamie Oliver and Rick Stein who have restaurants there. We're seeing a lot of wealth heading that way."

Figures from Home.co.uk show the majority of property types increasing in value in Newquay over the past five years. In September 2006, a detached property was valued at £349,985; in January 2011, the property now stands at £387,913 – an increase of 11%. While semi and terraced properties fell 12% in value over the same period of time, flats reported a 46% increase in value, from £194,151 in September 2006 to £296,753 in January 2011.

## Heading North West

"The North West is an interesting area at the moment," says Hugh McAuley, company director of Innovation Property Group. "Rental yield is very good, properties are way below market value, and they're achieving good rent compared to mortgage payments," he says.

Hugh, an ex-professional footballer himself, now advises current players on investment property purchases and is currently pointing them in the direction of the North West. "The North West can offer apartments which are in small apartment buildings rather than tower blocks, they're in decent locations in city suburbs, and the properties we find for them are all fully tenanted."

He also suggests looking at investing in commercial property. "Buying commercial space in a high street is always going to be a win-win situation, because there are only so many high streets, and so many spaces within them. When we look at a commercial property we



look for those where the lease is guaranteed, and where rent covers the purchase price."

Hugh believes interest rates are likely to stay relatively low in the near future and says the next three years is a key time to buy. "If you're in a position to buy property now, then do so. Buy as much property as possible and hold on to it, particularly commercial."

Visit [www.theinnovationgroup.com](http://www.theinnovationgroup.com) for more information

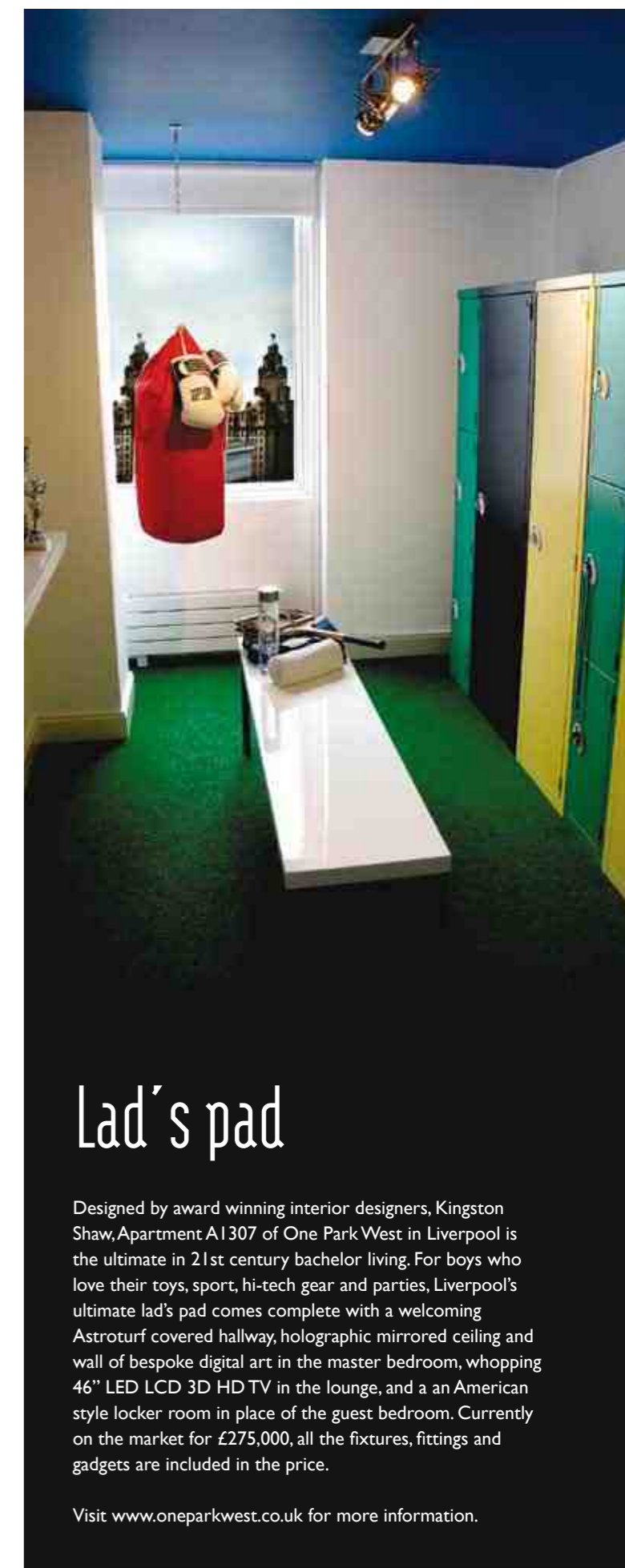
## Take a look at Liverpool

Liverpool has been getting hotter since it was named 2008 European Capital City of Culture, according to Guy Butler, projects director at Grosvenor, an international property development, investment and fund management group. In the last few years the city has had massive investment in excess of £2bn, which has seen the redevelopment and maturing of the docks, with the Echo Arena and BT Conference Centre, as well as the building of Europe's largest regeneration project, the shopping and leisure destination Liverpool ONE.

"Its location is excellent as you have good access to London (1.45 hours) and Manchester (20 mins), as well as international cities from Liverpool John Lennon airport," says Guy. "Unlike many of the other cities in the region (Manchester, Sheffield, Leeds), the building craze started later in Liverpool, which has meant the city isn't suffering from an oversupply of apartments. In fact, there is still demand for city flats," he says.

Guy has seen a growing trend in the number of expats investing in Liverpool properties. "A studio can return 8%, while a bigger two-bedroom property can return 5.5%. Although it's a lower return, there's more equity in a larger property so investors are striving for quality," he says.

Apartments in High Wycombe are within easy reach of the capital



## Lad's pad

Designed by award winning interior designers, Kingston Shaw, Apartment A1307 of One Park West in Liverpool is the ultimate in 21st century bachelor living. For boys who love their toys, sport, hi-tech gear and parties, Liverpool's ultimate lad's pad comes complete with a welcoming Astroturf covered hallway, holographic mirrored ceiling and wall of bespoke digital art in the master bedroom, whopping 46" LED LCD 3D HD TV in the lounge, and an American style locker room in place of the guest bedroom. Currently on the market for £275,000, all the fixtures, fittings and gadgets are included in the price.

Visit [www.oneparkwest.co.uk](http://www.oneparkwest.co.uk) for more information.