



# THE FUTURE OF LIVERPOOL PROPERTY INVESTMENT

YOUR GUIDE TO WHERE TO  
INVEST IN LIVERPOOL



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Why Fabrik Invest?



# LIVERPOOL SNAPSHOT

With a multibillion-pound development and rejuvenation project underway and more than 60,000 students, the thriving city of Liverpool attracts visitors, businesses, and investors from across the globe. The famous UNESCO World Heritage waterfront is home to buzzing shops, award-winning restaurants, theaters, museums and hotels, as well as great parks and green spaces making it one of the UK's most-loved cities.



“The city centre is constantly improving with owner-occupiers, investors, renters and developers buying into a modern, trendy and progressive city.”

**JLL 2020 Northern  
England Forecast**



## Liverpool's housing market

Over the last 20 years, property prices have risen by +351% in Liverpool (Home.co.uk). When compared with Northern Powerhouse cities like Manchester and Leeds, which are about 45% more expensive than Liverpool, it's easy to see why a city of Liverpool's stature is still undervalued. But, overall, when compared with other cities across England, Liverpool is one of the best value places you can buy a house or apartment. This makes it attractive for those looking for high rental yields and capital gains.

According to Zoopla, the average price of a property in Liverpool is currently £152,300, £205,600 in Leeds, and £215,700 in Manchester. In the year to August 2022, average property values have increased by 8.8% - slightly above the UK average of 8.2%.

## Buy-to-let investment

The top postcode for yields (Liverpool L1) delivers an average rental yield of 5.87%. This is due to the high demand for rental properties from students and young professionals. In addition, Liverpool is home to several universities, including Edge Hill University, the University of Liverpool, John Moores University and Liverpool Hope University. Demand for property is high due to its popularity as a student city and growing employment opportunities in finance and technology fields, making it a high-yielding option for investors.

There are a number of places that are highly sought after by investors, with high demand for renters driving yields upwards. For example, the city centre postcode area of L1 has seen average property price growth around 17% over three years, while the Baltic Triangle and the Knowledge Quarter are popular choices for students and creative industries. The prestigious Georgian Quarter has become a hotspot for wealthy young professionals, and the northern part of the city - close to the Liverpool Waters regeneration - has attracted global investment.



## Economic strength

The wider North West region provides a stable backdrop for Liverpool's success. According to Avison Young research, optimism is high for Liverpool's continued Covid-recovery in 2022, with the city forecast to see GVA growth of almost 6%, compared to an average of just 0.6% before the pandemic.

The overall outlook for Liverpool is positive. The economy has been on an upward trend and unemployment figures have fallen, according to figures released by the job search engine Adzuna. The city's rapidly growing student population makes it a great

place for students looking for city centre accommodation at an affordable price. With new jobs and a young population, there are a number of reasons why you should consider investing in Liverpool's Buy-to-Let market.



Postcodes in the top 25 are delivering handsome returns. The highest is Liverpool L1.

Totally Money UK  
Buy-to-Let Yield Map  
2019/2020





# LIVERPOOL WATERS



## Capitalise on a £5 billion regeneration

The ambitious £5 billion Liverpool Waters regeneration will transform the city's northern docks, delivering a world-class, mixed-use waterfront.

Spanning over 30 years, Liverpool Waters will see 20 million sq ft of mixed-use development floor space across 60 hectares.

Spread over 2km of the River Mersey's banks, the regeneration project will inject

a new lease of life into one of the country's most iconic waterfronts.

The development sits perfectly between Liverpool's Commercial Business District and its world heritage waterfront, making Buy-to-Let property investments in this corner of Liverpool's city centre an excellent choice for investors who want to capitalise on the demand for rental property.



# UNDERPINNING PRINCIPLES – A STORY OF STRENGTH

The metro area population of Liverpool has risen from 889,000 in 2017 to 902,000 in 2020. United Nations population projections (not adjusted for COVID-19) show that growth reaching 992,000 by 2035.

## Key demographics

Liverpool's expansion will increase pressure on the city's housing market over the coming years. The supply of homes has already been struggling to keep up with demand. Over the past decade, according to JLL, Liverpool has supplied an average of 750 homes per year. However, it will need to increase

this to 850 homes per year for the coming ten years, if it is to keep up with demand.

Liverpool is a youthful city; JLL reports that 34% of Liverpoolians fall into the 15-34 age group. This youthful energy is reflected in the drive and dynamism of the city's commercial sector. With a

strong commitment to academia and a history of innovation, it is perhaps unsurprising that Liverpool's key business strengths include scientific research and development.

## Business strength

The Liverpool Local Enterprise Partnership (LEP) highlights the value of advanced manufacturing, health and life sciences, digital and creative, business and financial services and the visitor economy when it comes to strength and economic

opportunity within the city.

The city's musical history, UNESCO World Heritage waterfront, art galleries, world class restaurants, lively shopping scene and more support a bustling visitor economy that

is worth more than £4.9 billion, according to the Visitor Economy Team at Liverpool City Region LEP, welcoming over 67 million visitors per year.

## Global reputation

Liverpool's sporting prowess also supports the city's global reputation, from the Grand National and other racing at Aintree to Liverpool FC being crowned champions of the Premier League in 2020, for the first time in 30 years, and of the Champions League in 2019.

As a result of its position on the world stage and its solid underpinning credentials, Liverpool attracts plenty of

attention from investors, including those overseas. According to the Department for International Trade's, the North West saw the creation of 139 projects and 4,309 jobs as a result of foreign direct investment (FDI) in 2020-2021. That equates to 17% of all projects created in the UK (excluding London) as a result of FDI and 21% of all jobs. Property – both residential and commercial – is always of interest, whether to

domestic investors or those half a world away. In Liverpool, the city centre is an important area of interest. Not only does it top Totally Money's index of Buy-to-Let yields, but JLL observes that there is a shortage of high-quality stock in the city centre.

## Regeneration and renewal

When it comes to underlying credentials, Liverpool's commitment to regeneration serves the city well. Largely neglected throughout the 1990s in terms of redevelopment schemes, Liverpool went into the new century with much to achieve – and that it certainly has. Billions of pounds of investment have seen some superb projects completed, including the Baltic Triangle, Liverpool ONE, Ropewalks and Echo Arena Liverpool. Other projects, such as the redevelopment of the iconic waterfront, continue apace.

The flagship, £2 billion Upper Central mixed-use scheme will create an estimated 7,000 jobs in the city. The 2.5 million square foot space will include offices, restaurants, shops, gyms, university spaces and more, further strengthening the city's already world-leading innovation district, the Knowledge Quarter.

# WHAT'S IN STORE FOR LIVERPOOL PROPERTY PRICES?



## The future of property

When it comes to a post-COVID property market rally, Savills' confidence lies firmly in the North West. Despite the pandemic, the company is projecting a rise in house prices across every UK region in 2022.

At the time of its publication in July 2022 (before interest rates increased), property values in the North West of

England were forecast to climb by 10% in 2022 - the highest rate of any UK region.

Savills projects a UK-wide pause in price rises during 2023, followed by a major uptick in values in 2024. Again, the North West leads the field, with a projected rise of 4% in 2022.

Over the longer term,

Savills again flags up the North West as the country's best-performing region.

Over the five years to 2026, accounting for the impact economic challenges, the company predicts an increase in house prices across the North West of 24.3%. That's well above the UK average, which stands at 17.4%.

## Mainstream residential property forecasts, July 2022

	2022	2023	2024	2025	2026	5 years to 2026
<b>UK</b>	7.5%	-1.0%	3.0%	3.5%	3.5%	17.4%
<b>North West</b>	10%	-0.5%	4.0%	4.5%	4.5%	24.3%
<b>Yorkshire and the Humber</b>	10.0%	-0.5%	4.0%	4.5%	4.5%	24.3%
<b>North East</b>	9.0%	-0.5%	4.0%	4.5%	4.5%	23.2%
<b>Wales</b>	10.0%	-1.5%	4.0%	4.5%	4.5%	23.1%
<b>East Midlands</b>	8.5%	-1.0%	3.5%	4.0%	4.0%	20.2%
<b>West Midlands</b>	8.5%	-1.0%	3.05%	4.0%	4.0%	20.2%
<b>Scotland</b>	8.5%	-1.0%	3.5%	4.0%	4.0%	20.2%
<b>South West</b>	7.5%	-1.5%	3.0%	3.5%	3.5%	16.8%
<b>South East</b>	6.0%	-1.5%	2.5%	3.0%	3.0%	13.5%
<b>East of England</b>	6.0%	-1.5%	2.5%	3.0%	3.0%	13.5%
<b>London</b>	3.5%	-1.0%	1.5%	2.0%	2.0%	8.2%

JLL believes that Liverpool is well placed to fare well in terms of price growth, observing that the city will continue to benefit from robust economic and population growth. The firm projects an increase of 14.8% in rents between 2020 and 2024.

Source: Savills Research. Note: These forecasts apply to average prices in the second hand market. New build values may not move at the same rate

"We expect sales price growth and rental growth to be reasonably strong and steady over the next five years."

**JLL 2020 Northern England Forecast**



## Forecast House Price Growth (JLL)

Liverpool					
2022	2023	2024	2025	2026	Average pa
5.0	4.0	3.0	3.5	4.0	3.9

## Rental Growth Forecast (JLL)

Liverpool					
2022	2023	2024	2025	2026	Average pa
3.0	2.5	2.0	2.5	3.0	2.6

## The bigger picture

In addition to the positive projections for Liverpool's property sector, the future is looking good for its wider built environment. According to the Liverpool LEP, the city is positioning itself to be at the forefront of the new drive to build more sustainably.

“With the current commitments to both reduce carbon release in construction and energy use of our buildings, we have created strategic partnerships across the construction sector, academia, business, local and national government and community organisations to ensure our city region is at the forefront of this investment path.”

**Liverpool LEP**

Liverpool is in the midst of a £14 billion regeneration-led renaissance, including a £250 million investment in major highways and transport projects. Flagship redevelopment schemes are in progress across the city, from the exciting Ten Streets project to the new Festival Park and cruise liner terminal. This continuing commitment to regeneration and to ensuring that Liverpool remains a global city bodes well for property investors over the medium to long term.

## Economic growth

All of this infrastructure development is backed by strong economic credentials. JLL projects GVA growth of 2.1% pa for Liverpool from 2020 to 2024, alongside population growth of 0.4%.

EY, meanwhile, projects employment growth of 1% per

year for Liverpool from 2020 to 2023, with employment growth of 1% pa over the same period. The figures mean that Liverpool will outperform the North West over the coming years,

In total, the EY UK Regional Economic Forecast predicts

the creation of up to 11,600 new jobs in Liverpool in the years to 2023, with the administrative and support service and human health and social work sectors leading the growth.







# TOP TIPS FOR BUYING IN LIVERPOOL

## Do your research:

Location, location, location! Make sure you do your research, focusing on the best locations. These include areas close to the business district, city centre and universities, so you can attract the right types of tenants. Avoid some of

the outer areas, such as Bootle and Toxteth. Look for development opportunities in the central Georgian Quarter, which is set to benefit from the £2 billion Upper Central regeneration scheme that forms part of Liverpool's innovative Knoweldge

Quarter. Consider your options for the local market. Always look for properties where you are paying a reasonable price per sq ft compared to similar buildings in the area, as well as those where tenant demand is outstripping supply.

## Developer's track record:

Make sure you are investing with a credible developer that has a solid track record of delivering quality properties.

Ensure that the land is owned by the developer and has no gearing on the asset, this combined with a secure

mechanism to transfer your funds via 3rd party solicitors lowers the risk for your investment.

## City centre location:

It's important to choose an area in the city centre that will deliver good capital growth and a high occupancy level. The Georgian Quarter, for example, is already a well-established residential location, providing stability through its very high occupancy rates. It's always important to understand how

a location will change and evolve over time and what impact this will have on the level of demand for your property. A regeneration project like Upper Central will ensure more jobs, facilities and amenities in the local area, which in turn leads to higher occupancy levels and stronger capital growth.

## Don't shy away from off plan:

You can often find reputable developers, choose the best apartments and get the best deals by buying off plan. This allows you to benefit from maximum capital

growth and rental yield returns. Some developers offer a rental guarantee period for the initial few years.

## Property finance:

Liverpool boasts the top yields in the UK. Combined with record low borrowing rates, this means your return

on cash invested will be maximised, with your rental income covering your loan.

## Buying with a Ltd company:

There can be huge tax benefits to purchasing through a company rather than a personal name. We can put you

in touch with GetGround, who can assist you with this.





# WHY FABRIK INVEST?

**There are plenty of property investment companies around, so why should you choose Fabrik Invest? What makes us different?**

Fabrik is a knowledge-based consultancy. Our property partners are experts in their particular fields and include a team of financial advisors, tax specialists and independent legal professionals. Both Fabrik and our partners are here to help you every step of the way in building your property portfolio.

In short, it's our approach. We deliver an ethical, integrity-led service from the outset. That means being very selective about the developers with whom we work and the properties that we offer. We work hard to provide sustainable Buy-to-Let investments that minimise their impact on the environment and

that consider the needs of all those involved in the property, from those purchasing homes to those renting them.

When it comes to our investors, we want to deliver an outstanding experience at every point. That means secure investments please, asset-backed properties and

a lifetime after sales support service.

Our commitment to delivering property investment with a difference means that we commit to principles such as those mentioned above for each and every development.



Asset-backed properties



Prime locations for capital growth and rental demand



Highest quality builds, with an emphasis on sustainability



Fully managed



Lifetime after sales support



Secure investments



Integrity and ethics as standard





For more information please call or visit:

**Fabrik Invest - Head Office Address:**

Churchgate House, Rectory Ln, Rettendon Place,  
Battlesbridge SS11 7QR

**Cape Town Address:**

Dock Road Junction, Corner of Stanley & Dock  
Road, Waterfront, Cape Town, 8001.

**[www.fabrikinvest.com](http://www.fabrikinvest.com)**

**020 8175 9891**

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