



Birmingham

A guide for investors

Exceptional expertise



Liam Smith
Partner - Head of
New Homes and
Residential Investment
Birmingham

“Birmingham is one of the best places to invest in the UK, with affordable entry prices, good rental yields and strong projected capital appreciation. With inward investment increasing in all sectors, the city is seeing huge economic growth adding to the already high demand for quality residential property. The city’s ‘Big City Plan’ and other huge regeneration projects underpin Birmingham’s ever-changing landscape.

At Knight Frank, we pride ourselves on our knowledge of this key market. We have exceptional expertise with a team with vast experience advising BTL clients across the city. If you would like to discuss your investment needs or would like further information on this emerging market, please do not hesitate to get in touch.”

Top ten reasons to Invest in Birmingham

Biophilic Birmingham

Birmingham is a member of the Global Biophilic Cities Network. The city has set its intention to become the UK's first 'natural capital city' with a focus on being green and sustainable.



House price performance

Impressive growth of 29% over the past five years (compared to London's 9%).



Strong rental market

A 4.5% average new build yield for Birmingham (source: Knight Frank using OnTheMarket).

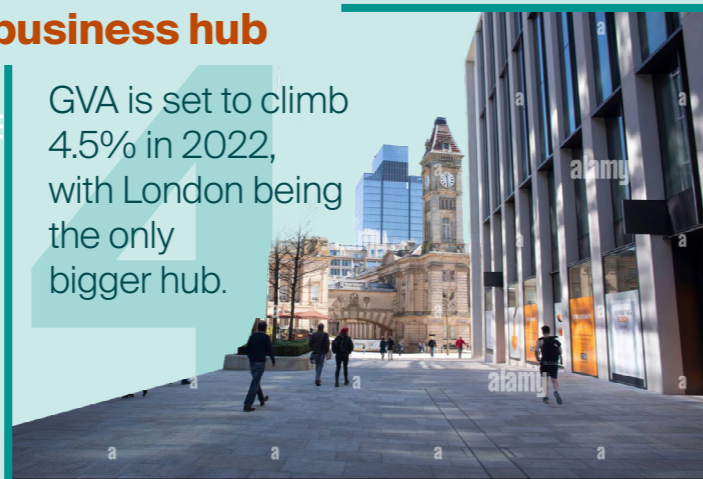
UK's 2nd biggest economy

Worth £31.9 billion and second only to London.



UK's 2nd biggest business hub

GVA is set to climb 4.5% in 2022, with London being the only bigger hub.



Retail hotspot

Birmingham is in the top 3 most visited cities for shopping.



Fine dining accolades

It hosts the most Michelin-starred restaurants outside of London.



Huge local investment

With the 2022 Commonwealth Games, plus HS2 and the council's Big City Plan, Birmingham is seeing massive growth, transformation and inward investment.



Higher Education offering

The city's home to 80,000+ students across its five universities and it boasts high retention rates.



Central location

Its positioning in the middle of the country enables easy access to multiple locations. The arrival of HS2 will speed up rail links hugely, with London less than an hour's journey.

The central city of Birmingham is England's rising star.

Its appeal is gaining momentum, and for good reason.

Did you know that Birmingham is currently the most popular destination for those moving out of London? It's ahead of other major cities like Bristol and Manchester, according to the Office for National Statistics (ONS).

This trend is not just by chance. Strategic moves have been made to position Birmingham as a global player. This year, it will host the Commonwealth Games for thousands of international visitors.

The ambitious Big City Plan has the aim of making Birmingham a world class destination by 2030. This is a 20-year development scheme. Backed by major investment by the city council, the city is evolving to make this happen.

Then of course, there's Peaky Blinders. The Birmingham-based BBC drama first blasted its way onto our screens in September 2013. At that time, the average sold price of a Birmingham property was £136,234. Six seasons of the popular historical crime drama later, and that average has risen to £213,158. That's a 56% increase (to December 2021).



Home to **80,000+** students



In the **top 3** most visited cities for shopping



UK's 2nd biggest economy (next to London) - worth **£31.9 billion**



Host of the most **Michelin starred** restaurants outside of London



UK's 2nd biggest business hub (next to London) GVA set to climb **4.5% in 2022**



Big City Plan



The Big City Plan is a 20-year City Centre Masterplan. It's a vision to encourage and support Birmingham's continuing transformation into a world class city centre. It covers every aspect of the built environment.

This includes:

- Creating 1.5 million square metres of new floorspace
- Creating over 50,000 new jobs
- Contributing £2.1 billion to the economy each year
- Creating a well-connected, efficient and walkable City Centre
- Providing 65,000 square metres of new and improved public spaces
- Providing 28 kilometres of enhanced walking and cycling routes
- Providing over 5,000 new homes with new leisure and recreational facilities to attract more families
- Valuing the city centre's heritage and cultural assets
- Integrating sustainable development and addressing the impact of climate change as part of the future transformation of the city centre
- Delivering five areas of transformation supporting the growth of the City Core

Source: Birmingham City Council, 2022



Birmingham by numbers

House price performance (June 2016-June 2021)

As one of the UK's fastest growing populations and economies, as well as the biggest business hub outside of London, Birmingham has an affordable property market that promises exceptionally strong yields.

The city's total GVA stood at £29 billion in 2018, rose by 7.5% in 2021, and is set to climb a further 4.5% by 2022. Billions of pounds are also being invested into Birmingham's infrastructure to enhance what is already the country's largest financial and commercial centre. The Big City Plan will see the City Council continue to invest in the creation of a world-class destination until 2030.

Birmingham is also considered a cultural epicentre and one of the UK's top shopping and dining destinations. This impressive visitor economy is set to keep on growing with the forthcoming arrival of HS2, cutting journey times to London to just 49 minutes.

Prices in the City continue to grow and have also increased at a higher rate than the national average over the last 5 years. Birmingham's prime values have also increased by 20% more than London showing that confidence in the market is exceptionally high.

With the increased investment and the ongoing regeneration, capital values are projected to increase further making Birmingham a unique and sustainable place to invest for years to come.

+9%
London

+25%
UK

+29%
Birmingham

Education



Birmingham is home to five universities

Birmingham University, Aston University, Newman University, University College Birmingham and Birmingham City University. The establishments attract over 80,000 students to the city to study. They host national and international students who choose to study a vast array of academic and vocational subjects.

A staggering 49% of graduates stay to work and live in the city. This is reflected in the young, diverse community in the area.





Knight Frank Interiors

From initial enquiry through to installation, Knight Frank Interiors offer an entirely personalised interior design service. Their role is to make the process as seamless as possible, providing guidance at every stage to ensure the right design and finishing touches for your tenants.

At what point in the process can we start to work with Knight Frank Interiors?

You can engage with our service as soon as you exchange contracts. We always advise our buyers to be prepared, to ensure a smooth and seamless process post handover. Preparing your furniture in advance also allows more time to select the pieces (the fun part!) and you may be able to benefit from discounts if you order early.

How are your fees structured?



Tara Welsh
Director
Knight Frank Interiors

For our turn-key furniture packages, installation and delivery forms part of the overall cost. Should our client wish to explore our tailored interior design service, we base our fees on the furniture total cost, to ensure we allow enough design time for our client to feel completely satisfied with everything before we proceed to manufacture.

Knights Frank Finance

There have been a number of regulatory changes around buy-to-lets, with many clients finding the availability of funds vastly different to previous years. Whether your goal is rental income or capital growth, their specialist knowledge and access to a wide range of lenders will enable you to find the buy-to-let mortgage deal that is right for you.

How can you help buyers in Birmingham?

The team and I specialise in assisting clients purchasing new build property. As a whole-of-market brokerage, we have long-standing relationships with all major lenders in the UK, and more than 15 internationally, providing you with competitive rates and unparalleled access to the market. I can help source appropriate finance and arrange for it to be in place in time for completion. There is no stone unturned when looking to help our clients.

How does buy to let lending work?

Essentially lenders assess how much you can borrow on a buy-to-let basis in three different ways; 1) pure rental stress testing 2) affordability based on income and expenditure 3) rental stress testing using a medium term fixed rate. As a brokerage we assess a client's needs and use one of the three to make a mortgage recommendation.

Do I need to arrange a mortgage now or wait until completion?

There are a number of lenders who can offer a residential mortgage up to 12 months before completion, however for a buy-to-let or non-UK resident purchase, it is usually three months.



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We'd love to help you.**

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