

Research reveals almost all top buy to let yields are in areas close to universities

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By Propertywire



Almost all of the UK's top 20 best postcodes for buy to let rental yields are located within close proximity to a university campus, new research has found.

Using statistics from PropertyData, lettings platform Howsy looked at the best buy to let postcodes based on 12 month's rent divided by the average property price in the area, ranking each postcode from the highest yield available to landlords.

It found that 17 out of the top 20 buy to let postcodes in the UK are within easy reach of a university campus with BD1 in Bradford the best university investment option. In the city centre, it is just a short walk from the University of Bradford and with the average house price in the area costing £54,938 and an average monthly rent of £468, landlords can secure yields of 10.2%.

Sunderland's SR1 is the next best university postcode for property investment with yields of 9.4%, followed by Liverpool's L7 close by to both the University of Liverpool and the Royal Liverpool University Hospital with the postcode having yields of 9.3%.

The TS1 postcode close to Middlesbrough train station and Teeside University has yields of 9.2% and L6 also around the Royal Liverpool University Hospital also has yields above 9% at 9.1%, with L1 close to the University of Liverpool close behind at 8.7%.

Other towns to feature with some of the highest yields for buy to let postcodes are DN31 in Grimsby, EH8 in Edinburgh, CF37 in Pontypridd, PA3, G21, G52 and G14 in Glasgow, M14 in Manchester, NE6 in Newcastle, LS6 in Leeds and NG1 in Nottingham.

'It's no coincidence that the vast majority of postcodes with the highest rental yields are found near a university campus, and for a safe bet on your investment, these are the places to look when buying,' said Calum Brannan, Howsy chief executive officer.

'While students aren't always the ideal tenants, they bring consistent demand via an annual flow of new arrivals, the void periods are generally much shorter, and the supply demand imbalance puts the landlord in control when choosing a tenant,' he pointed out.

'As a result, these hot pockets of buy to let demand offer landlords an investment option that is almost certain to provide a healthy return despite slower market conditions and uncertain times in the buy to let market,' he added.

Areas without university demand with top yields include CT13 in Sandwich, Kent, at 18.2%, PA15 in Greenock, Renfrewshire at 9.7%, and FK3 in Falkirk at 7.9%.