



Bairstoweves

NOTTINGHAM

Making sense
of property
investment in



“Hello!”



IAN CULBERT
MANAGING DIRECTOR,
FOR LETTINGS NORTH

I'd like to welcome you to your Nottingham Lettings Market Insight Report. As a landlord, it's important to understand what's happening in your investment area and also to be able to appeal to the changing needs of tenants.

In this guide you'll find straight-talking advice and essential information on the rental market in Nottingham. There's also lots of inspiration to be found in our investor story which illustrates landlord Revlin's experience in property and discusses the challenges, opportunities and influences that have helped him get to where he is today.

This guide is a must-read for hundreds of property investors like you.

**I hope you find it useful.
Happy reading.**



To succeed in property, you need to arm yourself with the right knowledge and work with the best people. Let's start with...

HOUSE PRICES IN NOTTINGHAM...

Terraced	Semi-detached
 £133,300 Average sold price	 £167,500 Average sold price

AND THE LOCAL RENTAL MARKET...

£711 Average asking rent	8.6%  Rental price change year-on-year
4.6%  3-year compound annual growth rate	4.1%  5-year compound annual growth rate
14 DAYS Time to let	-12.5%  Change in time to let since a year ago



OUR **TOP 5** RENTAL HOTSPOTS FOR NOTTINGHAM

1. Nottingham city centre

The NG1 area has one of the strongest rental yields in the country, so it's easy to see why investors are flocking to buy here. Nottingham's central city centre is booming, with plenty of development and a constant stream of both buyers and tenants. This makes it one of the best places to buy to let in the country. Part of Nottingham's Creative Quarter, Hockley and Lace Market are particularly popular, with plenty of shops, bars and restaurants for tenants to make use of. Apartments and flats are the most common property type, many with original features. Most importantly, properties here are well-priced and the rental yield is high.

2. Lenton

Lenton is a fantastic place to purchase buy-to-let property. It's prime student stomping ground. Just a quick 20 minute walk or 10 minute bus journey and you'll find yourself in the heart of Nottingham. The area is well serviced by Sainsbury's local, Tesco Express as well as a gym at Castle Marina. Your tenants are well catered for and you won't struggle to fill your properties. Houses get snapped up quickly, so you might want to try the quieter streets around Old Lenton, which are still well connected to the city via Gregory Street tram stop. Properties here are mainly Victorian terraces or semi-detached homes which get converted into large HMOs.

*What could you earn
from property?*



3. Beeston

Any student at either of Nottingham's universities will know Beeston. It's one of the city's most sought after areas and has a real buzz. As well as having Nottingham University, QMC, and Nottingham Science Park on the doorstep, it's close to the M1 and has four trains running hourly and taking just 10 minutes into the city centre. What more could you want? Beeston is in the Broxtowe Borough rather than the City of Nottingham which means it has both universities on its doorstep.

4. West Bridgford

Locals call West Bridgford the 'Chelsea of Nottingham'. Luckily for investors, it's not quite as expensive. West Bridgford sits snugly on the River Trent, in the Rushcliffe Borough. It attracts a real mix of tenants, including families, young professionals and final year students. Investing here is a safe bet but house prices aren't quite as low as in other areas. You'll find a real mix of property - from little flats and mews houses to sprawling detached mansions.

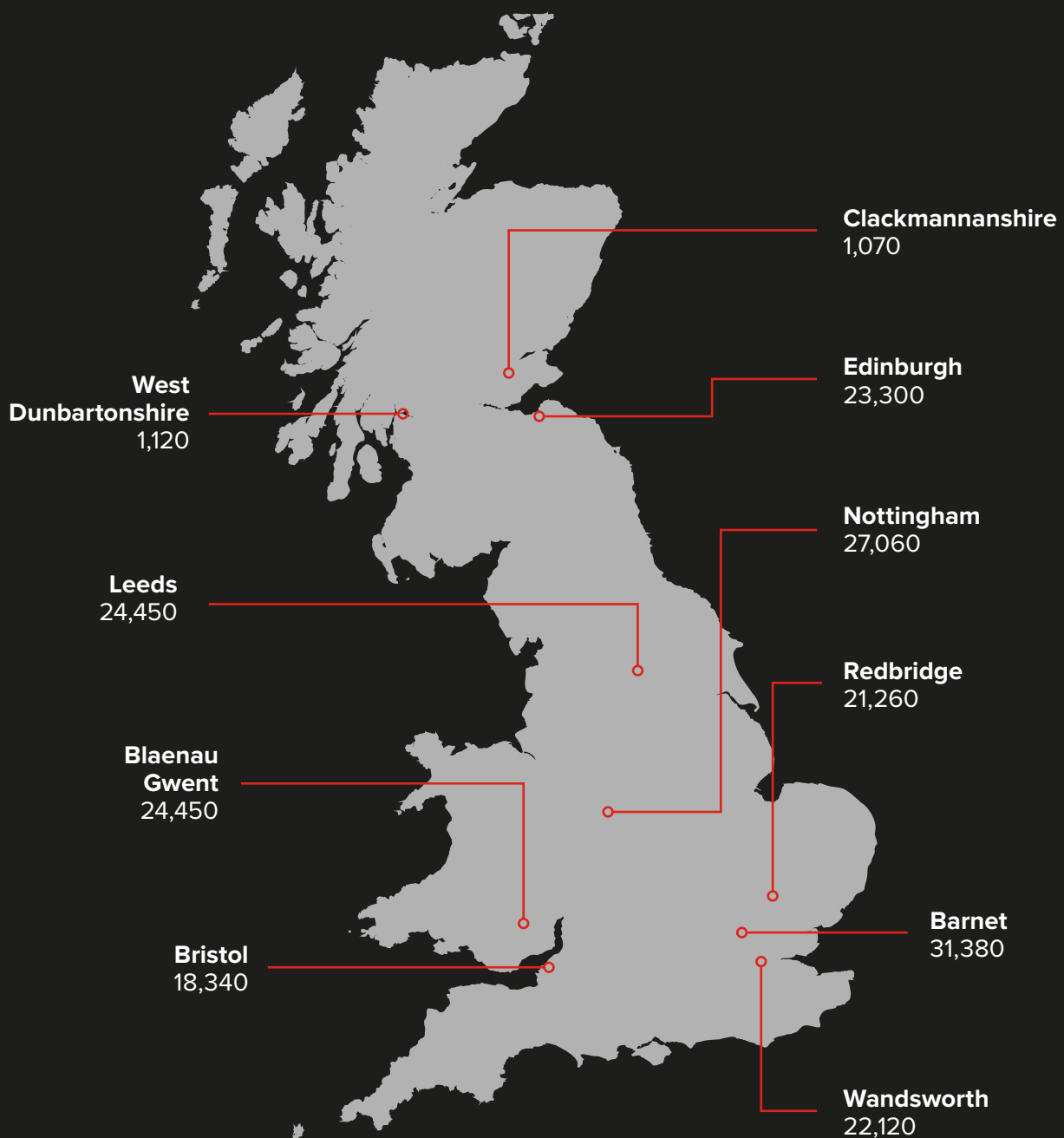
5. Sherwood

We've included Sherwood even though it's not as popular amongst the investor community as some of the other locations on this list. Currently, it's very much 'up and coming', with house prices increasing year on year and rents slowly on the up too. It's within walking distance of the town centre and it's another student-heavy area, which contributes to its stronger-than-average yields. Despite being popular with students, house prices here are still fairly low. There's plenty of scope for investors to grab a bargain.

**WANT TO FIND
OUT MORE?**

If you're interested in exploring buy-to-let opportunities in the area, as well as building a portfolio that delivers life changing results, do get in touch.

We're only a call away.



LANDLORD HUBS REVEALED:

HMRC has released data showing how many landlords live in each county, city and town within the UK. This information was published by The Negotiator*.

The cities with the largest number of landlords include Nottingham (27,060), Leeds (24,450), Edinburgh (23,200) and Bristol (18,340) whilst the London boroughs with the highest counts include Barnet (31,380), Wandsworth (22,120) and Redbridge (21,260).

The counties with the highest concentrations of landlords are Buckinghamshire (35,220), Cornwall (32,980) and Wiltshire (26,420). The places with the smallest landlord population are largely in Wales and Scotland including Blaenau Gwent (850), Clackmannanshire (1,070) and West Dunbartonshire (1,120).

The figures also reveal that the total landlord population in the UK now exceeds 2.65 million people, which just goes to show that the buy-to-let market is very much alive and kicking.

NOTTINGHAM PROPERTIES IN THE SPOTLIGHT...

"Nottingham is a fantastic place to invest, with a large student population. While house prices are increasing, they're incredibly low compared to other major cities in the Midlands. You can purchase a property for under £150,000 here and generate a rent of £800 per calendar month. If you buy right, you could be sitting on a yield of over 10%"



- Prime location
- Near to city centre
- Cash buyer investment
- High yield
- 2 bedroom terraced house

This three storey, 2-bedroom end terraced home is an investors dream. You're situated in a popular residential area, just on the outskirts of the city centre. Houses here rent out quickly. What's more, the EPC is a C rating, which means it has low running costs.

Potential rental income: £800 pcm

Property price: £130,000

Yield: 7.3%



- Central location
- Walking distance to transport links
- Close to shops
- Popular residential area
- 3 bedroom terraced house

Walking distance to the tram, in a good area, at a great price. The accommodation offers a lounge, modern fitted kitchen diner, three bedrooms and modern bathroom. The property would generate a potential rental income of £800 per calendar month, giving you a healthy yield of nearly 7%.

Potential rental income: £800 pcm

Property price: £140,000

Yield: 6.8%



BUY-TO-LET PROPERTY DEALS, REVEALED.

Here are some Nottingham property deals that have been sourced exclusively for you*

NG6 Property Deal



£140k

- Excellent investment opportunity
- Close to city centre and local amenities
- Good schools nearby
- Fantastic transport links
- 3 bedroom terraced house

Potential rental income: £895 pcm

Offers in the region of: £140,000

Yield: 7.7%

NG17 Property Deal



£150k

- Beautiful semi- detached home
- Good schools nearby
- Local amenities
- Fantastic transport links
- 3 bedroom semi-detached house

Potential rental income: £1,000 pcm.

Offers over: £140,000

Yield: 8.6%

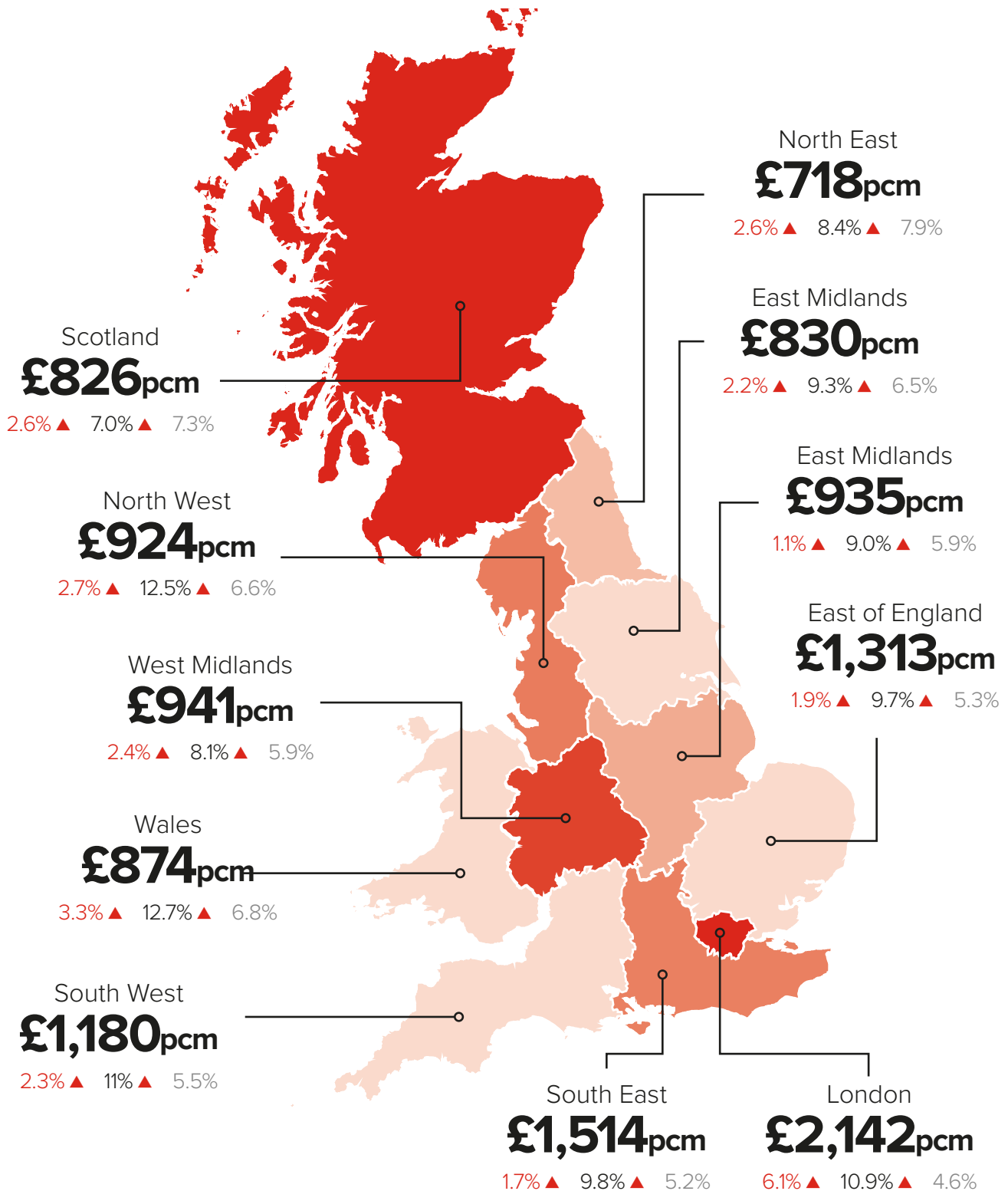
*Example yields which cannot be guaranteed.

**LIKE WHAT
YOU SEE?**

Head to bairstoweves.co.uk
for more information.

THE PRICE IS RIGHT...

What sort of rental profits can be made in different parts of the country?*



**Quarterly
change %**

**Annual
change %**

**Average
yield %**

**Source: Rightmove:
<https://hub.rightmove.co.uk/rental-trends-tracker-q4-2021>

SHOULD YOU SET UP A LIMITED COMPANY?

If you're letting out a property in Nottingham, you'll be aware of tax increases that threaten to squeeze your buy-to-let profits. You can no longer offset your mortgage costs against your tax bill and this has led many investors and buy-to-let owners to wonder whether the numbers still add up. Setting up a limited company could be a smart choice for you.

This table shows the difference in tax bills for a **lower rate taxpayer** (20%) between 2017 and 2020:

	2017	2020
Annual Income	£35,000	£35,000
Mortgage Costs	£10,000	£10,000
Other Expenses	£5,000	£5,000
Allowable Relief	£15,000	£5,000
Tax bill	£800	£1,800

This table shows the difference in tax bills for a **higher rate taxpayer** (40%) between 2017 and 2020:

	2017	2020
Annual Income	£95,000	£95,000
Mortgage Costs	£20,000	£20,000
Other Expenses	£8,000	£8,000
Allowable Relief	£28,000	£8,000
Tax bill	£15,999.40	£19,599.40

*Information is based on current taxation rules and rates but is subject to change.

WHAT'S THE DIFFERENCE BETWEEN YIELD AND RETURN ON INVESTMENT?

Yield and return on investment are two different ways of measuring the profitability of your property investment over a set period of time. The yield is the income the investment returns over a year, divided by its value and it's usually calculated as a percentage.

The return on investment is a calculation of the possible return relative to how much money you invested in the property. This takes into account all of the costs involved.

SHOULD YOU SET UP A LIMITED COMPANY?

We've pulled together some of the benefits and downsides of setting up a limited company to help you decide whether or not it's right for you...

BENEFITS OF A LIMITED COMPANY

- When you own through a limited company, you have to pay corporation tax which is currently 19% rather than individual income tax rates
- Transferring a property between companies could mean you don't need to pay stamp duty, inheritance tax, or capital gains tax
- You can still offset your mortgage costs against your profits in a limited company, which will save you money
- You may benefit from greater legal protection due to 'limited liability', which means if something goes wrong you're only liable for the money you put in

DOWNSIDES OF A LIMITED COMPANY

- If you set up a limited company, you'll have more responsibilities like filing accounts and tax returns
- It might be harder to get a buy-to-let mortgage for a limited company, although the number of products has increased recently
- There may be costs for switching to a limited company from a sole trader, and if you take profits out of the company, you'll have to pay income tax
- You're probably going to need specialist advice from a broker or accountant, which could cost you more and make the process slightly longer

TO SUM IT UP...

It's not a one-size-fits-all approach, and the tax benefits will very much depend on you and your situation. On the whole, if you have just one or two properties then having them in your personal name may be the better option. If you're near the tax threshold of £50,270 or you're planning on building a portfolio of properties, then perhaps it's worth exploring the limited company route. We always recommend that you take independent tax advice before making any decisions.

MONEY TALKS: OUR INVESTOR STORY

Revin is a property investor. His portfolio currently includes an impressive 28 properties across the U.K. and he says he's only just getting started...



Tell me a little bit about yourself. When and why did you decide to invest in property?

Well, my parents got divorced when I was very young. After that, life took a slight downward spiral for me and I got involved with the wrong crowd. I didn't have any role models or aspirations or goals. I was actually kicked out of school and I sort of accepted that I might not amount to much. I started smoking, fighting and just wasting time. But property changed everything for me.

My mother bought a property and I started to help her with it - we converted it into a HMO and then rented it through the council. I must have been just 14 years old and my mum gave me the chance to rebuild my life. She gave me little jobs around the house and I would go

DON'T WAIT TO BUY PROPERTY, BUY PROPERTY AND THEN WAIT

ahead and do them. I learned on the job and it really gave me a sense of achievement. Property gave me a purpose again - and it had a knock on effect on me. I took up boxing, and I gave up smoking. I realised that I had nothing in common with my friends anymore. I met my partner and we started building together from there. That's when I decided to start my property business properly and I've now built up a portfolio of over 28 properties. I love my life now - I get to earn money and also provide a fantastic service to people who need a home - and that's really what drives me.

What was your goal when you first started?

Hmm. Good question. My main goal initially was to earn enough to retire. That's what I wanted. I was aiming to make £2,000 a month but I soon got to that point and I still really enjoyed it. I also got a kick out of providing work for others so it sort of snowballed. I spent years in other careers but I soon realised that my passion in life was property. Plus, seeing as property prices tend to double every 7-10 years, I thought I could create a healthy retirement pot through real estate investments.

MONEY TALKS: OUR INVESTOR STORY

What was your first deal?

If I'm honest with you, when I was going for my first deal, people thought it was risky. I have to admit it did need a LOT of work but if you wait for the perfect deal, you'll be waiting forever. There's a saying which goes: "don't wait to buy property, buy property and then wait" and I truly believe in it. Since I bought this property, I've turned it into a HMO and it's generating a healthy monthly rent as well as a good amount of equity.

Tell us how you scaled up to where you are now?

Ignore the idea that property and business success is for "other people" when in reality, it's available to anyone. You need to get yourself in the right mindset and really give it your all. My best piece of advice is to keep costs low when you get started - that's one of the ways that I really scaled up my business quickly. I never took money out of my company and I just kept re-investing. Anything that I made from my day job, I would also try and reinvest in property and then save up for my next deposit. I just want to be fully in charge of my money which is why I don't have a traditional pension. A pound today isn't worth the same value in 20 years' time whereas, if you buy in the right area, your money in real estate is going to appreciate naturally.

“I’m a big believer in doing your calculations and due diligence and taking some risks - but remember, if it sounds too good to be true, it probably is.”

*HMOs are subject to mandatory licensing and additional costs of compliance. Lettings advice should always be obtained about properties which are HMOs or that may be deemed an HMO.

What's the biggest mistake you've made and what did you learn from it?

Honestly, not starting soon enough. I think to myself, what if I started taking it seriously 10 years earlier? I've missed out on so many deals throughout the years because I was always looking for the very best one. There were so many deals where I should have gone ahead but I lost out on them for a couple of thousand pounds. Honestly, don't look for the perfect deal - just get started as soon as you can.

What type of yield do you look for in a buy-to-let property deal?

I decided to outsource the management to an agent. I have a mix of HMOs* and standard vanilla buy-to-lets in my portfolio and they honestly look after themselves. The yield I tend to look for is about 10% but this varies depending on the investment opportunity.

What's your best advice for a new landlord starting out?

Just go for it. If you can't afford to go it alone, think about teaming up with someone else, but don't buy when property prices are at their peak. Right now, it is a very difficult market and property prices are high. There are still some great below market deals to be had if you know where to look. Get your first property and treat it as a learning curve. That's what I did and it really worked. The journey of a property investor is an interesting one, with no two days the same. I'm a big believer in doing your calculations and due diligence and taking some risks - but remember, if it sounds too good to be true, it probably is.



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