



Aspen Woolf

- PRESENTS -

SUNDERLAND

PROPERTY INVESTMENT GUIDE



An aerial photograph of Sunderland, showing the city's dense urban landscape, the River Tyne winding through it, and the Gateshead Millennium Bridge. The city is a mix of older brick buildings and newer developments. The river is a prominent feature, with several bridges crossing it. The surrounding area includes green spaces and industrial sites.

SUNDERLAND HAS AMBITIOUS REGENERATION PLANS THAT WILL CREATE OVER 20,000 NEW JOBS BY 2024, CREATING HUGE DEMAND FOR CITY-CENTRE PROPERTY

The experts at Aspen Woolf look at why Sunderland offers excellent property investment opportunities.

Sunderland is a great example of a northern city that was once a manufacturing giant in decline now finding its way to a brighter future thanks to regeneration and development.

The north eastern maritime city is benefiting from local and national government investment. As part of the Northern Powerhouse drive to redress the balance between major cities in the north and those that are further south, Sunderland is on an upward trajectory. This comprehensive regeneration effort makes Sunderland one of the most attractive investment opportunities for property investors.



Property investment in **Sunderland is an excellent opportunity**

A steadily increasing population, more job opportunities and plans for the future make Sunderland and other northern cities attractive investment propositions for investors looking for lower initial costs and higher yields.

Right now, Sunderland is in the midst of a major regeneration strategy called Sunderland 3,6,9 Vision: Transforming Our City. This strategy aims to boost the city and bring it more in line with the wider Northern Powerhouse initiative. It involves investing £1.5 billion into the city across different projects. Not only will the city's infrastructure improve, but it's hoped that the strategy will create 20,000 jobs.

Of these 20,000 jobs, 5,000 will be in manufacturing with the creation of the International Advanced Manufacturing Park (IAMP). This will have around 371,000 square metres of manufacturing space and be one of the most important developments in Europe's automotive and manufacturing sectors.

The city centre is already improving. The Minster Quarter Masterplan will boost the public square and two major streets are benefitting from an investment injection of £2 million. A further £3 million is earmarked to continue these upgrades in order to transform Sunderland city centre into a major cultural hotspot. The 3,6,9 Vision lays out the vision for all the infrastructure developments and says that it expects an additional Gross Value Added (GVA) of £1.8 billion to be created by 2024.



Combining the city's heritage industries **with a digital future**

While Sunderland's heritage is in maritime, manufacturing and the automotive industry, much investment is also going into the city's digital transformation. Plans include creating 2,000 jobs in the software industry, part of which is realised through the development of the Vaux Brewery site.

Two years ago, the Northern Spire Bridge changed the skyline of Sunderland and is the tallest structure in the north east of England. This symbol of change was quickly followed by the futuristic and architecturally stunning office development called The Beam at the Vaux site as part of the redevelopment of the Riverside Sunderland urban quarter. The Beam is home to internationally important companies such as Ocado, which was the first business to move into the building. Future plans include building a new city hall in this area.

Across from The Beam, a new hotel will be built overlooking Keel Square next to a new auditorium. In a recent interview (9 April 2020) with the Sunderland Echo, leader of Sunderland Council Graeme Miller reiterated the support for the regeneration plans, saying: "The vision we have for the area means much of the city centre will be reimaged over the coming years."



Residential and retail projects **will retain the city's heritage**

He's also keen to stress that the redevelopment projects will also retain old city icons and buildings full of heritage and history. For example, one of the city's most historic buildings, The Elephant Team Rooms has been fully restored by the Council and will open as a community asset – a Local Studies Library.

Innovative projects such as the STACK are also underway. This £2.5 million shipping container village is being constructed on the site of the Seaburn building and will eventually house a mix of retail and food traders across 51 containers and two storeys. This project is part of the wider Seafront Regeneration Project.

Other residential developments in the SR1 postcode are transforming city centre living in Sunderland. The Mowbray House development is one such project. Transforming three terraced town houses into luxury apartments, this development offers a typically low entry price and gross rental yields of more than 8%.

This is the kind of opportunity in Sunderland waiting for property investors. There is huge demand on city centre property, and while prices are rising year on year, they remain affordable. expected by those looking to enjoy urban living, including a resident only gym, lounge and cinema. Prices start at £122,500, with discounts available for early investors.



Relatively low entry prices combined with high yields

According to the most recent data from HM Land Registry, the overall average property price in Sunderland over the last year is £148,827. Most properties sold over the last 12 months were semi-detached at an average of £148,457, with terraced selling for an average of £113,189 and detached.

To go hand in hand with cheap house prices, rental yields remain relatively high in Sunderland. According to Totally Money's recent Top 25 buy to let hotspot research, Sunderland's SR8 postcode comes in at number 16 with average yields of 7.32%. The city's SR5 postcode is also at number 25 with average rental yields of 6.99%.

Housing in Sunderland is striving to reach the high demand. To fulfil the 3,6,9 Vision targets, Sunderland needs approximately 14,000 new homes by 2033. This demand is boosted by the student population, which stands at around 19,000 every year. More than 3,000 students graduate every 12 months, many of whom want to stay on in the city.

In recent years, the Northern Powerhouse has commandeered much of the media interest in investment hotspots. Many investors will initially consider major cities in the north, such as Liverpool and Manchester. But Sunderland's strong property values, high rental yields and major investment strategy combine to make this north eastern city a fascinating investment opportunity.



Aspen Woolf

About

Aspen Woolf

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