Property Group

MANCHESTER

PROPERTY INVESTMENT GUIDE

2026 EDITION

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Introduction

Welcome to the 2026 Edition of our Manchester Property Investment Guide.
Manchester is not merely a regional hub; it is officially ranked as the highest-performing city in England for property investment and is firmly established as the UK's premier investment destination outside of London. The city is in a "league of its own" , offering a rare combination of London-rivalling economic opportunity and below-national average entry prices. This environment ensures high rental yields and robust capital appreciation.

At TK Property Group (TKPG), our mission is clear: to raise standards in the UK buy-to-let market through an investor-first, research-led approach. We are proud to have been recognised as the Best Property Agency in Manchester at the prestigious United Kingdom Property Awards 2025/26. Every recommendation we make is informed by the most granular market data to maximise your returns.

In This Guide...

Manchester Overview

Manchester has established itself as one of the UK's strongest property investment locations. The city has undergone a major transformation over the past two decades, evolving from an industrial centre into a modern hub for business, culture, and innovation. Today, Manchester is a core driver of the Northern economy and one of the country's fastest-growing urban centres.

The city attracts consistent investment from both domestic and international buyers, supported by a diverse economy, excellent transport links, and a young, expanding population. Ongoing regeneration across key districts such as NOMA, Mayfield, St. John's, and Victoria North continues to enhance the city's residential and commercial appeal, creating new opportunities for investors seeking long-term growth.

Manchester's property market has shown exceptional resilience, with steady price appreciation and rental demand that outpaces many other regional cities. Average yields remain competitive, supported by a strong pipeline of tenants including professionals, graduates, and corporate relocations. The city's major employers, universities, and cultural appeal all contribute to a stable and growing rental market.

For investors focused on sustainable returns, capital appreciation, and portfolio diversification, Manchester offers a well-balanced opportunity. With its strategic location, expanding infrastructure, and ongoing regeneration, it remains one of the most attractive cities in the UK for property investment.

Section 1: The Core Case

The Manchester Investment Proposition

1.1 The Economic Powerhouse

The city's economy consistently outgrows the national average.

- GVA Growth: The city is forecast to see an annual average GVA growth rate of 2.5% between 2024 and 2026, surpassing the UK national average of 2.1%. The Greater Manchester economy grew by 39% in the decade to 2020.

- Fastest Job Growth: Manchester holds the fastest job growth rate of any UK city , with employment forecast to grow by +1.8% annually from 2024–2026.

- Corporate Hub: 85 of the FTSE 100 businesses have a presence in Manchester. High-value employers and investments include:
  - Tech & Digital: Global giants like Amazon (first UK HQ outside London) , Google, Huawei , and GCHQ.
  - Media & Creative: The massive MediaCityUK development is home to the headquarters of the BBC and ITV.
  - Finance & Professional: Major institutions such as HSBC, KPMG, and Deloitte.

1.2 The Talent Engine: Youth & Education

The city's dynamic growth attracts a young, expanding demographic, ensuring a high-quality, stable tenant base.

- Youthful Population: 40% of Manchester's population is aged between 15–34 , the prime demographic for the private rental sector.

- Student Hub: Home to over 100,000 students across four major universities. One in five students is from overseas, increasing demand for private rented accommodation.

- Retention Rate: Manchester boasts a graduate retention rate of up to 70% , the highest in the UK outside London, continually feeding the professional rental market.

Section 2: The Numbers

Market Performance & Investment Data

Manchester offers some of the most competitive rental yields in the country, supported by property prices that remain below the national average.

2.1 Property Price Advantage

The average property price in Manchester is £249,000, significantly below the UK national average of £270,000. This affordability provides a lucrative entry point.

Property Type (UK HPI Data)	**Average Price (Late 2025)**
Flat/Maisonette	£207,000
Terraced House	£230,000
Semi-Detached	£302,000
Detached	£430,000

2.2 The Rental Market Surge: Yields and Growth

Manchester is topping the UK charts for rental growth, demonstrating the resilience of its property market.

- Explosive Rent Growth: The average asking rent is up 23.4% in a year, with an average monthly rent having surged £1,241.. Rental prices are forecast to grow by 15.4% by 2026.

- Yield Performance:
  - Average AST Yield: 6.35% (vs. 5.94% UK Average).
  - Average Gross Yield: Achieved 7.2% average gross yield , with city-wide yields averaging around 6.5%.
  - Average STL Yield: 9.64% (vs. 8.35% UK Average).

- Supply Shortage: The city currently requires 2,500 new houses built per year just to fulfil present demand. The current build rate is only half of this, creating a structural undersupply that drives high rental growth.

Section 3: Granular Detail

The Strategic Investment Map

Investing near multi-billion-pound projects guarantees long-term capital appreciation.

3.1 Regeneration Hotspots: Mapping Future Value

Project Name	Scope & Value	Investment Impact & Tenancy
Victoria North / Northern Gateway	£4 Billion 20-year masterplan, delivering 15,000 new homes.	Set to boost the local population by 40,000 by creating sustainable, high-demand residential neighbourhoods.
Salford Crescent Masterplan	£2.5 Billion scheme transforming 252 acres , including Innovation Zones and a Transport Hub.	Aims to affirm Salford's status as a leading academic, business, and research hub
Mayfield	£1.4 Billion project adjacent to Piccadilly Station , including Mayfield Park (the city's first new public park in a century).	Creates a dynamic, mixed-use cultural and economic focal point with residential, office, and leisure spaces.
MediaCityUK Phase 2	£1 Billion expansion set to double the size of the site and add 3,200 new homes.	Guarantees sustained high demand from media, tech, and creative professionals in Salford Quays (M50)

Section 3: Granular Detail

The Strategic Investment Map

3.2 Micro-Market Breakdown & Target Strategies

Area / Postcode	**Primary Investment Strategy**	**Key Tenant Profile**	**Competitive Yield Data**
South Manchester (M14 / M13)	Student Buy-to-Let	~100,000 student population, high graduate retention.	Specialist HMO properties in M14 can achieve returns of up to 12%
Salford Quays (M5 / M50)	BTL / Build-to-Rent	High-earning professionals in Digital, Tech, and Media with average salaries over £40,000	Strong average yields of 6.1% to 7.8%. Average asking price: £216,247
Ancoats / New Islington	Capital Growth / BTR	Young professionals and creatives. Voted one of the world's coolest neighbourhoods	Strong rental demand and appreciation. Yields typically over 6%.
City Centre (M1, M3)	Premium Rental / Capital Value	Corporate tenants working in the Spinningfields CBD (finance, law, tech)	Lower yield (5.4% to 5.8%) but higher capital values and premium rental income.

Section 4: Future-Proofing

Connectivity and Transport

4.1 The Rail Revolution: High-Speed and National Links

Manchester boasts an expansive and continually improving rail network, which is key to its national economic influence:

- National Connectivity: High-speed train services provide swift access to major cities such as London (approx. two hours) and Edinburgh, making it an attractive option for business commuters and leisure travellers alike.

- The HS2 Future (Long-Term Uplift): The High-Speed 2 (HS2) rail project represents a strategic investment in the UK's future and is forecast to reduce journey times to London to just 1 hour 7 minutes. This project is expected to drive substantial uplift in residential property prices and economic output, cementing Manchester as a commuter hotspot.

- Northern Powerhouse Rail (NPR): Continued funding is being committed to develop proposals for the high-speed stations and wider connectivity at Manchester Piccadilly and Manchester Airport, which will be instrumental in the long-term success of the Northern Powerhouse Rail project.

4.2 The Global Gateway: Manchester Airport

Manchester Airport is the UK's global gateway in the North and a major contributor to international connectivity:

- Massive Capacity: In 2024, the airport served over 30.8 million passengers, making it the busiest outside London. The transformation journey aims to put the airport on course to welcome 50 million passengers per year by 2040.

- The £1.3 Billion Transformation (2026 Completion): The final phase of the major redevelopment programme will see the merger of terminals to create a new 'super terminal' in early 2026. This upgrade, which takes 80% of all passenger traffic, ensures a seamless travel experience and enhances the airport's role as a major international hub.

- Expanding Global Routes: The airport is the only one outside London to offer direct service to global financial hubs like Mumbai and the world's most visited city, Bangkok, enhancing the city's trade and tourism links.

Section 4: Future-Proofing

Connectivity and Transport

4.3 The Bee Network: Internal Connectivity & Investment

The Metrolink and the wider integrated transport system, now branded the 'Bee Network', are undergoing continuous, high-value investment that directly enhances local property demand:

- Metrolink Expansion: The modern tram network is the largest light rail system in the country. Transport leaders have confirmed a pipeline of expansion projects that will ultimately connect all ten boroughs to the network. Specific plans progressing in 2026 include:
  - Developing the case for extending the Metrolink to Stockport from East Didsbury.
  - Strategic work on the Airport Line 'Western Leg' to serve Wythenshawe Hospital and key growth areas.
  - Plans for expanding connections to Salford Crescent and Salford Quays.
  - Investment to purchase new, double-length, walk-through trams to expand fleet capacity.

- Active Travel Investment: The Bee Network is backing active travel with over £20 million allocated for walking, wheeling, and cycling initiatives in 2026. By 2027, Transport for Greater Manchester (TfGM) anticipates that 176 kilometres of segregated active travel routes will be in place. This shift toward sustainable transport makes city living more desirable.

- Road Network: Manchester's proximity to major motorways (M60, M62, M56) provides efficient road links, facilitating not only commuting but also the movement of goods and services that promotes economic activity.

Section 5: The Data

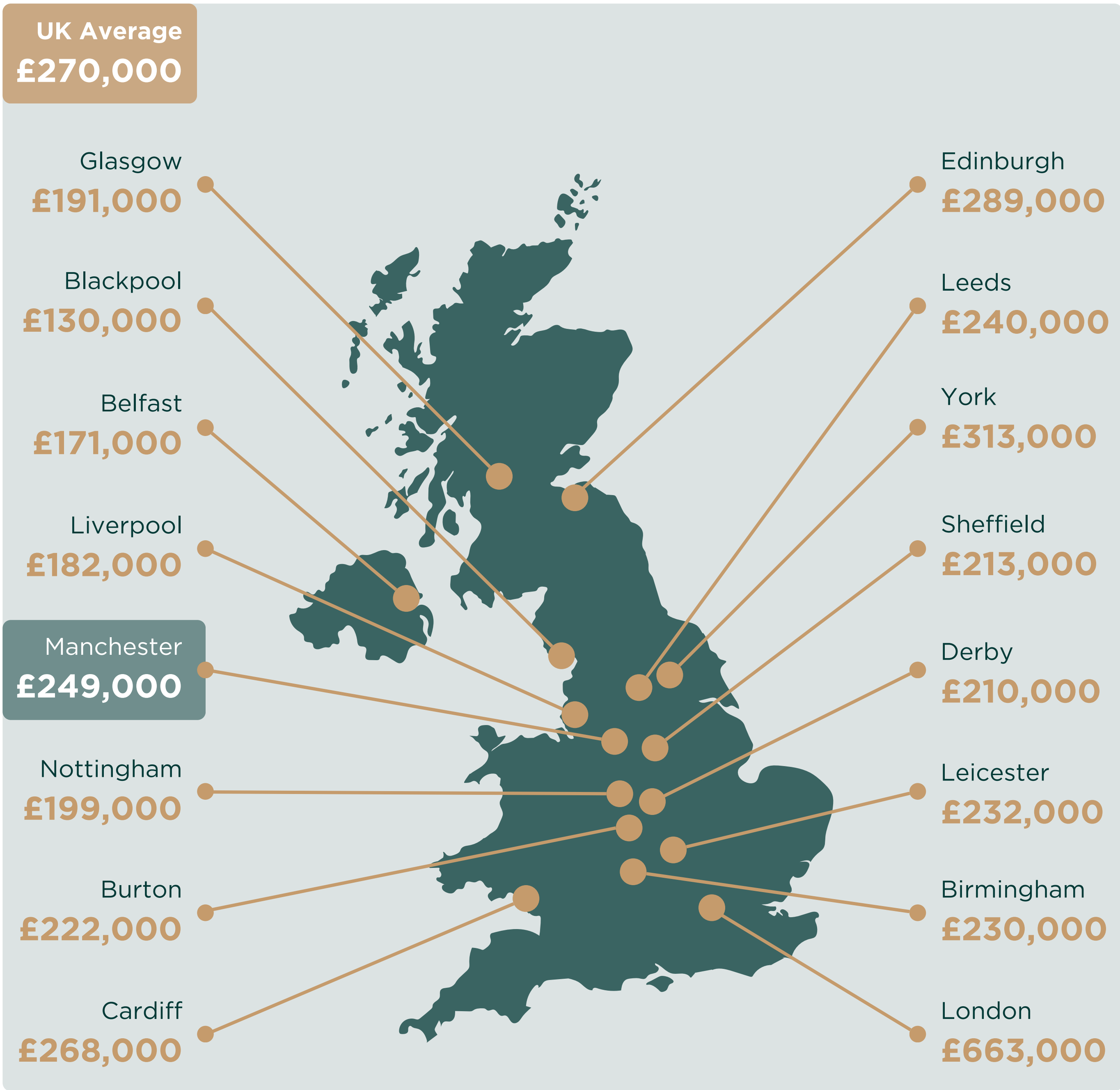
Market Summary

Manchester offers a lucrative opportunity for property investors due to its affordability, exploding rental market, and unrivalled long-term capital growth potential fuelled by strategic investment.

Key Manchester Statistic	Data Point (2026 Focus)
5-Year Capital Growth	+25.8% to 31.2% forecast (UK's highest)
Annual Rent Growth	+12.5% to 23.4% (UK market leader)
Graduate Retention	70% (UK's highest outside London)
Investment Entry Price	£249,000 average, offering high entry value

Section 5: The Data

Average Property Prices

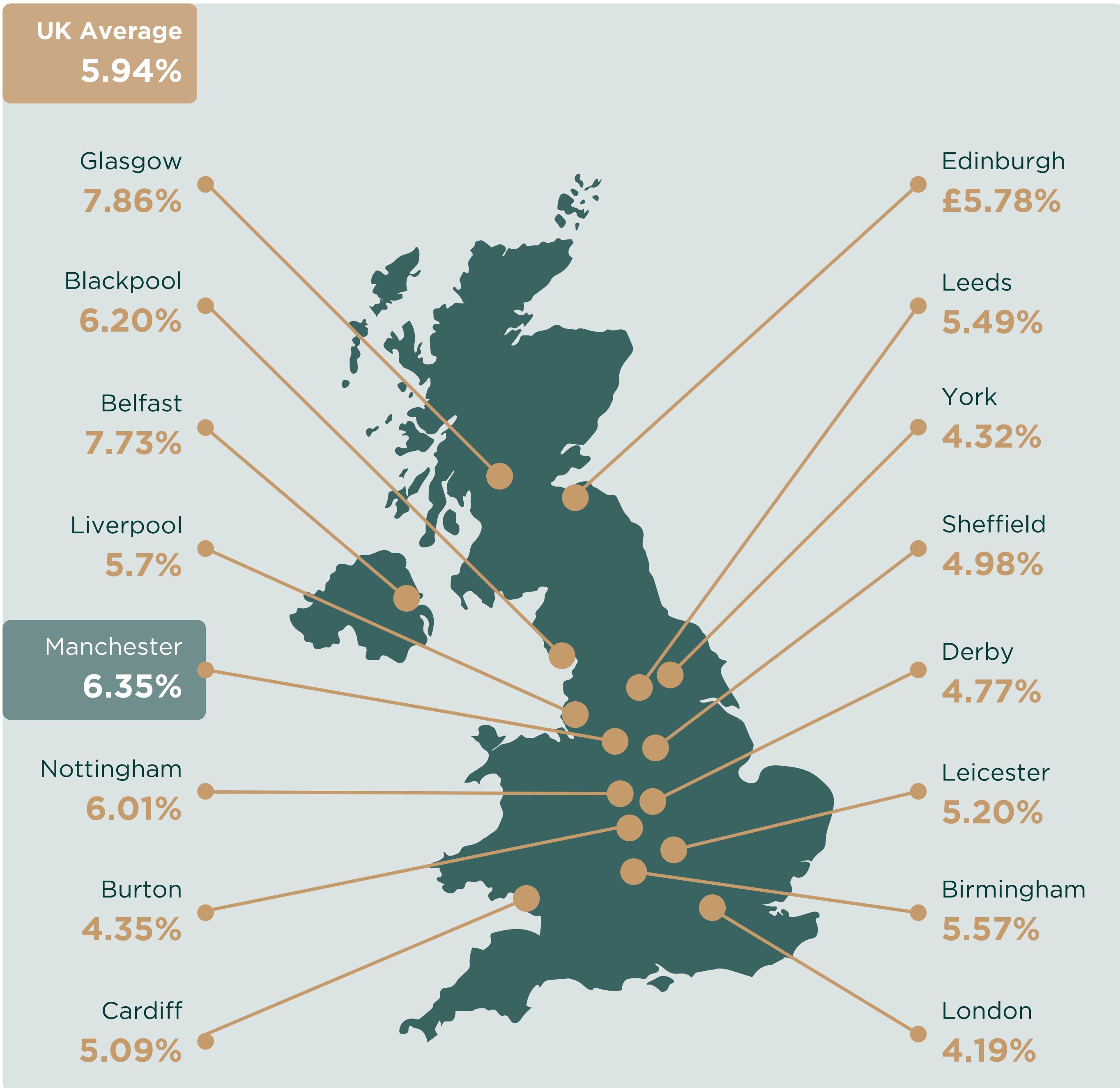


The average property prices shown are for illustrative purposes only and are based on data from the Office for National Statistics, averaging all property types within each location. Actual property prices may vary, particularly for properties in central or highly sought-after areas, which are often higher than the averages reported. These figures are intended as a general guide and are not guaranteed.

Sources: Average prices as of Jan 2026 - Office For National Statistics

Section 5: The Data

Average Rental Yields (AST)

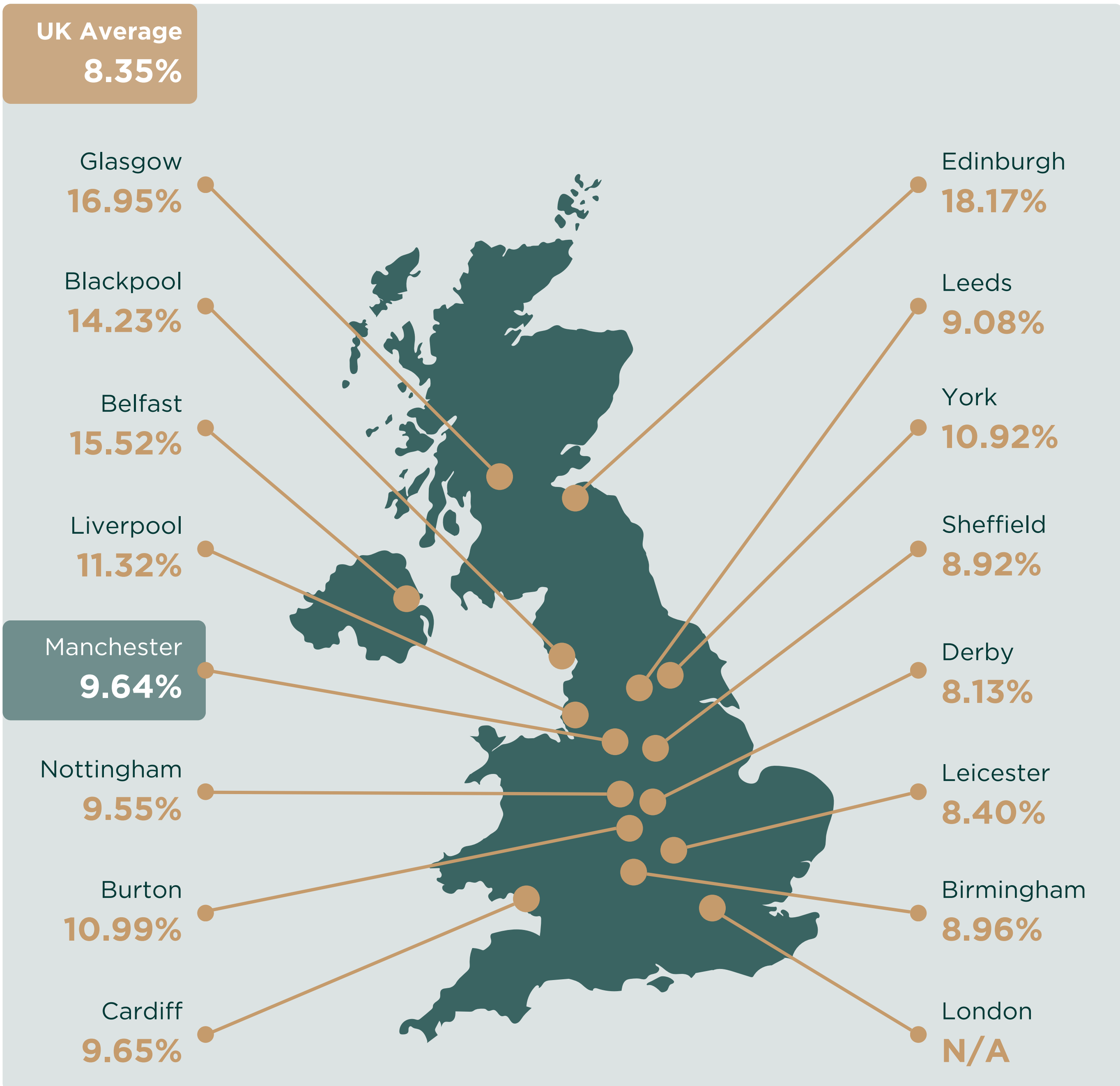


The average gross assured shorthold tenancy (AST) yields shown are for illustrative purposes only. They have been calculated using average monthly rents from the Office for National Statistics and average property prices for each location. These figures are not guaranteed and are intended to provide an indication of potential yields. Actual returns may vary depending on factors such as property location, condition, and market conditions. Properties purchased below market value may achieve higher yields.

Sources: Average prices as of Jan 2026 - Office For National Statistics

Section 5: The Data

Average Rental Yields (STL)



The average gross short-term let (STL) yields shown are for illustrative purposes only. They have been calculated using average house prices from the Office for National Statistics and average monthly income data from Airbtics for each location. These figures are not guaranteed and are intended to provide an indication of potential yields. Actual returns may vary depending on factors such as seasonal demand, property location, amenities, and purchase price. Properties purchased below market value, including off-plan developments, may achieve higher yields.

Sources: Average prices as of Jan 2026 - Office For National Statistics, Airbnb Revenue: 2026 - Airbtics

Section 5: The Data

Capital & Rental Growth

Regional Growth Forecast 2026-30

UK	22.2%
North West	27.6%
Yorkshire	28.8%
West Midlands	24.6%
North East	28.8%
South East	17.0%
South West	21.0%
East Midlands	24.0%
East England	19.3%
London	13.6%

Rental forecasts (2026-2029)

	2026	2027	2028	2029	2030	2025-30
UK rental growth	1.0%	1.5%	1.5%	1.0%	1.0%	6.1%
London rental growth	2.5%	3.0%	2.5%	2.0%	2.0%	12.6%
UK Income growth	1.5%	2.0%	2.0%	1.5%	1.5%	8.8%

Sources: 2026 Residential Market - Savills Research, Oxford Economics

Section 6: Strategies

Property Types & Investment Strategies

For experienced investors, choosing the correct investment vehicle and strategy is paramount to maximising both yields and long-term capital growth in the dynamic Manchester market. The city's diverse and demanding population supports multiple high-performance models.

6.1 Traditional Buy-to-Let (BTL/AST)

The traditional Buy-to-Let model remains the backbone of the investment market, offering stable income and long-term capital appreciation.

- Goal: Steady, predictable income and capital preservation.
- Target Tenant: Young professionals, couples, and small families securing high-quality, long-term residences via an Assured Shorthold Tenancy (AST).
- Target Property Type: Modern, well-connected 1 and 2-bedroom apartments in city fringe areas (e.g., Salford Quays/M50) and suburban locations like Trafford.
- Performance: Manchester's Average AST Yield stands at 6.35% , comfortably above the UK average of 5.94% , underpinned by annual rent growth reaching up to 23.4%.

6.2 Houses of Multiple Occupation (HMO)

The HMO model capitalises on Manchester's status as a major academic hub, delivering the highest potential cash flow.

- Goal: Maximise cash flow and minimise void risk due to multiple tenancy agreements.
- Target Tenant: The student population, particularly international and domestic students attending the four major universities.
- Target Location: Postcodes surrounding the university campuses, such as South Manchester (M14 and M13), which have a concentrated tenant base.
- Performance: Specialist HMO properties in postcodes like M14 can achieve gross returns of up to 12%, significantly outperforming single-tenancy units. This strategy requires specialist licensing and more intensive management.

Section 6: Strategies

Property Types & Investment Strategies

6.3 Short-Term Lets (STL / Serviced Accommodation)

The STL model is driven by Manchester's substantial corporate and tourism markets.

- Goal: Highest gross yield potential, capitalising on seasonal demand and corporate travel rates.
- Target Tenant: Tourists, business travelers, and visitors to major cultural/sporting events (e.g., Old Trafford, Co-op Live Arena).
- Target Property Type: High-specification, centrally located apartments in areas like the City Centre (M1/M3) and MediaCityUK (M50).
- Performance: Manchester's Average STL Yield is 9.64% , well above the UK average of 8.35%, reflecting its popularity as the UK's third most-visited city. This model involves higher operational costs and seasonal risk.

6.4 Off-Plan Investment: Capitalising on the Build Pipeline

With Manchester's extensive regeneration and construction boom continuing, the Off-Plan model remains highly compelling for capital growth.

- Goal: Maximising capital appreciation during the construction phase.
- Advantage: Allows investors to secure assets at a lower entry price and benefit from the significant uplift in value that occurs as the property nears completion. This locks in the best views, units, and specifications for future sale or premium rental income.
- Mitigation: Given the scale of investment, purchasers must perform thorough due diligence on the developer and contract, an area where TKPG's research-led approach provides essential security and guidance.

TK Property Group (TKPG) is the UK's largest independent property investment consultancy. Founded in 2019, our mission has always been clear: to raise standards in the UK buy-to-let market through an investor-first, research-led approach.

We work with both domestic and international investors, offering exclusive access to high-performing residential developments in the UK's strongest city-centre markets. With over £350m in GDV secured to date, we're trusted by serious investors who value clarity, performance and professional guidance.

Our philosophy is simple: the investor comes first, the property second. Every recommendation is made in your best interest, never based on sales quotas or developer pressure.

The Best Property Agency In The UK

TK Property Group is proud to have been recognised at the United Kingdom Property Awards 2025/26, part of the prestigious International Property Awards, as both the Best Property Agency in Manchester and the Best Property Agency in the United Kingdom. These achievements reflect our commitment to delivering market leading service, reliable results and expert guidance across the UK property investment landscape.

Our head office is based in Manchester, but our operations span the entire United Kingdom. We support investors nationwide and provide access to high quality residential and buy to let opportunities in the country's strongest performing markets. Being awarded Best Property Agency in the United Kingdom highlights our dedication to excellence, innovation and trusted client relationships at a national level.

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GET IN TOUCH TODAY:

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The information contained within this guide is provided for general informational purposes only and does not constitute financial, investment, or legal advice. Past performance is not indicative of future results, and property values as well as rental income may fluctuate. You may not recover the amount originally invested.

All data, including average yields, rental figures, and property prices, have been sourced from reputable third parties such as the Office for National Statistics and other publicly available market data. While every effort has been made to ensure accuracy, figures are illustrative and not guaranteed.

Prospective investors should conduct their own due diligence and seek independent financial, tax, and legal advice before making any property investment decisions.

This guide was last updated in April 2026. Since this date, some information may have changed.