TK Property Group

BIRMINGHAM

PROPERTY INVESTMENT GUIDE

2026 EDITION

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Introduction

Birmingham is the largest city in the UK outside London and is firmly established as the engine of the West Midlands. Backed by nearly two decades of intensive, multi-billion-pound regeneration, the city is experiencing a sustained economic surge, offering some of the best overall returns in the UK. Birmingham provides a favorable investment environment with strong capital growth forecasts, underpinned by significantly lower entry prices than the South.

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...

Birmingham Overview

Birmingham has firmly established itself as one of the UK's strongest property investment locations. As the largest city in the UK outside London, it is the engine of the West Midlands and has undergone comprehensive, strategic regeneration since the 1990s, evolving into a major European hub for finance, technology, and culture.

Today, Birmingham attracts consistent investment from both domestic and international buyers, supported by a diverse and robust economy. The city's appeal is backed by a strategic location at the heart of the UK transport network and a young, expanding population.
Ongoing, multi-billion-pound regeneration across key districts like Eastside (driven by HS2), Digbeth, and Smithfield continues to transform the urban landscape, creating new opportunities for investors seeking long-term growth and capital appreciation.

Birmingham's property market offers an exceptional investment case:

- Affordability: Average property prices are significantly lower than London, yet the city rivals it for economic opportunity.
- Resilience and Growth: The market has shown remarkable growth, with values increasing by 26% since 2019, compared to only 10% in London.
- Tenant Demand: Average yields remain competitive (up to 7% in hotspots), supported by a 71.7% graduate retention rate and a booming job market fuelled by corporate relocations like HSBC, PwC, and Goldman Sachs.

With its strategic investment in HS2, vast regeneration pipeline, and growing youthful population, Birmingham offers a well-balanced, high-growth opportunity and remains one of the most attractive cities in the UK for property investment.

Section 1: The Core Case

The Birmingham Investment Proposition

Birmingham's success is driven by strategic planning, attracting global employers, and a dynamic population profile.

1.1 The Economic Powerhouse

Birmingham’s economy is set to expand significantly, with its Gross Value Added (GVA) rising 19% from £34.0 billion in 2025 to a projected £40.6 billion by 2035.

- Corporate Hub: The city's financial and professional services sectors are booming. Birmingham has attracted major global names, including finance giants HSBC, PwC, and Goldman Sachs. The city hosts over 6,000 tech firms.
- Office Demand: Office take-up reached 854,000 sq ft between 2023 and 2024, up 22% on the previous year and 12% above the 10-year annual average.
- Investment Confidence: The West Midlands Future Business Activity Index recorded the highest level of confidence across all UK regions in February 2025, driven by optimism in advertising, investment, and tourism.

1.2 The Talent Engine: Youth & Education

A large, growing, and youthful population ensures sustained, high demand for rental property.

- Population Growth: Birmingham's population is projected to hit £1.24 million by 2030.
- Youthful Demographic: 43% of residents are aged between 20 and 35, driving demand for city-centre apartments and specialised rental properties.
- Student Hub: Birmingham is home to five universities with a student population of over 80,000.
- Retention Rate: Birmingham retains an incredible 71.7% of its graduates, the fifth highest rate in the UK, feeding skilled young workers directly into the local economy.

Section 2: The Numbers

Market Performance & Investment Data

Birmingham offers superior return potential compared to London, driven by strong yields and rapidly appreciating property values.

2.1 Property Price Advantage

The average house price in Birmingham currently stands at £265,000 or £234,000, offering a significant discount compared to the London average of over £700,000.

Property Type (UK HPI Data)	Average Price (2026)	Growth Since 2022
Flat/Maisonette	£175,000	+22.9%
Terraced House	£235,000	+21.6%
Semi-Detached	£295,000	+19.9%

2.2 The Rental Market Surge: Yields and Growth

The city's exceptionally tight rental market (vacancy rates below 2%) guarantees rental security and yield growth.

- Rental Growth: Average rents have jumped by 25.2% over the past few years, with a further 22.2% increase forecast by 2028.
- Average Yields: City-wide average rental yields are 5.15%, with yields in key locations consistently hitting 5.5% to 7%.

2.3 Capital Growth Projections

Birmingham is positioned for high growth, driven by infrastructure and regeneration.

- Total Appreciation: Property prices are forecast for a 19.9% cumulative growth by 2028 (with some premium areas projected at 40%-60% appreciation by 2030).
- Historical Outperformance: Birmingham has seen residential values increase by 26% since 2019, compared to only 10% in London.

Section 3: Granular Detail

The Strategic Investment Map

Investing near these key regeneration and infrastructure hubs offers the best pathway to maximising returns.

3.1 Regeneration Hotspots: Mapping Future Value

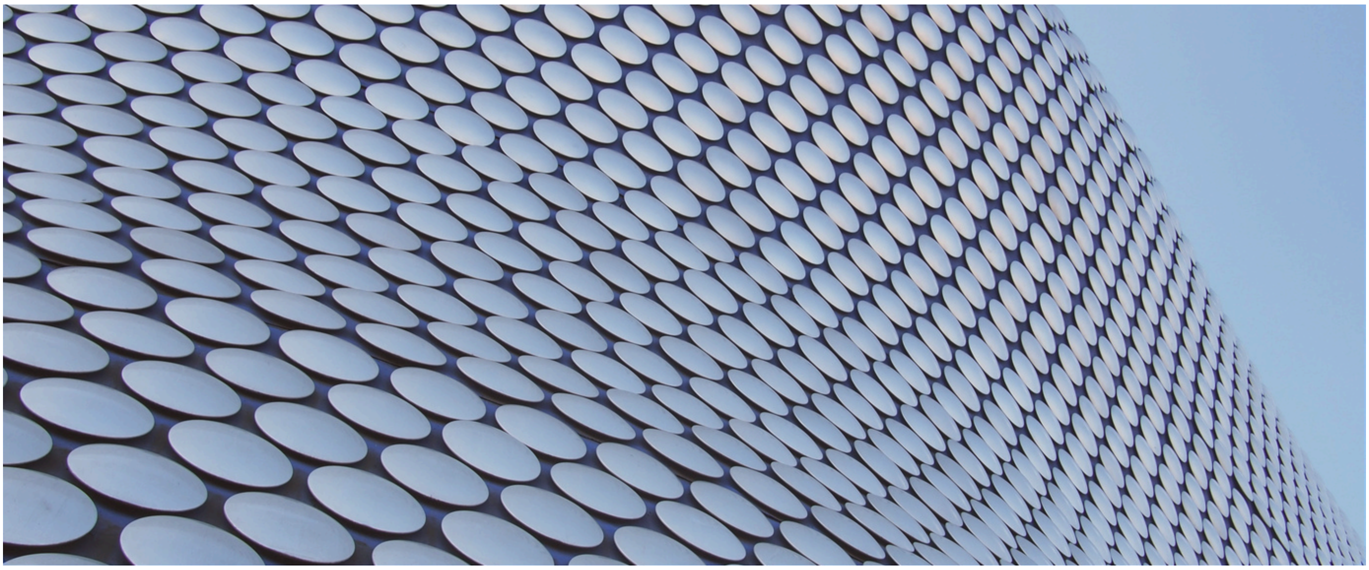
Project Name	Scope & Value	Investment Impact & Tenancy
Smithfield Birmingham	£1.9 Billion redevelopment of the wholesale markets site.	Expected to deliver vibrant residential units, leisure spaces, and become a major new city district.
The Paradise Redevelopment	£1.2 Billion commercial and residential project.	Delivering 1.74 million sq ft of office space (attracting HSBC, PwC) and 370 build-to-rent homes.
Big City Plan	£10 Billion 20-year city centre masterplan.	Aims to grow the city centre core by 25%, create over 50,000, and deliver 5,000 new homes.
Perry Barr Regeneration	£700 Million legacy of the Commonwealth Games.	Delivering nearly 1,000 new sustainable homes, plus major transport and amenity upgrades.

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
Eastside / Digbeth (B5, B7)	Capital Appreciation / Off-Plan	Young professionals, creatives, and tech workers due to proximity to Curzon Street (HS2) and the Creative Quarter.	Growth potential of 30%-40% over 3 years. Average yields 6.1% to 6.5%.
Selly Oak / Edgbaston	HMO / Student Buy-to-Let	Large student base for the University of Birmingham and Aston University.	Highest Yield Potential: Can achieve 8% to 12% rental yield with effective HMO management.
Jewellery Quarter (B3)	Professional BTL / Luxury	Professionals and young high-earners seeking lifestyle and city centre access.	Strong yields of 6.3%, plus a 26.4% growth forecast.
Bordesley Green (B9)	Affordable BTL / Income	Entry-level buy-to-let market focusing on income generation.	Highest Average Yield: Offers immediate high yields of 7%.



Section 4: Future-Proofing

Connectivity and Transport

Birmingham's infrastructure investment is unparalleled, transforming its long-term national and global positioning.

4.1 The Rail Revolution: High-Speed and National Links

The most significant transport catalyst is the High-Speed 2 (HS2) rail line.

- HS2 Impact: The completion of Curzon Street Station (set to open in 2026) will slash the journey time to London to just 49 minutes. This is expected to attract London commuters seeking affordability and generate an additional £4 billion per year for the region's economy.
- Infrastructure Uplift: Property prices near the planned HS2 route have already seen a 15% uplift since construction began.

4.2 The Global Gateway & Local Network

The city's overall transport infrastructure enhances tenant retention and property values.

- Birmingham Airport (BHX): Serves more than 150 destinations, providing essential global access for the city's expanding corporate base.
- West Midland Metro: The Midland Metro light rail system is being expanded, providing swift access to the central business districts and the Jewellery Quarter.
- The Sprint Bus Network: Major upgrades to the bus network, including in the Perry Barr area, ensure efficient local commuting.

Section 5: The Data

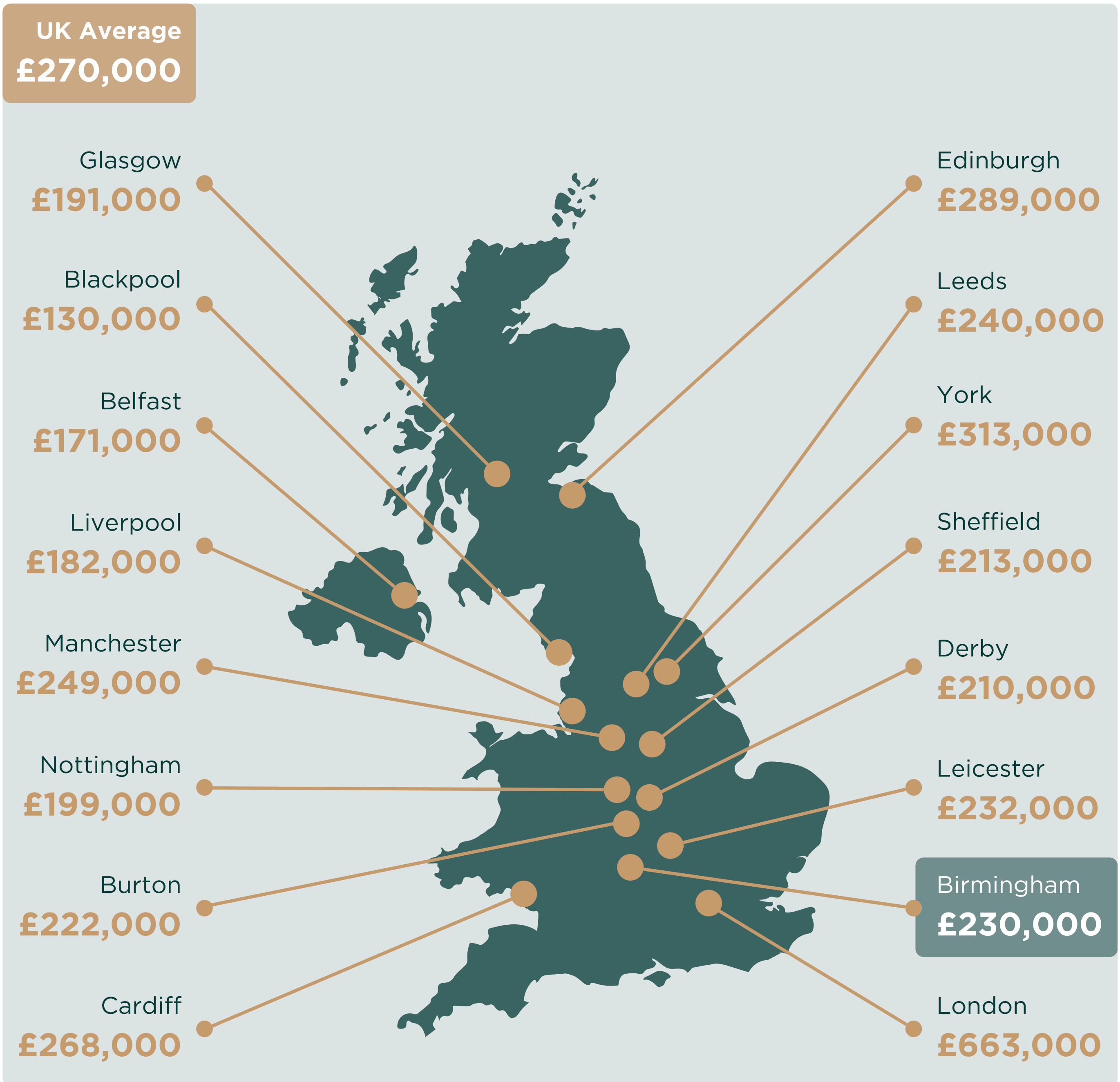
Market Summary

Birmingham offers a lucrative combination of high capital growth, strong rental income, and unmatched infrastructure investment, making it a powerful alternative to the saturated London market.

Key Birmingham Statistic	Data Point (2026 Focus)
5-Year Capital Growth	19.9% forecast by 2028 (with premium areas up to 45%)
Rental Growth Forecast	+22.2% increase by 2028
Average Rental Yields	5.15% city average, up to 7% to 12% in hotspots
HS2 Commute Time	49 minutes to London (upon completion)
Graduate Retention	71.7% 5th highest in the UK

Section 5: The Data

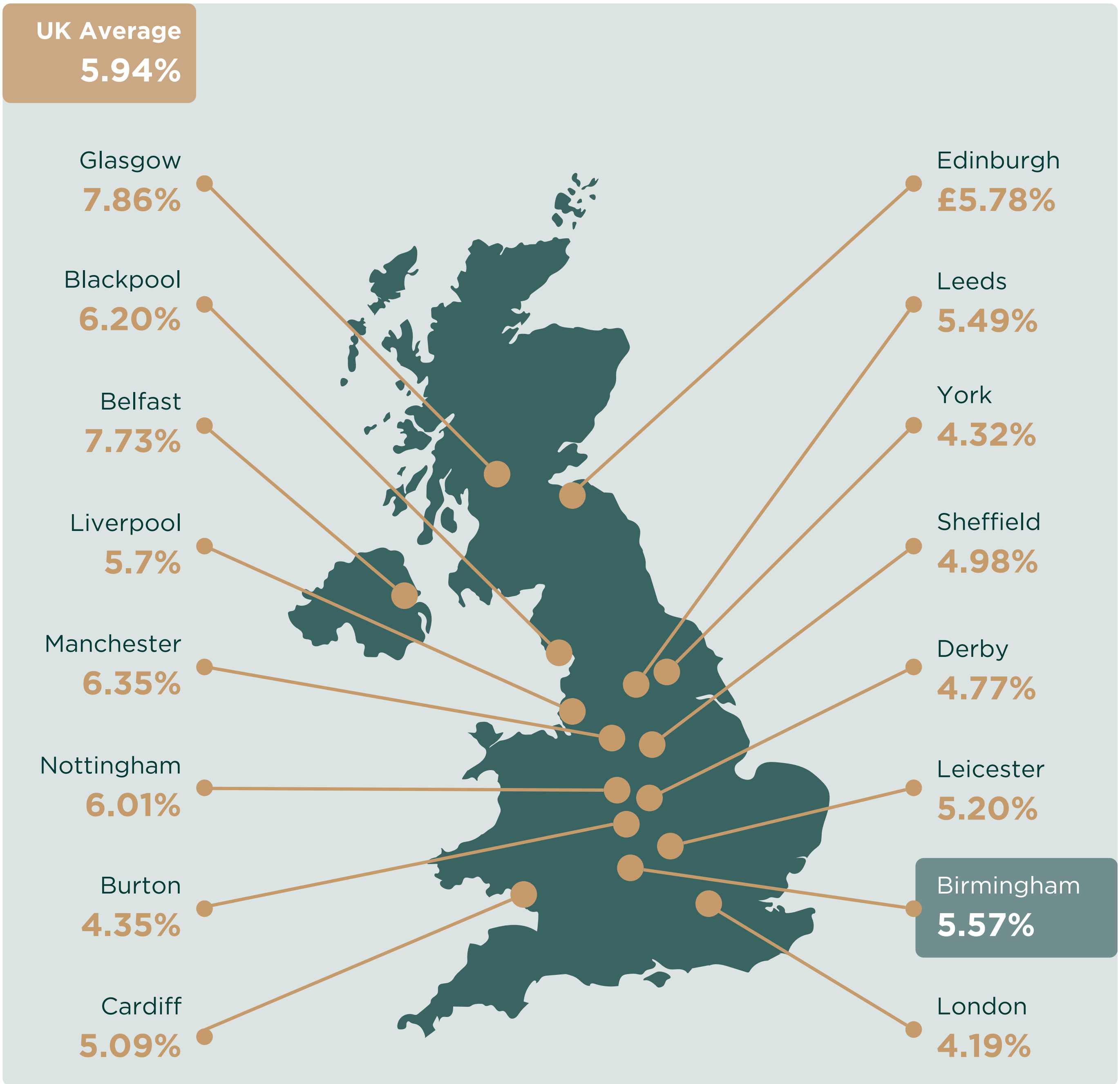
Average Property Prices



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.

Section 5: The Data

Average Rental Yields (AST)

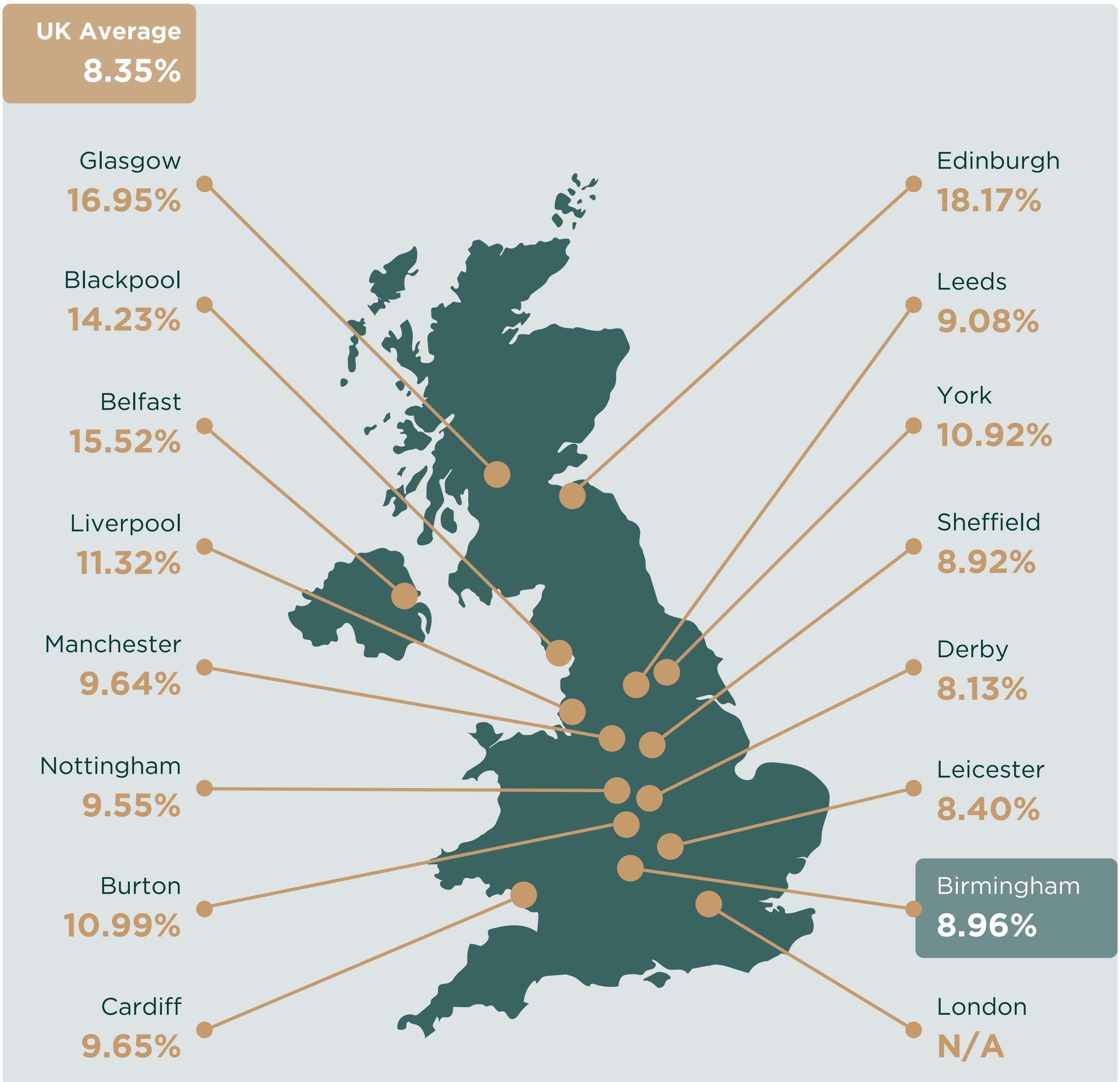


The average gross assured shorthold tenancy (AST) yields shown are for illustrative purposes only. They have been calculated using average monthly rents from the Office for National Statistics and average property prices for each location. These figures are not guaranteed and are intended to provide 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	North West	Yorkshire	West Midlands	North East
22.2%	27.6%	28.8%	24.6%	28.8%

South East	South West	East Midlands	East England	London
17.0%	21.0%	24.0%	19.3%	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

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

The traditional Buy-to-Let model remains a stable investment, supported by Birmingham's strong position as an alternative to London.

- Goal: Steady, predictable income and capital preservation.
- Target Tenant: Young professionals, corporate workers, and families securing high-quality, long-term residences via an Assured Shorthold Tenancy (AST).
- Target Property Type: Modern apartments in central districts (e.g., Jewellery Quarter - B18) or traditional terraced/semi-detached houses in family areas (e.g., Kings Heath, Moseley).
- Performance: Birmingham's average city-wide yield stands at approximately 5.15% to 5.4%, with apartments achieving up to 7% gross yield, and rents forecast to rise by 22.2% by 2028.

6.2 Houses of Multiple Occupation (HMO)

The HMO model capitalises on Birmingham's large student and professional populations, delivering the highest potential cash flow.

- Goal: Maximise cash flow and minimise void risk due to multiple tenancy agreements.
- Target Tenant: The student population (over 80,000 across five universities) or young single professionals.
- Target Location: Postcodes surrounding major university campuses, such as Selly Oak (B29) and Edgbaston (B15), which have a concentrated tenant base.
- Performance: Specialist HMO properties can achieve gross returns in the range of 8% to 12% with proper management, significantly higher than average buy-to-let returns. This strategy requires specialist licensing and more intensive management.

6.3 Short-Term Lets (STL / Serviced Accommodation)

The STL model is driven by Birmingham's substantial corporate travel and growing visitor economy, which surpassed 100 million visitors in the West Midlands in 2024.

- Goal: Highest gross yield potential, capitalising on seasonal demand and major events (e.g., the Commonwealth Games legacy and major concerts).
- Target Tenant: Corporate travelers and domestic/international tourists.
- Target Property Type: High-specification, centrally located apartments in areas like B1 (City Centre) and the Jewellery Quarter (B18).
- Performance: While average STL yields are not universally reported, high-demand central flats deliver strong performance (e.g., City Centre average yields hit 5.7% for 2-beds, rising to 7.9% for studios), with the visitor economy providing robust demand throughout the year.

Section 6: Strategies

Property Types & Investment Strategies

6.4 Off-Plan Investment: Capitalising on the Build Pipeline

The Off-Plan model is highly compelling in Birmingham, given the massive scale of infrastructure and regeneration spending over £10 billion.

- 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 driven by HS2 and major projects like the £1.9 billion Smithfield redevelopment. This provides the best opportunity to achieve a high total return on investment (ROI).
- Mitigation: 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

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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Disclaimer

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.