



HOLLAND
ASSET MANAGEMENT



WELCOME TO NEWCASTLE



A DEEP DIVE INTO PROPERTY MARKET TRENDS
AND INVESTOR INSIGHTS

Residential Investment Guide 2025



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INTRODUCTION

Newcastle upon Tyne, the largest city in the North East of England, is a vibrant hub of culture, education, and economic growth. Renowned for its historical significance and modern innovation, the city has become a sought-after destination for residents, tourists, and investors alike. From its rich industrial heritage to its thriving contemporary industries, Newcastle offers a unique blend of tradition and progress. This brochure highlights the city's key sectors, opportunities, and attractions that make it an ideal place to live, work, and invest.



INVESTMENT OVERVIEW



Newcastle's property market is among the most dynamic in the UK, characterized by strong demand, limited supply, and robust growth potential. The city's economy, valued at £9.9 billion, is driven by burgeoning industries such as digital technology, health sciences, and creative sectors. With a growing population, excellent transport links, and large-scale regeneration projects underway, Newcastle presents exceptional opportunities for investors seeking high returns and long-term growth.

Why Invest in Newcastle?

- **Economic Strength:** Projected economic growth of +3.8% by 2027.
- **Capital Growth:** 5-year forecast of +28.2% by 2029, outperforming many UK cities.
- **Rental Yields:** Average yields of 8%, supported by strong tenant demand.

Regeneration Initiatives: Major projects like the North East Transport Plan and Health Innovation Neighborhood add to the city's appeal.

Cultural and Educational Excellence: Renowned universities and vibrant cultural attractions enhance the quality of life and attract a skilled workforce





GROWTH SECTOR

Newcastle is home to many thriving businesses and growth sectors that are faring exceptionally well. These include:

Advanced Manufacturing: Featuring companies specializing in automotive and aerospace technologies.

Creative Industries: Includes thriving sectors like film production, gaming, and digital design.

Digital Technology and Cybersecurity: Newcastle is a hub for fintech startups and cybersecurity innovation.

Health and Life Sciences: Focused on biomedicine, pharmaceuticals, and healthcare solutions.

Pharmaceuticals: Hosts cutting-edge research facilities and major industry players.

Education and Research: Supported by two leading universities and numerous specialized research centers



Economic Growth Highlights:

- Economic Growth (2024-2027): +3.8%
- Population Growth Forecast (2040): +5%
- Employment Growth (2024-2027): +1.4%



Additional Insights:

- 🕒 Newcastle's creative industries contribute over £1 billion annually to the local economy, driven by digital media, design, and arts sectors.
- 🕒 The city's Fintech cluster is growing rapidly, with startups receiving over £150 million in venture funding in 2024 alone.
- 🕒 Robotics and AI research in Newcastle is gaining global recognition, with collaborations between academia and industry.



URBAN REGENERATION

Organic growth within the private sector will undoubtedly have a positive impact on the local property market. So too will several large-scale urban renewal projects, publicly funded programs, and associated commercial investments.



Key Development:

• City Centre Regeneration Scheme	£50 million investment to modernize public spaces, improve pedestrian access, and enhance the city's cultural landmarks
• Founders Place	£137 million dedicated to creating a sustainable mixed-use community with residential, commercial, and leisure facilities.
• Health Innovation Neighborhood	£500 million initiative focusing on cutting-edge healthcare technologies and research.
• North East Transport Plan	£8.7 billion over 15 years to upgrade regional connectivity and reduce carbon emissions

Additional Insights:

- 🕒 The Health Innovation Neighbourhood is expected to create a network of healthcare startups, research facilities, and advanced manufacturing units, adding approximately 5,000 jobs.
- 🕒 Founders Place has become a beacon for sustainable urban development, incorporating green spaces and energy-efficient buildings.
- 🕒 The Newcastle Helix, part of urban regeneration, combines academia, businesses, and residents in an innovative tech and science hub.

EDUCATION SECTOR



Residents with children will have many excellent local educational facilities to choose from. The area is dotted with nurseries, schools, and sixth-form colleges, many of which are within easy commuting range.

Local Education Facilities

In addition, the universities also have profound economic impacts. They nurture the development of many high-value spin-off businesses and invest millions each year in their premises, projects, and research. Announcing a new working partnership in October 2024, the universities of Newcastle, Northumbria, Durham, Sunderland, and Teesside reported that, together, they contribute an estimated £2.7bn to the region's economy.

Key Schools and Universities:

- 🕒 St John's Primary & Nursery: Known for its emphasis on holistic development and strong community involvement.
- 🕒 Newcastle University: Offers world-class programs in medicine, engineering, and environmental sciences.
- 🕒 Northumbria University: Recognized for its innovation in

Additional Insights:

- 🕒 Newcastle University is ranked among the top 150 universities globally for research output, further solidifying its reputation as an academic powerhouse.
- 🕒 Northumbria University has been recognized for its innovation in digital technologies and cybersecurity, attracting students worldwide.





VISITOR ECONOMY

Newcastle and Gateshead, located on opposite banks of the River Tyne, operate as a unified visitor destination. With attractions like the Baltic Centre for Contemporary Art and the Great North Museum, Newcastle sees significant tourist inflow each year.

Key Visitor Statistics

• Annual Visits	17.4 million
• Total Tourist Spending	£1.46 billion
• Average Expenditure per Overnight Stay	£230

Additional Insights:

- 🕒 Newcastle's nightlife has been ranked among the top 10 in Europe, attracting a vibrant mix of domestic and international visitors.
- 🕒 Seasonal festivals, such as the Newcastle International Film Festival, bring thousands of visitors annually, boosting the local economy.
- 🕒 The city's architectural landmarks, including Newcastle Castle and Grey Street, are key tourist draws, blending history with modern vibrancy.





LOCAL TRANSPORT

Newcastle's transport connections are excellent, making it accessible and convenient for residents and visitors alike.

Key Distances

Newcastle Airport: 8.8km

Newcastle Bus & Railway Station: 2.3km

City Centre: 3.2km

Public transport, including bus and rail services, connects the city to surrounding areas efficiently.

Additional Insights:

The city's cycling infrastructure is expanding, with new dedicated bike lanes linking the suburbs to the city centre.

Newcastle's metro system is one of the most efficient in the UK, serving over 36 million passengers annually.

Plans are underway for electric bus fleets to further enhance sustainability in urban transport.



HOUSING AND PROPERTY MARKET



Newcastle's property market is characterized by robust demand, limited supply, and excellent growth potential

Highlights

- 1-Year Capital Growth: +7.1%
- 5-Year Capital Growth Forecast: +28.2% by 2029
- Average Monthly Rent: £997

Additional Insights:

Rising Demand and Limited Supply: The city faces a notable housing shortage, driving competition among buyers and tenants. This imbalance ensures continued upward pressure on property values and rental rates.

Affordable Entry Points: Compared to other major UK cities, Newcastle offers relatively affordable property prices, attracting first-time investors and buyers.

Student Housing Market: With two major universities and over 60,000 students, demand for high-quality, purpose-built student accommodation remains strong.

Heritage Renovations: Increasing interest in restoring historical buildings into modern residences has added a unique charm to the housing market.

Co-living Trends: Young professionals and students are gravitating towards co-living spaces, offering flexibility and affordability while fostering a sense of community.

Government Initiatives: Local authorities are incentivizing new developments, especially sustainable housing projects, to meet growing demand.





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