

Why the North East?

The North East of England is often overlooked by property investors in favour of London and the South East. However, for investors prioritising **cashflow**, **affordability**, and **risk management**, the North East presents a compelling case.

This guide is not designed to “sell” the region blindly. Instead, it offers a balanced, experience-led overview of both the opportunities and the challenges , so you can make informed decisions.

This perspective is particularly relevant if you are:

- Focused on **income** rather than speculation
- Looking to **deploy capital efficiently**
- Interested in **sustainable**, **long-term** investing

The North East rewards informed, well-structured investment decisions.

Key Advantages of Investing in the Northeast

1- Lower property purchase prices
Entry points are significantly lower than London and the South East, reducing capital exposure.

2- Higher rental yields relative to price
Typically 7 – 10% compared to 3 - 4% in the South.

3- Strong tenant demand driven by:

- Universities and students
- NHS staff and healthcare workers
- Contractors and professionals
- Local employment hubs
- Ongoing regeneration in key cities and towns; including Newcastle, Durham, Sunderland, and surrounding areas.

4- Less speculative price inflation
Prices are driven by genuine local demand and affordability, not short-term hype, making values more stable and predictable for investors.

5- Easier cashflow management
Because rental income is strong relative to purchase price.

For cashflow-focused investors, these factors can create resilience, particularly in uncertain markets.



SEVEN TERRACES
property

Important Considerations & Risks

Slower capital growth compared to London/South East
The North East is income-led rather than appreciation-led.
Micro-location matters significantly
Street-by-street variations can have a major impact on:

- Tenant quality
- Maintenance costs
- Long-term performance
- Less margin for error if buying in the wrong location
- Buying cheaply in the wrong area can quickly erode returns.
- Housing stock quality varies

Older properties may require:

- Higher upfront refurb costs
- Ongoing maintenance
- Tenant profile varies widely by area

Not all demand is equal ; understanding who rents where, is critical.
Not truly ‘hands-off’ without strong local systems
Local knowledge and management are essential.

While the North East offers better yields, it requires intense "street-by-street" due diligence that most professionals cannot fit into a 60-hour work week. I handle the 40+ hours of boots-on-the-ground vetting so your only "time cost" is the final decision.





Why Cashflow Comes First

The North East is a cashflow market rather than a growth market.

It takes less capital to get in than it does in the South, and the rent sits in better proportion to the price paid. The monthly rent, not the resale value, is what carries the investment. It covers the mortgage, the quiet months and the repairs, and what is left over is the return.

The two markets fail differently. A growth market punishes you for selling at the wrong moment. A cashflow market punishes you for buying the wrong street, because an empty house costs you every month whether prices rise or not.

So the work is in the buying.



YOUR "BOOTS ON THE GROUND" IN THE NORTH EAST.

You have the capital to invest but **lack the time** for the pavement work: the street-level vetting, the viewings, the negotiation and the refurbishment that makes or breaks a deal.

Seven Terraces acts as the **bridge** between your high-level strategy and my street-level execution. I act as your **eyes on the ground**, finding the property, negotiating the price and running the refurbishment with trades I use repeatedly.

What happens after handover is yours. I am not a letting agent and I do not run your property for you.

Activity	On your own	With Seven Terraces
Due Diligence	40+ hours of travel and street-level vetting.	0 Hours. I provide a “Buy/No-Buy” report based on local intel.
Market Analysis	Sifting through outdated data on lunch breaks.	Strategic Oversight. You review curated, real-time opportunities.
Refurbishment	Chasing trades and “midnight calls” from 200 miles away.	Handled end to end with trades I use repeatedly. You see the results.
Portfolio Goal	High-yield, but creates a "second full-time job."	Passive Growth. High-yield cashflow with zero time drain.

However, executing these fundamentals at a **'street-level'** is a full-time commitment. I do that part, so your side is the decisions.

TWO DEALS, START TO FINISH

Holiday let, Durham
A three bed house in Gilesgate, bought in poor condition and refurbished.

Purchase £139,500
Refurbishment £44,000
Legals, fees and bridging £15,000
Valued after the works £220,000
Refinanced at 75% £165,000
Released back out £58,000
Income £2,500 to £4,500 a month



Buy to let, North Fenham
A three bed semi bought below market value and refurbished.

Purchase £80,000
Refurbishment £24,900
Stamp duty, legals, fees and holding £11,200
Valued after the works £140,000
Refinanced at 75% £105,000
Returned at refinance £38,800
Cash left in the deal £19,060
Rent £1,100 a month
Running costs £9,210 a year
Net profit before tax £3,989, a 21% return on the cash left in



The first is mine. The second is a deal analysed to the same standard for a client, on a property still on the market. Its stamp duty is costed at 7%, the rate a non-resident buyer pays on a second property. A UK resident buyer pays 5% on the same purchase, so the costs come down and the return goes up.



WHAT TO DO NEXT

The next step is to apply.

A short application, about two minutes. I read every application myself and reply within one business day, either way.

If it looks like a fit, I will invite you to a 20-minute call. It is free, and its only job is to work out what makes sense for you next. Sometimes the answer is "not yet", and I will say so.

After that, there are four routes.

1. Portfolio building, with ownership. I find the property, negotiate the price and run the refurbishment, then hand it over working, in your own name.
2. Passive investment. Your capital replaces the bridging finance on a project I am already running, secured by a first legal charge.
3. Joint venture, built together. You bring the capital, I bring the time and the trades, and we share the rental income and the growth.
4. One to one, with me. You do it yourself, and I check the thinking and the numbers before the money goes anywhere.

APPLY TO WORK WITH ME

Or just reply to the email this came in, or write to hello@seventerraces.co.uk