Increasing Overseas Mortgage Enquiries taking advantage of UK's Stamp Duty Holiday

The stamp duty holiday currently offered by the UK is causing a surge in mortgage enquiries from foreign investors looking to buy in the UK.

Many overseas buyers are looking to capitalise on the stamp duty holiday offered by the UK chancellor.

MANCHESTER, GREATER MANCHESTER, UK, August 12, 2020 / EINPresswire.com/ -- Overseas Mortgage Enquiries Increasing.
The UK property market is completely unique at the moment. Whilst many countries are experiencing a period of depression in their housing markets, the demand in the UK has been at unprecedented levels in the last few months. Much of the demand is from foreign investors and UK Expats living abroad. There are many reasons for this. For one, the domestic market has low levels of consumer confidence because UK residents are expecting the economic fallout from COVID-19 to be severe. However, one of the main contributors to the surge in mortgage enquiries from overseas buyers is the UK's stamp duty holiday, saving would-be property buyers substantial sums of money.

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> *Stuart Marshall*

According to John Squires, Head of Mortgages at Liquid Expat Mortgages, 'The current situation with UK Expat Mortgages and Foreign Nationals looking for UK Mortgages is unprecedented. Overseas buyers are seeing the once in a lifetime opportunity of a stamp-duty holiday combined with domestic buyers' reluctance to purchase because of all the financial uncertainties caused by COVID-19. Add to this the foreign investors who are looking to buy now because of the impending 2% stamp duty surcharge for foreign buyers, and you have the perfect storm to incentivise taking advantage of the growing and favourable UK property market.'

‘The stamp duty holiday is a really big reason why enquiries are increasing,’ says Stuart Marshall, CEO of Liquid Expat Mortgages. ‘Potential investors are taking this incredible opportunity offered to them by the UK Chancellor. What the stamp duty holiday presents to them is a massive financial saving, the likes of which we’ve never seen before and are unlikely to ever see again. In the 13 years Liquid Expat Mortgages has helped UK Expats and Foreign Nationals secure buy-to-let, residential and indeed most types of UK mortgages, this situation is totally unique!'

Stamp Duty Holiday
From the 8th of July 2020 to the 31st of March 2021, buyers are exempt from paying stamp duty on properties up to a value of £500,000. Before the change, anyone buying a property over £125,000 had to pay stamp duty as follows:

- For properties between £125,001 and £250,000: 2%.
- For properties between £250,001 and £925,000: 5%.
- For properties between £925,000 and £1,500,000: 10%.
- For properties over £1,500,000: 12%.

It’s clear that what the stamp duty holiday amounts to is a massive saving for anyone looking to buy a property in the UK. To see how much you might save, visit our Stamp Duty Calculator.

‘When you take a look at the numbers, someone buying a £300,000 property will save £5,000. The more you’re spending, the bigger the saving. For example, buying a £500,000 property – the maximum value allowed under the new rules – you will make a saving of £15,000.’

The Stamp Duty Surcharge Increase
In April 2021, the stamp duty situation will change again as an additional 2% surcharge will be added for non-UK buyers. This means that, after April 2021, overseas buyers purchasing property in the UK will pay a 2% surcharge on top of stamp duty. As many foreign investors are buying a second home or a buy-to-let property, they will also pay a further 3% surcharge imposed on second homes and investment properties. In most cases then, foreign investors will be paying at least 7% extra on any UK property after April 2021. However, this can rise up to as much as 17% for those buying properties in the highest stamp duty bracket.

With this 2021 deadline, overseas investors are desperate to grab their slice of the lucrative UK property market and take advantage of the historically low UK mortgage interest rates and large range of deals available in the marketplace.

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