UK Expat Mortgages for a New Order


At the moment, the prevailing rental market conditions look set to continue. With the impact of the pandemic, people are expected to continue working remotely well into the future and this should mean that people will continue looking for more space.

MANCHESTER, GREATER MANCHESTER, UK, February 15, 2021 /EINPresswire.com/ -- At Liquid Expat Mortgages, we've been discussing the rise of a whole new set of consumer preferences in the rental market. Since the start of the COVID-19 pandemic and the various enforced lockdowns, there has been a marked increase in discussions with expat buy-to-let investors. "Whilst we are not estate agents per se, we are aware of changes in consumer behaviour as these tend to drive requests for UK expat and foreign national mortgages" says Stuart Marshall of Liquid Expat Mortgages.

To maximise the quality and appeal of your investment, you need to be aware of what it is renters are now looking for. According to Zoopla's latest rental market report, some of the trends that we saw during the pandemic are set to stay. Accordingly, rental demand is rising in commuter areas.

> Potential expat buy-to-let investors should be looking more towards family homes and commuter areas, rather than city centre flats."
>
> *Stuart Marshall*

The Rise of Commuter Areas.
With renters in city centres having spent almost a year confined to their apartments, both living and working at home, it's no surprise that renters are looking for more space. This is leading to an exodus of renters from the city as people look towards commuter areas. According to Zoopla's rental market report, commuter towns like Rochdale (in Greater Manchester) are seeing rental growth of 8.2%. There are similar rises in towns like Hastings (8%), Southend (5.8%) and Newport (5.5%).

The rise in demand in commuter areas is leading to a fall in central areas. In the centre of Birmingham, growth has fallen by 3.4%, whilst outer areas have seen a rise of 5.3%. There is a similar picture in Manchester – a top investment hotspot for UK expats – where rental growth is down by 0.9% in the centre but up 3.9% in the outer areas.

A house in Manchester is being rented out far quicker than a flat in Manchester. So, choosing a house over a flat could save you a significant amount of money as void or empty periods will be shorter.

We usually only recommend investing in London if you're an experienced expat investor or looking to buy a rental property at the top end of the market.

"Potential expat buy-to-let investors need to be aware of these changes" says Stuart Marshall. "People's mindsets have changed and what they want out of a property has too. Ignoring these changes in the rental market could impact your investment. For example, a house in Manchester is being rented out far quicker than a flat in Manchester. So, choosing a house over a flat could save you a significant amount of money as void or empty periods will be shorter. Of course, the demand for houses is significantly higher too, and the fact there are far fewer being built means that rents will also be higher for this type of property."

Where to Avoid.

As we mentioned a few weeks ago, [a two-speed market emerged in the UK over 2020]. Namely, London was experiencing negative growth compared to the positive rental growth of the rest of the UK. In fact, London's rental market fell by an incredible 5.2% in 2020, the lowest rents seen in the capital since 2014. The rise of commuter areas is only compounding this trend in the rental market. Demand for properties in London is down 10% from this point last year and rents have now fallen by 8.3%.

"London is always a competitive marketplace. The barrier to entry is usually higher than the rest of the UK as property prices are far higher than other investment hotspots. Further, capital growth is usually slower than other parts of the country and rental yields are also lower. In fact, we usually only recommend investing in London if you're an experienced expat investor or looking to buy a rental property at the top end of the market. However, now we're even seeing rental decline in the higher value areas of the capital – a big indicator that these are not the kinds of properties people are currently looking for.”

The Future.
“At the moment, the prevailing rental market conditions look set to continue. With the impact of the pandemic, people are expected to continue working remotely well into the future and this should mean that people will continue looking for more space. And, when people eventually return to work, it’s likely that workplace culture will be permanently changed as more and more people now expect flexible working for at least part of their week. It stands to reason that potential expat buy-to-let investors should be looking more towards family homes and commuter areas, rather than city centre flats. Rental demand is predicted to stay high as uncertainty, unemployment, and a lack of mortgage availability for those with small deposits prevent people from buying property. What’s more, the commuter belt properties tend to be priced a little lower and often have greater resale qualities as they are usually based in a community with good amenities to hand. For discerning expat buy-to-let investors, these are the important things to look out for.”

Liquid Expat Mortgages is a specialist Expat and Overseas Mortgage Broker with over 13 years’ experience in providing UK mortgages.

Disclaimer: Please note that Liquid Expat Mortgages has no direct control over the timescales relating to either the processing of mortgage applications or mortgage offers being issued by lenders. Liquid Expat Mortgages has no control of the legal process and CANNOT accept any responsibility nor liability should your application not be processed prior to current Stamp Duty Land Tax rules expiring on 31st March 2021 or any extension of that date.

Liquid Expat Mortgages
Unit F2, Waterfold Business Park,
Bury BL9 7BR
Phone: 0161 871 1216
www.liquidexpatmortgages.com

Any media enquiries please contact Ulysses Communications
sergio@ulyssesmarketing.com
+44 161 633 5009

Sergio Pani
Ulysses
+44 7811 326463
email us here
Visit us on social media:
Facebook
Twitter