

May 2021 UK Buy-to-Let Market Q&A (Part One)

We sat down with Stuart Marshall, CEO of Liquid Expat Mortgages, to discuss the most pressing questions about the UK buy-to-let market.

MANCHESTER, GREATER MANCHESTER, UK, May 18, 2021 /EINPresswire.com/ -- Incredibly, we're already into the fifth month of 2021. The world is changing, and the vaccine rollout is meaning that life is returning to some form of normality, with the UK Government's 21st of June end date in sight. So, we thought it was time to sit down with Stuart Marshall, CEO of Liquid Expat Mortgages, and discuss the most pressing questions about the UK buy-to-let market.



Low Stock and High Prices.

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Stuart Marshall

Q: ‘I’ve been hoping to buy a UK property for a while now but any time I see something suitable, it seems to have sold before I even get a chance to get the ball rolling. Prices on the type of property that I have been looking at are also steadily creeping up. So, what’s happening in the UK property market to drive these sorts of changes?’

A: ‘The bottom line is this: there’s such a shortage of stock in the UK at the moment that it’s driving high demand and, consequently, high prices. In Q1 of 2021, a record 36% of sales had offers from more than three buyers. 18% of sales had over five offers. This is driven by a lack of supply, with

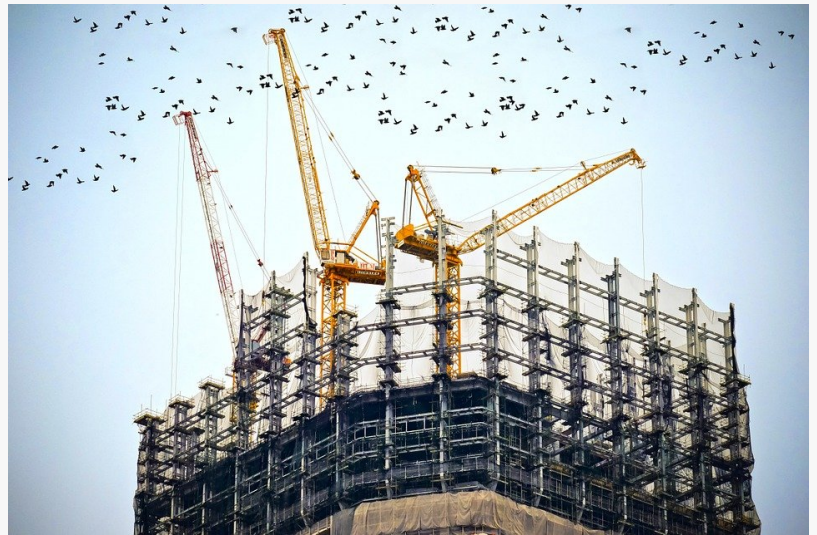
19% fewer homes currently on the market than at the same point last year. Add to this historically low interest rates and, consequently, historically low mortgage rates and you have a very competitive property marketplace.

As a result of this lack of supply, getting your slice of the UK property market is competitive, resulting in fierce bidding wars between potential investors or buyers. Depending on your goals, it could be a good idea to look towards areas of the country that are less competitive. If these areas fulfil your needs and goals, then it could pay dividends, making it easier and cheaper to “invest” in UK property. For example, Scotland is currently incredibly competitive, with 65% of property having three or more buyers make bids. On the other hand, London and the North East are far less competitive, with just over a quarter of sales having over three bidders. Talk to an expert and they can help to point you toward some areas and types of property that might be more fruitful for your purposes.

As a UK expat, our best suggestion is to make sure that you have everything ready to go with your lender, that you have a solicitor on hand, and all the necessary paperwork that you’re going to need to make the process as quick as possible. There are ways to get on things like ‘hot buyers’ lists’ which will help you to get ahead of the curve on property listings too. Overall, one of the easiest and most effective things to do is to go through an expert mortgage broker. They can really make all the difference in a landscape that’s as competitive as the UK is currently.’

What to Consider When Investing £50,000.

Q: ‘I have lived in Australia for just under ten years. I’ve been looking at investment properties here, but it seems too expensive. I’m thinking that I might invest in my home nation, the UK.



Off-plan properties are typically much more affordable than existing properties and can make excellent investments, especially if it’s in a growing area or property hot spot.



Stuart Marshall, CEO of Specialist Expat Mortgage Broker, Liquid Expat Mortgages.

Would this be possible with my budget of £50,000?’

A: ‘Firstly, congratulations of saving a great deposit. There’s definitely a lot you can do with this amount in the UK property market. And it’s a smart investment too, as buy-to-let property is typically quite safe and also generates returns through both capital gains and rental yields. If you invest in the right area, you could make a healthy return on top of meeting your capital repayments. As always, you need to account for the inherent risks in investment too. So, while you have £50,000 to invest, you need to make sure that you can do so securely without hamstringing your financial life if things don’t go to plan. It’s always best to have a financial buffer between you and your savings so that you don’t sink everything into one venture. That said, investing in the UK property market is one of the lowest risk ventures you can make.

When making any calculations for your investment, make sure to take into account any hidden costs or costs you may not have thought about such as surveys, legal fees or tax bills. Further, you need to consider income tax, which you will be subject to pay on the rental yields that you take from the property. There are, of course, ways to mitigate this tax (such as [buying your property through a limited company or special purchase vehicle](#)).

One final thought is that buying an off-plan property might be something to consider. Off-plan properties are typically much more affordable than existing properties and can make excellent investments, especially if it’s in a growing area or property hot spot. Like everything, there are pros and cons to buying in this way so make sure you [get in touch](#) with an expert expat broker or read [our guide](#). We also have a helpful buy-to-let guide which will give a comprehensive overview of some things to be aware of before starting your investment journey.

Make sure to get in touch and one of our expert brokers can give you an idea of where to invest with your budget and desired goals (for example, saving for retirement, buying a holiday let, or buying a student property for your children).’

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