

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

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 25, 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.



Is the 'Space Race' Still On?

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Stuart Marshall

Q: 'I know that earlier in the UK's lockdowns, there was a reported preference developing for more space in a property. I'm looking to buy a rental property for young professionals or for a family. So, I wanted to know whether that preference looks set to stay or whether it's giving way to other preferences as the UK's lockdowns ease.'

A: 'You're 100% correct. Those preferences do look set to stay. According to the latest data, houses are still far more popular than flats amongst consumers. The areas that developed popularity over the course of the lockdown

have solidified too with Wales, The North West and Yorkshire & The Humber remaining incredibly popular.

In terms of buying, you will probably face tough competition and high prices as low housing

stock is placing upwards pressure on the available properties. For example, if you're looking for a family property as you say, you will probably have to pay a premium as the demand for three-bedroom houses jumped 30% after the budget was announced. However, the three regions mentioned above are some of the more affordable regions of the country so whilst prices are generally high, it's still possible to find a property with value in it. Especially when regions like the North West are projected to grow in value by 24% over the next five years.'

Is the UK Landlord Sell-Off Cause for Concern?

Q: 'I've heard online that a lot of UK landlords are selling off their rental properties. Does this indicate that they are not as lucrative an investment as they might seem? It's making me cautious about investing my money into a property portfolio when so many investors seem to be jumping ship.'

A: 'Well, firstly, you're right to notice that trend. In the last few years, a lot of landlords have sold off their rental properties. There are a number of factors driving this; namely tax and regulatory changes which have meant that profits for landlords have been impacted. For some, [the most recent round of tax changes](#) - which meant that mortgage interest relief will be removed completely by 2021 - was the final nail in the coffin and they have decided to step away from being landlords completely. However, the numbers of landlords selling their rental properties has been falling steadily each year since 2017 and in 2020, the numbers reached a seven-year low. While this might be affected by other factors - such as eviction bans preventing landlords from selling their properties - it's also probable that the bulk



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



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of those intending to leave the market have already done so.

And the number of landlords selling their rental properties doesn't mean that investing in property isn't lucrative. Quite the opposite. Many that have sold their properties have been enticed to do so by the UK property market's high prices after having reaped strong rental yields for many years of investment. For example, last year the average capital gain on properties sold by landlords in the UK was £82,450 – 42% more than they paid for the property (having owned it for an average of over nine years). Further, while landlords may be selling their properties, many people are purchasing buy-to-let properties through different means – namely, limited companies or special purchase vehicles. In fact, UK Companies House reports that 41,700 new buy-to-let limited companies were formed in 2020 alone. So maybe what is being signalled is a shift in the buying habits of landlords – from buying personally to buying through some other purchase vehicle. There have been so many expat mortgage products that allow overseas buyers to enter the UK property market. It may seem obvious, but for many landlords the starting point has been with a specialist expat mortgage broker to understand the options and product range available to UK expats and foreign nationals.

Ultimately, the UK property market is an excellent choice for investment and despite regulatory changes and changes to tax relief, it is still one of the best places to put your money. However, it's important to do your research as there are ways and means to maximise the quality of your investment. Make sure you [contact us](#) and we'll be able to advise you.'

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