

Liquid Expat Mortgages September Q&A

In September's Q&A, we examine the slowing of international buyers and BTL purchases, the rural rental shortage, and what it all means for UK expats!

MANCHESTER, GREATER MANCHESTER, UK, October 3, 2021 / EINPresswire.com/ -- A Fall in International Buyers.

Q: I'm a foreign national who has been looking to purchase property in the UK for a while now. However, I'm hearing that foreign nationals buying in the UK aren't as common anymore. Is there a good reason for this? I've thought that maybe the 2% foreign buyer surcharge might be responsible. So, should I be deterred from UK property?



The resurgence in UK holidays means it is worthwhile for expats to consider a UK holiday let mortgage too as they are now available to first-time buyers and properties can be purchased wherever a customer feels is their perfect holiday retreat.

A: 'You're right to notice a downwards trend in international buyers. Like most things, there is not just one reason for this. For one, the pandemic has affected international travel massively and

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The depressed city centre housing market over the course of the pandemic means that there are many deals to be had for discerning UK expat and foreign national investors at the minute.”

Stuart Marshall

this has curbed a desire to buy in the UK for many foreign nationals who are just simply unable to get here. The 2% stamp duty surcharge for international buyers will also be having an impact, especially since it came into effect at a time when the British sterling recovered somewhat, making UK property more expensive to overseas buyers than it had been previously.'

'However, one major thing that is skewing the picture for international buyers is the impact of the London market. While the numbers of international buyers have fallen generally, the depressed London property market is

creating a false sense that UK property is in trouble when it comes to foreign investment. London typically accounts for a large proportion of international business with around half of

purchases in prime London postcodes made by international buyers. However, this year, the number of prime London purchases made by international buyers fell to 27% - the lowest level in a decade.'

'These figures for London are skewing the picture for the rest of the UK. Though returns for UK expat and foreign national buyers have been somewhat eroded by some of the factors mentioned above, other areas of the UK outside of London can still pay great dividends. If you're unsure about investing as an international buyer, the best thing to do is to speak to an expert broker who can help you to make a decision.'

A Slow Down in Buy-to-Let Purchases.

Q: 'I've seen that landlord purchases in the UK are slowing with the end of the stamp duty holiday. Does this mean that it's the wrong time for me to invest?'

A: 'In short, no. It was always inevitable that buy-to-let purchases would start to taper off after the closing of the stamp duty holiday, during which landlord purchases accounted for 15% of all the homes bought in the UK.

Recent reports from Zoopla are

suggesting that UK properties are letting almost a week faster than they were in 2020 and that rents outside of London are averaging £790pcm compared to £752pcm a year ago. The latest research from Knight Frank has forecast that £75 billion of investment will be committed to the professionally managed Private Rented Sector (PRS) by 2025. This is up from the initial £70 billion that has been previously forecast. With rental demand rising at its fastest rate since 2008, it's actually a great time to become a buy-to-let property owner in the UK.'

'Another factor that might be affecting the picture is the shortage of stock that's available to buy



Proximity to green spaces is becoming a valuable attribute for many different types of rental property in the marketplace.



There is extremely low stock when it comes to country properties and the pandemic-led search for space has only put more pressure on the stock and, consequently, massive upwards pressure on prices for this type of property.

for landlords at the minute. For those unable to find the right property, they might opt to bide their time and wait for the right investment to crop up, rather than compromise on a different type of property. Despite the rental shortage, there are still many great options to choose from in the marketplace. Amongst these options are [city centre rental properties](#), which are currently proving to be incredibly lucrative. The depressed city centre housing market over the course of the pandemic means that there are many deals to be had for discerning UK expat and foreign national investors at the minute. And this is translating to higher yields as rental demand in the city centre is creeping up with the re-opening of social venues and workplaces.'

Rural Properties Out of Reach.

Q: 'I've been trying to purchase a rural rental but prices over the last year or so have been exorbitant. Should I wait for prices to come down again or are there other options I should be looking into?'

A: 'There is extremely low stock when it comes to country properties and the pandemic-led search for space has only put more pressure on the stock and, consequently, massive upwards pressure on prices for this type of property. However, I don't think this should dissuade you from your goal of becoming a UK expat or foreign national buy-to-let investor. A good option to pursue as an alternative might be a commuter property. While these properties are lower in price, they still tick many of the same boxes that renters seek when looking for a rural property. These include proximity to green spaces and increased space. In fact, with workplaces re-opening and social lives resuming in the city centre, a commuter property may even be more desirable than a rural one as it will be able to provide a healthy middle ground between the city and the country. The [resurgence in UK holidays](#) means it is worthwhile for expats to consider a UK Holiday let mortgage too as they are now available to first-time buyers and properties can be purchased by the coast, in the country, or wherever a customer feels is their perfect holiday retreat'.

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