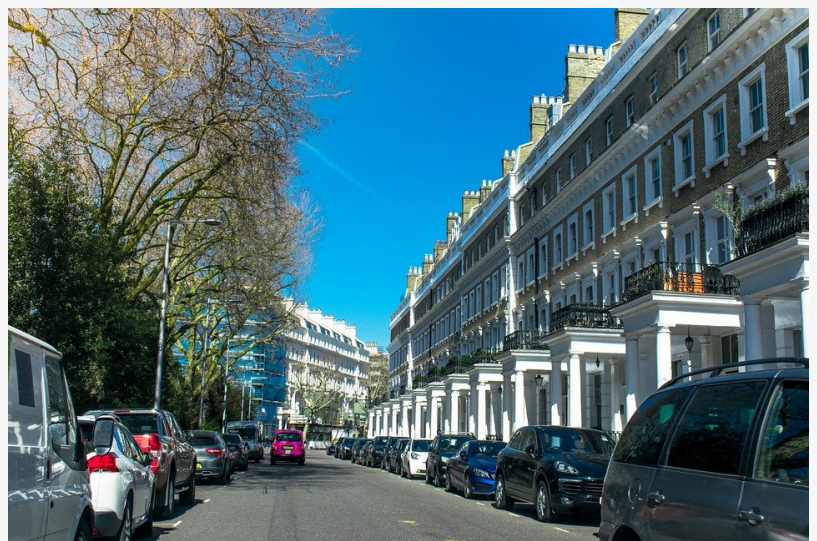


New UK Expat Buy-to-Let Investors to Profit from the City Centre

With life returning to normal in the city centre, lower prices and strong projected growth makes the city centre a great option for UK expat investors.

MANCHESTER, GREATER MANCHESTER, UK, October 3, 2021 / EINPresswire.com/ --

After last year's depressed city centre rental market, city centre rents are steadily rising again. This trend is of particular interest to new UK expat [buy-to-let](#) investors, who are now starting to see the value to be had from city centre investments, whether off-plan or on a resale property.



London is in the midst of a rental recovery. However, price growth for flats in the capital is down by 0.5% - so London could present one of the best opportunities for UK expats looking to invest.

Pandemic Life Vs The 'New Normal'.

'What the pandemic created' says Stuart Marshall 'is a whole wave of people looking to move away from the city centre. During lockdowns where people were confined to their homes, the city centre lost out to rural and suburban areas as people searched out more space and

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Stuart Marshall

proximity to green spaces. Consequently, the price of properties in the city centre fell a little in value, whilst rents also suffered from the falling demand. However, what this fall in cost has created is an opportunity for those UK expat and foreign national investors who recognise that normal [life will eventually return to city centres](#) – and in a big way. Along with the range of UK expat mortgages available to UK expats, city centre property is a very good way of entering the UK property market. Now that life is

approaching the 'new normal', city centres are regaining some appeal. Their vibrant social scenes proving enticing for those who have been deprived for over a year. Workplaces are also welcoming back their staff for at least part of the working week, incentivising workers to move back to the city to avoid long commutes from the suburbs.'

How is the Rental Market Affected?

These changes are translating directly to the rental market and yields have risen because of a fall in the cost of city centre property and a subsequent rental recovery. For investors who bought in a city centre this year, the average gross yield has risen to 5.3% - up from 4.7% in 2020.

London.

'London was of particular interest during the height of the pandemic. In effect a two-speed market came into being - with London growing negatively compared to the rest of the country. This was also true of London's rental market. However, we did also note that the fall in the value of London property did present an opportunity for UK expat and foreign national investors looking to invest in the capital. Now that opportunity is beginning to manifest itself in the rental yields that investors are seeing. 35% of investors who purchased in London this year are reaping yields of over 5%, up from 30% in 2020. With prices still somewhat depressed, UK expats can still profit from a rental recovery in the capital. Rents fell to their lowest in London in April 2021, when they were 20.4% lower than the same time in 2020. However, by June rents had recovered slightly and were only 16.5% lower than the same time in the previous year. This upwards trajectory in rents points to a profitable future in the city for those UK expat investors canny enough to invest.'

Across the Rest of the UK.

London is not the only area that is growing. The rest of the UK's cities are also seeing growth similar to pre-pandemic levels. For new buy-to-let investors in cities outside of the capital, the average yield has risen to 6.2% from 5.9%. 'And the future looks bright' says Stuart Marshall, 'with average gross yields in cities outside the capital at their highest level since 2016.'

New UK Expat Buy-to-Let Investors Take Note.

While cities are performing strongly, the areas outside of city centres have waned slightly as a result. New buy-to-let investors in areas outside of the city centre are also seeing 6.2% yields.



The North West is home to two of the most popular rental cities - Manchester and Liverpool - where price growth for flats is up by only 3.4%.



In Wales, price growth for flats is only up by 0.9%, which presents an excellent opportunity for UK expats looking to invest - with Wales highlighted as a serious growth market in the near future.

However, this is down from 6.4% in 2020. Property is also more expensive in these areas with city centres still offering great bargains for savvy UK expat and foreign national investors, especially those who have access to some of the great funding deals available.

'Expense and accessibility are the main thing for UK expat investors' advises Stuart Marshall. 'With Zoopla reporting that the average cost of a house has risen by 7.3% in the last year, desirable houses – typically a three-bed suburban family home – are getting harder to justify as an investment property. On the other hand, flats – typically in the city centre – have only

risen by 1.4%. With many options available for flats including new build, re-sale and off-plan developments, city centre flats are a great choice for first-time UK expat investors. The lower cost of such properties only contributes to an easier investment and higher rental yields – especially as a return to pre-pandemic rental growth is on the horizon.'

Rental growth in the city is expected to continue to strengthen too. With the steep rise in property prices, prospective buyers are stuck in the rental market as they are unable to afford their own house. This shift means renting has become cheaper than buying and is the only option for many. Further, younger people are favouring renting in city areas to facilitate a strong social lifestyle revolving around clubs, bars, restaurants, live music, and many other attractions. Younger people are also living more fluidly, more willing to move, travel and change jobs, which is leading to a whole generation choosing to rent to avoid being 'tied down' with a mortgage.

Where to Look.

It goes without saying that city centre flats will be the properties of interest for new UK expat investors. They are affordable and there is good stock availability, along with good access to UK expat mortgages to allow funding of most property purchases. Further, they are currently being snapped up quickly in the rental market. However, the question remains where to invest. There is great regional variation in the price growth for flats and this will help to decide where to invest. The major UK cities are always a good place to start as they perform consistently well with rental yields and capital growth in those areas will contribute to the long-term profitability of the investment. In Wales, price growth for flats is only up by 0.9%, which presents an excellent opportunity for UK expats looking to invest – with Wales highlighted as a serious growth market in the near future. Other areas of interest are the North West, home to two of the most popular



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Meanwhile, as noted above, London is in the midst of a rental recovery. However, price growth for flats in the capital is down by 0.5% - so London could present one of the best opportunities for UK expats looking to invest.

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