Is 2022 the Year for UK Expats and Foreign Nationals to Get a UK Mortgage?

Liquid Expat Mortgages looks at the investment prospects for UK expats and foreign nationals buying with a UK expat or foreign national mortgage in 2022.

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MANCHESTER, GREATER MANCHESTER, UK, January 25, 2022 /EINPresswire.com/ -- With the turbulence of the 2020 and 2021 housing market behind us, Liquid Expat Mortgages takes a look at the investment prospects for UK expats and foreign nationals looking to buy with a UK expat or foreign national mortgage in 2022.

Previously on... The UK Housing Market.
One of the best predictors for how the housing market will react in 2022 is looking at what happened in the housing market in 2021. Of course, the market conditions created by pandemic-led behaviours all contributed to a record-breaking year for the housing market in 2021. According to the Land Registry, this saw house prices increase by 10.17% - the highest house price growth in 15 years.

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>
> *Stuart Marshall*

Much of this growth was driven by a desire to buy bigger houses. The pandemic meant that most people were working from home and, consequently, many of these workers wanted more space. Alongside this, many people were unable to spend money because of the lockdown, so had more income at their disposal. All of these factors created an incredibly competitive marketplace and an imbalance between supply and demand, which pushed up house prices to an incredible level.

This growth in the housing market also carried over into the rental market. With the housing market seeing such stiff competition, many who would have otherwise graduated into ownership have been forced to stay in the rental market. Because of this, in April 2021, there were reports that it was taking only 8.9 days for a rental property to let compared to 31.9 days in April 2019. Similarly, the number of rental properties available in Manchester fell below 500 for the first time ever in 2021. Because of this, rent prices also shot up in cost for those in the rental market.

With the race for space ending, the resurgent popularity of flats is good news for UK expat and foreign national investors.

What's Going to Happen in 2022?

With an understanding of what happened to the market in 2021, we can now look to what these figures mean for UK expats and foreign nationals looking to get a UK mortgage in 2022. Many analysts are expecting house prices to stabilise somewhat in 2022. Rightmove are predicting average house price growth of 5%, while Savills predict only 3.5% growth. This will happen as a result of a heightened supply of properties and reduced buying power caused by higher interest rates.

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This marketplace will be a perfect environment for UK expat and foreign national property investors looking to get a UK mortgage, as there's predictions that the UK's race for space will finally taper off in 2022. This race for space has already started to cool and Halifax is now reporting that the price growth of flats is outpacing the price growth of detached homes. There are many reasons for this, most notably the return of many workers to the workplace rather than from home. This change is good news for UK expat and foreign national investors as reduced competition and the resurging popularity of flats will be more accessible for those investors using a UK expat or foreign national mortgage.

More generally, the stamp duty holiday, the race for space, and people's reduced spending has meant that many of the people who wanted to move have already moved. This is going to reduce the unreasonable demand that was constraining supply so heavily. The increased supply will mean more choice for UK expat and foreign national buyers and a less competitive marketplace leading to comparatively cheaper prices. Further, domestic buyer conditions will become more difficult as rising interest rates and rising inflation make it more difficult for first time buyers to get onto the housing ladder and lessen the confidence to move amongst existing homeowners.

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This leaves room for UK expat and foreign national investors to purchase UK investment properties using a UK expat or foreign national mortgage as they won't be hindered by the same buying conditions that domestic buyers will.

Further, while house price growth is slowing down, the same is not true of rental growth. Rental demand across all sectors – long-term lets, student rental properties and holiday lets – is going to remain high and place upwards pressure on prices. With more modest house price growth, tougher market conditions for domestic buyers, and increased choice, it's a good time for UK expat and foreign national investors to utilise the numerous UK expat and foreign national mortgage deals available. There are also sure to be deals available as some of those who bought in the pandemic are forced to offload quickly as a result of interest rate hikes. With Savills predicting that rental prices will continue to rise by an incredible 19.9% in the next five years, 2022 is a great time to utilise a UK expat or foreign national mortgage to buy a UK investment property.

By using an expert UK expat and foreign national mortgage broker, obtaining a UK expat or foreign national mortgage is simpler than ever – with a range of mortgages available to service the needs of any customer.

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