

A Prime Time to Remortgage for UK Expat and Foreign National Investors

With rising interest rates and the new green legislation, it's a perfect time for UK Expat and Foreign National investors to remortgage.

MANCHESTER, GREATER MANCHESTER, UK, May 25, 2022 /EINPresswire.com/ --

'We've recently been seeing a slew of UK expat and foreign national mortgage holders come to us looking to [remortgage](#)' says Stuart Marshall of Liquid Expat Mortgages. 'We're going to take a look at why that trend has gained prominence and why it's a great time for some UK expat and foreign national mortgage holders to remortgage.'

The Background.

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In a complicated world of remortgaging, securing an expert mortgage broker is one of the best decisions that can be made.”

Stuart Marshall



Remortgage completions in February 2022 rose by 23%, with instructions increasing by 21% compared to January.

The [Bank of England has raised its interest rates](#) four times in the last three months, bringing the current base rate to 0.75% - the highest base rate since March 2020. This is of concern for anyone on a fixed rate or tracker mortgage, which typically follow the base rate closely and so will rise and fall in accordance with this number.

Putting the base rate rise into context, a £200,000 mortgage will work out roughly £42 a month or £504 a

year more expensive. For UK expat and foreign national investors, this can be a costly expense to pass on to the tenant and, in a competitive marketplace with soaring costs of living, this rise could be the difference between a tenant choosing to take the property or find somewhere else.

The rise in rates is leading many to consider remortgages. In fact, remortgage completions in February 2022 rose by 23%, with instructions increasing by 21% compared to January. 62% of the owners who remortgaged in February opted for a five-year fixed-rate product, indicating a willingness to lock in a preferential low rate for a long time.

Is it the Right Time to Remortgage? For UK expat and foreign national landlords using standard variable rate or tracker mortgages, it is an excellent time to look into a low-interest, fixed-rate mortgage. This is also true for landlords whose fixed-rate deal is about to end as interest rate rises mean that a lender's standard variable rate will be a lot more expensive.

The Bank of England has indicated that more rate rises are likely in the future, with predictions expecting the base rate to rise to 1.25% by the end of 2022. This means that mortgage payments will only continue to rise for standard variable rate and tracker mortgage customers. A fixed-rate mortgage will offer some financial surety to UK expat and foreign national investors, allowing them to better manage their investment and build up equity in their property over the fixed-rate term.

'There are also practical reasons to remortgage beyond avoiding the lender's higher standard rates' adds Stuart Marshall. 'For one, remortgages can help with financing other property purchases. By using the equity of an existing investment property, UK expat and foreign national investors can utilise the range of available products to buy other properties and build a wider or more diverse investment portfolio. Further, for investors whose properties have made strong capital gains or for those who have a lower loan to value, negotiating a preferential deal will be



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The Green Factor.

'Another compelling reason for remortgaging at the moment is to do with the chancellor's recent announcement surrounding energy-efficient technology. For UK expat and foreign national mortgage holders with properties that have an EPC rating below a C, the need to conduct 'green proofing' is urgent. As of 2025, properties with an EPC rating below a C will not be able to accept new tenants and, as of 2028, existing tenants on these properties will no longer be allowed to occupy them. So, many UK expat and foreign national landlords are faced with no other option than renovating energy inefficient properties.'



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['We have written before](#) about how those investors needing to conduct green renovations can remortgage and raise extra capital in the process to green proof these properties. However, now is a better time than ever. UK expat and foreign national mortgage holders remortgaging now will not only avoid higher standard rates but they can also utilise the chancellor's new VAT cut on energy saving devices like solar panels, heat pumps, insulation, and wind turbines. The chancellor's scrapping of VAT amounts to a real life saving of around £1000 for those installing solar panels, with tenants saving £300 a year in energy bills – an enticing attribute in a competitive marketplace.'

Advice for Remortgaging.

When re-mortgaging, a good time to look for a deal is between four and six months before the existing deal ends as many lenders will allow a deal to be locked in three to six months in advance. Of course, for UK expat and foreign nationals using an expert mortgage broker, this process will be made easier and the broker will take care of many of the issues that most people will encounter. Further, a broker can help to get the best deal as they have a great knowledge of the existing offers, which can make all the difference in a competitive marketplace where any margin matters.

In a complicated world of remortgaging, securing an expert mortgage broker is one of the best decisions that can be made. Deals can often be misleading – luring in customers with flashy headline rates which can often disguise other costs involved. An expert broker will help to navigate this situation and maximise the profitability of any investment.

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