

Average Cost of Renting Rises Again – The Takeaway for UK Expats

With rising rents stemming from a localised picture, UK Expats need to pay special attention in order to make the right investment in the right area.

MANCHESTER, GREATER MANCHESTER, UK, June 29, 2022 /EINPresswire.com/ --

The Overview.

[According to Zoopla](#), the average cost of renting a property in the UK has risen again - this time to £995 a month. This is an 11% rise in rental prices in the past year. 'Rental prices in the UK have been on this trajectory for quite some time now' says Stuart Marshall of Liquid Expat Mortgages. 'It's mainly driven by a shortage of available rentals in city centres. As people return to city centres to live and work post-Covid, demand for properties in city centre areas is soaring. Anecdotally, we've had many discussions with UK expat and foreign national investors that are keen to invest in city centre areas using [UK expat and foreign national mortgage](#) products. But one thing that we have noted in those discussions is that the rise in average rents is being largely driven by hugely localised rises. So, for UK expat and foreign national investors to maximise their investment prospects, they will need to choose the right area for investment. This area will likely be an area with a recent increase in the average rents, indicating high rental demand.'

What's Happening in the Rental Market?

Rents are currently rising at their fastest rate in 14 years. Zoopla's most recent rental market report shows that monthly rents are £88 higher than at the start of the pandemic. Another important thing for UK expat and foreign national investors to notice is that renters are currently



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staying where they are. 'Amidst market uncertainty and fears around budgets, renters are applying the 'better the devil they know' mentality to where they live. Zoopla reports that renters are now staying in their property for 75 weeks - five months longer than they were in early 2017. This points to shortened void periods for UK expat and foreign national investors investing in the right areas.'



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London saw a 15.7% rise in rents - the largest annual change in the UK. This is largely driven by a huge mismatch between supply and demand in the capital. 'After the two-speed rental market that emerged in lockdown saw London rents suffering, a sudden return to the capital's work and social scenes have put huge upwards pressure on prices. The huge rise that we're seeing is somewhat offset by the previous drop of 10% as price correction starts to happen in

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Stuart Marshall

the capital. Currently, demand is 68% higher than the five-year average, while supply is 47% lower than the five-year average. This means that rental prices are rising massively in the capital.'

Unsurprisingly, Manchester saw the largest annual change in rents outside of London - a 14.3% rise since last year. Manchester has long been a favourite amongst UK expat and foreign national investors and has consistently grown

in popularity and profitability over recent years. Birmingham and Nottingham also performed strongly - both with rises of 13% - and offer a slightly more affordable option for UK expat and foreign national investors.

Unpacking the Rise for UK Expat and Foreign National Investors.

'For UK expat and foreign national investors using UK expat and foreign national mortgage products, the rental market offers even better than usual prospects at the moment. As noted above, rents are rising extremely quickly, and this is leading to strong profits for investors. Further, UK expat and foreign national mortgages are being insulated from the rate rises that other mortgage products are experiencing. This is due to a number of factors. For one, lenders are recognising that the UK expat and foreign national mortgage sector is both incredibly lucrative and incredibly competitive, so they are not passing on the interest rate rise to borrowers. For another, foreign currencies are performing more strongly than sterling so this is

also helping UK expat and foreign national mortgage users when they come to buy in the UK.'

'So, those using UK expat and foreign national mortgage products are at an advantage compared to domestic buyers. And it's a good time to be at an advantage. Rents are rising quickly as a result of the incredible demand for rental properties. Cities are seeing the sharpest rise in demand as people continue to return to them. But this demand is also not being met by supply and this is leading the typical property to take just 14 days to rent. The outlook for UK expats and foreign nationals then is that rental properties are likely to be more profitable than usual and are also likely to experience fewer, or at least shorter, void periods.'

'There are an excellent range of UK expat and foreign national mortgage products available at the moment' adds Stuart Marshall. 'Lenders are trying to entice business in a competitive marketplace. And this means great deals for UK expats and foreign nationals. Expert UK expat and foreign national mortgage brokers can help to find the right deal. Because the picture is localised for the rent rises and rental demand, it's never been more important to seek expert advice before investing. Investing in the wrong area could mean missing out on the incredible rental demand that we're seeing at the moment.'

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