

The Impact of High Inflation for UK Expat and Foreign National Investors

Liquid Expat Mortgages explains why high inflation should not deter UK Expat and Foreign National investors.

MANCHESTER, GREATER MANCHESTER, UK, August 22, 2022 /

EINPresswire.com/ -- With the Bank of England's most recent set of gloomy announcements for the UK economy, inflation is set to reach 13% by the end of 2022.

'With inflation at this incredible high, many of the discussions we've had with prospective UK expat and foreign national investors have centred around whether or not it is wise to invest in UK property at the moment' says Stuart Marshall. 'Obviously, much of the current conversation about the economy is fairly pessimistic, especially with the Bank of England predicting a recession. However, the first thing we'd say to UK expat and foreign nationals looking to start or



expand a property portfolio is that UK property is a relatively stable asset class. This is what makes it so valuable as it is one of the safest ways to invest.'

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How Does High Inflation Affect UK Expat and Foreign National Property Investment?

Inflation will generally mean that house prices will increase. In addition, high inflation will also contribute to higher interest rates. This might seem like a deterrent for UK expat and foreign national investors looking to invest in UK property. However, there are so many reasons for UK expats and foreign nationals to persist despite the

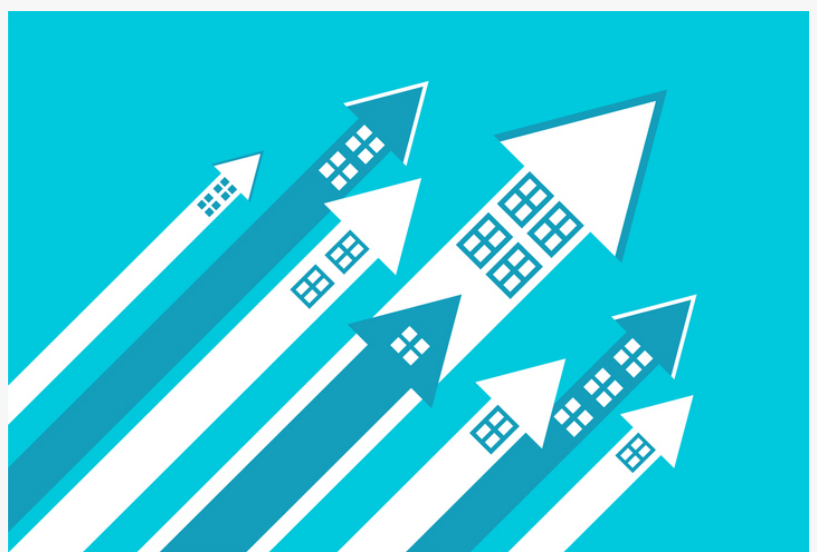
increased property prices and interest rates.

Why Property Investment is a Good Decision in Times of Inflation.

'The first thing for prospective UK expat and foreign national investors to recognise is how the high demand for rentals affects their investment proposition.' The high property prices mean that there is a massive demand for rental properties at the moment. Further, remote working and a demand for space are creating higher demand for high quality rentals. There is also a shortage of rental properties, which is contributing to high prices. In fact, [according to the BBC](#), lettings agents have half the number of properties on their books than they did at the same point last year. These factors are placing a lot of upwards pressure on rents, with Savills reporting that [rental prices have risen by 11.8% in the last year alone](#). Their five-year forecast presents a similarly sunny outlook for UK expat and foreign national investors, projecting an average growth of 19.9% - the fastest growth in 16 years.

'Because of the high demand for rental property and a lack of available supply, UK expat and foreign national investors have enough reason to invest even with inflation pushing up property prices and interest rates. This is clear from the fact that a third of investors are currently looking to expand their portfolios to capitalise on the high demand and shortage of stock in the rental market.'

Another thing for UK expat and foreign national investors to recognise is how the long-term value of property is set to rise. While the immediate, short term might be tricky as the effects of the recession begin to be felt in the property market, the long-term picture remains incredibly positive. UK property is predicted to increase by 12.9% over the next five years alone. Over the length of a mortgage term, it's likely that any property will increase significantly. And this is what



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makes UK property such a valuable asset for long-term investment purposes, such as saving for retirement. 'By paying down the capital value of the property by renting it to tenants, UK expat and foreign national landlords can end up with a healthy retirement fund with only a few properties in their portfolio. With Rightmove reporting that the average price of new properties coming to market is £369,968, it's easy to see how a number of properties could amount to a very comfortable retirement.'

'One last thing for UK expat and foreign national investors to consider when

investing with high inflation is the role that UK expat and foreign national mortgage products can play. UK expat and foreign national buy-to-let mortgage products are a great way to invest and split the cost of investment over a longer period. Further, [UK expat and foreign national mortgage products are faring well](#) compared to more conventional products as lenders are not passing on the whole interest rate rise to consumers. There is a wide choice of UK expat and foreign national mortgage products, meaning that there are many ways for investors to tailor their mortgage product to their needs. Further, as the green property revolution continues, there are even a range of green mortgage products which offer preferential rates to UK expat and foreign nationals that commit to green renovations on their investment property. Even with the higher inflation rate, these products remain exceptionally flexible and useful for UK expat and foreign national investors.'

Summing Up.

While the high inflation might create a certain uncertainty in the market and reduce investor confidence, the reality is quite different. Rental yields are rising at a record rate, the demand for rental property is sky high and the available supply is low. 'In short,' concludes Stuart Marshall 'investing in UK property is one of the safest ways to invest during times of high inflation. It allows UK expat and foreign national investors to capitalise on the rising rents while also getting a very stable savings vehicle for their money.'

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