

Liquid Expat Mortgages Reacts to Rightmove's August 2022 House Price Index

Liquid Expat Mortgages examine what Rightmove's August House Price Index means for UK expat and foreign national investors in the rest of 2022.

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/EINPresswire.com/ -- With Autumn moving in, Liquid Expat Mortgages' Stuart Marshall takes some time to react to [Rightmove's August 2022 House Price Index](#) and examine what it could mean for UK expat and foreign national investors using UK expat and foreign national mortgage products in the rest of 2022.



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The Big Picture.

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Stuart Marshall

buyers to accept lower prices in favour of a quicker sale. However, there are signs that the market is cooling even without this typical August trend. The key indicators of this downward trend are the hints that demand is softening, and supply is increasing. This has been the main contributor to the incredibly high and robust pricing we have seen over the last couple of years. However, according to Rightmove, buyer enquiries are down by 4% compared to what we saw in 2021, while new listings are up by 12%. It's worth noting that, while this is a big change

compared to 2021, demand is still 20% higher than in 2019 and the number of new listings is still 6% lower than it was in 2019. This means that the market is still a long way off 'normal' and prices are likely to remain fairly robust as a result.

Another notable factor from Rightmove's report is that interest rates continue to constrain affordability as the average monthly payments for first-time buyers with a 90% LTV now exceed £1000 for the first time. This is likely to contribute to a further softening of demand as we move into the Autumn and cost of living constraints and higher energy prices begin to bite.

Commenting on the overall picture that Rightmove paints of the market, Stuart Marshall of Liquid Expat Mortgages says that 'the slight downturn is likely only the beginning for the UK housing market. Though prices always trend downwards in August, greater numbers will begin to feel the effect of constrained affordability as lenders tighten up and interest rates continue to climb. One thing not mentioned by Rightmove is that saving a deposit will now prove an even bigger hindrance for prospective first-time buyers as rent prices eat a larger chunk of renters' incomes and buyers need to save more to offset the increased monthly mortgage repayments caused by rising interest rates. This is likely to almost completely exclude this sector of buyers from the market and make sure demand continues to fall.'

'On the other hand, softening demand and increased supply will make investment more accessible for those using UK expat or foreign national mortgage products. While low stock levels and high demand will keep prices robust, all eyes will be on the number of forced sales throughout the rest of the year. Regardless of whether there are more or less forced sales, [slowing growth or negative growth is all but guaranteed](#) with the current and incoming conditions and this is good news for UK expat and foreign national investors. The increased choice, reduced competition and slower market will be welcomed by UK expats and foreign nationals who will be able to more easily utilise the range of



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UK expat and foreign national mortgage products available at the moment.'

'Of course, as we've talked about before, the main factor that is influencing the prices we see in the market is the mismatch between supply and demand. This has been the story for a while but the way this story is written throughout the rest of 2022 and into 2023 is how this relationship will continue to evolve. It's almost inevitable that interest rate rises will serve to dampen demand through the autumn and winter, but many of the other constraints on affordability will also go some way to determining the nature of the price falls. With regards

the supply of homes, it's likely that this will be largely determined by the number of people who are forced to sell as a result of financial hardship. For prospective UK expat and foreign national investors looking to [invest with a UK expat or foreign national mortgage](#), keeping an eye on this supply-demand relationship will prove key to the success or failure of an investment. Of course, an expert UK expat or foreign national mortgage broker can also help to track this relationship and project the possible future trajectory so that UK expat and foreign national investors stay ahead of the curve.'



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The Regional Picture.

According to Rightmove, only four regions across the UK have properties that have increased in their average value compared to the previous month. These areas are the North West, the East Midlands, the West Midlands, and Wales, which have increased by 0.4%, 1.3%, 0.4% and 2.1% respectively. This is not surprising since these four areas are four of only five regions which have seen year on year house price growth of 10% or more. 'Keeping track of these hotspot regions is important for UK expat and foreign national investors as the rise in prices usually signifies high demand from consumers. This consumer demand is also usually present in the rental sector, so choosing an investment area based on this metric is likely to yield a popular, competitive – and therefore profitable – investment. These are very typical areas for UK expat and foreign national investment in recent years and the growth figures that we can see are evidence as to why. With their month-on-month growth remaining strong, it's likely that these will continue to be investment hotspots for UK expat and foreign national investors throughout the rest of 2022 as well.'

'The only region in the UK that had growth of over 10% which did not have positive month-on-month growth between July and August is the South West. It's likely that the reason for this is the

cooling of the coastal hotspot market. Coastal hotspots have performed very well in the staycation boom as investors and those looking for a second home have contributed to price rises in those areas. However, now that the uncertain political and economic situation is at the forefront of many minds, the coastal hotspot market is starting to ease a little. The boom in coastal hotspots has led to a 15-20% growth in value in key areas like North Cornwall, for example. It's likely that this growth will start to slow now, leading to opportunities for UK expat and foreign national mortgage users looking to invest in a UK holiday let investment property.'

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