

International Buyers Undeterred by the UK Housing Market

With a weakened pound and excellent investment conditions, increased numbers of international buyers are looking to buy UK property.

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/EINPresswire.com/ -- International Buyer Numbers Seeing a Resurgence.

The numbers of international buyers are surging in the UK property market. Much of this upturn in the numbers of foreign national and UK expat buyers is to do with the economic downturn in the UK as the pound continues to suffer and the Bank of England continue to raise interest rates to try and battle soaring inflation.



Buyers purchasing a £1m UK property in 2022 in US dollars or Chinese Yuan would save £66,000 and £58,000 respectively.

The nation's capital has long been a favourite choice for international buyers and the surge in enthusiasm for UK property from this pool of buyers is evident when looking at the London market. In the first six months of this year, international buyers have accounted for 48% of homes bought in prime central London, [up from the 45% seen in 2019](#). The proportion of international buyers buying elsewhere in the UK is rising too as savvy UK expat and foreign national investors look to pick up a bargain in a buyers' market.

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Stuart Marshall

Why are the Numbers Rising?

One of the main reasons for the rising numbers of international buyers is to do with the comparative strength of the UK's currency. British Sterling has depreciated against both the US Dollar and the Chinese Yuan, which is key for UK expats and foreign nationals as many of the currencies in which UK expats and foreign nationals are paid are dependent on the US Dollar or

paid in Chinese Yuan.

British Sterling's comparative weakness has meant that international buyers have been able to get more for their money when buying UK property. As an example, buyers purchasing a £1m property in 2022 in US dollars or Chinese Yuan would save £66,000 and £58,000 respectively. This saving is solely down to fluctuations in currency.

'However, investing in UK property presents a strong proposition for UK expat and foreign national investors even without the attraction of favourable currency conversion rates' says Stuart Marshall. 'The domestic demand for UK property is falling as supply climbs in the face of rising mortgage rates and a heightened cost of living. As a result, UK expat and foreign national investors are investing at a time when the market is slower and less competitive.

These investors also have the ability to utilise a wide range of UK expat and foreign national mortgage products, which are being offered at lower rates than domestic products to meet demand in the international buyer community. Once they have secured a mortgage deal and decided on their property, international investors are entering the rental market at a time of fierce competition in which 11 buyers are competing for each rental property available.

This means that rental properties will command high prices, quick lets, and short void periods – a good combination for investment. When you add to this the favourable currency conversion rates, UK expat and foreign national investors would almost be foolish to ignore the proposition presented by UK property.'



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Another factor that is contributing to the numbers of international buyers in the UK is the [heightened number of buyers from Hong Kong](#). Hong Kong buyers have long benefitted from a favourable exchange rate when buying in the UK and UK property's tried and tested reputation as a valuable asset class has always been attractive for Hong Kong investors.

However, at the moment, there are even greater numbers than usual looking to buy UK property. One of the main reasons that there is an increase in interest from Hong Kong buyers is because of the evolving political situation in Hong Kong, with many Hong Kongers choosing to take advantage the UK's visa scheme for BNO passport holders. This programme offers BNO passport holders the chance to gain a fast-track to British citizenship.

The UK government has already had 140,500 applications and in the 12 months to June 2022, Hong Kong saw 121,500 of its citizens leave. This is not a trend that is slowing down and, because of the BNO visa scheme, one of the obvious destinations for these displaced Hong Kongers is the UK.

'As a result of the demand from Hong Kong buyers, specialist lenders are creating deals specifically for Hong Kong investors' adds Stuart Marshall. 'Because this huge pool of buyers is being served so well by the available mortgage products, they are greatly contributing to the numbers of international buyers flooding into the UK property market.'

Why Mortgage Brokers are Key.

Specialist brokers are working specifically with lenders to craft products which satisfy demand



Because of the current market conditions, rental properties will command high prices, quick lets, and short void periods – a good combination for investment.



UK property has long been a favourite for Hong Kong investors but the current currency conversion rates and evolving situation with the BNO Visa scheme means that there are even more investors from Hong Kong at the moment.

from the international buyer community. Lenders are aware of how lucrative this sector can be as UK expats and foreign nationals buying UK property are often high earners with large deposits and also benefit from favourable currency conversion rates. A specialist UK expat and foreign national broker can also help customers to navigate the inherent difficulties of getting a mortgage as an international buyer, simplifying the process as well as making it more affordable.

Liquid Expat Mortgages
Ground Floor, 3 Richmond Terrace,
Ewood, Blackburn
BB1 7AT
Phone: 0161 871 1216
www.liquidexpatmortgages.com

Any media enquiries please contact Ulysses Communications.
sergio@ulyssesmarketing.com
+44 161 633 5009

Sergio Pani
Ulysses
+44 7811 326463

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