

How the Autumn Statement is Affecting UK Expat and Foreign National Investors

Liquid Expat Mortgages unpack the implications of the autumn statement for UK expat and foreign national investors.

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The Autumn Statement in Brief.
The headlines from the Autumn statement were as many expected for a Rishi Sunak prime ministership, with the new government trying to fill a £55bn hole in the government's finances through tax rises and spending cuts.

One of the key takeaways from the autumn statement for the housing market is to do with stamp duty.

Namely, current Chancellor Jeremy Hunt [chose not to reverse Kwasi Kwarteng's increase to the stamp duty threshold](#) but also announced that the uplift would be reversed back to £125,000 from £250,000 after 31st March 2025. The threshold for first-time buyers will be cut from

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Stuart Marshall



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£425,000 to £300,000 and on properties costing up to £500,000 rather than £625,000. The reversal on the latter policy will continue to hinder first-time buyers from getting on the housing ladder, particularly in London and the South East. These first-time buyers have been incredibly important in supporting the buoyancy of the marketplace in recent times and their continued absence will mean greater numbers in the rental market, upwards pressure on rental prices and lower property prices.

Another point of note is that Hunt guaranteed that the Energy Price Guarantee would remain in place for a further

twelve months, albeit at a higher level of £3000. While this is an increase, it is significantly lower than it would have been had the price guarantee been abolished. Despite the guarantee for energy prices, there were blows to domestic consumers as stealth income tax will continue as the current tax thresholds have been frozen for the next six years. The chancellor also gave local authorities the power to raise council tax by up to 5%, which will further exasperate tight budgets for lower-income homeowners and prospective buyers who are unsure about whether or not to purchase property.

What Does the Autumn Statement Mean for UK Expat and Foreign National Investors?

The autumn statement is reassuring and hints at some stability after the tumultuous political fallout from a revolving door of Prime Ministers and the disastrous mini-budget that happened under Liz Truss and Kwasi Kwarteng. 'While it's impossible to predict what will happen with the market,' says Stuart Marshall 'it seems there is reassurance that the market is now unlikely to hit the low points that were being predicted a few months ago. For one, the OBR is predicting that the economic downturn will be shallower than was previously thought. Inflation is also expected to fall sharply in the middle of 2023, after averaging 9.1% this year. And there are positive signs with fixed rates are already falling

and the likelihood that these rates will continue to fall as the chancellor's recent changes start to take effect. The Bank of England is now also less pressured to increase interest rates, which means that mortgage rates are likely to stabilise, with commentators predicting that the base

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Mortgage Rate



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'However, despite these positive changes, the housing market has slowed because of the heightened cost of living, rising interest rates and a general low confidence caused by economic uncertainty. And while the current government and the autumn statement seem to offer some sense of direction and stability, the most recent changes are unlikely to move the needle massively in the marketplace. With people likely paying more because of the frozen income tax threshold, higher council tax and the slight raise in the energy price guarantee, it's probable that confidence will remain fairly low in the

domestic marketplace. And, consequently, domestic buyer activity is likely to remain low. On the other hand, UK expat and foreign national investors stand to benefit as prospective buyers remain trapped in the rental market, while new UK expat and foreign national buyers benefit from increased rents and steady or decreasing mortgage rates. Further, while the stamp duty threshold decrease in April 2025 could cause some people to bring their purchase forward, in the long-term, it's likely to keep the numbers of [first-time buyer purchases relatively low](#) and mean that there is more space in the market for UK expat and foreign national investors.'



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One other headline worth mentioning is Jeremy Hunt's move to decrease the capital gains tax threshold from its current tax-free threshold of £12,300 to £6,000 in April 2023 and £3,000 in April 2024. 'This will be a key point of discussion for any existing or would-be UK expat or foreign national investor' says Stuart Marshall. 'This will essentially reduce the capital gains profits that UK expat and foreign national investors will make as they will be taxed on a greater amount than they otherwise would have been. However, for those UK expat and foreign national investors who have chosen the right property in the right area, this shouldn't be enough to offset the profits that they stand to make. Where this will be of concern is for buy-to-let investors that have invested in sub-par areas or mismanaged their property. For some buy-to-let investors facing higher taxation, they will be forced to sell. However, what this will contribute to is fewer properties in the private rental sector, which will continue to place upwards pressure on rental prices. In turn, this will mean greater rental profits for UK expat and foreign national investors with good rental properties.'

'It's never been more important to utilise the services of an [expert UK expat or foreign national mortgage broker](#). The market is in an incredibly fertile place from which to profit and, with long-

term stability ahead, UK expat and foreign national investors who make the right move now stand to profit long into the future. But there are many pitfalls to navigate and finding the right deal is essential. This is where having a UK expat or foreign national mortgage broker on side really makes all the difference.'

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