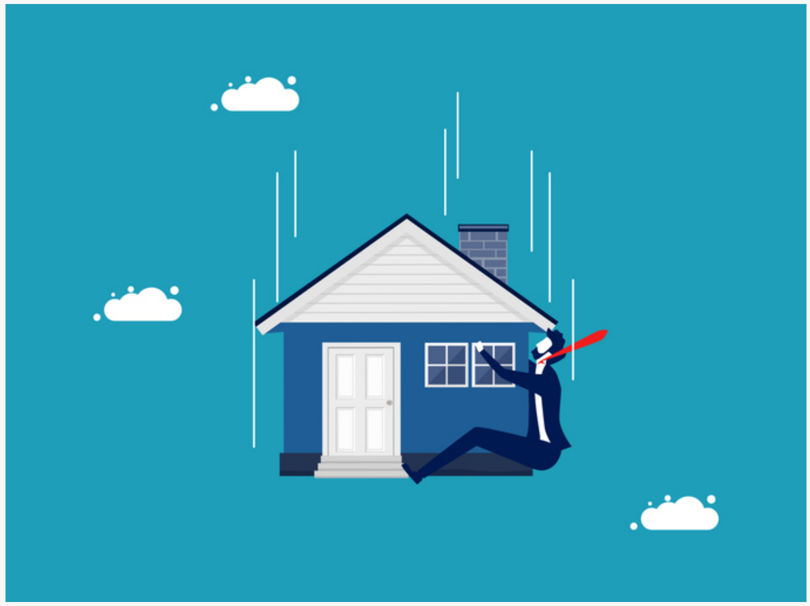
Falling House Prices Enabling Bargain Investments for UK Expat and Foreign Nationals

With house prices falling, it's a great time for UK expat investors to get a bargain on a UK buy-to-let property and profit from a very buoyant rental market.



House price growth is falling, and this is set to continue through 2023.

MANCHESTER, GREATER MANCHESTER, UK, February 13, 2023 /EINPresswire.com/ --
What's Happening to House Prices?
Annual house price growth is slowing, currently at 6.5% compared to 8.3% at the same time the previous year. This is as a result of a falling demand from consumers and rising stock. There are fewer buyers in the market and less enthusiasm, meaning sellers are being more conservative in their asking prices and are also more likely to accept lower offers. The current conditions have turned the UK housing market into a buyers' market, with the average buyer now getting between 3% and 4% off the asking price of the property. And property portal Zoopla are predicting further single-digit price falls in the first half of 2023.

What Does This Mean for UK Expat and Foreign National Investors?
'The drop in house prices is no cause for alarm' says Stuart Marshall, CEO of Liquid Expat Mortgages. 'It's something that we - and other market analysts - have been expecting for a while now. This is as a result of the inflated house prices post-pandemic and has been exasperated by the current market conditions, such as the high mortgage rates, cost of living crisis and inflation. At this point, it seems universally agreed by all market analysts that prices are going to keep falling in 2023, but the amount varies from analyst to analyst. For example, Lloyds Bank - the UK's largest mortgage lender - is predicting prices to fall by 8% this year. And while the falling prices will be a long way off damaging the huge jump in property values seen over the last couple of years, it's true that prices are likely to come down by a noteworthy amount. But, if this

does happen, what does it mean for UK expat and foreign national investors? We've had a lot of talks with customers who are reluctant to engage in an investment venture when prices are falling. After all, it seems like a bad choice to invest in an asset with declining value. However, assets are bound to fluctuate in value. And what's particularly attractive about UK property is that it is an asset that is relatively stable and always appreciates in the long run. Therefore, the lower cost of UK property and lack of competition from domestic buyers is a good thing for UK expat and foreign national investors, as lower property prices mean better returns in the long run, especially with the current booming rental market.'

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The Rental Market.

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>
> *Stuart Marshall*

The supply of available rental housing in the UK is lagging far behind the demand. [Zoopla reports] that the demand for rental property is currently 46% above the average, while supply is falling 38% behind the average. There are many reasons for this. For one thing, higher mortgage rates and house price growth have combined with tighter household budgets, inflation and an increased cost of living to prohibit first-time buyers from getting on the property ladder. This means that there are many more people staying in the rental market instead of graduating to property ownership. For another thing, a competitive rental market is driving prices up meaning that more renters are staying in their current property to avoid risking higher rents - this is reducing the flow of properties onto the rental market. One final factor to consider is the increased numbers renting by choice. The latest England and Wales Census reports that the number of renters in the UK has increased by 28% in the last ten years. All of these factors are making for an [incredibly profitable rental market] for UK expat and foreign national investors. And it's unlikely that the supply of rental homes will see a huge jump any time soon, as the number of affordable homes being built continues to fall short. 'UK expat and foreign national investors are seeing a great rental market in which to start their investment journey' says Stuart Marshall. 'Rents for new tenancies are, on average, 12% higher than a year ago. Popular city centre locations are seeing even higher rents for new tenancies - as high as 15%. Even existing tenancies are experiencing an average price rise of 4% compared to last year. This means that UK expat and foreign national investors are starting investment ventures with huge profits, large rental yields and quick lets.'

Pulling the Threads Together.
'As house prices are significantly lower at the moment, and likely to keep getting lower through 2023, it's an excellent time for UK expat and foreign national investors to utilise UK expat or foreign national mortgage products to grab a valuable slice of the UK's lucrative buy-to-let market. UK expat and foreign national mortgage products are allowing investors to spread the cost of their investment, purchase a greater number of properties, and [diversify their investment portfolio](). With mortgage rates higher than they have been in recent history, UK expat or foreign national mortgage brokers are able to help investors to find the best possible deal in a very competitive UK expat and foreign national mortgage market.'

There are huge numbers in the rental market at the moment and very few available rental properties. This means that falling house prices have come at a great time for UK expat and foreign national investors looking to pick up a bargain.

House prices are likely to see strong increases when the market recovers. This means that UK expat and foreign national investors who invest in property now could be laying the groundwork for strong long-term capital growth rewards.

'One final thing that's worth noting,' concludes Stuart Marshall 'is that house prices are also likely to see strong increases when the market recovers. This means that UK expat and foreign national investors who invest in property now could be laying the groundwork for strong long-term capital growth rewards. This is evident in Savills' prediction that house prices will rise by 6.2% in 2026.

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