

UK Expat and Foreign National Mortgage Market Roundup

At the halfway point in 2023, we look at where a turbulent year in the UK expat and foreign national mortgage market has led us.

MANCHESTER, GREATER MANCHESTER, UK, July 11, 2023 /EINPresswire.com/ -- As we reach the halfway point in 2023, Stuart Marshall, CEO of Liquid Expat Mortgages takes a look at where a turbulent year in the property market has led us.

Interest Rates Still Rising.

Despite multiple increases in the base rate, the Bank of England has increased interest rates again in a bid to battle inflation. The most recent rise saw another 0.5% added to the base interest rate, bringing interest rates to 5%. The increase in base rates is of note for UK expat and foreign national investors, as it adds further to the cost of borrowing. In real terms, the latest increase

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will add around [£60 a month for someone with a £200,000 variable mortgage](#). This amounts to a total cost increase of £566 per month since the monetary policy committee started to increase interest rates in December 2021.

What's concerning is that it's believed that inflation is now being driven by internal factors, rather than external factors, like the war in Ukraine which has previously been responsible for rising inflation. This means that inflation will be harder to bring down and this is leading analysts to predict that interest rates will now peak at 6%. However, analysts are also predicting that interest rates will start to

'The new rise in interest rates is not only increasing the cost of a mortgage' says Stuart Marshall. 'It is also meaning that lenders are withdrawing products from the market, with lenders having withdrawn 400 products in the last month. The rapid speed of the market is basically making an expert mortgage broker a necessity at this point. An expert UK expat or foreign national mortgage broker can help to find the best deal, with insider knowledge and access to exclusive, preferential broker-only deals. They can also help to advise on the investment itself, helping UK expat and foreign national investors to find the perfect property and location for their specific purposes.'

How to Combat Rising Mortgage Rates.

'There is undoubtedly a need for new and existing UK expat and foreign national investors to combat rising mortgage rates, and the strategy to do so will differ depending on the exact needs of the investor' says Stuart Marshall. 'For those wanting to refinance or to find the right mortgage product, using an expert UK expat mortgage broker like Liquid Expat Mortgages will be key. The buy-to-let mortgage market is moving very quickly at the moment, and the UK expat and foreign national mortgage market is moving even faster. Having someone who knows the lay of the land and who can help to speed the process along can prove invaluable in a landscape where products are being removed from the market every day for refinancing.'

'The most important thing UK expat and foreign national investors can do to combat rising rates is to have the highest quality investment possible. This will mean securing a property in an area with high rental demand and low supply to maximise the rental yield. To have the highest quality



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rental property, UK expat and foreign national investors must also try to make sure they are buying an appropriate property for their finances. Higher mortgage rates are hitting hardest for the 20-30% of investors with the largest loans, exemplifying why lower cost properties should not be ruled out by UK expat and foreign national investors. It is for this reason that 51% of landlord sales are happening in London and the South East, reinforcing that despite the long-term popularity of these areas for UK expat and foreign national investors, these are not good choices for most investors in the current marketplace. An expert UK expat or foreign national mortgage broker can help UK expat and foreign national investors to discover different types of properties and lower value properties so that they can succeed in their investment venture. We have been discussing a range of re-financing options with UK expat and foreign national landlords in this position, including re-mortgaging to try and negotiate a better deal using UK expat and foreign national specific deals.'



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Rents Still Rising.

While rising interest rates are pushing up mortgage rates and increasing the cost of managing an investment property, rents are also rising. Rental inflation is up by 10.4% compared to last year and rents now eat 28% of earnings - the highest percentage in a decade. This also marks the 15th consecutive month where rental inflation has been in double digits. According to property portal, Zoopla, [rental inflation is predicted to slow to around 8% by the end of the year](#) but given the astronomical rises in recent history, it's unlikely that this modest slowdown in growth will do much to move the needle overall.

Though a proportion of the increase in rents is coming from landlords passing on the rise in mortgage rates through higher rents, rental inflation is also being compounded by lagging supply of rental properties and rampant demand. This shows no sign of slowing down as we enter the summer, where demand for rental property typically increases by up to 40%. And the future shows no real signs of significantly different conditions for rental supply and demand. Weaker demand seems unlikely as high immigration, a strong labour market, and first-time buyers continuing to be impacted by rising mortgage rates, all play a role in the future demand conditions. It's also unlikely that supply will increase massively as higher borrowing costs are slowing the pace of new investment in property constructions. This means that strong rental

conditions are likely to continue for UK expat and foreign national investors for the foreseeable future.

A Weak Sales Market – Good News for UK Expat and Foreign National Investors.

Alongside rising mortgage rates and rising rents, UK expat and foreign national investors are also looking at a weak sales market. 'This is another silver lining for UK expat and foreign national investors' says Stuart Marshall. 'These investors can come in and, [with the help of an expert broker](#), find the right deal on the right property so that they can pounce on rental demand and capitalise on the strong profitability of UK rental properties at the moment. The weak sales market is being compounded by an inflated rental market as would-be-buyers are hindered by rising rental costs and struggle to save up the extra required to make a jump onto the housing ladder. With the help of an expert UK expat or foreign national mortgage broker, UK expat and foreign national investors can take advantage of a weak sales market, preferential expat deals and good currency exchange rates to purchase a lucrative UK rental property which will pay dividends for many years to come.'

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