

House Price Falls to Help UK Expat and Foreign National Investors

While house price falls continue, UK expat and foreign national investors can benefit from more affordable and accessible properties.

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EINPresswire.com/ -- Falling house prices are [likely to continue aiding UK expat and foreign national investors](#) amidst stubbornly high mortgage rates.

Some Background.

With the record price jumps seen in the UK property market over the last few years, many analysts predicted that the bubble would have to burst at some point and there would be a period of house price correction. The jury was out on just how much property prices would correct, with the degree to which prices corrected

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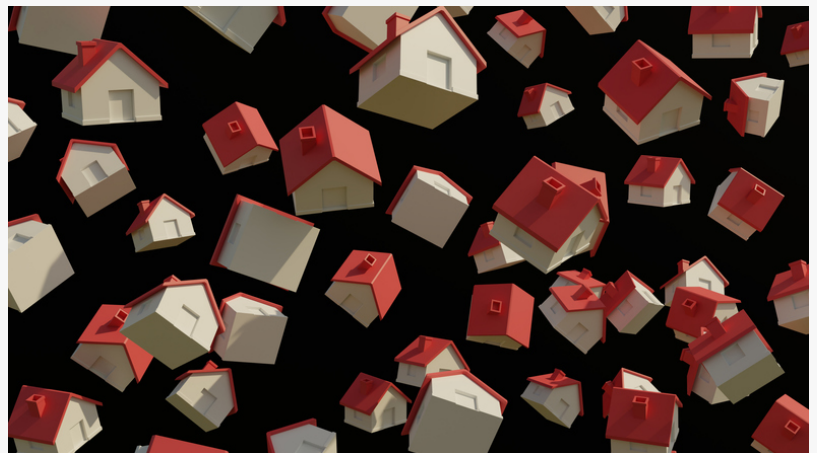
More affordable properties will increase rental yields, make investment more accessible, provide a quicker path to recouping, and allow UK expat investors to utilise specialist mortgage deals.”

Stuart Marshall

determining how active the property market would be. ‘And analysts were correct – property prices have been coming down in 2023’ says Stuart Marshall. ‘Even with reduced property prices, buyers have been able to negotiate massive discounts. But this has not been the main factor determining market activity. Instead, the driving force in the property market has been mortgage rates.’

‘High mortgage rates, along with the cost-of-living crisis and less-than-necessary house price correction, are

prohibiting domestic buyers from purchasing properties. In particular, first-time buyers are the most affected and because it is these buyers driving the market in normal times, activity in the UK housing market is lagging. It is this lag in market activity that is pushing prices down as properties sit on the market longer, while more choice for buyers and low demand affect property prices.’



Falling house prices are set to help UK expat and foreign national investors to buy their ideal investment property.

Why Will Property Prices Keep Falling?

'It's clear to most analysts that property prices are unlikely to stop their current trajectory any time soon. Because the base rate is still high, it's likely that mortgage rates will also remain high and, consequently, buyer demand is unlikely to return in the amount needed to start pushing up property prices. While the current bank rate of 5.25% is better than the expected rise to 5.5%, it's still too high to move the needle on mortgage rates for would-be buyers.' Data from property portal Zoopla seemingly confirms that [rates are still too high for prices to stabilise](#), with Zoopla reporting that as long as mortgage rates remain over 5%, property prices will continue to fall. And there's no sign of mortgage rates coming down in the way they will be needed to either. According to Zoopla, it would take rates in the low 4% range to entice enough buyers back into the market, and this will necessitate big falls in the bank rate. 'Even optimistic forecasts do not expect mortgage rates to fall below 5% until the second half of 2023. But the likelihood is that it could be much longer still' adds Stuart Marshall. 'This means that price falls are also likely to continue for the foreseeable.'

How Will Price Falls Help UK Expat and Foreign National Investors?

'Price falls are likely to be helpful to UK expat and foreign national investors' says Stuart Marshall. 'More affordable properties will increase rental yields, make investment more accessible, provide a quicker path to recouping the initial cost of investment, and allow UK expat and foreign national investors to utilise specialist UK expat and foreign national mortgage deals to upgrade their investment property. This is true for both new and existing investors. Lower property prices also give the investment more capital growth potential, as property prices are likely to jump when mortgage rates fall. This is because of the backlog of would-be buyers who want to get



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onto the property ladder or move from their existing property but cannot do so because of the current market conditions.'

'UK expat and foreign national investors are in a unique position to negotiate better deals than regular investors or domestic buyers. This is because they benefit from deals available through expert UK expat or foreign national mortgage brokers, as well as favourable currency conversion rates, lower taxation and comparatively high income in the countries they work in. This means that UK expat and foreign national investors are in a strong bargaining position and can often negotiate even further reductions on property prices. According to Savills, negotiations could yield property price reductions of up to 10% across the UK.'



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With this landscape in mind, it's important that UK expat and foreign national investors find the best areas and properties to invest in. This will make sure that UK expat and foreign national investors benefit as much as possible from the fertile investment landscape in the UK at the moment. 'While this situation is likely to continue for the foreseeable, UK property is an incredibly desirable asset and has proved itself to be historically resilient against adversity. UK expat and foreign national investors that invest now can take advantage of the favourable conditions and establish themselves with an investment that will pay dividends long into the future. Talking to an expert UK expat or foreign national mortgage broker is the best way to invest and can both expedite the investment and maximise the profitability with exclusive deals.'

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