

Post-Pandemic Rental Levels Illustrate Rental Opportunities for UK Expat and Foreign National Investors

Post-pandemic rental data shows that demand is high and there are new areas emerging as lucrative investments for UK expat investors.

MANCHESTER, GREATER MANCHESTER, UNITED KINGDOM, October 2, 2024 /EINPresswire.com/ -- [Recent research from property portal, Rightmove,](#) shows just how busy the rental market is compared to pre-pandemic levels. The average number of enquiries per property is double the number of enquiries that Rightmove reported in 2019, before the pandemic. However, [the current number of 17](#) is still down from the 26 enquiries per property that Rightmove reported a year ago.

Renters Looking Further Afield.

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‘There are a number of things that UK expat and foreign national investors should note from Rightmove’s rental market report’ says Stuart Marshall, CEO of Liquid Expat Mortgages. ‘One of the main things to notice is that the search areas for renters have grown by over 60% in the last five years. This is probably largely due to high tenant demand and the relatively low availability of rental properties. The problem that tenant demand and low availability is causing for renters is evidenced by just how far would-be tenants are casting the net when looking for rental property, with the average search area growing by

around 40sq kms. This now brings the average search area for a home to over 100sq kms.’

One other contributing factor to the wider search radius is to do with the cost of rents, meaning that renters are expanding their search radius to meet their budget. 'For UK expat and foreign national investors, research is even more vital at the moment. Investing in areas with high tenant demand or in new growth areas that could become rental hotspots will prove massively lucrative. Growth areas in particular are providing great returns for UK expat and foreign national investors at the moment. For example, a number of investors have had success from towns in close proximity to prominent city centres, like Stockport and Oldham which are close to Manchester. Both offer good links into the city centre as well as amenities of their own. Further, they are much cheaper than renting in Manchester so tenants in search of more affordable rents are drawn there, creating new demand centres and rapid growth. In just two years, Stockport has seen its rental prices grow from around £800pcm to roughly the same as city centre rents, at around £1200 at the moment.'

Look Outside of Cities.

As Stuart recognises above, looking outside of cities could be a lucrative tactic for UK expat and foreign national

investors at the moment. Cities are very popular for renters, but city centre property can be expensive and competitive. On the other hand, some towns offer surprisingly affordable properties, and this affordability contributes to higher capital growth potential. With renters being forced to look further afield, a property that is bought for less money in a commuter town could end up with rents as high as a city centre property. However, the rental yield will be better because the property was purchased for less. Further, the property will have better capital growth capabilities because of the lower purchase price and growing demand leading to steeper property price inflation.



Tenant demand and low availability is causing would-be tenants to cast the net further when looking for rental property, with the average search area growing by around 40sq kms.



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And the renter exodus from cities is not just confined to the most expensive areas. For example, 34% of renters in London are looking for their next rental property outside of the capital, which compares to 30% in 2021. But in Leeds, 52% of renters are looking to move outside of the city centre – an increase from 46% in 2021. Similarly, in Glasgow, 43% of renters are looking further afield, a similar rise of 4% in the last three years. This shows just how widespread the trend of moving away from the city is for renters. For UK expat and foreign national investors who aren't wed to investing in the city centre, [an expert UK expat or foreign national mortgage broker](#) will be able to help them to decide where might be best to invest given their specific goals and their ideal client.



While there is a general need for more rental properties, there is a particular need for green properties in the rental sector, with Rightmove calling on the government for further investment and support in this sector.

More Rental Homes Needed.

One of the other big takeaways from Rightmove's research is that the number of rental homes continues to lag behind the number needed. This continues to be the case despite corrections in the market. The number of available properties is 14% higher than the same point last year, while tenant demand is down by 16%. Despite these corrections, the supply-demand relationship is still well off from the pre-pandemic levels. The number of available homes is still 20% lower than in 2019 and 22% more tenants are looking to move than in 2019. According to Rightmove's research, 120,000 more rental properties are needed to bring rental price growth towards pre-pandemic levels if demand remains at the same level.

Because of the huge shortfall in the numbers of rental homes at the moment, UK expat and foreign national investors who purchase buy-to-let are likely to make big profits. There will be continued demand as first-time buyers struggle to get on the housing ladder and renters spend a greater proportion of their income on rent. Further, unless labour delivers on its pledge to build 1.5 million homes, it's unlikely that supply will increase in either the rental sector or the homeowners' market. There are good deals available for UK expat and foreign national investors, with specialist lenders offering exclusive deals for these customers to try and attract business from a lucrative buyer base. Expert UK expat and foreign national mortgage brokers have access to these deals and can help to make the complex process of acquiring a UK expat or foreign national mortgage simpler.

'While there is a general need for more rental properties, there is a particular need for green properties in the rental sector, with Rightmove calling on the government for further investment and support in this sector' says Stuart Marshall. 'The energy efficiency of properties continues to be a concern, especially as energy prices rise again this October. With this in mind, investors who prioritise the energy efficiency of their investment property are reaping huge rewards. Further, there are great ways to utilise UK expat and foreign national mortgage products to do this. Many UK expat and foreign national investors are utilising green mortgage products and re-mortgaging to conduct green renovations, and this is translating to high demand for their properties. This is a hugely worthwhile consideration in a busy and competitive rental market.'

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