UK Expat and Foreign National Investors Still Investing Post-Budget

Despite predictions of declining investment after Rachel Reeves' tax rises, UK expat investors are still investing after the budget.

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MANCHESTER, GREATER MANCHESTER, UNITED KINGDOM, December 23, 2024 /EINPresswire.com/ -- As a result of Rachel Reeves' first budget, there were rumours and predictions that the number of landlords purchasing property would fall. However, the UK housing market has once again defied expectations, and landlords are buying more homes despite the tax rise.

What Happened in the Budget?

Labour's first budget has had a lot of backlash, but one of the aggrieved groups were UK landlords, who were contesting the Chancellor's increase to stamp duty for rental properties. This change means that buyers of second homes and investors have seen their stamp duty bill increase by 2% from 3% to 5%. To put this in perspective, a landlord buying a £500,000 property under the new rules will pay £10,000 more than they did under the old rules – a total SDLT payment of £37,500, up from £27,500.

Buy-to-Let Investors Defying Expectations.

Despite all the predictions from analysts and prognosticators, landlords now [make up a bigger proportion of house-buyers than before the budget]. 'Many people were predicting that the Chancellor's tax rises would be fatal for the business of buy-to-let landlords' says Stuart Marshall, CEO of Liquid Expat Mortgages. 'But the opportunities presented by the UK's investment market are simply too good to pass up. Liquid Expat Mortgages examined why prospective investors would be harder to put off than some analysts predicted, but now the numbers are evidence of the resilience of the UK's property investment market. In the month after the budget, buy-to-let buyers made up 10.7% of the accepted offers in the UK. This is higher than the overall 2024 average of 10.2%. This seems to dampen the idea that tax rises are going to deter UK expat and foreign national buy-to-let investors from purchasing property in the UK.'

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'The resilience of UK expat and foreign national buy-to-let investors was no surprise to our team at Liquid Expat Mortgages. There have been numerous tax rises and legislation changes over the years and UK expat and foreign national investors have remained steadfast, which is testament to the investment proposition offered by the UK housing market.'

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>
> *Stuart Marshall*

Crucially, while these tax changes might not have dampened buy-to-let investors, they have changed the way that they invest. Namely, many investors are investing in more affordable areas. For example, according to research by estate agency, Hamptons International, 18.4% of purchases made in the North East were by landlords in November, while only 14.7% of purchases in London were made by investors.

This shows that the proportion of investors is far higher in more affordable regions, but that general enthusiasm is still also strong. There are a number of reasons for this. Of course, it can be assumed that the lower stamp duty bill of buying in more affordable areas is attractive to would-be investors. 'However, more affordable areas have offered great investment propositions in recent years' says Stuart Marshall. 'UK expat and foreign national investors have been seeing great returns from affordable properties in areas like the North East. These properties have a lot of room to grow in value, which greatly contributes to their capital growth potential. However, they are also presenting great rental yields, with high asking prices for rents, while remaining highly mortgageable for UK expat and foreign national investors utilising some of the available mortgage products from specialist mortgage brokers.'

The Path to Success.

UK expat and foreign national landlords should be heartened by the fact that investors have not been deterred from the UK property market. But they should also pay special attention to how buy-to-let investors are conducting their business. The areas that investors are putting their money is just one of these factors as choosing the right area can make or break an investment venture. ‘More affordable areas have been incredibly popular in recent years as UK expat and foreign national investors take advantage of the excellent range of specialist mortgage products. Further, these areas can bring in similar rental earnings but from a lower investment cost, which significantly improves the rental yield for the property. This is after multiple periods of rental growth, which brings the average monthly rent in the UK to £1,382 a month. With rents this high, it’s no surprise that many discerning UK expat and foreign national investors are still looking to invest in the UK property market.’

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UK Expat and Foreign National Investors Take Heart.

‘There was generally dour coverage of the UK property investment market after the budget, but Liquid Expat Mortgages were not one of the naysayers’ says Stuart Marshall. ‘We’ve been working in this industry for a long time and there have always been ups and downs. However, one thing remains constant – the huge rewards that can be earned through investing in the right UK buy-to-let property. For UK expat and foreign national investors, it’s especially important to invest in the right type of property and area for their investment goals.

The risks are high at the moment, but the rewards are too. By seeking the expert advice of a specialist UK expat or foreign national mortgage broker, would-be investors can make smart calls about the nature of their investment and make sure that their property is able to meet their investment goals. The range of mortgage products that are available to UK expat and foreign national investors at the moment are extensive and they can really help to improve the long-term profitability of an investment venture.'

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