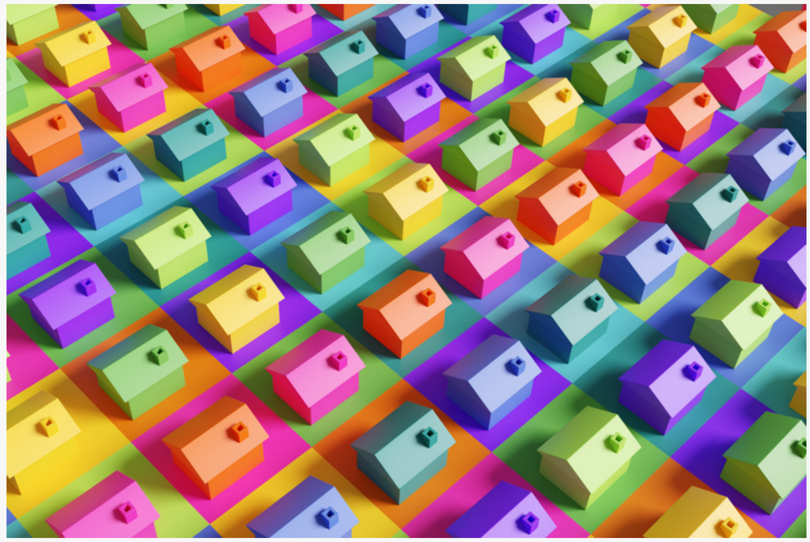
Buy-to-Let Limited Company Numbers Surge for UK Expat and Foreign National Investors

2024 was a record year for buy-to-let limited company incorporations, as more and more property investors choose this investment vehicle.



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MANCHESTER, GREATER MANCHESTER, UNITED KINGDOM, February 13, 2025 /EINPresswire.com/ -- Buy-to-Let Limited Company Purchases Soaring Again.

2024 was a record year for buy-to-let limited companies, with 60,000 new companies set up to hold buy-to-let properties. This was a huge increase of 23% on the previous record, which was set in 2023, indicating a clear trajectory that 2023's record year was not a flash in the pan. This brings the total number of UK buy-to-let companies to over 390,000, with the number of new incorporations rising every year for the last decade.

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>
> *Stuart Marshall*

According to research from Hamptons International, 70-75% of new buy-to-let purchases now go into a limited company, with 30-40% of these purchases held by companies set up in the last year. The total number of properties held in limited companies at the moment is around 680,000, with this set to grow by around 70,000-100,000 per year if the pace remains in line with past averages. And it's likely that the majority of new buy-to-let purchases will be made in the limited company structure too.

What's Driving the Shift?

There are numerous factors driving the move towards limited companies in the buy-to-let property market. 'The main factor influencing UK expat and foreign national property investors to utilise a limited company structure is the increasingly aggressive personal tax environment in the UK' says Stuart Marshall, CEO of Liquid Expat Mortgages. 'This has been the case since around 2016 when Liquid Expat Mortgages first began noticing a steady increase in the number of UK expat and foreign national investors interested in buy-to-let limited companies. This is likely because tax legislation introduced in 2016 meant that landlords were no longer able to offset their mortgage interest payments as a tax expense. This was particularly damaging to higher rate taxpayers and caused them to search for an alternative, tax-efficient solution. More recently, Rachel Reeves' debut budget has caused UK expat and foreign national investors to rethink the tax efficiency of their investments. In particular, increases to capital gains tax and inheritance tax are driving the incorporation rush that we're seeing at the moment.'

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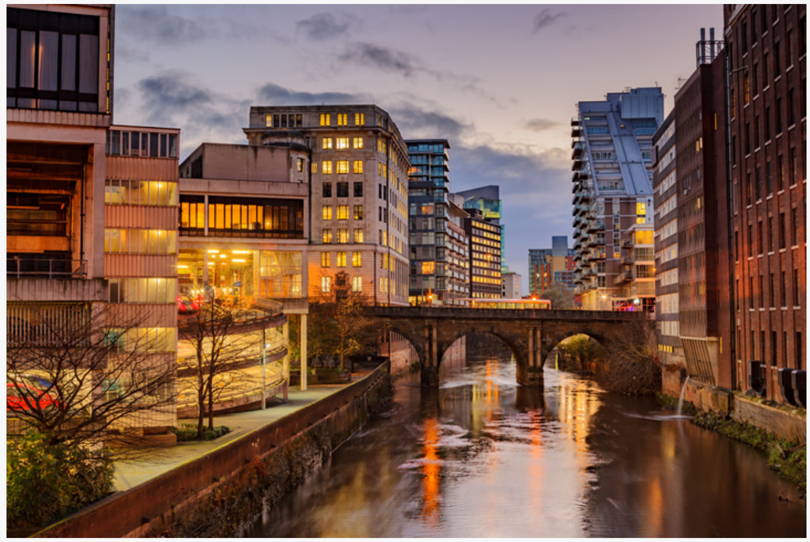
One other interesting factor is the increased numbers of younger investors entering the market. These younger buy-to-let property investors are thinking about the future and making sure that their investment property purchase is as tax efficient as possible. Accordingly, of the limited companies set up in 2024, 60% were owned by shareholders under 45. Further, the number of shareholders between 16-25 doubled between 2023 and 2024. It's clear from this data that the limited company structure is finding favour with younger investors and this will only increase the number of limited company mortgage products that are available in the market. 'We're seeing lenders adding products all the time, with more and more increasing their focus on limited company investments' says Stuart Marshall. 'UK expat and foreign national lenders are specifically trying to introduce products to cater to limited company investors because this seems to be one of the main new paradigms for

UK property investments.'

Some Analysis.



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Limited company buy-to-let is now one of the top choices for UK expat and foreign national investors looking to start their investment portfolio in the UK property market. It's not surprising given their flexibility and tax efficiency. They can also help to protect investors against potential losses because of the limited company structure. 'Something that's interesting about limited company buy-to-let at the moment though is the different sorts of investors that it's appealing to' says Stuart Marshall. 'The numbers of companies created by both domestic and international investors are increasing at roughly the same rate (35% and 37% respectively) at the moment. For non-domestic investors, Hong Kong and Singapore based investors lead the way when it comes to limited companies. These groups of investors have a long relationship with the UK buy-to-let market and have an established history of success with UK property investments.'

'One other notable thing is the numbers of Southern investors that are buying properties in the Northern regions of the country' says Stuart Marshall. 'The reason for this is likely because these markets have performed exceptionally well over the last few years. Further, properties in these markets are generally more affordable, while also seeing faster house price growth and rental growth. This is notable for investors who are unsure where to put their money in the UK property market.'

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