

RWinvest

EST. 2004

FOREIGN INVESTMENT IN THE UK? THE COMPLETE GUIDE



WHY IS FOREIGN INVESTMENT IN THE UK PROPERTY MARKET SO POPULAR?

The UK property investment market is considered one of the most lucrative asset classes out there. With affordable property prices in many cities, strong capital growth prospects, and growing city centre populations boosting rental demand, it's evident that the UK offers some promising investment prospects.

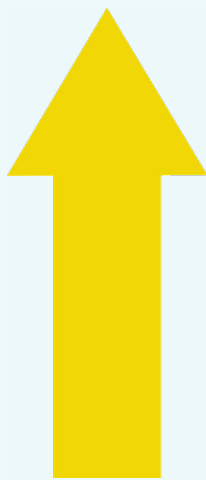
Over recent years, foreign investment in the UK has become more and more popular, with huge numbers of people reportedly buying property in the UK from overseas. In October 2019, the question of foreign investment in UK cities hit the headlines as Boris Johnson claimed that the level of foreign direct investment in the UK was at an all-time high.

So how much truth is there to these claims, just how popular is foreign investment in UK property in particular, what effect have Brexit negotiations had on UK foreign investment, and what are the reasons for this surge in overseas interest? In this guide we will answer these questions while also covering how much foreign investment in UK cities has impacted the country as a whole, and reasons why overseas investors should consider the UK market.



RECORD LEVELS OF DIRECT FOREIGN INVESTMENT FOR UK IN 2017

According to foreign direct investment FDI statistics, in 2017, the value of foreign direct investment in the UK rose to £1.3 billion in 2017 - the highest level of FDI in the UK since records began. The biggest foreign investors in the UK at this time were reportedly those from India, with levels of Indian investment having grown by 321%. Direct foreign investment from Japan also saw growth rates of 71% during the same period. By the end of 2018, it was also reported that UK FDI levels were higher than those in the EU countries France and Germany combined, according to special reports from the United Nations.



£1.3 BILLION

**FOREIGN DIRECT INVESTMENT
IN THE UK IN 2017**



LARGE NUMBERS OF INVESTORS BUYING PROPERTY IN UK FROM OVERSEAS

In a report by the Guardian which looked at national statistics, foreign investors purchased 3,600 of London's new builds between 2014 and 2016 - around half of which were aimed at first time buyers in the city. During the second half of 2017, overseas investors purchased over half of all London properties in the city's most exclusive areas.

HIGH LEVELS OF FOREIGN INVESTMENT IN LIVERPOOL AND MANCHESTER

Fast forward to 2018, and the United Kingdom had a noticeable shift in the cities seeing the biggest number of foreign investors in the UK according to a report on Forbes. Liverpool and Manchester are two cities that attracted a lot of attention when it came to foreign investment in the UK for 2018 thanks to their stand-out property investment projects.



HOW HAS FOREIGN INVESTMENT IN THE UK IMPACTED THE PROPERTY MARKET?

To find out how much foreign investment in the UK has impacted the country's property market as a whole, all you need to do is look at property market statistics over recent years.

In a study conducted by Kings College London which featured an analysis of Land Registry data, it was found that compared to 1999, UK house prices in 2014 stood at £215,000. This shows that property prices in the UK had more than tripled from 1999's £70,000 figure, which is said to be thanks to the increased levels of foreign investment in UK property. If there hadn't been such a high number of investors buying property in the UK from overseas, the UK average was estimated to have been just £174,000, which would result in a lower value-added to the percentage increase.

'With UK property prices now standing at around £234,742 and expecting growth of 15.3% on average over the next five years, the impact of foreign investment in the UK is set to continue further down the line.'



THE IMPACT OF BREXIT ON FOREIGN INVESTMENT IN THE UK

So what about the impact of Brexit on foreign investment in the UK? While many thought that the outcome of the EU Referendum would have disastrous results for overseas investment, the figures told a different story. Levels of UK inward investment since Brexit was voted upon in June 2016 have been higher than imagined.

During the second half of 2016, investment in the UK after Brexit saw higher levels of overseas investment into the student accommodation market compared to levels seen before the vote. Not only this, but the UK property market improved in many ways, with overall growth in property prices and an increase in rental costs helping to boost the appeal of UK investment.

Fast forward to 2020, and the UK has now officially left the EU following Brexit's departure date on 31st January. The country is now in a transition period, which is expected to go on until the end of the year. Thanks to Boris Johnson's majority win in the 2019 general election, there's now a lot of confidence in the UK property market and the UK's economy as a whole, which is likely to push inward investment in the UK after Brexit even further.



THE BEST AREAS FOR FOREIGN INVESTMENT IN THE UK: OVERSEAS PROPERTY INVESTMENT GUIDE

The best areas to look towards when buying property in the UK from overseas are typically those in the North West region of the country. In this region, property prices are affordable, yet capital appreciation is high, and high rental demand has resulted in some of the best yields in the country.

Liverpool and Manchester are some of the most promising cities for foreign investment in UK property. While many overseas investors would normally look towards London for their buy to let purchases, the high costs of property prices in London and low yields mean that foreign investors aren't getting the most of their ventures.

In Liverpool, for instance, you could purchase a property such as the upcoming One Baltic Square development from as little as £121,950 while benefitting from 7% net rental returns.



**One Baltic Square
Liverpool**

**CLICK TO FIND
OUR MORE**

WHY SHOULD YOU CONSIDER FOREIGN INVESTMENT IN UK PROPERTY?

To summarise, if you're an overseas investor who's interested in getting involved with foreign investment in UK property, you should definitely explore the available opportunities for UK buy to let. Rental yields in the UK reach as high as 10% in top cities like Liverpool, while capital growth means you can benefit from high returns from the sale of your investment.

With investment in the UK after Brexit looking promising thanks to market confidence, and property prices set to increase around the country, now is the perfect time to make your property investment purchase. For more information on current opportunities for investment in the United Kingdom, contact RWinvest today and we can help you secure your next foreign investment in UK property. We're a UK business offering a number of lucrative investment projects in Liverpool and Manchester, all of which come with impressive yields and strong growth prospects. For more information on the international investment market in the UK, head to our overseas property investment guide now.

Find your Ideal UK Property Investment

VIEW PROPERTIES

RWinvest

EST. 2004