



HOLBORN

# UK Property Investment Guide for Overseas Investors

Holborn Property provide first-class UK property investments to expand and enhance your portfolio

**A fully managed, end-to-end property investment service offering off plan & completed developments across the UK**



## Contents

Why the UK?	03
Who is eligible?	05
Tax considerations	06
Mortgages	06
Best locations	08
Checklist	15
Why Holborn?	17

## Why is the UK a great place to invest in property?

The UK property market has a rich history of providing safe, secure and profitable investment opportunities for overseas investors.

The fall of the pound in the final months of 2022 has stimulated a surge in overseas investors looking to take advantage of the greater buying power of other popular currencies.

In 2021, foreign investment in UK property saw an increase by 19%, with similar high-growth forecasted for 2022 into 2023.

There are generally two key factors which attract foreign investors to the UK:

- 1. The potential for a return on investment between 5% - 10%**
- 2. The long-term expectation that UK property prices will continue to rise**

Another reason why overseas investors choose the UK is due to strong demand, especially for buy-to-let properties. This means there are more opportunities for tenants and landlords looking to invest in property through a buy-to-let mortgage.





**City Gate**  
York, UK



## Who can buy a property in the UK?

You can buy a property in the UK even if you're not a UK citizen or are living and working abroad.

### This includes if you are:

- An EU citizen
- Living and working abroad as an expat
- A skilled worker living in the UK on a tier 2 visa
- A non-EU citizen
- A foreign national

If you require a loan to buy your property investment, you will need to apply for a mortgage. Getting a mortgage in the UK can be harder and more expensive for non-UK residents. This is because it's harder to prove to lenders that you can pay the monthly mortgage payments.

### It's easier to get a mortgage if you have:

- Been a UK resident for at least 2 years
- A UK bank account
- A permanent job
- A good UK credit history

Quite often, buy-to-let investments require more than a 10% deposit - around 25% of the property value.

## Are there any tax considerations when purchasing UK property as an overseas investor?

HMRC (His Majesty's Revenue & Customs) is clear on what it expects from non-residents who wish to purchase UK property and rent it out. If you are a non-resident looking for a rental property in the UK, there are some important things to consider regarding tax – most critically, any income from renting out your property will be subject to UK tax.

The main factors you should know about tax implications are as follows:

1. Non-residents are not liable to pay UK tax on dividends or interest on UK shares but are liable to pay income tax on any rental income they earn.
2. Tax reporting deadlines for non-UK residents paying capital gains tax or income tax are shorter, with investors typically having until January 31 to report their tax returns.
3. As of April 2021, foreign investors pay an additional 2% stamp duty surcharge when buying UK real estate.

## Is it possible to get a mortgage as a foreign investor?

Yes you can. Living overseas doesn't need to be a barrier for applying for a UK mortgage and investing in UK property. There are plenty of specialist providers to choose from who offer great products for this specific situation. Holborn Property work with these specialist providers to secure your UK mortgage.

Most traditional high-street lenders will not provide you with a mortgage if you are a foreign investor. As a result, it is essential to look towards private lenders for help in the right direction.

Private, specialised lenders don't have restrictions, meaning that their mortgage products are accessible for UK nationals living abroad as well as foreign investors – these lenders are best qualified to help you purchase UK property.

# One West Point

London, UK





# What are the best locations to buy UK property?

The UK is full of opportunities for investment. As property development in major cities progresses year on year, with demand and house prices rising drastically, now is the perfect time to join the market as an overseas investor.

There are numerous choices to take into consideration, as there are various cities and towns offering high returns and exciting opportunities. Here are a handful of our top locations over the next pages...



## London

London is an obvious and highly popular choice amongst foreign investors as the capital city.

London has been a hub of culture and finance for hundreds of years, and it's still one of the most important cities in the world. It's also one of the best places to invest in property if you're looking for high returns on your money.

London has seen property prices increase by 5.9% on average each year since 2011, with demand for housing from both locals and international investors pushing prices up in all price ranges.

With more than 8 million people living in London, there are plenty of opportunities for people looking to buy property in the capital.



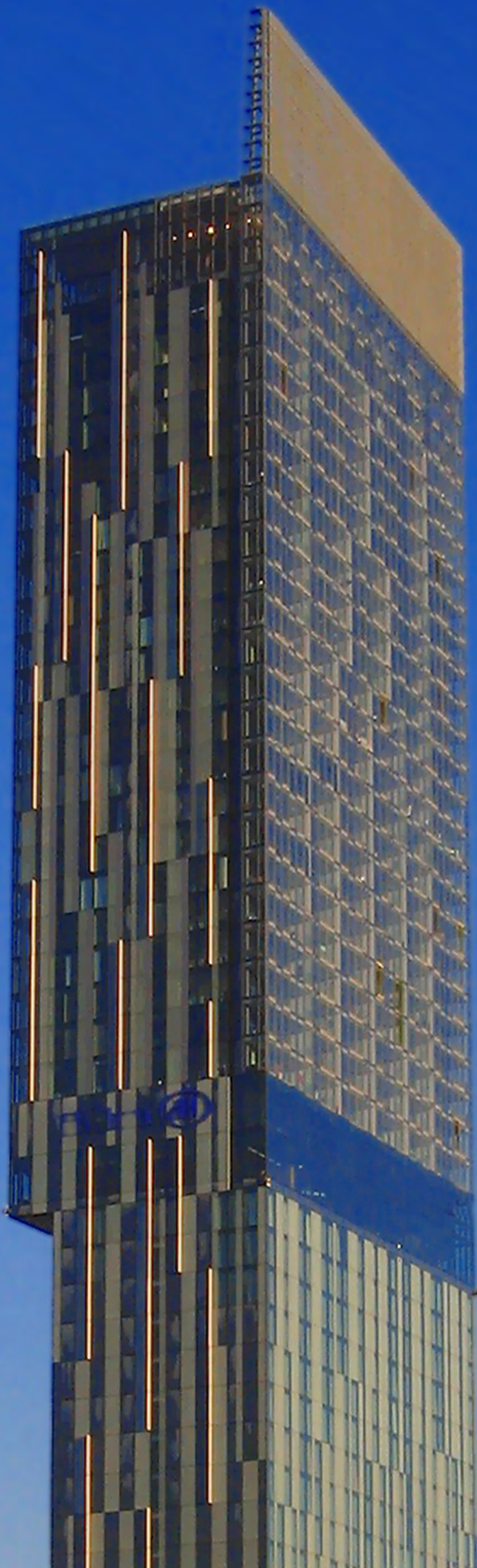
## Manchester

If you're looking to invest in property in Manchester, you're in luck. The city has seen a massive influx of new residents who have brought with them a desire for more housing. That's good news for investors who are now able to buy property at a discount and sell it later at a profit.

The city's booming population growth has been fuelled by many things: the increasing popularity of its universities; an expanding tech scene; even its proximity to one of England's most famous football teams (Manchester United).

House prices in Manchester have risen by a higher percentage than any other area in the UK over the past decade, leading the way as one of the UK's most favourable cities to invest in.

As all these factors come together, we expect that Manchester will continue to be a great place to invest your money.



## Birmingham

Birmingham has become a prime city for property investment in recent years, with its established and reliable economy attracting an increasing number of investors year on year.

The city offers a range of properties, including apartments, houses and commercial units. It also has a large student population, which means it's full of student halls of residence as well as other student accommodation types. The city is home to both the University of Birmingham and Aston University, which makes it popular with students from all over the world who want to study there.

The city has seen a huge amount of regeneration, with new developments and refurbishments taking place across Birmingham's inner ring road. This makes it an ideal place for investors to purchase property, as there is always something new being built or renovated.

Birmingham's housing market also continues to be strong due to its affordability compared to other major cities such as London and Manchester.

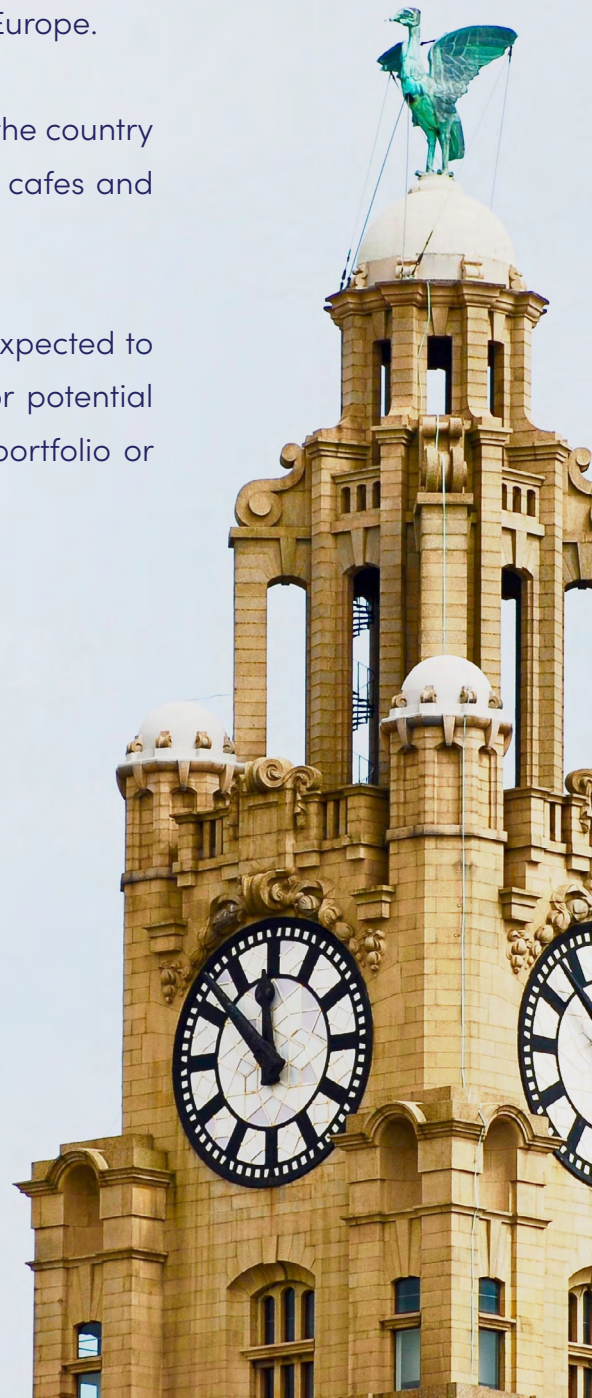
## Liverpool

Liverpool property investment has gone from strength to strength, offering some of the highest rental yields in the country.

The city has a rich history and is home to more than 4 million people. It is also one of the main hubs for business and culture in the UK. With an abundance of Grade II-listed buildings and many historical landmarks, Liverpool has some of the most beautiful architecture in all of Europe.

Liverpool is also home to some of the best shopping outlets in the country with its famous Albert Dock, which includes restaurants, bars, cafes and shops.

The city's population has doubled in the last 10 years and is expected to grow further in the next decade, making it an ideal place for potential investors who want to get involved with their own property portfolio or build up their capital over time.



## York

Located in North Yorkshire, York is one of the UK's most beautiful cities and one that is steeped in history. Founded by the Romans, the city is one of the oldest in the UK. It is also the birthplace of Guy Fawkes and home to striking medieval architecture and gothic relics of the past. But with strong net yields, the contemporary properties are what make York an attractive location for investors.

One of the advantages York has over other UK cities is the ability to invest in short-term holiday properties. With striking landmarks such as York Minster Cathedral, the historic city of York is one of the UK's tourist hotspots.

The city welcomes around 9 million visitors annually, bringing an estimated £765 million to the local economy. This presents a unique opportunity for investors looking to buy a property and take advantage of the high turnover of tourists.

York also has a large student population, with over 28,000 students. This opens the door to those looking to invest in student accommodation. Regeneration projects are currently underway in the city that could drive more people to York. Naturally, this will increase the demand for quality accommodation.

York Central is a huge project designed to transform the city and create an entirely new district. The project will deliver 2,500 new homes, over 6,500 high-value jobs and over 1 million sq ft of quality offices, leisure, and retail space. It aims to boost the local economy by £1.16 bn.





## At a glance

	London	Manchester	Liverpool	Birmingham	York
<b>Average property price</b>	£711,862	£282,691	£202,779	£253,957	£320,431
<b>Average monthly rental cost</b>	£1,832	£958	£776	£1,213	£1,567
<b>Average growth in last 5 years</b>	8.3%	16.9%	16.9%	13.9%	14.3%
<b>Population</b>	9,541,000	2,770,000	912,000	1,141,186	215,536
<b>Number of Universities</b>	40	4	3	5	2

## Your property investment checklist

For those who are unfamiliar with investing in UK property, the following is a short checklist to help clarify the process that you could follow:

- Establish your budget and financial situation: You should keep in mind that any investment opportunity is likely to require a cash deposit of between 10% and 25% of the total value of the property. You should also incorporate other fees into your budget, such as: stamp duty, legal fees, potential agency fees, exchange rate fluctuations.
- Identify a suitable area to invest: while “London” is the easiest answer, the cost of property is comparatively high to other areas – and in some cases, a better ROI can be found outside of London. Things to understand about the local area would include affluence, (un)employment rates, demographics, range of investment opportunities, current and future transport infrastructure.
- Speak to a specialist at Holborn Property: there are many nuances and terminology that are important to understand and speaking to a specialist is normally the best way to understand what matters. Key aspects of property ownership you need to be familiar with include: off-plan, leasehold vs freehold, stamp duty, conveyancing, income tax requirements, capital gains tax.
- Choose your preferred unit: if you are investing in property, you are unlikely to be living there, however it is still important to understand the position, size and location of the property to understand its likely rentability. For example, an apartment with a decent view is likely to be more appealing to a potential renter than an apartment that overlooks a motorway.
- Mortgage application: if you are seeking a buy-to-let mortgage, speaking with a Holborn specialist is vital – we can facilitate the mortgage as we have access to specialist lenders that specifically provide mortgages to non-UK residents.



- Conveyancing: as part of your purchase, you will be required to engage a UK solicitor that will handle the paperwork, conduct searches on your behalf and create/review the various contracts. Holborn Property can recommend a solicitor for you.
- Choose a suitable currency transfer mechanism: as a non-resident of the UK, it is likely that your property investment will be subject to a minimum of two currencies, so currency exchange rates are going to impact you. Exchange rate fluctuations could impact you when purchasing the property or when transferring your rental income from £GBP to your local currency. Holborn Property are enviably positioned to work with you and can provide a range of services which will limit your exposure to transfer fees, exchange rate fluctuations and can significantly reduce the costs.
- Find a tenant for your property: as you are unlikely to be living locally (not being a UK resident) you are likely to need a business to manage your tenants. They will provide you with contract assistance, assist with the day-to-day management of the property. Depending on the level to which you wish them to manage the property, the fee may range from 10% of rental income to 25%. The higher end of the fees may also provide you with a guaranteed rent for a set period of time, protecting your income if your property is empty for any period. Holborn Property can provide this service for you.
- Sort out landlord insurance and life insurance: while tenants are required to cover their possessions, landlords will be responsible for covering their mortgage and the building/property itself with adequate insurance. Life insurance that covers your entire mortgage will be required as a pre-requisite by any mortgage lender. Holborn Property can help you get the appropriate insurance set up.
- Financial planning: After buying property in the UK, we strongly advise working with a qualified financial adviser to help avoid potential tax implications that come with owning UK property. Inheritance, capital gains and income tax are several areas we recommend you seek professional advice on. Holborn Property can assist you with this.

# Why should you work with Holborn Property Investments?

Holborn Property are part of the Holborn Assets group; an award-winning wealth management business established in 1998. The Holborn Group service 20,000 clients worldwide and have more than \$2billion assets under management.

Holborn Property was established in 2018 and since launching, have facilitated more than £150m of UK property sales to our new and existing overseas property investors.

Our end-to-end service provides incredible value for property investors.



## Purchase

We arrange the whole purchase process, including arranging a mortgage and instructing solicitors



## Rent

Once the purchase process is complete, we'll ensure the property is rented at the right yield



## Maintain

We will also look after the maintenance of the property while it is rented



## Sell

If you'd ever like to sell the property, Holborn are here to assist you through this process too



### Expert guidance

We have offices in 13 countries and in multiple time zones, so no matter where you are, our property experts are here for you.



### Regulated advice

We are fully-regulated in all jurisdictions we operate in, so you know you can depend on our advice.



### £150 million of property investments sold

In the last five years, we've sold more than £150million of property to new and existing clients.



### Industry-leading developments

We carry out extensive due-diligence on all of our projects and only choose the most promising development partners to work with.



### Client first

We pride ourselves on delivering a superior investing experience to our 20,000+ clients.



### International mortgage experts

Our team can arrange mortgages for international investors living overseas.

**Get in touch with us today to find your perfect property investment.**



# The Silversmiths

Birmingham, UK





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