

# PROPERTY INVESTMENT



*Journey With Us*

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This document is intended to provide information on the suitability of the UK, and London in particular, for property investment.

It is not intended that individual investment decisions should be taken based on this information; we are always ready to discuss your individual requirements. We hope you will find this review to be of interest.

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Principal Consultant

## WHY THE UK, AND LONDON IN PARTICULAR, IS A GREAT PLACE TO INVEST IN PROPERTY

The UK property market has always been highly regarded for its diversity. It offers investors a wide range of property types in all areas, from urban new-build apartments to elegant family homes, from student accommodation to Victorian villas, country cottages to Scottish baronial castles.



### A strong economy

A member of the G8, the political forum made up of the world's largest economies, the UK is respected internationally as a major power and is the fifth largest economy in the world. Standard & Poors gives the UK its highest credit rating category of AAA.

The UK benefits from political and economic stability, and has a reputation internationally as a low risk wealth-creating environment. For 2016, the International Monetary Fund expects to see continued economic progress, predicting UK growth at 2.2%.

The Centre for Economics and Business Research forecasts that the UK is set to be the best performing economy in Western Europe, having already overtaken France and likely to overtake Germany during the 2030s.

### Growth in property markets

During the 2008 recession, although UK property prices fell, they didn't decline as far as they did elsewhere around the world, which means that the UK has remained a popular investment choice

amongst international buyers. In the prime Central London market, it's estimated that more than half the sales now go to overseas purchasers.

The outlook for the UK property market remains strong with The Royal Institute of Chartered Surveyors predicting that prices across the UK will rise by an average of 6% during 2016.

### A top international destination

It's not surprising that many investors choose the UK, and in particular London, as a place to invest in property. Easily accessible, served by the world's major airlines and with a good road and transport infrastructure, London is seen as an attractive place to visit, live, work and do business, and was recently named the world's most popular travel destination.

The UK is the third most populated state in the European Union, and London is a major world centre for many sectors such as financial services. Each year, more UK and foreign workers are drawn to the capital for the well-paid employment opportunities it has to offer.

This has created a housing shortage in some areas, which has in turn led to longer tenancy periods for renters, rising yields for owners and a steady increase in property prices. This has also given rise to a buoyant market in buy-to-let properties, with the value of the private rented sector having risen by 55% in five years.

### Thriving regional markets

Interestingly, growth hasn't just been happening in London, it is occurring in regional markets too, with major cities and towns across the UK keeping pace with the capital. There's a growing trend of looking outside of London and the South East for property bargains which seems set to continue into 2016 and beyond, with major cities like Leeds, Manchester, Liver pool, Newcastle and Sheffield becoming hunting grounds for those looking for lower prices and good growth prospects.

### A simple and straightforward buying process

The UK legal system of property ownership is well-established and offers high standards of protection to buyers, and is accommodating to investors from all parts of the world. The process of buying a property is comparatively simple and straightforward, adding to the UK's attractiveness as a world-class property market.

With London property prices having fallen back slightly in the last few months, but predicted to rise again before long, this could be a good time to investigate what the capital's market has to offer, or to look further afield for lower-priced properties in the emerging regional markets.