

BRICKS & MORTAR INVESTMENT: MAPPING OUT INVESTOR DEMAND FOR UK PROPERTY

How much demand is there for property investment in the UK at present? And which are the most popular places across the country to purchase real estate?

As one of the UK's leading bridging loan providers, Market Financial Solutions (MFS) regularly discusses such topics with brokers and clients – that is why we have carried out new research to provide the answers.

We commissioned an independent survey of over 750 UK real estate investors in January 2020, all of whom own three or more residential properties across Britain and Northern Ireland. So, what did we uncover?

POPULARITY OF PROPERTY INVESTMENT

UK property has been a desirable asset for domestic and international investors for many decades.



Start of 1990
£58,000

Average price of a residential property in the UK*

*According to the Land Registry's UK House Price Index



End of 2019
£238,000

However, more recently the UK has been gripped by political and economic uncertainty. The past decade witnessed the aftermath of the global financial crisis, four general elections and Brexit. Nonetheless, our research shows that this has not deterred investors from real estate.

79% OF UK PROPERTY INVESTORS INTEND TO BUY MORE PROPERTIES IN 2020



47% plan to do so without selling any of their existing properties



32% plan to sell properties to fund further acquisitions



15% do not intend to buy or sell any properties this year



5% plan to downsize their portfolios

60%

60% are confident UK house prices will rise in 2020.

51%

51% do not think Brexit will have a significant impact on house prices this year

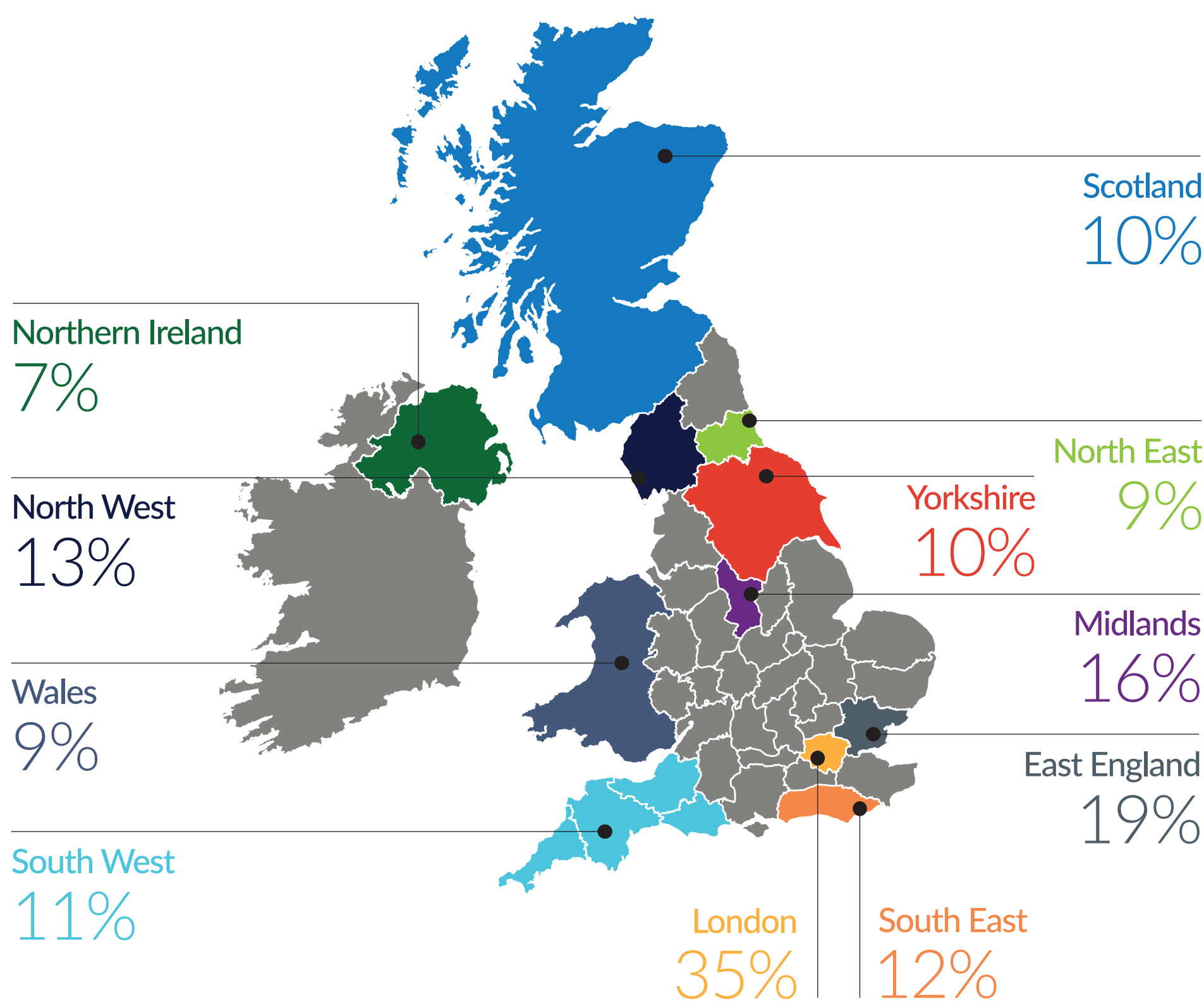
61%

61% see property as one of the most secure options available to UK investors

THE UK'S PROPERTY INVESTMENT HOTSPOTS

The vast majority of investors still have faith in bricks and mortar, and they are keen to purchase more properties in 2020. But which regions are attracting the most interest?

We asked the investors who intend to invest in more properties in 2020 which regions they were considering for their next purchase...



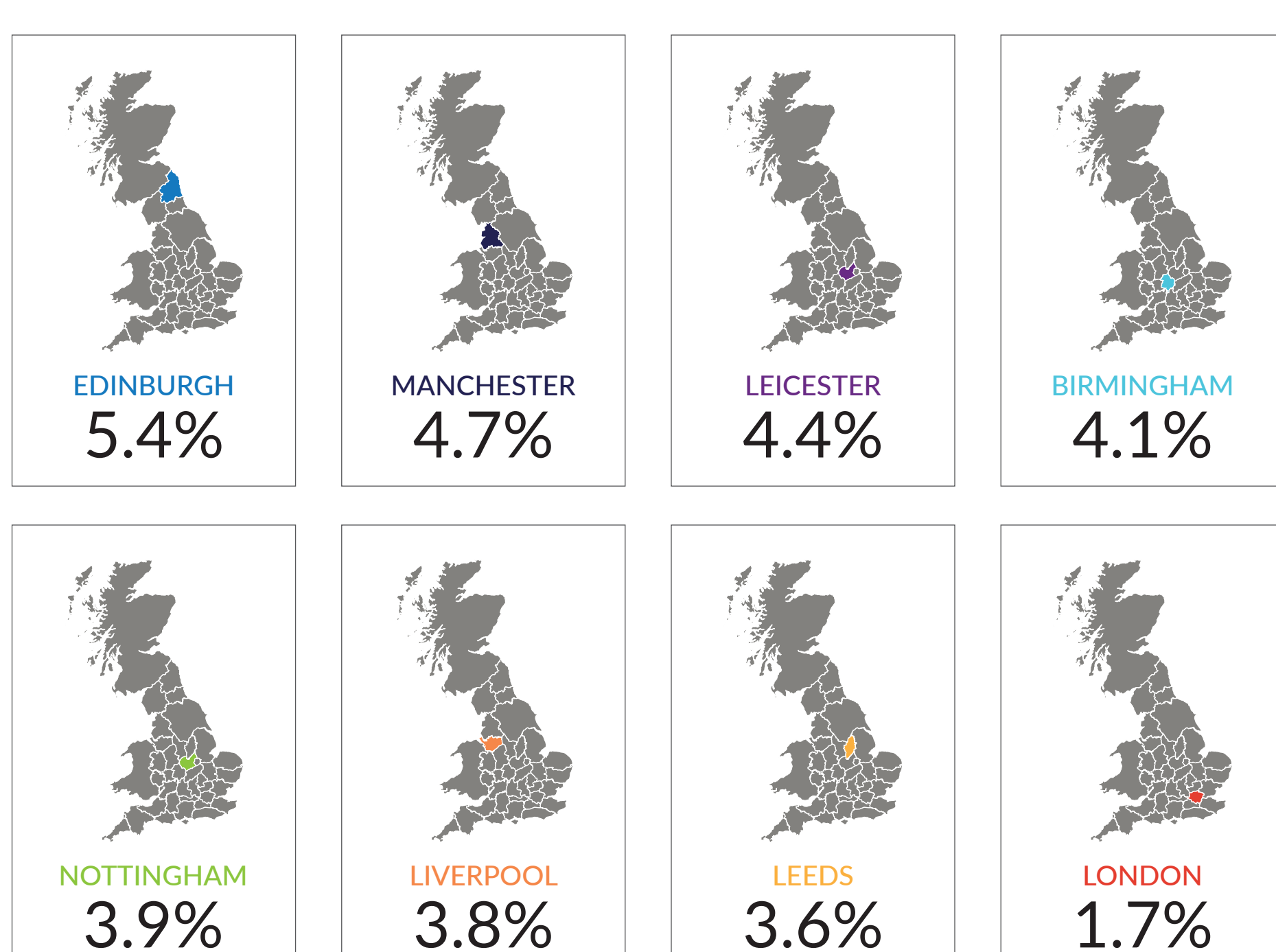
The percentages denote the number of respondents who said they were considering a property investment in that region this year.

PROPERTY INVESTMENT OUTLOOK FOR 2020

More than a third (35%) of investors are considering London for their next purchase, which is well above the next most popular region (East of England, 19%).

Interestingly, despite London being the most popular area, 68% of respondents believe the most lucrative property investment opportunities in the UK are located outside of the capital. And data from last year supports this sentiment.

CITIES INCREASE IN AVERAGE HOUSE PRICES IN 2019*



*According to Hometrack's UK Cities House Price Index

ACCESS TO FINANCE

For anyone considering property investment in 2020, having access to fast finance is key. Of course, not having the funds to complete a purchase makes the transaction impossible. But encountering delays can be similarly damaging.

Over the past decade, alternative finance solutions such as bridging loans have become far more popular among property investors for this reason. They can be delivered quickly and with greater flexibility, meaning they can be tailored to the needs of the borrower.



The majority (55%) of property investors we quizzed said that they are open to receiving a loan from an alternative finance provider, such as a bridging lender, for their next property purchase.

If you want to find out more about our bridging loan services, be sure to get in touch by emailing info@mfsuk.com.

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