

Helping expat clients land that mortgage.

According to the latest figures available from the Office of National Statistics, around 90,000 Brits emigrate long-term from the UK every year. Many of this group will want or need to keep a foothold in the UK's property market. And some won't even be aware that they need to consider an expat mortgage, let alone be knowledgeable about the different types available.

Unlike standard resi or BTL mortgages, expat mortgages don't get much airtime in the consumer media. So, clients who are thinking about moving abroad for work, family, or retirement reasons could be forgiven if they aren't very well informed.



Suffolk

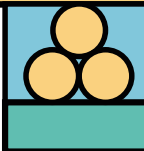
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Suitable for an individual or family who usually live abroad and use the property when they're in the UK.

It's true to say that expats will find they have less choice for mortgages than a standard UK applicant. Brexit has also led to there being fewer lenders in the sector, particularly those willing to lend in Europe. Help is at hand though, with specialist lenders, and some building societies, offering products.

There are three main types of expat mortgage

1. Expat residential mortgages do what they say on the tin – they're residential homes for expats. They may be suitable for an individual or family who usually live abroad and use the property when they're in the UK. Or maybe the family remains in their UK home, while one member works abroad.

Did you know?



If the property is going to be empty for any length of time, a lender may ask for evidence of suitable insurance.

Did you know?



Some lenders will allow you to take an expat resi mortgage for a property for extended family, such as elderly parents, to live in,

2. Expat buy to let properties may have been purchased with the sole intention of being a rental and providing an income. Or, they may have previously been the expat's main home.

Owning an expat buy to let means the expat:

- potentially* has a property to return to
- retains a foothold on the UK property ladder with an asset that may increase in value
- generates an additional income.

Whether the house was previously the expat's home, or was purchased as a buy to let, will determine the type of expat buy to let mortgage required - either 'consumer' or 'standard'.

*Did you know?



Not all lenders will allow an expat BTL mortgage if the applicant intends to live in the property on their return.

3. If an expat thinks they will make short visits back to the UK, would prefer to live in their own home when they do, and would also like additional income, it's worth considering an **expat holiday let mortgage**. This type of mortgage permits the homeowner to rent the property out on a short-term basis, via Airbnb or similar. It also allows the mortgage holder to occupy the property for a set number of days - often between 30 and 90 days per year. That's usually plenty of time for expats to visit and keep in touch with family and friends in the UK.

Did you know?



Some lenders will only consider expat holiday lets if the property is in an area with known holiday let demand.

Discussing all these options with your client will help ensure they select the best expat mortgage for their circumstances. In our experience, few expats are aware that holiday let is an option. However, it is often a good halfway house where the property is let and generates an income, but also provides a base for when they're back in the UK.



Charlotte Grimshaw.

Head of Mortgages,
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When it comes to expat mortgages there are so many variables, and it's an area where many lenders do things differently from one another. This is where your lender relationships are invaluable. Having a knowledgeable BDM saved in your favourite contacts, who you know will call you back, can make all the difference.

For every expat application there is a handful of key information that will help find the right lender for you and your client. Asking the following questions will make a significant difference:

- What currency is the applicant paid in?
- What is their total income? (break down if multiple streams of income in multiple currencies).
- What currency stress or haircut does the lender use?
- Where did the deposit originate/ where is it held?
- Details of the employer.
- Country of residence.

Even those brokers who are expat-savvy, and who handle these cases in volume, still check in with BDMs on a regular basis as there are many moving parts to consider.