

NEWS

# What Rising Mortgage Rates Mean for Americans Buying Property Abroad

BY EMILIA SHOVELIN ON 10/18/22 AT 6:36 AM EDT



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**W**ith mortgage rates on the rise and prices for properties in the U.S. fluctuating this year, many buyers are considering their options when it comes to getting the most bang for their buck from property purchases.

As of 2021, Americans owned over \$35 trillion in assets abroad, a 40 percent increase from pre-pandemic levels. It is a sign that Americans are looking abroad for their investment opportunities.

According to property experts, one of the ways U.S. investors could be looking to diversify their investments and get the most out of their homes is by looking abroad.

"It's a buyers' market for overseas property investors looking to snap up properties," Paul Welch, CEO of largemortgageloans.com, tells *Newsweek*.

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Stock photo of couple receiving keys to a new home. Property experts are noticing that Americans are looking abroad to purchase their property due to rising mortgage rates and plummeting house prices giving them the best value for money.

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According to Welch, the U.K. is one of the main locations Americans are looking to invest property funds in the coming years. As the pound continues to hover around the value of the dollar, Americans could see their property investments stretched a little further.

This is particularly the case in London, where Welch argued buyers from the U.S. have the purchasing power due to the strength of the dollar against sterling.

He added that with forecasts from Knight Frank showing London property prices could fall by an average of 10 percent over the next 24 months, U.S. buyers can name their price.

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"In our experience, we are seeing increasing numbers of clients from overseas looking to purchase prime U.K. properties valued at £10 million and above," Welch said.

"Such is the demand that some of our clients are agreeing credit facilities on margin/Lombard loans in preparation so that they have the liquidity in place ready to go when the right property becomes available, proving that the super prime property market continues to grow from strength to strength.

"As we move into 2023, we will continue to see a healthy rise in super prime property transactions as wealthy individuals from overseas continue to buy luxury

homes in those locations where they can take advantage of favorable currency movements and negotiating power."

However, it's not just property moguls and millionaires investing in houses abroad. Global real estate industry expert Esther Muller tells *Newsweek* that many families and retirees are taking a look at the more affordable markets in the Middle East.

"The housing market has turned in extreme directions in the past few years, which has left prospective homeowners feeling more hopeless as time goes on," Muller said.

"While it may seem near impossible to find a great home for a decent price in the United States, that's not the case in other places abroad.

"The mission to own property in Israel is mostly for the Americans that would like to add it to their property profile as a place to visit, investments and legacy for their family."

More residents are looking abroad for new career opportunities, to be closer to their families, and for a better quality of life, according to data by InterNations.

Around 10 percent of expats surveyed reported their primary motivation for moving abroad was for love or to live in their partner's home country.

And while the U.S. government doesn't formally track how many Americans leave the U.S. for greener pastures, the most recent estimate puts the figure at nearly nine million Americans living abroad.

Meanwhile, HSBC's Expat Explorer report found that 63 percent said they have seen their disposable income increase since moving abroad.

They also found that overall, the MENAT region (Middle East, North Africa and Turkey\_ was the highest-ranking for quality of life, with 71 percent of expats recommending moving there.

Europe and Oceania remain popular destinations for expats, with 9 out of 10 in Switzerland, Australia, New Zealand, Cyprus and Spain recommending moving there for the quality of life.

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