

Green Mortgage Discounts Available to UK Expats

Green mortgages are growing in popularity. We explain why every UK Expat and Foreign National investor needs to know about them.

MANCHESTER, GREATER MANCHESTER, UK, June 1, 2021 /EINPresswire.com/ --

What is a Green Mortgage?

You may have started to see the term 'green mortgage'. But what does it really mean? In short, a green mortgage is a type of mortgage where the buyer receives preferential terms – such as lower interest rates or a larger loan – so long as the property they are buying is eco-friendly.

The property can satisfy the environmental criteria required by the lender in several different ways. These can range from meeting a sustainability rating or a buyer commitment to improving the environmental performance of the property. There are a number of ways that a property can qualify as eco-friendly. These include the following features:

- The property has good levels of insulation.
- It has a renewable heating source.
- Integrates rainwater harvesting systems.
- Incorporates solar panels or wind turbines.
- Building with eco-friendly materials such as recycled steel and reclaimed wood.

Why Green Mortgage Discounts?

'Eco-friendly properties typically offer less risk to lenders' says Stuart Marshall of Liquid Expat Mortgages. 'There are several contributing factors to this. For one, the property typically costs less to run as the utility bills tend to be lower. This means that the owner is less likely to default



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on payments. Another factor meaning that lender risk is reduced is the increased value of eco-friendly properties compared to similar non-eco-friendly properties. This again lessens the risk for lenders, especially over mortgage terms between the length of 25 to 30 years. This trend is predicted to continue as the awareness and popularity of green mortgage products grows.'

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Accordingly, Green Mortgages can be offered to a buyer if they make a commitment to improve the efficiency of an existing property.



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Stuart Marshall

‘Green Mortgages are undoubtedly here to stay and are gaining momentum amongst many lenders’ says Stuart Marshall of Liquid Expat Mortgages. ‘It’s important for existing properties to receive renovation so that the UK can satisfy the targets in the Paris Agreement. Aside from renovations per se, developers are also choosing to build eco-friendly properties. In fact, [the Guardian reports](#) that there are now over 30,000 eco-friendly property projects in development. This shift in attitude to building houses and apartments, and the growing availability of incentivised Green Mortgages, means that investors looking to stay ahead of the trend curve in the UK property market are turning towards eco-friendly properties.’

‘Currently there are a number of barriers to those looking to access green mortgages’ continues Stuart Marshall. ‘For example, mortgage affordability calculators don’t take into account the energy performance of a property. Further, despite the mounting evidence, some lenders are still reluctant to commit to the idea that eco-friendly properties do in fact lower lender risk.’

Since green mortgages are a fairly new trend with relatively low availability when compared to conventional mortgage products, it can be tempting for expats and foreign nationals to think that green mortgage products are not open to them. However, this is not the case.

Green Mortgages and UK Expats.

Green mortgages are currently open to UK expats. However, finding lenders for this type of product is difficult. Using an expert mortgage broker like Liquid Expat Mortgages can help smooth this process. 'We are always striving to offer our clients the most up-to-date and relevant products available in the mortgage market. And, with a growing number of developments being built as eco-developments, it is important to match products to customer demands and to compete with the products available to domestic investors. Our team at Liquid Expat Mortgages has access to specialist lenders who offer a 0.15% green reduction on core mortgage rates, two-year fixed rates of 3.04% and five-year fixed rates of 3.19%.'



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'We know that preferential rates and discounts can make a huge difference in the quality of an investment but with green properties set to increase in value at a faster rate than non-green (or 'brown') properties, savvy investors should be considering these types of property as being amongst the best options for now and the future.'

Green Mortgages on Investment Properties.

With a growing awareness of the importance of tackling climate change, those in the UK's rental market are becoming increasingly discerning about their choice of property and this is causing many to favour eco-friendly properties. This trend is supported by [Forbes' 2019 survey](#) which revealed that 54% of Gen Z and 50% of millennials are willing to spend up to 10% more on eco-friendly products in the marketplace. Even those who are indifferent about lessening the size of their carbon footprints are likely to be tempted by the lower running costs of eco-friendly properties. This tenant interest translates directly into increased rental yields and potentially achieving a higher price if you come to sell the property.

If you have a green mortgage requirement or are a UK Expat or Foreign National wishing to understand your mortgage or re-mortgage options, [contact Liquid Expat Mortgages](#) – specialists in residential and investment Mortgages – for free no obligation advice.

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