
Brexit impact on real estate

In the month, some key transactions in the property market include the opening of Marriott International, Inc., which is one of the largest hotels having spacious rooms in London and the construction of health care company Sterigenics – that provides global sterilization. It is building a 60,000 square foot new facility in Derbyshire - Markham Vale North. The ONS data show UK property growth is weakest, since 2013, but Berlin residential property market is booming. One of the European property company claims it is investing in Paris, Madrid, Germany and Oslo, where undervalued properties are registering satisfactory growth. Rogier Quirijns of Cohen & Steers suggests the industrial and office space are getting constrained by ecommerce. He believes current situation is favorable for investment in hospitality and healthcare.

Banking institutions shifting out

Some investors feel the current property market is not favorable for commercial properties but there are many new deals being explored by investors. Close Brothers Group Plc , the British lender reported in July 2018, the loan book grew and finance increased – as well as interest grew steadily in the month, although, it also warned that situation is not favorable for banking sector in September this year.

Companies and banks such as Citigroup, Goldman Sachs, BNP Paribas, Morgan Stanley and some other financial institutions are preparing to move outside and relocate to other regions, while, it is believed at least 5,000 jobs will move out of UK due to these reasons.

Professionals seeking alternative cities to relocate and its tax implications

There are many who are relocating to other parts of Europe to avoid issues. Many wealth planners, financial experts and accountants are confused over the implication of taxes and liabilities on Britons, who are opting to move to other prime cities in Europe.

Taxation on domicile in UK – those who were born in UK or lived there for more than 15 years in the last 20 years, will have to pay as per non-residency tax codes. They will have to pay for the rental income gained from UK buy-to-rent properties and also on the earnings /capital gains overseas.

Many families shifting to new location during Brexit referendum are trying to identify the impact on their lives. Many from the UK shifted to Germany, Spain, France and other neighboring EU countries such as Portugal. People shifting to new cities outside London feel the average buyer is suffering in cities such as London due to poor public transportation facilities, education and healthcare. On the other hand, country such as Germany offers perhaps the better. Those shifted to Berlin due to Brexit, claim the renting facilities are better as the contract for rent can be life term. The healthcare system provides full time free care to children and the city has fabulous medical care for adults.

Some of the families who shifted to France from other regions in UK, where majority of people were Whites claim, they are happy to see the children grow in multi-cultural environment.

British expats in Spain and France are facing uncertainty regarding property deals, and such nervousness is impacting real estate markets. These factors led to a decrease in amount spent on European property by Briton by 50 per cent in 2018 (as per foreign exchange specialist FEXCO David Lamb).

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