Why are Flipping Properties in the UK attracting investors? Joe Ricotta Explains

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London, United Kingdom May 23, 2023 (Issuewire.com) - Property flipping is the practice of acquiring a property and quickly reselling it for a profit asserts Joe Ricotta, a property developer in the UK. The main goal is to purchase the property for as little money as possible, restore or repair it, and then sell it for more money to earn a profit.

This strategy, called "flipping," is frequently employed by developers to generate a rapid profit. The technique of flipping houses can also be utilized to break into the buy-to-let market, which incurs a temporary loss but produces long-term income and possibly increases in capital asset value explained Joe Ricotta.

More than 75% of investors who recently flipped a home, created over £10,000 in profit, according to a poll by Finbri of more than 1,000 investors, and over 92% made a profit overall.

When flipping, location is essential. For instance, buying a property in a neighborhood where values are declining or remaining flat might have a substantial influence on the project's profitability

Flipping Properties are Attracting Investors

There are several factors that have led to the rising popularity of real estate investing, for some, including: Despite growing challenges for landlords and perhaps Government efforts to limit their number in the UK:

Potential for high rental returns: Over the past year, tenant demand has increased 20% while the rental housing supply has decreased 9% overall, added Joe Ricotta. While the average yearly growth in rental yields is 2.3%, 40% of landlords say they want to raise rents if interest rates continue to climb.

Potential for capital growth: Long-term trends indicate that the value of buy-to-let properties tends to increase more quickly than inflation, providing investors with the opportunity to profit from a sale.

In 2023, property prices are predicted to fall by 5%, and as more homeowners struggle to obtain mortgages and the number of foreclosures rises, the increase in the supply of homes on the market will provide investors with a fantastic opportunity to diversify their real estate holdings claimed Joe Ricotta. Price increases of 2% in 2024 and 4% in 2026 are anticipated.

Final Words!

Developers and investors have until August 2023 to buy houses to flip before interest rates start to rise higher, when they are predicted to hit 4.25%. To make a healthy return, investors and developers will need to keep a close eye on the budget and budget appropriately.

According to Joe Ricotta, there is a continued strong demand for new houses, whether they are built from the ground up or are converted from other types of real estate due to the housing crisis the UK is now experiencing. Flipping and renovating real estate may be profitable enterprises that also reclaim otherwise unusable homes around the nation.

Bridging loans can be an alternate source of financing for the repair work and provide more essential homes to the populace as the majority of high-street banks would not provide to finance the acquisition or renovation of outdated properties.

Know More: https://directory.mirror.co.uk/company/249547b0b5395a389ba77695ecb1358a

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