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Uk Property Market Could Get A Boost After The 6th April 2015 – Pensions Changes.

With the changes to the UK pension changes this could signify an increase in the residential property market although for most people this is unlikely to involve the acquisition of investment property. It will come from the trend at present of pensioners selling their large properties which are in prime areas and buying smaller properties in cheaper areas in order to release additional equity and to fund their retirement years according to real estates firm Chestertons.

A Report states that there is a number of reasons that property may prove a popular investment choice for those who decide to take control of their pension pots and invest in something which does not mean getting into an annuity.

Residential property in generally seen as less volatile and a relatively safe investment as compared to as equities and can provide a regular rental income.

Also a strong capital appreciation over the medium to long term is to be anticipated and property being a tangible asset people understand and feel more comfortable with property than dealing with complicated investments.

A spokesman for the company indicated if properties were purchased and held for rental Investments this could help the rental market especially in London, thereby stabilizing the rental market. However, a property folio for someone over 55 years old could prove difficult due to the strict conditions lenders impose.

Buying property for cash is an option but with the average pension pot in UK bring £25,000.00 and the number of people with enough contributions to cover the cash purchase of a property will be small, especially in London.

The more likely outcome is that those looking to invest in property to supplement their pension would be to sell there existing property and down size. Many pensioners have helped their children and grand-children onto the property market so a significant up lift is unlikely.

For those who can buy an investment property getting the right property to allow for long term income will be a challenge and location and rentability are important issues and of the costs involved.

There is also tax liability to look at as income could put them into a higher tax bracket although there are tax concessions.

Pension changes could trigger a significant increase in residential property transactions but most households will not be affected in regard to investment properties.

It is to the pensioners that the market will look to sell higher priced properties in prime arears and down size to purchase a home and investment properties in cheaper arears.