New data on property in England & Wales owned by overseas individuals

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Research report
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Summary

- Rising house prices in the UK are often attributed in part to purchases by overseas buyers. However, gaps in published official data hamper our understanding of such purchases, with previous analysis of the number and effect of overseas buyers being based on small samples or anecdotal reports.
- We obtained new HM Land Registry data on the number of property titles owned by individuals with an overseas correspondence address - such an address indicates that the owner intends to be based overseas to a significant extent.
- The data shows that 247,016 titles across England & Wales are now registered to individuals with an overseas correspondence address, representing nearly 1% of all registered titles. This number has more than doubled since 2010, when such individuals owned around 0.4% of registered titles.
- This number is also now more than double the number registered to overseas companies (94,712 titles), and has risen much faster than titles registered to overseas companies in recent years, suggesting that individual overseas purchasers are an increasingly important factor in the UK property market.
- Three-quarters of the titles are registered to individuals with addresses in just 20 countries, with the main groups being the Crown dependencies and British Overseas Territories (Jersey, Guernsey, Isle of Man and the British Virgin Islands), South-East Asia and the Middle East, and English-speaking countries.
- The rise in properties registered to individuals in the Middle East and South-East Asia have been particularly fast in recent years, which may reflect second-home or investment purchases by owners in these countries.
- The growth in titles registered in Northern cities like Liverpool, Manchester, Salford and Leeds has also been notable, particularly since 2016, which is likely to reflect investment purchases of flats in these cities.
- Previous studies of the effect of overseas individual buyers on affordability for domestic purchasers have been limited, based on small samples or anecdotal evidence. The purpose of our work is to enable more systematic and better informed work on affordability, which we hope will support better-evidenced policy responses.
- The lack of official data on this topic reflects a broader lack of high-quality evidence on factors affecting demand for UK property. We recommend measures to improve data availability in a range of areas, including:
  - The Government should now prioritise the Draft Registration of Overseas Entities Bill (to which it has already committed), which will create better data on the nature of property owned via overseas corporate structures;
  - The Government should progress its proposed measures to create a public register of options and contracts over land;
  - The Government should improve published official data on the count and location of buy-to-let mortgages;
  - HM Land Registry should publish data on individual overseas ownership annually as experimental statistics.
Background

Poor housing affordability in the UK is often blamed in part on house prices being driven up by demand from overseas buyers. In particular, concerns have been raised that wealthy overseas buyers can purchase property ‘off-plan’ (i.e. before the property has been built), an option not always available to more cash-constrained domestic buyers, and that new properties are increasingly marketed mainly to overseas investors.

In response to these concerns, in recent months, the Government has introduced a 2% surcharge on stamp duty for non-tax-resident buyers of UK property\(^1\), while Labour has announced plans to limit overseas buyers from acquiring properties in new developments\(^2\).

However, as in many areas of the UK housing market, data gaps hamper our understanding of the influence of such buyers. While official data on titles in England & Wales registered to companies based overseas has been published since 2017\(^3\), there is no equivalent data published by HM Land Registry for titles registered to individuals based overseas - not even the total number of such titles.

It is thus difficult for researchers to analyse the impact of purchases by individuals based overseas, or the effect of policy responses. This paper shares new data on properties owned by individuals based overseas, and proposes measures to improve data on this and other factors affecting UK property demand and housing affordability.

Research context

Data gaps hamper our understanding of the influence that investment in UK residential property by individual buyers has on prices and affordability. While research in 2016 analysed newly available data on purchases by overseas companies, and found that such investment was associated with increased house price growth and reduced overall rates of homeownership, no such data or research is available for the market effect of purchases by overseas individuals\(^4\).

As a consequence, there is little understanding or consensus of the impact of such purchases. A House of Commons briefing in 2017 observed that there are no official statistics on the number of such purchases, and lack of consensus on their effect, with some commentators arguing that purchases by overseas investors contribute to poor

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3 HM Land Registry, Dataset: Overseas companies that own property in England and Wales, [https://use-land-property-data.service.gov.uk/datasets/ocod](https://use-land-property-data.service.gov.uk/datasets/ocod)

affordability, and developers arguing that investors help unlock finance for developments that would not otherwise proceed, and high prices are due only to a lack of supply⁵.

While previous studies have attempted to answer this question, they have been based on sample data in local markets. In 2017, the Mayor of London commissioned a study by the University of York based on a sample of 8,000 titles in London⁶, which found that overseas investors in its sample had a greater propensity to leave homes empty or under-used.

Although the Government has begun policy initiatives in the area, published evidence remains limited. The introduction of a 2% surcharge on UK stamp duty for non-tax-resident buyers in April 2021 had as its stated goal stopping non-resident buyers pushing up house prices for locals. While HMRC published the policy’s estimated revenues, no estimate was made available of how many such buyers might be affected, or the expected impact on house prices⁷.

Our goal with this research is to improve the data available on the topic, to support future research, and to provide practical recommendations for improving data on this topic and other factors affecting demand for UK property.

**Our research**

We obtained new data on the number of properties owned by individuals based overseas, via Freedom of Information (FOI) requests to HM Land Registry. This data shows the number of titles registered to individuals with an overseas correspondence address, broken down by the district where the title is located, and the country of the address. It is available at two-year intervals between January 2010 and January 2020, and in August 2021⁸.

An overseas correspondence address on the property’s title suggests that the buyer is based at least partly overseas. HM Land Registry asks the buyer of a title for a correspondence address on transfer or first registration, as a security measure so it can

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⁵ House of Commons Library, Foreign Investment in UK Residential Property, 2017. [https://commonslibrary.parliament.uk/research-briefings/cbp-7723/](https://commonslibrary.parliament.uk/research-briefings/cbp-7723/)

⁶ Wallace, A., Rhodes, D.J. and Webber, R., Overseas investors in London’s new build housing market, 2017. Greater London Authority. [https://eprints.whiterose.ac.uk/117771/](https://eprints.whiterose.ac.uk/117771/)


write to the registered owner if an attempt is made to change the title\(^9\). Such an address does not necessarily mean the property owner is non-tax-resident, but it indicates that they expect to be based overseas to a significant extent (perhaps as an overseas investor or second-home buyer), and as such is a reasonable proxy for non-residence.

Our approach is similar to that used by the University of York’s 2017 study on overseas purchases in London\(^10\), and is the same as that used for equivalent official data in Scotland\(^11\). It is also worth noting that:

- Titles are not identical with houses; they may be commercial property, or land.
- Occasionally, more than one property can be registered on the same title, though this is unusual.
- Titles show legal owner, not beneficial owner: titles owned via a trust may be registered in the names of trustees, but the beneficial owners may be elsewhere.
- In a small number of cases, if a single title has correspondence addresses in two countries (e.g. France and Spain), it will be counted under both countries.
- This data is for stock not flow, i.e. it is the number of titles registered, not the number of transactions.
- The data is from a number of FOI requests. It is possible (though we do not think this is the case) that different processes were used to generate the data in each request, which may affect the ability to compare results over time.
- We have presented the data precisely as it was supplied to us by HM Land Registry, but this is not official data and should not be treated as such.

The text of our Freedom of Information requests, and HM Land Registry’s responses, are public\(^12\). We have published further notes on the data, and full code to support the analysis below, on a public GitHub repository\(^13\).

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\(^10\) Wallace et al, ibid.


\(^12\) WhatDoTheyKnow.com, ibid.

\(^13\) GitHub, Titles registered to overseas individuals: analysis notebooks, Centre for Public Data. [https://github.com/centreforpublicdata/titles-overseas-individuals](https://github.com/centreforpublicdata/titles-overseas-individuals)
Findings

Rising numbers of individual owners based overseas

The data shows that the total number of titles in England & Wales registered to individuals based overseas has risen from 87,810 titles in January 2010 to 247,016 titles in August 2021 - a rise of 180% over the period.

![Figure 1: Titles in England & Wales registered to overseas individual owners, 2010-21](image)

The proportion of titles registered to overseas individuals also increased significantly over the period. In 2010, individuals with overseas correspondence addresses owned c. 0.4% of all titles in England & Wales; by 2021, this had risen to c. 0.95% of registered titles

In recent years, these numbers have outstripped the number of titles owned by companies based overseas, which in August 2021, was 94,712 titles in England and Wales. Combined, overseas individuals and companies now own 341,728 titles in England and Wales, or about 1 in every 75 titles.

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14 See GitHub notebooks for sources, ibid.
15 HM Land Registry, Overseas companies dataset, ibid.
Between January 2010 and 2018, the number of titles registered to individuals based overseas rose steadily by around 31,000 every two years. Between January 2018 and 2020, the rise slowed to about 24,000, which may reflect the impact of tax changes. Between January 2020 and August 2021, the number of such titles rose by only 7,362, presumably the effect of the Covid-19 pandemic.

Reassuringly, although this data for England & Wales was obtained via Freedom of Information requests, it is in line with official data from Scotland. This shows that in December 2020, 1.1% of titles in Scotland (21,091 titles) were registered to individuals with a registered address outside the UK\(^{17}\).

**Overseas countries where owners are based**

Just 12 countries account for nearly two-thirds of the titles registered to individuals based overseas, and 20 countries for 75% of the total number. These top 12 countries fall into distinct groups:

- **South East Asia and the Middle East**: In August 2021, 51,866 titles were registered to individuals with addresses in Hong Kong, Singapore and Malaysia, and 18,869 titles were registered to individuals with addresses in the United Arab Emirates and Kuwait.
- **The Crown Dependencies and British Overseas Territories**: In August 2021, 47,323 titles were registered to individuals with addresses in Jersey, Guernsey, Isle of Man, and the British Virgin Islands (BVI).

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\(^{16}\) Sources for number of overseas companies: Overseas companies dataset, ibid, and FOI request to HM Land Registry [https://www.whatdotheyknow.com/r/1cfae6fd-26e6-4230-88d5-f177d67ebf2a](https://www.whatdotheyknow.com/r/1cfae6fd-26e6-4230-88d5-f177d67ebf2a)

\(^{17}\) Registers of Scotland, ibid.
- **English-speaking countries:** In August 2021, 33,751 titles were registered to individuals with addresses in the US, Ireland and Australia.

The data does not tell us the purpose for which property is acquired, so such titles may be investment purchases or second homes. In addition, such titles may be registered to the trustees of trusts, with beneficiaries actually based elsewhere. This is particularly likely in the Crown Dependencies and British Overseas Territories, which are common locations for offshore trusts. It is not possible to assess how many such trusts there are, or the nature of the beneficial owners. Some non-UK trusts which own UK property are now required to register their beneficial ownership with HMRC, but this register is not public\(^{18}\).

The number of titles registered to individuals based overseas rose by 159,206 over the period, with more than two-thirds of this accounted for by just 12 countries - the countries listed above, minus Ireland (where numbers fell over the period) but including China. Hong Kong alone accounted for a rise of more than 21,000 titles.

The chart below shows the trends in the current top 15 countries, ordered by the total titles registered there in August 2021.

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The figure shows that the nature of overseas individual ownership has changed over the period, as well as the total level. In 2010, Ireland accounted for by far the largest group of individual owners, followed by Singapore and Jersey. In 2021, Hong Kong is now the largest country in the group, again followed by Singapore and Jersey, while Ireland has fallen significantly. Countries such as China and Kuwait, where total numbers of titles were minute in 2010, are now among the top 15.

The effects of the Covid-19 pandemic have not been uniform, with the number of titles continuing to rise between January 2020 and August 2021 in Hong Kong and China, but remaining static and even falling in a number of other countries - the difference may be due to local factors in these markets.

Ireland saw a fall in the number of titles over the period, and indeed was the only large country where titles fell over the period. This could be due to a large historic population of owners now reducing in size, or to the after-effects of the 2008 financial crisis.

Curiously, around 400 titles have correspondence addresses in the Australian Antarctic Territory, which is surprising since the territory has no permanent residents. We suspect this is a data transcription error, but it would bear further investigation.

Geographical location of properties

The owners of such titles are concentrated in London, with just over a third of the titles held in the capital's 24 boroughs. However, Northern cities make up an increasingly significant proportion of the total, and have seen steep rises in recent years.

- **Westminster** has more titles in this category (more than 12,000) than any other local authority, and has seen strong growth in each year since 2010. This growth has been driven by purchasers based in Hong Kong, Jersey, BVI, Singapore, Guernsey and similar countries.
- **Other London boroughs** including Tower Hamlets, Kensington, Wandsworth, Southwark and Lambeth have also seen strong growth over the period, led by similar countries to Westminster. London as a whole now accounts for 85,451 titles.
- **Hounslow** has always had a large number of titles registered to overseas individuals, which may reflect its proximity to Heathrow. In 2010, it had more such titles than any other local authority, but growth since has been muted.
- **Northern cities** including Liverpool, Salford and Manchester have seen significant rises since 2010, and these rises have accelerated since the middle of the decade. These countries now have significant numbers of owners based in UAE, Singapore and China (where ownership outside London was virtually unknown in 2010). The number of such titles in Liverpool is 7,925, four titles the number in 2010. There are fewer titles in these cities registered in English-speaking countries such as the US.

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and Australia, suggesting that growth here may have been primarily driven by investment purchases rather than second homes.

The following chart shows the trends in the top 15 local authorities, ordered by the total titles registered there in August 2021.

Figure 4: Local authorities with the most titles registered to individuals based overseas in 2021, trends 2010-21

The following table shows the total number of registered titles in each of these local authorities in August 2021, along with the number of titles registered to overseas individuals and companies\(^\text{20}\). This shows that titles registered to overseas individuals now substantially outnumber those registered to overseas companies, in all these districts:

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Total registered titles</th>
<th>Titles registered to overseas individuals</th>
<th>Titles registered to overseas companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Westminster</td>
<td>134,335</td>
<td>12,104 (9.0%)</td>
<td>10,776 (8.0%)</td>
</tr>
<tr>
<td>Liverpool</td>
<td>209,340</td>
<td>7,925 (3.8%)</td>
<td>1,511 (0.7%)</td>
</tr>
</tbody>
</table>

\(^{20}\) Total number of registered titles per district as supplied by Land Registry in response to FOIA request: [https://www.whatdotheyknow.com/alaveteli_pro/info_requests/total_number_of_titles_registered](https://www.whatdotheyknow.com/alaveteli_pro/info_requests/total_number_of_titles_registered); titles registered to overseas companies from Land Registry official data, as above.
Table 1: Local authorities: titles registered to overseas individuals and companies, as proportion of total registered titles, August 2021

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Total Titles</th>
<th>Titles Registered Overseas (%)</th>
<th>Other Titles (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tower Hamlets</td>
<td>108,499</td>
<td>7,547 (7.0%)</td>
<td>2,187 (2.0%)</td>
</tr>
<tr>
<td>Kensington &amp; Chelsea</td>
<td>84,544</td>
<td>7,073 (8.4%)</td>
<td>5,704 (6.7%)</td>
</tr>
<tr>
<td>Buckinghamshire</td>
<td>244,439</td>
<td>6,609 (2.7%)</td>
<td>830 (0.3%)</td>
</tr>
<tr>
<td>Salford</td>
<td>122,072</td>
<td>5,294 (4.3%)</td>
<td>1,223 (1.0%)</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>148,699</td>
<td>5,110 (3.4%)</td>
<td>1,856 (1.2%)</td>
</tr>
<tr>
<td>Hounslow</td>
<td>102,758</td>
<td>4,923 (4.8%)</td>
<td>1,299 (1.3%)</td>
</tr>
<tr>
<td>Manchester</td>
<td>199,240</td>
<td>4,793 (2.4%)</td>
<td>1,642 (0.8%)</td>
</tr>
<tr>
<td>Southwark</td>
<td>105,155</td>
<td>3,796 (3.6%)</td>
<td>1,346 (1.3%)</td>
</tr>
</tbody>
</table>

To allow readers to investigate local trends further, we have published a full interactive table of the number of titles by country and district\(^1\). We look forward to further research on whether such purchases have affected affordability in local housing markets.

Recommendations

This topic is a prime example of how UK housing policy is often poorly supported by published official data. In particular, evidence on new factors affecting demand in the UK property market - from buy-to-let to overseas investment - is hard to come by. This may have influenced the policy focus on supply, whereby official housing policy is primarily focussed on building more homes rather than tax or policy measures based on demand\(^2\).

In this section, we make recommendations for how more robust data could support better analysis of the factors influencing demand as well as supply, to support stronger policy analysis in this and other areas.

Improve data on overseas individual buyers

We recommend that HM Land Registry should publish equivalent data to that we have obtained via FOI as experimental statistics annually, along with further breakdowns of the

\(^1\) Available at [https://www.centreforpublicdata.org/property-data-overseas-individuals](https://www.centreforpublicdata.org/property-data-overseas-individuals)

value and type of titles purchased (e.g. new-build vs existing property). The Registers of Scotland has published similar data annually since 2017.\textsuperscript{23}

This will complement the limited data that is now published about revenue raised from the 2% stamp duty surcharge on non-tax-resident buyers\textsuperscript{24}. It will clarify the demand from overseas buyers, and its geographical concentration, enabling better analysis of the effect that such purchases have on the availability and affordability of property.

**Improve data on overseas corporate ownership**

We recommend that the Government should proceed urgently with plans to implement a public register of the beneficial owners of property in England & Wales that is owned by overseas companies. This will give us more insight into the beneficial (real) owners of land held via companies based in secrecy jurisdictions.

The Government has already committed in its Economic Crime Plan to introducing such a register\textsuperscript{25}. This can be done by prioritising the Registration of Overseas Entities Bill, which has been available in draft since 2018, for Parliamentary time\textsuperscript{26}.

**Improve data on other factors affecting UK property demand**

Finally, we recommend that the Government should conduct a broader review of data availability in the sector, to support stronger policymaking and a focus on factors affecting both demand and supply. Basic data on the UK housing market, such as the number of buyers based overseas, should not need to be obtained via Freedom of Information requests, but should be made available to researchers and policymakers as part of a broader strategy.

Some improvements for consideration could include:

1. **Introduce a public register of land options and charges.** This will allow more insight into the extent of so-called ‘land banking’, which is also frequently blamed for contributing to high house prices. A recent official review on the topic found no evidence of land banking but was based on interviews, rather than quantitative

\textsuperscript{23} Registers of Scotland, ibid.
evidence\textsuperscript{27}. A consultation on improving data on contractual controls over land closed over a year ago, but the response has not yet been published\textsuperscript{28}.

2. **Publish official data on the count and location of buy-to-let mortgages.** This would provide more insight into the impact of buy-to-let on the national and local housing markets. Domestic investment demand may have a significant impact on local markets, but there is little visibility on the size or location of such demand. Official data from the Financial Conduct Authority only includes the total value of all buy-to-let loans\textsuperscript{29}, while trade association UK Finance no longer publishes data\textsuperscript{30}.

### About us and acknowledgements

This report is by Anna Powell-Smith. The Centre for Public Data (CFPD) is a non-partisan, non-profit organisation that works to improve the quality of the UK’s public data. We are technologists who work with Parliamentarians, policymakers, civil servants and civil society to improve data-related provisions in policy, legislation and regulation. We would be happy to discuss any of the issues raised here: contact@centreforpublicdata.org.

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\begin{footnotesize}
\textsuperscript{29} Financial Conduct Authority, Mortgage lending statistics. https://www.fca.org.uk/data-mortgage-lending-statistics
\textsuperscript{30} UK Finance, Data. https://www.ukfinance.org.uk/data-and-research/data
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