The Evolving Gulf Buyer: Why GCC Demand for UK Homes Is Becoming More Strategic

Foreword

Gulf residents are expected to remain strongly drawn to the UK's residential property market in 2026, viewing it as a stable, transparent and well-regulated environment for long-term wealth creation. Even with the domestic real estate markets of Gulf states such as the UAE, Saudi Arabia and Kuwait, maintaining their upward trajectory in 2026, the UK remains one of the region's most trusted and established destinations for cross-border investment.[1]

Economic growth across Gulf Cooperation Council (GCC) countries[2] is forecast to strengthen steadily in the coming year, with GCC Stat projecting regional GDP expansion of around 4.3% by 2027.[3] This growth is being driven by robust non-oil activity, expanding private-sector participation, and continued diversification across sectors. Ambitious national transformation strategies, from Saudi Arabia's Vision 2030 to the UAE's focus on trade and innovation are reinforcing fiscal stability and investor confidence across the region. As these economies mature, Gulf residents are increasingly looking to diversify their portfolios.

Property finance providers continue to play a key role in shaping how GCC residents access the UK residential property market. The expansion of tailored, Sharia-compliant finance and closer collaboration with mortgage brokers has made financing more accessible and efficient. Brokers we spoke to note that this has opened the market to a broader range of Gulf clients, including those who, until recently, might not have been able to access property finance for a UK purchase. This shift reflects the desire of buyers from the GCC to increasingly seek structured, long-term ways to participate in the UK's residential property market.

With specialist property finance solutions more accessible than ever, our research highlights three key trends that will shape Gulf residents' approach to UK residential property purchases in 2026:

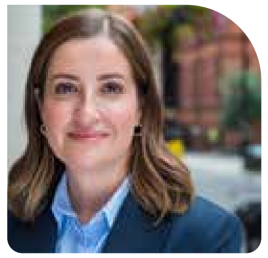
1. Gulf buyers continue to see the UK as a trusted, strategic investment destination for residential property. Gulf residents remain drawn to the UK's regulatory stability and rule of law but are taking a longer-term view on the market and adopting a more strategic and disciplined approach to investment in residential property.
2. GCC property purchases have become more regionally diverse. While London's global appeal endures, activity in cities such as Manchester, Birmingham and Liverpool, as well as across Scotland, continues to grow, supported by competitive pricing, stronger yields, and Gulf purchases of varied housing stock.
3. Growth in use of limited companies. Buy-to-let remains the dominant route for GCC residential income generation, but the market is becoming increasingly professionalised with purchases being made through limited companies, particularly Special Purpose Vehicles (SPVs), as part of long-term wealth strategies. Stable borrowing costs and greater lender flexibility have accelerated this trend, helping Gulf residents plan with confidence and expand their portfolios.

In 2026, the landscape for GCC investment in UK residential property is set to evolve further.

Legislative changes such as the Renters' Rights Act 2025, which received Royal Assent in October 2025, are likely to encourage higher professional standards across the buy-to-let market. In parallel, the UK Government is taking steps to streamline the homebuying process by ensuring sellers and estate agents provide buyers with vital property information upfront. A full roadmap is expected to be published this year, with the proposals expected to help homebuyers save money and slash the number of failed sales, which currently cost the economy £1.5 billion a year.[4]

In 2026, Nomo anticipates that even more Gulf residents will purchase UK residential properties. These buyers will expect structured lending options, predictable processes and high-quality support from banks such as Nomo that understand cross-border transactions, and do not require customers to have a UK credit footprint. For lenders and advisers, this means the competitive edge will lie not in headline rates alone, but in the ability to combine specialist underwriting, Sharia-compliant finance and operational simplicity tailored to overseas purchasers.

For Gulf buyers, the implications are significant. A more regulated rental market, a wider spread of opportunities across UK regions, and greater reliance on limited-company structures will require careful planning and clearer financial governance. Those who work with the right financing providers and advisers will be best placed to navigate these shifts and secure stronger long-term returns.



Layla Hamidian,
Head of Property Finance Sales and Servicing, Nomo

The six GCC countries are Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman.

Strategic Growth, Stable Demand

Based on conversations with brokers, 2026 will likely see a more strategic and disciplined phase of GCC residential investment in the UK, particularly within the sub-£2 million segment that continues to define the mass-affluent buyer base. Gulf residents are deploying capital in more returns-focused ways, targeting smaller purchases that balance yield with long-term stability.

This shift is reflected in data from Rightmove: unlike 2024, high-value areas in London, such as Westminster and Kensington & Chelsea no longer appeared in the top 20 areas for GCC property demand in 2025. By contrast, Glasgow, which had one of the lowest average asking prices in the UK last year, came out on top.[5]

Philippe Fabri, Mortgage & Protection Advisor, Orchard Financial Solutions Ltd, observed that:

> **"The buyers have been more analytical. They're asking about interest coverage ratios, rent yields, and mortgage options before even talking about locations."**

Supported by accessible property finance and streamlined digital processes, Gulf residents are likely to continue approaching the UK market with greater precision and professional intent in 2026.

Global economic volatility has underscored the appeal of the UK's longstanding political stability. As Sophia Kazmi, Director, Maidwell Group, stated:

> **"Clients still see the UK as a very stable place to invest. The purchasing process is predictable, and that gives Gulf residents buying from abroad confidence."**

For GCC clients, that assurance helped sustain consistent investment volumes across the UK residential market in 2025. As Dr Rajanya Ravasia, Founder, Adventum Wealth, noted:

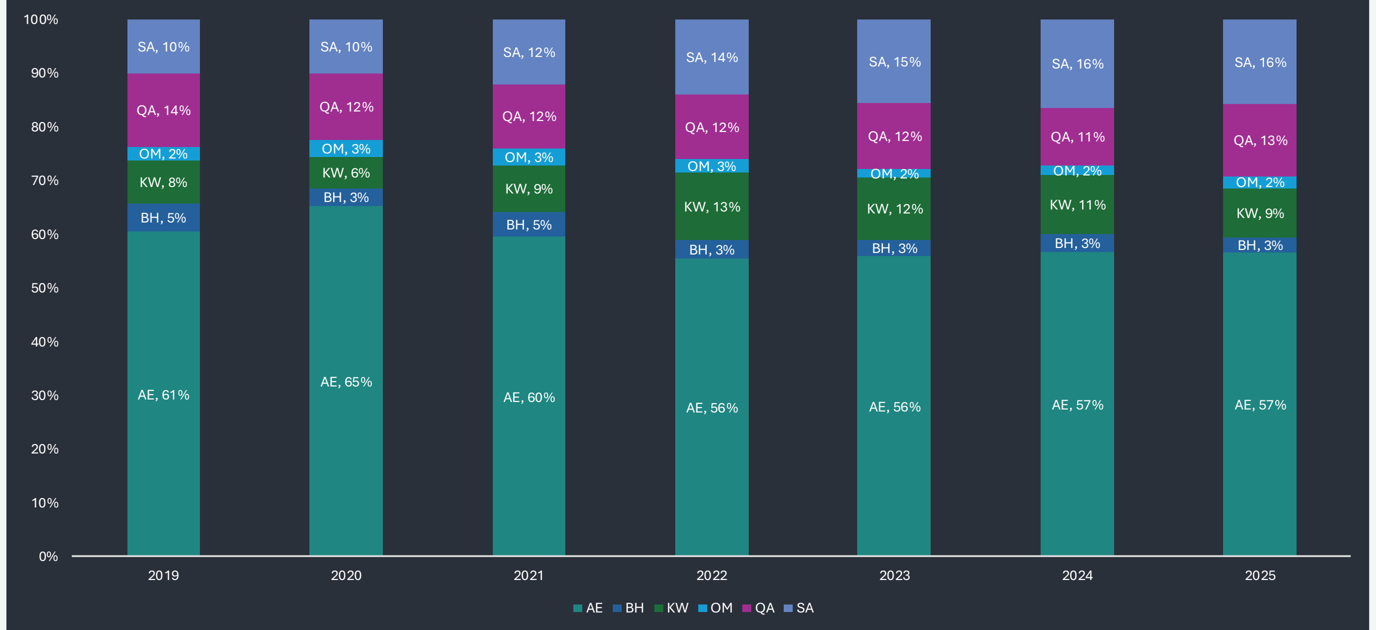
> **"The number of high-value deals in London might be down, but activity overall hasn't slowed. Cities like Manchester and Birmingham are busy."**

The overall composition of GCC demand has also remained stable. In 2025, the UAE continued to lead with around 57% of searches, followed by Saudi Arabia (16%) and Qatar (13%).[6] While UAE residents are expected to continue to drive the most interest from the GCC into the UK residential market this year, interest from Saudi Arabia and Kuwait is expected to grow. In Saudi Arabia, the $1.7 trillion Vision 2030 construction drive is creating new liquidity.[7] Meanwhile, Kuwait's ongoing economic reforms are leading to a liberalisation of its economy, and a desire from residents to diversify abroad. Richard Rinder, Co-Founder, Novo Capital said:

> **"We've seen a real increase from Saudi and Kuwaiti clients. Vision 2030 and growing liquidity are definitely a part of it."**

Demand by GCC Country

Chart 12. Year-to-Date Comparison for GCC Demand Origin Country



The overall proportion of demand from GCC countries has remained relatively consistent year-on-year. In 2025, however, there has been a very slight shift: demand from Qatar has increased by 2% compared with the same period in 2024, while Kuwait's share of overall GCC demand to the UK has declined by -2%.

Specialist property finance providers in the UK played a crucial role in sustaining GCC demand throughout 2025 by adapting their products to better serve overseas clients. Over the past year, they have become more flexible in both pricing and structure, offering higher finance-to-value ratios, cashback incentives, and legal-fee support to attract and retain GCC clients. Nomo, for example, now offers property finance with a loan-to-value ratio of up to 75%, alongside tailored support for GCC residents.

Applicants are also not required to hold a UK credit footprint, a long-standing feature that continues to appeal to Gulf buyers who are otherwise underserved by traditional lenders.

Nomo's refinancing book grew strongly in 2025, indicating that many GCC customers have used the opportunity to fix rates and maximise returns. Looking to 2026, the Bank of England's Monetary Policy Committee (MPC) recently judged that inflation has now peaked, and that borrowing costs are likely to continue on a downward spiral.[8] This assessment aligns with the Office for Budget Responsibility's (OBR) Autumn Budget Economic and Fiscal Outlook, which predicted that inflation will continue to fall this year, returning to the Bank of England's 2% target in 2027.[9]

While these developments suggest that property financing is likely to become even more competitive in 2026, some Gulf residents, particularly those focused on higher-value properties in London, are likely to wait for further cuts before committing to new purchases. As Richard Rinder, Co-Founder, Novo Capital, observed:

> **"Every time there's talk of rate cuts, we get more enquiries. Buyers are watching the market very closely."**

Beyond London: Gulf residents look to the UK's regions

While London's appeal endures, driven by its global reputation and prestige, Nomo's research suggests that Gulf residents increasingly turned to purchasing properties in the UK's regions last year, a trend that looks set to continue into 2026. Data from Rightmove shows that 2025 saw a subtle shift in the types of properties Gulf buyers targeted, with rising interest in resale and second-stepper homes and a slight dip in demand for new build properties.[10]

Among regions outside of London, the North West has emerged as a clear favourite, attracting 18% of total GCC demand.[11] Brokers report that buyers are drawn to cities in the North West, such as Manchester and Liverpool, for their lower value entry points and average yields of 5 to 7%. Visible growth stories and regeneration in these cities, often linked to sport, are also viewed as an important factor. As Hugh Spillane, CEO, DNA Financial Solutions, observed:

> **"Once Gulf buyers look closely at the regional markets, they see just how strong the fundamentals are. Cities like Manchester and Liverpool offer compelling value, consistent rental demand and a growth story that's hard to ignore."**

Beyond the North West, brokers also highlighted growing interest in several other regional hubs. Birmingham continues to attract Gulf buyers, driven by strong rental demand, extensive regeneration projects and price points that remain accessible, relative to London.

Further north, cities such as Leeds and Sheffield are increasingly appearing on Gulf buyer shortlists, with advisers noting that converging price points for one-to-three bedroom homes make these markets attractive for both investment and family use. As Sophia Kazmi, Director, Maidwell Group, noted:

> **"There's strong interest in the North because people see good rental yields and more affordable prices. It's a very appealing entry point for people looking for their first UK purchase."**

These areas also benefit from large student populations and steady tenant demand, which appeals to overseas Gulf buyers seeking predictable rental performance. In Scotland, data from Rightmove shows strong GCC demand in both rural and urban areas, with Glasgow, Edinburgh and South Lanarkshire all featuring among the most searched locations.

Demand Distribution

Map 2. UK 2025 YTD Demand Distribution

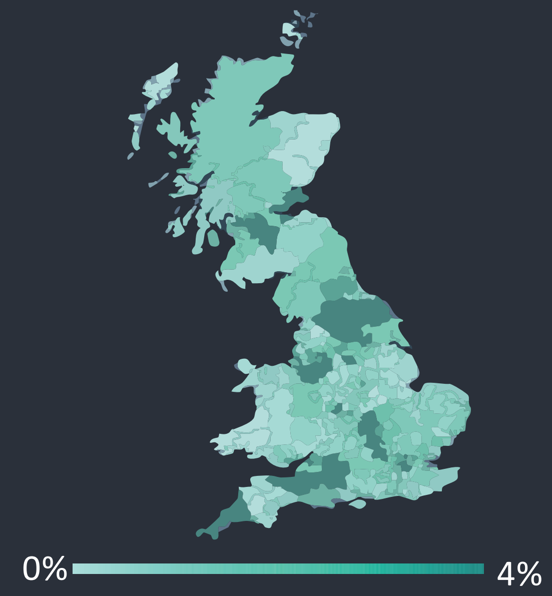
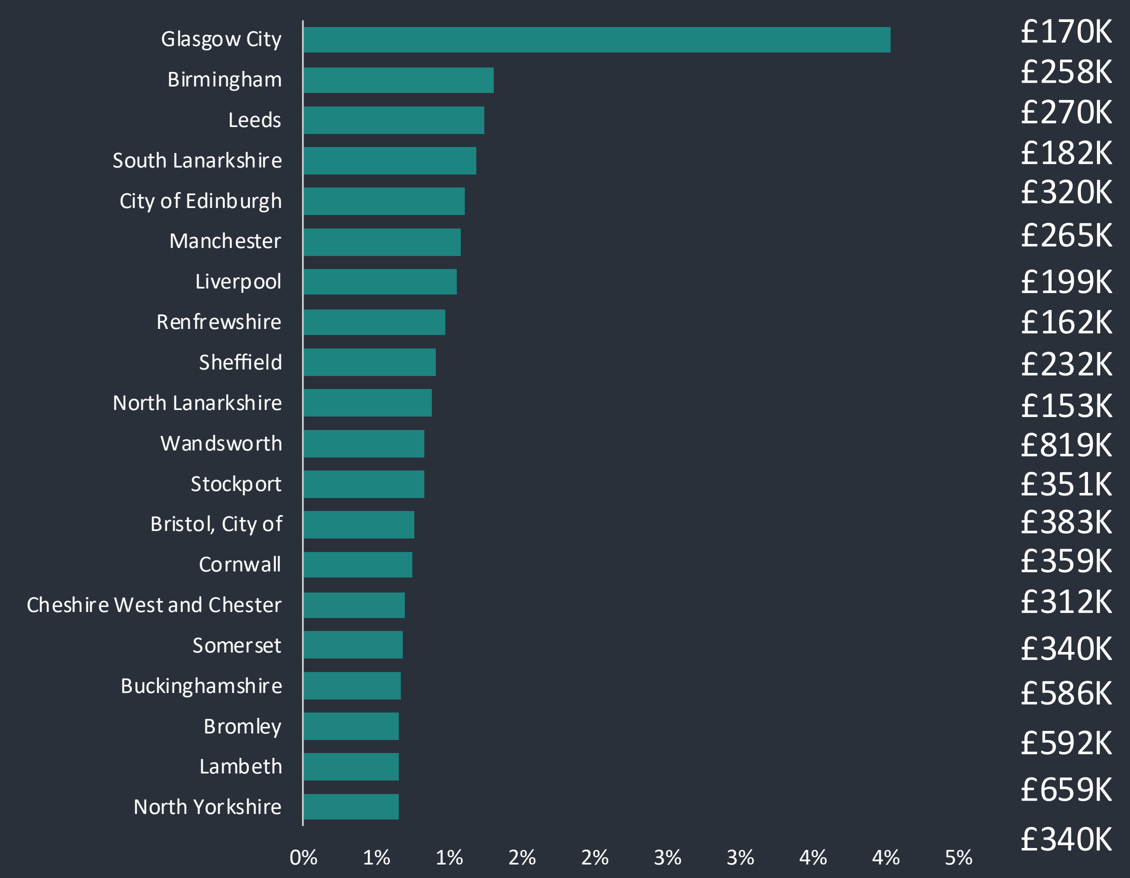


Chart 5. Top 20 of 2025 YTD, Proportion % of GCC Demand

Average Asking Price (2025 YTD)



While London led overall GCC demand for Gov Regions, Glasgow topped individual local Authorities in 2025 with over 4% of enquiries. Offering one of the lowest Average Asking Prices of the top 20 locations, it provides an accessible entry point. Other affordable Scottish markets also ranked in the UK Top 20, alongside more premium locations like Wandsworth, Lambeth, Somerset, and Cornwall.

Broadening Preferences: New-builds, resale and second-stepper homes

When considering which property types to target, 2025 saw a subtle shift in Gulf buyer preferences. Warranty-backed new build developments are a traditional favourite, with pricing viewed as attractive, and the potential for less process friction than pre-owned properties.

They are more likely to be EPC-compliant and equipped with modern amenities such as concierge services, making them appealing both to tenants and to overseas landlords seeking simplicity. As Sarah Teff, Partner, John Charcol, explains:

> **"Most Gulf clients prefer new-builds because they're easy to manage from abroad, you get the warranties, the concierge and the EPC compliance."**

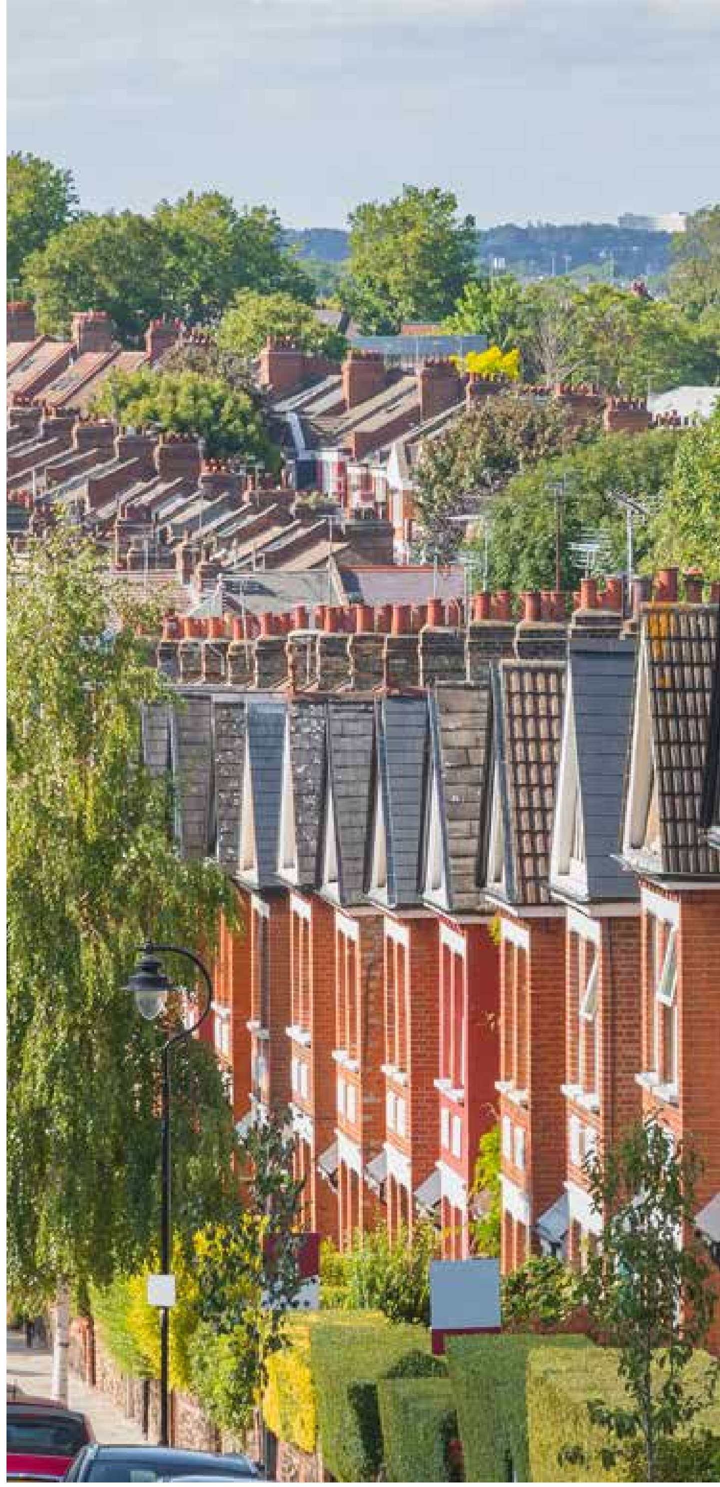
New-build developments also benefit from targeted marketing strategies that continue to shape where Gulf residents buy. While established Gulf communities in the UK remain a draw, agent networks and master distributors have become increasingly influential in directing investment. Developments such as Waterhouse Gardens, located in the heart of Manchester, have gained notable traction in Kuwait and Saudi Arabia, driven by coordinated campaigns from trusted agents. As Richard Rinder, Co-Founder, Novo Capital, noted:

> **"We've had cases where one buyer recommends a scheme and then friends or family follow them into the same development. It's very network-driven."**

However, data from Rightmove indicates that some GCC buyers broadened their focus in 2025, with demand for new-build homes dipping slightly by 5% compared with the previous year.[12] This decline is potentially reflective of wider UK market conditions, which include higher construction costs and valuation challenges in investor-heavy blocks. In parallel, resale properties have gained ground for the first time in two years.

Nomo's data also indicates that demand from Gulf first time buyers for new builds has fallen by 5%. This has been absorbed by a corresponding increase in demand for the Second Stepper category, which suggests that Gulf homeowners already based in the UK are looking to move up the property ladder. This could suggest that many Gulf residents purchasing in the UK's regions are taking advantage of lower entry prices to purchase property for lifestyle purposes.

In 2026, the lower price points for residential property found in the UK's regions, are expected to remain a key driver of Gulf purchasing preferences, as buyers increasingly balance growth potential and ease of management with personal and family-use considerations. While new-builds will continue to play an important role, particularly for those seeking low-maintenance, managed ownership, 2025 has shown that resale and second-stepper homes have gained in popularity.



The growing shift toward limited company purchases for buy-to-let investors

While buy-to-let has long been the preferred route for Gulf residents purchasing UK residential property, 2025 saw a notable shift in how these investments were structured, with a growing share being completed through limited companies, particularly Special Purpose Vehicles (SPVs).

This reflects a more professional, planning-led approach among Gulf residents, who are increasingly prioritising tax efficiency, governance, and long-term portfolio strategy. As Dr Rajanya Ravasia, Founder, Adventum Wealth, explained:

> **"Buy-to-let is still the go-to model for many Gulf clients, but the way they're doing it has changed, there's far more focus on structure than in previous years."**

Purchasing through a limited company, such as an SPV, brings a range of advantages that simplify ownership for non-UK resident investors. These include:

- **Greater tax efficiency** – allowing investors to offset mortgage interest and other costs that would not otherwise be deductible in a personal purchase.
- **Clearer governance and administration** – providing a structured way to hold multiple properties and manage them under one entity.
- **Improved estate planning** – enabling ownership to be transferred through shares, which can simplify inheritance arrangements and reduce administrative burdens.
- **Potential stamp-duty advantages on exit** – as selling company shares, rather than the property itself, can in some cases avoid triggering additional stamp duty for the buyer.
- **A stronger UK financial footprint** – with a registered company, bank account and filings that help build credibility with lenders and streamline due-diligence requirements.

As Sarah Teff, Partner, John Charcol, noted:

> **"We're doing more limited company buy-to-lets now than before. It helps with planning and governance, especially for non-residents."**

Brokers noted that this more structured approach often forms part of a longer-term wealth plan, with UK residential property increasingly viewed as an income-generating, retirement-oriented asset rather than a single acquisition. As Philippe Fabri, Mortgage & Protection Advisor, Orchard Financial Solutions Ltd, put it:

> **"There's more focus on structure. Clients are setting up Special Purpose Vehicles and taking advice before committing. It's become a much more professional market."**

What does the Renters' Rights Act mean for GCC residents?

The Renters' Rights Act 2025 represents an important shift that investors will need to contend with this year. The legislation introduces new tenant protections and tighter compliance requirements, adding another layer of complexity for landlords. The move to a new system of periodic tenancies and the abolition of 'no-fault' evictions will come into force on 1 May 2026, and GCC buy-to-let investors will need to manage these changes carefully.[13] Yet the overall sentiment among advisers remains pragmatic: these reforms are seen as a manageable adjustment within a mature, well-regulated market, not a deterrent to investment.

Brokers that Nomo spoke to also noted that aspects of the Renters' Rights Act could ultimately benefit certain groups such as international students. For example, the removal of the requirement to pay a full year's rent upfront could be a positive development for GCC students coming to study in the UK and improve sentiment among overseas families, who have often viewed the practice as exclusionary. As Hugh Spillane, CEO, DNA Financial Solutions, explained:

> **"By reducing friction for international students and their families, these changes could contribute to improved sentiment and strengthen confidence in the UK market overall."**

Looking ahead to 2026

2025 was a year of recalibration for mass affluent GCC residential purchases in the UK.

Rather than chasing scale, GCC residents focussed on yield and long-term value. Headline transactions in London gave way to sustained activity in cities such as Manchester, Birmingham, and Liverpool, supported by more sophisticated financing and professional portfolio management.

In 2026, the outlook remains positive. Gulf investors continue to see the UK as a trusted, well-regulated, and transparent destination for wealth diversification. But with new legislation and continued fiscal headwinds impacting the broader UK economy, the next phase of growth will require a sharper focus on strategy and adaptability.

Based on this year's research, Nomo has three key recommendations for Gulf residents looking to make residential purchases in the UK in 2026:

1. Buy-to-let investors should plan for a more regulated private rented sector. The Renters' Rights Act 2025 marks a shift toward a more regulated rental sector. With the first phase due to take effect in May 2026, Gulf buyers holding, or considering purchasing properties in the UK for buy-to-let purposes, should ensure they are ready for higher management, documentation and compliance standards.
2. Leverage the UK's regions for yield and growth. Regional cities are expected to remain at the forefront of Gulf residents' purchasing strategies. Manchester and Liverpool, in particular, offer competitive pricing, strong yields, and visible regeneration stories. For GCC buyers willing to look beyond London, the regions represent an enduring opportunity for income and property appreciation.
3. Use property financing strategically. The potential for borrowing costs to fall further, combined with increased lender flexibility, could create a significant refinancing window. GCC residents who are considering residential purchases in the UK should continue to work with specialist lenders to lock in competitive terms and take advantage of evolving UK property finance products.

In 2026, Nomo anticipates that GCC buyer appetite for the UK residential market is likely to remain sensitive to affordability and regional price variation. Demand has the potential to be boosted by a combination of macroeconomic factors such as gradual interest rate cuts and a potential UK and GCC Free Trade Agreement (FTA). At a legislative level, Government reforms aimed at improving the homebuying process and progress on its ambition to build 1.5 million new homes could also lead to improvements in the supply of UK residential property for Gulf residents.

Nomo will continue to support Gulf residents looking to purchase UK residential property by offering Sharia-compliant finance delivered through a streamlined, digital process. With specialist expertise in cross-border lending and a deep understanding of how Gulf residents navigate UK purchases, Nomo is well-placed to support Gulf buyers looking to purchase UK residential property in 2026.

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- Dr Rajanya Ravasia, Founder, Adventum Wealth
- Hugh Spillane, CEO, DNA Financial Solutions
- Richard Rinder, Co-Founder, Novo Capital
- Sarah Teff, Partner, John Charcol
- Philippe Fabri, Mortgage & Protection Advisor, Orchard Financial Solutions Ltd
- Faye Adams, Senior Independent Mortgage Specialist, Peritus International

Endnotes

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