



Despite Covid-19 RIO Property Group firmly remains on track, it closed the first quarter of 2021 posting a gain of 2.72% and as such has started the year well. This is another RIO investment which has out performed, series three of RIO Property has filed five consecutive gaining quarters, much to the satisfaction of those invested.

Recently, I was in the UK and had occasion to visit two of our sites, in fact over the six-week period I had visited these sites on several occasions. The good news is that two of our four projects are firmly back on target despite lockdowns. At times it has taken some considerable effort from our team to ensure we remain on schedule. I would take a moment to say thank you to all members who commented on last years performance, your comments are always welcome and much appreciated.

### **The UK Property Market**

Looking back the property market in the UK had been softening for nearly four years, this was in fact the net effect of the uncertainty which had plagued the market since the result of the Brexit vote, the lack of clarity had continued through to the bitter end. But with the Brexit deal now firmly in place we have subsequently seen much of the uncertainty which surrounded the property market dissipate.

The uncertainty cause by the Brexit fiasco had driven the property market down, and as such this is precisely where much of the investment opportunity had lay. A risky market prior to the Brexit conclusion, yes, perhaps, but as envisaged and I am happy to say that to date it has been exactly as I had initially anticipated. Today, with the mist clearing RIO electing to invest in the UK property market fifteen months ago was spot on, it has proven to be exactly the opportunity I had first identified. Property investment in the UK over a year ago represented a chance to bank serious gains, but as always in the current conditions this is no place for a novice investor, the UK property market today favours the seasoned property expert. This is RIO's third such venture and having over twenty years experience in this field we are well seasoned.

### **RIO Property Group**

It came as no surprise when the account posted strong gains at the end of last year; December closed with a return of 3.5% in the final quarter. The property market was provided with an additional boost by the budget, which had given an extension of the Government Help to Buy scheme. Even though from the 1st of April the revised Help to Buy scheme is restricted to first-time buyers only, further changes were also noted with regional price caps now in place limiting for how much homes can be sold. That said, it is still another shot in the arm for a market which has thus far performed exactly as I had expected.

Looking forward, confidence remains strong in the housebuilding and construction sectors. I predict this trend to continue due to the success of the vaccination program. We may even see a short burst of action as lockdown restrictions ease. So far it has been as I had forecast with the first three months of 2021 performing well. The stamp duty holiday has also helped the market.

In short, the prospects for the housing market over the next year have improved on the back of the government's budget. The three-month extension announced and the tapering of the stamp duty holiday will both provide some relief to those who missed the deadline for the £500,000 nil-rate band. From 1st July to 30th September, the nil-rate band threshold will be temporarily be held at

£250,000. In October, it will return to the normal threshold of £125,000 and £300,000 for first-time buyers.

### **The UK economy benefits from this markets activity**

The increased activity from buying and selling of properties has given a boost to the UK economy. Residential property is an important part of the UK's economy overall, the increased drive from this consumer group will continue to help the nations economic recovery as we come out of lockdowns. The extension to the stamp duty holiday will almost certainly further support this sector during and though the early part of 2021.

### **Property investors**

In stark contrast, from the 1st of April 2021 a new 2% stamp duty will be levied on overseas-based investors. This will be on top of the existing rates of tax. For many years the UK property market has been a primary target for overseas investors, it has continued at strong levels with reports showing that overseas investors had ranked the UK as being the best for investment.

For any member looking at property, RIO's property investment opportunities are secured at attractive price points, this fact in turn leads to us potentially bagging superior returns over the time frame selected - 5 years.

As with all investments timing is crucial, RIO having made its investment decision early means that members will benefit from the fact that RIO has already sourced the opportunity and finalised the all-important acquisition price. In some cases members benefit from the fact that RIO already own the property to be developed. This is particularly applicable to RIO land parcels which were acquired with pending planning permission. We were ready and prepared as the favourable conditions forecast are set to arrive.

Utilising our unique position in the property market and over 20 years' experience, RIO can give Club members access to some of the best property developments and bespoke property opportunities before the herd gets in on the action.

Recently there have been a lot of positive indicators, one being that mortgage approvals are up 58 per cent according to the Bank of England, a very encouraging indicator of activity carrying over into 2021.

William Gray  
The RIO Club