

## Factors When Buying Property Offshore

If you are contemplating buying an offshore property – as a small percentage of South Africans do each year with a view to spreading their investment base and/or securing themselves a holiday home – which destinations, right now, offer the best prospects?

Lanice Steward, managing director of Anne Porter Knight Frank (APKF), has drawn attention to a survey, Knight Frank's (KF) Annual Wealth Report, in which one section sets out to assess the ten fastest up-and-coming residential markets worldwide.

These, in KF's view, are Portugal's Silver Coast, Singapore, Bahia (in Brazil), Morocco, The Seychelles, Croatia, the Italian Riviera, Granada, Mauritius and perhaps surprisingly, the USA – where recent falls in price values have made many buys good value and where certain rural destinations, says Knight Frank, are still competitively priced.

The South African authorities, said Steward, should take note of the criteria which create a winning formula for attracting foreign property buyers. These are that the venue:

1. should be tied into a global economy area and reasonably close to a major economic hub;
2. should have open and transparent property legislation for all international players and not be bogged down in excessive regulations. Question marks over the status of foreign owners should not exist;
3. should have an attractive environment;
4. should be in well-defined areas, often extending already successfully developed precincts; and
5. should have taxes that are less, rather than more, onerous than the average, along with incentives to encourage developers.

"It is noticeable that the areas which have attracted most property investments and which now have the highest property values – London, New York, Sydney, Monaco and others – are politically stable, reasonably secure and totally lacking in property legislation deterring foreign investment.

They do not see foreign ownership as a threat, they see it as a means of attracting a wide range of ancillary investment and of participating more fully in the global economy," says Steward.

On the criteria mentioned above, said Steward, South Africa qualifies on four counts – but question marks still hang over the long-term status of foreign owners.

"These doubts and fears should, I believe, be addressed and put to rest," said Steward.