

PROPERTY 'More Australians are investing in their overseas real estate dream'



'Too good to refuse': The Bennetts family, from St Kilda, recently bought this two-storey villa (above and inset) in the south of France for the price equivalent of a house in St Kilda, while Ralph Hillman and Jacqui Mcrae (top right) sold their Canberra home and an apartment to buy a \$1.1 million farmhouse in Normandy.



BUYER BEWARE

- Buying property overseas takes time. It might take up to a year from deciding to buy to moving in.
- Get good local legal advice before buying; someone who speaks fluent English and the local language.
- Do your own research on legal issues, local planning rules, costs and location.
- Consider renting in the area before you buy to understand transport links, shopping, leisure activities and what it's like off-season.
- Use qualified agents to protect your interests and make the purchase as stress-free as possible.
- All countries - even within the EU - have slightly different regulations for foreign property purchases. Don't assume it will be like back home.

SOURCES: BBC, BRITISREXPATS.COM

Castles in the air become reality as prices fall

BY SIMON JOHANSON PROPERTY EDITOR

A SECOND home in Provence or Tuscany doesn't come cheap, but the strong Australian dollar and Europe's economic woes are enticing more Australians to invest in their overseas real estate dream.

A slump in house values in America, France, Italy and Britain combined with Australia's high cost of living and pricey homes have sparked a rush of interest.

Six months ago, St Kilda resident John Bennetts and his family bought a two-storey house in the small village of Bior, one of the original walled towns of the Knights Templar in the south of France, for the price equivalent of

a house in St Kilda. "We had been staying there for four or five years having a holiday and we fell in love with the place," Mr Bennetts said.

They first spotted the house for sale five years ago but it was too expensive.

"With the decline in the European property market and rise in the Australian dollar, it ended up being almost half the price when they went to resell it," he said. "At that point it became too good to refuse."

Tracking overseas property investments is difficult. Unlike foreigners buying in Australia, there are no restrictions from the Foreign Investment Review Board

on locals sending funds offshore.

Indicators of activity are foreign currency exchange offices.

The distressed American property market was still the most popular destination for Australian investors, said Angus Murray, senior dealer at World First Foreign Exchange.

Demand in property related transactions has doubled from the same time last year. Other currency exchanges report similar interest. "The US is certainly leading the way. There's not much interest in Greek or Irish property," Mr Murray said.

Last week in the US, two American senators introduced a bipartisan bill to give residence visas to foreigners prepared to

invest more than \$US500,000 (\$A473,000) in buying a home.

International investors accounted for \$US82 billion of US residential real estate sales in the year to March, up from \$US66 billion the previous year.

Sydney couple Ralph Hillman and Jacqui Mcrae sold their Canberra home and an apartment and "did a swap, virtually" for a \$1.1 million farmhouse in rural Mayenne south of Normandy.

They will alternate six months of the year in France and Australia. "I don't know if I'd be doing it if I didn't have the language," said Mr Hillman, a former Department of Foreign Affairs and Trade employee.

Melbourne-based international lawyer, notary and French

translator Michael Bula said Europe's woes had sparked enormous interest.

"I've seen more [inquiries] in the past six months than I've seen in the past two years," Mr Bula said. "French and Italian properties would be the most popular but eastern Europe is getting popular too."

But the uncertainty surrounding the euro was also an issue. "Will property plummet because of this crisis or, to the contrary, will it go up?" he said.

Mr Bula said buyers were after a range of homes from apartments in cities such as Paris to rural villages, "even the odd chateau or castle". Prices varied from €80,000 (\$A106,000) to the millions, he said.