

New scheduled air route opens up Brazil to easier access for Irish



SUN SEEKERS: Paul Ferguson with his son, Sam, and daughter, Katy, bought two properties at Morada dos Ventos in Pipa, northeastern Brazil

It's a Grande life in the other Rio

By **Simon Brooke**

Brazil means sandy beaches peopled by the young and the beautiful, exuberant carnivals and a – perhaps depleted – rain-forest to explore. Or it means impoverished shanty towns, vicious street crime and one of the world's fastest growing economies.

Images of Rio de Janeiro or São Paulo might spring to mind, but it's the area around Natal, the capital of the northeastern state of Rio Grande do Norte, which is receiving the greatest attention from developers and property investors.

Until now, the main problem with Brazil has been getting there. That will soon change as direct flights are expected to start from Gatwick next winter.

Albert May of international property investment group Profit Finders, says: 'Natal is attractive to Europeans and Brazilians looking for holiday accommodation as it has a good climate, and a vast new airport, which will be a tourist and cargo hub, is being built there.'

The company is investing in a development of 11,000 homes in the area where the average price per square metre ranges from €800 to €1,200, and a typical two-bedroom flat will cost about €100,000. The size of the development in this emerging market is significant.

'We're creating the infrastructure by providing water and electricity because in some emerging markets you get the properties and then have to wait for vital services,' says Mr May.

Experience International has flats available in the Jacuma Beach Resort, near the beach at Natal. Typically for properties aimed at overseas investors and the tourist



TROPICAL NEST: An image of a villa at the Pipa Belezza scheme

market in a country that is still developing, Jacuma Beach is gated, with its own bars, restaurants, pool, shops and medical centre. One bedroom apartments start at €80,000.

Paul Ferguson, 50, is a vet from Co. Armagh. He and his wife, Jackie, went through a Brazilian specialist, uv10.

The Fergusons, who have two children, Sam, six, and Katy, three, recently bought two properties at Morada dos Ventos in Pipa near Natal for €63,000 and €82,000 and has just invested in a third – a penthouse apartment in the Pipa Belezza Resort in Pipa although his fascination and love for this incredible country began a long time before.

'Truth be told,' says Paul, 'I have been in love with Brazil since I was a kid. As a young boy I watched the wonderful team of Pelé, Carlos Alberto and the others win the 1970 World Cup, and visits recently have kept the magic alive.'

'However, if I let my head speak rather than my heart, I also chose to invest in Brazil as I see a bright future for the property market there, and indeed, the economy in general. For me it is a win-win situation.'

Paul explains why they chose to buy in the less populated northeast of Brazil. 'I settled on Pipa in the Natal area in the northeast after a doing a lot of research. Brazil's relative proximity to Europe with a flight time of about nine hours compared favourably with Florida, and then there is the excellent year-round sunny climate (with the added bonus of no hurricanes), and beaches that even the Aussies would die for!'

He continues: 'Pipa has excellent windsurfing, kitesurfing, wave surfing and buggy riding on the beaches. You can even swim with

the wild dolphins who live in the bay year round. But really most people come to wind down and relax, and live on "Pipa time".'

Crime is a concern in Brazil, although Rio Grande do Norte has the lowest levels in the country.

Samantha Gore of uv10, says: 'You don't get the same level of violent crime as you do in Rio; the worst that happens in Natal is pick-pocketing.'

Even so, the advice is to buy in a gated or secure development.

South America has also long been a byword for economic mismanagement, and although Brazil's growth prospects are strong – it's now the 10th largest economy in the world and predicted by Goldman Sachs to be the fifth by 2050 – the country's mortgage market is almost non-existent. Only 1pc of properties are bought with a mortgage rather than cash, and interest rates can reach 15pc. Arranging your mortgage at home is essential, but even then it's not all plain sailing.

'We've had increased interest in Brazil, but buying there is not for the faint-hearted,' says Daniel Wright of Foreign Currency Direct. 'You need a certificate from the Brazilian consulate called a CPF which is proof of your identity and which normally takes about two months.'

'Even if you do a buy-to-let you'll be expected to pay all property taxes, which can amount to about 2pc of the assessed value. When you sell, you must go through Brazil's central bank or you might fall foul of money-laundering regulations.'

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FLOWER POWER: Colourful beds line the streets leading to the marina

The sun will always be shining on Côte d'Azur

The credit crunch means that there are fewer buyers willing to invest in overseas property. But as with any industry, no matter what the economic circumstances, there will always be buyers, provided the product and price is right.

Unlike other emerging market destinations, the south of France already has a hardcore following among the overseas property-buying population. And the Mediterranean coast is a particular favourite.

Les Clos de la Garonette is a new off-plan scheme, located close to Cannes on the famed Côte D'Azur, a playground of the rich and famous.

Situated in the coastal town of Les Issambres, between St Maxime and St Raphael, this scheme is marked for 13 detached and 12 semi-detached villas, with each to be built on substantial plots. Including three, four and five-bedroom versions, the properties are being



LUXURY: A drawing of one villa

sold off-plan as luxury units, with an option for a guaranteed rental investment of 3pc per annum.

Those who are using the properties as an investment option will also be able to reclaim the 19.6pc VAT, thus substantially reducing their investment costs.

The first phase of semi-detached units range between 114sq.m (1,226sq.ft) and 120sq.m (1,291sq.ft). Prices for the full-build and fit-out start at €548,162.

However, if you're prepared to use the property as investment option, the VAT reclaim reduces the price by €89,882 to €458,280. For those going for the investment option, three weeks' guaranteed usage per annum is available to the owners.

If you want the villa for personal use, prices start at €520,098. Construction is under way to be completed by summer 2009.

For further information, contact Pierce & Elliott Ireland – Tel. (01) 408 9693.

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