

# GRASS GREENER ON THE OTHER SIDE?



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According to Pew Research on the world's migrants, roughly 900,000 South Africans were living in other countries in 2017. A total of 210,000 of them had migrated to the United Kingdom. This was closely followed by 190,000 South African expats living in Australia and another 100,000 of them living in American states. If you had it in mind to follow their example and say your goodbyes to the land of *biltong* and *braais*, then you might find it

helpful to know what an entry-level home will cost you in each of these three regions.

"Emigrating is a bold step to take. A lot can go awry if the move is not carefully researched and planned. If you are planning on purchasing property when you reach your destination, then you need to avoid the trap of converting to Rands when doing your research. Remember, you will be earning in that country's currency when you get there; unless you plan on purchasing from your South African savings, converting is rather a frivolous exercise," says Adrian Goslett, Regional Director and CEO of RE/MAX of Southern Africa.

## **#1 United Kingdom**

Being the UK destination of choice for our expats, London is often referred to as the miniature South Africa – sadly though, property here does not come cheap. In Prime Central London, you're looking at around £300,000 for a studio apartment. If you're really lucky, this might also afford you a one-bedroom flat. Many prefer to purchase property on the outskirts of town and commute into the city. For example, areas such as Watford offer better value for money but are within 20 minutes of the city by train. "For the Prime Central London market, invest in smaller properties, such as one or two bedrooms rather than larger – that would be my advice at present. Don't be frightened to go a little out of the center of the city as there are very good yields to be had from areas that are easily commutable," says Roger Collings of RE/MAX Central.

## **#2 Australia**

Two of the biggest cities in this region are Brisbane and Sydney. But, as appealing as it may be to live near to the iconic Sydney Opera house or Harbour Bridge, living in this tourist city comes at a cost. The median house price in Sydney is roughly AUD\$1.1m. However, if you choose to stay in Brisbane, that number drops to around \$665,000. "We have been through a period in Australia of record low interest rates over the last three years which has driven house prices up at a rapid rate in Sydney and Melbourne specifically. Now however, due to restrictions imposed by the Chinese government reducing the foreign market, and with our major banks tightening up on their lending practices, we are noticing that the market is plateauing in these areas, with more owners looking to cash-in on their property gains and migrate to more affordable locations. While I think Sydney and Melbourne will remain at a premium price point for the foreseeable future, I believe it likely that the other locations will creep up in price and we may also see a bit more of a cooling off in prices in Sydney and Melbourne," says Josh Davoren, Director of RE/MAX Australia.

### **#3 USA**

Florida and California are the two states in America with climates most similar to that of South Africa's, which makes them the most desirable states for South African expats. According to the California Association of Realtors' website, the average price for an entry-level home in Los Angeles currently stands at around \$530,000 and at \$1,620,000 in San Francisco (two of the state's most popular cities). However, prices are somewhat more affordable in Florida, with entry-level homes starting at around \$283,000 in Miami and \$240,000 in Orlando. "Despite a sluggish first quarter owing to Hurricane Irma, the market has rebounded. Housing prices are fairly stable at the moment but are rising. However, inventory remains low which currently makes it a seller's market," says John Rainey, Regional Vice President of RE/MAX Florida.

Where ever buyers choose to purchase, Goslett advises South Africans against rushing into any decision. "It is incredibly difficult to purchase a primary residential property if you do not live in that country. My advice to our expats would be to rent for a few months and explore their surroundings before deciding on where to purchase a permanent home," Goslett concludes.