

FAR EASTERN HORIZONS

Many of the fastest-growing cities and emerging investment markets are in now in Asia.

Joanne Christie picks out some locations open to foreign buyers

The Far East has long appealed to adventure-seeking Brits heading off on winter-sun holidays, and the region is becoming increasingly popular with those looking for a more permanent change of scenery.

It's not hard to see why — it has the kind of weather that sees Australia constantly top the tables when it comes to Brits' most desired relocation destinations, but the cost of living is much lower. In Numbeo's *Cost of Living Index* for 2015, the UK was the 10th most expensive country to live in (Australia was no 6).

In comparison, Thailand was no 87, the Philippines no 105 and Indonesia no 108.

In addition to offering the opportunity to eat out for under a fiver, several countries in the region, including Thailand and Malaysia, have favourable retirement visa schemes in place for Brits. But it's not all good news when it comes to bureaucracy — there are many restrictions on foreign ownership of property in Asia, and expats need to make sure they dot their 'i's and cross their 't's when buying property on the continent. Here, we round up some of the top spots and the up-and-coming destinations in the region.

THAILAND

The Land of Smiles is one of the most popular Asian destinations for those looking to buy property, and even last year's coup, which led to the current state of military rule, did little to effect the nation's popularity with Brits — more than 900,000 continue to visit each year.

It is often these initial visits that provide the impetus for a longer-term move, says Trevor Watling, managing director of the real estate marketing agency Resmapi. "Thailand is one of those countries that does get under people's skin. You hear 'I went to Thailand for a month, but never left' rather a lot."

Unsurprisingly, it's the tourist hotspots that prove most popular with foreigners buying property, with Pattaya, Hua Hin and Phuket perennial favourites. Pattaya, a couple of hours from Bangkok, offers some

of the cheapest properties, with condos on offer for as little as £25,000, although for that price you're likely to get the least appealing flat in an apartment complex in a less desirable part of town.

"To get something nice, you need to pay a bit more money," says Jason Harrison, chief executive of GDI Overseas Property Group. "You are looking at about £45,000 for a good one-bed apartment and about £80,000 for a two-bedroom one."

For those set on rock-bottom properties, a number of budget developments are springing up just down the road in Bang Saray, a former fishing village about 10 miles from Pattaya. It is seeing increasing development from companies such as Sisaran, which is building condos with prices starting from £17,000.

"The land is a lot cheaper here than, for example, in Pattaya, so that allows us to offer better price points," says Lawrence Knowles,

project manager at Sisaran. "It has also become quite common over the last few years for developers to target the low end of the market, and many are moving towards the smallest unit size possible because there has been huge demand for this type of budget property."

This trend is also being played out in Phuket, says Luc Montens, managing director of the real estate agency Tropical Properties. "Whereas previously many people were interested in having larger gardens, now the trend is to downsize," he says. "Building on smaller plots makes the villas more affordable, as the price for land in Phuket has skyrocketed in the last four to five years."

Despite the price rises, Montens says there are some bargains to be found on Phuket right now. "It is a good time to buy, as the market is under pressure. There are a lot of resales on the market, forcing the sellers to be more flexible in their pricing

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 ”



Phuket (Surin), from £62,000
 Studio apartment (27m²)
phuket-tropical-realestate.com



Phuket (Kamala), from £261,000
 Three-bedroom villa (from 194m²)
phuket-tropical-realestate.com



Bang Saray (near Pattaya), from £20,000
 One- and two-bedroom apartments (from 27m²)
 in this former fishing village
seazencondo.com

and negotiations, because there is a lot of competition.”

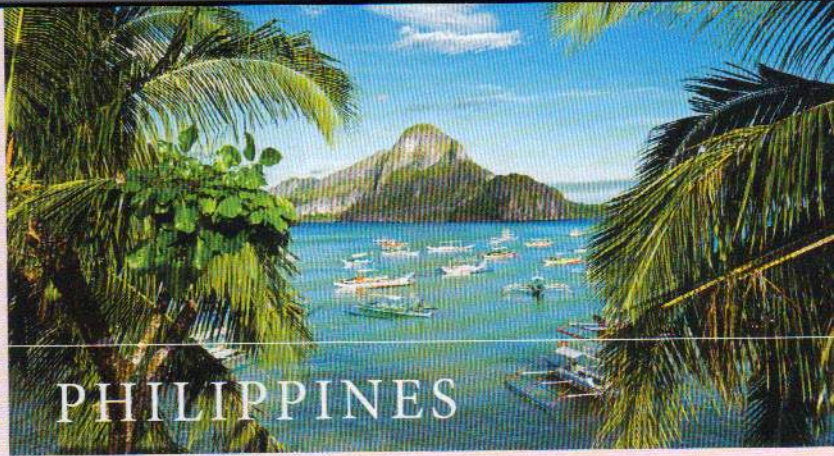
Harrison says the fall in value of the Russian rouble has led to an exodus of Russian buyers in Thailand, and this loss is leading to opportunities for buyers from other countries. Watling agrees, but says this is specific to certain regions. “Certainly Phuket and Pattaya have been quite heavily hit by the loss of the Russian buyers — but prices in places like Koh Samui remain expensive, as it has always been high-end.”

In Thailand, foreigners are not allowed to own land, so those wishing to buy the villas popular in areas such as Phuket and Hua Hin have to buy the property and then lease the land in 30-year increments. It’s much easier to buy an apartment (usually referred to as a condominium in Thailand), because foreign buyers can own these, so long as no more than 49 per cent of an individual development is owned by foreign buyers. ☉



Pattaya, from £52,000

One-bedroom apartments (33 sq m) at Pratumnak. mysiumcondo.com or gdioverseas.com



PHILIPPINES

Although it has many of the same type of attractions as its more touristy neighbours Thailand and Indonesia, the Philippines has lagged behind when it comes to pulling in foreign visitors. But with double-digit growth in tourism last year, the secret is out — the Philippines even made it into Lonely Planet’s top 10 places to visit in 2015.

The Philippines comprises a total of 7,107 islands and has some of the world’s most recognised holiday destinations, Boracay, according to official figures, had 1.35 million tourists in 2014 and ranked no 1 in Asia in the 2013 TripAdvisor Travellers’ Choice “best beaches in Asia” awards. Coming out of a mix of Spanish and American colonialism, the Philippines has a culture that embraces native Malay roots but which now is heavily mixed with Western influences.

It’s a dynamic place right now. “With English as the second national language and a strong belief in academic achievement, Filipinos are ready and able to contribute within global markets,” says Dave Nurse of Megaworld, a company specialising in finding properties for UK clients and investors (mangagproperties.com). “This highly educated workforce, coupled with a relatively low cost base, has led to increasing interest in outsourcing international businesses to Philippine cities where the growth in call-centre and IT outsourcing from the UK and the USA is now outstripping many of its Asian neighbours. GDP growth in 2014 ran at a consistent 7.5 per cent.”

There is an increasing number of expat workers in the Philippines, meaning that property here is being touted as an excellent investment. “Property price increases are averaging 6 per cent annually and rental yields are the highest among all of the Asian economies, averaging over 7 per cent,” adds Nurse.

However, as with other Asian capitals, property in Manila isn’t dirt cheap — a good one-bedroom apartment in an upscale development is likely to set you back about £140,000. Jacqueline van den Ende, the founder of the property portal Lamudi in the Philippines, says that buyers typically fall into one of two types in the country. “If you come to work, you

would mainly live in Manila. If you come to relax or retire, or have a holiday home, it would mostly be the Cebu or Visayas region. Cebu is a much calmer city than Manila, it is much easier to navigate and closer to lots of nice beaches.”

As with Thailand, foreigners cannot own land in the Philippines, but they can own condos so long as the foreign ownership in a building does not exceed 40 per cent. Megaworld offers a range of affordable condos across the islands; prices at the Spanish-styled Lafayette Park Square in Iloilo Business Park start at £38,000 for a one-bed studio, rising to £138,000 for a luxury three-bed double balcony suite. “Investors have the opportunity to own [a unit] and receive income from hotel ownership, typically realising a yield of 10 per cent annually on the capital invested,” says Nurse. “A condotel suite in Boracay Newcoast costs £73,000 for a 15-year lease, with returns of £7,700 per annum income, based on a 70 per cent occupancy.”



Boracay Belmont Luxury Hotel, £73,000

This hotel is situated on the east coast of Boracay and consists of condotel units with a 15-year lease, with annual income returns of £7,700. mangagproperties.com



Iloilo, LaFayette Park Sq, from £38,000

This 14-storey residential condominium tower will be home to luxury one-to-three-bedroom units, priced from £38,000 for a 51m² one-bed studio. mangagproperties.com

FAR EAST

INDONESIA

Bali has long been a hotspot for foreign expats, but while it once offered bargain properties in paradise, it's now been well and truly discovered by the luxury set. In fact, a recent Knight Frank report put Bali in third place for luxury house-price growth in 2014, topped only by New York and the US ski resort of Aspen.

While a beachfront pad is likely to set you back more than \$1 million (£679,000), there are plenty of areas around the island where you can buy something with more than one bedroom for £150,000; and, if you're after lots of space, you'll get more for your money if you're willing to live in a less-developed area.

According to Eric Bice of the property firm Elite Havens, buyers are moving away from the traditionally popular area of Seminyak towards the Canggu, Seseh/Cemagi and Bukit areas, and facilities are following suit. "We are now seeing outcrops of shops and restaurants traditionally only seen in Seminyak, which make buying these 'further-out' villas not seem so secluded."

Canny buyers looking for long-term potential are heading to the island of Lombok, 30 minutes by air or four hours by sea from Bali, hoping that its burgeoning tourism industry will lead to Bali-like growth.

"Lombok has been getting much more attention over the past few years, and the money spent goes a longer way than it does in Bali," says Bice. "However, the two islands offer such different experiences for visitors that many buyers will have a strong preference for one over the other. Purely from an investment perspective, Lombok tends to be seen as the longer-term prospect."



Bali, £1,635,000

Four-bedroom villa (940m²) in Batu Belig,
elitehavensales.com



MALAYSIA, CAMBODIA & VIETNAM

Malaysia, historically, has been one of the more welcoming Asian nations for foreign buyers, allowing them to buy both apartments and houses with land. However, there are minimum prices for any property owned by foreigners, and last year the government increased this to MYR1 million (£183,000). In some areas, such as Penang island, this threshold is much higher.

Trevor Watling, managing director of the real estate marketing agency Resmapi, tips Cambodia and Vietnam as hotspots of the future, particularly as the latter has recently relaxed restrictions on foreign ownership of

property, from July 1. "One market of increasing interest is Vietnam, which has just opened its doors for foreigners [with a valid visa] to buy property there. There are certainly more expats moving into Vietnam: the country is 20 per cent cheaper than anywhere else in Asia to live."

Some restrictions apply: foreign organisations and individuals won't be able to purchase more than 30 per cent of the apartments in an apartment building. Also, foreigners will only be allowed to own a property for 50 years, although there will be the possibility of extensions. Savills have a selection of properties available, especially around Ho Chi Minh City — see savills.com



Vietnam, £1.04m

Five-bedroom, five-bathroom luxury villa, with a swimming pool, on a beachfront plot in the Mia Resort Nha Trang, Khanh Hoa Province.
Savills.com