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Report

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That Latin flair

How are agencies in Miami dealing with Brazilians keen to invest there in big numbers?

OPP interview

Why does EcoHouse president Anthony Armstrong-Emerly feel he is in the perfect place?

Chinese thinking

What does a typical Chinese overseas property investor want from our industry?

NEWS IN BRIEF

RCI hosts pro-workshops



RCI is hosting a series of three half-day "Shared Holiday Ownership Workshops" between now and May 2012 designed to help "anyone involved in or who wants to find out more about" the shared ownership sector. The first of these events was held in Istanbul on 6 February. Upcoming events are on Wednesday 25 April in Edinburgh, Scotland; Tuesday 22 May in Vienna, Austria. RCI encourages interested delegates to visit www.SHOWWorkshops.com for more information and to register.

Orascom shelves project

THE 3.5 million sqm Tigan residential project has been cancelled by the key partners involved, Egyptian developer Orascom and its subsidiary Madinet Nasr Housing. They have decided to cancel the Tigan project because the timing is not right. The two companies reached this conclusion "in light of the recent changes in the real estate industry and the unsuitable timing to launch a huge and luxurious housing project," Orascom told OPP.

Hideaways serves up ace

THE Hideaways Club has signed up the Czech-born tennis star Tomas Berdych, currently rated number six in the world rankings of professional tennis players, as an ambassador for its exclusive luxury property investment group. Berdych will sit alongside fellow tennis star and retired British champion Tim Henman, who also signed up as an ambassador with The Hideaways Club in 2009. Hideaways allows investors to invest in shared ownership funds set up to buy and run luxury second homes round the world. Members get 6 weeks occupancy per annum.

DSG joins The Registry

THE Dubrovnik Sun Gardens resort has joined The Registry Collection, the world's largest exchange platform for luxury holiday homes. Julian Houchin, commercial director of the resort owner iO Adria, told OPP that DSG is now "one of the few lifestyle freehold real estate resort investments available today in Europe offering a balance of personal usage and competitive net yields for owners."

Luxury projects 'safest bet'

By Geoff Hadwick

Luxury international property developer Nick Candy believes that top-end residential real estate investments are as good a bet as any in the current economic climate and that "if you invest in the very best real estate you will do very, very well" and ride out the ups and downs of the markets.

Speaking to CNBC this month, Candy argued that "shrewd investors with access to capital" are increasingly viewing luxury property developments as "a long-term commitment worth making."

His company, Candy & Candy, whose One Hyde Park apartment block in central London is one of the most expensive addresses in the world, with penthouses costing up to \$215 million, is marketing luxury property not just as somewhere wonderful to live, but also as a wise investment that can be passed down from generation to generation.

"People are buying for the long term," he says, and world cities like London are the best places to look. There is a



Luxury investments | are a dream compared to the rest of the market, says Candy

constant cycle of overseas investment going on he argues. "London is still a very strong market. In the 1970s and '80s we had Middle Eastern money; in the late 1990s we had Russian, Ukrainian and Kazakh money and today we have Indian and Chinese money. There is more international money coming in than ever before."

"London can soak up — from the number of international purchases that are coming in — a lot of supply that is coming onto the market," he added. "We have very limited supply because

it takes a good five to ten years to build a decent project. Limited supply, huge demand; ... (all mean that) prices will continue to increase."

Elsewhere in the world, "New York is still very strong," says Candy. "It's very American-centric though - 80% of people buying expensive apartments in New York will be home-grown Americans."

"I also think that Dubai will have a bounce back partly because of the Middle East uprisings. The Gulf regions want to go and buy real estate in Dubai."

China looking gloomy Aus crisis

A leading developer is expressing worries about China's imploding home price crisis and the worsening outlook for the nation's property market.

Vincent Mo, founder and chairman of Beijing-based SouFun Holdings Ltd, spoke out this month as China revealed that December home prices had tumbled, posting their worst monthly performance of 2011.

Only two of the 70 cities tracked posted gains, as the government reiterated its plans to maintain housing curbs.

And the latest monthly China report from agency Knight Frank shared his gloom.

Residential property sales in Hong Kong shrank further in December 2011 as, according to the Land Registry, home sales dropped 10.3% month on month to 4,301 in December ... their lowest levels since November 2008.

Even Hong Kong's legendary luxury sector failed to brighten things up. Sales

volumes of luxury real estate valued at over HK\$10 million dropped by 32.9% to 466, the largest decrease among all price categories.

During 2011, transactions of residential units in the city plummeted by 40% year-on-year to 84,462.

Looking ahead, Knight Frank said "the primary sector will continue to outperform the secondary sector, while the rental market will remain inactive during this traditional low season. We believe both luxury prices and housing rents are likely to fall during the year."



Uphill struggle | China faces a crisis

Australian timeshare operators are facing new laws that could wipe out commissions ... leaving them to face an "immediate and devastating" threat, the industry there has warned.

Government-proposed "Future of Financial Advice" reforms would ban financial advisers from taking conflicted forms of payment, including commissions and volume-based payments.

In Australia, timeshare products are regulated as managed investment schemes, with operators needing to hold financial services licences. Commissions are commonly used as an incentive in the sector.

And Barry Robinson, chief executive of Wyndham Vacation Resorts, said that timeshare operators could be "very detrimental" for the sector if the proposals become legislature.

"Businesses in our industry have tried other remuneration structures, and they haven't worked," Robinson said.