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## Aussies expats are the next wave of investors

Amid the economic gloom, our own Aussie expats could be a beacon of light and add significantly to investment sales in coming years.



JAMES NIHILL

There is a bit of economic gloom around with reports of the residential market slowing down and house prices starting to come off and decrease in our major capital cities. Nobody uses the word “crash” but many commentators hint at a housing market crisis.

The retail sector continues its own steep decline and adds to this that the Australian dollar has fallen to its lowest level since 2016 and is forecast to continue to fall even lower.

While these conditions make banking and finance types jittery and also make great Page One headline in newspapers – they also present a perfect opportunity for the next wave of investors in Australian property: Aussie ex-pats.

It is easy to forget about Aussie ex-pats as they are literally not here, and are spread across the globe but mostly concentrated in the United Kingdom and the United States of America.

Studies show that there are more than 346,000 Australian ex-pats around the world and most left our shores for their careers with 43 per cent of expatriates citing 'better employment opportunities', 36 per cent 'professional development' and 32 per cent gave 'higher income' as a reason for emigrating.

While the ex-pats pursue successful and fulfilling careers overseas, they become older and start to settle down and inevitably start to either think about or plan when they will return to Australia. For some, this is driven by having children and wanting them to have an Australian education and for others, it is about ageing family or simply just wanting to come home.

The combination of a slowing residential market and low Australian dollar suddenly makes locking in investment properties back at home much cheaper and more appealing.

Put simply, the falling Australian dollar and softening house prices could mean Aussie expat investors could snap up two properties instead of one – or go for a larger house instead of an apartment.

But it isn't all smooth sailing when parking their hard-earned cash back on home turf and expats will need to do their homework and also seek professional advice as the processes they need to navigate can be a minefield.

Some expats can find the lending process a little arduous – especially if they don't already own property in Australia. Banks typically class expats as a non-standard borrower and may require a higher deposit and more stringent proof of income requirements.

It is also critical for expats thinking of building a portfolio of Australian investment properties to consider their individual tax position and whether they are an Australian resident for tax purposes.

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James Nihill formed real estate agency Patrick Leo in 2014 and today is the company's managing director. Patrick Leo specialises in sourcing and acquiring residential investment properties, and to date has helped more than 1,000 people buy property all over Australia. Patrick Leo also has affiliated businesses in home loans and financial planning, Sami L Home Loans...