

## Key Facts: Dubai

<b>Population</b>	60.6 million
<b>Capital</b>	London
<b>Language</b>	English
<b>Climate</b>	Average Summer Temperature 33°C
<b>Currency</b>	Sterling

## Why Invest in the UK?

The UK represents a sound medium to long term investment. Historically house prices double on average every 8 years and the signs show they will continue to do so; quite simply people need a roof over their heads and demand for housing is forecast to continue to outstrip supply for at least the next 20 years (The Barker Review).

The average growth for the next few years may only be predicted at 4-8% (depending on which forecast you read) but it's fairly easy to beat those averages and get a much better return simply by applying your knowledge about the property market. For example, buying in regeneration areas or other areas where certain triggers such as new industries, mean that demand will grow

The buy to let mortgage market in the UK is much more advanced than most other countries which means it is possible to buy using very little (even none) of your own money. For instance using Bridging Financing; If you are getting at least 17% genuine discount off market value, it is possible to do this using none of your own money,

Even without using a specialist investment product such as bridging finance or deposit bonds, the deposits required on a residential mortgage are low so it is possible to buy a £100,000 property with just a £5,000 deposit. If that property doubles in value over the next 8 years, you will have made £100,000 for an investment of just £5,000 – an ROI of 2000%.

With regard to off plan property the deposits required to buy off plan in the UK are generally lower than overseas so again you can gain the benefit of capital growth with less capital expenditure

The UK market may be at the top of the growth cycle but if you are smart and buy property at 15 - 20% BMV (Below Market Value) you are in effect buying at the bottom of the market. Even if there is no further capital growth you can still sell for a profit. As Robert Kiyosaki says in Rich Dad Poor Dad "a wise investor will make his profit when he buys the property not hope to make it when he sells"

Housing remains affordable despite the high price tags. The RICS forecast 2006 states: "Furthermore, house prices are sustainable at present levels as mortgage interest payments still account for 8.9% of households' disposable income, compared with the long run average of 9.2%."

Rents and yields are increasing in many areas so profits from rents will increase steadily over time. Historically rent increases average out at 5% a year

Finally for many people investing in a UK property is a less risky proposition than an overseas investment. It may not have the potential rewards of investing in Bulgaria, Morocco or Brazil but it is a solid investment and one they feel more comfortable making.

## Taxation

1. Capital Gains Tax: 40%
  2. Stamp duty: Properties purchased up to: £125,000\* – nil  
£150,000 & up to £250,00 – 1%  
£250,000 & up to £500,00 – 3%  
over £500,000 – 4%
  3. Corporation Tax: up to £300,000 - 19%
- \* £150,000 for residential properties in disadvantaged areas and all non-residential properties

## Purchase Procedure & Legal Costs

Purchasing off-plan in the UK is a relatively simple process. There are many options available. We therefore, always recommend you take legal advice with any financial investment.

When finance is provided, the loan will most likely have a maximum term of 30yrs and be of either repayment or interest only status. The majority of loans, an individual's net disposable income is required to be roughly 3 x the figure for the monthly mortgage repayment. Loans usually offered range from

between 50% to 85% LTV.

**Typical payment structure**

1. 2% finders fee plus £2,000 reservation
2. 10% deposit less reservation fee paid within 7 days of reservation
3. Balance on completion.

**Please note:** Some developers will insist on stage payments i.e. % @ foundations - % completion of brickwork - % window - % on delivery.

UK has good investment potential. We have therefore, selected a variety of investments which offer different advantages and cater for all types of investors depending upon what they hope to acquire and achieve with their investment.

The Overseas Investor carefully selects property investment opportunities from politically stable countries that indicate excellent economic growth, have internationally respected legal systems, stable currencies, attractive tax policies and will provide strong investment yield and growth.

Once you have decided on the type of property or if you would like to discuss further please contact us; call us free on: 0800 0933654 or email on; [click here](#)

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