

Returning expats can stimulate property market

Returning South African expatriates - particularly those who have been living in the UK - could be a key pillar in the recovery of the market for higher-priced homes says Ronald Ennik, CEO of Ennik Estates.

"In the wake of the euro zone debt crisis, and the employment and other uncertainty it has created, living and working abroad has lost its lustre for many expats," says Ennik. "This is clearly mirrored in the uptick in buy enquiries we are receiving from South Africans wishing to come back home."

While no statistics are officially available, Homecoming Revolution, a Johannesburg-based non-profit organisation that encourages and assists expats to return, says it is receiving 120 enquiries a month from South Africans living abroad who wish to come home.

Economy a major factor

"One of our partners, who specialises in car imports to South Africa, has noted a 30% increase since August 2010 in the number of South Africans wanting to ship their vehicles back to South Africa," says Brigitte Britten-Kelly, managing executive of Homecoming Revolution.

Most of the returnees are leaving the UK, where they have lived for the past ten years or more, and are now finding the economy a strain. Many are also coming home from Australia and Dubai. "They are generally aged between 30 and 40, with young families, and are looking for a better standard of living for their children," Britten-Kelly adds.

Exchange rate favours expats

"Luxury homes in South Africa are well priced right now from a foreign investment perspective," says Ennik. "Given that returning expats are bringing hard foreign currency into a favourable exchange rate climate, they are generally spoilt for choice in an upper home price band that offers them high value and potential return for the pounds, euros and dollars they invest in their new homes here," says Ennik.

"Among the biggest factors driving their return to South Africa is the explosive economic growth that is taking place in sub-Saharan Africa, with South Africa not only its gateway but also the region's leading investment destination," Ennik concludes.

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