

# Ireland on Sunday

**Snapping up a villa in the sun is easy if you come prepared**

By Pat McGoldrick

**U**NTIL ABOUT 15 years ago, only the comparatively wealthy in Ireland could consider buying a foreign property. Now, it seems that every Tom, Dick and Paddy has a portfolio no less.

Where once it was the local doctor, solicitor, accountant or publican with his little beachside villa or apartment in Fuengtola, property circles these days are replete with stories of bricklayers and plumbers phoning from the pub on a Friday afternoon to place deposits on 'a couple of them yokes you have for sale in Turkey or Bulgaria'.

And the more the stories are told, the more reckless some of us seem to be becoming with our hard-earned ready. We are not only buying property sight unseen, we are buying in countries we have never been to and, in some cases, are never likely to go to.

But the stringent economic laws of buying property at home apply even more when buying abroad because there is so much more that can go wrong and, as ever, ignorance of the law is no defence, especially for the terminally stupid.

The number of people who buy without even checking to see what the tax implications are, for example, or if the country in which they are buying has a joint tax agreement with Ireland, is remarkable - and frightening.

Anthony Fernandes of SPC Overseas Properties - (0934) 95 292



From Spain to Bulgaria, the Irish are buying properties overseas in unprecedented numbers

7855 or [www.spc-overseas.com](http://www.spc-overseas.com) - gives the same advice to all his clients: 'Always have very clearly in your mind, the reason you are buying a property. If it is for personal use, choose something YOU like.'

If it is for investment purposes, either short or medium capital growth or for rental income, listen to the advice of the property consultant by all means but make up your own mind whether it makes financial sense.

'Does the proposed property fit the basic criteria of a good location near to amenities (shops, bars, restaurants, the beach) or in an area where there is an under-supply of property?'

'Always use an independent local lawyer. If the lawyer is recommended by the property agent, that is fine, but make sure he is not also acting on behalf of the vendor or the developer. Make sure you fully understand the local buying process.' On the vexed

question of tax, Mr Fernandes says: 'Speak to your own financial adviser at home and then with a local financial adviser who can explain the buying process from all tax perspectives and explain all the relevant buying costs for you.'

**T**HAT WAY, you will understand what you are comfortable with spending from the outset, you will understand the tax implications and what they will mean for your cashflow, and you won't waste time looking at properties outside of your price range.

'If you are unsure about committing to a property, sleep on it overnight. Ask the developer or vendor to take the property off the market for you for one night. If they don't, or if it sells, then it was not meant to be and something better will come along. If it really

is what you want, make the financial commitment of reserving the property so that you don't lose it to another buyer.'

'Whatever you do, don't overstretch yourself financially buying a property based on a salesman's suggestion of "potential rental income". If it doesn't transpire, you could find yourself in deep water.'

'Don't be blinded by the perfect interior design of the invariably large show apartments. Concentrate on what it is you are actually going to be buying. And don't accept vague answers from any sales person about future facilities on site or possible views. Get your lawyer to verify this for you.'

So there you have it. If it sounds worrisome or complicated, that's because it is. But it is also great fun if you know what you are doing. And you will be entitled to become a member of the fastest growing club in the country: The Property Bores Of Ireland.

### THE DO'S & DON'TS

- Do use the services of a reputable local lawyer. Only a lawyer will know all the checks that should be made before you part with money.
  - Do use an estate agent or a development company. They will be able to show you a selection of properties in the area of your choice.
  - Do always have documents translated for you into English by someone you can trust. It is well worth the expense of having lengthy documents, eg, title deeds, translated.
  - Do ask your lawyer to confirm to you, in writing, that there is no mortgage or other charge or encumbrance registered on the property.
  - Do travel out there and have a good look around yourself. Although time-consuming, it is fun and you will know what you are getting.
  - Do look at a number of properties (at least 10) before making a decision.
  - Do use more than one estate agent otherwise you are completely in the hands of one individual.
  - Don't think you can buy a property without taking professional advice. If you do, you could end up with neither property or money.
  - Don't part with money unless you are absolutely sure what you are getting for it and have received professional confirmation that everything is in order.
  - Don't rush for what appears to be a bargain just because you are offered considerable savings if you act quickly.
  - Do not make any advance payments unless you have a legally binding contract.
- The following are the key do's and don'ts of buying abroad as issued by Chris Philp of Pluto Developments - (0044) 207 870 3942 or [www.plutodevelopments.com](http://www.plutodevelopments.com)*

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