

## Indians buying homes abroad

**Srinivasa Prasad Sunday, May 13, 2007 (Source DNA Newspaper)**

In February, chartered accountant Archana and husband Prabhakar, an engineer in Dubai, planned to buy a flat in Mumbai where they want to shift jobs in two years. They were aghast that all they could get for their budget of Rs 2 crore was a one bedroom flat in south Mumbai. For the same price they settled for a two-bedroom villa a few minutes' drive from Dubai.

Property in Dubai appreciates (thirty per cent last year) less than in Mumbai but rents are nearly double at twelve per cent," says Prabhakar. Like Archana and Prabhakar, who have an ancestral home in Bangalore, an increasing number of Indians are queuing up to buy real estate in places like Dubai, London, Malaysia and Bangkok. Some want to flaunt a second home with a foreign address, others for holidaying or returns on investment. Some find that property is as expensive or even cheaper in some foreign locations. Some are encouraged by the Reserve Bank's doubling of the amount an Indian can invest abroad to \$100,000, which means a couple can invest \$200,000 or Rs82 lakh every year.

"Many are buying property in Dubai because it has no taxes and it's only two and a half hours from Mumbai," says Syed Miraj, the India agent in Mumbai for Dubai's real estate firm Better Homes. "I get 15 inquiries a month and four or five of them end up buying." The availability of easy bank loans and residence visas in UAE for property buyers are additional attractions. Many brokers are armed with CDs on "hot properties" in UK and UAE.

"Demand (from Indians for property in London) is particularly high in the mid-range price sector 400,000-700,000 pounds (Rs 3.2 crore to Rs 5.7 crore) which means that relatively more affordable locations such as St John's Wood and Kensington are being considered," says a study by Knight Frank, the global property consultancy firm. It estimates that this demand from Indians (along with the Chinese) will go up by seven per cent annually for some time.