

## Press release



# Sharp increase in Middle East investors buying properties in the USA

## Fine & Country rolls out 'USInvest' programme with an Open Day in Dubai

**Dubai, UAE; October 30, 2010:** There is a sharp increase in the number of Middle East investors buying properties in the USA, said Omer Ghani, CEO of Aquila Properties, Licensee of Fine & Country International Realty, on the sidelines of an Open Day to officially roll out the company's 'USInvest' service. The company has already received an enthusiastic response to the pilot run of 'USInvest', which allows UAE nationals and expatriates to buy exceptional properties at deeply discounted prices in the US market.

Ghani stated that as per the data published by The National Association of Realtors, USA, investors from the Middle East and Africa (MEA) have increased their purchasing of US residential property from US\$ 1.10 billion to US\$ 2.64 billion between 2008/09 and 2009/10- a staggering 140% increase.

"The USA has long been a preferential established market for property investments from the region and continues to hold great appeal. However, in the past, the bulk of acquisitions have tended to be institutional or HNWI buying of big ticket items. With the global financial crisis severely impacting the housing market in the US, re-adjusted pricing has put real estate investing within the reach of small and medium investors, which is now driving the growing interest from the region," he said.

According to Ghani, there is no market in the world like the US market these days, with the kind of values that are available for the type of properties. "If you look at the whole package that the US real estate market has to offer – robust rules, strong laws, efficient processes, relevant and live data, flexible transactions – along with re-adjusted pricing, the valuations then become even better. "

USInvest has been organised to advise and facilitate property investors, specifically in the small to medium category, to be able to purchase property in the US securely and seamlessly, without ever having to leave the UAE. The market presents opportunities to all kinds of investors – risk tolerant speculators seeking aggressive, short-term returns to risk averse small investors who want to preserve capital in the long-term and want a steadily growing asset. USInvest has put in place resources to cater to the diverse needs of various types of investors with strong market knowledge through deep collaborative on-ground arrangements in the US.

Talking about the long term prospects of US properties, Ghani said that currently , the supply of new homes in the US market is around half a million units a year while the average annual demand for homes, due to natural household formation (population growth) and obsolescence, on a 10-year average, is 1.3 million homes per year. This demand-supply imbalance, which is contributing to

absorbing the excessive inventory of the past, coupled with improved lending conditions, will definitely start to improve the pricing scenario of the market in the medium to long-term.

However, according to Ghani, investing when the demand – supply metrics change is ‘missing the boat’. The time to buy is now because the negative conditions affecting the market have driven prices to historically low levels.

He added: “Locations such as Florida, which have been battered by excessive building, unemployment and delinquencies, offer the most attractive deals anywhere in the world. As an example, fully developed, zoned and improved residential land lots, close to several golf courses, minutes to beautiful fresh water canals and a short drive to the beach can be bought for US\$ 2.00 per square foot. This sort of price level is ‘quite unbelievable’. No wonder that foreign investors have bought close to US\$ 15 billion of residential properties in Florida alone, with investors from the MEA region having invested close to US\$ 1 billion worth of properties in the last one year.”

Compared to the UK, Europe, BRIC countries or far Eastern countries and other parts of the world, the US market offers significantly better investment opportunities in one of the largest real estate markets in the world. US residential real estate is now affordable for almost everyone.

Aquila Properties has done a test market for USInvest in the UAE for the last eight months and based on the excellent response, is now planning to roll out the programme in other GCC countries.

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#### **About Fine & Country International Realty**

UK based Fine & Country is an established real estate firm with an international footprint spanning over 300 offices across eight countries. The company is the recipient of the sought after accolade of "Best International Estate Agency Marketing" at the CNBC International Property Awards in San Diego in 2010. Fine & Country incorporates high standards of excellence in the field of estate agency practice, market research and committed customer service. The company's real estate professionals strive to offer clients the best possible advice when selling or purchasing a property.