

More British pensioners investing in SA property

Some of the most expensive properties in South Africa have been bought by foreigners, while the Western Cape especially is home to small colonies of Germans, French and British expats. Currently there is a small, but notable, trend establishing itself; British retirees are increasingly looking to South Africa in their golden years.



It turns out that it's not just due to the fantastic climate or amazing scenery - it's about saving their pensions.

Due to the worldwide economic crisis there have recently been a number of proposals made by the EU that directly affect pensioner's pockets, and, according to the Alexander Forbes National Pension Index, retirement incomes in the UK have fallen by £13,000 since 2000.

Due to the weak local currency a British retiree can live well in South Africa - even on a diminished pension. Shelter Offshore, an international expatriate, advisory website, indicates that South Africa is currently rated amongst the seven places to retire for an affordable lifestyle along with Argentina, Northern Cyprus and Slovenia.

Interest in SA might increase

"Certain fears may remain as far as currency fluctuations are concerned but retiring here must be an attractive option, and I think interest might well increase," believes Jan le Roux, CEO of Leapfrog Property Group. "It is safe to assume that many of these retirees will invest in the local property market in their favoured areas such as Cape Town, the Kwa-Zulu Natal coast and, occasionally in Sandton, Johannesburg.

Foreign investment makes a small contribution to the local property market. According to the FNB Property Barometer the impact remains unchanged at 4%. The report does look back at 2008 where these investments comprised 20% of the market, but it is safe to say that such peaks will not soon be repeated. "That being said 4% may sound low, but one must keep the domino effect in mind - today's sellers are often tomorrow's buyers," says Le Roux.

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