

5 things every global real estate investor should know

Technology has brought down the barriers to global real estate investing and informed decision-making is key to success when expanding an investment portfolio into foreign territories.



Source: Supplied

“In an increasingly interconnected world, it is vital for investors to expand their horizons beyond local markets and understand the dynamics of global real estate and how what happens elsewhere in the world will impact locally,” explains Yael Geffen, CEO of Lew Geffen Sotheby’s International Realty who adds that real estate investment has long been a popular avenue for wealth creation and portfolio diversification, particularly during times of economic uncertainty.

“Understanding global markets necessitates in-depth research and due diligence,” says Geffen, “and investors need to familiarise themselves with local market dynamics, legal frameworks, cultural nuances, and economic indicators.”

Geffen has some practical advice for investors looking to international real estate for opportunities. Before you buy, you need to understand:

Diversification and risk mitigation

Investing in real estate in different parts of the world can help investors avoid losing money if one area has problems. This way, they can have a more stable portfolio that can handle changes and surprises in the market.

Growth opportunities and market trends

You can learn a lot from looking at how people trade in different parts of the world. Some places may change faster or slower than others because of money, people, or cities. These changes affect how much properties cost and how much rent they can make. If you find places that are changing fast, you can make more money by investing in them.

Access to international investors

Global markets help you connect with more investors. Real estate is a good investment for people from different countries. Working with foreign investors can give you new ideas, ways to invest, and opportunities to work together. You can also

invest in new places.

Portfolio optimisation and performance enhancement

To make smart choices with your money, you need to know what is happening in different markets around the world. This way, you can put your money where it will grow the most and avoid losing it. You can also pick the type of property that suits your needs and budget, such as houses, offices, factories, or hotels.



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Political and economic factors

To invest in real estate well, you need to know what is happening in the world. Things like politics, economy, laws, taxes, or big events can affect how much properties are worth and how good they are for investing. You should keep track of these things so you can make smart choices and avoid problems or take advantage of opportunities.

Geffen says that two main global trends that investors should note in the current market is the structural undersupply which is expected to continue in the short term and heightened rental demand in the long term due to ongoing urbanisation.

“Worldwide, the supply of new homes has slowed due to a spike in construction and material costs and most cities are unlikely to deliver the number of homes required to meet the growing demand.

“It’s also very likely that affordability pressures will put homeownership further out of reach of an increasingly large section of society which will underpin continued long-term house price and rental value growth.”

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