

## Foreign Real Estate Is Best to Buy in These Markets

by Juliette Fairley for MainStreet

NEW YORK ([MainStreet](#)) — The international market that is most prime for **investment** now is Panama, according to a new report.

"U.S. markets are heady and uncertain," said Lief Simon, an international **investor** and author of *Live and Invest Overseas*. "Therefore, the most important agenda for any U.S. investor as we head into 2014 is diversification and real estate overseas is the best possible strategy."

A *Live and Invest* ranking placed Panama at the top of a list of five due to its property values that have appreciated in key waterfront areas. These districts include Balboa Avenue, Punta Pacifica and Costa del Este.

"Just around the corner is the expected completion of the canal expansion," Simon told *MainStreet*. "New apartment inventory is low and immigration remains high as **banks**, international corporations and retirees continue to expand into this market."

In second place is Paris, which features such spruced-up parts of its cityscape as 25 million-euro renovation of Montmartre's Luxor Theater.

While the **real estate** market in rural France has remained flat since the downturn, values in Paris saw reasonable growth in 2011 and 2012, according to Simon.

"Particularly of interest right now is Montmartre in the 18th arrondissement," Simon said. "This is one of the most active rental markets in the city and a neighborhood that is attracting increasing investor attention."

Uruguay landed third place because 95% of the country is farmable.

"Farmland isn't a new asset class," Simon said. "**It's** the world's oldest. However, it has become very attractive in the past several years and is going to become more attractive over the coming decade as the world's population continues to expand."

The race to own farmland is so furious that **Brazil** imposed restrictions on foreign ownership of productive land.

But unlike in Brazil, foreign and local **investors** are treated the same in Uruguay. There are no restrictions on foreign ownership or use of land.

"Because Uruguay is a foreigner- and investor-friendly place, it has enjoyed the highest rate of foreign direct **investment** per capita of all Latin America for the past three years," said Simon.

Malaysia ranked within the top eight prime foreign **real estate** markets, because it's considered a regional and global hub for trade and for business.

However petty crime **rate** brings its attractiveness quotient down a notch.

"Malaysia has an affirmative action policy favoring the majority group," said Wei Min Tan, a **broker** from Rutenberg Realty in New York. "This has created a lot of unrest in the country. People don't feel safe walking outside or parking their car in the mall, for example, because they fear snatch thieves."

The stigma of drug wars is subsiding, and as a result, more people are visiting Medellin, Colombia. Simon says values are up 15% on average in the past two years, and he expects values to continue steadily increasing at this rate.

"As retirees discover all this city has to offer, real estate prices will pop," said Simon. "This is one of a very few markets worldwide where capital appreciation is a reasonable short-term expectation."

**Executives** who work in Medellin's burgeoning foreign mining and oil industries are fueling interest, because they need furnished rentals to live in.

"They want high-quality properties in **convenient**, central locations and they are on expense accounts, meaning they can afford to pay for what they want," Simon said. "Net rental returns can reach 10% per year and more."