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Buying property abroad

By Karen Barrett, Chief Executive of Unbiased.co.uk

TV property programmes, cheap flights and high house prices in the UK are tempting more and more people to buy property abroad, be it for a holiday home or an investment. Spain, America and Australia are all popular locations with Brits and lenders report a surge in people taking out mortgages to buy property overseas.

If you are planning to buy property abroad, the right planning and advice is crucial. Not only will you have to consider your financial situation on home soil, you will also have to wade through various products and procedures on foreign turf. An independent financial adviser (IFA) should be your first port of call when seeking financial expertise. An IFA will be able to demystify the jargon and help you find the best route to purchasing your dream home abroad.

Do your homework

Researching your chosen destination is vital. Speak to people who currently live in the area, visit out of season and investigate the travel options of getting there.

Use professionals

Make sure the solicitors, estate agents and surveyors you use are fluent in both English and the language of the country you are buying in. Find out what their fees will be up-front, shop around and try to negotiate.

Research legal issues

Some countries have laws you may be unaware of. For example, in Spain, any outstanding debts attached to a property become the responsibility of the new owner. Make sure you are aware of any legal clauses and know exactly what you are buying and the costs and responsibilities involved.

Arrange a mortgage

It may be possible to arrange your mortgage in the local currency or the currency you earn. Some British lenders have subsidiaries overseas while other UK banks have relationships with overseas lenders. Your IFA can help you find the most suitable mortgage for your needs.

Tax issues

Other countries have different tax arrangements to the UK and you will need to check which taxes you will be liable for if you buy a property, rent it out or live in it. Again, an IFA can help you make your money work in the most tax efficient way and ensure you're not wasting any unnecessary tax.

To find an IFA local to you, who can advise you on buying property abroad, visit www.unbiased.co.uk.