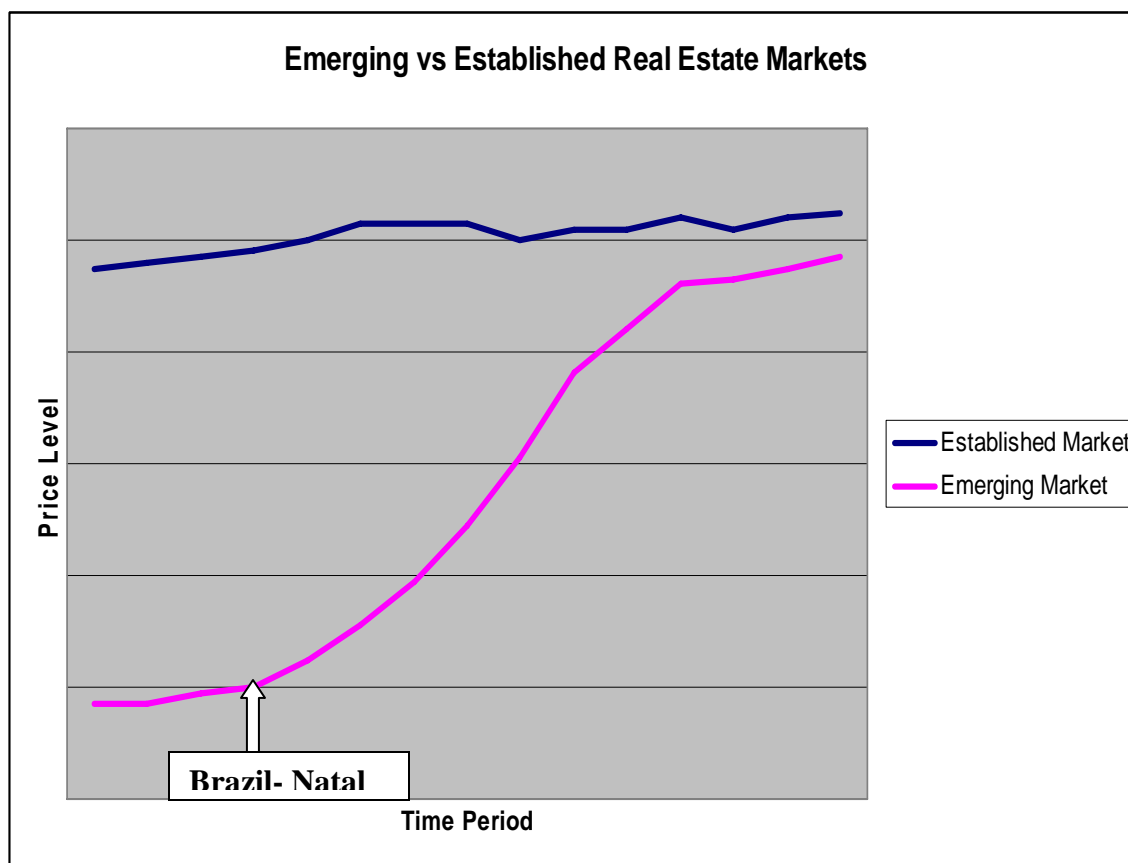


## *The property market in Natal-Brazil*

Established real estate markets tend to show a slow yet stable growth trend, however capital growth is limited due to a higher initial valuation. Because of this, many professional international property investors are expanding their geographical horizons and expressing increased interest for more exotic emerging real estate products that offer potential for higher capital growth. Emerging markets offer a potentially high capital growth but comes with an associated higher risk.



As with all emerging markets, the earlier you invest, the greater your profit potential. Defining moments and timing are always the catalyst for any real estate opportunity and when investing in an emerging market, timing is of even greater importance. If one picks the right time to invest in an emerging market, there can be significant capital growth. Pick the wrong time, however, and you may be taking on all the risk in return for little of the reward.

As an example of “wrong timing” would be to buy in an area that is not receiving investments nor is tourism increasing. Prices might be very low, but on the other hand the risk is very big and potential gains might never materialize or it might

take a very long time. A good example of this would be parts of Africa. Another example of “wrong timing” would be to invest in an area where prices are flattening out and the market will slowly turn into a more established market.

An example of “good timing” would be to buy in an area where tourism has been growing for some time but the property market is still in its very early stages. For professional property investors who want to maximize capital growth while minimizing risk, this is the best time to invest since property prices are extremely low in comparison to what they are expected to be and at the same time there are strong signs that the area will become even more popular. The property market in Natal is now in that stage and offers investors an unique chance to get early in and benefit from several years of growth.



**The property market in Natal is in its infancy stage.** The coastline around Natal is development free and the last years most of the land has been sold to developers and is now ready to be built upon. Most of the infrastructure has yet to come into place. As such, prices are still extremely low.

Once the developments start taking place and more infrastructure comes in, prices are expected to rise rapidly. *The property market is tipped to grow at a*

*phenomenal rate as international tourism is growing fast while at the same time the huge Brazilian domestic economy is fast improving.*

***In the next five years, investments in new hotels, golf courses, resorts and condos should exceed R\$ 4 billion (about US\$ 1.8 billion) on the coastline of Natal, the equivalent to 8% of all foreigner investments that the entire Brazilian economy received last year.*** The area is set to become one of the most popular tropical destinations for Europeans, and recently the Americans have opened their eyes for this area as well.

Due to the booming tourism and enormous potential for further growth, **the government has decided to build a new airport in Natal which will be the biggest airport in South America (will be 8<sup>th</sup> biggest in the world) and is due to be ready by June 2009. This will further confirm Natal's position as the number 1 tourist location in Brazil.** In addition, a large bridge is being built for making quick and easy to access from the centre of Natal to the beaches on the Northern Coast.

The coastline around Natal bares many similarities to how the Spanish Costa del Sol was 30 years ago. Once charter tourists started arriving in Spain and became aware of the lifestyle the area offered, the area started to change and consequently the price level as well. Today Costa del Sol is the leading tourist destination in Europe and the general price level reflects this as well.

It stands to reason that buying early – at a time when the property market is still in its infancy and prices are as cheap as they will ever be – promises to yield the greatest possible capital growth. The property market in Natal is still in the very early stage, and that is exactly what makes it so profitable for investors who get early in on the act.

Experienced overseas property investors know that the opening of a new airport is a sure-fire sign of success. It has a two-fold effect – it helps to handle the existing demand from people coming in and, of greater significance, it also has a trigger effect to bring more people into the area. The already existing international airport in Natal and the future airport which will be the biggest airport in South America and eight biggest in the world, are good signs of future success of the area.

Investors in the Northeast of Brazil can acquire beautiful properties in stunning surroundings, at prices simply unobtainable in most other destinations. For investors buying for a pure investment, as well as for those who want to buy a dream property in a stunning location for an extremely attractive price, *Natal offers an excellent opportunity to buy at extremely low prices that will never be seen again.*