



# BEAUTIFUL SOUTH

There's more to South America than carnival and caipirinhas, says **BERNADETTE COSTELLO**, tangoing her way into a hot property market

**BRAZIL IS COMING** up in the world. Its tourism is rocketing, it's paid off its foreign debt and its GDP is growing at an average of 4.2 per cent a year. This gloriously big and beautiful country also has 4,600 miles of beaches, is self-sufficient in oil and natural resources – and it billed UK second-home buyers for around £40m in 2007.

It seems Brazil's appeal can't get much better. The North American Space Agency (Nasa) says the region of Natal is the most environmentally unspoilt on the planet. Nasa also claims that this north-east region has the cleanest air on earth after the Antarctic.

So if you're looking to swap the choking economic climate at home for a property market that lets you breathe easy, look north-east to the states of Rio Grande do Norte and Ceará. The coastline near

●●  
**Brazil can't get much better – Nasa says the Natal region is the most unspoilt on the planet**

their capital cities of Natal and Fortaleza is where the Brazilian property party is jumping – and where the temperature never dips below 24°C. Lucky Brazil.

Felipe Cavalcante, president of ADIT – the Association for Real Estate and Tourism Development in the Northeast of Brazil – says the “explosion of investments is partly down to attractive prices, the cost of living and the prospect of substantial returns”.

Visitors to the Northeast quadrupled between 2002 and 2007, and a new airport set to open in Natal in 2012 will handle up to five million passengers. Knight Frank estimates capital growth in the north-east region and foreign direct investment ►

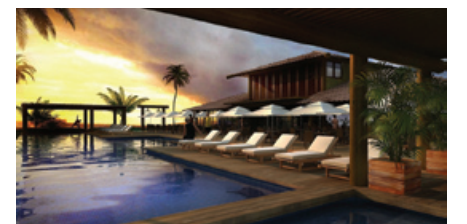
**NATAL OCEAN CLUB ►**

The Natal Ocean Club in Caraubus, some 50km north of Natal's city centre, will only be 20 minutes from the world's fourth largest airport, due to open in 2012.

The club, which itself completes at the end of 2010, offers use of a private yacht, helicopter, personal concierge and your own fisherman. Two championship golf courses and a marina will be adjacent to the club.

City-based Colordarcy, which is selling property at the five-star resort, says banks and finance providers are ready to offer mortgages to overseas investors. “Once this has been achieved,” says managing director Loxley McKenzie, “I would expect prices to jump by 10-15 per cent.”

**LOCATION:** Brazil  
**PRICE:** One-beds from £160,000; four-bed villas from £750,000-£1.4m  
**CONTACT:** Colordarcy  
**T:** 020 7100 2393  
**W:** colordarcy.com



**◀ FONTAINHA BEACH**

An early investment chance in a new luxury beach resort in south-east Ceará. Fontainha Beach stretches for almost two miles and is set within a cove in the fishing village of Retirinho.

Located five miles south of Canoa Quebrada beach – the “pearl of the east coast” – Fontainha is 100 miles from the city of Fortaleza and 15 minutes from a new airport at Aracati.

Two luxury hotels and leisure facilities will be on-site. One-, two- and three-bed apartments and penthouses, or beachfront plots are for sale. Land plots come with 30m of private beach.

**LOCATION:** Retirinho, Canoa Quebrada, Brazil  
**PRICES:** Land plots (30m x 150m) from £50k. A completed 500sqm villa would cost around £350k-£750k – a bargain compared to prices in parts of Spain and the Caribbean.  
**CONTACT:** Kapital International  
**T:** 0800 520 0212  
**W:** kapitalinternational.co.uk

► has now reached \$40bn in Brazil – a fact that probably helped when Standard & Poor awarded the country with “investment” grade in 2008.

Adam Sumner from South America property specialist Prosperity Ventures says barriers to property investment are also coming down. “Foreigners can own property 100 per cent freehold and have the same legal rights as domestic purchasers,” he says.

Although financing property is in its infancy, he adds: “Bradesco [the largest private bank in Brazil] has forecast mortgage lending to rise from two per cent of GDP to 12 per cent in 2014.”

Investment in infrastructure hasn’t

## ●● Brazil’s largest private bank sees mortgage lending rising from two per cent of GDP to 12 per cent in 2014

always been Brazil’s strong point but it’s staging the FIFA World Cup in 2014 so the government has pulled its socks up and poured \$1bn into airport and road improvements in recent years. Further investment of \$21bn for roads, rails and airports, along with a crackdown on crime, will also raise the general quality of living in Brazil.

### HAPPY PUNTA

While Brazil’s north-east coastline is being built, up to 400,000 beach-lovers already flock to the glamorous resort of Punta del Este in Uruguay – and that’s just over the two-week Christmas period.

Party-goers, particularly at the chic beachfront at Jose Ignacio, range from the beautiful [Eva Herzegovna] to those ►

## Comment



Ex-UBS trading analyst Henry Madden, is now CEO of Dehouche, specialising in South American property and tourism

While there are some very interesting stories around the continent, such as Colombia, Peru and Argentina, Brazil is the biggest and most robust economy in South America and we believe has the most convincing fundamentals of almost any economy in the world right now.

While Brazil is clearly not immune to the global crisis (despite having very low levels of debt and banks that by law have to remain very highly capitalised) internal growth has accounted for 77 per cent of growth in the past few years, so the economy continues improving despite the world crisis. Interest rates should come down again now the inflationary threat appears to have subsided, so the expanding middle class can continue to join the property ladder (for the first time in history the middle class represents more than 50 per cent of the population).

Huge natural resources, boosted further by the massive oil find off Rio de Janeiro last year, continue to make Brazil very attractive – the 33-billion-barrel oil

find, if confirmed, would give Brazil the third largest reserve in the world. From a second-home perspective, Brazil has a huge future as celebrities from the US as well as Europe begin beating a path to Rio, São Paulo and Bahia. Apart from being one of the BRIC economies that are expected to be the cornerstone of the world economy, Brazil will have more infrastructure investment and more attention thanks to the World Cup they are hosting in 2014. The strong economic fundamentals make the investments safe and it’s a good time to get in while the currency is artificially weak.

Real estate in the already desirable Rio is going to be helped tremendously by the oil find and by the planned high-speed train link to São Paulo. As the financial centre of South America, we expect São Paulo to be one of the world’s top financial centres and could well see property escalate from current ‘third world’ prices to levels alongside Hong Kong, Tokyo, Dubai, and even New York and London, over the next ten years, in large part owing to its geographical location and the future importance of South America in the global economy. While Bahia is the clearly becoming the area of choice for high-end tourism.

For more info see: [dehouche.com](http://dehouche.com)



### ◀ LA AGUADA CHICA

Polo-lovers will be right at home in Argentina. The Triple Crown-winning Novillo Astrada brothers are extending the family’s polo resort in Open Door – a popular polo-playing area an hour from Buenos Aires.

La Aguada Chica is a 0.54 sq km extension to the three sq km resort, comprising four chacras [small farms].

The four chacras are available under fractional ownership and come with polo fields, horse stables, polo managers and a full concierge service.

LOCATION: Open Door, Argentina

CONTACT: Carolina Zimmerman

T: +549 114 175 9537

W: [laaguadapolo.com](http://laaguadapolo.com)



▲ LAS PIEDRAS-FASANO

Near the beaches of La Barra and Jose Ignacio is Las Piedras-Fasano – a boutique hotel, polo and spa resort. Some 200 contemporary villas overlooking the sea will be set amid five sq km of natural wildlife reserve.

Señor Fasano, whose Philippe Starck-designed hotel in Rio de Janeiro is already a hit with the Brazilian jet-set, will

fuse modern architecture with interiors that reflect their surroundings of natural rock and green hills. Residents can use the equestrian centre, a spa built inside a forest, a private beach and a speedboat service to Punta del Este.

LOCATION: Punta del Este, Uruguay

PRICE: villas from £320,000

W: [laspiedrasfasano.com](http://laspiedrasfasano.com)



▲ VILLALAGOS

Sir Michael Caine's interior designer daughter Natasha is developing 13 luxury villas with her husband Michael Hall near the elegant beach resort of Jose Ignacio. The simple collection of restaurants, art and furniture shops in shabby-chic wooden buildings gives this village a charming bohemian feel.

The Caine-Hall project, Villalagos, is a contemporary development set in 910,000 sq m of undulating green land. Each *chacra* comes with up to 80,000 sq m of land, a maid and concierge service. The villas have stucco-and-glass walls, flat roofs, pools and courtyards. Entertaining areas spill into each other, from indoor dining spaces to outdoor terraces. Beaches and sports – from polo to horse-riding – are within easy reach.

LOCATION: Punta del Este, Uruguay

PRICE: from £1.8m with 29,000 sq m of land

CONTACT: Obsidian Group

T: 020 7499 1300 W: [obsidiangroup.co.uk](http://obsidiangroup.co.uk)

► with demigod status – think movie legends such as Sir Michael Caine and royals such as Princess Caroline of Monaco. Even *Baywatch* actress Pamela Anderson only lasted 12 minutes on the beach because the crowds mobbed her.

Punta del Este is easily accessed by a short connecting flight, ferry or private jet from neighbouring Buenos Aires in Argentina. Flights are also frequent to Uruguay's capital, Montevideo, from the UK via Madrid or Brazil.

A large proportion of Uruguayans originate from Celtic backgrounds so surnames like Murphy, Perkins and Morgan are commonplace.

The eclectic architecture here at the coast often shows European influence – a Swiss chalet, a Tudor home, or even

●●  
Uruguay's Punta del Este draws the rich and famous, such as Eva Herzegova

a thatched cottage on stilts. And with the peak summer season at Punta del Este lasting from late-December to mid-January, this ridiculously long beach party can bring a rental income of up to \$100,000 a month for a three-bed villa.

Taking a quick glance at Central America, Panama is proving to be more than a popular tax haven for investors from all around the world. Trade and real estate are showing active growth, large corporations are relocating there and the Panama Canal is undergoing expansion.

According to South American property specialist Loxley McKenzie of Colordarcy ([colordarcy.com](http://colordarcy.com)), Panama could also provide the shrewd City investor with substantial income yields over the next few years. ■ For more info on making investments in Brazil, contact Adam Sumner on [adam.prosperityventures@gmail.com](mailto:adam.prosperityventures@gmail.com). To receive regular updates about property events and promotions join the **square mile** Property Club by emailing 'Property' in the subject header of an email to: [property@squaremilemagazine.co.uk](mailto:property@squaremilemagazine.co.uk)