

WORLD CUP SPECIAL

Brazil Wins Property World Cup

The South American nation ousted its competitors to become the top market for real estate investors.

 Andrew Batt

Global property investment consultants Colordarcy.com took a look at this year's World Cup qualifiers to discover how they match up when it comes to their property markets.

The resulting infographic followed the exact format of this year's World Cup and featured a group and finals stages. Each property market was scored according to average rental returns and capital growth in the past 12 months, based on data from Knight Frank and Global Property Guide.

Loxley McKenzie, Managing Director of Colordarcy, said: "While it is meant as a bit of fun ahead of the World Cup, the infographic does have a more serious side.

"What we found when looking at the property markets of countries such as Brazil and the United States was there is a major difference between the high growth potential of those

markets compared to the likes of Spain, Italy and Greece."

While you might expect the latter two countries to do well in a World Cup, their respective economies are not performing at anything like Brazil and the U.S. – the two finalists this year.

According to Colordarcy, this Property World Cup arrived too late for countries like England, which has started to show great promise in 2014 as a result of the government stepping in with its Help To Buy initiative and an improving economic picture.

The same cannot be said for Spain and Greece where property prices have tumbled by double digits again in the past 12 months.

The eventual winners of the Property World Cup were Brazil, closely followed by the U.S. with Germany placing third and Australia in fourth.

The Knock Out Stages - How It Works

The countries are compared according to their income generating potential. This is calculated from the (%) rental returns and capital growth in respective countries. The resulting scores are the difference between the sum of total of rental returns and capital growth in each 'game'.

KEY: Rental Return On Jan 2014 (%) =  Property Price Rise 2013-2014 (%) = 

Quarter Finals

Australia 6 - 0 Belgium

4.94  4.36

7.60  2.20

Belgium Match Report (8th)

"Echoes of Italia 90 as Belgium performs above itself to go on and reach the last 8 this time around."

Switzerland 0 - 12 Brazil

2.94  6.33

3.20  11.9

Swiss Match Report (7th)

"Never the most exciting of countries for property price growth, Switzerland just about made it into the last eight without ever showing much in the way of growth."

England 1 - 7 Germany

5.00  4.42

4.3  11.2

English Match Report (6th)

"Yet another quarter final appearance for these under achievers. Still not quite enough growth to mix it with the best but the promise is always there."

Russia 0 - 9 USA

3.80  6.78

5.2  11.2

Russian Match Report (5th)

"The dark horses. While everyone is talking about the leading contenders, Russia again posted some promising price growth to reach the quarters."

Semi Finals

Australia 0 - 6 Brazil

4.94  6.33

7.60  11.9

Australian Match Report (4th)

"After an early slump, caused in part by an economy struggling to come to terms with a fall in commodities prices, Australia is moving in the right direction once again."

Germany 1 - 3 USA

4.42  6.78

11.2  11.2

German Match Report (3rd)

"Germany narrowly loses to the USA in a semi final penalty shootout after coming up short on rental yields."

The Final

Brazil 2 - 1 USA

6.33  6.78

11.9  11.2

Brazilian Match Report (Champions 1st)

"No surprise here, Brazil remains the world's best for property investment returns. Strong in all departments their excellent all round performance makes them worthy winners."

USA Match Report (2nd)

"The USA's housing market is right up there with the best in the world for price growth and rental returns. Unlucky to narrowly miss out to Brazil this time around."

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We hope you have enjoyed the Buy To Let Property World Cup 2014. Join the debate at <http://goo.gl/5d8Nmd>


If you would like to know more about property investment please visit our website www.colordarcy.com or call us on +44 (0) 207 100 2393



International Property Investment Specialists
www.colordarcy.com | Tel: +44 (0) 207 100 2393

Sources: Knight Frank, Global Property Guide and RightMove

The Buy To Let Property WORLD CUP



The Group Stages - How It Works

The countries are compared according to their income generating potential. This is calculated from the (%) rental returns and capital growth in respective countries. The top two countries from each group progress.

KEY: Rental Return On Jan 2014 (%) =  Property Price Rise 2013-2014 (%) = 

Group Stages

Group A

Australia	4.94	7.6
England	5.00	4.3
France	3.63	-1.1
Italy	3.84	-5.1

French Match Report (9th)

"We expected better from France and not for the first time they crash out as they are held back by an economy performing well below its potential."

Italian Match Report (13th)

"Italy started badly and failed to recover in their usual style to the point where they got nowhere near the leading contenders. Let down by diving (property prices) and poor rental returns."

Group B

Brazil	6.33	11.9
Russia	3.8	5.2
Portugal	5.77	-1.5
Greece	2.87	-9.1

Portuguese Match Report (10th)

"Portugal are still struggling with an underperforming economy which is holding down property price growth."

Greek Match Report (14th)

"Greece have improved but it has done little to raise their chances of joining the world's elite anytime soon."

Group C

Germany	4.42	11.2
Belgium	4.36	2.2
Japan	5.12	-2.2
Spain	3.92	-12.0

Japanese Match Report (11th)

"Japan is a reminder of how not to handle an economic crash and its stagnant economy continues to hold down property price growth even if rental yields are fairly good."

Spanish Match Report (15th)

"A surprise for Spain given that everyone was tipping a recovery. This country still has a mountain to climb to regain its position as a genuine buy to let favourite with property investors."

Group D

USA	6.78	11.2
Switzerland	2.94	3.2
Netherlands	5.68	-4.5
Croatia	4.56	-19.7

Dutch Match Report (12th)

"A late rally did little to turn around another disappointing year for the Dutch. If you want total property investment, it is better to look elsewhere."

Croatian Match Report (16th)

"Nobody expects much from Croatia and they didn't disappoint coming last in our buy-to-let world cup."