Thinking about acquiring a second home abroad? Worried about the stories you’ve heard? The ones where, having written the last check to the real estate agent, local officials knock on your new door to inform you that you don’t actually own your bijou residence on the beach…you were misinformed and you need to move out right now. Don’t panic—help is at hand.

Buying a second home in a foreign country can be difficult, but here at *International Living* we’ve done the groundwork for you already, and have sifted out the pitfalls and pluses of a variety of places where you might like to have a holiday or retirement home.

Read on for our country-by-country guide to property ownership restrictions, and find out what holds for whom, and where… And, before you seriously consider buying property anywhere overseas, be sure to seek advice from a reputable in-country attorney, who can advise you on your purchasing or leasing options.

**Argentina**

This market is open to all; there are no restrictions on foreign ownership of property in Argentina. Foreigners have the same rights in this respect as nationals, except for Argentine land near a foreign border. In this scenario, some additional paperwork is required, which may take a little longer.

**Australia**

Australian citizens and permanent residents can acquire any type of property. Foreigners not living in Australia, and corporations, can acquire up to 50% of residential developments, and are permitted to buy new property or land for building as long as construction starts within 12 months of purchase. Older properties can be purchased on condition that at least an extra 50% of the purchase price is spent on renovation, further construction or other improvements on the property. In all cases, however, foreign nationals need to obtain approval from the Foreign Investment Review Board. This application should take roughly 40 days.
Bahamas

Buying property in the Bahamas is relatively easy, but you should be aware of certain requirements. Non-Bahamians must register any purchase with the Foreign Investments Board, and special permits are required, if the property is land of over 5 acres in size, if the property is to be used for rentals—even partially—or if it is to be developed commercially. Foreigners should also register any property investment with the Exchange Control at the Central Bank of the Bahamas if they wish to sell and take the proceeds out of the country in the original currency of the transaction.

Belize

Government approval from the Ministry of Natural Resources is needed for any property purchase by non-locals, but there are few restrictions. Some coastal areas and cayes are restricted and require municipal approval for freehold sale. As this real estate market is totally unregulated, make sure you get as much help and advice as possible from specialists with experience of property deals in this country.

Brazil

Non-Brazilians can buy almost any property in Brazil, enjoying similar rights to nationals of this country. There are only restrictions for foreign ownership of property situated in or near areas of national security, near the coast, and near borders with other countries.

Bulgaria

There are no restrictions for foreigners wishing to buy buildings in Bulgaria, but land is restricted to Bulgarian nationals only. This can be legally circumvented by setting up a Bulgarian company and buying the land through the company. When Bulgaria joins the E.U. (it’s hoping to join in 2007), this restriction is expected to be lifted.

Canada

There are few restrictions on foreign ownership of property in Canada, apart from land belonging to the British crown. Some of this land may come up for sale, but will not be freehold. The restrictions tend to be at provincial or territorial level; on Prince Edward Island, for instance, non-residents need permission to buy more than 5 acres of property, and, in Saskatchewan, the acquisition of property of over 10 acres is not permitted. Nova Scotia, Newfoundland, and New Brunswick, the other east coast provinces, as well as the provinces of Quebec, Ontario, and British Columbia do not have restrictions on foreign ownership.
Croatia

Non-Croatians can purchase real estate in this country if they have approval from the Ministry of Foreign Affairs. The approval is issued if Croatian nationals can purchase real estate in the country of the purchaser. This approval can take up to 12 months, but can be reduced if the property is bought via a domestic company, which can be entirely owned and controlled by a foreigner.

Cyprus

In Cyprus, E.U. citizens are allowed to buy an apartment or a villa, and more than one plot of land if they wish. Non-Europeans can buy an apartment or a villa, if the villa is on land of no more than 1 acre. In either case, buyers must apply to the Council of Ministers to enable the transfer of the title deeds to go from a Cypriot to a non-Cypriot, and this permission is granted usually within six months for the purchaser’s personal use of the real estate—leasing and commercial uses are restricted.

Czech Republic

Real estate may only be acquired by E.U. citizens with a Czech spouse or those who are permanent residents in the Czech Republic. An officially registered legal entity can also buy real estate. These restrictions are expected to be lifted in 2009, when the Republic’s first five years’ membership of the E.U. is up.

Ecuador

Foreigners wishing to purchase real estate in Ecuador need permission (usually granted) to acquire land within 30 miles of the coast or a border. Certain land considered an area of national security by the government cannot be bought.

Estonia

There are no restrictions for foreigners purchasing property in Estonia. As a buyer here, you also have first option of acquiring the land on which your property sits. Citizens of the EU, Norway, Iceland, and Liechtenstein can buy land of up to 24.7 acres with permission from the local county governor. Land can be bought through a foreign corporation, but for large plots of forest, the company needs to be on the Estonian commercial register, and to have been active in the forestry or agricultural produce sector for at least three years.

Fiji Islands

The real estate market in this part of the Pacific is unregulated, so, theoretically, foreigners are permitted to buy land and buildings here, but should proceed with caution, as there are a few restrictions. The government actively encourages foreign investment,
and there are several schemes to promote tourist developments, but only 8.2% of the land (roughly 142,000 hectares) can be bought outright freehold, with consent from the Ministry of Lands for land of over 1 acre. The remaining land is available for lease, a small part (8.4%) from the Crown, and the rest from the indigenous people of Fiji. For the purchase of a residential property of less than 1 acre, buyers will need a residence or work permit.

**France**

Surprisingly for one of the most bureaucratic countries in Europe, there are no restrictions on who can acquire real estate in France, and you will be treated the same as French citizens when buying property.

**Honduras**

There are some restrictions on owning real estate in Honduras. As an individual foreigner, you are allowed to buy property not exceeding three quarters of an acre. Coastal land, and land within 25 miles of international borders, is restricted, but a purchase may be permitted if you obtain approval from the Tourism Institute and start construction within 36 months.

**Italy**

As in France, there are no restrictions on who can buy property in Italy.

**Mexico**

Technically, as a foreigner, you are not allowed to buy real estate within 62 miles of an international border or 31 miles of the coast, but these restrictions can be sidestepped legally, either by buying via a Mexican land trust (*fideicomiso*) or via a Mexican corporation. Another issue to be aware of is that *ejido* land (land granted by the government to Mexico’s indigenous people) cannot be owned by foreigners, and therefore any transaction involving this is fraught with risk and best avoided.

**New Zealand**

There are a few restrictions for foreigners wishing to buy property in New Zealand, but they are not too limiting. These restrictions cover non-New Zealanders wanting to acquire more than 12 acres, land of more than 1 acre adjoining or containing “sensitive” land (including reserves, specified islands and historic or heritage land and lakes), and land of over half an acre on or adjoining the oceanfront. In these situations, the buyer must obtain approval from the Overseas Investment Commission, and, for applications concerning “sensitive land,” from a Minister. The paperwork process is swift and can usually be completed within one month.
Nicaragua

You have the same rights as Nicaraguans regarding property ownership, the only areas to be wary of being in the autonomous regions, Regiones Autonomistas, where the government needs to consult the indigenous people.

Panama

There are few limitations on what non-Panamanians can buy in terms of real estate. Property within six miles of international borders is out of bounds, and there are restrictions on some island and waterfront property unless it is situated in one of the Tourism Zones. Beachfront properties must provide a right of way. Building over the water also requires a permit with a special concession from the maritime authorities and the Ministry of Finance, with the exception of Isla Contadora in the Pearl Islands.

Poland

Foreigners, and companies where foreigners have controlling interest, are free to buy urban plots of up to 1 acre, or rural land of 2.5 acres, but agreement must be obtained from the Polish Ministry of the Interior. This can be waived, however, if you have a permanent resident’s permit and have been living in Poland for five years, or if you have a Polish spouse and have been living in Poland for two years. Permission is generally easily granted.

Romania

The acquisition of apartments and buildings is unrestricted for foreigners, but land is not allowed to pass to non-Romanians unless it is via a Romanian company (even 100% foreign-controlled). Some land, such as forest land, reserves and coastline, cannot be bought by anyone, regardless of nationality.

Spain

As in France and Italy, there are no restrictions on property ownership for foreigners, with the exception of military land and land near international borders.

Sri Lanka

Foreigners are permitted to own land, but there is now a 100% transfer tax for foreigners in Sri Lanka, thus effectively doubling the price of the property. This may be circumvented by arranging very long term leases, or, in condominiums, by buying above a certain story. A recent law has also banned construction within 330 feet of the shore.
Tahiti

French Polynesia, where Tahiti is found, now enjoys “Overseas Country” status, giving it more autonomy over local affairs, while remaining under French jurisdiction for sectors including real estate. This means that, just as in metropolitan France, foreigners have the same rights as locals when purchasing land or property.

Thailand

Property ownership for foreigners in Thailand is carefully controlled. Without special permission from the Minister of the Interior, foreigners are not allowed to own the land on which any piece of property is found, or to own a condo in a building if 49% of the other condos are foreign-owned. This problem can be resolved in several ways, some more realistic than others.

For those with 40 million baht ($1,100,000) to spare, no problem, as this sum will allow you to acquire just over a third of an acre.

For the less well-heeled, one of the most common solutions is setting up a Thai-registered limited liability company and buying real estate through this company, but there must be at least seven shareholders in the company, and the foreign shareholder cannot hold a stake of more than 49%. The Ministry of the Interior, while ostensibly not wishing to stymie foreign investment, is cracking down on the use of Thai-owned companies which appear to hold land for foreigners, so more foreigners are looking at alternatives to this method. Purchase of land through a Thai spouse is one of these alternatives—if the spouse is prepared to sign a declaration to say that the property was purchased with funds that they had before the marriage.

Otherwise, an increasing number of foreigners are considering long-term leasing: A Thai nominee purchases the property with your funds and you enter into a long-term lease of up to 30 years, which can be renewed. The initial period of lease and subsequent extensions should be clearly stated in the contract, along with the declaration that these have been paid for in advance. An option can be included in the contract to allow you to purchase the land outright if the law changes to allow foreign ownership.

A right of usufruct provides temporary ownership rights for a period of up to 30 years, which may be renewed, but although these rights can be sold or transferred, they cannot be inherited as they expire upon the death of the holder.

Becoming a permanent resident is one other possibility, especially if you are thinking about retiring in this very affordable country. Check the website www.thaivisa.com for details.

Further Resources

How to Be a Global Real Estate Investor
Get the inside, upfront track on the most lucrative international real estate investments in the world today. In this 400-page kit, you'll learn how to invest as little as
$30,000…$15,000—even $10,000, or less—to multiply your money two…three…even four-fold, or more. Sometimes in a matter of months! Go to www.ILbookstore.com for more details.