

## Where to invest in 2012

There is a great deal of uncertainty in world financial markets as we head into 2012 and this is primarily caused by the economic problems Europe is currently experiencing. Some investors have adopted the philosophy of 'cash is king' and have decided to sit on the sidelines until things improve. They could be in for a long wait and in the meantime they may be missing out on some great opportunities for profitable returns. Property has always been seen as a 'corner-stone' investment, a hard asset that has stood the test of time and will always be a sound investment over the medium to long term. But as you would expect, there are some sectors that should be avoided and others that are worth investing in. The challenge for investors is to find the right opportunity at the right time.

St David is not an estate agency with a biased view towards any one sector or location. We can offer property opportunities in any sector and in any geographical location. Our focus is on securing attractive returns for our clients in safe, secure markets. Whilst we might think a market has sound long term potential, we might not recommend it to our clients because the timing is not right. An example of this is **Australia**, where the long term potential is sound but a strong currency and falling house prices means investors should not rush into investing there in 2012. We will be offering Australian opportunities in the future, but only when the timing is right.

The **London residential** sector is popular with international investors. Whilst property there is viewed as a 'safe haven' in terms of wealth protection, the capital growth prospects for the next year or two remain uncertain as the market will inevitably be affected by the general UK economic problems. Nevertheless, if the right opportunity comes along, particularly refurbishment opportunities in zones 1 and 2 through our search service, we would encourage investors to buy. Whilst house building is at an all time low, the demand for housing has never been higher and the resulting shortage will inevitably cause prices to increase when the economy recovers. Investors should however, avoid paying a premium to buy an expensive 'off plan' apartment in the hope of securing a return in the short term. It isn't going to happen, despite what estate agents may say.

**UK commercial property** certainly offers some opportunities, but great care must be taken to ensure that the tenant is financially sound. The **retail sector** is experiencing enormous problems and with the growth of internet shopping this sector should be avoided. As our readers would know, we are firm believers in the **UK care centre** sector, but only for complex needs patients suffering from physical/learning disabilities, acquired brain injury, autism, Parkinsons etc. where fees are higher and are typically funded by the NHS. Stay away from homes for the elderly as these will come under increasing pressure due to increased regulation and budget cuts by local authorities.

**USA pre-developed land** is a favorite of ours and we see no downside in investing in it providing you do so with a reputable company with a sound track record of success. Buying land cheaply now and having it ready for development in four to six years when the market improves is a sound, low risk strategy that should produce attractive returns.

**Orlando houses and apartments** will probably see little capital growth in 2012 due to ongoing problems with the USA economy. The good news is that we are near the bottom of the market and buying at below replacement cost is always a sound strategy. If you are prepared to be patient there are some great opportunities to buy quality properties at very affordable prices.

Finally, whilst 2012 will certainly be a challenging year for many sectors, it is still possible to find quality property opportunities that are safe and profitable. For detailed information on all our opportunities please contact us.

*Gung Hey  
Fat Choy*

*We should like  
to wish all our  
readers a  
happy and  
prosperous  
year of the  
Dragon*

### Our web site blog

We have recently launched a blog so for the latest update and commentary on international property markets please visit [www.stdavidproperty.com](http://www.stdavidproperty.com)

### St David Property

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