

# YOUR PAD IN AMERICA

**D**ETROIT and Atlanta may not seem like obvious places for British buyers to seek a home, but canny investors have been taking advantage of opportunities never seen before.

Family homes in the heart of American cities are not properties that will be used for holidays, but as pure investments. They offer a level of return that is hard to beat anywhere right now.

In what other established property market is it possible to get net yields of 12 to 15 per cent after an initial outlay of only £30,000 to £40,000?

Such profits are far better than any savings account can produce, which is why London-based company director Richard Martin decided it was the obvious choice to buy a home in Detroit.

'I looked at property prices around the world and weighed up all the reasons to invest in Detroit, and it seemed the best way to make my money work for me,' he says.

'We've bought a three-bed house for £32,000 and are making \$1,000 (£630) in rental income – which is a 15 per cent net yield.

'Before the market crashed, the property was worth around \$250,000 (£157,375), and now the US property slump has bottomed out, prices can only go one way – up.

'With Detroit's motor industry being revitalised by sales of the electric car, which is fuelling job creation and wealth, its recovery is well on the way.

'We expect our property to pay for itself in five to seven years.'

Mr Martin carefully considered the alternatives in America, but, after speaking with other investors, felt confident using the Belgrave Group, a specialist company, to source and manage his investment.

Established nearly two years ago to



**Belgrave  
BGroup**

**Your pounds buy you wonderful properties in Detroit and Atlanta**

'As always, it's about location, location, location. We exclusively deal with the right properties in the right areas producing net yields of

12 per cent plus.'

'We've never failed to get a tenant for a property, and the beauty of the investment is that we generally use families re-housed by the government-backed Housing Urban Development (HUD) scheme: so-called Section 8 tenants.

'So the government pays up to 95 per cent of the rent direct to the investor, ensures that the property is kept to a certain standard and is well looked after by the tenant, who signs up for a renewable 12-month contract, but the average tenant will stay between four to six years.

exclusively take advantage of the foreclosure (repossession) market in America, this Southampton-based company now operates between the two countries, buying up homes in Atlanta and Detroit directly from the banks, then fully refurbishing them and selling them on complete with tenants.

Of course both cities are quite different propositions – the northern industrial city versus the Sun Belt's 'Belle of the South' – but the same successful investment model works for both, according to Belgrave's Nigel Gough.

'The investor has no management or legal issues to worry about, but can simply collect his income every month and watch his property appreciate as the market recovers, as it inevitably will.'

Belgrave's homes in Detroit cost between £30,000 and £32,000 and those in Atlanta between £35,000 and £42,000. Buyers must pay cash, as mortgages aren't available on foreclosures.

'Homes in Atlanta – a dynamic business centre and HQ of Coca-Cola and Delta Airlines and venue of the 1996 Olympics – are more expensive but the yields are greater,' says Mr Gough.

Meanwhile, in Detroit, forget any images of depopulated ghost neighbourhoods (now being bulldozed). Belgrave only chooses properties in the best neighbourhoods for rentals – in and around the university districts.

Like Mr Martin, smart investors should always consider their exit strategy, and when the market picks up, owners may wish to sell their property to their tenants or on the open market – something with which Belgrave Group can also assist.

Some simple maths shows that you can make your investment back in five to seven years, and then there's capital appreciation to consider.

Remember these houses are being sold for well below market value and the price tag includes not just a full refurbishment but also the provision of a tenant. Not a bad return from doing nothing but sitting at home across the Pond.

For more information, please call 08454 639 357 between 9.30 and 18.00 Monday to Friday. Out of office hours please visit [www.belgravegroup.com](http://www.belgravegroup.com) and register your details – we will get back to you as soon as possible.

## MONEY MATTERS

### Atlanta, Georgia

- Purchase price £42,995
- 4-bedroom property
- Property size 1,800 sq ft
- Plot size 1/3 acre
- Rental income \$1,100 pcm
- 20% gross yield
- 14% net yield

### Detroit, Michigan

- Purchase price £31,495
- 3-bedroom property
- Property size 1,476 sq ft
- Plot size 3,815 sq ft
- Rental income \$900 pcm
- 20% gross yield
- 13% net yield