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INTERNATIONAL INVESTMENT - MAURITIUS

Much more than just beaches
A new Mauritian development, La Balise Marina, is described as
the beacon of luxury living. Michelle Swart finds out why

AURITIUS has be-
come hot property,
thanks to its govern-
ment's wise decision to
invest time, resources and money
into changing the way in which it
attracts and conducts business,
both locally and internationally.
This initiative has enabled the
country to showcase itself as much
more than just beautiful beaches
and friendly people ideal for a
tropical island holiday.
Added to this is a strong, di-
versified economy that offers fiscal
benefits such as flat 15% corporate
and personal tax rates, the ab-
sence of inheritance and capital
gains tax, no foreign exchange

controls, trade barriers or quotas
and no restrictions on capital repa-
triation. Furthermore, Mauritius
has a strong financial and off-
shore sector, a stable political en-
vironment; modern and reliable IT
and telecommunications infras-
tructure and a comprehensive le-
gal framework, among others.
The introduction of the Inte-
grated Resorts Scheme (IRS) en-
couraged high net worth foreign-
ers to purchase freehold title res-
idential units priced at a minimum
of US$500 000. Prior to the in-
troduction of the IRS scheme in
2002, foreigners were not permit-
ted to acquire and own full title
residential property in Mauritius.

There are currently about 350
foreign-owned properties in Mau-
ritius. Levels of resales have been
extremely low (less than 10%) and
for the few IRS owners that have
resold their properties, attractive
positive returns have been
achieved with no properties sold
for less than the acquired value.
This can partly be attributed to
the basic premise of demand ex-
ceeding supply due to the fact that
there is not a huge amount of
product flooding the market.
Investment in Mauritian prop-
erty is therefore a highly niched
micromarket that is targeted at a
broad spectrum of potential buy-
ers who are high net worth indi-

viduals undertaking cash-domi-
nated purchase transactions.
From a South African perspec-
tive, application of the "SADC
Property Allowance" for purchase
of the holiday home in Mauritius
enables the purchaser to exter-
nalise the full purchase consider-
ation, including taxes, in addition
to the R2m offshore allowance.

This is certainly a great way to
invest in a strongly emerging dol-
lar-based, second lifestyle proper-
ty market that is within four hours'
flying time from South Africa and
is without the purchase limitations
associated with most other inter-
national markets.
The island's first residential
marina development to be taken
to the international investor mar-
ket is the La Balise Marina situ-
ated on the west coast in the Black
River area. Developed and fi-
nanced by ENL Property and In-
vestec Bank (Mauritius) Limited,
La Balise Marina offers a premium
lifestyle of about 120 upmarket
residential units ranging from
canal duplexes of 135m2

to villas of
more than 350m2

, each finished to
exceptionally high standards.

More than $llm of equity has
already been invested into the de-
velopment and the land that La
Balise Marina is being developed
on is owned by the developers.
Each residence has its own
mooring and most residences have
their own swimming pool.
The moorings within the two
basin areas will be built to inter-
national standards and have elec-

trical and potable water points
with a full complement of staff to
ensure an operational marina of
international standards.

The development offers many
resort amenities including a gym,
lap pool, kids' club, tennis court as
well as a concierge service offering
estate services.
La Balise Marina will also offer
a 70-room boutique Island Grace
Hotel with spa facilities and as well
as a retail centre.

The development is described
as a low density, one of a kind, fully
serviced IRS offering investors the

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opportunity to own freehold title
property in magical Mauritius,
which entitles them and their fam-
ily to permanent residency, as per
the IRS regulations.
Dredging of the marina and in-
frastructure development is
scheduled to start in October this
year, with top structure construc-
tion commencing early next year.
Although sales volumes have
decreased this year compared to
last year, there has been no reduc-
tion in prices or value within the
core developments on the island.
This means that although

growth in the industry is lower
compared to figures from 2007
and last year, there is still positive
growth and no loss in value for the
existing product — which is indeed
reassuring for existing and future
property owners.
Price:

Duplexes from US$700 000 to
US$l,6m
Stand-alone villas from US$2,lm
toUS$2,8m
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