moneymatters

Brought to you by halo | financial

www.halofinancial.com

A Financial Guide to Living Overseas

Contents

halo | financial

Finance guide - Introduction

There can be little doubt that deciding to emigrate will be one of, if not, the biggest decision you will ever make.

Preparing to wave goodbye to everything that you hold so dear and familiar is likely to be an emotional experience and depending on where you're emigrating to, it's also extremely likely to have a hugely negative impact on the size of your wallet.

Yes, I'm afraid to say that emigrating to any one of the 'big 4' English-speaking, long-haul destinations i.e. Australia, Canada, New Zealand and America is likely to be an expensive process.

While those of you planning to emigrate closer to home, and stay in the EU will undoubtedly find the emigration process to be far cheaper – for a start there are no confusing visa issues which require migration agents, flights are cheaper as are removal costs, etc. The move is still likely to be considerably more expensive than relocating to a different part of the UK. Wherever your intended destination may be, with the world still coming to terms with the global financial crisis that first started way back in late 2007, it is today far more essential than it once was to ensure that your finances are managed in an astute and measured way throughout the entire process.

But with so much to think about where should you start? Thankfully, the answer to this question and hopefully numerous others that you may have, can be found in this guide.

Over the following pages you can read some handy tips about getting your finances in order before you emigrate, learn what you can expect with living costs in your new country and compare property prices between the UK and each of the aforementioned destinations covered in this guide.

This guide aims to give you some idea of the financial hurdles that you will find yourself coming up against over the months leading to your departure. And if – and I stress **if** – it can help you save a few pounds or, to be more accurate, dollars or euros along the way, then so much the better.

Enjoy the guide.

David Fuller
Editor

It doesn't take a genius to work out that you're going to want to start your new life with as many Dollars – be they Australian, Kiwi, American or Canadian or Euros as possible.

While there are a number of factors that will directly affect just how much money you will have to start your new life with (many of which will be covered in the coming pages) there is one thing that will have a greater impact on your finances than anything else: The exchange rate.

All too often, emigrants leave thoughts regarding how to turn their money into Dollars or Euros until the last minute. The fact is you should start thinking about exchanging pounds for the currency of your intended destination soon after you start on the long road to emigration. The exchange rate you secure for transferring large sums will have a huge bearing on your spending power in your new homeland.

Firstly, avoid using high street banks to transfer your money; the best exchange rates are available through currency exchange specialists. These companies can arrange 'forward contracts', allowing you to secure a good rate of exchange up to 2 years in advance. Such an arrangement can mean peace of mind as you know your nest egg is protected from any devaluation of the pound.

You may find yourself obsessing over getting the best possible exchange rate for your pounds, but rest assured this is actually quite normal; after all, it is an important exchange. If this is the case speak to a foreign exchange (FX) specialist as they watch the money markets constantly and you can instruct them to watch for the sort of rate you are after.

Secondly, once you've started transferring money, you're going to need somewhere to put it. Thankfully, it's possible to set up an overseas bank account before you arrive in any of the 'big 4' long-haul emigration destinations – you can also do this for European banks if you so wish.

It is advisable to set up a bank account beforehand, especially if you're emigrating long-haul as it is surprisingly harder to set one up once you arrive; the difficulty being that you often need proof of your permanent address and identity documents. If you are living in rented accommodation on arrival you won't get utility bills and so may have to wait several weeks to be able to open a bank account. This could in turn mean heavy overseas transactions fees for continued use of your UK accounts, whereas opening an account pre-arrival could have helped you build your new credit rating from day one.

These two things may seem like insignificant steps in the gigantic scheme of emigrating, but taking care of both these matters early on in the process could just help you start your new life with a little more financial security than you had once thought likely.

Emigration costs

Looking to keep costs down when emigrating? Then it may be worth at least considering some of the following points:

- Explore first hand

Okay, so we appreciate that taking a fact finding trip to your intended destination may be expensive and that you may feel you can do all the research you need to on the internet, but deciding your budget can't stretch to a research trip may end up costing you far more in the long run. By visiting areas you are interested in moving to, you can find out first-hand what the local schools are like, whether there are job opportunities in the area, how good the healthcare facilities are etc. The last thing you want to do is end up living somewhere you simply can't stand and then have to relocate again or, even worse, return back to the UK.

- Shop around

There are some emigration costs like visa fees and flights that can't be avoided but by shopping around you may be able to save yourself some money on certain costs. Although it may sound obvious, you'd probably be surprised by the amount of people who leave things like booking their flights until the last minute, and then ended up paying far more than they would have done if they had of booked earlier. It really does pay to be organised and spend your time looking for the best deals.

- Get good service

The cost of each individual's emigration process will be partly governed by which 'non-essential' services they use, for example relocation firms, removal companies, migration agencies, etc. Those who have fairly simple visas processes may decide not to use an agent and this can save you money – although if you then do something wrong on your application form and have to resubmit, then this will start getting expensive. No matter which services you choose to use, research the companies first and make sure you feel comfortable with the firm you decide to go with. This doesn't necessarily mean use the cheapest service – they may be cheap for a reason. The last thing you want to do is use a budget service for the sake of it, only for things to go wrong and require you to fork out more money to put things right.

- Be selective

If you're taking your belongings with you – and many migrants will advise that you should as it's nice to have familiar things around you in what will be a largely unfamiliar environment – be selective about what you take. Do you really need to bring your kettle, 20-year-old arm chair or toaster? Probably not. Anything that you don't need, think about selling at a boot fair or on the internet, and then put all the proceeds into an 'emigration fund'. Not only will this earn you some money, it may also save you some in container space. It's also worth noting that alcohol incurs high import duty in each of the 'big 4' emigration destinations. Therefore, what better way is there to clear your alcohol cupboard than by holding a massive farewell party before you go?

When possible, always try to plan ahead. Getting in touch with removals, visa specialists and currency exchange brokers at the earliest possible time could save you stress and money.

Does a cheaper life await?

One of the most common reasons Brits have for wanting to leave the UK is that they are fed up with the country's ever increasing cost of living.

According to a report on the This Is Money website in April 2015, looking for a cheaper cost of living was given as one of the main reasons British people want to move abroad. However, just like the UK has seemingly become a more expensive country in which to live over the past few years, the same can be said of Australia, New Zealand, Canada, America and countries throughout Europe as well.

Each of the 'big 4', have had their own economic woes over the past few years and this has impacted on living costs in each country, just as it has in the UK. On the other hand, according to the 2015 Mercer Cost of Living survey, London, in twelfth position, still remains a more expensive city in which to live than any other destination in the EU, United States, Canada, New Zealand or Australia. In fact, aside from UK cities, all other Western EU cities dropped in the rankings mainly due to the weakening of local currencies against the US dollar. Of course, judging whether the cost of living will actually be cheaper in your new country of origin is something of a 'how long is a piece of string' type question. The cost of living will depend on many factors, including where in the country you live, how much money you earn and the kind of lifestyle you want to lead.

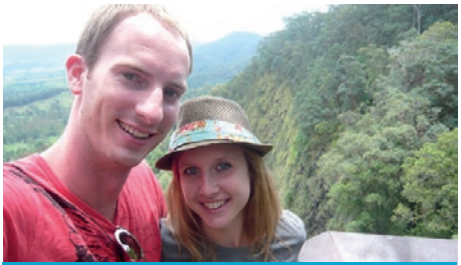
It is important to remember – and again it's something that seems obvious but is often overlooked is that you shouldn't directly compare a dollar in your new country to a pound back 'home'. This is something Brits tend to do when on a fact-finding trip or holiday and it will often lead to you believing your new country is far cheaper. However, when you're living there you will also be earning the local currency so what you spend is relative.

If your intended destination may not prove to offer the lower cost of living that you had hoped it would, there are other, perhaps even bigger, benefits. One of the key reasons for wanting to emigrate is to enjoy an improved lifestyle and, thankfully, it would appear the opportunity to do this still remains firmly intact. According to the EIU/Mercer 2015 Best Cities to Live In rankings, at least two cities from all four of the major long-haul emigration destinations, along with cities in numerous EU countries were listed ahead of London. In fact, the UK's capital was found to be the third worst European country to live in!

New York City (16th place) was the highest ranked US city in the 2015 Mercer Cost of Living survey. Australia's most expensive city was Sydney (31st overall), New Zealand's was Auckland (61st), while at 119th place, Vancouver was revealed to be Canada's most expensive city. London was ranked 12th. Paris was the highest ranked city in the Eurozone (after London) at 46th followed by Vienna at 56th and Rome 59th. 207 cities across five continents were included in the survey.

Cost of living

We asked eight British immigrants how they think the cost of living where they live compares to the UK:



Name: Ben Fenton

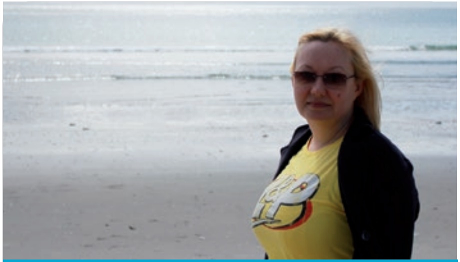
Lives: Brisbane, Australia

Ben says: "While it does feel expensive here, we do still have some money left at the end of the month – which we didn't in the UK. Some things, such as food and alcohol cost more, though travel, fuel and bills seem cheaper."

Name: Nigel Burrows

Lives: Port Stephen, NSW, Australia

Nigel says: "The cost of living is high, but after I've paid out for everything, there's still plenty left over at the end of the month to save – so it must be lower than in the UK."



Name: Janet Groat

Lives: Auckland, New Zealand

Janet says: "The cost of living is about the same. Some things are cheaper in NZ and some things are more expensive, but it balances out."

Name: Lauren Haward

Lives: Blenheim, New Zealand

Lauren says: "We find the cost of living is relatively the same as in the UK. Clothing is cheaper in the UK, as is meat and cheese. However, running a car here is very economical."

Name: Pauline Brady

Lives: Devon, Alberta, Canada

Pauline says: "It's much cheaper to live here. Petrol is especially cheap. If you compare items to British prices, it does almost work out as 1 Canadian Dollar to 1 British Pound. Money certainly seems to go much further in Canada."

Name: Melissa Smyth

Lives: Halifax, Canada

Melissa says: "The cost of living is quite high here. Tax rates in Nova Scotia are among the highest of any province in Canada. That said, overall I would say it's still slightly cheaper to live here than in the UK."

Name: Peter Rudebeck

Lives: Washington DC, USA

Peter says: "Pricewise, it's very similar to live here than it is in the UK. It's probably ever so slightly cheaper here, however, purely because less has to be imported."

Name: Maria Hughes

Lives: Palmer, Massachusetts, USA

Maria says: "The cost of living varies. Many things, such as petrol, cars and eating out are cheaper, whereas fresh food is more expensive and utility bills do not drop down in the summer months as you are running an air-conditioning unit instead of heating."

Shopping list

Item	Aus	NZ	US	Can	UK
Nappies (44)	9.03	11.23	8.00	6.44	9.00
Bread 700g	1.12	0.71	0.95	0.71	1.00
Milk 1L	0.53	0.94	0.81	0.62	0.89
Eggs (12)	1.60	1.49	1.67	1.33	2.55
Juice 2L	1.40	1.60	1.90	1.83	1.75
Sugar 1kg	0.52	0.91	1.20	0.97	1.20
Coffee 100g	1.99	2.97	2.79	3.01	2.55
Flour 1kg	0.91	0.70	1.58	1.04	0.75
Pork chops 1kg	10.01	7.15	6.01	7.19	6.60
Beef mince 1kg	5.39	7.15	6.17	7.01	7.59
Oranges 1kg	0.83	1.50	0.71	1.06	1.00
Potatoes 1kg	1.71	0.88	1.09	0.99	1.00
Pasta 500g	1.27	0.73	1.30	1.12	1.20
Beer (12)	18.01	9.51	12.60	10.99	11.99
Total	**54.32**	**47.47**	**46.78**	**44.31**	**49.07**

NOTE All prices are in Pound Sterling (conversions as of 13th May 2016) and based upon mid-range brands in mid-range supermarkets. Not all goods are available in the amounts shown and have been standardised to aid comparison. No items on offer have been included. While items may seem cheaper on paper, remember it is all relative as salaries also differ in each destination.

Currency conversions

Right at the start of this Money Matters guide, we mentioned that one of the first things you should look into when emigrating is exchanging your currency – or at least the options you have for doing so.

The likelihood is that when you've been on holidays abroad in the past, you probably haven't been too concerned about the exchange rate that you received. Obviously it's great if you do happen to receive a little extra spending money, but the difference that you will have to take abroad is going to be minimal as you probably won't be exchanging much more than £1,000 if that. Therefore, you're unlikely to be having long, sleepless nights fretting about exchanging money at the right time.

When you emigrate, however, the sum you will be taking with you will be far larger, especially if you have managed to sell your house or have other assets that you've cashed in.

So just how much difference can it make? Well, take this as an example. If you were emigrating to the US in June 2015, and hadn't thought about the exchange rate until the last minute, you could have received 1.519 US Dollars to the Pound (on the 1st June). However, if you had started looking into the process a year ago, and instructed a foreign exchange company to help you secure the best possible rate, then just over 2 weeks later, on June 18th, you would have had the option to fix the rate at 1.592 US Dollars to the Pound. Okay, so a difference of around 8 cents may not sound like an awful lot, but if you're exchanging, say, £200,000 then that 8 cents suddenly turns into over £15,000 – or, to put it another way, with a bit of haggling you can buy a brand new Citroen C4 Cactus. Not bad, hey!

What's more, as you can see by the table below, gains or losses such as these can be achieved whether you're emigrating to a long-haul destination or to Europe. Sadly, there is no crystal ball that allows you to predict just when the right time to exchange your pounds at the highest possible rate is. There are, however, right times to transact. These are governed by a number of factors including a country's economics, geopolitical conditions, market psychology and international investors' attitude to risk. So having read and devoured the information included inside this guide, your next step should probably be to contact a foreign exchange company who can help ensure that you'll be starting your new life with the largest amount of dollars or euros possible.

Currency	Lowest rate against GBP Jan - May 2016	Highest rate against GBP Jan – May 2016	Difference on £100,000 exchange
AUD	1.836	2.086	AUD 25,000
CAD	1.822	2.074	CAD 25,200
NZD	2.045	2.230	NZD 18,500
USD	1.386	1.473	USD 8,700
EUR	1.237	1.362	EUR 12,500

Transferring your assets

It is likely that most would-be emigrants will have various assets that they will want to transfer to their new country. Many will want to transfer their cash holdings but, depending on the exchange rate at the time, may choose to leave a portion back in the UK pending an improved rate.

One of the biggest considerations will be what to do with your pension (if you have one, of course). Australia, New Zealand, Canada and the United States all have different rules and regulations for transferring pensions and as each individual's circumstances are different, there is no one-size-fits-all answer to what action you should take. The important thing to note regarding pensions is that it should be possible to transfer them to your new homeland if you wish to do so – although you may find that in some instances the available transfer value of your pension will be less than the actual fund. With this in mind, before making a decision about what to do with your pension, or indeed any other assets you are thinking about transferring, you should talk to a financial advisor who is fully regulated in both the UK and the country you are intending to emigrate to.

It's also worth noting that should you be looking to transfer a state pension to either Australia, NZ or Canada, your pension will be frozen either at the value you first draw it or, if you are already drawing it, at the value you are receiving at your date of emigration. This means you will not receive the same annual cost-of-living increases as those pensioners who are still living in the UK. This, understandably, is a source of much consternation for elderly Brits living in these and indeed many other countries. Those looking to move to America won't be subjected to frozen pensions.

On the plus side, Britain has signed Double Taxation agreements with Australia, Canada, NZ and the US, meaning you should not be liable to pay twice on some of the assets you transfer from the UK.

For anyone looking to emigrate to another EU country or indeed, one which resides within the European Economic Area, the issue of what to do with assets such as pensions is much simpler. All countries in the European Union have Reciprocal Social Security Agreements which means that the transferring of your pension is a far more straightforward matter than it is when emigrating further afield. You simply need to contact the government's International Pension Service who will be able to inform you about just what steps you will need to take.

The frozen pensions policy currently penalises about 555,000 British expats in over 100 countries. More than half of these expats live in Australia. The Telegraph newspaper is currently campaigning the UK Government to update the frozen pension rules to stop elderly expats missing out.

In addition to transferring your UK pension to your new country of residence, there may be a possibility that you will also be eligible to qualify for a federal or state pension in your new home country as well – especially if you plan to be spending a majority of your adult life in that particular country.

Each of the 'big 4' long-haul emigration destinations, along with all EU countries, operate pension schemes with slightly different qualifying criteria to each other. Obviously the information provided here should be used as a guide only and it is essential to seek independent financial advice from an expert before deciding on any course of action.

Australia offers two chief sources of retirement income - Superannuation and the Age Pension. Superannuation is funded by Australian employers, who must pay 9.5 per cent of an employee's ordinary time earnings into a 'retirement fund'. The type of fund differs for each employer, but must be registered and approved by the Australian government. It is important to note that Superannuation funds are not final-salary schemes, so your income when you retire is dependent on the performance of your funds. It is possible for you to add your money to the fund, in addition to the 9 per cent from your employer.

The Age Pension is funded by taxpayers and paid to you by the government. As of March 2015, the Age Pension was worth maximum of AUS$22,365 a year for single people and AUS$33,717 a year for couples depending on income. However, in order to qualify for an Age Pension you must have lived in Australia as a resident or citizen for ten years. You can currently draw your pension in Australia when you reach 65 years of age, although this is set to change to 65.5 years of age in 2017.

New Zealand's also offers two main retirement schemes. The country's Superannuation scheme is paid by the government to all eligible people in NZ – by eligible you must have lived in New Zealand for at least 10 years since you turned 20, with five of these years being since you turned 50 (you do not need to have been classed as a 'permanent resident' for this duration). Superannuation in NZ is part of your taxable income, with the amount you eventually receive governed by your earnings. It is important to note that Brits can use National Insurance payments to make themselves eligible for New Zealand Superannuation, while you should also be aware that if you're drawing a pension from the British government this will also affect your NZ superannuation.

The other major NZ retirement scheme is KiwiSaver – a government backed, voluntary, savings plan. All NZ residents are entitled to join KiwiSaver. You can choose to contribute 3%, 4% or 8% of your gross wage to KiwiSaver and must stay in the scheme for at least a year. What's more, you are entitled to a compulsory employer contribution to your KiwiSaver account at a minimum of 2% of your gross salary.

When you reach 65 years of age you are entitled to withdraw any funds that are in your account as a lump sum – although as NZ has no retirement age you can continue working and withdraw your funds at a later date.

Canada's major retirement scheme is the Canadian Pension Plan (CPP). As with Australia's Age Pension and KiwiSaver, you will not be enrolled automatically into CPP so will need to apply yourself to join.

You can qualify for a CPP retirement pension if you have worked in Canada and made at least one valid contribution to the scheme. You must be at least 60 years of age to start receiving your pension. However, the CPP will reduce your pension amount by a set percentage for each month that you take it before age 65.

In January 2015, the average monthly payment through the CPP was CDN$5639.44 a month – the maximum entitlement is CDN$1,065.

In addition to the CPP scheme, most Canadian pensioners – at least those who have lived in the country for at least ten years since they turned 18 – should also be entitled to receive the Old Age Security (OAS) Pension. You must be 65 or older to receive payments through this scheme. You do not necessarily need to have ever been employed in Canada to receive payments through this scheme, although this will obviously impact on the amount of money you are entitled to. Once you reach the age of 65, you will need to apply to start receiving your OAS pension.

The **United States** offers a number of different retirement plans for its residents (far too many to mention in this article) and perhaps the closest the country has to what we in the UK would recognise as a pension, is the 'Defined Benefit Plan'.

Through Defined Benefit Plans, employers pay their employees a specific benefit for life when they reach retirement age (the age at which you retire can be specified in the plan and therefore the fund cannot be touched until you reach this age, although commonly the age of retirement is 65).

The benefit is calculated in advance using a formula based on age, earnings, and years of service. In the United States, the maximum retirement benefit permitted in 2011 under a defined benefit plan is US$210,000. The limitation for defined contribution plans, as of 2015, was US$53,000 a year.

The **Spanish** pension system is based upon earning related schemes which cover both employed and self-employed people. In Spain, you can claim a pension at the age of 65, only people who have contributed towards the scheme for 35 years will be eligible for a full pension – if you don't qualify for a full pension then what you will receive will be proportional to the number of years you have contributed towards the scheme.

A Spanish state pension is payable to expats who have lived in the country for 15 years and paid income tax and social security contributions in this time.

Finally, the main **French** pension system – Caisse Nationale d'Assurance Vieillesse – is similar to Spain's in that it is determined by your earnings through employment. You will be eligible to start contributing towards a basic state pension when you first register with social security.

Only people who have contributed to the scheme for at least 160 terms (quarter-years) will be eligible for a full pension. At present, a full pension is worth 50% of your average earnings in your 19 highest paid years – although this will soon be raised to 25 highest paid years. As with Spain, those who don't qualify for a full pension will receive an amount that is proportional to the number of terms they have been contributing for.

Just as in the UK, some companies and professions in the countries mentioned may have their own private pension schemes.

It is worth noting that each country in the EU adds together the insurance contributions from all EU countries. Then each country sees how much state pension (if any) a person would get if the insurance contributions had all been paid into that country's own social security scheme. Each country pays part of a person's pension; how much

Salary and taxes

Canada

Average weekly wage:	CDN$952 (approx. £513)
Average annual wage:	£26,676

America

Average weekly wage:	US$830 (approx. £576)
Average annual wage:	£29,952

Australia

Average weekly wage:	AUS$1,499 (approx. £757)
Average annual wage:	£39,364

New Zealand

Average weekly wage:	NZ$882 (approx. £416)
Average annual wage:	£21,632

Spain

Average weekly wage:	€400 (approx. £314
Average annual wage:	£16,328

France

Average weekly wage:	€558 (approx. £439)
Average annual wage:	£22,828

All figures gathered May 2016

Income tax *

In Canada, both federal and provincial taxes are levied on wage-earners. Provincial income tax rates vary from between 4% and 21% of your income (depending on the province that you live in and how much you earn). Federal income tax is between 15% (for those earning up to CDN$45,282 a year) and 33% (for those earning more than CDN$200,000 annually).

In the United States income tax ranges from between 10% and 39.6%. Single people earning between US$0 and US$9,275 are currently subject to 10% income tax, while those taking home more than $415,050 a year pay just 39.6% income tax. This means that while low-earners may find that they are actually taxed more than they are in Britain, high earners will almost certainly find themselves better off. Rates differ slightly for joint incomes.

Australia also has a progressive (and fairly generous, at least for low earners) income tax system, with those earning less than AUS$18,200 a year exempt from paying any income tax. Those who earn between AUS$18,201 and AUS$37,000 will face income tax of 19 cents for each AUS$1 over AUS$18,2001, while at the other end of the scale, people with a salary in excess of AUS$180,001 pay a one off tax of AUS$54,547, plus 47c for each AUS$1 earned over AUS$180,001.

In New Zealand, those earning up to NZ$14,000 through the PAYE system will pay an income tax of 10.5%. Meanwhile, high earners (those on a salary more than NZ$70,001) pay 33% income tax. Those who fail to notify the tax office of their earnings will pay 46.45% income tax, no matter what they earn.

In Spain, those earning less than €12,450 are taxed 19% i.e. 9.5% state tax and 9.5% regional tax while those earning more than €60,000 a year are taxed a fairly high 45% i.e. 22.5 % state tax and 22.5% regional tax.

Finally, the French are subject to many different taxes, but income tax rates are actually fairly low. Anyone earning less than €9,070 is exempt from paying tax, while mid-earners (those earning between Euros 9,701 and 26,791) pay just 14%. High earners – those earning €151,108 or more – are hit fairly hard in the wallet, though, paying 45%.

* All income tax brackets correct for the 2016/17 tax year

According to figures released by the office for National Statistics in May 2016, the average weekly wage in the UK was £499 in March 2016 (26,019 per annum).

Mortgage options

Canada

Basic Mortgage Facts

- → Max 50% loan to value
- → Max term 25 years
- → $100,000 minimum loan
- → Repayment mortgages only
- → Rates from 2.79%

Eligibility criteria for mortgages have become tighter over recent years, but you can still generally borrow up to 50% of the value of a property and the minimum loan is CDN$100,000. Rates can start from just 2.79% for a one-year fixed deal, and 2.84% for a 5-year fixed deal.

A key calculation used in the application is the debt-to-income ratio, which establishes whether you can afford to maintain the mortgage repayments, so your existing liabilities including loans, credit card payments and maintenance are taken into account, together with the proposed Canadian mortgage payments. All of this must not exceed 35% of your gross monthly income.

New Zealand

Basic Mortgage Facts

- → Max 70% loan to value
- → Max term 30 years
- → NZ$100,000 minimum loan
- → Repayment and interest only mortgages available
- → Rates from 5.10%

Eligibility criteria for mortgages are quite good, and you can still generally borrow up to 70% of the value of a property and the minimum loan is NZ$100,000. Rates currently start at 5.10%. Banks in New Zealand banks tend only to lend up to a level where the property can be serviced by New Zealand based income, but will make exceptions for high income earners working in strong industries in developed countries. Income earned overseas will be reduced by 20% for exchange rate fluctuations.

Australia

Basic Mortgage Facts

- → Max 80% loan to value
- → Max term 30 years
- → AUS$100,000 minimum loan
- → Repayment and interest only mortgages available
- → Rates from 4.69%

Eligibility criteria for mortgages in Australia are generally quite good, and you can still borrow up to 80% of the value of a property if you're not an Australian national, and the minimum loan is AUS$100,000. Rates start from around 4.69% and lenders will use affordability calculators, which can differ from one institution to another, so maximum borrowing amounts can vary significantly. Many will use a debt coverage ratio that takes into account anticipated monthly capital repayments on all mortgages, so that the sum total of all mortgage and personal loan commitments does not exceed 50% of your net monthly income.

America

Basic Mortgage Facts

- → Max 70% loan to value
- → Max term 30 years
- → US$85,000 minimum loan in Florida and US$150,000 in Alabama, California, Colorado, New Mexico, New York and Texas
- → Repayment and interest only mortgages available
- → Rates from 4.5%

The mortgage market has changed significantly over recent years and although financing the purchase of a property in the United States is not as easy as it used to be, it's certainly not impossible, especially if someone has a healthy deposit to put down.

Mortgages are generally available for purchases up to 70% of the property's value depending on the state in which the property is located. Most are on a repayment basis, the maximum term is 30 years, and interest rates and loan terms tend to vary depending on the property type and exact location. The minimum loan size is US$85,000 in Florida and US$150,000 in Alabama, California, Colorado, New Mexico, New York and Texas. The minimum loan for other states is US$500,000. Rates currently start from 4.5% for a 5-year fixed deal and 4.9% for a longer term (15-year) fixed deal.

Spain

Basic Mortgage Facts

→ Max 70% loan to value
→ Max term 30 years
→ €100,000 minimum loan
→ Repayment mortgages only
→ Rates from 2.5%

Mortgage availability is generally good, despite the recent doom and gloom, and financial institutions still have a healthy appetite for lending, with maximum loan to values still around 70% and rates from 2.5%. For many people buying property in Spain, it's a lifestyle choice, and they're attracted by the climate, amenities and culture, rather than earning a prospective fortune on their home there. If people enjoy what Spain has to offer, property can be snapped up there on better terms than have been seen for years.

France

Basic Mortgage Facts

→ Max 85% loan to value
→ Max term 25 years
→ €75,000 minimum loan
→ Repayment and interest only mortgages available
→ Rates from 1.8%

French mortgage rates are still at their lowest in decades, with deals starting at just 1.8% for a fixed mortgage over 10 years, and 2.45% for a 20-year fixed-rate loan. And unlike many countries where the best rates are limited to those with the biggest deposits, both of these deals, and many others, are available for mortgages of up to 80% loan-to-value.

Securing finance these days isn't quite as straightforward as it once was but French lenders are still willing to lend to British buyers, especially if they can prove that they have a sound financial profile. They'll require more details about income and outgoings, so it's important to have your accounts in good order.

Euribor is the interest rate most commonly used to calculate mortgage payments in continental Europe. On 19th June 2015 the Euribor (12 month) rate was 0.166%

The cost of healthcare

Sometimes, it is all too easy for us residents of the UK to take the healthcare we receive for granted. Sure, the National Health Service may have its faults, but as a mainly free system it is something that is likely to be greatly missed when you emigrate.

The fact is that in many other countries throughout the world (including some covered in this Money Matters guide) free healthcare does not exist in the same way that it does in the UK.

So how do the 'big 4' long-haul emigration destinations, along with France and Spain, fare when it comes to healthcare costs?

Well, if the US is your destination, then the answer is very badly indeed.

In **America** it is almost essential that you take out your own private health insurance, otherwise you will be left facing some extremely big bills for any treatment you receive – no matter how minimal this care might be. Many Americans are insured for healthcare by their employer. If your employer does not provide healthcare insurance, then you will need to use a private provider. In 2015, the average monthly premium for a single person buying health insurance was US$521 while for a family it was US$1,462 – although this varies greatly depending on the state in which you live.

The US government, however, does fund healthcare for some people, including the elderly, disabled, children, veterans, and some extremely poor families or individuals, while federal law mandates public access to emergency services regardless of ability to pay.

Canada, by contrast, does offer widespread publicly funded healthcare through its Medicare system. In theory, all legal permanent residents of Canada are insured through Medicare (you will need to apply for a healthcare insurance card when you arrive; this should be done as soon as you can – depending on the province where you settle you may need to have lived in Canada for differing periods of time to be eligible), although those who reside outside Canada for more than 183 days in a year may not be eligible for free – or publically funded – treatment.

However, not all healthcare treatment is covered by Medicare. For example, dentistry, some eye care and most homeopathic services are not covered, while prescription drug costs vary by province.

Australia also operates a publically funded Medicare system which works in a very similar way to Canada's. Although Medicare is not entirely free, permanent residents who hold a Medicare card (which every permanent resident is entitled to) will receive heavily subsidised treatments from medical practitioners who have been issued a Medicare provider number, and free treatment in all hospitals.

Medicare usually pays 85% of the Medicare schedule fee for out of hospital services, other than General Practitioner (GP) services.

New Zealand's healthcare system is funded mainly through taxation, with publicly funded healthcare available for any resident of New Zealand.

However, not all healthcare in NZ is provided for free. For example, visits to a GP will cost you around NZ$50 a time – although this amount can be significantly reduced if you join a Primary Health Organisation (for no cost). Using ambulance services and prescription medicines will also have an impact on your wallet (although fees for children under 6 are often waived). All fees will vary, though, as the majority of doctors' practices and medical centres are privately owned and set their own fees. All hospital treatment, however, is free.

France's healthcare system is regarded by the World Health Organisation to provide some of the best healthcare in the world. The French healthcare system is largely paid for by workers, who contribute around 6% to 7% of their income towards one of the country's three healthcare funds.

The country's main healthcare system/fund, and arguably the one most expats should and will join, is the CMU scheme (Couverture Maladie Universelle). The CMU covers around 84% of the population and you can register for this system at any one of the hundreds of CPAM offices located throughout the country.

Although most healthcare still isn't free in France – emergency procedures and treatment aside – depending on the fund you contribute towards you will be reimbursed around 70% on most costs. Therefore, a visit to a GP, which would cost around €23 if you don't have cover, will only set you back around €6.60.

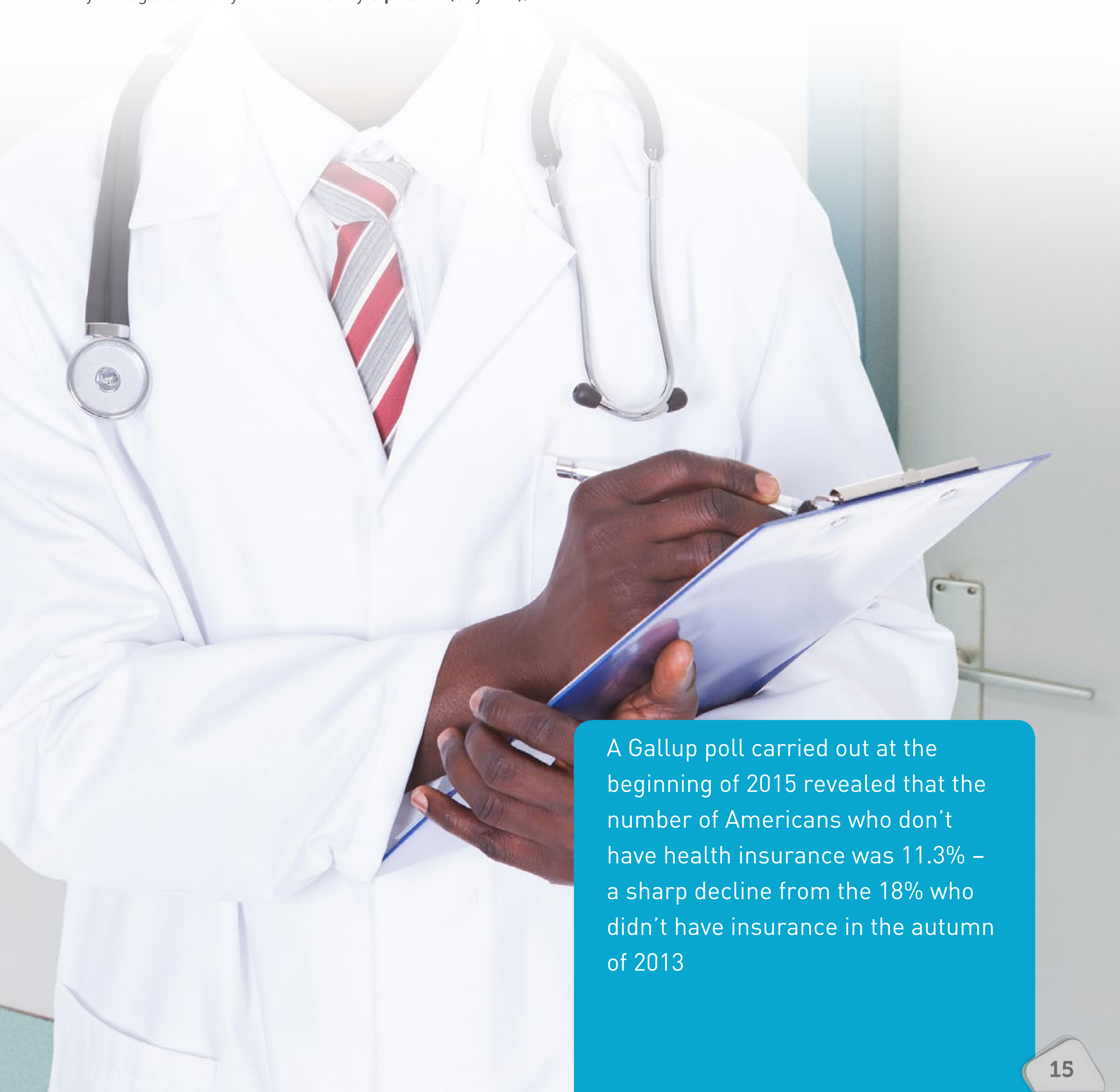
In **Spain**, healthcare is mandated by the constitution to be provided for free throughout the country – providing you are insured. To become insured you need to have a social security number, which usually means you will need to work for a company or be self-employed.

However, as the UK also has universal free health care, people over 60 will be able to get the British health system to cover them for any treatment they receive in Spain – providing you are in possession of the European Health Insurance card (EHIC); formerly known as E111 health insurance.

If you're not insured or over 60, then you will still be entitled to free emergency care in any public hospital, providing you have a Certificado de Empadronamiento – this is a resident's card which you will be given when you register with your community's **padrón** (city roll).

If you are looking to settle elsewhere in the EU, it may well be worth applying for a European Health Insurance card. Although the EHIC is primarily targeted towards tourists, this will nevertheless ensure your healthcare is covered for the first few weeks or months while you get yourself sorted. If you wish, it may even be possible to stay registered with the NHS and return to the UK for any treatment – although this could get expensive if you need to visit healthcare specialists on a regular basis.

No matter where you are intending to emigrate to, it is worth noting that in addition to applying for these publically funded healthcare systems, private healthcare options are also still available in Canada, Australia, New Zealand and throughout the EU.



A Gallup poll carried out at the beginning of 2015 revealed that the number of Americans who don't have health insurance was 11.3% – a sharp decline from the 18% who didn't have insurance in the autumn of 2013

The property search

Undoubtedly the biggest financial outlay you will face once you arrive to start your new life will be on finding somewhere to live.

It's no secret that properties in Canada, Australia, America and New Zealand all offer better value for money compared to what you get in the UK. That's not to say that houses will definitely be cheaper in your new destination (see following page), but they will almost certainly be far bigger than a comparably-priced property in the UK would be.

Having spoken to hundreds of migrants over the years, it's fair to say that choosing a home is one of the most common mistakes people make in the entire emigration process – or, to be more accurate, choosing a home too quickly.

It's simply shocking how many people rush into a property purchase without choosing to look at it for themselves first. There's no way you'd ever do this in the UK, so why some people choose to do it when moving thousands of miles away is baffling to say the least. Internet research is not enough when buying – or even renting – a house.

A fact-finding trip will present you with the perfect opportunity to explore houses that you like the look of and get a feel for what's good value for money and what isn't – again, whether you're looking to buy or rent.

Renting has become more popular in recent years due to the problems that many migrants now face in selling their own home.

Whereas once migrants may have looked to rent a property on a short-term basis while they looked for somewhere to buy, long-term rentals are now far more readily sought after. As a result, you may find this type of property hard to come by, especially if you are looking to settle in a popular migrant hot-spot. However, whether you're looking to buy or rent, the chance to live in a bigger house for less – or at least similar – money is still very much an achievable goal.

Of course, if you are looking at living in and, consequently, buying a property in an EU country, then the situation you face could be very different.

Properties in many European countries – especially some of the more popular ones with British expats including France, Spain and Portugal – are still very low, especially in more regional, less-touristy areas. Therefore, even if you do still need to take out a mortgage to finance your house purchase, the amount you will have to borrow is likely to be far lower than it would be in one of the long-haul destinations.

Rentals are also very affordable throughout Europe. Sizes of properties in continental Europe also tend to be bigger than those in the UK – especially when compared with what you could buy for similar money in Britain – and in France in particular it is possible to pick up rural properties with lots of land. One thing you will need to be wary of when buying or renting a property in Europe, however, is build quality – especially when buying older properties.

Always get a surveyor to look at a property first – even if local law does not require this to be done – and, just as we advise you to in the long-haul destinations, always look at a property first hand before parting with any cash!

The most recently released data shows that the average size of a UK house is the smallest in Europe – 76 square metres. Denmark was found to have the largest homes in Europe – 137m^2. The average Australian house size is 243m^2, America's is 222m^2, Canada's is 181m^2 and New Zealand's is 149m^2

The house sale dilemma

When it comes to emigrating there is a school of thought that believes that it is essential to sell your property before you emigrate – and not just for financial reasons. Some people argue that you'll need to emigrate with 100% commitment and that if you still own a house in the UK you'll be tempted to return to Blighty at the first sign of trouble.

However, if you'd rather not sell your house, or simply can't find a buyer – then surely it's worth looking at another option.

The most common 'alternative' option to selling your house is, of course, to let it out instead.

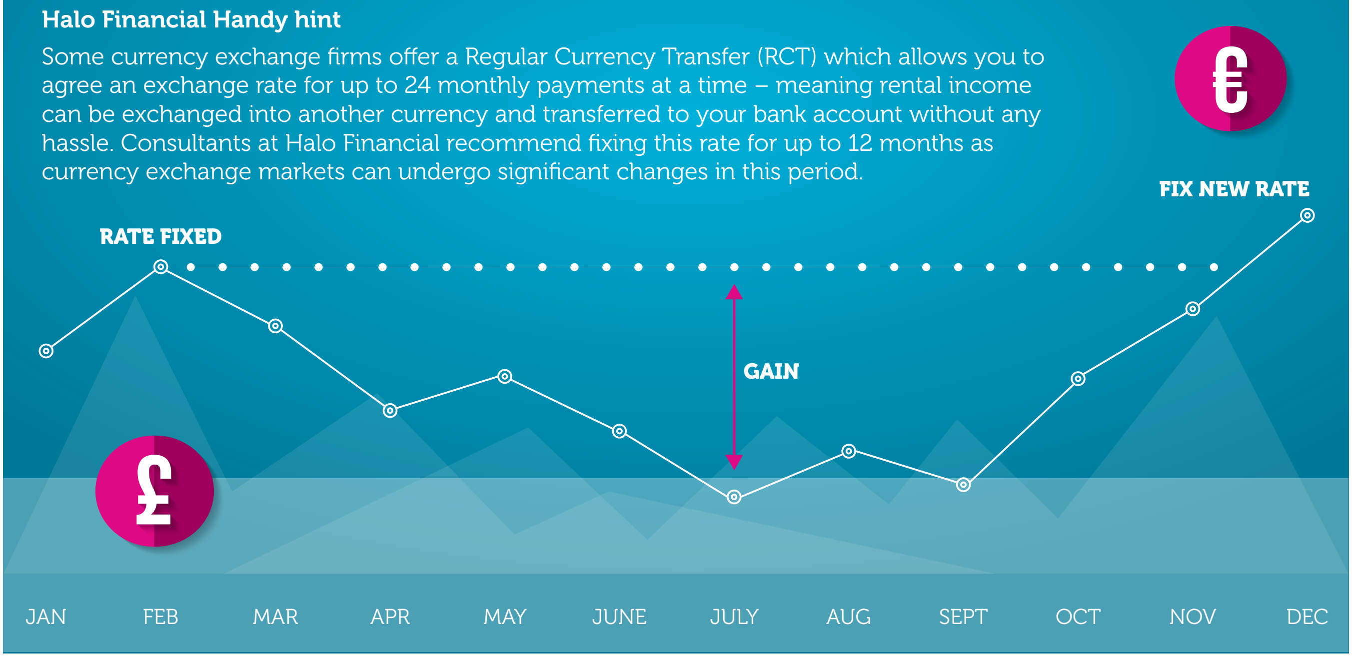
Renting out your house and perhaps remortgaging it in order to release some equity, will give you a greater degree of control over the emigration process. It will also mean that you will not be under so much pressure to accept a bid which you deem to be an affront.

Judging by the replies on the BritishExpats.com forum, letting your UK property seems to be a popular – or at least necessary – option for many families right now. Of course, depending on your contract with the tenant, there is nothing to then stop you selling the property at a later date once the market has improved.

While the thought of renting out your home is unlikely to be as appealing as selling, for those unwilling to put their emigration dream on the backburner (perhaps indefinitely) it may just be worth considering.

Halo Financial Handy hint

Some currency exchange firms offer a Regular Currency Transfer (RCT) which allows you to agree an exchange rate for up to 24 monthly payments at a time – meaning rental income can be exchanged into another currency and transferred to your bank account without any hassle. Consultants at Halo Financial recommend fixing this rate for up to 12 months as currency exchange markets can undergo significant changes in this period.



NZ case study – Jonathan Corr

When Jonathan Corr moved to New Zealand in 2008, it wasn't as though he was fulfilling a long-held desire to emigrate to the land of the long white cloud.

"My marriage broke up and I had the option of staying in England or trying New Zealand on a Working Holiday visa before I was too old to be eligible," explains Jonathan. "I booked a one way ticket with Singapore airlines in June 2008, and moved out with just a single suitcase – which got lost on the way, making arriving in Christchurch in the middle of winter a bit hard.

"I ended up living in Blenheim and was there for the first three years of being in NZ," Jonathan continues. "Before I came out here I was looking online for IT jobs and saw one in Blenheim (an area I had never heard of) sent over my CV and ten minutes later had a phone call from the business owner telling me to come and see him once I arrived. I did and was offered the job."

Name: Jonathan Corr

From: Sheffield, Yorkshire

To: Blenheim, New Zealand

When: June 2008

Visa used: Working Holiday initially, then work to residence

However, so fast did Jonathan's move to NZ come about, that he didn't have time to tie up all of his loose ends in the UK – including the sale of his two British properties; one of which they let out.

"Trying to sell after the housing market collapsed in 2008 was a bit of a mission," he reflects. "It took a lot of time and I had to support two UK mortgages from New Zealand for around nine months until we sold them. The selling process itself wasn't too difficult but I often felt a bit detached from what was going on and it was hard to know if the estate agents were always working hard to get the properties sold."

Another complication for Jonathan – and one anyone who is planning to let their property out will need to consider – was dealing with, shall we say, 'awkward' tenants.

"The rental property we owned turned into a real nightmare with tenants not paying their rent and then it taking us nine months to get them evicted. Going through the court and eviction process at a distance probably made it a lot harder than me actually physically being in the UK would have done."

However, in spite of the frustration and financial strain this placed on Jonathan, he says that he couldn't be happier with life in NZ. In fact, since arriving in the country he has even twice had a complete career change, swapping his office-bound IT job for, firstly, an outdoor life as a dairy farmer, and then for a life behind the wheel as an ambulance officer.

"Emigrating was the best thing I ever did," he enthuses. "I've met so many great people and had so many awesome experiences since coming here. What's more, I'll qualify as an NZ citizen next year which will open up even more opportunities for me."

Property – market overviews

America

Since the turn of the decade, as America's economy has steadily recovered from the darkest days of the credit crunch, property prices throughout the county have started to climb consistently. National Association of Realtors (NAR) data from May 2016 reveals that 154 out of 178 metropolitan statistical areas showed price gains based on closed sales in the first quarter of 2016 compared with the first quarter of 2015. What's more, according to forecasts made by the NAR in May 2016, existing-home sales in 2016 are on track to come in at their highest pace since 2006.

National average house price:
US$222,700 (approximately £154,521)

City/town with lowest average price:
Cumberland, Maryland – US$67,400 (approx: £46,776)

City/town with highest average price:
San Jose, California – US$970,000 (approx: £673,221)

Price sources:
National Association of Realtors (March 2016)

Australia

Australian property prices, particularly in the locations most popular with immigrants have increased rapidly in recent years. Houses in the country are among the most expensive in the world, but there are, of course, local house price variations. However, in the first few months of 2016 there were signs that the pace of price rises is starting to slow. A March 2016 reports from the Australian Bureau of Statistics revealed that house prices in Sydney dropped for the first time in three years during the December 2015 quarter, while most other Australian state capitals only recorded minor rises.

National average house price:
AUS$719,024 (approximately £363,477)

State capital with lowest average price:
Hobart, Tasmania – AUS$360,212 (approx. £182,126)

State capital with highest average price:
Sydney, New South Wales – AUS$995,804 (approx. £503,497)

Price sources:
Domain Group House Prices (March 2016)

Canada

Canada's property market emerged relatively unscathed from the global financial crisis and the country's long-running housing boom seems to show no signs of ending, with national home sales increasing by 15.7% on a year-on-year basis in March 2016, according to the Canadian Real Estate Association (CREA). However, much of this excessive growth is confined to the country's larger cities, most noticably Greater Vancouver, and outside some of the major it is still possible to pick up a new home for less than CDN$200,000. An April 2016 report released by the Canada Mortgage and Housing Corporation (CMHC) revealed that nine out of Canada's 15 largest housing markets are showing signs of being overvalued.

National average house price:
CDN$508,567 (approximately £274,344)

Major city with lowest average price:
Saint John, New Brunswick – CDN$154,700 (approx. £83,452)

Major city with highest average price:
Vancouver, British Columbia – CDN$1,093,267 (approx. £589,691)

Price Source:
Canadian Real Estate Association (March 2016)

Rather than going with the biggest name in the property industry, why not do some research on specialist estate agents in the area you're looking to buy.

New Zealand

A quick glance at the New Zealand national property price trends over the past few years paints a picture of rapid growth, leading numerous property analysts to warn that the country is in the midst of an unsustainable property bubble. However, closer analysis of this data reveals that on the whole the price rises are confined largely to the country's most populous city, Auckland, with Christchurch also seeing fairly strong growth. Elsewhere in the country, property price growth has either remained fairly flat or increased at a sustainable level, meaning bargains are still to be had.

National average house price:
NZ$568,058 (approximately £276,522)

Major city with lowest average price:
Wanganui – NZ$190,900 (approx. £90,064)

Major city with highest average price:
Auckland – NZ$942,760 (approx. £444,781)

Price Source:
Quotable Value New Zealand (April 2016)

France

While French property hasn't been reduced to bargain basement prices nationwide, it generally remains well under UK averages, with plenty to choose from within a budget and the current strength of the pound allowing buyers to get more bang for their euro. It's a buyer's market. With a defiantly dynamic property market, France has also represented relative stability amid the recent global downturn and is considered as a safe haven by investors.

***National average house price:**
€242,683 (approximately £169,165)

***Major city with lowest average price:**
Chateauroux – €124,000 (approx. £97,693)

***Major city with highest average price:**
Toulon – €333,000 (approx. £262,325)

Price Source:
Price Source: Notaires.fr (April 2016)
* Data is for older houses only; apartments and new-builds not included

Spain

Spain's property market crumbled at the height of the financial crisis, sending property prices spiralling. But after years of the market being depressed, it's starting to pick up, with data from the country's National Statistics Institute released in April suggesting that home sales were up 15.8% in February year-on-year while prices increased over 1 per cent in the same period. Meanwhile, market research agency Standard & Poor's, expects house prices to rise by 2.5% throughout 2016, thanks to ultra-low interest rates, and this is leading to renewed optimism among potential buyers.

National average house price:
263,000 Euros (approximately £207,137)

Major city with lowest average price:
Zamora – Euros 74,512 (approx. £58,685)

Major city with highest average price:
Ibiza – Euros 773,826 (approx. £609,461

Price Source:
www.nestoria.es (March 2016)

As of April 2016, the average house price in the UK was £212,321 (according to the Halifax Building Society).

Average property prices

CITY	AVERAGE PRICE	CITY	AVERAGE PRICE
London, UK	£600,625	Adelaide, Australia	£217,625
Vancouver, Canada	£589,691	Nelson, New Zealand	£212,832
San Francisco, USA	£534,588	Ottawa, Canada	£198,872
Sydney, Australia	£503,497	Halifax, Canada	£151,971
Auckland, New Zealand	£444,781	Dunedin, New Zealand	£149,905
Queenstown, New Zealand	£397,472	Chicago, USA	£144,954
Toronto, Canada	£370,971	Orlando, USA	£144,259
Melbourne, Australia	£362,915		
Perth, Australia	£270,593		
Brisbane, Australia	£247,833		
Calgary, Canada	£240,103		
Wellington, New Zealand	£234,387		
Christchurch, New Zealand	£230,675		

NOTE All average price data gathered between April and May 2016 – converted on 13th May 2016. Given the ever changeable nature of property markets the world over, and constant fluctuations in the currency exchange markets, prices will not be wholly accurate when you read this guide, but should still give you a good indication of how far your money will go. European markets have not been included due to a lack of reliable available official source.

Property examples

Here's what your money could have bought you in six of the countries covered in this guide, as of May 2016:

Country: New Zealand

Location: Wellington

Number of bedrooms: Two

Features:
Open-plan living; Close to local cafes and shops; Half a share of 703m^2 of land

Price:
NZ$320,000 (approximately £150,904)

Website: www.bayleys.co.nz

Country: Australia

Location: Perth

Number of bedrooms: Three

Features:
Undercover parking for one; Rear courtyard and front garden courtyard; Easy access to Perth CBD

Price:
AUS$575,000 (approx. £290,968)

Website: www.realestate.com.au

Country: Canada

Location: Nova Scotia

Number of bedrooms: Three

Features:
Two bathrooms; Office/den; Large garden area; Refinished original hardwood flooring

Price:
CDN$239,900 (approx. £129,472)

Website: www.remax.ca

Country: United States

Location: Miami

Number of bedrooms: Four

Features:
Three bathrooms; Large backyard with pool; Built-in barbecue grill; Marble flooring

Price:
US$595,000 (approx. £413,635)

Website:
www.savills.com

Country: Spain

Location: Valencia

Number of bedrooms: Two

Features:
Use of communal outdoor pool; Large garden; Fully air-conditioned; Located in quiet area

Price:
175,000 Euros (approx. £137,802)

Website:
www.utopiaspanishproperty.com

Country: France

Location: Savoie, Rhone-Alpes

Number of bedrooms: Four

Features:
Fully renovated farmhouse; Located close to ski resorts; Mountain views; 300m2 of living space

Price:
695,000 Euros (approx. £547,278)

Website:
www.ra-property-services.com

Case study: Property pluses

For Carl Evans, a life lived in the sun (and surrounded by palm trees) had appealed since he was around 14 years old.

However, it was the difficulty that he and his wife Chloe faced in obtaining a mortgage in the UK seven years ago, which finally convinced him to look at the opportunities that existed for him down under. "We were struggling to get mortgage approval for a home big enough to fit us and any children we might one day have had. In fact, we were struggling to even find a one-bedroom flat in our price range," recalls Carl.

Name: Carl Evans

Moved to: Port Macquarie, Australia

The couple decided to settle in Port Macquarie on the mid north coast of New South Wales. "We chose this area after visiting it on our honeymoon and staying the night there by pure chance. We returned 18 months later (to check we would be able to stand the heat of a full summer) and loved it. We had planned on starting a family and thought Port Macquarie was a great place to do that. We now have three children, all born at Port Macquarie Base Hospital."

Although the Australian property market has changed considerably in the past few years, back then Carl and Chloe certainly found that, when it came to housing, their money went a lot further in Oz than it would have done in the UK. "Our three-bedroom, two-bathroom, single-garage home cost us AUS$220,000 when we bought it – which was around £88,000 at the time of purchase," says Carl.

While, as we have already explained on the pages of this Money Matters Guide, property costs in Australia have risen substantially in the past five years or so, Carl says that prices (in Port Macquarie at least) are still more affordable than in the UK – and you get far larger houses for similar money.

One thing that Carl does not find to be so affordable any more, however, is general living costs. "When we first arrived here, general groceries and energy bills were slightly more expensive here in Oz, but larger items – houses, boats, etcetera, were cheaper. In the last few years, however, food and energy prices have risen dramatically and have made it increasingly difficult for us financially."

So has the increased cost of living ever made Carl yearn for life back in the UK?

No chance.

"Although the cost of living is rising at a rate that was unexpected (my wife has not worked since we moved here as she is a stay at home mum – when she does return to work our financial situation will change dramatically) I am 100 per cent sure we made the right decision to emigrate.

"We have been Australian citizens for several years and are very proud to have been allowed the opportunity to live here."

halo

Halo Financial Limited
Battersea Studios 2
82 Silverthorne Road
London
SW8 3HE
United Kingdom

Telephone +44 (0)20 7350 5470
Fax +44 (0)20 7350 5475

Email help@halofinancial.com
Web www.halofinancial.com