

## S. Koreans' overseas property purchases skyrocket in 2006

SEOUL, Jan. 22 (Yonhap) -- South Korean residents' overseas property purchases increased sharply last year on the back of eased regulations, the central bank said Monday.

According to the Bank of Korea, local residents reported 2,835 real estate purchases worth US\$775.1 million in foreign countries last year, compared with 47 worth \$22.7 million a year earlier.

In a bid to put a lid on the local currency's sharp ascent against the greenback by encouraging capital outflow, the government raised the ceiling on purchasing properties for residency to \$1 million from \$500,000 in early January and removed the spending limit in March last year.

The government also lifted the ban on individuals' direct overseas investments and allowed spending of up to \$1 million on May 22.

There were 1,268 individual purchases of properties worth \$514.2 million, accounting for 66.3 percent of the total amount declared with foreign exchange banks.

Individuals' property purchase for residency peaked at \$89.5 million in the second quarter, up from 45.4 million three months earlier, but gradually decreased to \$72.0 million and \$65.2 million, respectively, in the third and fourth quarters.

Corporations' purchase of properties, mostly for real estate development projects, came to \$229.3 million last year.

Overseas membership purchases, comprising mainly of golf club membership, also shot up to 1,068 worth \$31.6 million last year, compared with 8 worth \$400,000 the previous year, the bank said.

Individuals and corporations remitted \$500 million overseas to purchase properties last year, accounting for 65 percent of the aggregate amount declared for buying homes and shops abroad, the bank said.

The United States attracted 48.1 percent of the entire spending for real estate purchases, followed by Canada with 23.3 percent, China with 5.9 percent and Australia with 3.9 percent, it said.

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