

Tips for financial planning when moving abroad



The best piece of financial advice in English literature comes from Wilkins Micawber in Charles Dickens' *David Copperfield*: his famous quote that if your expenditure is one penny above your income the result is misery, and if one penny below, happiness.

Micawber ends up moving to Australia and running a bank. But for anyone moving abroad, the vital importance of keeping your finances in order shouldn't be underestimated. Emigrating is exciting, but stressful too, and money should be one factor you can control.

Start long before you move, by saving. Britons moving Down Under used to be known as the 'ten pound poms' as that was the price of passage. These days you should build up a war chest closer to £10,000.

You can spend several thousand on the visa application before you think about removals and rental deposits; beware that you may need six months in advance as post-pandemic landlords look for security.

In the UK, most properties are rented unfurnished. Although you might think a quick trip to Ikea will do the job 'for now', budget in four figures for even a basic set up. It is normal for landlords to provide white goods (fridge, freezer, cooker, dishwasher) but do check in advance.

Knowing what's normal practice in the new country is your first barrier; one you may have to negotiate before you arrive. That's what makes using an immigration concierge or relocation agent so appealing. If you are lucky enough to work for a company that provides such expertise as part of a generous relocation package, the process should be easy.

For those doing it all themselves, organisation is all. Calculating living expenses and budgeting accordingly should be easy. Write down your usual expenses in your home country then simply check them off against the equivalent item overseas. The Property Guides Overseas Cost of Living Index covers not only the price of eggs but those items you might forget too, such as a trip to the dentist or the cost of a domestic cleaner.

Retailers are more geared up for providing prices online than instore, so you can easily check off your comparable prices with a few clicks.

Having established yourself in the country and made a few friends, you'll want to put down some financial roots.

Property ownership is not usually linked to residency and anyone (unless sanctioned) can buy. Bear in mind, however, that in countries including the UK, USA

and France, owning a property does not grant you a right to live in it full time either.

Beware of property buying costs and taxes. In the UK, buying costs are relatively low, at some 2% of the purchase price, so allow for £5,000 on top of a £250,000 home. In continental Europe, however, budget for closer to 10-15%. You should also write a will and speak to a financial advisor about your tax status.

Prepared and with a close eye on the bottom line, money can be one of easiest parts of emigrating. Indeed, since few of us move abroad to be poorer, now you can plan where to spend it!



Christopher Nye is senior editor at www.propertyguides.com, which since 2004 has helped many thousands of readers to both move and buy properties abroad.

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