

# Mauritius ready to open the doors to paradise

Strict laws once made it hard to invest in the Indian Ocean's most desirable destination. Things are changing, says Bridget Stott

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The Indian Ocean Island of Mauritius was described by Mark Twain as a 'blueprint for heaven'. A stable democracy, a strong economy and harmonious cultural mix, blessed with a stunning landscape of verdant tropical bush, pristine coral reefs, white sand beaches, clear blue seas and year-round sunshine. Paradise on earth for a lucky few, as it's only been the very wealthy who can afford to holiday there.

However, things are about to change as the Mauritian government, for the first time, has decided to allow foreign investors to buy residential property through its Integrated Resort Scheme (IRS). Fifteen hundred properties are planned. Developers have already moved in and are producing five new residential resorts. Work on two of them has already begun.

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By encouraging overseas investment here with tempting property deals, the government is looking to secure a future in the tourism and service sectors. Until now, Mauritius has been heavily dependent on sugar and textile exports. These industries are now in decline due to EU quotas and competition from India and China, and because most of the highly educated Mauritian population would rather work in offices and hotels. So from next month, with purchase possible from June 2006 and an entry level of £287,000, the IRS will enable foreign investors to buy and live there. Mauritian Minister of Finance, Rama Sithanen, says: 'We need foreigners to settle here and invest in new business opportunities. Things are going well for us now, but we need to move forward and develop quickly if we are to continue competing internationally.' Mauritius is 12 hours' flying time from London. English is the official language, driving is on the left, the English curriculum is standard in schools, football is a national obsession and the average year-round

temperature is 30C.

And what of the impact of residential complexes on this pristine island? 'Distance is a natural protector,' says Sithanen. 'We're deliberately creating exclusive resorts to protect what we have. It's a balancing act between preserving the natural environment with low-impact development while creating new jobs.'

The £204m Anahita Residential Resort is first to offer freehold properties for sale. The development includes 215 luxury villas, 70 marine-side apartments and 40 golf lodges, overlooking an 18-hole championship course.

The maximum amount of land foreign investors can own through the IRS scheme is 1.5 hectares and mortgages are available through Mauritian branches of the HSBC and Barclays Bank.

There is a fixed registration duty of £40,000 to consider, plus a fixed land transfer tax of £28,000 payable to the vendor on resale and a notary fee of 0.5 per cent. However, tax breaks include no capital gains tax in Mauritius on re-sale for owners domiciled outside Britain, and no inheritance tax liability.

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