

CURRENCY EXCHANGE – SAVING PROPERTY SALES IN ADVERSE CONDITIONS.

Premier FX has recently helped an Algarve based real estate agent who was working to agree the sale of a property for a British client. The vendor had been trying to sell their holiday home for many months and repatriate the proceeds to the UK to fund other activities. The price had been reduced on several occasions to try to attract a buyer and, eventually, a Portuguese purchaser had been found and a price agreed.

At the time the sales price in Euros was agreed, the vendor had calculated his net proceeds in Pounds based on the prevailing exchange rate from his bank and used this figure to plan his forthcoming activities. However, as the completion date for the sale approached, the rate worsened, meaning that he was facing a significant shortfall. At this late stage, he was contemplating seeking an increase in the purchase price from the buyers and had instructed the agents to do so.

The agent strongly advised against this strategy, believing that the buyers would refuse to accept any price increase and withdraw their offer at a time when prices were continuing to fall, thus meaning the sale would collapse. Furthermore, other similar properties in the same location had recently been brought to the market at prices lower than that already agreed. They quickly sought the advice of Premier FX to try to rescue the situation.

Premier FX's Account Director immediately made contact with the vendor to fully understand his position. It was clear that the buyer would withdraw from the deal if any price increase was proposed and so Premier FX urged him not to do so but to instead work on a strategy to benefit from a better exchange rate. The forecast was for the rate to improve but not within the timescales required. Premier FX was able to provide a worst-case rate to give the vendor some security and the sale proceeded to completion. The proceeds were deposited with Premier FX and, as forecast, the rate did improve over the next week or so. This, together with a number of other tactics, provided the client with a far better exchange rate and thus increased proceeds by in excess of £6000 when the transfer to the UK was done.

The overall outcome was good for all parties. The vendor sold his house and received more Pounds for his sale than expected, the buyer bought at the reduced price he had agreed, and the real estate agent had a successful sale in difficult times - one that had almost been lost.

Premier FX does not charge for their advice in such situations and is extremely happy to work with all parties facing similar dilemmas. Furthermore, there are no fees or commissions resulting from any currency transactions resulting in a safe, simple and predictable experience.