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COVER STORY

Get set for a buying spree in the eurozone

Take a tour of cut-price opportunities created by the currency crisis and political turmoil with Carol Lewis and Francesca Steele

The double whammy of the euro reaching a seven-year low against sterling and property prices in several European countries reaching their nadir means that now is the perfect time to consider buying abroad.

Quantitative easing and the Greek election result might not augur well for the future of the struggling single currency, but for UK property-hunters looking to spend €200,000 (£50,000) on a eurozone home, it is now 45,000 cheaper than it was in March 2014.

While the most prestigious locations, such as Monaco and the Algarve, have resisted market vacillations, properties in many countries popular with British buyers, like Spain, Portugal and Italy, are half the price they were at the peak of the market. Buyers are beginning to notice, with viewings being booked unseasonably early this year.

We look at the property markets and ask the experts for their tips on where to buy in the eurozone.

Austria
Forget Klosters and St Moritz. Ski home bargain-hunters are all about Austria these days, according to property specialists. "Austrian hospitality is superior to the French-speaking resorts. Better ambience, more family-friendly and better value for money. Plus better après-ski," says Paul Kleinokorte, of Pure International, an alpine sales company. "We had some European owners of Swiss properties calling us [to say] that they will reduce their prices as a result of the strengthening of the Swiss franc against the euro," says Kleinokorte.

Although Lech and Kitzbühel, Austria's most established resorts for the rich and famous, have the edge in terms of glamour, St Anton has become increasingly popular for winter and summer visitors. Here, you can still find three-bedroom homes moments from the ski lifts for less than €250,000. In nearby Wald an Arlberg, Pure is selling new three-bedroom chalets for €417,000; these benefit from the much sought-after "second home status", removing any rental obligation from the owner.

France
Prices in some of the most popular areas of the Gironde and Dordogne are still 30 per cent below their peak and Jelena Cvjetkovic, of Savills International, says the market has been slow for several years. In the past few weeks, however, inquiries have doubled from what they were this time last year, as a result of the strength of the exchange rate. For the past couple of years, properties have been sitting on the market for 18 to 36 months, but this is changing, with more viewings than usual and even tales of gumpumping. British inquiries still focus on the hotspots within an hour of Bordeaux and Bergerac airports. Picturesque towns and villages, such as Saint-Émilion, with its Romanesque churches and vineyard views, are very popular but pricier than something a bit more rural. Savills is selling an eight-bedroom chateau in traditional Gironde stone for just over €1 million, but something in the slightly less well-known area of Sauveterre could be cheaper. "You could easily get a lovely five-bedroom, three reception room, farmhouse with a pool for around €500,000," says Cvjetkovic.

Greece
Agents say that, despite the unrest surrounding the general election and the threat of an exit from the euro, the property market in Greece has stabilised in the past couple of years. "Our buyers are cautious, of course, and they do worry about the political and economic stability," says Alexandros Moulas, of Savills Greece. "But they also love the

climate, the food and the architecture. And of course, prices are still very reasonable compared with other Mediterranean countries." Prices fell 7 per cent last year, according to a Bank of Greece survey — although the rate of decline has slowed considerably since 2012. The key markets for second homes include the Ionian islands, which include Corfu and Zakynthos, and the Cyclades — think of the glamorous houses and palaces of Mykonos and Santorini. Corfu has lots of Italianate architecture and a three-bedroom villa costs less than €400,000. For something a bit fancier, on the seafront with semi-private beach access and a jetty, you need at least €1 million. Moulas says some properties sell for 60-65 per cent of the asking price, but the higher up the market, the smaller the discount. "Above €1.5 million, 85 per cent of the guide price is more normal."

Ireland
In the country where prices fell more than 50 per cent during the downturn, market figures roared back last year, with average house prices rising just over 15 per cent. Outside Dublin though,



A six-bedroom villa in the hills above Venice, a village near the French Riviera, €2.975 million, for sale with Unique Living



A penthouse on Place Vauban with views over the Dôme des Invalides in Paris, €4.14 million (Savills)

agents say things have moved a little bit more slowly. "The market is beginning to move — houses are selling quickly — but prices haven't moved much yet. It really is a great time to buy in rural Ireland, because things are on the up but haven't moved up too much yet," says Mary Dillon, managing director of estate agency Sherry FitzGerald. Dillon recommends West Cork, a popular tourist area on the coast in southwest Ireland, which includes villages such as Clonakilly, Schull and Skibbereen. "It's not super-chic, it's just incredibly beautiful and well-preserved. Planning restrictions have prevented it from becoming over-developed and there's a big sense of community. The man in the biggest house on the street is often friends with the owner of the tiny cottage down the road."

The number of British buyers has been growing, particularly those who want a holiday home with a view to retiring here. You can get a lovely semi-detached house near shops and amenities in a popular village for €250,000, but something with sea views and land can be much more.



Limonas Capponi is an unusual family home in Florence's centre, €3.95m (Savills)

Italy
Property prices in Italy have been in decline since 2009, with asking prices now 30 per cent below their peak. Rupert Fawcett, head of Knight Frank's Italian department, says that buyers are often able to negotiate a discount of a further 5 per cent. Most people agree that property prices have hit rock bottom. "It looks like we are at the bottom of the curve although prices probably won't start creeping up again for a while," he says.

Value can still be found in areas popular with British buyers, such as Chianti in Tuscany. Fawcett also suggests Puglia in the south or the Ligurian coast in the northwest. Places such as Sanremo, Imperia and Boringhiera, close to the French border, were popular with Italians before the recession. It offers "great apartments with sea views for considerably less than

nearby Monaco or 'the Caps'." He also says there is increased interest from international buyers for apartments in cities such as Rome, Florence and Venice where owners can rent them out while awaiting capital appreciation.

Monaco
"There is no such thing as a bargain in Monaco," says Irene Luke, head of the Savills Monaco estate agency. Average prices here have been rising steadily for the past few years, reaching a peak of €32,000 per sq m in 2013. They are expected to have achieved an average of €40,000-€45,000 per sq m in 2014, although the official figures will not be released until the middle of next month. Luke saw prices of €65,000 per sq m in prime locations last year, with international buyers still clamouring for properties on Golden Square.

The best value can be found near the exotic garden and port area of La Condamine: a two-bedroom flat can be found for €30,000 to €50,000 per sq m (about €5 million). Luke has a penthouse on the market with good views of the port and grand prix course for €9 million which could yield another €1 million to €2 million once it is restored. Property prices are likely to keep rising as there is a shortage of supply and high demand in the politically stable tax haven.

Portugal
Portugal has enticed international buyers in recent years with a golden visa programme for non-Europeans and tax incentives which have proved especially popular with French and Scandinavian buyers. "British buyers for holiday homes have disappeared since 2008," says Charles Roberts, managing partner of Fine & Country in Estoril. Property prices in Portugal have fallen about 30-40 per cent since their peak in all except the most prime locations in Lisbon and the Algarve. Nationwide, the property market is thought to have reached the bottom and steadied which, when combined with the strengthening exchange rate, makes it a good time to buy. Roberts suggests the historic area of Chiado in Lisbon, where a two-bedroom apartment, with good rental potential, can be found for €350,000. Alternatively, a townhouse in a condominium within walking distance of the sea (but without sea views) can be bought for about €425,000 in Estoril or Cascais.

Spain
"We have almost certainly reached the bottom of the market," says Alexander Vaughan, co-founder of the local Lucas Fox estate agency. Property prices in Spain have fallen by between 30 and 60 per cent since the peak in 2007. "We saw the return of institutional investors in 2013, which is a fairly sure sign that the market is set for a turnaround," he says. His tips for buyers seeking value for money are Barcelona, the Costa Brava and Marbella. "The market in Barcelona is stable and has not dropped as far as in other parts of Spain. It is culturally diverse, has amazing transport links and compares well with other European cities," says Vaughan. Property prices in the city centre are 20-40 per cent below their peak, making it possible to buy a two-bedroom apartment in a good location for about €450,000. "The Costa Brava is a forgotten jewel with some areas absolutely unspoilt — it's like going back to the 60s," he says. Prices here are 40 per cent below peak, with a small villa with pool costing about €500,000. Marbella and its surrounds remain popular with British buyers. "It is still good value, although the market here is picking up very quickly," he says.

► For more on the Spanish property market, see overleaf

COVER STORY

Luxe for less



An eight-bedroom house close to Marbella in Spain. Villa Poniente, €4.395 million (Fine & Country)



This modern home — which is also our cover photo — at the top of Panorama, Voula, Greece, is €2.1 million (Sotheby's International Realty)



Farmland and a 72-acre estate in San Sano, near Galole, in Chianti, Tuscany, €3.95 million (Savills)



Villa Escaria, known as the floating house, in Rocha Negra, Portugal, €3.7 million (Unique Living)



Monte Sasso is a four-bedroom house with a vineyard in Pienza, Tuscany, €2.975 million (Knight Frank)