

There are bargains to be had in the euro zone. **Cathy Hawker** tells you where to go shopping

**W**ITH these dark financial times it is tempting to daydream even more than usual about the perfect home abroad. A sunflower-filled chateau in rural France, perhaps, or a pied-à-terre in a Spanish city where the tapas are fresh and the sangria is cold. It's not the time to commit money you don't have on a speculative buy, but for buyers with access to hard cash, the investment opportunities are thought-provoking.

Cash is king, so this could be a good time to reap the lifestyle benefits of upmarket areas at decidedly low market prices. Just remember what your mother always told you about the sales: a bargain is only good value if it is something you really want.

### The Alps

"Cash-rich purchasers in the French Alps are in a very strong position," says Gareth Jefferies of Winkworth. "With hard negotiations they could probably buy a small chalet for not much more than they would have paid for an apartment a year ago. Vendors who seriously want to sell are having to think long and hard about their asking prices."

Whether because of personal circumstances or because sellers simply over-inflated initial asking prices, substantial reductions are being made, and not just in the less popular locations. Larry Levine of Savills Alpine Homes is selling apartments in Austria with 10.5 per cent discounts, aimed at countering the strength of the euro for British buyers.

One- to four-bedroom off-plan apartments in the four-season destination of Kitz Kristall Mountain Resort and Spa in Kaprun, within an hour of Salzburg, now start at £99,000. Kaprun is a popular tourist area with a top height of 9,940ft and an active summer season based on the local golf courses, lakes and thermal spas. Even better, in Austria the cost of living compares favourably with France and Switzerland.

"Buyers are wary of putting their money in the stock market or the bank but want to buy in countries they regard as havens of security," says Levine. "We have seen an immediate response from buyers to these Austrian price reductions."

### Spain

Once the hottest property ticket in Europe, Spain has had a grim year. The National Statistics Institute reports property transactions in June 2008 were down 29.6 per cent on the previous year. Taylor Woodrow has tried to tempt buyers back into the market by slashing prices in schemes on the Costa del Sol and Costa Blanca by up to 28 per cent.

Yet many of the factors that enticed British buyers to Spain in



£228,500: a chalet apartment with four bedrooms, close to Samoens in the French Alps, reduced in price by 25 per cent. Call 0845 680 1074

# Cash in on the euro zone

large numbers 40 years ago are still valid: fabulous weather, an affordable lifestyle, golden beaches, easy access from the UK, golf courses and marinas.

Barbara Wood of property search agents The Property Finders says location is still key. "My advice is to be very cautious about entering the off-plan market in Spain." The corruption has been rife among town planners and councils and the buyers have always been the ones to lose out.

"Unless the developer can clearly demonstrate substantial reductions of at least 30 per cent off 2007 prices, you haven't got a bargain," says Wood. "Buyers must differentiate between prime, established locations where prices fall less and recover faster, and

### 'In Palma there are apartments in the Old Town with reductions of up to 32 per cent'

other locations where there's an oversupply of identical apartments in desolate and empty blocks — a pretty soulless sight."

Locations don't come much better than Palma, the charming capital of Mallorca, where top-end estate agents Engel & Völkers has a selection of apartments in the Old Town with reductions of up to 32 per cent. The warm weather and buzzy lifestyle is matched by strong rental returns in a city with excellent flight connections from across Europe. A three-bedroom refurbished apartment close to Palma cathedral is down to £470,460 from £593,020, while a two-bedroom apartment, also in the Old Town, once priced at £312,485 is now £213,485.

In the exclusive south-west of Mallorca, prices in gold-plated Puerto Portals have levelled out but there is little evidence that sellers are dramatically lowering prices. "Vendors in Portals are not normally in a rush to sell," says John Van Eenennaam of Engel & Völkers. "The reality is that prices have stabilised in



£1.5 million: down from £1.79 million, a 17th century Mas with seven bedrooms near Cannes. Leggett Immobilier (0870 011 5151)

Portals after many years of price increases and that only very occasionally can a significant price reduction be achieved."

### Contacts

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**Engel & Völkers:** 00 34 971 214140; [www.mallorca.engelvoelkers.com](http://www.mallorca.engelvoelkers.com)  
**Savills Alpine Homes:** 020 7016 3740; [www.alpinehomesintl.com](http://www.alpinehomesintl.com)  
**The Property Finders:** 0800 622 6745; [www.thepropertyfinders.com](http://www.thepropertyfinders.com)  
**Taylor Woodrow Chesterton International:** 020 3040 8240; [www.chesterton-international.com](http://www.chesterton-international.com)

For more euro bargains, see page 30



£1.52 million: reduced by £781,260 (€1 million), a four-bedroom villa in central Mallorca. Call Santa Maria Plaza Hostels on 00 34 971 621629



£395,345: this four-bedroom chalet in a small village near Samoens in the French Alps has been reduced by 30 per cent (0845 680 1074)

### LANGUAGE COURSES OFFER

WOULD-BE linguists can find value offers on language studies. Professional Language Solutions is offering Homes & Property readers a 10 per cent discount off an evening course in French, German, Mandarin, Portuguese, Spanish or Italian.

Courses are held from Monday to Thursday evenings in Farringdon or at Canary Wharf and run for 10 weeks, with a maximum of 10 students a class.

It costs £166.50 if you book by the end of November (normal price £185). Register online at [www.langsols.com](http://www.langsols.com) or call 020 7689 1900. Terms and conditions apply and quote ES Offer.



The Dancy family bought a two-bedroom flat at a golf resort

### 'We saved £66,000 in the Algarve'

CHRIS and Jenny Dancy from Oxted, Surrey, snapped up a bargain Portuguese holiday home on the ever-popular Algarve this autumn when they bought a two-bedroom resale apartment at the Pestana Carvoeiro Golf Resort.

"The apartment started off at £225,237 and had an offer of £189,000 but because we were cash buyers and could move quickly we got it for £158,500 including all the furniture," says Chris, a company director. "We also have a home in Brittany but wanted somewhere with year-round good weather and a relaxed lifestyle to enjoy as a family."

The Dancy family — with children James, 16, and Charlotte, 14 — are an active lot and enjoy all the resort's facilities.

"Everything is on hand here with heated pools, a clubhouse, golf and tennis courts, which should make renting it out easy," says Jenny. "The previous owners earned around £6,400 a year in rent, easily covering the annual running costs."

Pestana Carvoeiro Golf Resort (00 351 282 340 930; [www.pestanaproperties.com](http://www.pestanaproperties.com)).



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