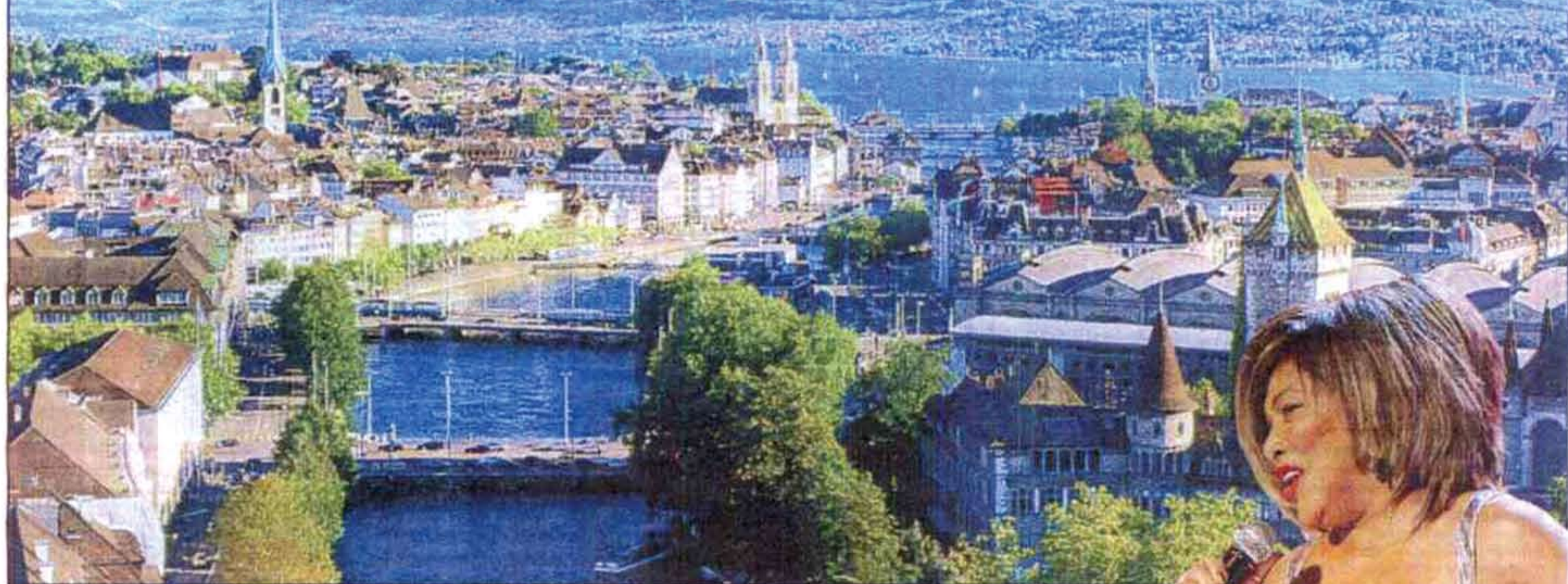


MATCH OF THE DAY!



On a Swiss roll: The German-speaking city of Zurich hits a winning note with Tina Turner (right)

SWITZERLAND isn't going to lift the Euro 2008 trophy in two weeks' time, and it doesn't look likely that the other host nation, Austria, will be victorious either.

But both are proven winners when it comes to majestic scenery and a civilised way of life.

Whether it's the dramatic elegance of Switzerland's Lake Geneva or the grandeur of Austria's Vienna, these two neighbouring countries are hard to beat.

No wonder British visitors and second-home owners increasingly flock here during the summer months. Lakes and mountains swathed in sunshine are a powerful combination.

Neither nation faces a property downturn of the type other Western European countries are experiencing, so how exactly do their property markets line up?

While the stable, high-performing Swiss market is a 'safe haven' for overseas investors, Austria is a relative newcomer, with a young mortgage market and an emerging second-home sector.

So, if you're after bargains, head to Austria, but for bullet-proof investment, Swiss is the gold standard.

'Prices in Switzerland start where Austrian ones stop,' says Simon Malster of Alpine specialist Investors In Property.

'The most expensive chalets cost €500,000 (£400,000) in Austria but that's the entry point for a property in Switzerland.'

'Austrian buyers tend to be younger, often with young families, and they buy as much for the summer activities as for the skiing.'

Austria has higher summer tourism than winter — 16.7 million compared with 14.1 million last

As Switzerland and Austria host Euro 2008, LIZ ROWLINSON watches the property action

year — despite the fact it is second only to France in the world when it comes to level of ski tour operators. The Dutch and Germans already love the Austrian Alps in summer, but as temperatures rise (and prices fall) on the Costas, the British are beginning to appreciate their balmy tranquillity.

'There's a new-found enthusiasm for the mountains as resorts try to become year-round destinations,' says Joanna Yellowlees-Bound of tour operator and property agent, Erna Low.

'Beaches are being shunned for the clean mountain air and locations that offer outdoor activities.'

Swiss resorts with easy access to Geneva are a pricey but rock-solid investment.

ONE popular with British buyers is Chateau d'Oex in the Gstaad valley — famous for its balloon festival — where property firm PURE International is selling apartments from £360,700.

The 24 apartments of Les Ambassadeurs — built in three traditional Alpine chalets — will have a communal BBQ area, ideal for long summer nights.

In Austria, Malster recommends the spa town of Bad Hofgastein for its dual seasonality — a sunny valley an hour from the small, ancient city of Salzburg with its low-cost airline routes.

Although the British don't really buy in central Salzburg or Vienna, both Euro 2008 hosts, increasing

numbers are purchasing property within easy access of it — in the Salzburgerland region.

The new-build Alpenparks Apartments start from €260,000 (£207,000) for two-beds, and Bad Hofgastein even has a water cinema as part of its aquatic offerings. Savills has only just started selling in Austria but can't keep up with the demand.

A new-build project of 41 apartments costing £220,000 in the Salzburgerland resort of Obertauern sold out within three months and Savills is about to launch new projects in the popular resorts of Zell am See and Kaprun.

'As the second-highest resort in Austria and a party-loving town, Obertauern compares with the Swiss town of Zermatt, where property averages £10,000-£12,000 per square metre — three times that of the Austrian resort,' says Jeremy Rollason of Savills Alpine Homes.

'Plus, in Salzburgerland, as a foreigner, you can buy more than one property, which you can't do in Switzerland, and you don't need to apply for a permit to buy so the purchase process is much easier.'

Mr Rollason says the restrictions in Austria for purchasers are 'a minor irritation' and relate to keeping Alpine towns vibrant and attractive — making your property available for rent if not in use and maintaining window boxes — rather than limiting foreign purchasers.

The quota system adopted by the Swiss cantons has led to a certain exclusivity among its non-Swiss property-owners which has kept the market strong — a sort of

private club to which people aspire.

So although when it comes to ease of purchase, Austria wins hands down, non-resident foreigners cannot buy in the Tyrol area, which includes the Alpine capital of Innsbruck. However, another Euro 2008 venue, Klagenfurt, is the capital of Carinthian province, the southern-most area of Austria.

'With 180 days of sunshine a year it is great for boating and summer holidays,' says Jessica Delaney from Investors In Property, which has a project in Gerlitzen offering three-bed chalets build to order with lake views from £293,000.

'This project offers flexibility for the buyer — they can rent it out through a tour operator but if they don't want to they can keep it as a proper second home,' she says.

But if you're after lake views, Geneva is hard to beat. While Swiss mountain properties remain ever-popular with super-rich tax exiles and retirees, homes on its lakes have become fashionable again.

'One big difference between the two countries is that with Austria, people want a holiday home, but in Switzerland there are those who want to relocate or retire to mountain towns such as Villars or lovely villas by the lake in Geneva or Montreux,' says Malster.

AGROWING demand from wealthier buyers is being catered for by UK agents such as Aylesford, which has just opened an office in French-speaking Geneva.

This tiny city of 185,000 people, which is the HQ of international diplomacy, has a booming lakeside property market, driven by international buyers (only 17 per cent of the locals own).

Lewis Hamilton and other Formula One drivers live around Coligny — £12,500-£20,000 per square metre — whereas the elegant resort of Montreux attracts an older retirement or second-home market and costs half that.

'There's a shortage of supply which is keeping prices strong,' according to Aylesford's Christian Woollard, who says most relocators

have a budget of £1-2 million. 'Prices have gone up 40-50 per cent in the past eight years,' he adds.

Zürich — another tournament host — is, like Geneva, a great banking centre, with a prime lakeside residential area, the so-called 'Gold Coast', where singer Tina Turner has a home.

Wealthy executives gravitate to the towns of Kuesnacht, Zollikon and Erlenbach on this stretch, which have low tax regimes and impressive villas.

'Geneva is flavour of the month with international buyers right now, and I can see Zurich following suit,' says Ian Tiekler of Aylesford.

'People seeking to relocate are looking at a starting price of £1 million for a good-quality apartment on the Gold Coast, which is similar to Geneva's Coligny area.'

So with capital appreciation at a steady 10 per cent a year — with no sign of slowing — both Switzerland and Austria are on a roll. But just don't mention the footy.

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ON THE MARKET — WITH LAKESIDE VIEWS



Waterfront apartment, Lake Geneva, from £156,000

THESE one-five bedroom apartments (left) with moorings are 15 minutes from Montreux in Le Bouveret, from PURE International

■ PURE International (020 3031 2860, pureintl.com)

Bespoke chalet, Gerlitzen, Austria, £295,000
LUXURY three-bedroom home overlooking lakes of Ossiacher and the piste in Carinthia province.

■ INVESTORS in Property, 020 8905 5511, investorsinproperty.com

