

The hills are alive!

Austria offers mountain homes — without steep prices, discovers Liz Rowlinson

AMID the world of Alpine holiday homes, Austria is the new kid on the block. It's cheaper than France and easy to buy in, but it has only just begun to make the transition from holiday destination to second-home market.

This Central European country has some of the most attractive ski resorts in the Alps and the fastest-growing summer tourism levels in the EU.

EU nationals have been allowed to buy Austrian property — with a few regional restrictions — since 2001. So why has it taken so long to start booming?

While the property market in the rest of Europe has been expanding, Austria's house prices have remained flat, with relatively few homes changing hands each year, and sales handled by banks rather than estate agents. But this is changing, and the increasing availability of mortgages is encouraging foreign buyers.

'Austria offers the same quality of skiing in high-altitude resorts as in the French Alps, but properties are 50 per cent cheaper. The potential is huge because there's such a shortage of apartments,' says Guy Taylor of Leeds-based developer Austrian Chalets.

Shaun Ashdown of Aquavista, who started selling Austrian property four years ago, agrees that many buyers are priced out of the French market. 'People are beginning to realise how much Austrian properties are undervalued,' he says.

THERE are 150 properties for sale through Aquavista, from a studio apartment for £30,000 to a six-bedroom chalet (dividable into three flats) in the village of Filzmoos, Salzburgerland, for £290,000.

Mountain properties are priced according to the quality of local skiing and the amount of rent they can generate.

As the Alps become higher as they sweep west into Switzerland, prices rise — the Tyrol, with the fashionable resorts of Kitzbühel and St Anton,

is the most expensive region. But it's also the most restricted — you generally have to be a full-time resident to own a holiday property there. Instead, Salzburgerland is proving popular with British buyers.

Not only does the region link into the biggest ski area in Austria, the Amade, it is only an hour from the city of Salzburg and its airport (with 179 flights to Britain a week).

It also allows foreigners to buy a second home as long as they make it available for rent through the local tourist office. But nobody checks you are renting — advertising it for £10,000 a week should deter takers.

Its pretty villages and snow-covered valleys are charming, particularly near the ski resorts of St Johann Im Pongau, Saalbach-Hinterglemm and Kaprun-Zell Am See, which access the Kitzsteinhorn glacier.

The resort of Obertauern, a picturesque town at 1,740m above sea level and 65 miles south of Salzburg, is attracting British buyers for its snow-sure ski seasons and lively nightlife. The resort's lack of

apartments for rent persuaded Amanda Hobson from Skipton, North Yorkshire, to invest in Austrian Chalets' new-build Zehnerkar development.

With two business partners she has bought a ski-in-ski-out block of 11 properties for £2.9 million, which are going to be let through a tour operator for 12.5 per cent rental returns.

The building is part of a project of 120 two-to-four-bedroom, high-spec flats with terraces and panoramic views of the valley.

Some 68 flats will become available in April from £145,000 — through Alpine Homes, together with Savills.

'I'd been skiing in Europe for years and was looking for a chance to invest,' says Amanda, 34, who runs her own business.

'Many French resorts are fully grown, whereas Austrian resorts are still charming and generally unspoilt by tourism.'

She is confident that there will be 100 per cent occupancy during the November-to-May ski season, but the resort will be quiet in summer.

'This is a long-term project and we hope to cover all our costs for ten years, then gain some capital appreciation,' she says.

PRICES in Austria are rising by 6 to 7 per cent a year and you can avoid the 50 per cent capital gains tax after ten years of ownership.

There is a striking contemporary development in the family resort of Katschberg. Edel:Weiss Residences resemble 'vertical fir cones' but owners can choose between high-spec 'traditional Alpine' or 'chic and modern' decor inside.

All the flats have balconies and the owners can use the facilities of the hotel next door. Prices start from £174,000 through Erna Low.

Austrian Chalets is also selling apartments in the medieval town of Rauris. The southernmost provinces of Carinthia and Styria are popular, too, with those who love lakes,

mountains and a more Mediterranean climate.

These areas are handy for Ryanair-served Klagenfurt airport near the Slovenian border; and it's near the popular ski resort Kranjska Gora.

According to Julia and Phil Matthews from Wiltshire, Styria — known for its lush landscapes and forests — is good for year-round rentals. They bought a four-bedroom chalet in the village of Stadl for £132,000.

'I love Austria in the summer and it has such a great family atmosphere,' says Julia, who has two sons aged eight and ten.

'The area is more popular with Dutch and German tourists than the British,' she adds, although their chalet is in a new development of 40 properties, mostly owned by Britons.

Mr and Mrs Matthews are renting out their chalet — ten minutes from the Katschberg ski area — for £60 to £150 per night (see chaletprimel.co.uk).

If you buy a new-build and rent it out, you can claim back the 20 per cent VAT. However, you will then be taxed the same rate of VAT on rental income, plus a tourist tax of ten cents per person, per night.

You should also be aware that kitchens and parking are usually excluded from the cost of new homes. Purchase costs run at about 6 per cent. Mortgages of 70 to 80 per cent of the property's value, at 5 per cent interest, are available from Austrian banks.

If you buy a chalet rather than a managed apartment, you will also have to deal with freezing pipes and snowdrifts, and keeping window boxes tidy. The Austrians pride themselves on their pretty villages.

If you are aiming high for your next home, look to Austria.

■ **ALPINE Homes** in association with Savills (020 7016 3740, savills.co.uk/abroad); **Austrian Chalets** (01943 882 302, austrianchalets.com); **Erna Low** (020 7590 1624, ernalowproperty.co.uk); **Aquavista** (01580 850 170, worldpropertyshop.com).



Idyllic: Austria's stunning Salzburgerland is proving popular with British buyers looking for a mountain retreat

Picture: GETTY

ON THE MARKET ... with a view



Lakeside apartment, Salzburgerland, £74,814

THIS one-bedroom property comes fully furnished with a balcony, shared swimming pool, garden and tennis courts. It is close to the Loferer Alm ski area.

■ **STUDIOS** available for £38,342. Aquavista (01580 850 170, worldpropertyshop.com).

Ski-in-ski-out chalet, Dachstein West, £177,000

THIS new-build, two-bed property is in the hamlet of Alpendorf, 1,400m above sea level in a large ski area. It is fully furnished and rentals are fully managed.

■ **INVESTORS in Property** (020 8905 5511, investorsinproperty.com).



Large chalet, Carinthia, £273,073

FIVE minutes from the town of Velden — famed for its lake and casino — this seven-bed villa has its own pool and sauna. Four of the bedrooms are in self-contained apartments — ideal for guests or letting.

■ **AQUAVISTA** (01580 850 170, worldpropertyshop.com).