

HOME: OVERSEAS

2014, the year to buy a holiday home?

With markets across Europe — and beyond — starting to pick up, we look at the best places to buy, from the costas to Cape Town

David Miles | Published 29 December 2013

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Provence is still a favourite with British buyers in France (Aurelien Miquel/Corbis)

Heard the one about the Russian billionaire who bought a trophy home in Kensington? Probably. The property chatter in 2013 has revolved around the extraordinary surge in London prices, as well as the buying power and desire of Russian, Chinese and Middle Eastern investors, who are still busy snapping up prime property in the capital. But what might have escaped your attention is that neighbour who has bought a tumble-down farmhouse in Tuscany.

Don't think it's only oligarchs and millionaires who are investing overseas. The great British dream of owning a holiday home abroad is still alive, if not entirely kicking. Anneke Volatia, a business analyst at Rightmove, says interest in international property has risen by 70% in the past 12 months, and agents and developers have seen a 50% increase in inquiries.

Our ambitions may be closer to home — France, Italy and Spain — but a few gingers are looking to Cuba, where foreigners can buy houses for the first time in half a century, and Japan, which has become the hipsters' top choice for a ski chalet. Whatever you fancy making a move, here is Home's round-up of what happened this year in many of our favoured locations — and where to find a bargain in 2014.

France

Long a favourite with British buyers, thanks to the plentiful supply of sunshines, sun-rouge and period property, France still tops wish lists. The market on the other side of the Channel, however, has yet to recover: data from BNP Paribas bank shows that only 10,663 nonresidents bought a home in France last year — a drop of 29% on 2011.

"Buyers concentrated on the prime regions, with Provence-Alpes-Côte d'Azur accounting for 33% of sales, Rhône-Alpes 15% and Paris 12%", says Trevor Leggett, chairman of the estate agency Leggett Immobilier, adding that the average budget was €384,000 (£292,000). Yet the luxury buying agency House Hunts reports that the Dordogne remained the most popular destination for investors — you can buy a rustic four-bedder with a pool, outbuildings and four or five acres for about €425,000.

Outlook: Prices look fairly static. Fears that France is on the edge of another recession may deter the risk-averse, but President Hollande's tax changes — allowing holiday-home owners to sell up free of capital gains tax after 22 years, as opposed to 30 — could be an incentive.

Italy

With its artistic, architectural and gastronomic heritage, Italy remains a draw location for the cultivated househunter, and prices haven't fallen anywhere near as dramatically as in Spain and Portugal. A study by Engel & Völkers estate agency even found that Riomaggiore Bay, on Sardinia's Costa Smeralda, is the most expensive address in Europe: prices can reach an eye-watering €500,000 a sq metre.

That said, the market in Italy is still depressed. Eurostat, the statistical office of the European Commission, reports that after five consecutive years of falls, the house-price index is still sliding: it fell by 5.0% year-on-year in the second quarter of 2013. "It continued on a downward trend, in terms of both prices and transaction numbers," says Roger Coombes, managing director of Cluttons Italy estate agency, who is based in Perugia. "But it was at a significantly slower rate. So 2014 may see a recovery."

Outlook: The most positive signs of recovery are at the lower end of the market — €150,000 and under — and they should trickle up. The reduction of buying charges from early next year will be a spur.

Spain

Since record highs of €2,052 a sq metre were recorded in April 2007, Spanish prices have dropped by an average of 41.3%, according to the property website Fotocasa.es — and some parts of the mainland have seen falls of 50%. This autumn, Andalucía registered a 10.4% drop in the third quarter, compared with the same period last year. "The vast amount of housing stock that exists in our country has prompted an adjustment in prices that is not yet finished, but in certain areas it is coming to an end," says Beatriz Toribio, head of research at Fotocasa.

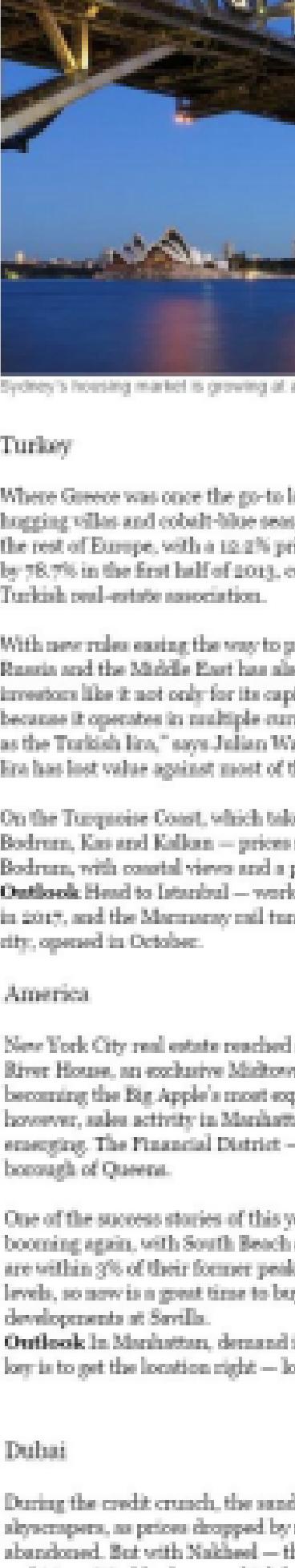
According to the experts, though, 2013 will go down as the year British buyers started returning en masse to Spain — or at least Barcelona, the Costa Brava and Ibiza — after a six-year absence. Buyers were even spotted on the Costa del Sol, the true barometer of British interest. Incredible bargains were snapped up — Sevilla says a 450 sq metre villa in Seteigrau, originally on the market for £250,000, went for £10,000.

Outlook: Next year could be your last chance to go on a bargain hunt. Expect strong competition after the introduction of the "golden visa" — which allows non-EU citizens a residency permit if they invest at least €500,000 in property.

Properties for sale

Turkey £179,950

Although it has seen some of the biggest price rises in Europe this year, Turkey still has bargains. This three-bedroom villa in Yalova, on the laid-back northeast shore of the Bodrum peninsula, has two bathrooms, a private pool and a hot tub. It's 11 miles from Bodrum and a short drive from gorgeous beaches. Spot Blue International Property; 020 8229 6736, spotblue.com



Sydney £1,000,000

"Although the Sydney market will remain active next year, the rate of growth should ease," Harris says. Local investors will have to compete with overseas activity: the Significant Investor Visa has opened the doors to wealthy Chinese buyers.



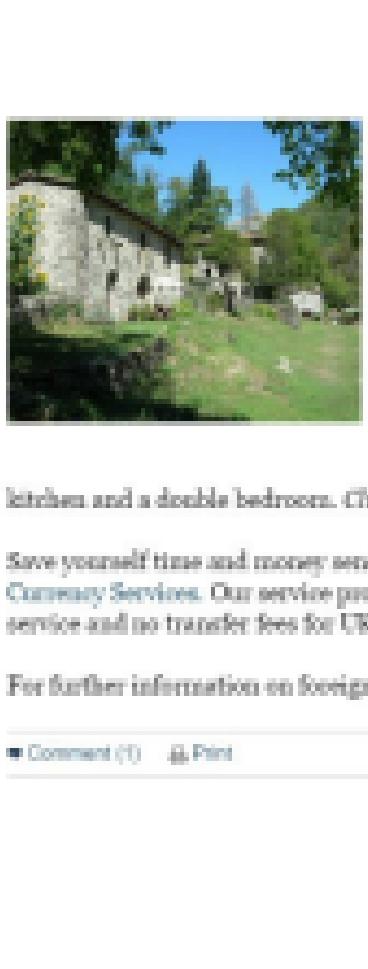
Spain £205,000

In the past two years, property prices on tranquil Mallorca — where 25% of housebuyers are British — have dropped by 25%-30%, but prices are expected to recover in 2014, especially in coastal locations. This whitewashed three-bedroom villa in Cala Morell has views along the rugged north coast from its many terraces. Engel & Völkers; 00 34 971 6098, engelvoelkers.com/mallorca



France €3,675,000

It doesn't get much more fabulous than the Private House, in Beaulieu, near St-Tropez, on the Côte d'Azur. All sleek contemporary architecture, featuring lots of glass — and south-facing, so perfect for obtaining that golden glow — this five-bedroom house is aped from the beach, and has a heated pool if you don't want to get sand between your toes. There's lots of space for entertaining, too, with two terraces (including one on the roof), a spacious kitchen/dining/living room and a garden. Above: estate & Estate International Estates; 020 7007 7016, estateinternationalestates.com



Italy €1.2m

This restored six-bedroom water mill lies on the outskirts of Barga, a walled Tuscan town famed for its high number of Scottish residents — if your Italian isn't up to scratch, you won't need to search hard for a local who speaks a familiar tongue. The mill has a large kitchen/diner, a solid chestnut staircase and a full-length balcony; when the winter chill hits, get cosy in the sitting room, which has an open fireplace. Within the grounds are a restored barn (currently used as a games room), a heated pool and a cottage with a living room, a kitchen and a double bedroom. Chiaro Italy; 00 39 055 849 000, chiaroitaly.com

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