

# 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

Emma Halls | Published: 29 December 2013

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Provence is still a favourite with British buyers in France. (Lorraine Robertson)

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 desires 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 tumbledown 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. Aimee Valakis, 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 30% increase in inquiries.

Our ambitions may be closer to home — France, Italy and Spain — but a few pioneers are looking to Cuba, where foreigners can buy homes for the first time in half a century, and Japan, which has become the hipsters' top choice for a ski chalet. Whichever 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 marabins, cote 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 INP Parisian bank shows that only 10,003 nonresidents bought a home in France last year — a drop of 20% on 2011.

"Buyers concentrated on the prime regions, with Provence-Alpes-Côte d'Azur accounting for 33% of sales, Rhône-Alpes 15% and Paris 10%," says Trevor Leggett, chairman of the estate agency Leggett Immobilien, adding that the average budget was €384,000 (£322,000). Yet the luxury buying agency Home Hugs 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 €423,000.

**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 10 years, as opposed to 30 — could be an incentive.

## Italy

With its artistic, architectural and gastronomic heritage, Italy remains a dream location for the cultivated homebuyer, and prices haven't fallen anywhere near as dramatically as in Spain and Portugal. A study by Engel & Völkers estate agency even found that Romazzino Bay, on Sardinia's Costa Smeralda, is the most expensive address in Europe: prices can reach an eye-watering €300,000 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 5.9% 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 €2,482 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 10.2% 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 430 sq metre villa in Setenil, originally on the market for €3m, went for €1.6m.

**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.



Sydney's housing market is growing at a 'phenomenal pace'. (Geop Partners/Getty)

## Turkey

Where Greece was once the go-to location for Britons in search of whitewashed hill-topping villas and cobalt-blue seas, Turkey has taken over — it has been outperforming the rest of Europe, with a 12.2% price rise over the 12 months to October. Sales were up by 78.7% in the first half of 2013, compared with 2012, according to Oysoyer, the Turkish real-estate association.

With new rules easing the way to property ownership for foreigners, interest from Russia and the Middle East has also shot up, especially in Istanbul. "International investors like it not only for its capital-gains prospects and buy-to-let opportunities, but because it operates in multiple currencies, including dollars, euros and sterling as well as the Turkish lira," says Julian Walker, director of Spot Blue estate agency. "And the lira has lost value against most of the leading currencies."

On the Turquoise Coast, which takes in the sunseekers' favourites Antalya, Fethiye, Bodrum, Kizilirmak and Kalkan — prices remained stable this year. You can buy a villa in Bodrum, with coastal views and a pool, for less than £850,000.

**Outlook** Head to Istanbul — work on the world's largest international airport will start in 2017, and the Marmaray rail tunnel, linking the European and Asian shores of the city, opened in October.

## America

New York City real estate reached a new high in September, when an apartment at River House, an exclusive Midtown co-op, hit the market for a staggering \$430m, becoming the Big Apple's most expensive residential listing to date. Across the board, however, sales activity in Manhattan has increased by about 30% and new hotspots are emerging. The Financial District — FIDN to locals — is one to watch, as is the grittier borough of Queens.

One of the success stories of this year is Miami. Its high-end property market is booming again, with South Beach at its epicentre. "Prices in the prime condo market are within 3% of their former peak, but in the mainstream market, they are still at 2003 levels, so now is a great time to buy," says Joanna Lovett, head of international new developments at Savills.

**Outlook** In Manhattan, demand is still propping up prices. Meanwhile, in Florida the key is to get the location right — look to cheaper, upcountry, Downtown Miami.

## Dubai

During the credit crunch, the sand dunes almost looked set to reclaim the emirate's skyscrapers, as prices dropped by more than 60% and building projects were abandoned. But with Nakheel — the developer of the glitzy Palm islands and the ambitious World scheme, which became the emblem of the bricks-and-mortar bust — back in business, Dubai has made a startling recovery. In October, market analysts Jones Lang LaSalle warned that residential prices are increasing at an unsustainable rate, with rises of up to 22% over the preceding 12 months.

**Outlook** Growth is expected to be about 10% next year, but may slow as more supply comes onto the market — an additional 38,000 homes are expected to be available by 2015.

## South Africa

This year has seen a big hike in inquiries from those looking to fly south for winter — the currency broker World First reported that in the first four months of 2013, the number of Britons transferring money to buy homes in South Africa had gone up by 50%. The property analyst Lightstone says average prices rose 7% in the 12 months to September, and Pam Golding Properties reports an increase of 27% in its activities in the 300-500 rand (£175,000-£250,000) range, and of 60% at the top end (100m rand and up). Yet family homes on the western seaboard can still be found for less than 2m rand, says Laurie Werner, managing director of the agency's Western Cape region.

**Outlook** The death of Nelson Mandela has led to uncertainty over South Africa's future, but the good weather, five-star game-park resorts and favourable exchange rate mean it should hold its appeal.

## Australasia

England may have lost the Ashes, but plenty of us are still desperate to move down under. World First says transactions for property purchases in Australia were up by 40% in the first six months of this year, compared with 2012. Despite a sky-high cost of living, the seemingly recession-proof and eternally sunny country retains its appeal. "Sydney's residential market grew at a phenomenal pace in 2013, and it remains the best-performing capital city in Australia," says Shayne Harris, head of residential sales at Savills Australia.

On the other side of the Tasman Sea, prices are at record levels, with November figures from the Real Estate Institute of New Zealand showing an annual rise of 4.3%. Sales, however, are down by 6.6% on November 2012.

**Outlook** "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.

## Properties for sale



**Turkey £170,000**  
Although it has seen some of the biggest price rises in Europe this year, Turkey still has bargains. This three-bedroom villa in Yildizevik, on the laid-back northwest 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 8230 6030, [spotblue.com](http://spotblue.com)



**Spain £226,000**  
In the past two years, property prices on tranquil Mallorca — where 27% of homebuyers are British — have dropped by 25%-30%, but prices are expected to recover in 2014, especially in seafront locations. This whitewashed three-bedroom villa in Cala Morell has views along the rugged north coast from its many terraces. *Engel & Völkers*; 0800 917 6093, [engelfoodvilla.com/en/morrell](http://engelfoodvilla.com/en/morrell)



**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 400yd 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. *Abercrombie & Kent International Estates*; 020 3607 7016, [uk.iberacrombiekent.com](http://uk.iberacrombiekent.com)



**South Africa £240,000**  
Wouldn't it be nice if your daily routine included breakfast, dinner or drinks on your very own waterside terrace? This five-bedroom, three-bathroom house in Marina de Gama, in the Morningside area of Cape Town, sits on the shore of the Zandvlei estuary and is ideally placed to make the most of the thriving watersports scene. There's a separate cottage, garage for three cars and a multi-level decking area with water and mountain views. *Pam Golding Properties*; 00 27 21 788 8476, [pamgolding.co.za](http://pamgolding.co.za)



**Italy €1.3m**  
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 garage room), a heated pool and a cottage with a living room, a kitchen and a double bedroom. *Cluttons Italy*; 00 39 075 849 0100, [cluttonsitaly.com](http://cluttonsitaly.com)

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