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Home truths

*With record numbers of European buyers cashing in on bricks and mortar, Laura Henderson explores emerging trends that are driving the property investment game*

Stoking up a little second-home interest isn't hard to do these days. What began as a cosmopolitan trickle in the 1980s has since mainstreamed into a property party we all seemingly want to be at; the meteoric rise in euro house prices following the crash of the late 80s yielded an unexpected financial windfall for many, with changes in leisure trends and the removal of traditional barriers to working and living abroad further widening investor choice. The future looks equally rosy, with experts predicting an additional three million-plus second-homers across Europe in the next two years – a five-fold increase in cross-border traffic from 10 years ago – as buyers tap into emerging and undervalued markets. Media analysts Mintel cite the desire to turn a profit as the primary push factor, with lifestyle considerations no longer taking centre stage. "Low interest rates and buoyant housing equity levels got the buying abroad ball rolling," says property consultant Michael Potts, "but it's net yields driven by rental income and future capital growth now dictating investor choice. Demographics are also fundamental to market growth; over 60 per cent of heads of households who own a second home in Europe are over 45, with numbers set to increase as more and more retirees opt for a dual-location lifestyle." So where exactly are people buying?



Malaga

Although property speculation in Malaga was once a ticket to wealth, property prices there have dropped to more sustainable levels in the last two years. High rates of construction in the west of the city in particular have created an excess of supply, which has acted as a brake on both demand and sales. "The panorama has changed considerably," agrees Andy Kelleher of Property Showrooms. "The market is now going through a process of self-regulation and equilibrium, and buyers are aware of this." The city of Malaga itself, an atmospheric capital steeped in history, is embracing change – apartment living is becoming a popular choice with overseas buyers, entry-level prices for a one-bed flat starting at around €170,000 depending on the property's proximity to the beach. "City real estate is increasingly seen as an asset that pays its way, combining accessibility with a property that can be let without undue difficulty," adds Kelleher. Less pricey rural locations within a 30-minute drive of the city are also attracting a holiday home contingent, with villages like Monda, Casarabonela and Còmpeta sporting traditional villas and townhouses from €140,000.



Lisbon

While the Algarve still holds the wealth of the second-homes market, vintage capital Lisbon and the surrounding coastal growth corridor are carving out their own niches. As in Berlin, post-recession renovation is under way, with key infrastructure being overhauled to support what is one of Europe's biggest regeneration programmes. Property prices are half the cost of the central Algarve, and the cost of living well below that of neighbouring Spain. Off-centre districts like Baixa and Castelo are drawing a fresh wave of investors with competitively-priced apartments and townhouses starting from €80,000, while the elegant Lapa and Estrela districts sport €1m-plus luxury penthouses and villas. "The seaside towns of Estoril, Cascais and Sintra on the Lisbon coast are highly sought-after," says Paul Houston of Lucas Fox. "With the overall economy in expansion mode, owners of older-dated properties are already seeing the benefit in upgrading their homes."



## Berlin

Conspicuously absent from the global housing boom of the last 10 years, Europe's sleeping economic giant is making up for lost time. Post-unification, a government-backed building boom has swept in, bolstered by the installation of the Merkel administration last year. Economic analysts reported the best quarterly growth since 2001, with foreign investors attracted by low prices, and yields some three or four percentage points higher than many European cities. "Apartments cost €1,000 per square metre compared to €7,000 in London or Paris," confirms Norbert Klink, managing director of Norena Berlin Properties. "The economic drop in the past 10 years was reflected in the price of property, but we're now seeing growth in the economy and a subsequent lift in the real estate market, with price rises in sought-after areas like Mitte and Prenzlauer Berg standing at around 10-15 per cent in the past 18 months."



Confidence in the luxury market has also led to a flurry of period residence renovations such as Müggel in Friedrichshain – stunning apartments featuring stucco architecture and double-height ceilings selling from €1,300 per square metre.

## Naples

Recent investment in the Campania region, regarded by many as the poor brother of the south, has boosted tourism revenue. Naples, a rambling metropolis resting in a natural bay, and Italy's third-largest city, is starting to reap the benefits of a doubling of property prices between 1998 and 2003. "More than a quarter of Campania's population live around Salerno and the city," confirms Edward Crompton of RealPoint Property. "The centre itself has offered great rates of appreciation in the last few years."



Bargains are few and far between, however – mature and popular area prices start from €3,000 per square metre, although renovated palazzi residences continue to trickle onto the market in districts like Vomero and Posillipo, luxury one-bed apartments selling for upwards of €250,000.

## Athens

With Athens still basking in the aftermath of Olympic fever, prices are levelling off as infrastructure projects (many of them a legacy of the 2004 Games) make new areas accessible. This has softened the impact of rising demand, with a growing fan base of younger investors seeking affordable dwellings with letting potential. A great place for year-round rentals, central Athens has shown a year-on-year price increase of 14 per cent, with one-bed apartments selling for upwards of €40,000. Previously distant suburbs are now tourist-worthy, thanks to the urban railway and metro systems offering direct links to and from the city. Galatsi, Goudi and northern suburbs like Stephanos are also attracting high levels of overseas interest, although buyers' tastes are changing, explains Michael Sweeney of Knight Knox International: "People now expect better facilities – gardens, swimming pools and on-site managed rentals." Amenity-laden new-build resorts along the seafront are also meeting turnkey demand thanks to improved transport links, with apartments along the Peloponnesian coastline around Lygia and Xilokastro selling for €65,000.



## Property ladder

Examples of what you can get for your euros in:

### Malaga

**Casarabonela** – three-bed townhouse with spacious roof terrace and views of La Sierra de la Nieves National Park. €181,000. [www.propertyshowrooms.com](http://www.propertyshowrooms.com)

### Lisbon

**Baixa district** – beautifully renovated period apartment boasting many original features. €370,000. [www.lucasfox.com](http://www.lucasfox.com)

### Berlin

**Friedrichshain district** – spacious flats ranging from €48,000 to €102,000. [www.berlin-properties.com](http://www.berlin-properties.com)

### Naples

Farmhouse and vineyard with outbuildings to convert, just an hour from the city. €520,000. [www.realpointitaly.com](http://www.realpointitaly.com)

### Athens

Luxury apartments in the heart of the city from €88,000 for a studio, rising to €145,000 for a two-bed apartment. [www.knightknox.com](http://www.knightknox.com)

# Vastgoed in de lift

Ledereen voelt tegenwoordig wel iets voor een tweede verblijf in het buitenland. Wat eerder aarzelend begon in de jaren '80 is nu uitgegroeid tot een heuse Europese immomarkt. De steile klim van de vastgoedprijzen na de crash van de late jaren '80 betekende voor velen een meevaller. Wonen en werken in het buitenland is gemakkelijker geworden en ook onze vrijetijdsbesteding zien we ruimer. Wat dan weer de kansen voor investeerders vergroot. Maar waar kopen?

Malaga blijft een van de populairste keuzes voor buitenlandse kopers. Prijzen vanaf €170.000 voor een eenslaapkamerappartement, al naargelang de ligging bij het strand. Napels, de derde stad van Italië, plukt nu de voordelen van een verdubbeling van de vastgoedprijzen tussen 1998 en 2003. Koopjes zijn er helaas moeilijk te vinden. Reken op prijzen vanaf €3000 per vierkante meter. In de nasleep van de Olympische Spelen lijken de immobiliënprijzen in Athene te stabiliseren naarmate bouwprojecten nieuwe terreinen ontginnen. Appartementen met één slaapkamer gaan van de hand vanaf €40.000. Berlijn, de laatste 10 jaar de grote afwezige in de vastgoedhause, haalt nu zijn schade in. Analisten maken gewag van de beste kwartaalgroei sinds 2001, met buitenlandse investeerders die vallen voor de lage prijzen en mooie rendementen. En ten slotte is er Portugals charmante hoofdstad Lissabon, dat zich een eigen immoplekje verovert. De vastgoedprijzen liggen er maar half zo hoog als in de Algarve, en de levensduurte is er een stuk lager dan in het naburige Spanje.

## Marchés émergents

Il n'est pas difficile aujourd'hui de manifester de l'intérêt pour une seconde résidence. Ce qui a démarré comme une vague déferlante du cosmopolitisme dans les années 1980 s'est depuis transformé en un courant majeur d'investissement immobilier, auquel nous avons apparemment tous envie de participer. La hausse fulgurante des prix des maisons après le crash de la fin des années 80, a constitué une aubaine financière inattendue pour bon nombre de personnes. Aujourd'hui, de nombreux facteurs rendent le contexte favorable, en augmentant les choix des investisseurs. On citera à ce sujet, les changements dans les tendances des loisirs et le recul des barrières traditionnelles dans le style de vie qui facilite les déplacements à l'étranger. Mais où précisément achètent les gens?

La ville de Malaga s'impose comme l'une des destinations les plus appréciées des acheteurs étrangers. Le prix d'entrée pour un appartement une chambre commence à environ €170 000, selon la proximité de la plage. De son côté, Naples, la troisième plus grande ville d'Italie se met à récolter les bénéfices du doublement des prix des propriétés entre 1998 et 2003. Les offres cependant sont rares et bien en dessous des prix qui débutent à €3000 le mètre carré.

Toujours dans le sillage de la fièvre post-Olympique, les prix des propriétés à Athènes s'envolent. Des projets de développements rendent de nouvelles zones habitables avec des appartements une chambre dont les prix peuvent atteindre jusqu'à €40 000. Tout à fait absente de la scène montante du marché global de l'immobilier de ces dix dernières années, Berlin est en train de rattraper le temps perdu. Les analyses économiques montrent la meilleure croissance trimestrielle depuis 2001, les investisseurs étrangers étant attirés par les prix bas et les rendements. Et enfin, il y a la capitale séculaire du Portugal, Lisbonne, qui se construit sa propre niche. Les prix des propriétés dans la capitale sont divisés par deux par rapport aux coûts en vigueur dans le centre de l'Algarve et en Espagne, le pays voisin.

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