

National debt isn't always bad news for the overseas homes market

[France overtook Spain as our favourite country and Italy continued to enchant in a bumpy 2012, reports Cathy Hawker](#)

The past year has seen continued mixed fortunes in the overseas homes market. Top-end international buyers kept prime markets relatively buoyant from the Swiss Alps to the Côte d'Azur and there was also cause for some optimism at the opposite end of the scale: Taylor Wimpey reports sales up 74 per cent this year along the Costa del Sol, with prices from less than £125,000.

Yet many of Europe's traditionally best-loved second-home locations, in France, Italy and Spain, were forced to slash prices by as much as 50 per cent below their 2007 peaks. So where do these markets stand as the year ends?



[£697,000: a three-bedroom ski chalet in Les Gets, in the French Alps, would also offer a good summer rental season. Call Winkworth on 020 7870 7181](#)

France: the favourite

France overtook Spain as our favourite country to visit in 2012 but a new president did little to encourage second home buyers to enter the marketplace this autumn. François Hollande's "will-I-won't-I" dance

around the issue of increasing property and personal taxes meant buyers became justifiably cautious.

Interest focused on two prime areas: the south of France and the Alps. In 2011, Paris property prices outperformed those in London, rising 22 per cent. But while wealthy buyers from South America and Asia continued to invest in Paris this year, the market was noticeably quieter.

On the evergreen coast of southern France, buyers looked for value west of St Tropez in the pine tree-covered Var, where it is still possible to find a substantial house with sea views for about £800,000, or apartments beside the beach for £450,000. Var specialist Sheeran Sheere reports fewer sales but a substantially higher average sales price than last year.

France remains our favourite skiing destination, too, but where once it was all about altitude and slope-side access, buyers are now more concerned with rental potential and year-round appeal. Leggett Immobilier reports a 300 per cent increase in Alpine home buyers this year, typically spending £325,000 to £650,000 for a mix of lifestyle choice and long-term investment potential.

Look at the low-level and low-lying villages of the Portes du Soleil on the French-Swiss border — Châtel and Les Gets — where lifts provide skiing up to 7,800 feet and there is a thriving summer season based around cycling and hiking.



£596,000: Palazzo Molin del Cuoridoro in San Marco, Venice, is a 15th-century gothic palace being turned into 18 apartments, with one to four bedrooms (through Sotheby's International Realty on 00 39 041 522 0093)

Italy: for lifestyle

Italy's supreme quality of life drives buyers there despite its economic troubles but this year it was the cities that took centre stage. Smaller homes close to international airports and with manageable running costs can rent well and provide owners with a weekend bolt hole.

In Venice, where 30 weeks' annual rent is possible, Palazzo Molin del Cuoridoro in San Marco is a 15th-century gothic palace being converted into 18 apartments. Muted interiors, strong architectural integrity and a canal-front location with communal courtyard gardens make this an exciting and very rare project in the city of water. Prices start from £596,000 for one to four bedrooms, through Sotheby's International Realty, with pleasingly low annual maintenance charges from £2,400.

The renaissance cities of Tuscany provide some lush options, too. In Florence, Knight Frank reports strong sales above £2.5 million while in Lucca, 30 minutes from Pisa airport, prices have fallen by up to 25 per cent making a lock-and-leave apartment in this quietly prosperous walled city alluring. Two-bedroom apartments in the centre start from £202,700, with countryside homes beyond the rampart walls from £283,800



[From £286,000: two-bedroom off-plan flats at The White Angel development, close to the marina and seafront in Ibiza Town \(available through Savills on 020 7016 3740\)](#)

The pain in Spain

Headlines from Spain became increasingly desperate throughout 2012, with youth unemployment over 50 per cent, rocketing national debt and, according to credit rating agency Fitch, more than a million unsold properties lying empty. Knight Frank's Global House Price Index showed prices continued to tumble, down 7.3 per cent year on year. However, in a country more than twice the size of the UK but with half our population, you can still find pockets of resilience.

Taylor Wimpey sold out six new developments priced from £113,500 on the Costa del Sol, Costa Blanca and Mallorca. Tax concessions by the Spanish government to stimulate the market — lowering VAT to four per cent and reductions on capital gains tax — certainly helped, but wise buyers knew it was still all about value for money and locations, says Marc Pritchard, of Taylor Wimpey.

On Ibiza, Savills had success with resale villas of £1 million-plus and well-located and well-priced new

developments. More than half of the 67 off-plan homes at The White Angel scheme have sold since August. The two- and three-bedroom contemporary apartments, in Ibiza Town, are priced from £286,000.



[£1.3 million: Is Molas resort is 40 minutes from Cagliari airport on Sardinia \(through Savills, 020 7016 3740\)](#)

Cathy Hawker's personal highlight

In a year of travel stretching from France to Turkey and Anguilla to Marrakech, the highlights were off-radar destinations with affordable property and an electrifying lifestyle.

Cagliari, the capital of Sardinia, fits the bill perfectly. Supremely Italian, uncrowded Cagliari has the magic combination of being easy to reach on low-cost airlines but with a proud local culture.

Life revolves around eating fish caught that morning, tasting full-flavoured red wines and sailing the sun-drenched southern coast. A refurbished city-centre flat within view of the marina and 10 minutes from the airport starts at £227,000 with Savills.

Elsewhere, rail travel was a pleasing alternative to airport queues. New services to the Swiss Alps from London added to the eternal joy of Eurostar services, to make buying your holiday/second home on a rail route a compelling option for next year.

Contacts

Taylor Wimpey Spain: 08000 121 020; taylorwimpeyspain.com

Leggett Immobilier: 0870 011 5151; frenchestateagents.com

Knight Frank: 020 7629 8171; knightfrank.com

Sotheby's International Realty: 00 39 041 522 0093; venicesothebysrealty.com

Savills: 020 7016 3740; savills.com/international

Sheeran Sheere: through Savills