

Home Overseas

What is your view on Europe? We all have opinions on the potential pros and cons of leaving the EU, but, as we reported in Home last week, many Brits are set on investing in their own glorious view, whether it's the sun setting over tangled vines or a bustling cobbled square. Otherwise, as a nation, we want to be as near the water as possible – *hola* Spain – or to find the rural idyll we've always loved in the likes of Provence and Tuscany.

Now, in the second part of our buying guide, we run through what you need to know about tax breaks, residency schemes, new laws and other quirks – as well as the best places to invest.

FRANCE

President Macron's Midas touch has lured buyers back to France – from foreigners who love the good life it offers to the wealthy French who moved away under Hollande. "The Macron effect should not be underestimated," says Anthony Lassman, co-founder of the property buying and lifestyle management company Nota Bene Global. "France has seen a significant turnaround – whether it's about taxation or a general political positivity, it's throwing up opportunities"

dream for many British Francophiles. "All of our UK clients buying in the south choose either **St Tropez** or the **Luberon** and **Alpilles** regions of Provence," says Stuart Baldock, partner at the French property adviser Hindle Baldock. "They are unspoilt and highly protected, preserving future value." Be prepared to pay as much as a 30% premium for a sea view.

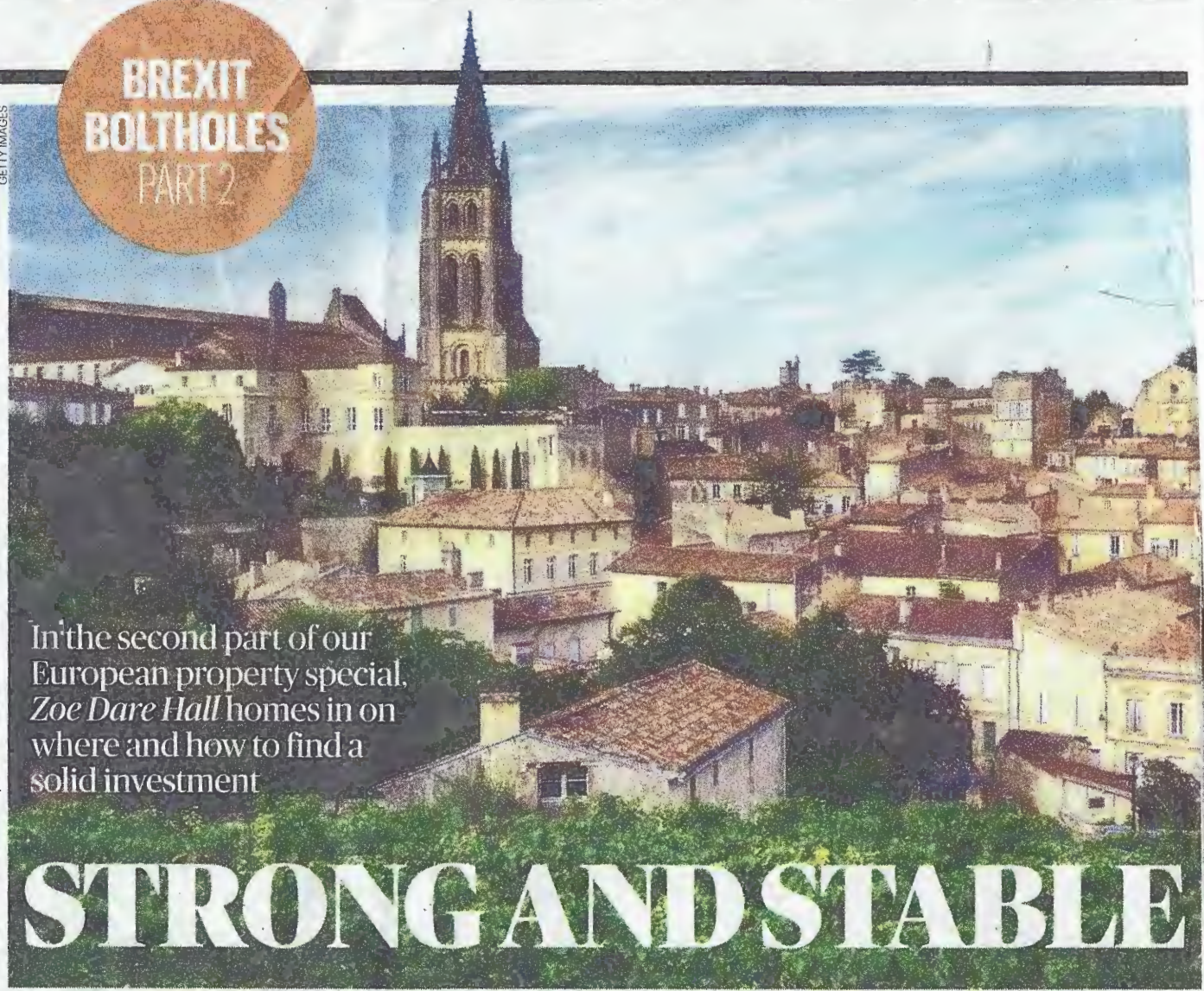
If you prefer a bit more action, chic cities on the up include **Bordeaux**, where the buying agency Home Hunts expects price rises of 8%-10% this year. Its international school – where annual fees start at €7,770 for the primary years – also puts it on the radar of families seeking a permanent move. Properties nearby include a five-bedroom stone-built house close to the sought-after Jardin Public, on the edge of the Chartrons district, on sale for €935,000; and a two-bedroom apartment on Quai des Chartrons for €748,800 (both through home-hunts.com).

Montpellier – with beaches, vineyards and medieval villages nearby – is also hotly tipped. "It's a young, dynamic city with a buoyant rental market, a large student population and a thriving economy," says Fleur Buckley, property service manager at FrenchEntrée. "It's regularly voted the best place to live and work in France, and is more



BREXIT BOLTHOLES PART 2

GETTY IMAGES



In the second part of our European property special, *Zoe Dare Hall* homes in on where and how to find a solid investment

STRONG AND STABLE

And the best Spanish holiday lets are seeing 100% occupancy in high season, according to the Property

Spanish property portal Idealista. "Madrid is where it's at right now. The buzz around the city in the last 12 months is



Under the new wealth tax (IFI), which came into effect on January 1, non-residents are taxed only on their French property holdings, not their worldwide assets. "It's great news for investors in French property," says Hugh Wade-Jones, group managing director at the mortgage broker Enness International. The levy applies only to the amount of equity in a property, so many investors are taking out mortgages to reduce their tax liability.

Where to buy? In Paris, where property prices rose by 12% in 2017, "buyers are having to move quickly or they lose out", says Marie-Hélène Lundgreen, director at Daniel Féau, the Christie's International Real Estate affiliate in the city. "Values are lower than in London, and the new government has big aspirations. British buyers are likely to be lawyers and financiers, looking for a weekend pad with their partners, rather than families."

She also tips La Baule, in Brittany, where she is selling a modern three-bedroom house for €829,000 (£735,000). "The property market is pegged to Paris, as that's where most buyers come from, but there are also some British buyers who want better value and a more local feel than on the Côte d'Azur – and there are daily flights from the UK to nearby Nantes."

It's the south, though, that is the epitome of the Gallic

affordable than Paris, Lyons or Nice." According to Buckley, nearly half of the firm's clients – most of whom are British – are looking at migration. "They're spurred on by the Brexit outcome."

British interest in the Alps – in both summer and winter – remains undimmed by Brexit, according to Andrew Beale, managing director of Free Spirit Alpine estate agency. "In super-resorts such as Méribel, Courchevel and Val d'Isère, and in smaller resorts with access to bigger areas, such as St-Martin-de-Belleville, we have seen increased appetite for second homes post-Brexit," he says. "Many people have actively sought out euro investments to hedge any falls in sterling."

SPAIN

Tourist numbers in Spain hit almost 82m last year, making it the world's second most visited country (after France).

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Barcelona saw a 21.7% rise in prices in the year to June – but they are still 20% below their peak before the recession

weak pound," says the buying agency's founder, Barbara Wood. "Things could change in sterling's favour if there is renewed eurozone instability, which most analysts consider a cast-iron certainty some time soon."

The housebuilder Taylor Wimpey España says Britons now constitute 35% of its market on the Costa del Sol, compared with 50% before Brexit – but they are spending more than before. "Most now have budgets of €450,000 or more, which is our upper end," says its managing director, Javier Ballester.

The firm is launching projects in Ibiza, as well as in Moraira and Javea, on the Costa Blanca, and Marbella and La Cala, on the Costa del Sol. Beachfront apartments in La Vila Paradis, in the Costa Blanca town of Villajoyosa, start at €269,000 (taylorwimpeyspain.com).

If you want to exploit rental potential, city markets can often provide a more solid footing, with high domestic and overseas demand, and investment in future growth.

In Madrid, Lucas Fox estate agency made 60% of its sales to foreigners last year. The firm says British "lifestyle investors" are a new phenomenon, buying in central areas such as Justicia for personal use, rental potential and long-term gain.

Prices last year rose by 12% citywide (and 22% in the centre), according to the

Madrid director, Rod Jamieson, who is marketing a newly renovated one-bedder, a few steps from the Gran Via and Plaza de España, for €485,000 (lucasfox.com).

The top price growth in any Spanish city is in Barcelona, which saw a 21.7% rise in the year leading up to June 2017, according to the Spanish valuation and consultancy firm Tinsa. "What is remarkable when it comes to considering future growth is that these prices are still 30% below their peak values before the recession," says Mike Williams, director of Urbane Barcelona estate agency.

There is, however, continuing uncertainty over Catalan independence. "Practicality will win through – it always does, and no one is going for unilateral independence," says Hugo Thistlethwayte, head of the international residential team at Savills estate agency. "But the current political issues mean there are deals to be done."

There are a few other issues to be wary of if your heart's set on a Spanish home. Many regions have strict licensing rules for holiday rentals. In the Balearics, for instance, it's illegal to let apartments for short stays. And Marbella remains without an urban plan, which means vigilance is needed when you're checking the legality of new-build homes.



SPAIN

In the tourist-heavy Sol neighbourhood, moments from the Gran Via and Plaza de España, in Madrid's buzzing city centre, this gorgeously renovated one-bedroom flat has an open-plan

kitchen/living space, expensive-looking fittings and an enclosed terrace – so there's plenty of potential as a rental investment option if you're not there full-time. **00 34 912 900182, lucasfox.com**



FRANCE

The hilltop Provençal village of Bonnieux, in the Luberon, is almost improbably picturesque. You could be drinking in the views from this 15th-century house, full of historic, quirky rooms

and with several terraces – there is a particularly appealing outdoor bar area. When winter gets chilly, head for the indoor heated pool cut into the rock. **020 7861 1139, knightfrank.com**