

RESIDENTIAL

All abroad for holiday home buy

In the past few years there has been a surge in the number of Australians investing in properties in Europe, **Majella Corrigan** writes

THERE'S a certain romance to owning a villa in France or a farmhouse in Italy. Romantic, but impractical.

Perhaps it's not as implausible as it seems. The internet, cheaper airfares and property prices that can make investment sense mean many Australians are buying in Europe.

And a holiday home in France or Italy may be more appealing, and better value for money, than a beach house at Port Douglas.

The relatively large number of Australians buying overseas tends to go unnoticed, says Michael Davoren, business director for real estate agent LJ Hooker.

"Quite a few are buying as an investment, but one that runs parallel to their lifestyle," he says.

Buyers stand the chance of getting better returns than in the Australian housing market.

"In a small village in southern France you might get a 10 per cent return, while you'd be flat out getting 5 per cent on an Australian residential property," says Davoren.

He notes that "a nice villa" within 100km of the French town of Avignon would be under €200,000 (\$324,000).

"Australians see the advantage because they get all their income from the property in six months, and can live in it or put other Australians in it for the rest of the year."

Davoren points out that some recent entrants to the European Union, such as Poland and the Czech Republic, have already begun to become popular with traditional buyers of French and Italian property, who are looking for capital growth.

The countryside is similar to parts of

France and Italy, and the dollar value is a lot less. However, prices are already starting to rise.

Davoren says the real estate industries in these countries have also become more formalised since joining the EU, and so long as buyers use accredited agents they should be safe.

WorldProperties.com, the website formed by the International Consortium of Real Estate Associations, is a good place to start when considering overseas property investment.

It lists most countries' national real estate associations, and agents that

'Quite a few are buying as an investment, but one that runs parallel to their lifestyle'

Michael Davoren, LJ Hooker

advertise on the site must adhere to its international principles of conduct as well as their country's own code.

All sorts of Australians buy all sorts of property, from apartments in Paris to chateaus, vineyards and even factories across Europe, according to international property lawyer Michael Bula.

"I am seeing more and more syndicates, usually two, three or four couples who band together to buy a property and share the cost and the use."

They may choose to rent it out in the high season and use it themselves in the off-peak times.

Bula lives in Melbourne, is fluent in

both French and Italian and founded his law firm in 1985 after identifying a need for a specialist practice in French and international legal matters. French property is not cheap, but there are affordable provinces.

Bula cautions that there is usually a price bubble during the European summer vacation simply because there are so many tourists in France.

A Travelex survey last year found that about 22 per cent of English people holidaying in Europe looked at property, and 3 per cent said they made an offer.

Bula says investors should not expect huge capital gains unless they buy in a major city.

But buying in regional areas doesn't mean isolation.

France has many regional airports, so access to services is not far away.

1st-for-french-property.co.uk has information on prices via region as well as properties listed by broad price ranges.

€200,000 buys villas in the mid-Pyrenees, Brittany, Burgundy and Rhone.

The site also lists the most expensive areas, such as Provence and Cote d'Azur, while naming Vannes (south Brittany) and Val d'Isere as "pricey".

Prices increase in the south, and towns near budget airlines are more expensive, as are chic destinations such as Nice, Cannes and the ski resorts.

In Europe generally, 1st-for-french pinpoints the hotspots as Costa Almeria and Costa Calida in Spain, Costa de Prata in Portugal, and in France the Languedoc region (made popular most recently by *The Da Vinci Code*), the Cote d'Azur and Paris.