

**T**here have been high-profile casualties from Banff to Barbados, and so many Spanish projects put on ice that they should start marketing igloos on the Costa del Sol. Yet not everything in overseas property has been a picture of gloom since the crunch bit in 2007. Against the odds, while exchange rates were punishing and local markets plunging, some new developments forged ahead and sold out. We look at the secrets of their success.

**Build and buyers will come**

The PGA Catalunya Resort, near Girona — just 37 minutes from Barcelona on the new fast train link — sits beside the best golf course in Spain, with stunning villas designed by cutting-edge architects. But the reason it is selling well, in a Spanish market where 60% discounts are commonplace, is far more prosaic. “The one thing guaranteed to give buyers confidence is a development that has its infrastructure in place before any properties go on sale — and that delivers on time,” says James Price, head of international residential development at Knight Frank estate agency.

It helps that PGA is owned outright by Denis O’Brien, proprietor of Quinta do Lago, the famous Algarve golf resort: there are no big bank loans to service, prompting panic discounts. When PGA got its building licence, in gloomy 2010, the plan was to sell plots for £1m-plus villas. But they began building flats instead, and sold 25 in 2012. One-bedders start at €250,000 through Knight Frank (020 7629 8171, [www.pgacatalunya.com](http://www.pgacatalunya.com)).

“The development is very post-crunch,” says the London-based architect Richard Hywel Evans, whose 400 sq

metre villas on the resort start at €1.4m and combine a nod to Catalan tradition with minimalist modernity. “Buyers here have a lot of money, but they want a lot for it. They want houses that are flexibly designed so they are future-proof and cost almost nothing to run.”

**Boutique chic**

Château Les Carrasses, a converted 19th-century wine estate in the Languedoc, launched in April 2009, “when the property market was collapsing around us”, says its developer, Karl O’Hanlon, director of Domaine & Demeure. With one-bedroom flats starting at about £175,000, it sold out within five months.

The finished result is like the best kind of boutique hotel with a communal pool and a working winery, set in idyllic countryside. Yet prospective buyers of its 28 properties — half of whom were British, despite the worst pound/euro exchange rate ever — needed imagination to see that in the derelict chateau.

“They had the original building to go on, and my reputation,” says O’Hanlon, who specialises in one-off restoration projects locally. “I knew that in a market where transactions were down by 95% on the previous year, I had to be certain that I had the one that sells.”

He also provides an “open book”, so buyers can see just where their money is going. And, once there, they don’t need to lift a finger: “They don’t pay a bill or fix a tile. And we rent out their properties when they’re not there, so they can get a revenue stream of up to 4.7%.” O’Hanlon’s next project, Château de St Pierre de Serjac, a historic estate between Béziers and Pézenas, will soon launch, with one-bedroom properties starting at about €250,000 (0845 686 8067, [domainedemeure.com](http://domainedemeure.com)).

# Places of greater s

While property prices stagnate worldwide, new hideaways with rental perks are paying divi



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The Royal Westmoreland estate, on Barbados, is popular with sports stars. One-bedroom flats start at £260,000. [royalwestmoreland.com](http://royalwestmoreland.com)

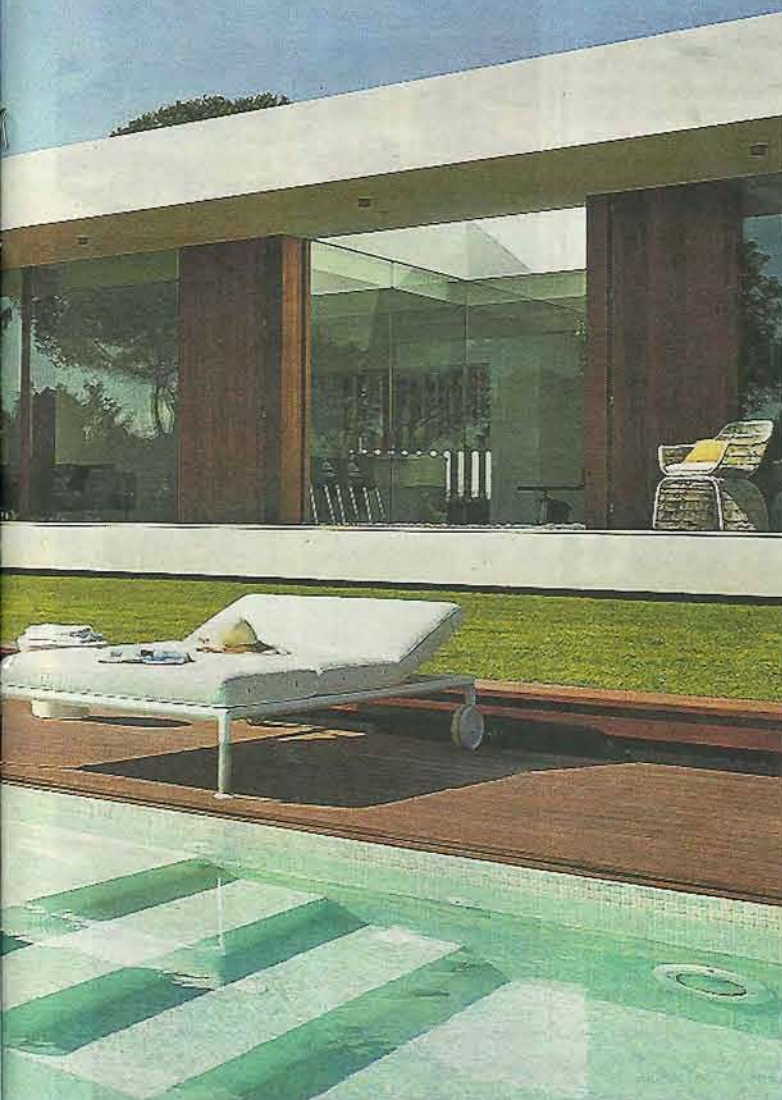


Villas at the PGA Catalunya Resort, near Girona, have been selling well

Barry Murphy; Nikolaj Georgiev

# safety

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ends, says **Zoe Dare Hall**



Also benefiting from its rarity value is Castelfalfi, a converted Tuscan hamlet 40 minutes from Pisa. The region has seen a number of high-profile *borgo* restorations — hill villages abandoned in the 1950s and 1960s, when the population left to find work in cities. But where most such villages are confined to narrow alleyways of tall, thin houses, the Castelfalfi estate covers 1,100 hectares. So buyers get the authentic village experience, but with golf, a swimming pool, restaurants and a five-star hotel.

Castelfalfi also reaps the benefit of having TUI as its owner — the first departure into selling property for the German tourism giant, which owns Thomson. That means three things for buyers: the combination of Italian heritage and German building standards; a securely financed project; and a ready market of holidaymakers to rent the properties. Flats start at €230,000, golf villas at €1.2m and farmhouses at €2.5m, through Knight Frank (020 7629 8171, castelfalfi.co.uk).

## Money talks

Buyers with a pot of cash currently have all the choice, and want more than just a pretty property. This means a development needs an added edge.

While most “emerging” European destinations have fallen off the radar for British buyers, Croatia is seeing booming tourism — and the five-star Dubrovnik Sun Gardens, six miles from the city’s Unesco-protected old town, is proving that there’s still demand for property there. The first 25 dwellings sold out within four months of its launch last summer, and a further 25 one- and two-bedroom residences are now available from €170,000 through Knight Frank (020 7629 8171, dubrovniksungardens.com).

What’s luring buyers? This is a managed resort with fully furnished properties, so there’s no hassle. The homes are freehold, which is unusual for Croatian resorts, and the developer, iO Adria, could build on the waterfront. Most unusually, the company developed the properties and rented them out to tourists before making them available for sale. In 2010, its second year of operation, the occupancy rate was 98%. “Buyers can see the last three years’ rental on each specific unit, and can expect an annual yield of up to 4% after fees,” says Julian Houchin, iO Adria’s commercial director.

Further afield is the 600-acre, £400m Albany resort, in the Bahamas — Tiger Woods is said to have put up a quarter of the cash — where properties cost between \$1.5m and \$3.6m through Knight Frank (albanybahamas.com). It launched in 2008 and has sold more than £250m worth of property since.

The Albany has the celebrity factor: 15 sports stars (mainly golfers) own there, and Daniel Craig’s famous swimming-trunks moment happened on the beach. The leisure and family facilities, including a water park, are first-class, too. Yet buyers, 20% of whom are British, are most interested in the tax perks — no income, inheritance or capital gains tax, as well as no property taxes for 20 years, and no import duty on building materials or furnishings. Buyers who spend more than £1m can also apply for residency.



The converted Tuscan hamlet of Castelfalfi, near Pisa, covers 1,100 hectares. One-bedroom flats can be had for £196,000, farmhouses for £2.1m. [castelfalfi.com](http://castelfalfi.com)



On Ibiza, the White Angel has attracted interest from British buyers. Two-bedroom flats start at £230,000. [thewhiteangelibiza.com](http://thewhiteangelibiza.com)

## BUYERS WITH A POT OF CASH HAVE ALL THE CHOICE AND WANT MORE THAN JUST A PRETTY PROPERTY — SO THE DEVELOPMENT NEEDS AN EDGE

### Celebrity pulling power

In the old days, developers gave away villas like Smarties to celebrities in return for free publicity. Now the rich and famous are less willing to risk their reputation for a developer who turns out to be a shark. So, when a project boasts a galaxy of stars who have put their money into it, it means something.

Royal Westmoreland, a five-star golf and spa estate in Barbados, has been selling to sports stars since it was taken over by the Lancashire entrepreneur John Morphet in 2004. He invested £2m, launched 25 Royal Villas in 2006 — and then the credit crunch struck. But Morphet got out his contacts book, the likes of Michael Vaughan and Wayne Rooney invested, and all his villas sold.

The “locker room” approach — word-of-mouth recommendations among sporting names — worked wonders. Owners also cover sizeable annual costs

by putting their villas in the rental pool. “Other sales quickly followed, as buyers then had confidence in the resort,” says Westmoreland’s chief executive, Greg Schofield. Properties start at \$395,000, and the football manager David O’Leary’s three-bedroom villa is on sale for \$1.2m (01524 782649, royalwestmoreland.com).

### Last-chance saloon

In most Swiss ski resorts, no more new-builds are allowed. So in popular Nendaz, in Valais canton, Mer de Glace is selling fast because buyers know the 56 flats (of which 18 are still left) will be the last. “It launched in 2006 and sold out,” says Jeremy Rollason, of Savills’ Alpine Homes. “When we relaunched in 2008, buyers weren’t deterred by the credit crunch. It’s exceptional value for the Swiss Alps.” Two-bedroom flats there start at £432,000 (020 7016 3740, alpinehomesintl.com).

The White Angel, in Ibiza, also combines good value with a rare location — near Marina Botafoch. Two-bedders start at €270,000 through Savills, and 50% have sold off-plan ([thewhiteangelibiza.com](http://thewhiteangelibiza.com)). “There has been huge interest from British buyers,” says Joanne Leverett, head of new developments at Savills. “Its location near the town means these are good year-round properties — and, unlike other new projects in Ibiza, they aren’t aimed at the super-rich.”

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ST Look around the Castelfalfi estate in a video tour at [thesundaytimes.co.uk/homevideo](http://thesundaytimes.co.uk/homevideo)