

# Focus on France

By Rachel Newcombe

**Ski properties, if chosen carefully, can prove to be great investments. If you're looking for a European ski property, then the French Alps still has lots to offer.**

Skiing is one of the perennial winter sports that is continually loved and thousands of people travel to ski resorts worldwide each year to enjoy skiing and other snow sports. Demand for top-notch accommodation in resorts is high and apartments and chalets available for rent can do very well. The ski season in the French Alps usually starts in mid December, but this season there was heavy snowfall in mid November, which enabled many resorts to open earlier than planned.

"The French Alps offers one of the best capital returns on a medium to long-term basis, with around 10–15% increase per annum," says Gordon Roughan, managing director of Maison Individuelle. Access to the French Alps has been made easier thanks to low-cost flights to areas such as Geneva, Lyon and Grenoble.

## Ski properties in France

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In well-known resorts, such as Meribel, Val D'Isere, Chamoix and Courchevel 1850, there's a high demand for property, but limited properties available. When they do come on the market, they go very quickly, so you have to act quickly if you want to buy. As there's such a demand, prices are now quite high, but do command a high rental. In Meribel, for example, a three-bedroom chalet is currently on the market for €572,400, and in Val D'Isere, a three-bedroom apartment is priced at €550,000.

As a rough guide to rental rates, Simon Malster, from Investors in Property, says a two-bedroom and two-bathroom apartment in the centre of Meribel recently sold for €380,000. If it is used for two weeks by the owner, then rented out for nine weeks in the winter season, it could net €7,500.

However, if your budget doesn't quite stretch that far, there are still areas of the French Alps that are more affordable. These up-and-coming areas may take a bit more work to find and generally aren't as widely available as in the past, but you could still make a return on your investment.

One of these lesser-known resorts is Les Sept Laux, or the Seven Lakes. Although it's actually the third-largest ski area in the Dauphine region, until recently it's not been a major skiing zone for foreign tourists – in part due to limited accommodation. Located in the Belledonne Mountains, it boasts 120km of ski runs, some reaching heights of 2,600m. It also has one of the best snow parks in Europe and the resort as a whole caters well for both skiers and snowboarders of

all capabilities. It's located within a one-hour drive of Grenoble airport, where budget airlines such as Ryanair and easyJet fly to, and it's also easily accessible via Eurostar and the local railways.

Unlike some of the more well-known resorts, prices in Les Sept Laux are a lot lower than the big name resorts. In fact, they're about 50% lower than Meribel. For example, prices in the development Les Granges des Sept Laux, start at £80,070 / €115,113. Add to this the fact that it's a popular resort with skiers because ski passes and equipment hire are reasonable and you've got all the ingredients for a perfect buy.

Wherever you're buying a property, there are some key considerations to keep in mind. "If you're buying a property with a view to renting it out, the most important factor is to purchase in a good and convenient location. Apartments in the centre of a resort within walking distance of the ski lifts and restaurants will always rent out first, will have a high occupancy rate and command a premium," says Simon Malster.

If you invest cleverly, a ski property need not be just a seasonal investment. Many resorts appeal to tourists outside of the typical ski season by offering other outdoor pursuits, such as hiking or mountain walking, and if the resort has golf or spa facilities, they offer added interest. Rental rates won't be as high as they are during the peak skiing time, but any added income is worth pursuing.

When you've got your investor's hat on and are trying to suss out which

## Farrell's facts

### Population:

60,876,136 (July 07 est.)

GDP per capita: \$40,781

Interest rate: 4.0%

Inflation: 2.8%

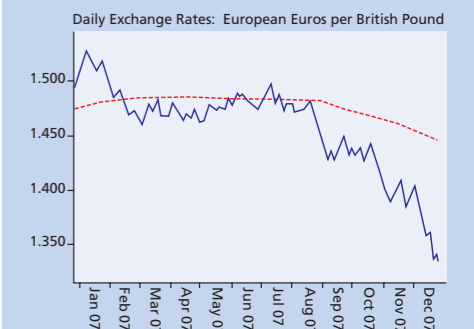
Unemployment: 7.9%

Foreign Direct Investment in millions (US\$): 782,825 (2006)

### Tourist Trends:

Tourist arrivals: 79.1 million

Tourist expenditure (US\$): 46.3 billion



### Taxation:

Income tax: 25%

Corporation tax: 25%

Capital gains tax: 34.4%

Value added tax: 19.6%

Property owned for more than 15 years is free of Capital Gains Tax

### Climate:

The North is mostly changeable weather, while southern France has a Mediterranean-climate. Central and eastern France has a more continental climate

### Carriers:

UK flights cover many destinations across France.

Direct Routes:

**Bordeaux:** easyJet, Aer Lingus (Europe), Air France, Flybe, BA

**Paris Charles De Gaulle:** easyJet, Bmibaby, Aer Lingus (Europe), Ryanair, Jet2, Air France, Flybe, BA

**Nice:** easyJet, Bmibaby, Aer Lingus (Europe), Ryanair, Flyeglobespan, Jet2, Air France City Jet, Flybe, BA

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areas could become future hotspots, there are some useful techniques to employ, as Gordon Roughan explains: “Many people are trying to find new hotspots that are more reasonably priced, have good accessibility to airports and lifts and have a good atmosphere all year around. This can be hard, but the trick is to do your research and buy into a resort set to have a new lift installed, to be linked up with a neighbouring ski region or set for general renovation.”

Today there are numerous ski resorts scattered across the world, including many in emerging areas of Europe. Nevertheless, experts say the French Alps will continue to attract tourists.

“Despite the rise of other ski resorts in new Europe, the French Alps will always retain their appeal due to ease of accessibility, good quality snowfall, modern facilities and affordable accommodation,” says Gordon Roughan. “The recent heavy snowfall and early opening of resorts such as Les Sept Laux can only further the confidence of those owning ski property in the future of the French Alps.”

Whether you’re a fan of skiing yourself, or prefer to sit back and watch others as they take to the slopes, clever investing in ski properties could net you some serious profits.

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