

PROPERTY *TIMES*

THE LOWDOWN ON REAL ESTATE AROUND THE WORLD: WHAT'S HOT, WHERE TO LOOK AND WHEN TO INVEST



STATE OF THE MARKET

CHANGING FORTUNES

As the global economy digests this year's economic and political happenings, the property narrative is all about secondary markets. So while London and New York appear fully valued, the likes of San Francisco, Berlin and Toronto still have potential for growth, and buyers looking at the Côte d'Azur are discovering that villas in Mallorca or the Charente-Maritime are just as desirable, and cost rather less. Similarly, countries such as Costa Rica, Panama, Vietnam and Cambodia are demonstrating that there are genuine alternatives to the traditional hedonist hang-outs. Today's real-estate investors and lifestyle buyers need imagination, a sense of adventure and a little help from the wealth of research and knowledge in this *Centurion* guide, as compiled by **Peter Swain** →

CHARENTE-MARITIME, FRANCE

ATLANTIC SWING

First there was Deauville, then the Côte d'Azur; now the country's east coast is becoming the spot for buyers looking to combine relaxation and exceptional value



An acquirable asset: a restored neo-classical chateau near Cognac is a perfect example of the region's potential

Property regions, like fine wine terroirs, take time to mature. The stretch of the French Atlantic coast that takes in the Ile de Ré, La Rochelle and Saintes has for many years been a chic summer hangout for Parisians in the know. Now, among the international cognoscenti looking for quintessential Gallic allure, it's transitioning from hidden treasure to rising star.

Those who find the Côte d'Azur's high-summer traffic overbearing, and local property prices stratospheric, will appreciate the tranquillity of this west-coast *département*. In fact, the region has something of the Hamptons about it – a place where Masters of the Universe come to relax, enjoy good food and spend quiet time in commodious surroundings with friends and family.

Surfing beaches on the Côte Sauvage, vineyards on the Gironde estuary, the town of Cognac's famous double-distilled *eau de vie*, as well as six thalassotherapy centres set the tone: this is a place for those looking to escape rather than find the limelight. Three regional airports make it easily accessible, and the weak euro helps its affordability – at least for those with dollars and pounds. So, which locales are *au courant*?

"Most buyers want to be within an hour's drive of the coast and La Rochelle airport," says Catherine Ryall of local agent Sextant France. "The most popular properties are traditional stone Charentaise farmhouses with swimming pools; they're full of character, and beautifully built with large windows and high ceilings.

"Buyers love the stunning

Ile de Ré, where average house prices are between €350,000 and €575,000, and small historic towns farther in from the coast with an authentic French feel such as St-Jean-d'Angély, which hosts a twice-weekly market and is full of beautiful ancient buildings."

With 450 kilometres of sandy coastline bordered by pine trees and chalky cliffs, Charente-Maritime is the second warmest part of France after the South. It also has an enviable epicurean reputation, led by Christopher Coutanceau's two Michelin-starred seafood eaterie in La Rochelle, ably supported by innumerable oyster bars serving the local *spécialité*.

"La Rochelle also has one of the biggest yacht marinas on the west coast of France, which is a big plus," avers Tony Murless, who deals in local real

estate for Leggett Immobilier. "The small ports on the Gironde estuary like Meschers-sur-Gironde and Mortagne are increasingly popular as well.

"One consequence of the upturn is that people are now looking for fine residences they can move right into rather than scenic wrecks. Most of the older, more historic properties are inland rather than directly on the coast." One such currently on Leggett's books is a neoclassical gem just 12 kilometres outside Cognac.

Completely renovated in 2012, this seven-bedroom chateau boasts generous reception rooms with 3.8m-high ceilings, a totally refurbished, Aga-centred kitchen, swimming pool and equestrian facilities, set in six hectares with resplendent views across the local vineyards – all for €1.56m.

The best cognacs involve skilful blending, the right terroir and ageing in oak barrels. Like a fine Rémy Martin, the châteaux of Charente-Maritime are now in the prime of life, just waiting to be claimed. →

BERLIN

Twenty-five years after reunification, real estate in the German capital is beginning to attract international attention, with PwC identifying Berlin as the best current property investment prospect in Europe. Philippe Starck's work on the interiors of the riverside Yoo Berlin in Mitte is getting rave reviews, as is the design of the 14-storey Living Levels building, close to Mediaspree in Friedrichshain.



That's amore: Loveshack, a four-bedroom Bauhaus-style contemporary villa in Port d'Andratx

MALLORCA, SPAIN

AN ISLAND'S SECOND WIND

The largest of the Balearics has earned its status as Mediterranean escape par excellence

In its spring 2015 survey of the best places to live in the world, *The Sunday Times* of London voted Palma, Mallorca, number one. The Balearic Islands escaped the worst of Spain's downturn and now, thanks to international buyers – of which the majority are German-speaking – the property market is powering ahead.

"In 2014 we broke a new record, at €27,000, for the price per square metre of a home in Spain, and we also achieved the highest price – €18.5m – for a villa in Mallorca,"

says Hans Lenz, managing director of Engel & Völkers in southwest Mallorca.

The Mediterranean island is blessed with sunny weather, excellent international flight connections, good beaches, great golf courses and a friendly service culture, always important to buyers looking for secondary or tertiary homes. The cuisine, with Catalan fare to the fore, is now world class.

Port d'Andratx, where prices have risen about 50 per cent since 2012, is the upmarket destination of

choice for many purchasers. "In the main, they're looking for bespoke villas in prime locations with sea views," suggests Lenz. "The location is all-important and the price tag is almost secondary." Buyers might expect to pay €4m or so for a villa overlooking the sea in Port d'Andratx, or €1m for a good two-bedroom apartment.

"Calvià has 19,000 non-Spanish residents from 100 countries – and a strong appeal with luxury hotels, restaurants, beach clubs, golf courses and marinas"

Sotheby's International also stresses the cosmopolitan nature of Mallorca's allure. "To the west of Palma, Calvià has 19,000 non-Spanish residents from 100 different

countries – and a strong appeal to the high-end, with luxury hotels, restaurants, beach clubs, golf courses and marinas supporting a growing superyacht industry," explains the company's Alejandra Vanoli.

The Portals superyacht harbour ticks all the nautical boxes, with the added bonus of being close to the island's best international schools. Another exclusive enclave on the outskirts of Palma is Son Vida, with the impeccably groomed Castillo Hotel and three good golf courses at its heart.

As well as Germans, Scandinavians and the British, the Chinese are now investing heavily in the island. In late 2013, a Nanjing-based company bought the five-star Hotel Valparaíso in Palma, and in May this year, Prime Minister Li Keqiang visited with an entourage of 120 businessmen to cement and accelerate Chinese influence. →

→“Already this year we’ve sold to one Chinese buyer who selected a modern seven-bedroom refurbished Palma palace, close to the waterfront,” says Vanoli. Spain’s so-called Golden Visa scheme, enabling buyers of property worth more than €500,000 to take up residency in the country and move visa-free around the Schengen countries, is an obvious attraction to wealthy Chinese, Russian and Arab purchasers.

With increased demand for villas costing €5m-plus, and the development of a niche super-prime market for properties of €10m or so, Mallorca’s southwest has achieved the ultimate accolade of now being compared with the Mediterranean’s traditional benchmark of excellence, the Côte d’Azur. Expect to see Mallorca in many more “Best of” lists this year and in the future.

BARCELONA

After a much-improved market performance in 2014, developers in the Catalan capital are advancing some exceptionally creative schemes in 2015. One such is Francesc Macià 10 (below), in which visionary Brazilian architect Marcio Kogan is converting a 45-year-old, ten-storey building in Avinguda Diagonal into seven apartments and one penthouse, complete with pool, spa, underground parking and full concierge service.



PANAMA & COSTA RICA

THE LATIN LIFESTYLE

Economically burgeoning, politically stable and blessed with exceptional natural beauty, the Central American duo brim with potential as destinations of the future

These neighbours, the former with a red-hot capital city and the latter with eco-credentials known the world over, bridge the divide between South and North America, the Atlantic and the Pacific. Both suffered in the recession and governance issues have traditionally dogged the region, but they now have established prime residential markets offering potential for investors and real value for lifestyle buyers.

Thanks in part to the Panama Canal expansion project, due for completion in mid-2016, *The Economist’s*



Parkside, a new development in Panama City, with 40 floors of apartments

prediction that Panama could become “a Singapore for Central America” is looking increasingly prescient. “In a Central American context, Panama offers a high degree of economic and

regulatory stability,” suggests international agent Knight Frank. “Investors are attracted by the strongest economic growth offered in the region and also a very competitive tax environment – all of which →



A rendering of a beach bar at the Pearl Island residential development, a few miles offshore from Panama’s capital



How the 52-storey Matisse in Costa del Este, Panama City, will look

→ have contributed to foreign direct investment levels hitting nine per cent of GDP in recent years."

Local agent Rolando Kam Jr of Savills Panama advises international buyers to look at Santa Maria in Panama City. "It's an ultra-high-end residential gated community, connected to its own business centre, with a modern colonial design and Jack Nicklaus golf course." He also likes Casco Viejo, the old town of Panama City, which is full of classic architecture, as well as the new Matisse and Parkside towers in Costa del Este, and the beachside Buenaventura development next to a JW Marriott resort, an 80-minute drive southwest along the Pacific coast.

Current international buyers are largely from the US and neighbouring Latin American countries like Venezuela and Colombia, who view Panama as a safe haven in times of political and economic uncertainty. Boquete, in the country's western highlands, for instance, is home to a large and fast-growing expat community, attracted by its international school, natural beauty and pleasant year-round climate.

Environmental delights abound across Panama's neighbour to the north, Costa Rica, which has become the gold standard for eco-tourism

in Latin America. Volcanoes, lush rainforests and tropical beaches make the country one of the top 20 in the world for biodiversity; it also has a rich history, no army, a thriving economy and political stability.

All of which are major incentives to those wanting their own slice of paradise at a relatively modest cost. "You can purchase a new and fully furnished 7,500sq ft [700sq m] beachfront home on a white-sand beach for under \$4m," says Bob Davey of local agency Plantación Properties, a Christie's affiliate. "The same property in St Barths or Southern California would be over \$15m."

For rather more – \$29.75m to be precise – Davey is currently marketing Mel Gibson's 202ha, three-home beachfront estate at Playa Barrigona on the Pacific coast.

Second-home seekers looking for something a little more modest, Davey suggests, might consider Las Catalinas on the uber-cool Peninsula Papagayo, also in Guanacaste province. Thirty minutes from Liberia International Airport, a whole new traffic-free 485ha beach community is being created with a wide range of sensibly priced villas, town houses, condos and sports facilities. The nearby Four Seasons already has its own private residences, as well as an Arnold Palmer golf course and world-class spa, while the local Andaz has a champion mixologist in Clark Jiménez. What more is needed for full relaxation?

Both these countries have investment potential, but their strong suit is the value they present to imaginative lifestyle buyers not just from North and South America but also, as the word spreads, from Europe and the Far East.

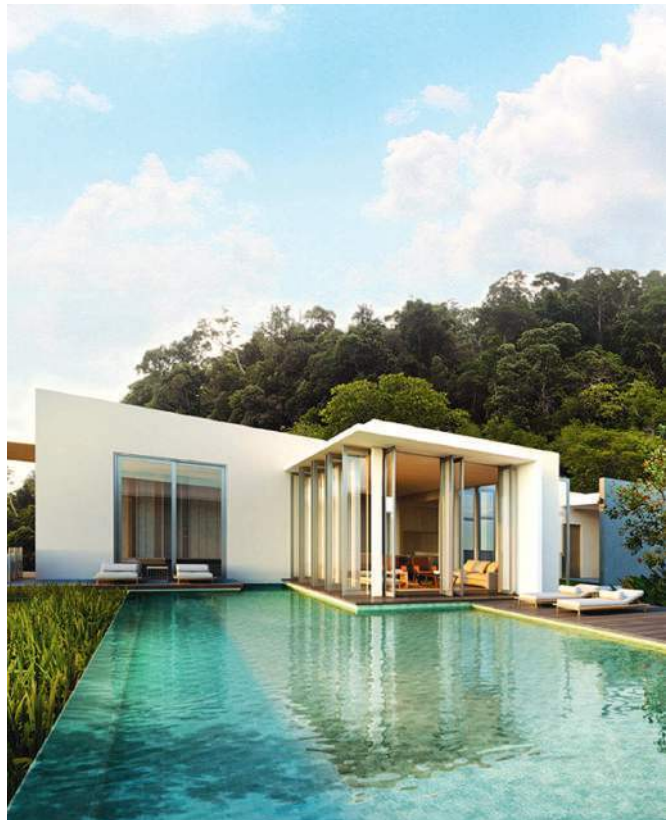
VIETNAM & CAMBODIA

NEW STARS OF SOUTHEAST ASIA ON THE RISE

Two rapidly developing markets offer opportunities for both investment and escape

The idea that these once war-torn countries could be the setting for soigné new resorts attracting an international clientele would have been unthinkable a few years ago. But if swords can be turned into ploughshares, then formerly cratered paddy fields can become elegant 21st-century residential complexes.

Vietnam has been on the global tourist trail for some time now, with the Con Dao islands and one-time hill station, Da Lat, in the vanguard of exotic attractions. The property market, on the other hand, is still in its infancy, and not for the faint-hearted, but expect to hear more about it over the coming years.



A four-bedroom villa at the Alila development in Koh Russey, Cambodia



The Mia Resort Nha Trang, left, located on a sweeping beach on Vietnam's west coast, includes The Residence, a five-bedroom villa with a 202 sq m infinity pool, right

The presence of international realtors like Savills in both Hanoi and HCMC (Ho Chi Minh City, formerly Saigon) provides reassurance. They suggest there are two distinct markets: one for international investors from Hong Kong and Singapore looking for six per cent or so returns from city-centre developments, and the other for lifestyle buyers attracted by the islands and a long, relatively untouched coastline.

Of the resorts, Troy Griffiths in Savills's HCMC office likes the look of the palatial residences being built at the Mia Resort Nha Trang, costing from about \$1.5million. He also likes Da Nang, and cites a new international airport at Phu Quoc as beneficial to that local market. "For investors, then, we'd expect HCMC to be the prime target," he says.

A July 2015 change in the law made the Vietnamese market more accessible to international buyers. It allows foreigners to lease and own a maximum of 30 per cent of an apartment building or up to 250 villas or townhouses, and gives them the same rights

as Vietnamese to sublet, mortgage, trade and inherit.

Neighbouring Cambodia's residential market is similarly still in the start-up phase, but Phnom Penh is experiencing significant growth in demand and prices thanks to foreign investment. This is now

Cambodia's residential market is similarly in the start-up phase, but Phnom Penh is experiencing significant growth in demand and prices

spilling out into the residential resort market in the Gulf of Thailand.

The first destination of distinction was Song Saa, offering a mix of island and overwater villas on long leaseholds. The project, now sold out, is comparable with the best Sonevas for build quality and service, and is

proving immensely popular with those seeking an eco-luxe escape.

Next up is the Alila Villas project on the scenic island of Koh Russey, where 132 villas priced from \$480,000 for one-bedroom units to more than \$2m for four-bedroom pool villas, are being built. Just across from Sihanoukville, the location is a 25-minute flight then 15-minute speedboat ride from the Cambodian capital, so easily accessible for transnational holiday-home buyers.

Cambodia already attracts more than two million visitors a year to the likes of Angkor Wat and Siem Reap, with that figure expected to grow by 15 per cent year on year, so Alila Villas, marketed by Abercrombie & Kent International Estates, might best be described as a lifestyle investment opportunity.

Both Vietnam and Cambodia have complex local property laws, so prospective buyers need expert local guidance, but history in Indochina has moved on and today, to quote the motto of the SAS, "Who dares wins". →

MENDOZA

Oenophiles are finding The Vines of Mendoza to their taste. The 600ha winemaking nirvana, situated in the renowned Uco Valley at the foot of the Andes, has a variety of villas and vineyard sections for sale through Abercrombie & Kent International Estates.

Fly-fishing, riding, a sumptuous spa and Francis Mallmann's divine Siete Fuegos restaurant round out a destination with international appeal.



Exterior and lounge area of a Vines of Mendoza villa

TORONTO

Christie's International reports a 37 per cent increase in the Ontario capital's high-end home sales over the past 12 months. With demand outstripping supply, CAD\$1m-2m city-centre homes are highly sought after, as are suburban houses in the CAD\$2m-4m bracket. Justine Deluce of Chestnut Park, the local Christie's affiliate, has a fine six-bedroom mansion in Forest Hill on at CAD\$18.8m.



"Buyers [in Toronto] are seeking to spend on property features that could be described as 'experiential', such as a meditation garden or an outdoor shower"

Christie's Luxury Defined 2015



The dining room and swimming pool of a for-sale Forest Hill mansion

SAN FRANCISCO, USA

BAY OF PLENTY

With robust growth, eye-catching vistas and a bevy of new developments, northern California's most welcoming metropolis is more attractive than ever



Clockwise from top: a decked patio at a contemporary tri-level home in Hayes Valley; the view of the city's skyline from the house; its metallic-themed modern kitchen

An aptitude for reinvention is a defining American characteristic. A generation ago, San Francisco was best known for its laid-back hippy charm and tourist attractions. Today, thanks largely to the tech revolution in nearby Silicon Valley, the city has once again become a Pacific powerhouse.

As any American salesman will tell you, it's all about the numbers, and San Francisco's recent real-estate figures are spectacular. Overall, prices are up ten per cent year-on-year according to the authoritative Case-Shiller Index, while prime residential prices have risen a staggering 26%, says local agent McGuire Real Estate.

It was always a great city to live in; now it's a great place to work, with Twitter, Uber, Salesforce, DocuSign, Airbnb, Zynga, Dropbox, Pinterest and Yelp all headquartered in the Bay Area, plus Apple, Google and Facebook expanding their operations nearby.

Several districts are in the spotlight for upscale lifestyle buyers and investors. Facebook founder Mark Zuckerberg recently purchased a home in Liberty Hill, an exclusive part of Dolores Heights where some residences date back to the Victorian era, while others are starchitect-designed postmodern mansions; all have easy access to



A courtyard at a four-bedroom hillside retreat in the city's Bay Area

downtown, and the locale is well known for its open and relaxed social ambience.

Twitter founder Jack Dorsey and Gap creator Donald Fisher prefer to be a little further out at Sea Cliff, a fashionable quarter with lovely views over the ocean and towards the Golden Gate Bridge, as well as notable walks along the cliffs and down to China Beach.

The most expensive property sold recently was in Pacific Heights, the relatively conservative area taking in the famous Gold Coast, otherwise known as Billionaire's Row. "It has historic and newly constructed homes with panoramic views of the Golden Gate Bridge and San Francisco Bay," says Lauren Bensinger of McGuire. Homeowners enjoying its fashionable charms include old-guard San Franciscans like the Gettys and Trainas as well as new tech billionaires such as Apple's Jonathan

Ive. Nearby Russian Hill is similarly historic and almost as expensive but with a better nightlife.

Those looking for more of a loft-living urban vibe are heading to SoMa (South of

blocks are springing up and warehouses are being converted. The demographic is younger than in the surrounding hills, but prices are still punchy.

Right next door, Mission Bay is another urban enclave benefiting from buyers priced out of traditional hot spots. Just along the coast, Bayview and the redevelopments of Hunters Point Shipyard and Candlestick Park also promise to provide a much-needed boost to the city's dwindling inventory of town houses and apartment blocks. Other developments currently catching investors' attention include Rockwell in Pacific Heights, 1 Franklin in Hayes Valley and 1554 Market.

More than 160 years ago, the Californian gold rush turned San Francisco from a sleepy village into a boom town. Today's prospectors make their fortunes online, but once again "there's gold in them thar hills". ●

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Market), best known for its art spaces, nightclubs and tech start-ups. A short walk from SF MoMa and many of the city's best eateries and bars, new condominium

PUERTO RICO

Despite the recent fiscal uncertainties, the US territory remains a buoyant prospect to which Americans enjoy passport-free travel, as well as outstanding international and regional flight connections. Led by grand residences in the exclusive Condado district of San Juan, "investors are revitalising the luxury real-estate market," says Letty Brunet González of Trillion Realty Group.



Prime premises, from top: Regatta PH; Spanish Opulence, Infinity Home and Horizon House