



The £100,000 QUESTION



WE ASKED WILLIAM BAUER OF KEMER MEDITERRA, ONE OF TURKEY'S PREMIER DEVELOPERS, HOW HE'D INVEST UP TO £100,000 IN PROPERTY

Who: William Bauer.

What: Business Development Manager of Kemer Mediterra.

Why: Following a 30-year career in hotels and property development, William has his own extensive portfolio. He recently joined Kemer Mediterra, a household name in Turkey, to promote its prestigious new LaVanta development.

Where: He recommends buying in the Midi-Pyrénées (France), Prague (Czech Republic) and the Turquoise Coast (Turkey).



The experts tell us to be dispassionate about property, but when I invest it's often from the heart as much as the head. It's about finding a balance – if the deal is right, you can enjoy a location or property that you love as well as generating a return on your investment.

Recent years have seen prices in France rise, but there are still bargains to be found in the Midi-Pyrénées region, in areas such as Lot, Corrèze or Aveyron. This is the real France, with medieval towns – beautiful and not over-crowded.

I would buy a studio apartment in a new development for around £75,000, taking advantage of the *para hôtellerie* system, which is peculiar to France.

Typically, in return for having 180 days use of your property, and signing a maintenance and rental contract with the owner of the development, you get your 19.6 per cent VAT refunded. You are the freeholder of the property from the outset, and 20 weeks or so of

rental income each year should cover the mortgage.

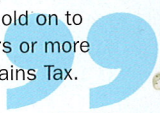
If you're looking for a city investment, Eastern Europe is hard to beat. At the moment, Bulgaria and Romania are popular but, for me, Prague is the best place. City-breaks tourism and increasing local prosperity mean that you can achieve rental yields as high as eight per cent.

I'd go for a quality new-build in a fast-growing suburb such as Prague 9. You should be able to get a good one-bedroom apartment for about £95,000. It's not as cheap as Sofia or Bucharest but has proven capital-growth potential. Given the Czech Republic's buoyant economy, growth of 15 per cent per annum is not unrealistic.

If you're set on buying a coastal property, though, steer clear of over-developed areas. Cheap deals often equate with poor quality and, possibly, a limited re-sale value. Instead, aim for a less commercial area that still attracts healthy numbers of tourists.

Turkey's Turquoise Coast ticks all of these boxes for me. Property here is much cheaper than in upmarket Spanish resorts, and in small stylish towns like Kas and Kalkan you can expect excellent rental yields from April to October. I'd expect to pay about £60,000 for a two-bedroom apartment in Kalkan with a shared swimming pool.

In terms of investment, the beauty of Turkey is two-fold. Firstly, the new Turkish mortgage law comes into force on 1st January 2008 and will make property ownership more accessible to locals, which should push up the value of your property. Secondly, hold on to your investment for five years or more and you won't pay Capital Gains Tax.



| Invest in... | Type of investment | Cost (approx) |
|--|--|---------------|
| Option 1 – France Where? Either the Lot, Corrèze or Aveyron departments of south-west France |  Studio apartment in a new development | £75,000 |
| Option 2 – Czech Republic Where? The fast-growing Prague 9 suburb of the Czech capital |  One-bedroom apartment | £95,000 |
| Option 3 – Turkey Where? Kas or Kalkan on Turkey's Turquoise Coast |  Two-bedroom apartment | £60,000 |

CONTACT WILLIAM

If you would like to get in touch with William, e-mail williambauer@kemermediterra.com. For more information on LaVanta call 0800 970 2310 or visit www.kemermediterra.com.