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AGENDA HOLIDAY HOME DEALS

WHERE TO BUY PROPERTY OUTSIDE THE EUROZONE

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Europe's best-value holiday homes are in places that haven't adopted the single currency. Alexander Garrett presents a buyer's guide to five countries where you can still find a bargain

BEFORE THE CREDIT crunch, easy money fuelled a holiday-property boom, with UK buyers snapping up bargains in popular European destinations. Today, anyone hunting for a holiday home in Tuscany, the Algarve, the Côte d'Azur or anywhere else in the eurozone will find that the bargains are long gone. Despite the euro's financial difficulties, its exchange rate makes the eurozone a very expensive place for British buyers.

So is now the time to look a little further afield for holiday property? For those with a

pioneering spirit, yes. There are parts of Europe outside the single currency's borders whose coastlines and countryside can match those in the eurozone. But going into relatively unknown territory involves risks: in this new-frontier-land, the rules and regulations of the EU hold little sway, and foreign property-buyers are often seen as easy prey.

Where is the best place to find your next holiday home? That depends on what exactly you are looking for, but here are some brief notes on the favoured non-euro property markets. The prices quoted are

for guidance only; the actual cost – usually payable in the local currency – will vary with foreign-exchange fluctuations.

CROATIA

A few years ago, Croatia's Dalmatian coast was being billed as the new Côte d'Azur. Dubrovnik had long been familiar to yachties and lotus-eaters; but the Adriatic coast with its hundreds of sun-kissed islands – many barely populated – offered a wealth of real-estate opportunities. The authorities were sparing in the allocation of development permits; and most of the resorts, hotels and

holiday homes sanctioned have not been built, because of the financial crisis. So the chances of finding a sea view are still good; and old, stone houses on less accessible islands offer something of a bargain, as does the Split area. Dubrovnik is pricey by comparison. Inland properties on the Istrian peninsula – Croatia's answer to Tuscany, with its olives, truffles, wine and hilltop villages – can be reasonably priced, though its beaches are full of German holidaymakers, for whom the area is a comfortable drive ➤
Above, the historic town of Rovinj on Croatia's Istrian peninsula

WHAT YOUR MONEY WILL BUY

MONTENEGRO £350,000



This derelict olive mill at Lustica is set in 1.6 hectares on a peninsula with panoramic views of Kotor Bay. There is scope for the restoration of two ruins, plus further development. Available from Planet Montenegro (www.planetmontenegro.com)

BULGARIA £133,500–£370,000

Thracian Cliffs, at Kavarna on the Black Sea coast, is a very ambitious resort project, with two private beaches, a Gary Player golf course, and plans for a Chedi hotel, spa and marina. Two residential villages, Marina and Hillside, are completed, with prices starting at £133,500 for a one-bedroom apartment and rising to £370,000 for a three-bedroom house. Contact: www.thraciancliffs.com



CROATIA £440,000

An old stone house on the waterfront at Drvenik Veliki, near Trogir on the Dalmatian coast, with a garden and a mooring. The house dates from the 17th century and was formerly the holiday home of the Count of Zadar. Available from First Property Croatia (www.firstpropertycroatia.com)



MONTENEGRO £250,000–£3 MILLION

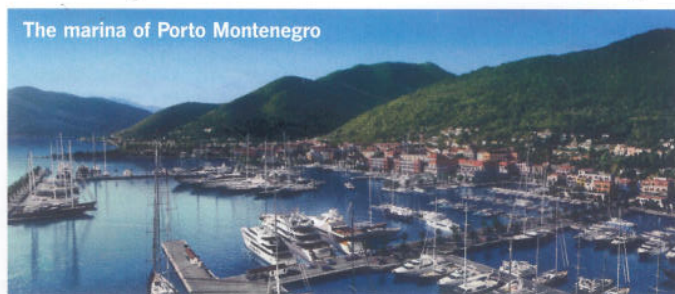
Porto Montenegro in Tivat is a luxury superyacht marina with rather nice residences attached. It's not exactly inexpensive, with prices ranging up to £3 million, but is cheaper than comparable marinas on the Mediterranean. Contact: www.portomontenegro.com



► away. Until recently a big issue with buying in Croatia was obtaining clean title for properties, but impending EU membership has brought improvements in the buying process. With 1,800km of coast and nearly 1,200 islands, it is difficult to know where to lay your hat; but southern Dalmatia is the most exclusive part, and Hvar island is the celebrity magnet, attracting A-listers including Clint Eastwood and Steven Spielberg. Other premium-property islands are Brač (whose Zlatni Rat was voted Europe's most beautiful beach by the *Daily Telegraph*) and Korčula, the latter thanks to its Venetian buildings and art. Vis is for those seeking solitude: it was occupied by the navy until the 1990s. The Elafiti islands are the traditional second home for Dubrovnik's aristos; but they're tiny places, and property is in short supply.

MONTENEGRO

Joined at the hip to Serbia before 2006, this very small, mountainous state on the Adriatic has become a fashionable destination thanks to its fjords, the movie *Casino Royale* (its story was set there), and a conscious effort to attract premium tourism. The most conspicuous development to date is Porto Montenegro, a marina created from the former Yugoslav naval base which includes Rothschilds, Arnaults and Canadian billionaire Peter Munk among its investors. Sveti Stefan, a 1950s island



The marina of Porto Montenegro

resort recently transformed by Amanresorts, is also emblematic of the jet-set image Montenegro covets. The first wave of property buyers here were intrepid types, attracted by the country's lack of development; but now British investors tend to favour new developments and apartment blocks around Kotor Bay, as well as the traditional stone houses. But it is Russians – they have been coming here for years – who dominate the holiday-home market, and they favour the southern coast. Among

Montenegro's minus points are its limited infrastructure, the relative poverty of its people, and the fact that property ownership is not well established. It uses euros as its currency, but it is not in the eurozone.

BULGARIA

Bulgaria has a reputation for bargain-basement property thanks to the plentiful cheap apartments on the Black Sea coast and at its ski resorts. And you can buy houses in the country's rural hinterland for just a few thousand pounds. One place that has attracted a handful of British buyers is the area around Veliko Tarnovo, the scenic former capital. The financial crisis, however, stopped the Bulgarian property market in its tracks; and only recently has it revived, with Russians as the main buyers. Some of its spa and championship-golf ►