



Aegean Adventures

The days of euro bargains are, for the time being, somewhat over. And as the euro becomes an increasingly formidable currency, buyers are heading east in search of good value for money. NATALIA GAMESON reports.

Turkey, poised at the point at which east greets west between Europe and Asia, a country currently in possession of neither the euro nor EU membership, is one destination benefiting from this change in focus. Always popular with British, German and Scandinavian buyers, Turkey is carving itself a larger healthy share in the property market. Boasting all the advantages of an EU country, following major reforms to its banking system and human rights record, without the accompanying high euro price tags, buyers are finding there is more to the country than traditional hotspots Bodrum, Izmir and Marmaris.

"Sales on the coast in Alanya, Fethiye, Dalaman and Dalyan increased by approximately 60 per cent over the last four years," says Mrs Nesil Akman Aybar, consultancy head of Savills' Turkish branch. "Prices of two-bedroom flats should be starting from around £31,000 in these regions. Rental yields are currently obtaining between five and six per cent."

Turkey has enjoyed a 20 per cent increase in tourism this year, according to the Turkish Tourism Ministry, a rise buoyed up by an increase in flights, adds Robert Nixon, operations director at Nirvana International agency. "As airlines begin to feel the credit crunch, it's interesting to read that while other operators cut their flight numbers, flights to Turkey

TURKEY. overview



have increased – Finnair and Pegasus Airlines have recently launched extra flights.”

Alanya, traditionally a favourite with German and Scandinavian buyers, is steadily appealing more to Brits, courtesy of its beautiful coastline and striking four-mile stretch of Byzantine city walls, framed by the Taurus mountains and stretched between two sandy beaches. “The market is suffering here from an oversupply of poor-quality units,” says Aybar. “But there’s an emerging demand for quality housing as the town becomes more attractive to buyers – it’s set to get its own golf course, ski centre and airport over the next year.”

Eco-conscious buyers should also bear in mind that Alanya’s record for sustainability is pretty decent. City mayor Hasan Sipahioğlu recently announced intentions to build bike terminals across Alanya to weed out car usage, while other sustainable measures look set to follow to combat potential water shortages.

Letsgoturkey, which is building Sunset Beach Residence, a scheme of 90 two-bedroom flats with sea views to cater for Alanya’s emerging British market also in Konaklı, already builds to EU building standards. The company usually uses architects from Denmark to up the quality of its projects.

BELOW Akkaya Gardens is a safe bet for those on a tighter budget. Prices for a two-bedroom flat start from around £46,000, with a communal pool and breathtaking views





ABOVE Properties at The Hill are very close to the beach and are just a short drive to the new airport. Koray and BPI have teamed up to build this developer of 44 properties, with prices starting at £75,000

"Likewise, nearly half of our development will be green space," says Taylan Gundes, the firm's managing director. "All flats also come with underfloor heating, Jacuzzis and a 15-year building guarantee."

Indeed, build quality is vastly improving in Turkey, with many firms now offering construction guarantees as standard. The scheme also boasts both an indoor and outdoor swimming pool to stretch out buyers' rental returns into the winter months, as well as a spa and gym. Prices range from £100,000 to £147,000.

Construction firm Koray and real estate investment firm BPI have recently teamed up to launch The Hill, a scheme of 44 one-, two- and three-bedroom apartments located 500 metres from the beach, and a 30-minute drive from the new Gazipasa airport. The sea views in each unit account for the premiums – prices start at £75,000 for one-bedroom, going up to £165,000 for a three-bedroom penthouse. Similarly, all homes are built to EU standards.

"Here, buyers can be assured that they're buying a top quality holiday home at a lesser cost than in similar resorts," says Andrew Hawkins, head of international sales at Chesterton.

The developer is citing rental returns of between four and seven per cent, while the scheme is one of the first in Turkey to enjoy loan-to-value mortgages,

with DHB Bank and Garantic Bank, albeit at 70 and 65 per cent respectively.

Moving westwards across the coast, Fethiye, an hour's drive from Dalaman airport, is another town whose property market is benefiting from increases in tourism. Home to Oludeniz, Turkey's most photographed beach, Fethiye is a town soon to get city status. Plans are now afoot to build a new marina and make Fethiye a cruise ship destination city, says Alan Ogan of Orka Homes. "The area is already getting popular with celebs – Johnny Depp and Brad Pitt were here a few weeks ago in his yacht – so land and property prices can only go up".

Orka predominantly sells homes in the touristy village of Ovacik, a ten-minute drive from Fethiye. Orka Village, a scheme of 14 detached villas and 22 apartments, is built around a communal swimming pool, a daytime bar and Turkish bath complex, and a five-minute drive from the beach. Furnished flats start at £89,000. In 2009, Orka is launching Uzumlu Mountain Villas, located in the quieter part of ►



"The cost of living remains cheap in comparison with the UK, however, with council tax averaging £80 a year, and the cost of running a Turkish mobile coming in at half UK costs"

Fethiye, a series of three- and four-bedroom villas with pools and gardens. Prices start from £139,000.

Orka boasts excellent links with a number of tour operators, including Thomas Cook, and will secure rental units for the summer periods in particular, where buyers can earn up to £4,000 towards their mortgage costs in four months. However, it's worth bearing in mind that Fethiye is not as popular with tourists as Ovacik, as temperatures in the town tend to be four degrees hotter – a significant reduction, considering heat levels can reach up to 50 degrees in the height of summer.

The coastal farming town of Dalaman is also on the up. The town's airport has recently been expanded to cope with the rapidly increasing influx of tourists, and London mayor Boris Johnson is rumoured to have holidaying in the region this year. Lured by the promise of yields wrought by a new golf course, marina, spa centre and various hotels, as part of a government-led plan to promote tourism, the area is attracting serious investment



ABOVE RIGHT Olive Grove Villas at The Hill development, Dalaman

THIS IMAGE Cumberland Design & Constructions' Valley Gardens Resency development is located in Bodrum. One of three projects in this popular area, prices start from around £183,000



features 14 detached villas with three bedrooms and two bathrooms. Each home features a private pool and landscaped garden – prices start at £149,000 the project is due to complete in September 2009.

Accessible within 15 minutes from Dalaman airport, all homes come with a five-year building guarantee. Plans are afoot to build a boutique hotel and shops, while the newly opened Waterfall café and restaurant at the foot of the valley ensures there is good food on tap for homeowners and holiday-makers alike. It's also located within driving distance of Gocek, home to four marinas, with property prices to match, allowing buyers to enjoy the town without the accompanying high price tags.

Curbanoglu has plans to build no more than two additional schemes in the valley, where it has a monopoly – hence its staggering capital appreciation estimate of between 18 and 20 per cent per annum. But, strong capital growth prospects come at a price – Turkey's inflation levels continue to run rampant, with no sign of slowing down until next year, says Aybar. "During our economic crisis ten years ago, our annual inflation rate was over 80 per cent. Now it's increasing by ten per cent a year, and it's expected that this rate will continue until 2009."

This does have the potential to up costs dramatically for tourists, a blow given the weakness of the pound at the moment. At Dalaman airport, just buying one Happy Meal at McDonalds for your child would set you back by a whopping £8. The cost of living remains cheap in comparison with the UK, however, with council tax averaging £80 a year, and the cost of running a Turkish mobile phone coming in at half UK costs. Turkey should remain affordable in comparison with European destinations for the next decade, says Dominic Whiting, author of *Buying in Turkey*. "Turkey is

interest, courtesy of its affordable prices. Dalaman itself is a rather ordinary market town, but it is framed by a range of attractive mountains, through which flows the very pretty river. Several developers have taken advantage of this scenery, most notably Curbanoglu, which has built a series of schemes in the Akkaya (white rock) valley, which are probably as rural as development gets in Turkey. (In fact, if you have any dreams of owning a farmhouse with sprawling grounds, it's best to ditch them now, as it is only possible for foreigners to buy land within a municipality, due to part of the Turkish government's plan to keep farmland strictly for farming).

Akkaya Gardens is a good budget option – prices start from £46,200 for two-bedroom flats, with communal pool, and framed by lakeside and mountain views. At the more extravagant end of the scale is the Olive Grove Villas scheme, which



unlikely to get the euro for another 15 years – the country is very proud and nationalistic and wants to keep hold of its own currency, the Turkish lira. But now is a great time to buy, thanks to the recent introduction of mortgages – this should bring seven million new buyers to the market as the process gains popularity.”

For those who want to stick to the market’s old favourites, Bodrum is still enjoying stable economic growth. Cumberland Design & Construction is selling three projects in this area, offering homes from £204,000 at Seaview Regency Prestige (15 minutes from Bodrum), £60,000 at Woodland Regency (located just outside the town centre) and £183,000 at Valley Gardens Regency (a five-minute drive away). Unicredit, Europe’s second largest bank, owns 45 per cent of the company, guaranteeing buyers financial stability in an uncertain market according to majority shareholder and founder Eric Kaya. “We offer rental guarantees of at least six per cent to buyers, although most can achieve eight. In the winter, it’s possible to rent homes out to Turkish nationals, when the British holiday season has finished.”

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CASE STUDY

Sandy and Ken Davies, both teachers from London, had always planned to buy property abroad. The pair felt Turkey to be a good compromise between investment potential and a good standard of living.

“People we know have chosen to invest in locations like Dubai – somewhere we wouldn’t touch, as the quality of life on offer there is very different. We’d also thought about investing in Madeira, but it’s become far too expensive. Turkey seemed reasonably priced, so we headed out here to investigate.”

Both were quickly charmed by Dalaman’s pretty scenery and agricultural heritage. “Dalaman seems very old fashioned and feudal – what really swung the deal was seeing a husband-and-wife team on a motorbike, with the wife juggling a goat in the back.”

The pair bought within 12 hours of viewing, opting for a two-bedroom apartment close to the town centre built by Curbanoglu.

“Then we came back in October and bought a three-bedroom bungalow. We’ve got a huge amount of equity in our London home, so were well placed to buy. When we retire, we aim to spend six months of the year out here – we can’t escape from London fast enough at the moment – it’s perfect.”



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