

A jewel of the Turquoise Coast

Despite the threat of terrorism and its wrangling over EU membership, Turkey is tempting British investors

By Eve McGowan

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There is less fuss about the Turkish property market than in Bulgaria or even Cape Verde, yet the Turkish government estimates that 8,000 Britons own property in the country, far more than in Cape Verde. Most are near Kalkan, an unspoilt town built into the hillside above a harbour on the stunning Turquoise Coast in south-west Turkey. About 700 Britons own property in the town itself, with thousands more in the resorts of Marmaris, Bodrum and Altinkum, about 100 miles farther along the coast.

Members of the country's rapidly expanding middle class – Turkey's population has risen to more than 70million, up from about 40million in 1980 – are buying in Kalkan because it has a better class of development than built-up Bodrum and Altinkum.

Despite being highly desirable, Kalkan hasn't been ruined. Its coastline is beautifully unspoilt, the turquoise sea is interspersed with uninhabited islands and includes the awardwinning, 12-mile long Patara beach, which is the breeding ground of the endangered loggerhead turtle.

In Kalkan, buildings above two storeys are outlawed. With its traditional whitewashed homes, cobbled streets and scores of rooftop restaurants overlooking the sea, it is a secondhomer's paradise.

There are strong reasons not to invest in Turkey of course, most notably the terrorist threat – bombers targeted tourist resorts last summer and separatist group Kurdistan Freedom Falcons claimed responsibility. And don't pay too much attention to estate agents talking about Turkey's impending EU membership – virtually every European state remains against it, apart from the UK. Although estate agents marketing property in Turkey not surprisingly play down the terror issue and gloss over the country's dubious human-rights record, other UK agents strike a note of caution.

'Although I don't think the bombings are going to affect the market long term, a lot of the current developments have been put together rather quickly, with no attention to the quality and design,' says Charles Weston Baker of Savills. 'There's no questioning the beauty of the Turquoise Coast but while prices can be very keen, the risk is buying something with a lovely view that could be spoilt in the future.'

Alex Andjel, director of Bridgehouse International, a UK-based property investment and development company, insists the Turkish market has potential.

'Every emerging market has an oversupply of cheap, badly built properties which investors need to watch out for,' he says. 'The key is to go for a prestigious development in a desirable location so you know there's a resale market when you come to sell.'

Bridgehouse is marketing the La Vanta development in the hills above Kalkan and predicts buyers who invest off-plan in its first phase of development are likely to see their money more than double over five years.

Built by top-end Turkish developers Kemar,

the development will include a mixture of detached and semi-detached villas and apartments and a five-star hotel, spa, restaurant, shops and creche. Prices start at about £70,000 and all the properties have uninterrupted views of Kalkan bay and neighbouring Kalamar bay.

Although unknown in the UK, Kemar has a reputation for high building standards in Turkey and the hillside location of the development means it's impossible for the striking view to be obscured further down the line.

All the homes will have roomy, open-plan interiors, balconies and terraces and the biggest of the villas will have large gardens and swimming pools. Of the buyers so far, about half are from the UK, with the rest from Germany, Sweden and Holland.

'There's unlikely to be much more development in Kalkan because of the geography of the region – there's limited space left to build,' says Andjel.

In a bid to increase its chances of EU membership, Turkey's roads are being improved and a new tunnel cut through the mountains has reduced the transfer time from Dalaman airport to Kalkan from more than two hours to an hour-and-a-half. Another new road, due for completion in January, will link Kalkan directly to Patara beach, which is protected by the World Wide Fund for Nature.

Since Turkey's EU membership talks were formally launched in October 2005, property prices have risen by 25 per cent. The international terminal at Dalaman airport has doubled its capacity and direct flights from Gatwick and Heathrow take four hours.

Here are three cases of Britons who are committed to Turkey...

THE INVESTOR

Richard Cook, who runs a financial investment company in Harrogate, West Yorkshire, has bought a £250,000 five-bedroom villa in the La Vanta development.

'When it's finished, I may visit it once in a blue moon but I was really looking for investment potential,' he says. 'The plan is to keep it for five years and then sell it on at a profit.'

The 38-year-old, who visited Kalkan for the first time in September, thought it was 'spectacularly' unspoilt. 'It's a traditional Mediterranean village. It's very peaceful and not built up like Spain.'

Richard plans to rent out the villa to tourists and is expecting it to more than pay for itself.

'I have four buy-to-let properties in Yorkshire, three flats and a terrace house, but I'm not making any profit on them. I'm hoping for a healthier rental income from this property – if I can rent it out for five months a year it will pay for itself. Anything on top of that will be profit.'

THE RENOVATORS

Eighteen months ago, Adrian and Susie George from Bristol bought a derelict two-bedroom house in the hills above Kalkan for £49,950 and have since spent £10,000 on turning it into a luxurious three-bedroom holiday home with swimming pool and panoramic views down to the sea.

They extended the mortgage on their three-bedroom detached house in Bristol by £30,000 and used their savings to finance it.

'We'd been on holidays to Kalkan several times and the building we bought was actually part of the complex we used to stay in.

'The holiday complex closed down and it fell to wrack and ruin as it was left empty for two years,' says Adrian, 43, a technical illustrator. 'But because we knew the owners, we were able to buy it privately, which saved us money.'

The couple's team of Turkish builders replaced the roof, installed a new bathroom, kitchen and flooring and landscaped the garden ready to rent it out to tourists.

'The Turkish don't really modernise old properties like we do in the UK, so they thought we were a bit strange but they did an excellent job, working from 7.30am to 8pm,' says Adrian. 'There are eight other houses within the complex which have all been bought by Brits too.'

With an annual rental income of £8,000, the couple believe the property – now worth about £75,000 – will eventually pay for itself. As well as renting it out for ten weeks a year through the website www.holidaylettings.co.uk, they aim to stay at the house up to five times a year.

'Kalkan has a really long summer. It runs from May to the end of October, so there's plenty of time for us and paying guests. We prefer to visit in June or September as August is too hot.'

THE FAMILY

Carole Vincent has bought a twobedroom townhouse in La Vanta with her son Simon, 39, his wife Emma, and their 18-month-old baby Louis for £115,000.

'We plan to visit at least three times a year,' says Carole, 61, a systems engineer who lives in Crowthorne in Berkshire. The family fell for Turkey after a holiday there 20 years ago.

'We've loved it ever since and been back many times over the years,' says Carole. 'The scenery is wonderful, the people are very friendly and it's not too commercialised like Spain.'

'I'm not put off by last summer's bombings – after all, you get them in London too. I like the fact that it's a gated development, so I'll feel at ease if I go out there without the rest of the family.'