

Days of wine and roses in the south of France



Domaine de Lavagnac, Languedoc, France: leaseback properties range from €430,000 for an 80sq m (861sq ft), two-bed apartment to just over €1 million for a five-bed detached villa with a private pool.

MICHAEL PARSONS

BUYING IN LANGUEDOC: Apartments and villas planned in the grounds of a 17th century chateau in the Languedoc come with a free case of wine - and a novel set in the area by writer Kate Mosse

AFTER another miserable, wet summer and a looming winter of discontent, who doesn't dream of days of wine and roses? Despite the recession, the market for holiday homes in the sun has not completely evaporated. For those with the means, there is a constant stream of new developments in some very pleasant locations.

The international economic downturn has resulted in steep property price drops with Spain, Dubai, Turkey and Bulgaria among the worst hit. But France — and especially the south of France — has weathered the economic storm better than most locations.

Many Irish buyers have traditionally gravitated to fashionable Provence and the Côte d'Azur where Nice, Cannes and Antibes are especially popular.

But on the other “Spanish” side of the southern French coast, the Languedoc-Roussillon region – though far less well-known – has a growing legion of fans.

Domaine de Lavagnac is a major new €500 million development in Languedoc on a 470-acre site, a 15-minute drive from the Mediterranean coast and 30 minutes from the lovely mediaeval city of Montpellier.

The golf and spa resort, scheduled to open in 2011, is centred on a 17th century château being converted into a 70-suite luxury hotel to be known as “The Address at Lavagnac”.

Throughout the grounds, some 650 apartments and villas are being built. Of these, 220 are being sold as permanent residences. Prices range from €430,000 for an 80sq m (861sq ft), two-bedroom apartment to just over €1 million for a five-bedroom detached villa with a private pool.

The remaining 430 units are for sale as serviced holiday homes which will be managed by the hotel under a leaseback programme which entitles purchasers to a rebate of VAT from the French government “plus a guaranteed yearly rental income of 7 per cent”.

For example, the price for a €430,000 two-bedroom apartment is reduced to €360,000 for buyers in the leaseback scheme. The company says that “over the 25-year leaseback period, buyers will enjoy an annual yield of €25,200, which will cover the 5 per cent fixed mortgage and pay the maintenance costs on the property”.

Anxious to “avoid the empty holiday home syndrome”, they believe that that the range of amenities being offered at Domaine de Lavagnac (including golf, a tennis academy, spa, and conference centre) will “maximise the year-round rental potential of the properties”.

They also claim that “buyers can re-sell their properties at any time and as long as the new purchaser also stays in the leaseback scheme” would not need “to repay any portion” of the rebated VAT.

Other “incentives” for leaseback investors include: an annual gift of wine produced on the Lavagnac estate; free use of the spa facilities and eight swimming pools; four weeks free golf membership annually; and use of a beach club on the nearby “white sandy beaches”.

The development is especially targeted at golfers who are promised “over 300 days of sunshine” a year on “a real thinking man’s course” featuring “two lakes, sand bunkers and heather and lavender grass hollows”. The complex is being developed by The Frere Group, which operates luxury hotels in the Middle East. A spokeswoman said that “over 230 properties have already been reserved”.

Buyers who reserve a property before the end of this month are offered two further “incentives”: a case of “the very best of Languedoc wines” and a signed, first edition of a new novel, by English writer and BBC broadcaster, Kate Mosse (not to be confused with the supermodel whose surname doesn’t end in “e”). The Winter Ghosts is the third novel with a Languedoc setting by the popular author and may well be a good read but a free book offer is hardly likely to be a deal-clincher for anyone considering making such a significant investment.

But there’s no doubt that bestselling books can greatly enhance the mystique and attraction of a location.

The developers clearly believe that Mosse’s evocation of Languedoc’s attractions may prove as powerful a lure to the region as Peter Mayle generated for the other end of the coast with his escapist tosh, A Year in Provence.

The developers claim that the resort is being built to “eco-friendly” standards (don’t they all these days?) and notes: “You may be surprised to find that luxury and a green conscience are no longer mutually exclusive”. Which sounds like a quote from the original Programme for Government developed by Fianna Fáil and the Green Party during the Age of Prosperity.

Leaseback developments in France have been popular with Irish investors during the past decade but anecdotal evidence suggests that not all have had a happy experience. So it is essential to get independent advice before committing to any investment.

For Irish buyers, air access is of critical importance. Domaine de Lavagnac is served by five regional French airports: Montpellier (51km); Carcassonne (124 km); Nîmes (103 km); Béziers (30 km); and Perpignan (120 km).

While airline schedules are constantly being revised (and the resort will not open until 2011), at the moment the only direct flights are to Carcassonne with Ryanair from both Dublin and Shannon. There are connections via British airports to the other four destinations.

Tel 0044-2079562160

www.domainedelavagnac.com