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Words: Ashley Rigg

Following Stuart Law's [stinging attack on the investment prospects of the eurozone](#) and Greece in particular in 2012, we thought we'd canvass the opinion of other leading figures within the industry to find out who's tipping what this year.



Unsurprisingly, the most contentious issues centre around the prospects of property within the eurozone for the British buyer market.

Agents selling a pure investment proposition seem reluctant to commit resources to selling eurozone-based properties. Ray Withers, director of Property Frontiers is a case in point.

"Even if we found something 50% below market value in the eurozone we wouldn't sell it. Investors are just too nervous" he says.

Europe – "now is the time to buy"

In contrast Robin Barrasford director of high-end lifestyle specialists Barrasford & Bird believes that in a number of Eurozone destinations, there has have never been a better time to purchase.

"There are some absolutely stunning opportunities in Europe today. Now is the time to buy. Take Greece. It's very good at taking money off other European institutions and where does that money go? Tourism. People always go on holiday. Prices have fallen dramatically, build costs are the cheapest they've ever been. In five years time, people who bought in 2012 will look back and be satisfied they got in at a cheap rate".

Put your calculators away

So how to explain the sharp differences of opinion between agents such as Assetz and Property Frontiers who refuse to sell Eurozone property and companies such as Barrasford & Bird who believe it's never been a better time to purchase?

Barrasford offers a useful insight. "The thing about Ray's [Withers] customers is the first thing they do is get their calculators out. Our customers are discerning lifestyle buyers. They often know the locations better than we do. The right combination of location, facilities and price is important. Investment considerations are very much secondary", he says.

A key trend for 2012 maybe an increasing polarisation between agents selling investment and those selling lifestyle. As always price and payment terms will be key to both to maximise sales which brings us on nicely to the other big trends of 2012.

Six words to sum up 2012

If six words could summarize the industry's view on this year's prospects they would be "a bit more of the same". The investment specialists continue to tip Istanbul, the US and UK. In the words of Loxley McKenzie, director, Colordarcy, "anything under £100k in the US is relatively easy to sell as a UK agent".

Spain and France will continue to dominate for lifestyle buyers says AIPP CEO Mark Sharp but the biggest worry is the European banking system according to Assetz chief Stuart Law.

"European banks are two years behind the UK in terms compliance with Basel III. They have to increase their liquidity ratios and they only have three choices: stop lending, recall existing loans or get cash for shareholders. If they don't do these things, the banks get nationalised. The mortgage market in Europe next year will be re-run of 2008-2009 in the UK" he says.

Fractional – do or die in 2012

With this backdrop "banks in the Eurozone will cut lending drastically, particularly to overseas buyers" says Law. This is the kind of environment where fractional ownership should flourish in the lifestyle market. We've covered the arguments for and against many times but what is for certain is that if fractional can't make an impact this year, it is unlikely it ever will.

Big sellers in Europe for 2012

It is easy to become fixated by the investment market. Its influence is much greater than before the crisis but lifestyle buyers are still much greater in number.

So what will be the key ingredients for success in the big lifestyle markets such as Spain and France?

For my money, there will be two segments which will remain robust this year

- Quality property in up-market areas with diversified international demand – this includes the resort market which is relatively unaffected by local conditions and truly international in nature
- Low-cost property in well-established tourist areas. Lifestyle buyers are nervous but as we saw at A Place in the Sun in the autumn, at some point people can't take any more bad news and will take the plunge.

Who's tipping what?

	Ray Withers, director, Property Frontiers	Mark Sharp, CEO, AIPP	Loxley McKenzie, director, Colordarcy	Stuart Law, CEO, Assetz Plc	Robin Barrasford, Barrasford & Bird Worldwide
Top Tips for 2012	Turkey (Istanbul), US (Florida, Atlanta, Las Vegas) UK (prime London, distressed and hotel rooms), Poland, Brazil (Natal)	Turkey (Istanbul), France, Spain and US for lifestyle.	Turkey, (Istanbul and Bodrum), UK (student, hotels, prime London, distressed), US (Florida, Atlanta)	UK (south east and areas with strong employment), US (Florida)	High-end resort market. France and Greece in particular
Controversial	"Even if we found something 50% below market value in the eurozone we wouldn't sell it. Investors are just too nervous"	"Buyers are becoming more location agnostic. Ticking all the lifestyle or investment boxes is the most important thing "	"We no longer sell pure lifestyle products, the sales process is too long, much better to use a partner to monetise the leads"	"Greece will leave the Euro in 2013. You would have to be insane to buy there" "We plan to wind down our French business due to high property prices and tough lending environment"	"In five years time, people who bought [in Greece] in 2012 will look back and be satisfied they got in at a cheap rate". "Be wary of UK student accommodation. A government survey recently concluded that demand would contract by 24% by 2016"
2012 Trends	The return of the lifestyle investor who wants low deposit properties in exotic holiday destinations (like south-east Asia) with a strong investment story	Seller destinations like Spain will make a concerted marketing effort to court the BRIC countries	Mobile web surfing – get everything mobile ready Huge influx of Arab buyers into Turkey when reciprocity restrictions are lifted	Banks in the Eurozone will cut lending drastically, particularly to overseas buyers. European banks are 2 behind the UK in terms compliance with Basel III	UK care homes. "There is a huge shortage in larger units that cater for couples"

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“ With the Euro set to fall by at least 10% against both dollar and sterling (it's already happening) then lifestyle moves into France and Italy seem like a good bet. Greece is more risky ... as when (rather than if) it leaves the Eurozone there will be egg on buyers' faces. ”

Simon Oliver, Gites à la française

“ All of the contributor to this article are following the herd; taking the safe route. No one can blame them for that in a difficult market. However, if you look beyond all the media hype of what's happening in Tahrir Square you will discover that the majority of Egyptians are happy with the progress of the country's first democratic elections in decades and Lifestyle buyers, particularly at the high end of the market, are coming back strongly.

Its true that there are less 'bargain basement' buyers around due to the negative media coverage but even this will change soon. There are still bargains to be had but the next price changes will be upwards. ”

Peter Mitry, Egypt Real

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