



AGS PROPERTIES

## "ANOTHER CITY PROVIDING STRONG BUY-TO-LET POTENTIAL IS VALENCIA ON SPAIN'S WARM EAST COAST"

**Above:** The cities in countries where local people are used to renting a home, as opposed to buying, can be better prospects for achieving greater rental potential

rented to locals with two thirds of the rent paid directly by the government, this is a very safe investment for the novice landlord as the risk is limited, and you can be sure that any mortgage you may have will be covered."

Another city providing strong buy-to-let potential is Valencia on Spain's warm east coast. Chosen as the host for the prestigious sailing event 2007 America's Cup, the city has undergone an amazing renaissance over the past decade that includes the regeneration of the historic centre and the creation of the futuristic Arts and Science Park that draws huge numbers of tourists to the city. Property prices have risen by 50% since 2004 and, despite this leap, a gross yield of around 7 to 8% remains achievable.

"The majority of rentals in Valencia city centre are either corporate or long-term private lets, thus eliminating void

periods, apart from two weeks a year to allow for maintenance and redecoration," says Wilde of Spain and Property. "A well located two-bedroom city centre apartment, priced at €200,000 (£138,000) and finished to a high standard, should provide a rental income of €300 (£200) a week, giving a gross rental yield of 7.5%."

### RENTING TO THE LOCALS

Across the other side of Europe, at its easternmost point, Istanbul is a third city that is exciting buy-to-let investor interest. In Turkey, mortgages do not exist (although they are likely to be introduced within the next 12 months), which means that most locals rent the accommodation in which they live because they can't raise the finance to be able to buy property. As the city and the country becomes increasingly wealthy, many younger people earning good salaries are looking to rent well-located apartments that are being built close to the city centre, which provides a ready-made rental market for fluid investors.

"Our own strategy is to concentrate on city apartments in Istanbul where there is massive demand for renting from the local population," says Crossick of Ready2Invest. "There is an increasing demand for one-bedroom apartments from young couples and first-time buyers, and many of our own deals have catered for this appetite. With prices starting from €50,000 (£35,000) for a one-bedroom apartment, they represent excellent value and are ideal for renting to the local market where, currently, rental yields range from 4 to 15% (average 9 to 10%) depending on the apartment's specification and how much you paid for it." **HW**

#### USEFUL ADDRESSES

##### CYBARCO

020 8371 9700  
www.cybarco.com

##### HOLLINGWORTH AND TAYLOR

0845 456 7737  
www.hollingworthtaylor.co.uk

##### IMOINVEST

020 7845 0700  
www.imoinvest.com

##### LEPTOS ESTATES

020 8883 2333  
www.leptosestates.co.uk

##### READY2INVEST

01273 627900  
www.ready2invest.co.uk

##### SPAIN AND PROPERTY

0800 032 6407  
www.spainandproperty.com