

PROPERTIES

Investors are making their way back to Budapest

BUDAPEST

Prices are some of lowest in Central Europe, with bargains still available

BY PALKO KARASZ

Hervé Morin, a French-American business consultant, had to look for quite a while before he found his investment bargain in December 2011.

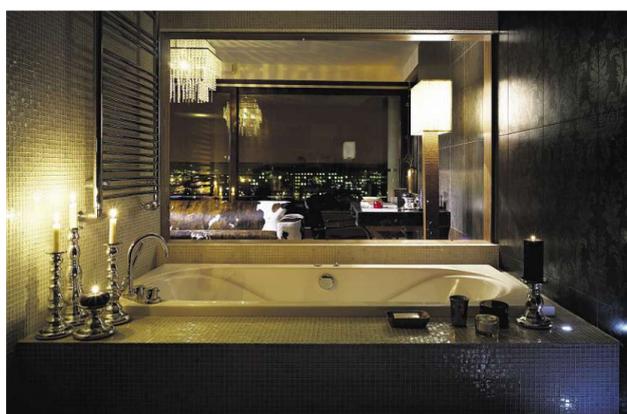
"I knew it was time to put money in real estate," he said, but he could not decide on which appealing segment of the Hungarian capital's property market to place his bet — from high-end family homes to pied-à-terre in the city center.

Mr. Morin ended up selecting an 87-square-meter, or 936-square-foot, residence near Deak Square, in the very heart of the city. He paid less than €100,000, or \$134,000, for the property and what he called a floor-to-ceiling renovation to divide it into two studios. Now he is renting them out and hopes to get an annual return on his investment of somewhere between 6 percent and 8 percent.

International buyers like Mr. Morin



ABOVE, PALAZZO DOROTTYA; BELOW, DUNA HOUSE



Above, an apartment in Palazzo Dorotyya, a former office building in the city center that was turned into a mix of retail and offices on the lower levels and residential units on the top floors. Left, an apartment in District 9 offers a view of the Danube.

"There has been a significant shift in Budapest's real estate prices in the last four years," said Tibor Kovacs, a commercial executive with Immo, the agency that Mr. Morin used. In Budapest, the National Statistics Office said the average price per square meter for resale residential properties in 2011 was 239,000 forints, or \$100 per square foot; in 2008, it was 265,000 forints.

(Properties in Hungary are sold in forints or euros.)

"If you come to Hungary, there is only one place, Budapest," said Zoltan Szemes, head of Capital Real Estate, highlighting the low cost of living, cultural opportunities and attractive surroundings. For example, the central Districts 5, 6 and 7 have preserved their architectural unity, including the Opera House on glossy Andrássy Boulevard, part of a Unesco World Heritage site.

Mr. Szemes, a high-end dealer specializing in properties within Budapest's "ring road," is an advocate of classical buildings that, he says, have special features, like 3- to 4-meter, or 9.8- to 13-foot, ceilings and ornate detailing, and have kept their value. "Budapest was ransacked many times, but they couldn't take away the brick and mortar," he said.

Mr. Szemes's agency is among those marketing a luxury penthouse and a classic family apartment in the Palazzo Dorotyya, built in the early 1820s near the elegant Vorosmarty Square.

Renovations to turn the former office building into a mix of retail and office space on the lower levels and residential units on the top four floors was completed in 2009.

Original details like the elegant stone and iron staircases were restored, as was the sun-lit central pavilion in the courtyard, which once housed a bank and now is home to a luxury department store.

Forty of the 84 apartments have been sold; the rest are still for sale or rent, according to Midas European Property, the agents for Palazzo Dorotyya.

The top-floor, 154-square-meter apartment is a modern duplex with large windows and a rooftop terrace. It is listed at €1.15 million, including a parking space, storage unit and taxes.

Windows like the originals and a more classic distribution of space are featured in the second apartment, which totals 140 square meters and is listed at €900,000, also including parking, storage and taxes.

Emmanuele De Martino, an Italian investor, bought two apartments in the Gozdu udvar, a building a few minutes walk from the opera that residents call a "walk through" — constructed between two streets, with a public passage through the courtyard. This one, which was built in 1901 and has a succession of six elegant courtyards, has been renovated to high standards and is a popular investment spot for foreigners. Now, a 56-square-meter apartment is on the market for a little more than €80,000.

"This is the last chance and best time to buy in Budapest," Mr. Szemes said, noting that the last few plots of open land were up for sale and that almost everyone who could make living space out of an empty attic or the rooftop of a city-center building already had done so.

New developments are being proposed in a neighboring district, Number 9, where the Ferencvaros, or Franz town, area extends south from the city's central market, Nagycsarnok. The area includes the former dockyards, where new housing began to be developed on the embankment in 2009.

Luxury apartments now are for sale here, offering an unusual view of the Danube and proximity to the National Theatre and the ultramodern Palace of the Arts.

Such development in Budapest, like high-end penthouse renovations, are novelties of the last decade, according to Csaba Andras Toth, national sales manager with Duna House, one of the leading property dealers in Hungary and an agent for the Gozdu udvar building in the central city.

"In Hungary, the boundaries of up-market properties are still loose," he said, with properties worth 80 million forints or more considered to be at the high end of the market.

"We have a completely different idea of prices" than does Western Europe, he said, adding that, for the price of average luxury homes in other countries, "one could almost buy castles in Hungary."

Swiss limit building of 2nd homes

BY LAURA LATHAM

The lucrative world of Swiss real estate has been thrown into turmoil by a national vote that observers say will effectively end the construction of vacation homes.

A slim majority of the country's voters approved on Sunday a prohibition on building second homes in communities where such properties already make up 20 percent of the housing stock. Almost all ski resorts, which have been strong participants in the vacation home market, already exceed that limit.

No one is sure when the measure, which was opposed by the Swiss government and passed with just 50.4 percent of the vote, will become law. But current opinion is that building will be stopped from Jan. 1, 2013.

The restrictions will not affect development of primary residences or construction that already has approval. About 12 percent, or 500,000 homes nationwide, are estimated to be used as getaways rather than full-year residences, The Associated Press reported.

Switzerland's rules for foreigners wishing to buy vacation homes have always been stringent, with limits on the number of sales by canton. The new measure, however, will affect both Swiss and non-Swiss buyers.

"Existing property listed as available for second-home use will still be traded as such," said Jeremy Rollason, managing director of Savills Alpine Homes. "Resale will be king."

Mr. Rollason believes developers may get around at least part of the measure by negotiating with the government for the continued creation of what the industry calls "hot beds," apartments built as rental units and sold as investments.

There is general agreement that prices will rise, a marked contrast to the rest of Europe's struggling property sector. "The immediate effect of this announcement is that new stock with permits will sell fast and for higher prices," said Simon Malster, director of Investors in Property, an agency that specializes in Swiss sales. "When all of that is sold, there will be nothing to replace it."

The vacation home question was one of five on the ballot, with a proposal to increase paid vacations to six weeks from four getting the majority of public attention. That measure was rejected.

are slowly returning to Budapest, after shying away from the Hungarian market since the global economic downturn in 2008, local real estate dealers said.

Investors, mainly from Western Europe, are being lured back to a city that offers some of the lowest prices in

Central Europe, with high returns, and some good bargains still available. Also, the capital, which stands on the banks of the Danube, was classed by the 2011 Mercer Quality of Living index as the region's second-most appealing city, bested only by Prague.

General

ART PARIS ART FAIR

THE SPRINGTIME EVENT FOR MODERN AND CONTEMPORARY ART

MARCH 29th - APRIL 1st 2012
GRAND PALAIS
WWW.ARTPARIS.FR

Reunion des Musées Nationaux Grand Palais
Courtesy of Champagne Ruinart
PARIS PREMIERE
Télérama

Premium property around the world



global.nytimes.com/greathomes

Real Estate: Residential

Sales

Caribbean

Anguilla, British West Indies
CAP JULUCA RESORT
FOR SALE BY PUBLIC AUCTION
Midday, 2 May 2012: Anguilla
The world famous Cap Juluca Resort property, on 179 acres of Maundays Bay abutting 2 of Anguilla's best beaches. The property for sale by auction includes 10.5 villas containing 53 rooms and suites. (Three more of the 18 existing villas may become available separately). Please Visit: www.dkreality.com/capjuluca

French Riviera

COTE D'AZUR, between Cannes and Saint Tropez. Private sales. Exceptional waterfront property, private port, boat house and pool. Villa "Belle Epoque" colonial style, 600 sq.m. a caretaker's house and guest house 250 sq.m. Fully renovated in a landscaped park of 5000 sq.m. Tel: 0032-478-975928

Spain

ENJOY WINTER IN THE CANARY ISLANDS!
Fractional ownership (January-March), ocean views, 1BR, terrace. €59,900. Contact: 0034 664 492 508 klassaffair@hotmail.com

Switzerland

SOUTH OF SWITZERLAND LAKE LUGANO
Live in Luxury and have the best view in Lugano ever. 2.5 - 8.5 room apartments new fabulous construction with 5-star hotel service & SPA overlooking lake & mountains.

EMERALD CASA SA
Via Cassarinetta 10
CH-6900 Lugano
Phone +41 91 985 20 50
www.emerald-casa.ch
www.emerald-living.ch
e-mail: info@emerald-casa.ch

Rentals

Real Estate to Rent/Share

Belgravia news house to let furnished for one year. 2 bedrms. Large recep, kitchen & bathrm. Excellent condition and quiet with resident parking. £850 p.w. Box 1582, IHT, 1 New Oxford Street, London, WC1A 1NU

EXCEPTIONAL top floor studio flat to rent in the heart of CHELSEA, LONDON. 25/07/12 - 15/08/12 (barringtonwelliss@hotmail.com or call Remko Bijvoet: 0044 (0)7860558066 for payment).

Holland

Amsterdam Center. A location. Fully renovated huge monumental apartment. Turn key. Asking price 1.1m. For photos see: www.VermeylenVastgoedBv.nl or call Remko Bijvoet: 00 31 6215 45547

Paris Area Unfurnished



YOUR REAL ESTATE AGENT IN PARIS

Tel: +33 (0)1 47.20.30.05
Fax: +33 (0)1 47 20 34 04
Medium to long term rentals
REAL ESTATE SALES,
www.embassy-service.com

Manhattan

FURNISHED LUXURIOUS apartments for rent in Midtown Manhattan. Phone 1-646-465-5902
Visit: www.nyctemphouses.com
Email: info@nyctemphouses.com

General

Commercial R.E for Sale

Attention Investors in Brazil: Unique opportunity to purchase fully equipped, Modern, Private General Hospital in the state of Rio de Janeiro (city of Angra dos Reis) Brazil's oil capital centre
Contact inquiries: bernardaxlenmd@aol.com 917-239-7799 (USA)

Business & Leisure Travel

1st/Business Class Worldwide Boutique Consolidator - up to 50% off. Special fares for round-the-worlds, cruises & hotels. Imperial Travel, Virtuoso Member 1-514-341-7220 www.imptrav.com

Round-the-clock business news at global.nytimes.com/business

Arts & Antiques

Every Saturday with Soren Melikian.

To advertise contact:

In the Americas
Sandy O'Hara
+1 212 556 1266
sohara@iht.com

In France
Caroline Guyot
+33 1 41 43 92 19
cguyot@nytimesglobal.com

In the UK
Samantha Adams
+44 207 061 3531
sadams@iht.com

In Switzerland, Luxembourg & Belgium
Elizabetha Serpo
+33 1 41 43 97 93 or
eserpo@nytimesglobal.com

In Asia/Pacific
Karen Lim
+60 3 2035 5955
ihnt@drumediapl.com

Or your local IHT representative.

Need to place a classified ad?

Contact one of the IHT advertising offices listed below. Most credit cards accepted

IN EUROPE

FRANCE

Tel: (33 1) 41 43 92 06
Email: vboyle@nytimesglobal.com

UNITED KINGDOM

Tel: 44 207 061 3510
Email: cwebb@nytimesglobal.com

AUSTRIA/GERMANY

Tel: +49 (0) 69 71 67 79 10
Email: nhoffmann@nytimesglobal.com

ITALY

Tel: (33 1) 41 43 92 06
Email: vboyle@nytimesglobal.com

GREECE/CYPRUS

Tel: 30 211 2121 480
Email: adv-greece@iht.com

IN ASIA

Tel: +601 2697 4088
Email: ihnt@drumediapl.com

IN NORTH AMERICA

UNITED STATES AND CANADA

Tel: 866-459-1121
Email: ihnt@classifiedsplus.com

IN SOUTH AMERICA

ECUADOR

Tel: 4 689 250
Email: luigi_lantern@hotmail.com

IN AFRICA

NORTH AFRICA

Tel: 1 733 385
Email: cnhanouna@yahoo.com

EAST AFRICA (out of UK)

Tel: 207 328 7763
Email: tejgrewal@hotmail.com



85°F
Anguilla

Escape the chill with your Caribbean home on Anguilla

Zemi Beach boutique resort, the extraordinary conception of New York's most revered real estate developer, offers the opportunity to own one of a strictly limited edition of 73 residences, located along the shores of Shoal Bay.

Live on one of the world's best beaches.

Prices from US\$608,000 to US\$2,900,000

+44 844 8566 879 +1 264 235 1879

info@zemibeach.com zemibeach.com

Zemi Beach App now available from Apple iTunes



ZEMI BEACH
SHOAL BAY, ANGUILLA