

Bathing beauty

Looking to buy in France and put your property to work? **Nadia Jordan** shows us around spa town Bagnères-de-Luchon, a southern gem with year-round appeal



I get asked all the time whether French property is still a good investment. Well the simple answer is that if you are looking for a beautiful, stone-built, classic French house in a stable country with a very high standard of living, then you can't go wrong.

However, what most people mean by this is; will my French holiday home make me money in the short and long term? This question I find harder to answer. In the long term, French property does look like a very sure bet. Property prices increase slowly and surely here, and as long as you buy in a good location, then it is very likely that you will see a long-term capital gain.

In the short term, the idea that you will make money by renting out your property is a good one but I find that many people have too high expectations. Sure, in the summer

months and school holidays you will more than likely be able to rent out your French property for a good price but for the rest of the year, it is likely to be very hard to find tenants. Over the course of a whole year you will

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hopefully make enough to cover the costs of the house but probably not a great deal on top.

Ticking the boxes

However, I have discovered one little-known (except to the French) town here in south-west France which appears to be proving a fantastic investment opportunity as well as being the perfect location for a holiday home.

Situated in Haute-Garonne, Bagnères-de-Luchon, with its interconnecting ski resort of Superbagnères, seems to tick all the boxes for property investment – and I know it is providing a good return because a number of clients who have bought property here are so pleased with their rental earnings that they are coming back to buy another.

So why is Luchon proving to be such a good investment bet?

Facing page: With spectacular scenery and an interconnecting ski resort, Bagnères-de-Luchon appeals in both the summer and winter
This page: With plenty of well-priced apartments available and a year-round holiday rental market, property in Bagnères-de-Luchon is affordable and offers an attractive return on investment; the thermal spa and baths are a popular attraction

Affordable property

If you have a million euros burning a hole in your back pocket then by all means buy a chalet in the Alps and you will undoubtedly see a good rental return. But if you have less to play with, you do not want to be servicing a great big debt and paying interest to the bank with your rental income, so the lower your initial outlay the better the final returns.

This is why Luchon is looking like a better bet than say Paris or Nice – both fantastic property investment locations if you have the ready cash. But the tiniest studio in Paris can easily cost €300,000, while a shoebox of an apartment in the Alps costs a similar sum. However, in Luchon you can still buy a really nice apartment for around €130,000, which means that Luchon is somewhere that many of us can afford to invest in property. I know of a fantastically located, one-bedroom apartment within a few minutes' walk from the ski lift, shops and restaurants, with a balcony, on the market for €135,000. With such a small initial outlay, this property will start making you money immediately.

Lots of holiday activities

Most of my clients are looking for a place that is both an investment and somewhere they can come on holiday, as well as an area that all sorts of other people will want to visit too. Luchon really scores here, as it is nestled at the foot of the Pyrénées, with a huge range of activities on offer all year round. A country gîte, meanwhile, mainly appeals to a summer holiday clientele, which is also when the owners tend to want to use it themselves.

Bagnères-de-Luchon is both a ski and a thermal spa destination, with other mountain activities all year round. In winter it transforms itself into a chic ski resort, with a cable-car right in the centre of town whisking you up to the lovely ski station of Superbagnères at 1,800 metres. Or you can take the shuttle bus to the next-door resort of Peyragudes, which has featured on the Tour de France route.

Both of these resorts offer skiing between December and April, while for non-skiers there is also snowshoeing, dog sledding and all sorts of treatments on offer in the thermal baths and spa.

In summer, there are endless walks for all different levels of ability, including children; pretty mountain lakes for swimming and paddling, such as Lac d'Oô; tennis courts; a golf course; fabulous fishing on the lakes and rivers, and lots of biking trails. In July and August you can take your bike up to the high trails via the gondola.

The town of Luchon is only small but it is





very chic and awash with lovely cafes and restaurants, with a cinema which regularly shows VO English films as well as lots of festivals throughout the year, so there really is something for everyone.

Year-round appeal

This is why Luchon ticks the third box for holiday investment property of having a year-round holiday rental market. In many holiday resorts or rural locations in France, the holiday rental season is actually very short – mainly eight to 10 weeks in the summer with the odd week spread over other peak holiday times. But in Luchon, there are the peak seasons of skiing rentals between December and April, with February being the absolute peak, and then the summer holiday market in June, July and August.

However, there is also a consistent rental market in between these busy times thanks to the famous thermal baths and spa, which ensure a continuous stream of visitors coming to take the cure outside of the traditional holiday season – often staying for three weeks at a time.

I recently looked at an apartment that is rented out for 42 weeks of the year on a holiday rental basis. This is the kind of turnover that most holiday property owners can only dream of. Moreover, we are only talking about a one-bedroom apartment with a kitchenette in the living space and a small balcony, albeit in the sought-after end of the town. It is now on the market for €135,000 as the owner is investing in a much bigger property rental investment.

Another benefit of the rental market here is that all nationalities visit Luchon so you have a wide market from which to draw your clientele. I am told that French holiday tenants are also very good to have as the French tend to leave the apartment immaculate and do not expect to be welcomed on arrival. However, they also tend to pay less for their rentals, so if you are looking for high yield rather than ease, you might want to aim for the English market foremost and be prepared to offer better

Clockwise from left: *The tennis courts in Luchon provide plenty of summertime entertainment; cycling is a popular pastime here and the nearby resort of Peyragudes has featured on the Tour de France route; prime skiing conditions can be enjoyed in the winter, with runs to suit all ages and abilities*

quality facilities and more hands-on management (even if that is someone local you employ to be hands-on).

Accessibility

Luchon is very accessible by car, just an hour from Toulouse or from Pau – both of whose airports offer flights to and from the UK – with a straight road from the *autoroute* along the valley rather than the tortuous mountain bends of many mountain towns.

There is also a train line directly into the town from Toulouse or from Pau and Tarbes, and Luchon is, of course, right on the border with Spain so a day out or even lunch in Spain is perfectly possible.

Capital gain

Prices in Luchon have been slowly increasing since Napoleon brought his soldiers here to take the water, but this increase has always been steady and conservative a bit like the town itself. It makes perfect sense that prices here have always steadily moved upwards and look set to continue to do so.

These are not new breeze-block villas that you are investing in (or certainly not my clients) but stone-built, Haussmann-style buildings, incredibly well-built by wealthy French bourgeois who, over hundreds of years, were attracted by all that Luchon had to offer and wanted their own place to come and take the waters, breathe the clean mountain air and relax. Most properties have beautiful original features, moulding, intricate wrought iron balconies and views of the mountains.

Of course, the difficult bit is finding the best apartment in the best location that is central but not noisy, with easy mountain access,

character and views, and that all-important balcony or terrace. This is what I look for when searching for investment apartments for clients in Luchon.

Regarding location, it must be within walking distance of the ski lift but not somewhere too close, which will be noisy. Higher apartments are good – the view is usually better and they are quieter. A balcony, however small, is important; even the smallest outside space increases the size of the apartment significantly.

Light is also important in my opinion and big windows to take in the views are desirable, but good insulation is also a key factor to consider. After all this is a ski resort, so an apartment needs to be warm in winter, but cool in the southern France summer.

Most of my clients looking for a holiday investment property in Luchon don't want huge amounts of restoration work, but usually redecoration is a must as many of the old apartments here are in a very ornate and over-decorated, old Parisian style, which has its charm but not for a holiday rental.

In fact the rental properties which seem to work best are those that have a neutral and chic interior decor, but are also well kitted out with kitchen equipment, washing machine, a place to eat and some good, comfortable chairs and sofas. ■

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