

Despite the political unrest in Ukraine, brave Britons are investing in a simple ski haven

By **Zoe Dare Hall**

Where eagles dare

The Bansko effect is spreading. The success of Bulgaria's burgeoning ski resort as a magnet for property investors is bringing benefits to nearby Ukraine.

However, the former Soviet republic is no stranger to political upheaval and the current unrest in its capital, Kiev – the result of the long-standing rivalry between the pro-Western president, Viktor Yushchenko, and the reactionary prime minister, Viktor Yanukovich – will deter the more tentative investor.

For some, the shaky political and economic foundations of such fledgling democracies make their emerging property markets ripe for investment. Others would run a mile.

Simon Evans is prepared to stick it out. Spurred on by the success of other Eastern European countries, the 47-year-old IT consultant from Middlesex has decided to dip his toe in Ukraine's property market.

He is one of the first buyers in Eagle Valley, Ukraine's first ski apartments. He paid £38,000 for his one-bedroom flat which includes a furniture package and legal costs (two per cent of purchase price).

He intends to rent out the property through the management company, with occasional personal use, and sell it in five to ten years.

'I bought a ski apartment in the French Alps last year which was expensive and reliant on capital growth.

'This time I thought I'd take a punt on something that meant low initial



ALAMY

TAKING A PUNT: Simon Evans has bought in Eagle Valley, inset, the first ski apartments in untapped Ukraine, beautiful in both summer and winter

outlay with good rental return and growth opportunity.'

Jeremy Cornah, from Kent-based Hanroc Developments, which is building Eagle Valley, is confident about this uncharted territory.

'Any political unrest will soon blow over. Democracy means occasional arguing and they are going through such a spell at the moment,' says Cornah, who is something of a pioneer in Slavsk, a small Carpathian mountain town three hours from Lviv airport.

The odd designer chalet and flash car are signs of emerging wealth. This is the country's leading ski destination, in winter attracting up to 50,000 visitors a day, mainly from Russia, Poland and the Baltic states.

Even in summer, wealthy Ukrainians and Russians flock here for the mountain air, spa water and forests. Yet the town has just 150 hotel beds.

Cornah was so impressed by this untapped region that he designed Eagle Valley, a spa resort of 74 apart-

ments five minutes from the ski lift. Ready in summer 2009, studio apartments start at £25,000, while £170,000 buys a three-bedroom penthouse with 360-degree mountain views. Annual service charges are £275 to £1,300, spa membership is £250 and owners can join a rental pool.

Bordered by Romania, Slovakia, Hungary and Poland, all of which have seen property booms since EU accession, Ukraine will profit from a knock-on effect, believes Cornah, who

also developed Bulgaria's Eagle Rock Mountain.

The first of two ski gondolas – costing a total of £68million – will be ready for this winter in Slavsk, and a new £24million ski lift and 2,000 hotel rooms are on the way.

'In the past year, we have improved the road, built new ski lifts, installed sewage systems, mains water and gas and put up phone masts,' says Svystun Igor, Slavsk's head of regional administration.

Ski specialist Erna Low has already sold nine apartments to overseas investors without marketing.

However, Alastair Norman, director of emerging markets specialist Arc Property, urges caution: 'We feel Estonia, Romania, Bulgaria and the Baltic states can offer the same capital growth but with far lower risk.'

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