



Looking East

Bargain hunters are heading to the Carpathian wilds. **Robert Liebman** defies the potholes

IN THE land of the Orange revolution, the future for property may be white.

Ukraine forced its way into our consciousness in November 2004 when political turmoil erupted in the capital Kiev, pitting the pro-Western forces of the Orange revolution against the pro-Russian faction. Continuing power struggles are ominous.

Other episodes in the country's turbulent history include the Crimean War as well as the catastrophic nuclear power plant explosion at Chernobyl 1986.

Now, Ukraine is the quarry of bargain-hungry property hunters, who are beating a path to a sprawling village in the Carpathian mountains called Slavsk.

A ski resort in winter and a mountain retreat in summer, Slavsk is 75 miles south of Lviv, a bustling attractive university city with a picturesque historic centre, an ornate Viennese-inspired opera house and numerous

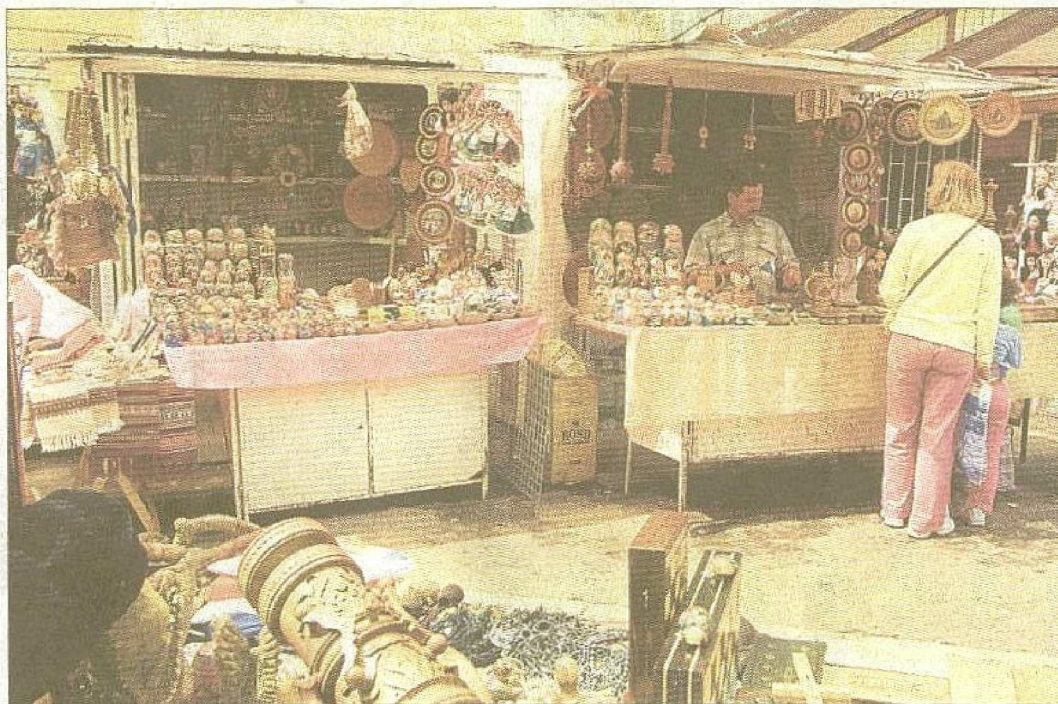
modern shops. However, there are no direct flights from the UK. British visitors have to change at Vienna, Warsaw or Kiev for the hop to Lviv.

Then there is the final 75 miles. The main choice is either a slow Soviet-era train or more convenient but even slower, a rental car on roads that are part motorway, part badly pot-holed B-roads.

The village is adjacent to the 1,230-meter ski resort at Mt Trostyan which has a chair lift and, thanks to substantial government and private investment, is getting two gondola lifts and several new hotels and holiday homes.

New homes will include Eagle Valley Ski Mountain Resort, a low-rise luxury block of 74 flats constructed by British developer Jeremy Cornah.

Prices range from about £25,000 for a studio to £175,000 for a five-bed penthouse. Owners can also enter a rental pool – instead of marketing your flat yourself,



Future perfect: Lviv Old Town, north of the ski resort Slavsk, is at the heart of a bustling university city

the agent manages a pool of properties, all of which share in the annual income. Construction will begin this summer, completion is scheduled for 2009 and the first rental season will be winter 2009-2010.

Cornah says that Slavsk represents a supply-demand opportunity: "This area gets hundreds of thousands of visitors annually, and the numbers are growing every year. They are mostly Ukrainians but also Poles and

Russians, but the village has very few hotels and flats. The rental season is 20 weeks a year, 12 for skiing and eight in the summer.

"We are the first developer to offer off-plan ski apartments here. The early bird gets the worm. In the next few years, Slavsk's property values should soar."

Even with gondolas and some gourmet eateries, Slavsk will not be the next Chamonix. The ski slopes are neither very tall nor challenging. The 12-

week ski-rental season also compares unfavourably with the 20 or more weeks in Alpine and US resorts.

The low prices are tempting, but increasingly affluent east Europeans may demand more from their holidays, jeopardising rental returns.

For investors, the only colour that matters is whether the bottom line is black or red.

WHAT'S THE SCORE?



TO BUY...

- Train service between Lviv and Slavsk is frequent
- Slavsk is a genuine, traditional Ukrainian village
- Summertime activities include horseriding, fishing and birdwatching

OR NOT TO BUY?

- Tension with Russia persists. Last year Russia cut off the Ukraine's gas supplies - but on the other hand, the country might join the World Trade Organisation and has EU membership in its sights.
- Golf courses are rare to non-existent in the Carpathians, so you'll need an alternative hobby when the snow goes
- Ukrainians know about as much English as you know Ukrainian
- Improved infrastructure will be slow in coming

INVEST? 7/10