

## Islands Lighting Up Property Darkness

At times of poor economies property prices more often than not fall, and the property market in itself is sometimes enough to cause a recession in the rest of the economy as home owners see their top asset slashed in value, and cut back on spending as a direct result of feeling less wealthy.

2008 has already seen the world's financial markets in turmoil with a rogue trader in France losing billions of Euros for his bank, and the Federal Reserve aggressively cutting interest rates to try and stave off a recession in the US.

But among the gloom, those involved in real estate markets around the world can often point to areas where property bucks the trend, and is on an upward move despite all that is happening to property elsewhere.

A prominent UK real estate site predicts that France will see a rise in property values for 2008 of between 5 and 8 per cent.

The advantages France has compared to some European markets is that the British buy there extensively, and have done for over twenty years now. The recent upgrading of the channel tunnel could ensure interest remains high in Northern France, easily accessible from London and her Home Counties.

Two countries who share borders with France are also likely to be areas where property prices will increase in 2008 - the tax havens of Andorra and Monaco, which have similar tax benefits.

Monaco because tax havens are in demand whatever is happening to the economy, and the supply of properties is short with new supply not coming on stream for another three to four years. Andorra will continue to enjoy the overspill from Monaco, where studio apartments start at around a million Euros, while in Andorra the same million Euros will buy a house.

Further into Southern Europe the UK property site suggests both Mallorca and Tenerife could see property price gains, and with local populations on both Spanish islands becoming restless about the amount of future developments - including the building of new [Tenerife hotels](#) - to be allowed the supply of new apartments and villas could be limited.

Mallorca - often known as Majorca - is the main island of the Balearic Islands, which also includes Menorca and Ibiza. Located in the Mediterranean off the east coast of the Spanish mainland, Mallorca is the largest of the Balearic Islands and sees most tourists - some of whom ultimately buy a holiday home on the island or move there full time. According to the 2005 census, the population of the city of Palma was 375,048. The population of the entire area was estimated to be 517,285; the 12th-largest urban area of Spain. Approximately half of the total population of Mallorca lives in Palma, but many newcomers steer to the coastal resorts such as Alcudia.

And while 2008 may appear to be gloomy for the real estate sector, there will no doubt be some light among the darkness of falling prices in some areas of Europe.

### About the Author

Information about the island of Tenerife is at [yourtenerife.net](http://yourtenerife.net) and includes details of [flights to Tenerife](#)

Holiday accommodation includes both hotels and a choice of [Tenerife villa holidays](#) too.

Source: <http://www.diyresource.com>