

# alternative investments

## Property: the best buys in the Alps this winter

With so many European currencies extinct, the Swiss franc remains “a bastion of solidity”, says Diana Wildman in the Daily Express, and one way of spreading currency risk is to buy a property there. Villars is becoming an increasingly sought-after resort, thanks to recent investment in its ski-lift system and its year-round glacier skiing at Les Diablerets (which links into Villars). Once the snow has gone, the golf course and huge indoor leisure centre make it an all-year-round holiday destination. For “the avid skier and socialiser”, £60,000 will buy a smart studio flat; a three-bedroom chalet next to both piste and lifts costs £315,000. Although Switzerland has never been an easy country in which to buy property, this is changing, says Alexander Garrett in Money Observer, particularly in the French-speaking cantons: Vaud, home to Villars, is one of the most liberal.



A Swiss chalet could be a wise investment

The other advantage of buying a property in Villars is that you can let it outside the ski season, which is short. And the extra income from a second letting season can “make or break a property’s financing”, says Robert Liebman in The Independent. Ski properties do not necessarily generate enough income to

offset costs, says Simon Malster, whose UK-based firm Investors in Property specialises in the French and Swiss Alps. At most, you will cover overheads and pay some of the mortgage. Malster also recommends Villars, but says that, if skiing is your priority, there is no real alternative to the top resorts, such as Megève, Méribel and Courchevel in France and Verbier in Switzerland. Properties here start at £500,000 and can easily top £1m. But if you can afford it, says Graham Duffill in The Sunday Times, it could well pay off: there is no land left on which to build and a scarcity of properties leads to rising prices.

More affordable property can be found in the satellite resorts like Les Carroz, linked to Le Grand Massif, the fourth-largest ski area in France, where prices are half of those of Méribel and a quarter of those in Courchevel. Nendaz and Veysonnaz in Switzerland offer similar value and are linked into the Verbier ski area, sharing the four valleys ski pass. Or there is the 18-chalet development by French company MGM (020-7494 0706) at Sainte-Foy, a small resort near Val d’Isère with its own “excellent” off-piste skiing, where prices range from £255,000 to £375,000 – possibly “the best buys in the Alps this winter”.

## Collectables: is it worth holding on to old Deutschmarks and pesetas?

The introduction of the euro may have tempted you to hoard your old pesetas, francs or Deutschmarks in the hope that these disappearing notes and coins will one day be worth something, says Juliet Shedden in The Guardian. If so, “forget it”. Those who saved ten shilling notes and threepenny bits back in February 1971 are holding on to little of worth as so much pre-decimal money is still around that it has become neither rare nor valuable.



The euro: making old currencies collectable

Not everyone agrees. High denomination European notes, such as the 1,000DM note (equivalent of £400), may well be collectable in 20 years’ time, says Barnaby Faull, bank note expert at Spink, as most people do not have that kind of money to put aside. Aesthetically pleasing notes may become valuable, too. Andy Meadow, coin curator at the British Museum, thinks

that the old currencies could well become sought-after mementos, but advises only keeping notes that are in pristine condition.

Another option is to collect the new starter packs of euros, introduced in each country a fortnight prior to the official launch to familiarise people with the new currency. But with the large numbers being made, “they won’t exactly be rare” and, in any case, prices have already started to rise, says Matt Kelly in The Mirror. A starter kit from Monaco worth £15 recently fetched £145 on the German eBay website, while an auction of a starter pack of Irish euros on 2 January, worth just more than £3, fetched £62. It is a “strange” phenomenon, said a spokesman for the European Central Bank in The Daily Telegraph, particularly as the currency is now being used on a daily basis.

## Spread betting: where will the FTSE go in 2002?

MoneyWeek examines a possible bet you could make: The FTSE100 index has started 2002 in tentative mood. Many want to be optimistic but they are too bruised to commit new money to the market. As we went to press, Financial Spreads was quoting 5283-5291 for the FTSE100 at the close on 15 March. If you believe that low interest rates and US recovery will send the Footsie higher, you could make an “up-bet” with Financial Spreads from 5291, the top of its FTSE spread for March. A £2-a-point “up-bet” would make profits of £500 if the March Footsie spread jumped to 5541-5549. This profit is calculated by subtracting 5291 (the top of the original spread) from 5541 (the bottom of the new spread), and then multiplying by your stake of £2-a-point. However if the Footsie were to fall back, with the bookie’s spread slipping to 5100-5108, your bet would face losses of £382 (5291 minus 5100, times £2-a-point). Spread bets can be closed at any time during their life, or they can be left to expire, in this case on 15 March 2002.

The above bet is an illustration not a recommendation. Compiled by Angus McCrone,

## Auctions



Turner’s *Sheerness as seen from the Nore* (above) is expected to fetch between \$6m and \$8m at Christie’s on 25 January.