

# Paradise comes at a price

**PETER SWAN is seduced by island idyll Mauritius but is neighbouring South Africa a better investment choice?**

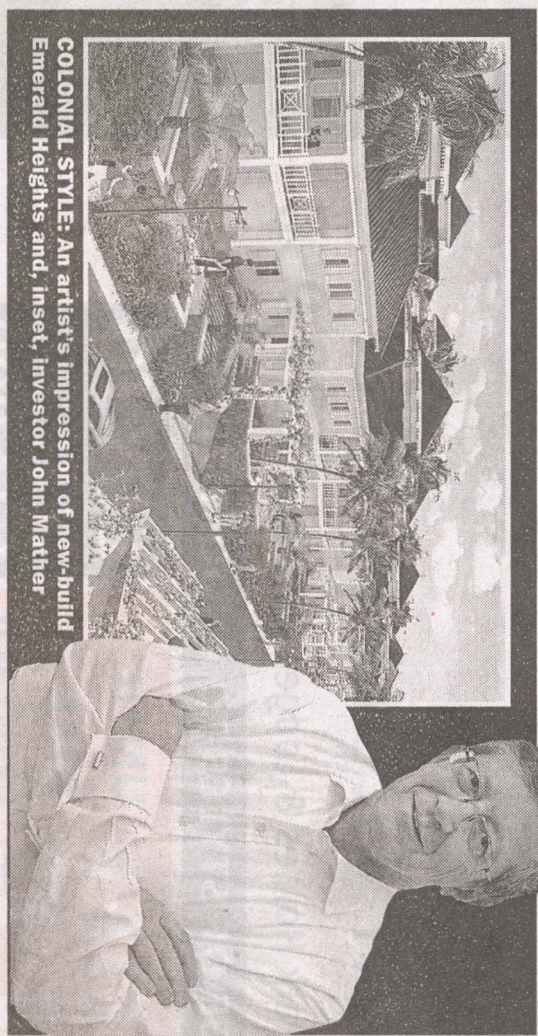
**A**S A TROPICAL paradise, Mauritius has it all: pristine Indian Ocean beaches, gorgeous weather, friendly locals, world-class golf courses and, for potential property buyers, a favourable tax regime. As Mark Twain remarked, "You get the idea that Mauritius was made first and then Heaven."

The island is popular with royalty and top politicians alike. Prince Harry and Chelsy Davy have enjoyed its charms and a succession of French presidents from Chirac to Sarkozy have favoured the island in recent years.

The French connection is strong. Club Med has just launched La Plantation d'Albion, 44 luxury two-, three- and four-bedroom detached villas built next to their five-star resort. Each single-storey home has direct access to the ocean and its own pool.

However, starting at £900,000 for the two-bedroom model, this bonhomie comes at a price. "These villas appeal to lifestyle buyers rather than investors," says Club Med chairman Henri Giscard d'Estaing, the son of former French president Valéry.

Most buyers have gone for the eight-year leaseback option. During the six weeks a year they use their villa they can take advantage of Club Med's pools, nightclub and restaurants. In the other weeks the villas are earning rent that it is estimated equates to a 5.5 per cent return. A generation of British honeymooners has



**COLONIAL STYLE:** An artist's impression of new-build Emerald Heights and, inset, investor John Mather

found the 11-hour flight from London to the 35-mile long island of Mauritius worth every penny. One of their favourite destinations is the colonial-style, ocean-front Le Telfair Hotel Golf and Spa Resort.

Just up the hillside from the hotel, Villas Valriche is another development aimed at heavy-hitters. There are 133 villas in the first phase, of which about 100 have been sold. Overlooking the Châteaux golf course and the sea, the location is one of the best on the island. Well-equipped, elegant two-bedroom villas start at £720,000.

When the credit crunch hit, foreign buyers became almost as rare as the island's legendary bird the dodo, so this year the government has allowed lower-priced schemes to be launched. Emerald Heights is one of these and is getting off the ground with 24 apartments

costing from £188,000 and 12 villas starting at £538,000 in the first phase. A mile from the coast, the planned facilities such as pools, shops and a beach club look stylish.

John Mather, 61, and his wife Lilia are buying a very ritzy five-bedroom villa here for £990,000. "Mauritius is a great place to watch the recession from," he says. Within designated areas aimed at foreign buyers there are no capital gains, wealth or inheritance taxes, plus the bonus of automatic residency.

Mather calculates that he will pay a third of the tax he pays in the UK and the cost of living is about a third less.

Construction on another lower-priced scheme is nearly finished. Port Chamblay near the island's capital Port Louis is a Mediterranean-style village built around a river estuary. However, locals have already bought most of

the waterside townhouses and apartments with just 30 reserved for foreign buyers.

The developers have created a square, the Place du Campanile, complete with a bell tower and 36-room boutique hotel. The £225,000 to £362,000 one- and two-bedroom apartments have broadband, wi-fi, satellite TV, air conditioning and electric shutters as standard.

The Mauritian market was boosted a couple of years ago by political uncertainty in nearby South Africa but Mark Harvey of agent Knight Frank thinks the appeal of the country hosting this year's World Cup is set for a resurgence.

**H**ARVEY also believes South Africa has a better variety than Mauritius. "South Africa has ocean-front properties, golf courses, cosmopolitan cities, safari parks and the outstanding Garden and Wine Routes." Many British buyers in South Africa buy on secure developments such as Pearl Valley, an hour from Cape Town. A spacious three-bedroom resort lodge costs £366,000, almost half the cost of the equivalent property in Mauritius and plots of land on the Jack Nicklaus-designed golf course start at £95,000.

"Mauritius may be paradise," says Harvey, "but South Africa could represent better value."

#### ● MORE INFORMATION:

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