

The Potter puzzle

Theme parks are being seen as a way to rescue property developments, says **ANDREA WATSON**. But does it work?

LEGOLAND Florida is scheduled to open this October and the 150-acre park with 50 interactive rides, shows, attractions and gigantic models is likely to be a hit with younger children.

Its arrival comes on top of the hugely successful launch of the Wizarding World of Harry Potter, located within the Universal Orlando Resort and reported to have lifted visitor numbers for 2011 to near historic levels.

If Legoland delivers the same results, it follows that it might be a good time to consider buying a rental home in Florida where plenty of deals are available but no one can say for how long.

Floridian real estate agent Garrett Kenny, chief executive of CB Feltrim, says the fundamentals for price rises are in place: low interest rates, better employment prospects and the boom created by the Wizarding World of Harry Potter.

Impressive

He said: "Last summer the state saw a 17.4 per cent rise in overseas visitors, with overall numbers of visitors up to 18.9 million for the third quarter. That's pretty impressive when you consider the impact of the global economic downturn and all the flight problems in the past 12 months.

"Harry Potter had a magical

effect on overseas visitor numbers and I am sure pester power will also come into play when Legoland Florida opens in October."

CB Feltrim has launched two new mortgage schemes to help buyers finance their purchase. These include a new in-house finance scheme at the Tuscana condo development near Orlando, just minutes from Walt Disney World Resort, where there are astonishing bargains.

Some luxury condos at the resort originally priced at \$360,000 are now down to \$89,000. Buyers who opt for the five-year in-house finance scheme will pay just 1.9 per cent interest over the first two years on a 65 per cent loan and no interest on a 50 per cent loan.

A number of the fully furnished condos already have rental income in place for 2011. The development offers a large swimming pool complex, hot tub and clubhouse complete with 35-seater cinema.

Closer to home, a new Paramount theme park

may help rescue another property market that has hit the doldrums: that of Spain.

After a series of visits to Dubai, Spain's Minister of Culture helped secure the deal for a park on a scale to rival Disneyland Paris. It aims to attract three million more tourists a year to the region where a new airport recently opened.

Yet there is no real guarantee the theme park will do the trick. Others throughout Spain have failed to live up to expectations.

Nevertheless, the glamour of the Paramount name and the size of the project has encouraged at least two major local developers to announce new projects. Polaris World is adding 400 units to its

already vast golf-led Murcia property portfolio, despite a sizeable number of properties being unsold, while at Lake Argos there are plans to build 500 more homes.

With an estimated one million unsold holiday homes in Spain, some question whether off-plan properties such as these are likely to find buyers.

Chris Mercer of the local real estate company **Mercers** said:

"Paramount Pictures is building the biggest theme park in Europe in Murcia and this will have a huge positive effect locally.

"Spanish media reports suggest the creation of 20,000 jobs, 15,000 new hotel beds and visits from almost three million tourists each year. But this huge attraction hasn't even broken ground, the masterplan is yet to be revealed and realistically it is several years from making a real impact. We have little demand for off-plan property



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and haven't sold one in around two years. My concern is the Paramount park has, in part, prompted the decision to launch these new-builds and may be just a little premature."

Mr Mercer recommends buyers look at the many resale bargains on the market. He said: "Prices are 50 to 60 per cent off, bringing them to levels of a decade ago. Resales offer stunning value and generally they are furnished, in established areas and easier to mortgage."

At the Camposol resort, for example, prices start from £50,000 for a two-bedroom property. That's about 60 per cent off the market price in 2007.

When Dubai began to struggle to sell its oversupply of properties, it turned to creating a series of fantastic theme parks. It did not work and those parks were never realised. Today's buyers should bear the lessons of history in mind. Paramount could still pull out of its Murcia lease if the market continues to turn down.

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INSPIRING: The WIZARDING World of Harry Potter is a big success. The Feltrim development (left) near Orlando hopes to benefit from the Disney effect. Right: Neptuno Villa in Murcia