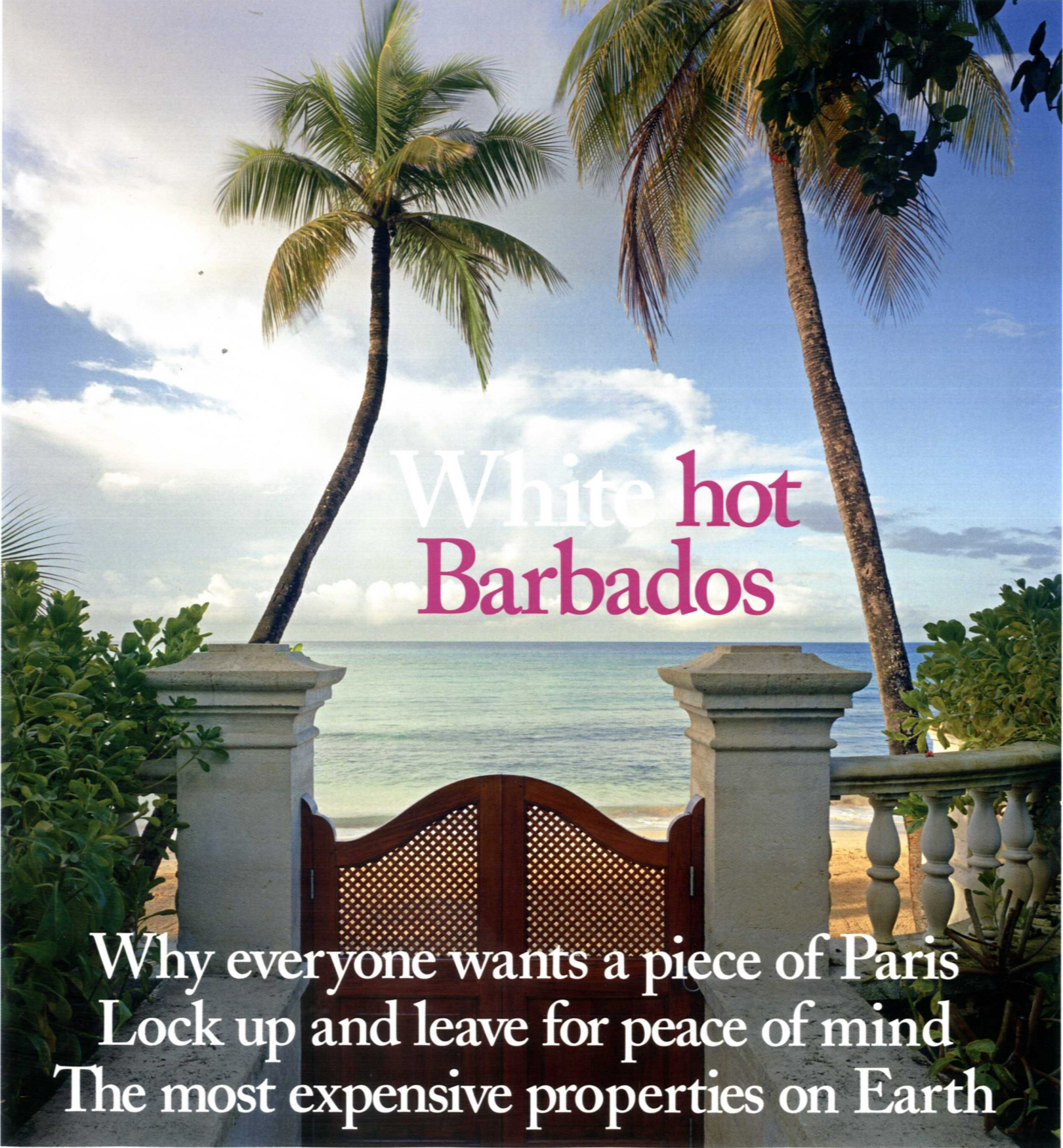


COUNTRY LIFE[®] INTERNATIONAL

WINTER 2011/2012



White hot Barbados

Why everyone wants a piece of Paris
Lock up and leave for peace of mind
The most expensive properties on Earth

Paris, je t'aime

The French capital has seen an extraordinary increase in prices during the past 12 months as buyers compete for the best properties in town, finds Carla Passino



FOR SALE £5.17m This split-level apartment in the 16th arrondissement, one of the most sought-after areas in Paris, has five bedrooms and a garden. €5.95m through Home Hunts (020-8144 5501)

PARIS is sizzling hot this year. This has little to do with the weather—although the first half of 2011 was the second warmest in France since 1900—and a lot to do with the property market. Demand for prime homes rose to an unprecedented level, pushing prices up by a whopping 22.2% year on year—a remarkable feat, all the more so when most other markets are struggling to keep afloat.

'The main reason global wealth is drawn to Paris is that it's a relatively safe place to invest'

The force behind its strong performance is the same one behind London's: affluent overseas buyers. Giles Hannah of Christie's International Real Estate reckons that the £870,000–£4.35m (€1m–€5m) end of the local market is still driven by rich French nationals working in the finance sector, but that the very upper end, above £4.35m (€5m) and up to about £17.4m (€20m), is

chiefly a foreign affair. Mr Hannah says that demand is coming from China, Russia and the Gulf, countries where Parisian culture, architecture, services and infrastructure are widely appreciated. Tim Swannie of Home Hunts has also seen 'a lot of interest from clients from the Middle East' as well as Italian and British buyers. Emile Garcin estate agents mention South Americans, whereas Mark Harvey of Knight Frank has seen the return of North Americans and the arrival on the French scene of high-net-worth Indians. He adds that, initially, the spike of interest was partly fuelled by the Schengen Agreement—Paris, from which much of the rest of Europe can be accessed on a single visa, makes a convenient base.

But the main reason global wealth is drawn to Paris is that, beyond its obvious cultural, lifestyle and artistic attractions, it's a relatively safe place to invest. 'International buyers have been looking for stable housing markets in which to invest,' >

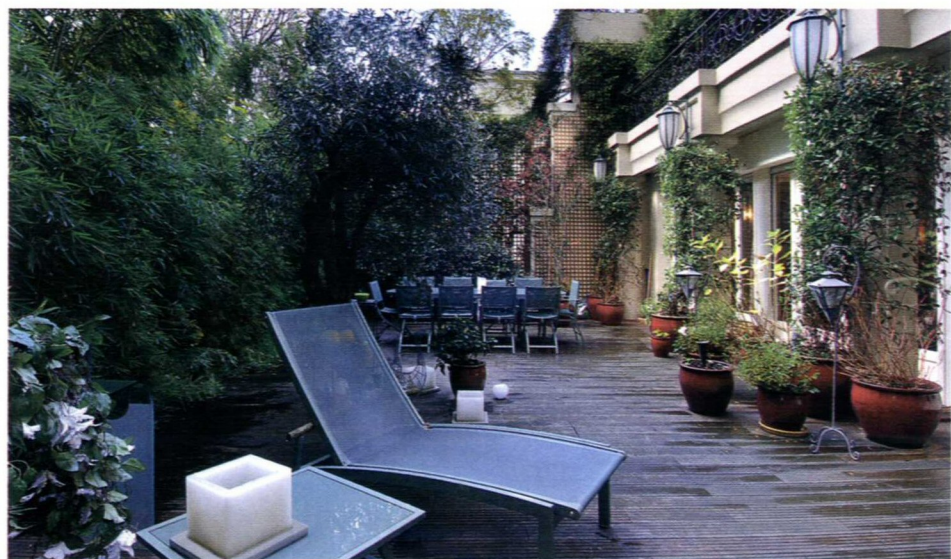
Views of the Eiffel Tower will always increase the value of an apartment



Guinter Grafenhardt/Huber/ACorners Images



FOR SALE £10.4m This six-bedroom apartment is situated in front of the Eiffel Tower. €12m through Christie's International Real Estate associate Daniel Feau (00 33 1 53 23 81 81)



FOR SALE £11.3m This *hôtel particulier*, close to avenue Foch, has a spa in the basement and outdoor space perfect for entertaining. €13m through Knight Frank (020-7861 5034)

explains Mr Swannie. 'The French lending criteria are strict, which means that there isn't really a subprime mortgage problem and therefore no history of boom and bust.'

However, this growing demand is frustrated by the very limited amount of Parisian property for sale, and this is driving prices upwards very quickly. 'Due to strict planning legislation, there is no new supply of new-build properties in the centre of prime Paris,' says Mr Hannah. The market relies almost entirely on resales and, says Eric Vincent of Emile Garcin, 'there is always a shortage of quality properties'.

As a result, 'good properties at good prices sell within weeks', according to François-Xavier de Vial of Home Hunts, with those in perfect condition, recently renovated or in highly sought-after loca-

'This growing demand is frustrated by the limited amount of property for sale'

tions achieving high prices, according to Mr Vincent and his colleague Françoise Koops. 'Clients looking for top-quality properties are prepared to increase their budget in order to find that exceptional apartment,' believes Miss Koops. Mr de Vial explains that the most sought-after *arrondissements* are the 16th, 17th, 7th and 8th, followed by the 1st, 2nd and 4th, which are more popular for a pied à terre.

'The golden triangle,' says Mr de Vial, 'is in the 8th *arrondissement*, delimited by the avenues Montaigne, Georges V and Champs



FOR SALE £5.48m This period apartment has five bedrooms and staff quarters. €6.3m through Knight Frank (020-7861 5034)

Elysées.' Prices here are in the region of £15,660-£17,397 (€18,000-€20,000) per sq m for the most prestigious homes, and £10,870-£11,300 (€12,500-€13,000) for the rest. In other *arrondissements*, such as the 16th and the 17th, properties cost between £7,830 (€9,000) and £9,570 (€11,000) per sq m. Neighbourhoods such as the Latin Quarter are more affordable but, adds Mr Hannah, they could well grow in value.

All agents expect the prime Parisian market to remain lively, although perhaps not to keep growing to the staggering tune of more than 20% a year. 'Like prime central Lon-

don, prime Paris is likely to experience up to 30% growth between 2011 and 2015,' continues Mr Hannah. Mr de Vial forecasts 'small yearly increases'. Even the proposed reform of the Schengen Agreement, which may reintroduce some border checks, is unlikely to reduce appetite, according to Mr de Vial. 'Paris will always retain its appeal for foreign buyers. The chronic shortage of properties, especially smaller-sized ones such as studios, means that the market will continue to be strong.'

FOR SALE £1.21m This luxurious apartment, situated on the third floor of a Haussman building, has views of the Eiffel Tower. €1.395m through Home Hunts (020-8144 5501)

