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The future's bright for French property

The French property market is currently the subject of much positive discussion, with many industry professionals sharing the view that 2014 could be a turning point.

Trevor Leggett, chairman of Leggett Immobilier, is optimistic that the number of overseas buyers in France could rise by as much as half in 2014.

He predicts that the rise in sales will be driven by an increased demand for property in Provence-Alpes-Côte d'Azur and Rhône-Alpes, and that this should spread to other regions across the country. The estate agency is already seeing a steady demand in regions such as Languedoc-Roussillon and Poitou-Charentes, and Trevor believes sales of properties to international buyers should grow during this year.

"These buyers will be able to take advantage of low prices, plenty of stock to choose from and excellent financing deals," comments Trevor. "We're quite bullish about the prospects for 2014 – we're at the bottom of the cycle and this is an excellent time for canny buyers to enter the market. BNP Paribas tell us that in 2012 just 10,663 non-residents bought a property in France (itself a drop of 29% on 2011). What was interesting though was that these buyers obviously thought that the market was at or near the bottom as their average spend increased by 5% to hit €384,000."

The positive response to the recent *French Property Exhibition*, which took place at *The France Show* at London's Earl's Court, lends further support to the view that 2014 will be a good year for the French property market. A number of estate agents who exhibited at the show reported record levels of interest among potential property buyers, with the majority in a position to proceed with a purchase.

"This was certainly the best show we have ever done," says Steven Weller of estate agency Forgiven France. "It wasn't just the number of people coming on to the stand, it was the overall positive level of interest in the area and the houses we were showing."

"One lady telephoned me the following week to say she was flying into Toulouse that evening and to ask whether I could show her some properties over the weekend. The last time I had a reaction like that was in 2007, when I returned to Najac on the Wednesday after the show to find a client waiting in the café opposite for us to open!" The weekend after the show, Steven confirmed that the agency had already secured a sale.

Regular exhibitor Charles Smallwood of Agence l'Union was overwhelmed by the number of people who came to his stand this year. "I thought we were going to be busy at *The France Show*, but nowhere near as busy as we were!" he says. "I don't think we've ever seen so many serious buyers who are fed up of the UK and have decided to just go for it, and who are ready to go with very good budgets. We arranged seven viewings in the first week after the show and another five the week after. It's incredible how busy we are."

Selection Habitat attended *The France Show* for the first time and were delighted with the response. "Our team was very pleased to see such a great flow of clients with serious plans to buy a property in France," comments Nav Vilain. "This was the first time we have exhibited and I am sure we will be back next year."

Turn to page 93 for more highlights from *The France Show 2014*. If you missed the show then there are two further *French Property Exhibitions* this year – in Wetherby, Yorkshire, from 9-10 May and at Olympia, London, from 19-21 September.



Living the high life in France is on the up

It seems that France's luxury property market is turning a corner. According to the latest Prime Residential Insight Report from Knight Frank, the number of enquiries is increasing and prime prices are no longer falling at the rate they were.

Although the prime property market has faced considerable challenges in recent years, due to the global recession, Eurozone debt crisis and President Hollande's austerity measures, a villa on the Côte d'Azur or a ski chalet in the Alps remain among the most popular investments for international second home buyers.

The Knight Frank report indicates that applicant and viewing numbers in France increased by 28% and 52% respectively in the third quarter of 2013, compared with the same period in the previous year.

The return of British buyers has been most notable in south-west France, Provence and the Côte d'Azur, where the sub-€1.5m as well as the €5m-plus price bracket recorded the most prime market sales in 2013. In St-Tropez, nearly all of the viewings undertaken in the third quarter resulted in sales.

According to the Knight Frank Global Property Search website, the prime markets that generated the most property searches in 2013 were the Côte d'Azur (33%), the French Alps (18%) and Paris (16%). Those looking for a property in excess of €15m generated a significant number of searches for all three locations.

Mark Harvey, head of the French department for Knight Frank, believes that there are several reasons for the increase in demand.

"While there has been much noise about French taxes in recent times, the treatment of foreign ownership in France remains equitable and even attractive when compared to many other global destinations," he observes.

"As this reality continues to sink in and the alarmist tax chat subsides, we are seeing a return of high net worth individuals who are prepared to re-enter the marketplace. Prices have fallen by up to 40% in parts of France, offering the opportunity to buy at 2008 prices, and interest rates are at record lows so obtaining finance has never been more attractive."

Luxury property specialist Home Hunts has also seen an increase in demand so far this year.



This villa in Villefranche-sur-Mer boasts spectacular sea views and is on the market for €9.5m (www.home-hunts.com)



"January is traditionally one of the quietest months of the year for our business but 2014 seems to be bucking the trend. We have had 46% more enquiries across France compared to January 2013," says Home Hunts co-founder Tim Swannie. "The areas that have particularly increased are the prime areas such as Paris, Provence, the Alps and the French Riviera, but actually every single region we cover has attracted more enquiries, which is a good sign for the year ahead."

The Knight Frank Prime Residential Insight Report ends on a similarly positive note, concluding that: "Although economically and politically fragile, France still offers solid fundamentals in terms of its lifestyle, security and investment opportunities. We expect the upturn in enquiries observed in the second half of 2013 to translate into sales in 2014."

Athena Advisors has recently reported that sales of ski chalets in France priced at

more than €1m are up 32% on last year's figures. The company has noted a growing propensity for what it calls the 'next level' in luxury facilities to cater for the luxury rental market, and is currently marketing a brand new seven-bedroom chalet priced at €12m (pictured above).

Just 300m from the centre of Val d'Isère, it offers 6,555m² of living space complete with swimming pool, indoor climbing wall and a two-storey indoor garden atrium. It also benefits from an on-site spa.

