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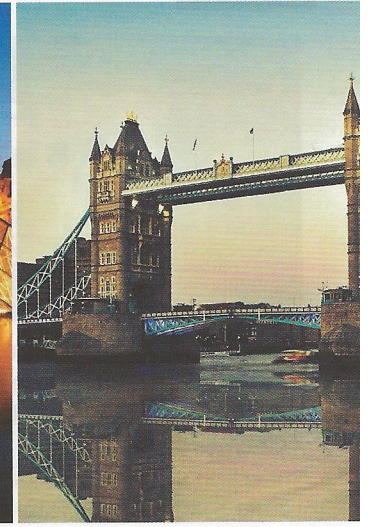
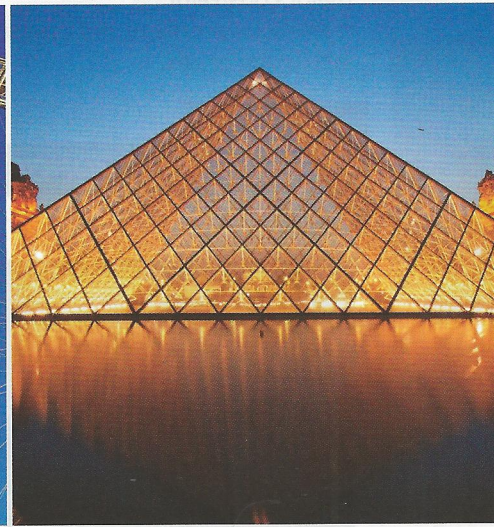
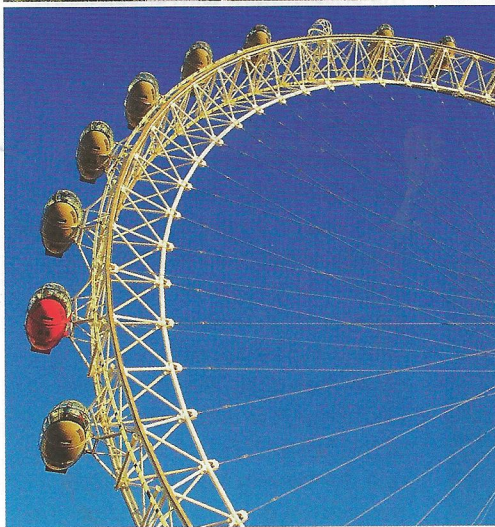
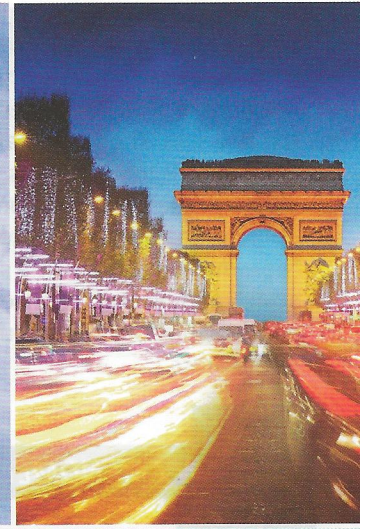
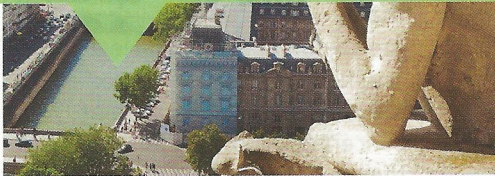
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Words | Christopher Nye

# A Tale of Two Prime Markets



» London has been swaggering while Paris staggers. But is the wind changing?

A story doing the rounds this month typified the madness of the London property scene right now. Hundreds of JCB diggers, it was claimed in several newspapers, were left entombed in the new basement conversions they'd been used to dig underneath London houses, because their Russian and Chinese owners found it too much bother to remove them. The story was soon scotched – why would anyone waste £50,000psm space that could be an indoor pool or gym, on a digger? London's oligarchs didn't get rich by being stupid – but the story gained such traction because at first hearing it sounds like it could be true.

London's property market, some

people think, is looking distinctly bubbly – culminating in late May with an apartment going for £140million and with 18.2% price rises in the year to March. There's

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a sense among British people, if not the Asian and Russian investors who are accused of stoking it all, that it's all got out of hand – the last

convulsions of a fevered market. Even home owners are beginning to get angry as the bright young people who make London special are priced out, while properties owned by Ukrainian oligarchs and Qatari princes stand empty.

## BRAIN DRAIN

There is also anger 210 miles south-east of London, in Paris. Here, French President Hollande has become almost comically unpopular. "Hollande has the worst rating of any President in the history of France, he is an idiot," says Adrian Leeds, a property finder in Paris. While the British economy is rising by 0.8% per quarter, in France it has risen by



wealthy flee the 75% tax rate for millionaires: "the market has gone soft," says Adrian. "There is a glut of properties on the market at over €2-3million because of all the millionaires who have left. Two years ago you had to walk in and say "I'll take it", or the person behind you would take it at asking price. Not true any more. There is lots of negotiation going on."

Paris Chambres de Notaires agrees. Its official data shows that the price of older-style apartments in Paris fell by 1.9% during 2013 and for houses by 1.2%. This is compared to a rise in London over the same period of around 14%.

Still, at least it's cheaper for Paris's youngsters to get on the ladder? Well, up to a point. On the Paris notaries' report you will also see what you pay in taxes and fees. To buy an older property valued at €176,000, it is an eye-watering €24,160. For London (if you could get a property at that price), around a tenth of that.

## PARIS SPRING

So, given all this, where would you buy if you were maybe an American or Russian or Chinese? "Paris, obviously," says Adrian, "it is at the bottom of the market." Quite so, says Hervé Lévy, Paris's regional manager at Home Hunts: "London is far too expensive, at twice the cost of Paris. Switzerland is lovely but boring, and Paris still remains one of the best places to invest. All wealthy people want an apartment in Paris. Also, the country is secure; Paris is one of the most beautiful



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## THE RUE DE RECOVERY?



### 225 years ago it was Frenchmen returning from the American revolution who led the French revolt. Is history repeating itself?

Cédric Naudon's name might one day be up there with Danton and Desmoulin, as a Parisian revolutionary. The 42-year-old, who made his millions from retail, finance and real estate in New York, recently bought 45 shops in a run-down part of Paris's Marais district and is in the process of creating La Jeune Rue (Young Street). It is a collection of bold, innovative restaurants and shops, each by a different designer and covering three streets. Since being launched earlier in 2014, it has become not just a magnet for shoppers and epicureans, but a symbol of hope for Paris demoralised entrepreneurs.

Naudon already has plans for another Jeune Rue on the Left Bank, to open in 2016. The Wall Street Journal was effusive in its praise, describing him as a 'real estate savant'. Adrian Leeds is a fan too: "He is single-handedly gentrifying that neighbourhood, pouring €30million into it. Here is a French guy who make lots of money in the US but he wants to do something for France. We will see more of that. You can take the Frenchman out of France but you cannot take France out of the Frenchman!"

cities in the world and is renowned for its excellent hospitals, schools and universities."

But what about the taxes and Hollande? "Our savvy investors know that President Hollande will not be re-elected and the right wing are more than likely to come back to power – whether this be Sarkozy again or another leader. This is likely to encourage property investors back again and so it is really the time to buy; while better prices can be negotiated and there are amazing apartments and mansions on the market," says Hervé. "Home Hunts already has quite a number of English and Russian/Ukrainian clients who own a property in London and wish to acquire an apartment in Paris. We also have quite a few clients from

the Gulf countries who want to have an apartment in Paris for the summer to shop. The Lebanese also like to invest in Paris for political reasons and because they speak French."

Adrian says that the future is bright for a post-Hollande Paris: "All those French people that you see in London, US, Canada, they are experiencing a new world. They are young, energetic, entrepreneurial, they are making money, learning how to be capitalists and enjoying their prosperity. But they are French and they don't want to be in London or New York. When they see an opportunity and the administration has gone, they will come back and inject French society with what they have learned." ■