

FRENCH PROPERTY NEWS

Au courant

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Stability returns to French property market, say *notaires*

The latest analysis from Notaires de France includes promising figures for the market, demonstrating improved stability and indicating that steady growth is underway. House prices were up 0.4% in the fourth quarter of 2015 compared with the third, and this was the second consecutive quarter that saw an increase. For the first time since 2012, fourth-quarter house prices were also up compared with the same quarter of the previous year (an increase of 0.4%).

In Île-de-France, price falls had eased year on year by the fourth quarter of 2015, representing just 0.8% compared with 1.6% in the third quarter and 2.5% in the second – while fourth-quarter prices were up 0.5% from

the third quarter across the rest of France. While apartment prices across the country continued to fall, the year-on-year rate of decline had slowed from -2% to -1%.

Soaring sales

The report went on to highlight that national sales volumes had continued unabated in the fourth quarter of 2015, and were up a significant 16% year on year. The total number of property sale transactions across France in 2015 was 809,000, a 100,000 increase from the previous year and close to the levels witnessed in the years before the financial crisis (834,000 in the 12 months preceding February 2012, for example). What's more, when compared with

2014, 2015 sales had increased more over a shorter period of time – the fourth quarter alone completely reversed the 2-3% decline of quarters one and two, an impressive statistic – reflecting the sudden commitment to buy by househunters who had waited some time and whose needs had become more pressing.

Relocation rewards

The report particularly underlined the benefits to sellers wanting to relocate, indicating that they could now sell quickly and remortgage their new property at a lower rate than their existing one. Favourable market conditions – low interest rates and a weak euro – have also allowed new buyers to access a market they previously could not, and go a considerable way in explaining the newfound fluidity. As the report predicts, this is likely to effect a further steady increase in prices as we move into the second half of 2016.

The positive sentiment from Notaires de France's report is also echoed by estate agencies. Knight Frank's sales in France doubled between 2014 and 2015 according to their latest report, with enquiries from prospective buyers increasing 87% year on year, strongest in the €1m-5m price bracket. Indeed, properties priced below €5m accounted for over 85% of the agency's prime sales in 2015. For agency Home Hung, sales and enquiries were collectively up 60% in the first quarter of 2016 compared with the same quarter last year, with their report declaring them now at an "all-time high" and a particular resurgence of British buyers.

Notaires de France also reported on new-build construction in France, which at the end of February 2016 stood at 351,200 (up 3.7% over November to February compared with August to November 2015). New-build sales figures were also promising, up 11% year-on-year in 2015 with a total of 111,300 units sold.