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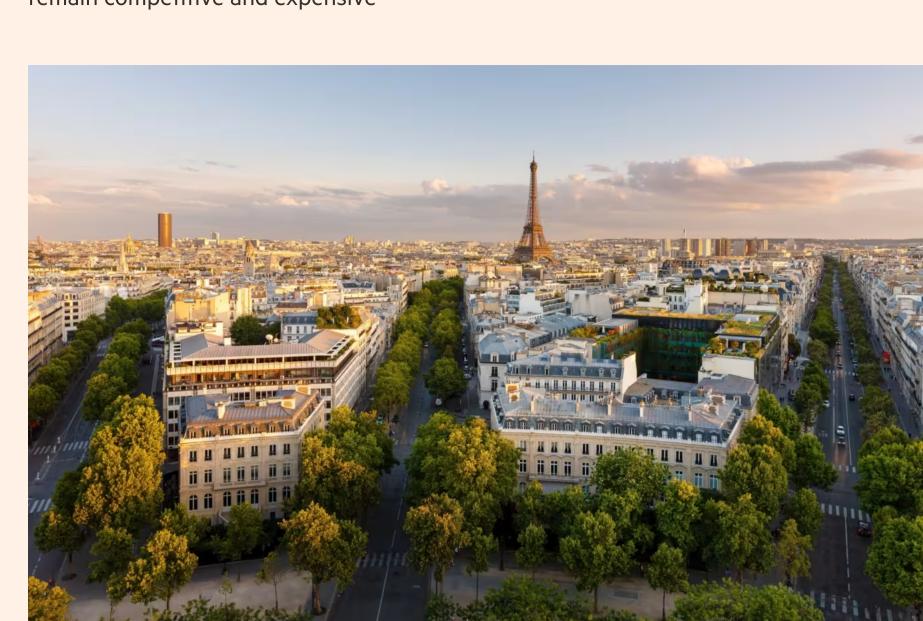
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European prime property ( + Add to myFT Why Paris property is a tale of 'deux villes'

Prices are falling in outer areas where supply is high, but prime central arrondissements remain competitive and expensive



Landmark Paris: the Eiffel Tower, Haussmannian architecture and the Tour Montparnasse © Francois Roux/Shutterstock

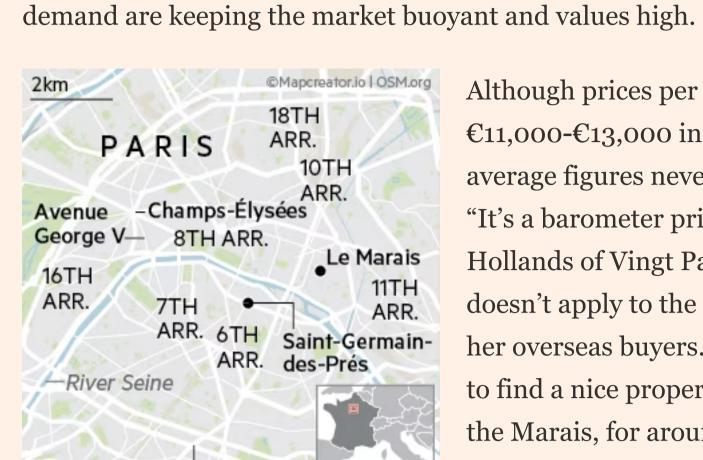
<u>16</u> Karen Tait YESTERDAY It wasn't long ago that agents in some of Paris's less affluent arrondissements the first time. It's a rather different picture now. The cost of living crisis,

were celebrating hitting the symbolic figure of €10,000 per square metre for stricter lending criteria and higher interest rates have combined to dampen prices in the capital — to the extent that falling, not rising, prices are "the hot topic of conversation between Parisians", says estate agent Helena Hermanns of Leggett Immobilier.

Last autumn, the average price per sq m in the city fell below the €10,000 mark for the first time since 2019. Latest figures from the Notaires de Paris put the average value at €9,490 per sq m, a fall of 7.9 per cent over the past year.

"There's been a correction in prices in neighbourhoods that shot up quickly [before and during the pandemic]," says Roddy Aris of Knight Frank. The most affected locations are in the east and north of the city, such as the 10th, 11th and 18th, while those with the steepest falls are away from the centre, closer to the Périphérique ring road. "There's so much stock on the market here, buyers are getting picky," says Hermanns. "Previously, an apartment on the fourth floor would sell quickly, now buyers want a lift — and they have time to browse. They don't need to compromise."

Yet this is a tale of two cities: while properties further out are plentiful and prices are falling, in the heart of Paris, a lack of supply and international



Boulevard Périphérique

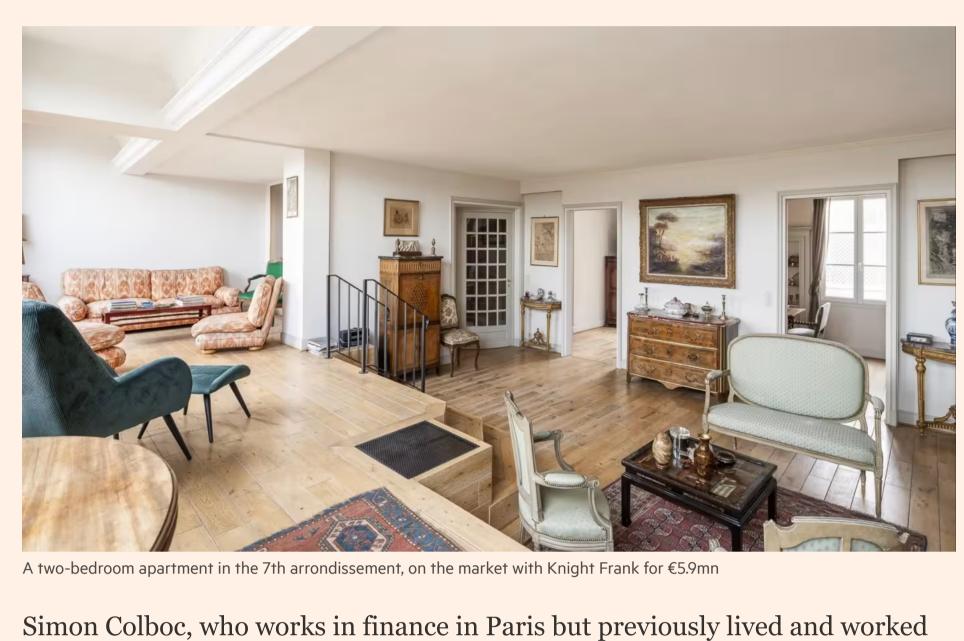
Although prices per sq m are generally €11,000-€13,000 in central Paris, average figures never tell the full story. "It's a barometer price," says Susie Hollands of Vingt Paris, who adds that it doesn't apply to the areas that appeal to her overseas buyers. "You used to be able to find a nice property, say a one-bed in the Marais, for around €12,000 per sq m but now it's more like €16,000," she says. "On the Left Bank, it's €25,000 and up."

At the top level, this figure rises to €30,000-€45,000 or more.

Many high-end homes are never advertised. "Some 70 per cent of the properties I handle are off-market," says Hollands. In some areas that are traditionally home to bourgeois French families who don't want homes to end up in the hands of outsiders, it's difficult to find anything for sale.

In spite of the falls in the mainstream market, Alison Ashby of Junot Fine Properties/Knight Frank has seen sales of above €50,000 per sq m in prime homes over the past year, for example hôtels particuliers (period town houses) with gardens and penthouses with large terraces. In 2023 her agency sold two houses in the 16th arrondissement at €50mn-€80mn.

Overseas buyers in Paris rose to their highest level for the past decade in 2022 (the latest data held by the Notaires de France). "For the best addresses on the Left Bank, French and international buyers are fighting it out," says Hollands. "The French often win because they move faster."



in London and Brussels, welcomes the vibrancy brought by overseas buyers. "I feel our city has a lot to gain from being more open," he says. He knows families who have sold large, central apartments to a foreign buyer, "or a returning French entrepreneur or trader who'd made a couple of million in Singapore or Dubai and wanted to invest at home."

At the top of the market, Tim Swannie of Home Hunts says interest is growing among Middle Eastern, American and Chinese buyers: "Views are popular, as are high floors, they're quieter and brighter — but only if there's a lift."

The central and western 6th, 7th, 8th and 16th arrondissements — home to high-end boutiques and restaurants, embassies and elegant Haussmann architecture, as well as landmarks such as the Eiffel Tower and Champs-Élysées — remain popular.

For the best addresses on the Left Bank, French and international buyers are fighting it out

**Susie Hollands of Vingt Paris** 

"Americans seek properties with authentic Parisian charm on the Left Bank, while Asian or Middle East buyers look for perfectly renovated properties near the Seine or in the chic Golden Triangle [between Avenues Montaigne, Champs-Élysées and George-V] or Trocadéro neighbourhoods," says Ashby. While large,

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quickly too. "Small studios and one-beds appeal to investors, who won't hesitate to make aggressive offers in a quiet market," says Hermanns. Agents say cash buyers tend to corner the prime Paris market, although

classic homes are sought after, smaller properties in the right locations sell

Swannie adds that some buyers use a mortgage to limit their wealth tax liability. Wealth tax is payable for overseas buyers with French property worth more than €1.3mn, but mortgage debt is deductible from the valuation.

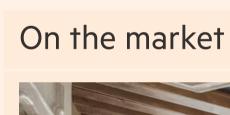
American Helen McDowell had owned a home in the south of France since 2016 before deciding she wanted a base in Paris too. "The Left Bank feels perfect to me, I knew exactly where I wanted to be, down to about two or three specific streets. Saint-Germain is such an iconic neighbourhood with amazing restaurants, cafés and shops." After initially looking for a small pied-à-terre, she ended up buying a three- bedroom penthouse with a roof terrace and a view of the Eiffel Tower.

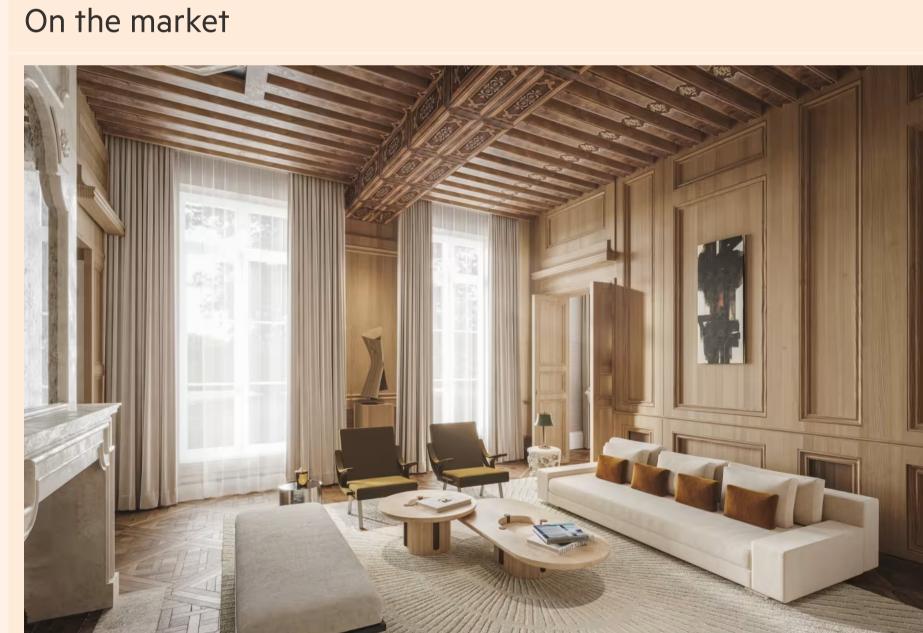
demand with buyers from further afield choosing Paris over London as their European base, says Swannie. And, if a UK crackdown on non-doms drives some wealthy foreigners out of Britain, Paris is an attractive alternative with France offering comparable "impatriate" regimes. "The pull of the luxury fashion world can't be understated" for wealthy

While the anticipated flood of bankers moving from the UK to Paris since

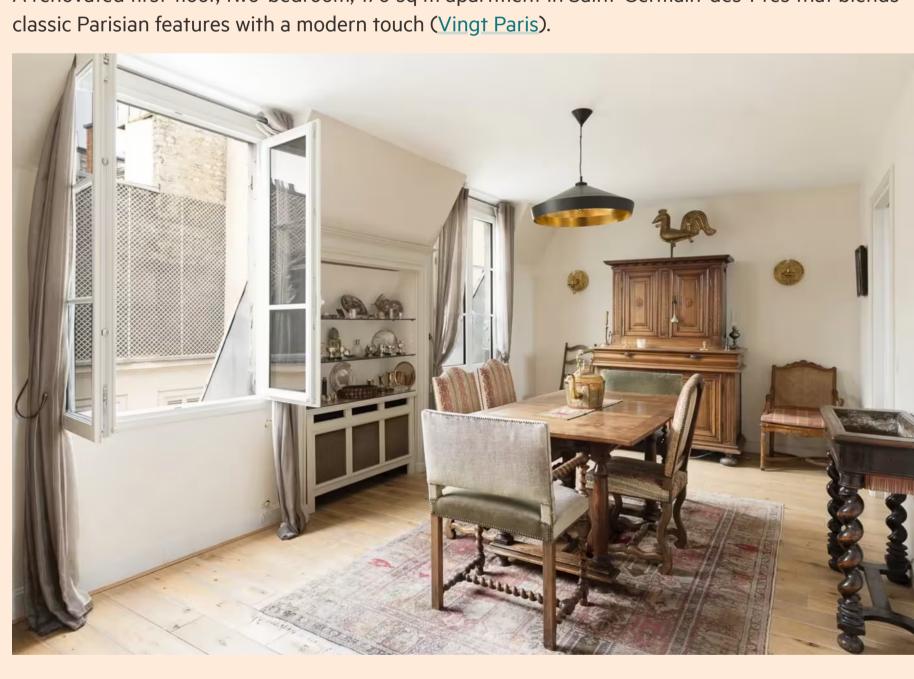
Brexit is more of a steady trickle, it has had a wider effect on international

international families, says Ashby. But whether buyers are attracted by the fashion houses, the standard of education or the literary cafés, she says "there's a neighbourhood for each of them. Paris is international, they feel part of the city."

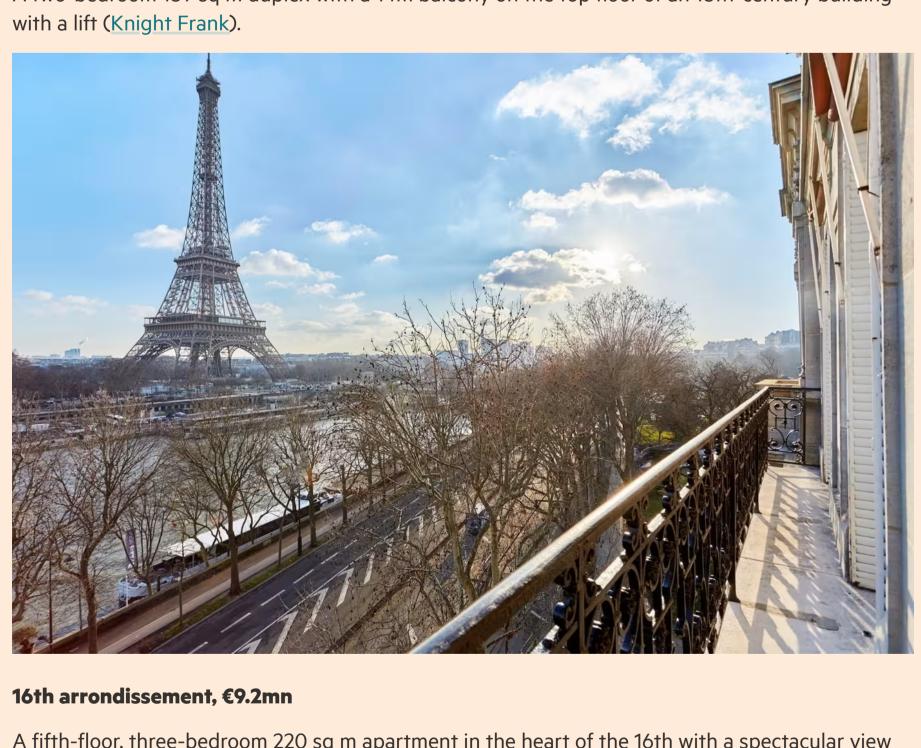




Saint-Germain-des-Prés, €4.85mn A renovated first-floor, two-bedroom, 170 sq m apartment in Saint-Germain-des-Prés that blends

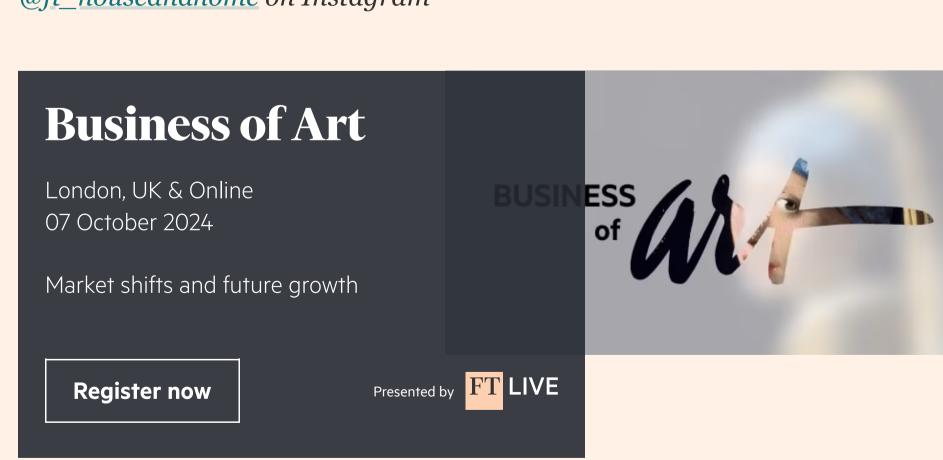


7th arrondissement, €5.9mn A two-bedroom 189 sq m duplex with a 14m balcony on the top floor of an 18th-century building with a lift (Knight Frank).



A fifth-floor, three-bedroom 220 sq m apartment in the heart of the 16th with a spectacular view of the Eiffel Tower and River Seine (Vingt Paris).

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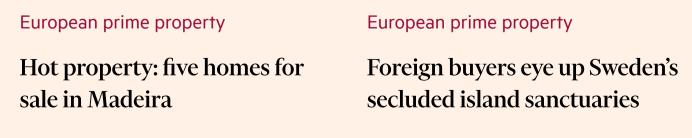
European prime property





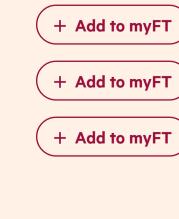
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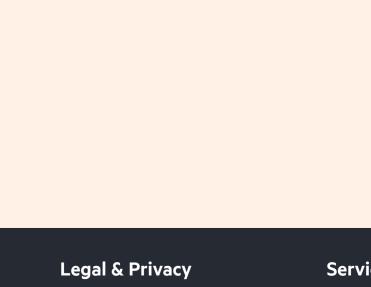
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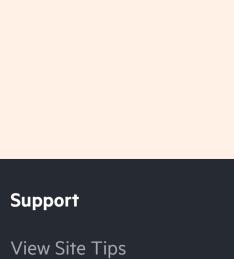
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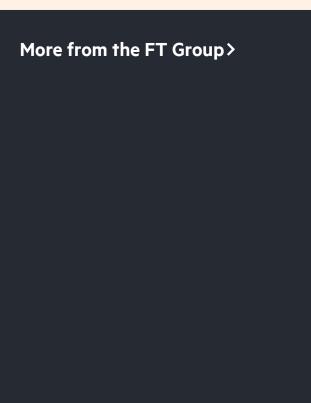
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