

LEGGETT

INTERNATIONAL REAL ESTATE



Paris / Île-de-France Market Comment

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About Us

Leggett International Real Estate has one of the largest and most successful teams in Paris/Île-de-France. With an office on historic Île St-Louis, we have a unique mixture of local knowledge and global expertise. As a company we spend over 2m euros per year marketing to both international and domestic clients, and welcome buyers from all over the world.

At any one time, our websites show over 250 listings in Paris, but we also have many more that are not marketed publicly - contact us today to get the full picture.





Paris becomes the most attractive European city for residential investors, as global markets cool.

Those of us who live and work in Paris are acutely aware that space in the centre comes at a premium. As Mark Twain said, "buy land, they're not making it anymore" and this is certainly true in the City of Light. Indeed, local government has championed the idea of a 15-minute city within their urban design; where everything can be reached within 15 minutes, either by foot, bike or public transport.

The recently published European Living Cities Index analysed 142 capitals and larger cities within

Europe, to determine which were the most attractive and liquid, helping investors develop a diversified residential portfolio. Paris came out top overall (followed by London and Berlin) with the best market fundamentals, location, and connectivity – it was particularly commended for its innovation.

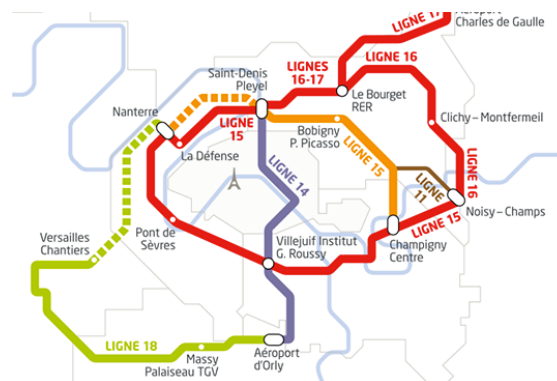
Property markets around the world have been cooling since the conflict in Ukraine and subsequent steep rise in energy costs. Most countries (France included) are seeing a tightening in lending

criteria and rising interest rates – however Paris is well positioned to retain its popularity. Next summer it will host the Olympic Games, the biggest event ever organised in France. Four billion television viewers worldwide will see the city in all its glory, and local hotels and businesses will reap the rewards of the 9.7 million spectators. Iconic landmarks are being transformed into sporting arenas and will provide an outstanding backdrop.





Grand Paris Express



In the longer term, the Grand Paris Express is the largest transport project in Europe and is revolutionising the capital. The project will run until 2030 and will better connect with the three Paris airports with the business districts as well as making the daily lives of two million commuters much easier. The implications are huge for the residential property market within Paris and the Île-de-France, stimulating demand from both home and abroad. With London more isolated since Brexit, and American and Asian buyers enamoured with the Parisian fashion/luxury sector, the real estate sector here will continue to thrive.

The *Notaires* in Paris are in agreement that, while the market is less fluid, it remains robust. They are quick to point out that “In the 3rd quarter of 2022, sales volumes fell by 10% compared to the previous year, which remains, it should be remembered, the highest level ever reached for a 3rd quarter. Despite this slowdown, activity has remained at a historically high level. Year on year, nearly 41,000 apartments were

sold in the capital, a level well above (+23%) the average of 33,200 units sold over the past 10 years”.

In short, over the last 12 months 188,500 homes were sold in the capital, barely 3% less than the year earlier and still close to historical records. It is clear that, in common with other leading cities, the property market is becoming less buoyant, and banks are tightening their belts. Across France, the number of mortgages approved in October 2022 was down 40% on the previous month. However, property in Paris is seen as a safe-haven and a means of securing assets against inflation.

Sonya Severac runs our Paris office, in the heart of the prestigious Île Saint-Louis. She is excited that we will be opening a second office this year, on the adjacent Île de la Cité, home to Notre-Dame Cathedral:

“I believe that we will be the only national agency to have an office on both islands, giving us windows to the world.

At the end of last year, we saw a lull in the demand from buyers in Paris and the Île-de-France, with the exception of the micro-markets in the capital. These are extra resilient to economic and political upheaval - they cover the very centre of Paris, including both islands, the 3rd, 4th and along the Boulevard St Germain. The 5th, 6th and upmarket streets in the 8th, 16th and 17th always have strong demand from investors and overseas buyers too.

The most active buyers are at the top end, we have seen an influx of Americans particularly, and those who have an income related to the dollar. These HNWI’s are seeking architecturally attractive buildings, in prime areas. The quintessential style of 19th century Haussmann buildings, with their stone façades and wrought iron details, set Paris apart from other global capitals. It was Napoleon III who tasked Georges-Eugene Haussmann, in 1853, with changing Paris from a ramshackle mediaeval city into a cohesive city of light, what a forward thinker he was!”



Current sales trends

1st arrondissement	13 360 euros per m ²
2nd arrondissement	12 360 euros per m ²
3rd arrondissement	12 800 euros per m ²
4th arrondissement	13 560 euros per m ²

*source Notaires de France, median price of all apartment sales between July - September 2022

Much has been written recently about locals fleeing the capital after the pandemic, in search of more living space.

The truth is that, for the last decade, around 12,000 people a year have been leaving the capital due to the shortage of housing. They haven't been moving far though, with most jumping across the périphérique and commuting in to work.

One arrondissement to buck the trend has been the 4th, which has seen its population grow by 8.5% in this period. The mayor of central Paris, Ariel Weir, is determined to offer better accommodation for families, and retain the healthy mixture of locals and tourists.

High-end tourists are still attracted to the city centre. The Louvre holds its place as the most visited museum worldwide – last year it welcomed 7.8m visitors and has had to cap

daily admissions. Directly in front, at the Quai du Louvre, La Samaritaine reopened its doors in Summer 2021, after a seven-year renovation. It is home to all of the prestigious LVMH brands including Louis Vuitton, Christian Dior, Tiffany's and Stella McCartney. It is a destination for HNWI's from around the world – it is little wonder that property here is in such constant demand.



Christophe Chastel is used to welcoming these clients, and has an unrivalled local knowledge:

“Demand here remains constant – buyers typically look for studio or one-bed apartments, with a view over the Seine. They look in an extremely tight zone, on both islands and the South Quay. In the last year the two biggest buyers have been from France and the USA, but we receive enquiries from all around the world. The old adage of location, location, location holds good, and it does not get more “prime” than these areas – buyers are safe in the knowledge that their investment is secure.”







PARIS RIGHT BANK 8, 9, 10, 11, 12, 16, 17, 18, 19, 20



As mentioned previously, buyers are particularly attracted to the Haussmann architecture within Paris.

The two arrondissements best known for these wonderful buildings are the 16th and 17th, where demand and pricing has held up well. Long favoured by artists and writers, you will now find former Prime Ministers rubbing shoulders with modern icons like David Guetta and Martin Solveig.

Bruno Taxy is one of the most experienced estate agents in Paris:

“There are still more buyers than sellers here – fashionable areas like those mentioned above, plus the prime streets in the 9th, 10th, 11th, 12th, and 18th in particular are in high demand. I really like the 16th, and so do my overseas clients. However, it is the French themselves who have been buying – domestic demand has been through the roof. I think that we understand the positive impact that the forthcoming rugby

World Cup, followed immediately by the Olympic Games, will have. Studio and one bedroom apartments are top of most shopping lists.

Many of our buyers do not need to finance their purchase which helps enormously, as banks are tightening their belts. This is cooling demand for

the lower and middle markets, but the top end is showing a remarkable resilience. Paris remains the most beautiful city, and the Grand Paris project should help ease traffic in the centre.”

Current sales trends

8th arrondissement	12 510 euros per m ²
9th arrondissement	11 710 euros per m ²
10th arrondissement	10 440 euros per m ²
11th arrondissement	11 880 euros per m ²
12th arrondissement	10 000 euros per m ²
16th arrondissement	11 930 euros per m ²
17th arrondissement	11 270 euros per m ²
18th arrondissement	9 950 euros per m ²
19th arrondissement	9 090 euros per m ²
20th arrondissement	9 350 euros per m ²

*source Notaires de France, median price of all apartment sales between July - September 2022



PARIS LEFT BANK 5, 6, 7, 13, 14, 15



The beautiful neighbourhoods of the left bank remain in demand, although secondary areas are now seeing some price falls.

Apartments with a good address, outdoor space and a pretty view are still being snapped up by French buyers, particularly in the popular 7th arrondissement.

The time between a property hitting the market and being sold has never been quicker than in the last three years, although this is now beginning to widen. This could well open the door to overseas buyers who have been finding it difficult to compete with local buyers who are in-situ and able to view properties before they hit the open market.

Claudie Mezieres is an expert on the market in the 5th and along the quays, she explains why real estate there remains attractive:

“After a break due to the health crisis, clients looking for a property in Paris have come back once again, just as quickly as they left.

If the confinements made some Parisians leave the capital, Paris will always be Paris. Its historical heart (notably the Île Saint Louis, the Île de la Cité, the surrounding quays, the 5th arrondissement near the Seine quays, and the Marais) continue to make people dream. These areas attract French and international clients sensitive to the wonderful stories told by the old stones of the historical buildings, classified or not.

If living on the Île Saint-Louis remains a real privilege, there are addresses on the other side of the Seine, in the 5th arrondissement, offering breath-taking views of the island

and a very pleasant neighbourhood life. 2024, the year of the Olympic Games, will undoubtedly see the return to grace of the Île de la Cité with its restored Notre Dame and its apartments with a view of the building, giving the feeling that you are touching the roof of the world.

It is true that we are currently faced with quite drastically tightening financing conditions, that are reducing the number of potential buyers, but for exceptional properties cash buyers are always looking for their new Parisian address.”

Current sales trends

5th arrondissement	12 980 euros per m ²
6th arrondissement	15 290 euros per m ²
7th arrondissement	14 670 euros per m ²
13th arrondissement	9 730 euros per m ²
14th arrondissement	10 400 euros per m ²
15th arrondissement	10 500 euros per m ²

*source Notaires de France, median price of all apartment sales between July - September 2022





ÎLE-DE-FRANCE 77, 78, 91, 92, 93, 94, 95

As we said in the introduction, around 12,000 Parisians a year are jumping across the Périphérique in search of larger properties.

With outside space and modern amenities – VEFA (new builds) are particularly popular, as they tend to have excellent energy ratings and low running costs. Suburbs with easy Metro access are, of course, most popular. Clichy is on line 13 and home to L’Oreal and other blue-chip companies, similarly Issy-les-Moulineaux is home to Microsoft and Canal+ and easily accessible on line 12. Families tend to prefer Montrouge, with its swimming pool and ice rink easily accessible on line 4, while the wealthy look in Saint-Germain-en-Laye, with its historic château, boutiques and glorious forest – it is 28 min by RER to Châtelet-les-Halles in the city centre.

Beatrice Saba covers two areas with different market characteristics:

“In dept 94 (Saint Mandé, Vincennes and Fontenay-sous-Bois) demand is stable with plenty of enquiries, particularly from the domestic market. Buyers tend to be looking for big, older apartments with plenty of space. Properties within walking distance of the beautiful Bois de Vincennes, with its famous château, zoo, and splendid wooded trails, are particularly popular.

Meanwhile, Seine-Port and Saint-Fargeau-Ponthierry are on opposite sides of the Seine and are also popular. Demand is stable and, again, it is French buyers that make up most sales. Houses with a garden and swimming pool are in demand. Nearby Cesson is a popular choice too and the RER station gives easy access to the city centre.”

A little further south, Magali Lecomte covers the area around Fontainebleau, famous for the large and scenic forest, and a favourite weekend getaway for Parisians seeking the countryside. It has an excellent reputation as it is home to INSEAD, one of the most prestigious business schools in the world. Magali tells us:

“We always see a healthy demand from Parisians, either looking to move out of the city centre, or to buy a second home here. We have seen

a slight drop in demand recently as well as fewer new mandates coming on to the market. I would love to take on more houses of 180/200m², with a garden, as these are what clients are looking for. In terms of location then the centre of Fontainebleau itself is seen as “prime” and the surrounding towns, with a station, are popular with commuters. They offer a superb quality of life, yet easy access to the unique amenities in the centre of Paris.”

Further north, on the other side of Paris, Edward Hoyle covers the area around Saint-Leu-la-Forêt. His buyers too have been mainly French and he has seen a slight decline in enquiries:

“Demand is slightly lower, due to the increased cost and complication of borrowing. This is particularly true at the higher end of the market, where the cost of maintaining

Current sales trends

Seine-et-Marne (77)	3 300 euros per m ²
Yvelines (78)	4 130 euros per m ²
Essonne (91)	3 260 euros per m ²
Hauts-de-Seine (92)	7 230 euros per m ²
Seine-St-Denis (93)	3 930 euros per m ²
Val-de-Marne (94)	5 230 euros per m ²
Val-d’Oise (95)	3 300 euros per m ²

*source Notaires de France, median price of all apartment sales between July - September 2022

(and particularly heating) larger properties has soared. A house that might have cost 5,000 euros to heat last year might cost 15-20,000 next year, and that's a huge overhead to finance.

We can access Gare du Nord in 28 minutes, or take the A115 into the city centre, so this area is popular with commuters, meaning most buyers are French. The "hottest" properties are family homes (3-5 bedrooms), with a garden and within walking distance of the railway station. With the increase in heating costs, those energy efficient houses, with better DPE ratings, are more popular. Private parking is often demanded, this is a popular area for families, with a high quality of life and a price between 4-5,000 euros per m², which is great value compared to the 75.

The confinement changed peoples working practices, with more people now working from home, which has had a lasting demand on client demand – the ability to take some fresh air in the garden has taken on extra significance. We are close to the Foret de Montmorency, which is 2,200 hecatres of open space, ideal for walking or cycling. There is a new pool complex being built for the upcoming Olympics, and a number of new-builds under construction, which will be energy efficient."





SPOTLIGHT - THE NEW-BUILD MARKET

The demand for VEFA in Paris and the Île-de-France is changing.

French investors are becoming scarcer, with the reduction in the benefits of the Pinel Law from 2023 and the increase in the number of alternative investment products.

However, the supply from developers remains dynamic, driven by the progress of the Grand Paris project. There is an emerging demand from international buyers/investors, who like the superior energy performance of new properties. This is because they are not at risk of being sanctioned by the new climate laws and banned from rental (which, from January 1st is already the case for the most energy-intensive properties).

Matthew Carr explains more:

“Non-resident buyers are becoming more interested in VEFA for several reasons, the first of which is the dollar/euro exchange rate which, despite a recent adjustment, has increased the purchasing power of Americans and those whose income is related to the dollar by 15% in 12 months. Since Covid, Americans and residents of countries with a currency pegged to the USD, are well represented in the Paris market.

The advantages of VEFA are clear: ease of maintenance from a distance (multiple guarantees, no maintenance work or energy



upgrades), plenty of outdoor space and larger rooms/superior space to older apartments.

The difference in price per square metre between Paris and the nearby suburbs remains significant (between 30% and 40%). Attracted by the quality of the newbuilds, more foreign buyers are willing to look on the other side of the périphérique than in the past, when the focus was more on the city centre although this is still an active sector. From Clichy to Issy-les-Moulineaux, with international buyers the suburbs near the west of Paris remain more popular than the eastern suburbs, although there are some high-end developments in the Val-de-Marne that are starting to attract overseas investors”.



A NEW SERVICE IS ON ITS WAY

Often our international clients ask if they can rent out via AirBnB or other platforms, to gain an income from their second home when they are away.

The answer for Paris and its suburbs is «no», due to policies by city councils seeking to protect the local market and maintain a sufficiently robust (non-hotel) rental stock for residents.

However, there are ways to monetise your second home, by renting with a mobility lease. It is for this reason

(and to serve non-resident investors looking for a rental investment in Paris and Île-de-France) that Leggett is developing a turnkey offer combining the bilingual expertise of:

- **Our sales agents**
- **The rental management team at Leggett Property Management**
- **The tax expertise of our partner accountant**

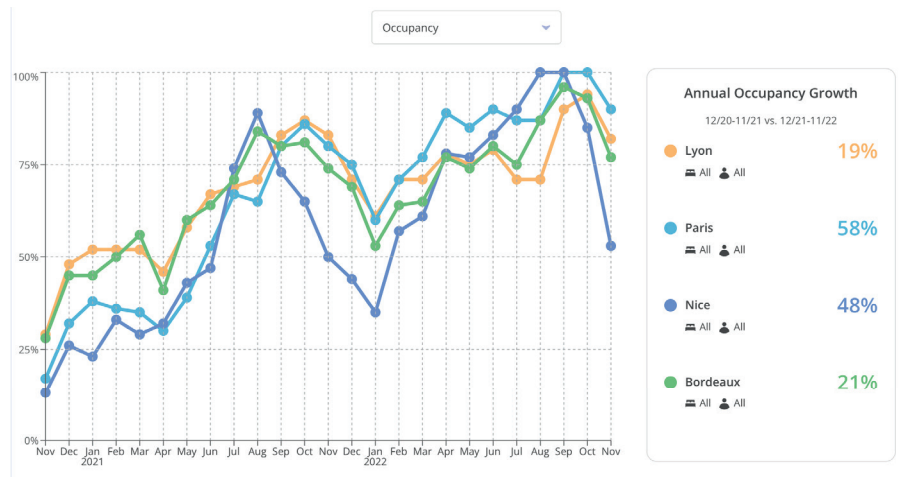
The combined team will provide a full range of property management, to assist in all aspects of homeownership in Paris (and

nationally). Our service includes the purchasing process in English, as well as rental and concierge services. Our tax/accountancy partner will create an LMNP (*location meublée non professionnelle*) for clients, and provide a full accountancy service, all offering a stress-free solution.

You can see full details of the services offered by Leggett Property Management on our website www.leggettpm.com.



Market comparison of annual occupancy growth in Paris, Lyon, Nice and Bordeaux



Rental Market Data supplied by AirDNA - Paris

Paris

Neighborhoods

€

CC

Market Grade

A

92 of 100

- i Rental Demand 81
- i Revenue Growth 95
- i Seasonality 63
- i Regulation 44

Average Daily Rate

€152

Jan: €131 | Oct: €179

[View Rates →](#)

Occupancy Rate

87%

Jan: 60% | Sep: 100%

[View Occupancy →](#)

Revenue

€2,405

Jan: €1,452 | Oct: €3,227

[View Revenue →](#)

Our office in Paris

Leggett International Real Estate opened its office in Paris in 2018. Situated in the heart of the Île St-Louis we welcome buyers from all over the world. The office is run by Sonya Severac who has 25 years experience in the real estate industry. The Leggett team of agents across Paris and the Île-de-France has around 250 listings, with many more that are marketed discreetly and are not available on the open market. This means that you should always speak with one of our team about your property search.

For those looking to sell, we will offer your property to both domestic and international buyers - no other estate agency in Paris reaches such a wide audience. This means that we will help you achieve the best price in the fastest time possible. Our in-house contracts team ensures that each sale progresses smoothly and our industry leading use of virtual tours and electronic signatures mean that buyers are able to make decisions and act quickly.

The Financial Times said that Leggett International Real Estate was one of the ten fastest growing property consultancies in Europe, and last year we sold nearly 2,500 properties across France. Our award winning team looks forward to working with you in 2023.

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Leggett
International
Real Estate has
18 agencies and
700+ sales agents
across France.



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