

Grand Ouest

Brittany • Pays de la Loire • Normandy

MARKET COMMENT

SUMMER 2022



LEGGETT
IMMOBILIER INTERNATIONAL





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Record demand, low stock levels – the Grand Ouest property market is amongst the most popular in France.

There are a number of fairly obvious reasons why the property market in north-west and western France is so hot, but there is one that you may not have thought of. It's going to become increasingly important over the coming years and is set to dominate news cycles. More of that later.

The fact that low interest rates have meant that mortgage repayments have been at record lows has certainly helped drive demand in the area. They are beginning to rise now, but with low property prices (particularly in rural areas), the lowest unemployment level for 14 years and a strong economy, buying a house has been extremely affordable. The French Government recently compared employment data from 100 towns and Rennes came out top as having the strongest labour market.

Another widely reported reason is the trend towards home-working. This arrived before the pandemic, but post Covid it has exploded, and turned into a big driver of demand for country houses here. **Lisa Greene runs the Leggett Immobilier team in the Grand Ouest and she explains:**

"I have been working with Leggett for almost 15 years now, for most of that time the Government has been worried that rural parts of central Brittany and lower Normandy are becoming abandoned. Not any more. *Télétravail* (working from home) has exploded and people are looking for country houses that offer more space/light, a decent size garden, a home-office with a view and, of course, high speed broadband. There has been a population explosion in major cities like Rennes and families are tempted by the lower prices in the countryside.

Demand is high and stock levels are low. Naturally, you pay a premium price to be in a city or on the coast but there is little availability, particularly if you want a sea-view. With buyers wanting bigger properties that are airy and bright, they are now looking inland. They have wider choice, better properties and more affordable prices."

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Rennes has the strongest labour market in France.

Less widely reported, but evidenced by the conversations our local agents are having with buyers, is the attraction of the climate in the Grand Ouest. Once ignored by those seeking the blazing sun, it is now a serious selling point. We have seen French buyers moving from the south because they are fed up with the extremes, with floods, droughts and forest fires often dominating the news cycle. Buyers from the UK and northern Europe are also looking at the Grand Ouest as it combines glorious scenery with mild winters and temperate summers.

The mainstream French media is now beginning to report on this phenomenon and a research report, undertaken by five students at the renowned Sciences Po university hit the headlines last year. It showed that 39% of French people were extremely worried about climate change and the headline was that Brittany was the perfect region to welcome "*migrants climatiques*". They go on to say "We would never have imagined that Brittany could be envied for its climate, which is so often mocked. However, in France, heatwaves are increasingly regular and the coolness of Brittany will attract many newcomers leading to climate immigration".

In February, the national weather centre backed this up with a 100-page report outlining the unprecedented acceleration of climate change. In the summer of 2019 a national record of 46C was reached in southern France and the report says that this was a direct consequence of climate change.

Our conclusion - holiday homes in the Grand Ouest are likely to be a popular choice over the coming decades, with a significant increase in the number of people moving here permanently.

Current sales trends

Rennes	3,870 euros per m ²
Saint Brieuc	1,580 euros per m ²
Dinan	2,400 euros per m ²
Quimper	1,920 euros per m ²
Morlaix	1,370 euros per m ²
Vannes	3,840 euros per m ²
Pontivy	1,360 euros per m ²
Fougères	1,540 euros per m ²
Avranches	1,810 euros per m ²

**source Notaires de France, median price of all apartment sales between October - December 2021*

Buoyant Brittany

Property prices in Brittany have been rising steadily – as examples, a typical apartment in Rennes has increased by 10.9% over the last 12 months, whilst a family home in Brest has seen even bigger gains of 12.7%. Local papers are running stories with headlines such as “The booming property market in Brittany – we have never been so trendy”.

The daily newspaper Ouest-France has a circulation of 650,000 and it recently ran a story about the new “golden age” of property. They focused on a small commune of 330 inhabitants, which has been brought back to life, with 27 houses being bought last year. They also interviewed our agent, Gail Callicott, who explained how she has been selling some properties within 24 hours of them coming on to the market.

As Gail explained:

“I work in an area around 20 minutes of my house (in Saint-Gilles-Pligeaux). French vendors have become increasingly aware that we have an international clientele and that we are able to find buyers for their properties quickly. There have been many empty houses, but we are now in a position where there are more buyers than properties for sale. Some properties have sold within 24 hours, not only to local clients but also to buyers from Paris, the south of France, the UK, Germany and Holland. Clients will sometimes offer the asking price without even visiting.”



Vivien Lannie is another one of our agents in Brittany. She works in Finistère (including the spectacular southern coastline) along with parts of the Morbihan. She says that it is demand from the domestic market that has seen a dramatic increase:

“In the last 2 years there has been a notable shift from international buyers to largely French buyers in this area. We are still getting requests from overseas, in reduced numbers as travel has been difficult, although as time progresses this is changing again. The region offers a diverse range of scenery, from dramatic coastlines to historic cities like Quimper with its festival and celebration of Breton culture. Buyers are attracted to the forests of the Monts d'Arrée and glorious countryside in the centre of Finistère, where property prices are particularly attractive”.

Pamela Vidal is further east, not far from the popular town of Redon. She sees the cultural attractions as the biggest selling points, with many buyers looking for holiday homes that offer a different landscape to their main place of residence:

“The landscape here is different to anywhere else in France. From mediaeval Josselin, through the enchanted Brocéliande forest and romantic Ploërmel all the way south to the Port of La Roche-Bernard. We attract visitors from around the world, which means that buyers follow – either to have a holiday home in the region, or to buy an investment property that is easy to rent out. The famous Breton culture is rich and diverse and still very much vital to the region”.

Current sales trends

Nantes	4,180 euros per m ²
Châteaubriant	1,520 euros per m ²
Angers	3,140 euros per m ²
Saumur	1,550 euros per m ²
Cholet	1,930 euros per m ²
Laval	1,990 euros per m ²
Le Mans	1,920 euros per m ²
La Roche-sur-Yon	2,090 euros per m ²
Les Sables-d'Olonne	3,670 euros per m ²

**source Notaires de France, median price of all apartment sales between October - December 2021*

Pays de la Loire has 1.9m properties of which 11% are holiday homes.

The Pays de la Loire has seen some of the biggest price rises in France over the last 12 months. The average house price increase in Angers is a staggering 19.3%, whilst in Nantes it is 12.3%, both driven by an economic boom in the region and demand from domestic buyers. Apartment prices in Nantes have gone up by 6.3% over the same period, with student accommodation particularly hard to find.

Amanda Fellows lives close to the town of Mayenne, an attractive, rural, area that sits in the heart of a triangle formed by Rennes, Caen and Le Mans:

"I cover parts of department 53 (Mayenne, Pays de la Loire). Having personally sold 23 houses last year, I can attest that this is a popular area for Parisians (less than 2 hours by train and 3½ hours by car), Brits (1hr 40 mins to the ferry port), Dutch and Belgians. Prices for property are incredibly attractive, even though we are less than an hour from Mont St-Michel. Buyers come for the rolling countryside, mediaeval villages and vibrant towns with direct train access to Paris. The Mayenne remains a real hidden gem".



Across in the Maine-et-Loire Mike Goldsmith is another agent who states that it is "quality of life" that sets this region apart:

"Clients particularly like the slower pace of life, warmer climate, and glorious countryside. It is easy to get back to see family and friends in the UK and we are not too far from two of my favourite spots. Saumur is a wonderful, historic town, and the fact that it is surrounded by some of the best vineyards in France does it no harm in my eyes. The other is the beautiful and energetic city of Nantes. This is a place that is often quoted as offering the highest quality of life in France, quite some accolade when you think about it. Nantes is home to one of the most respected universities in France and has more than its fair share of new tech businesses – no wonder the property market is booming".



Current sales trends

Rouen	2,520 euros per m ²
Caen	2,900 euros per m ²
Bayeux	2,330 euros per m ²
Evreux	1,910 euros per m ²
Saint-Lô	1,580 euros per m ²
Alençon	1,460 euros per m ²
Le Havre	2,120 euros per m ²
Deauville	6,040 euros per m ²
Lisieux	1,820 euros per m ²

*source Notaires de France, median price of all apartment sales between October - December 2021

Growth across the board.

The market in Normandy has also seen some major jumps in property prices over the last 12 months. The average house in Caen has risen in price by 10.9%, in Rouen by 10.1% and in Le Havre by 6.4%, with apartment prices not far behind.

Lesley Okey lives and works in Lower Normandy:

“Here in my area there are buyers from across the board - Parisians looking for second homes with easy access, Brits still looking to relocate (so often wanting an income) and Belgians and Dutch, due to proximity and value of properties. All international buyers tell me that prices here are great value compared to their home countries.

As always, there is a huge interest in equestrian properties, particularly from British, Dutch and Belgians given the extortionate prices for suitable land in those countries. There isn't a typical budget, I have buyers at 50,000 euros and am also currently negotiating on a 4.5m euro stud property. We have something for everyone here.”

Claire Murphy lives on the coast, just south of Granville (often called “The Monaco of the North):



“The market here on the coast is traditionally very buoyant and has been even more so since Covid, with values almost doubling next to the ocean. My most popular request on the coast is for a “*maison individuelle*” with a garden. Apartments are not so popular, except in a main town. Some developers are altering plans, away from apartment developments in favour of houses. There is not a lot of new stock coming to the market, yet we have unprecedented demand – if you are thinking of selling then there has never been a better time”.



Lower Normandy has 865,000 properties (15% holiday homes), while Higher Normandy has 919,000 (5% holiday homes).



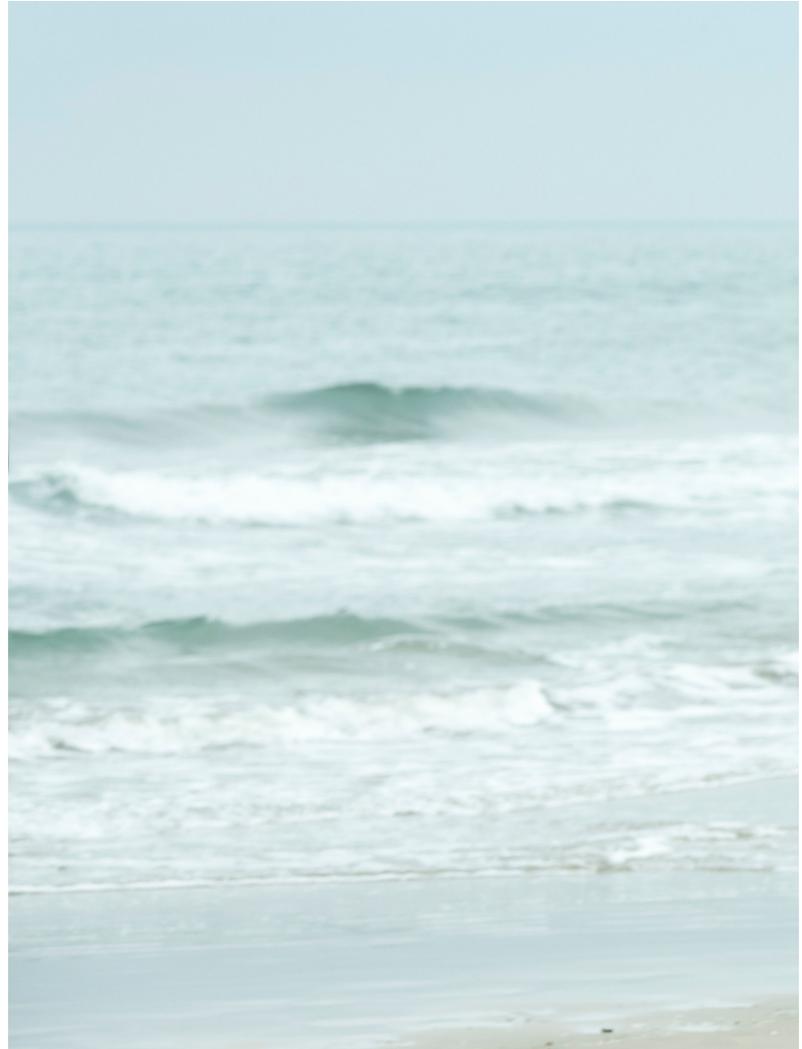
Grand Ouest - the equestrian heart of France.

France's equestrian tradition was acknowledged in 2011, when it was added to the UNESCO Intangible Cultural Heritage List. It has traditionally been a major driver of demand for property in the area.

France is, perhaps, the world's greatest equestrian nation, with high levels of participation, a great tradition, a renowned breeding sector and some of competitive sport's best hippodromes and racing heritage. Nowhere is more important than the Grand Ouest and, more specifically, Normandy.

Horses played a key role in the development of the region's agricultural background and military prowess. As in many other countries, the military helped to establish high standards of riding, and the link remains today through Cadre Noir, the French military riding academy which is

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With equestrian events getting prime coverage in the 2024 Olympics, there will undoubtedly be a spike for equestrian property within the Grand Ouest.



based in Saumur. This military troop was founded in 1828, and gets its name from the black uniforms its members wear.

France is considered a leader in breeding in the equestrian world, and the top exporter of horses to other parts of the world. Le Pin National Stud in Normandy is the rearing ground for 40% of all French racehorses and 30% of all French sport horses.

Our local agent Lesley Okey is used to having clients visit because they are “horse mad” and want a property that is at the heart of the action. She says:

“Normandy is the centre of all things equine in France and we cater for all levels here, from the basic happy hackers,

FOCUS ON – THE EQUESTRIAN SECTOR



through to the highest levels of breeding/competition.

Certainly, it's the breeders first choice due to the fantastic local soil and grass. Additionally, Normandy boasts a 60km long "stud farm trail" and we have over 300 horse riding centres and 31 hippodromes – no wonder equestrian properties here are always so popular”.

The Leggett team is experiencing a record demand for properties in this sector. One of the ways that Covid affected the property sector was the increased demand for rural property, where the owners can work from home whilst experiencing a better lifestyle. Equestrian properties are no exception.

France has 8,600 clubs and 5,000 horse riding centres.

There are also 400 equestrian tourism centres, specially equipped to welcome the one million equestrian tourists we see each year. Lesley outlines a couple of events to look out for – and, with the Olympics coming to France in two years time, the equestrian sector will go from strength to strength.

“Visitors come to experience events such as the Longines FEI Jumping Nations Cup which takes place in La Baule each May, with big crowds hoping to see a home win. Another major outdoor show is Le Grand Complet at the fabulous and aforementioned Haras du Pin, which spans over 1,000 hectares of land, and the local tourist office describes it as “an innovation of architecture in the equestrian world, combining aristocracy with functionality”.



Rental Potential!

Our Property Manager Boris Kermarrec was born and raised in the Bay of Morlaix. He and his team cover the ten or so communities along the northern coast of Finistère.

As the fourth largest tourist region in France, Brittany is one of the most popular destinations for tourists this summer following the pandemic. It has become a climatic refuge during the hot summer and sees its attendance increase from year to year.

Brittany attracts both French and international visitors and the Bay of Morlaix is no exception to this trend.

"We have clients from major French cities and also from abroad, who bought during Covid, looking for a pied-à-terre by the sea. They are looking for high profitability, without dealing with rental management or daily monitoring of the house."

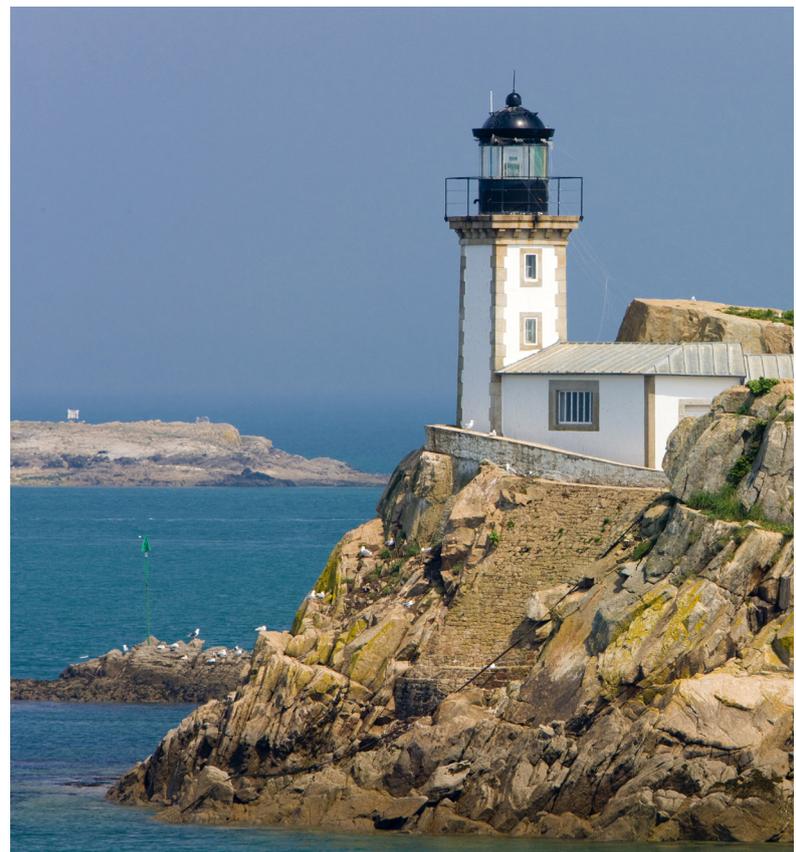
A corner of paradise offering a gentle way of life, the Bay of Morlaix is perfect for all travellers. Whether they are looking for cultural heritage, outdoor pursuits or culinary delicacies, they will find plenty in this area of France. It is possible to discover the bay by following the GR34, by sailing across it or by holidaying on one of its islands. The Taureau castle, its islands, its azure blue beaches, the Monts d'Arrée are all jewels to be found in the Bay of Morlaix!

Do take professional advice – if you are interested in knowing the potential returns of your holiday home in the Bay of Morlaix, Leggett Property Management offer a free rental estimation. Contact hello@leggettpm.fr for further details.

You can see full details of the services offered by Boris and his colleagues at www.leggettpm.com.

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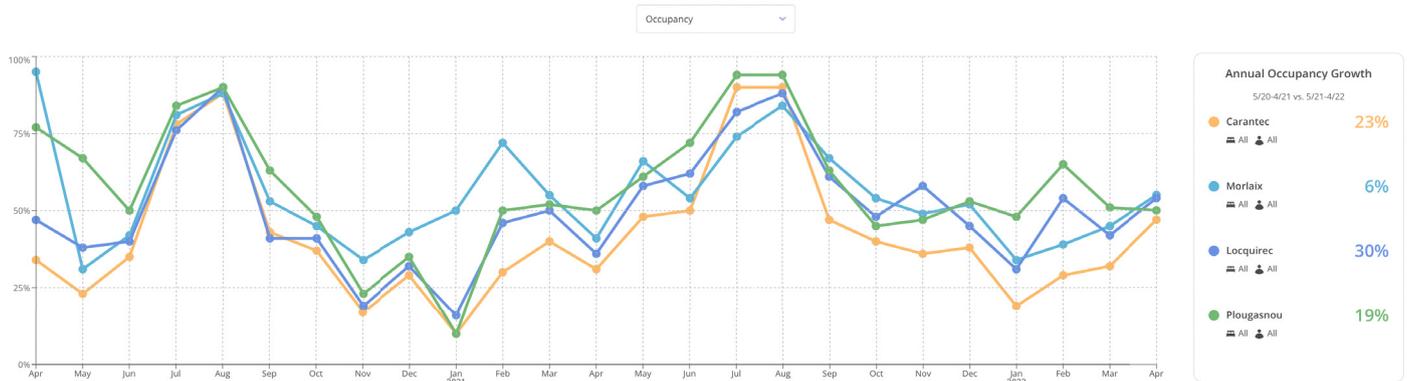
Morlaix has a highly impressive “B” rating in terms of rental markets within France.



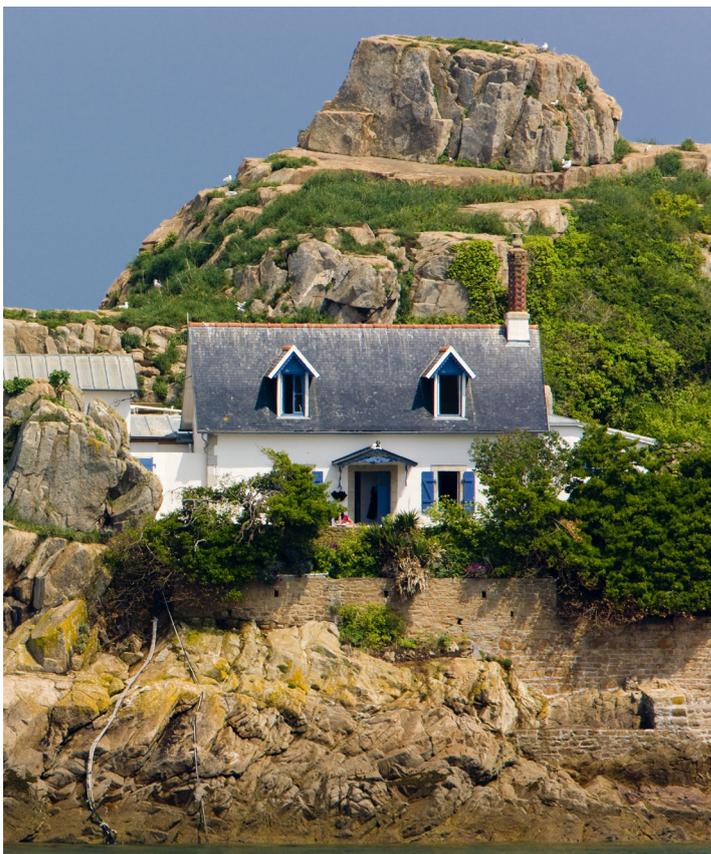
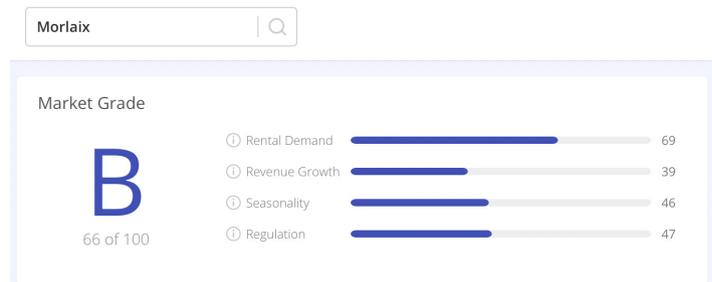
THE SEASONAL RENTAL MARKET IN THE BAY OF MORLAIX



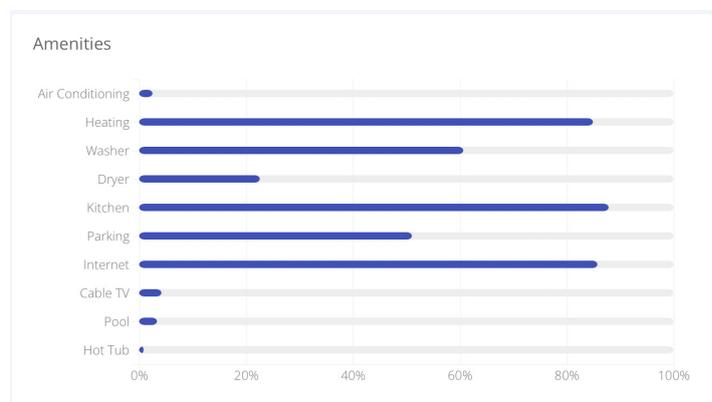
Market comparison of annual occupancy growth in Carantec, Morlaix, Locquirec and Plougasnou. source AirDNA



Morlaix Market Grade. source AirDNA



Amenities currently supplied by rental competitors



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