

House&Home

France property A growing number of London-based bankers are buying in Paris as a safeguard against UK uncertainty, writes *Ido Vock*

Michel has lived in London for two decades. This spring, the French banker and consultant bought a flat on the Left Bank of the Seine. While he has no immediate plans to move, Michel says his British wife pushed him to move their finances away from the UK, fearing the fallout from a no-deal Brexit.

So far, the total number of job moves out of London has been a fraction of that predicted. According to a report from EY last month, banks have moved only about 1,000 positions from London to other parts of the EU since the 2016 referendum – in stark contrast to the tens of thousands of losses that some had forecasted.

Still, Michel is one of a growing number of London-based bankers eyeing up Parisian property, agents report. Most are “looking for extra security as a medium-term measure”, says Hugues de La Morandière, chief executive of Agence Varenne.

His buyers are looking for a *piéd-à-terre* in the French capital in anticipation of a larger purchase further down the line. David Scheffler, chief executive of Engel & Völkers in France, says his agency has seen interest in Paris from London-based buyers jump 20 per cent in a year.

The number of ultra high net worth individuals living in the French capital



A five-bedroom apartment in the seventh arrondissement, €3.2m



Many buyers look to the sixth and seventh arrondissements — Rex/Shutterstock

The Seine choice

has increased sharply, according to Wealth-X, a research company that tracks the activities of the super-rich. Wealthy buyers have been attracted by President Emmanuel Macron's policies – his administration has cut the country's wealth tax on everything apart from property assets and introduced a flat capital gains tax of 30 per cent.

“London has long been the number one destination for international business people looking to buy a property in Europe, but that seems to be changing,” says François-Xavier de Vial, director of Home Hunts, a buying agency. He claims to have seen increased interest in Paris from Middle Eastern, Russian and Chinese buyers.

In the year to June, the value of Paris's prime properties – the top 5-10 per cent of homes by value – had increased by nearly 8 per cent, according to Savills

‘Leaving a slowing market and entering a more expensive one is not easy,’ says de La Morandière

research. Over the same period, the average property price in Paris grew by more than 6 per cent.

In contrast, London's property market has been falling: prime homes are down 11 per cent since the 2016 referendum, according to Savills; with the average price dropping 3 per cent over the same period, according to Nationwide. The state of the market – coupled with the fall in sterling – has held some London-based buyers back from buying in Paris, agents say. “Leaving a slowing market and entering a more expensive

one is not easy,” says de La Morandière.

The wealthiest buyers tend to look in the sixth and seventh arrondissements, says de Vial. The price per sq metre of property in the sixth is €13,880, up 10.2 per cent since last year, according to research by Knight Frank. The average price per sq m across Paris broke through €10,000 this year. In Saint-Thomas-d'Aquin on the Left Bank, E&V is selling a four-bedroom flat for €3.2m. Emile Garcin is advertising a four-bedroom flat overlooking a 17th-century courtyard for €4.45m.

In the five years leading up to 2016, Paris was losing about 12,000 residents annually, according to the Insee, France's national statistical body. Kelly Simon, co-founder of Paris Je Te Quitte, a website advising Parisians on moving out of the capital, says many first come to Paris as students or young

i / BUYING GUIDE

The fastest-growing arrondissement last year was the gentrifying 19th, where prices rose 13.8 per cent in a year

Parisian property is still a third cheaper than central London, according to Engel & Völkers

The population of the French capital fell 2.6 per cent in the five years to 2016

What you can buy for . . .

€900,000 A two-bedroom 1930s flat in the 16th arrondissement

€1.4m A three-bedroom flat in the fashionable Marais

€2.8m A two-bedroom flat in the triangle d'or, close to Avenue Montaigne

More at propertylistings.ft.com



maps4news.com/CHERE

professionals but when they want to have a family they find the financial pressures are too high.

To help stem the flow of Parisians outside the Périphérique, Paris brought in new rent controls in July – the first French city to do so. Rents cannot now exceed a reference rate – calculated according to a building's location, type and date of construction – by more than 20 per cent.

Like many of those buying a *piéd-à-terre*, Michel rents out his Left Bank flat on a short-term basis – under French law it can quickly be reclaimed if he decides to relocate to Paris.

Politics will dictate if he does make the move across the Channel, but one thing is sure: “Traditionally, the UK has been the place of exile for French liberals,” he says mournfully. “No longer.”

MAKE SENSE OF A DISRUPTED WORLD

Explore the new agenda

Latest on European prime property



Porto property prices rise at rapid rate



Hot property: the best homes with libraries on the market



City stats: Dublin versus Reykjavik



Tourism pushes up property prices in Dubrovnik

European prime property

+ Add to myFT

Why London's bankers cannot resist Paris property

The French capital attracts UK-based workers concerned about Brexit fallout

Twitter
Facebook
LinkedIn
Save



Many buyers look to the sixth and seventh arrondissements © Rex/Shutterstock

Ido Vock 3 HOURS AGO



Top
Financial
Advisers
2019

FT 401 Top Retirement
Advisers Report

Read now ▶

Michel has lived in London for two decades. This spring, the French banker and consultant bought a flat on the Left Bank of the Seine. While he has no immediate plans to move, Michel says his British wife pushed him to move their finances away from the UK, fearing the fallout from a no-deal Brexit.

So far, the total number of job moves out of London has been a fraction of that predicted. According to a report from EY last month, banks have moved only about 1,000 positions from London to other parts of the EU since the 2016 referendum — in stark contrast to the tens of thousands of losses that some had forecast.

Still, Michel is one of a growing number of London-based bankers eyeing up Parisian property, agents report. Most are “looking for extra security as a medium-term measure”, says Hugues de La Morandière, chief executive of Agence Varenne.

His buyers are looking for a *pied-à-terre* in the French capital in anticipation of a larger purchase further down the line. David Scheffler, chief executive of Engel & Völkers in France, says his agency has seen interest in Paris from London-based buyers jump 20 per cent in a year.



The number of ultra high net worth individuals living in the French capital has increased sharply, according to Wealth-X, a research company that tracks the activities of the super-rich. Wealthy buyers have been attracted by President Emmanuel Macron’s policies — his administration has cut the country’s wealth tax on everything apart from property assets and introduced a flat

6%

The growth in the average property price in Paris this year

Home Hunts, a buying agency. He claims to have seen increased interest in Paris from Middle Eastern, Russian and Chinese buyers.

In the year to June, the value of Paris's prime properties — the top 5-10 per cent of homes by value — had increased by nearly 8 per cent, according to Savills research. Over the same period, the average property price in Paris grew by more than 6 per cent.

“

‘Leaving a slowing market and entering a more expensive one is not easy,’ says de La Morandière

coupled with the [fall in sterling](#) — has held some London-based buyers back from buying in Paris, agents say. “Leaving a slowing market and entering a more expensive one is not easy,” says de La Morandière.

The wealthiest buyers tend to look in the sixth and seventh arrondissements, says de Vial. The price per sq metre of property in the sixth is €13,880, up 10.2 per cent since last year, according to research by Knight Frank. The average price per sq m across Paris broke through €10,000 this year. In Saint-Thomas-d’Aquin on the Left Bank, E&V is selling a four-bedroom flat for €3.2m. Emile Garcin is advertising a four-bedroom flat overlooking a 17th-century courtyard for €4.45m.

“London has long been the number one destination for international business people looking to buy a property in Europe, but that seems to be changing,” says François-Xavier de Vial, director of

In contrast, London's property market has been falling: prime homes are down 11 per cent since the 2016 referendum, according to Savills; with the average price dropping 3 per cent over the same period, according to Nationwide. The state of the market —



A five-bedroom apartment in the seventh arrondissement, €3.2m

In the five years leading up to 2016, Paris was losing about 12,000 residents annually, according to the Insee, France's national statistical body. Kelly Simon, co-founder of Paris Je Te Quitte, a website advising Parisians on moving out of the capital, says many first come to Paris as students or young professionals but, when they want to have a family, they find the financial pressures are too high.

House & Home Unlocked



© Dreamstime

To help stem the flow of Parisians outside the Périphérique, Paris brought in new rent controls in July — the first French city to do so. Rents cannot now exceed a reference rate — calculated according to a building's location, type and date of construction — by more than 20 per cent.

House & Home Unlocked



© Dreamstime

Welcome to a new newsletter for smart people interested in the property market and curious about design, architecture and interiors. Every Friday, in your inbox.

[Sign up here with one click](#)

To help stem the flow of Parisians outside the Périphérique, Paris brought in new rent controls in July — the first French city to do so. Rents cannot now exceed a reference rate — calculated according to a building’s location, type and date of construction — by more than 20 per cent.

Like many of those buying a *pied-à-terre*, Michel rents out his Left Bank flat on a short-term basis — under French law it can quickly be reclaimed if he decides to relocate to Paris.

Politics will dictate if he does make the move across the Channel, but one thing is sure: “Traditionally, the UK has been the place of exile for French liberals,” he says mournfully. “No longer.”

Buying guide

- The fastest-growing arrondissement last year was the gentrifying 19th, where prices rose 13.8 per cent in a year
- Parisian property is still a third cheaper than central London, according to Engel & Völkers
- The population of the French capital fell 2.6 per cent in the five years to 2016

What you can buy for . . .

€900,000 A two-bedroom 1930s flat in the 16th arrondissement

€1.4m A three-bedroom flat in the fashionable Marais

€2.8m A two-bedroom flat in the *triangle d’or*, close to Avenue Montaigne

More at propertylistings.ft.com