rue la-la

The Macron effect is injecting much needed joie de vivre back into the French property market. **Lisa Freedman** reports

If location, location, location is a property truism, then stability, optimism and a warm welcome are equally significant when deciding where and when to buy – and France is currently enjoying a perfect alignment of these desirable assets. As President Emmanuel Macron stepped into the Elysée Palace – and even somewhat before his election last year – a country that had experienced a notable property chill suddenly felt warmth surging back to all its fashionable locations.

"Between 2012 and 2016, the French virtually stopped buying property," says Alexander Kraft, CEO of Sotheby's International Realty, who oversees 50 offices in France. "Sellers were reluctant to drop prices and inflexibility on both sides meant the market was stagnant." But even the whisper of a regime change had an immediate positive effect, starting 18 months ago in Paris where the sleeping market began to stir – reactivated not only by resident Parisians but also by natives returning home from abroad.

"We started to see buyers returning from London towards the end of 2016 and significant numbers from Brussels around mid-2017," says Marie-Hélène Lundgreen of Daniel Féau, an affiliate of Christie's International Real Estate that operates at the pinnacle of the Paris market. "After the election things really began to boom." This is a boom that appears likely to continue according to Knight Frank, which predicts a price rise of nine per cent for the city in 2018.

Paris, of course, is a cultural icon – its historic heart is a Unesco World Heritage site – but it also meets modern working requirements and ranks, according to a Savills report, just after London and New York in terms of "connectedness", "competitiveness", "performance" and

Clockwise from right: a three-bedroom apartment on Avenue Frédéric Le Play in Paris's seventh arrondissement with views of the Eiffel Tower, €9.5m through Knight Frank. Place Victor Hugo in the 16th arrondissement, where a four-bedroom apartment is available for €7.5m through Savills

"power". This makes it not only one of the world's foremost tourist attractions but a magnet for business and talent.

The city is already home to more international HQs than London, and the recently announced relocation of some heavyweight international organisations, such as the European Banking Authority – which Paris wooed after a tussle with 16 suitors – mean locals are now facing fiercer competition for increasingly limited stock. "We're seeing numerous enquiries to view a property as soon as it's available, and property is selling before it's fully marketed," says Mark Harvey, partner and French department head at Knight Frank.

Traditionally, Paris has not perhaps enjoyed the same attraction for international purchasers as London, Hong Kong or New York, but particularly at the summit of the market these buyers remain a powerful presence. "For properties priced over €7m they represent about half our buyers," says Lundgreen.

This wealthy and sophisticated clientele tend to purchase property in the city because, as the song goes, "they love Paris in the spring time… they love Paris in the fall", which essentially means they are searching for buildings that fulfil a dream: the palatial 18th-century *hôtels particuliers* once inhabited by prerevolutionary nobles (including the private mansion, pictured above left and above right, with direct access to Parc Monceau that Sotheby's International Realty is marketing for €18.5m) and the light-filled, parquet-floored apartments that form the backdrop to the novels of Maupassant, Zola and Colette. "A view is also essential whether it's the Seine, Notre Dame or the Eiffel Tower," says Lundgreen.

To secure a spectacular vista and appropriate period perfection, only a limited number of locations will do. The Left Bank's chic sixth and seventh arrondissements (where Savills has a two-bedroom apartment, pictured right, for sale in Saint-Germain-des-Prés priced at €5.15m, and Knight Frank has a three-bedroom apartment, pictured on previous page, with Eiffel Tower views for sale in Avenue Frédéric Le Play for €9.5m) and the more traditional splendours of the long, straight boulevards surrounding the Champs-Elysées in the eighth (where a two-bedroom apartment in the Triangle d'Or can be found at Savills for €5.4m) remain the most sought-after *quartiers*.

International buyers are edging into the 16th arrondissement, long favoured by smart French families for its large apartments

"As always, what matters most is the quality of the building and the floor the apartment resides on – the higher the better," says Lundgreen. "Buyers are looking particularly for the 19th-century stone buildings of the Haussmann period with large entrance halls, terraces and gardens." For these rare attributes they are willing to pay top dollar. "We recently sold an exceptional flat on the sixth/seventh borders," says Knight Frank's Harvey. "It was in a landmark building with incredible views of the Seine and achieved €47,000 per sq m – the best price we've seen in Paris in 10 years, on a par with London."

What buyers in prime Paris will certainly not find in any abundance, however, is the type of new development now commonplace in major cities around the world, simply because there is nowhere to build and limited allowance to do so. "One of the few recent examples took eight years to get permission, and when it was finished it sold immediately," says Lundgreen.

In light of this limitation, more adventurous international buyers are now edging into areas such as the 16th – abutting the Eiffel Tower and Arc de Triomphe – a district long favoured by smart French families for its expansive *appartements familiaux* (and where Savills has a four-bedroom apartment, pictured on previous page, for sale on Place Victor Hugo, priced at €7.5m).

The young, cool and creative on the other hand, are increasingly colonising the second, ninth and 10th arrondissements – "Les Grands Boulevards" of belle époque Paris (where there is a slick three-bedroom duplex for sale through Savills, priced at €1.59m) – while historic locations like the fifth's Latin Quarter, the fourth and the first have already exceeded their previous peak in 2012, according to the estate agent.

International buyers will generally find pricing pleasingly accessible – about 30 per cent below London – and at the moment buying conditions are particularly favourable, with long mortgages at historically low interest rates allowing purchasers to borrow for 20 years and offset the interest against the property "wealth tax".

"Those who've always longed for that 'lifestyle asset' are realising they can currently buy with less downside risk than in other markets," says Nigel Hindle of property search agents Hindle Baldock, specialists in the French market. At the top end of the market too – particularly in comparison with London – French purchase tax now seems a mere bagatelle.

Paris, of course, is the working heart of the country. Elsewhere, the upper echelons of the market are generally driven by other priorities – but here too, a buoyant mood is infecting those seeking sun, sea or snow. "The holiday market has a completely different dynamic and motivation. People are buying to fill the memory coffers," says Knight Frank's Harvey.

If fun, fun, fun is a priority, St Tropez on the French Riviera has long been synonymous with this trinity. Though it started life as an unassuming fishing village, an influx of creatives after the war, followed by a stream

Clockwise from top left: a mansion in Paris with direct access to Parc Monceau, €18.5m through Sotheby's International Realty. Inside the property. A two-bedroom apartment in Saint-Germain-des-Prés, €5.15m through Savills

Clockwise from left: a Saint-Rémy-de-Provence farmhouse, €1.695m through Knight Frank. The property's swimming pool. Six Senses Residences in Courchevel 1850, where properties cost €1.5m-€9.65m through Savills

> "Buyers are looking for 19th-century Haussmann buildings with large entrance halls, terraces and gardens"

of jetsetters in the 1960s, left it as the place to be and be seen – that is, until the crash. Now fashionable heads are turning in its direction once again.

"We've definitely seen a resurgence in both holiday and real estate sales," says Anthony Lassman, founder and managing director of Nota Bene Global, a private-client service that arranges travel and property purchases in the world's most coveted locations. "The south of France is now back in the equation – with more realistic pricing and a new political stability the area has so much going for it, especially as it's both accessible and easy to charter a yacht from. Its appeal endures because when you do it the right way, the place makes you feel good." "Doing it right" means guiding his clients to the correct micro-locations, such as the Domaine Cap Tahiti or Le Capon (where Knight Frank is marketing a seven-bedroom villa with a pool, views of Pampelonne Beach and staff accommodation for €35m).

St Tropez's main attractions are that it is glamorous and lively, and many of today's buyers in the south of France – often younger than their predecessors – are undoubtedly looking for activity rather than seclusion. "They're not interested in travelling 25 minutes to get their groceries," says Hugo Thistlethwayte, head of international residential at Savills. "Areas like Cannes and its hinterland – Valbonne, Grasse and Biot – where there are restaurants on all four sides, are performing particularly well with buyers from Europe, the Middle East and Asia."

This performance also reflects a considerable rethinking of prices and here – as elsewhere in the south, in areas such as Provence – there are now some bargains to be had. "A really nice, fully restored house with land that was on the market for €2m is now closer to €1.4m," says Knight Frank's Harvey. "That's a real snip." These new market forces are increasingly acknowledged not only by the re-energised French but also by international buyers – particularly Americans – who've rediscovered their enthusiasm for fashionable enclaves such as Lourmarin, L'Isle-sur-la-Sorgue and Saint-Rémy-de-Provence (where Knight Frank has a stylish French farmhouse, pictured above left and above right, for sale at €1.695m).

Improved access to southern France has further enhanced its appeal, with Eurostar now delivering travellers from London to Avignon, Marseilles and Bordeaux in about six hours. Toulouse has also seen major investment in its airport and, from 2020, will witness the arrival of the TGV from Paris, connecting it to the capital in four hours. This makes Gascony a place to watch and Knight Frank (which has an impeccably renovated Gascon château for €2.8m) saw inquiries for the region more than double in 2017.

The French Alps has long attracted global interest and welcomes more ski visitors than anywhere in the world, according to Savills. Although interest in purchasing here has remained fairly consistent, the market is undoubtedly benefiting not only from the re-emergence of French buyers but also from a strong Swiss franc and tighter purchasing restrictions on the other side of the border.

French resorts have been nimble in adapting to shifting climate conditions by upgrading facilities to extend the usable season for both skiers and summer visitors. Tignes, one of Europe's highest resorts, is in the process of building a 400m-long indoor slope to guarantee year-round skiing, while Val d'Isère – which already enjoys one of the longest ski seasons in the Alps – is in the final planning stages of a major upgrade of its town centre (and here the off-plan seven-bedroom Chalet Orso can be yours for €8.4m, through Knight Frank).

Those who love to ski tend to want to do so more often – and for less time – and interest in one-to-three-night mini-breaks has risen hugely, which means easy-to-get-to locations are enjoying envy-inducing attention. "Chamonix is leading the pack in terms of price gains," says Charlie McKee of Hindle Baldock. "It's so close to Geneva airport you can land at 8pm and be at the resort just after 9pm." Values in this well-equipped centre have risen by almost five per cent a year in the past two years, Knight Frank says.

But even higher-altitude resorts such as Courchevel 1850 are now catering for this little-and-often crowd. Developments like the indulgently furnished Six Senses Residences (pictured below), from €1.5m to €9.65m through Savills, suit those who want to fly in and ski out, with amenities including a dedicated ski concierge at the foot of the slopes.

The sleek apartments at this resort can be managed for rental – and today wealthy owners of ski property, like those of yachts, increasingly want their lifestyle asset to work for its keep. "Rentals can reach €250,000 per week in Courchevel but money is not the main concern," says Savills' Thistlethwayte. "Renting out a property ensures it's well run. If 12 guests have just checked out before you move in, you know everything will be up and running lickety-split." These are properties primed for savvy buyers – an observation, perhaps, that could equally apply to the French market. ✦

TOUR DE FORCE

Christie's International Real Estate, christiesrealestate.com. **Daniel Féau,** feau-real-estate-paris.com. **Hindle Baldock,** hindlebaldock.com. **Knight Frank,** knightfrank.com. **Nota Bene Global,** notabeneglobal.com. **Savills,** savills.co.uk. **Sotheby's International Realty,** sothebysrealty.com.