

ALL-RUSSIAN HOUSING CONGRESS

French Real Estate Market:

Current Situation and Perspectives

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Economic Outlook

The Real Estate Market in France



- Increase in property prices between 1998 and 2007
- “Quasi” stable prices during the crisis period
 - France is a “crisis resistant” market for international buyers – especially Paris & Nice/French Riviera
- Dynamic increase of property prices in 2011 (7.3% average in France)
- Market slowed in 2012; prices increased overall by 0.8%, with many regional variations; (the French Riviera and Paris remained strong). The sales have probably fallen by around 18.6% nation-wide (Source: FNAIM).
- Forecast for 2013
 - France remains attractive market for foreign investors due to lifestyle and stable investments!
 - Standard & Poor’s has forecast that prices will fall by 5% in France in 2013, while the FNAIM is predicting a fall of up to 2%.

Why French Market is attractive?



- Secure and profitable investments: crisis resistant market
- Strict regulations for seller, broker, borrower protection
- Constantly liquid market: very high re-sale potential
- Very attractive referral fees!!! From 33-50%
- Commissions around 6%
- Attractive conditions for non-residents for mortgage loans
 - Currently prospective buyers can expect to borrow in average at 3.07% over 15 years, 3.4% over 20 years, 3.75% over 25 years and 4.27% over 30 years.
- New modifications concerning the Capital Gain Tax effective from September 1st, 2013: the number of years of property detention is reduced from 30 to 22 years, and it is accompanied by a special 25% discount for the duration of 1 year starting the Sept 1st, 2013 till the August 31st, 2014.

Foreign Investments in France



Paris Snapshot

- Around 9% (8 bln) of all the investment turnover in Europe in the first three quarters of 2012 was focused on Paris (just €5 bln ended up in Italy, Spain, and Portugal)!
- Paris had overtaken London to become the #1 city in Europe for property investment in 2011, then #2 in 2012
- British, Italian and German buyers most active in luxury market; increased interest from Asian, Russian & Middle East buyers
- In 2012, the prices growth up 1.5%. House prices fell by 0.1%, apartment prices were up 2.6%.
- In the 2-nd quarter of 2013, prices of second-hand dwellings decreased by 0.6%. Prices of flats dropped by 0.7% and prices of houses fell by 0.3%.



Foreign Investments in France



Nice / French Riviera Snapshot

- Constant high demand from national and international buyers: very high liquidity
- We control around 90% of the seafront market in Nice; around 90% are under exclusive mandates; we share 40-50% of our commissions with our Russian partners!
- We provide unlimited after-sale service!
- In 2012, house prices fell by 0.6%, but apartment prices were up by 1.7%.
- **In 2013, for the first 9 months, 26% of our buyers were from Russia!!**









Виллы



Квартиры



Домены



Виноградники



Офисы



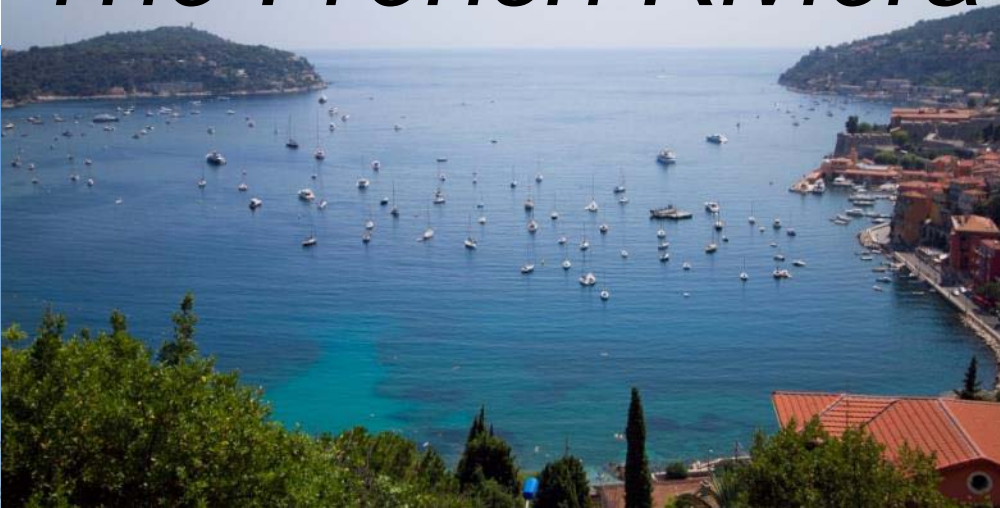
Замки



The French Riviera



The French Riviera



Nice, French Riviera





The Life style





Chic and luxury lifestyle

French Riviera: A Magic Destination



Chagall Museum



A Culture Destination



A Leisure Destination





*A Nightlife
Destination*



*A Gastronomy
Destination*



A Business Destination



Thank you for your attention!

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