



**HOMEHUNTS**  
LUXURY PROPERTY SPECIALISTS

# INSIDE FRANCE

PRIME PROPERTY OBSERVATIONS FOR  
SMARTER, SAFER INVESTING

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## KEY FACTS

The FNAIM (national association of French estate agents) announced that a record-breaking 800,000 older properties were sold in 2015.

House-price falls were easing towards the end of 2015 and sales agreements for 2016 show slight increases in some areas.

The Riviera, Paris, Toulouse, Bordeaux and parts of Provence and the Alps are due to see price rises throughout 2016.

Enquiries into French property are up by 60% in the first quarter of 2016 compared with the previous year.

Riviera property is booming, boosted by price falls inland, and an increase in sales in coastal locations, such as Cannes and Saint Tropez.



**“A combination of flexible property prices and low interest rates means we can negotiate the best deals”**

Director, Tim Swannie

**“Sales and enquiries are up by 60% compared with last year and are at an all-time high”**

Director, Francois-Xavier de Vial



## PRIME PROPERTY MARKET OVERVIEW

With house prices stabilised, a record number sold in 2015 and sales at an all-time high for Home Hunts, the French property market is offering plenty of investment opportunities

AFTER a successful 2015 with sales continuing to increase throughout the year, January 2016 was the best start to the year that Home Hunts has had since launching the business in 2004.

“Sales and enquiries are up by 60% compared with last year and are at an all-time high, so it looks like we are set for a very positive year,” says Francois-Xavier de Vial, Director of Home Hunts.

### ANOTHER YEAR FOR MAKING DEALS

During the course of 2015 property prices stabilised across France and, as predicted by Home Hunts in the last issue of *INSIDE FRANCE*, it turned into the “year of the deal”.

A combination of flexible property prices, low interest rates and favourable currency pairings meant that buyers could negotiate deals with vendors that may not previously have been possible. This bargaining tactic helped to boost sales and irresistible deals are continuing to be made in 2016.

### RESURGENCE OF BRITISH BUYERS

Home Hunts found that during 2015 there was a large resurgence of British buyers, mainly fuelled by exchange rates, lower prices and low interest rates. There were also many Dutch, Belgian, German, Scandinavian, Swiss, American and Middle Eastern clients.

However, the UK's EU referendum could have an effect on the increasing number of British buyers investing in French property.

“While the market continues to improve, June's EU referendum will certainly unsettle certain British clients, but, if there is a Brexit, I don't believe it will greatly impact those buying property overseas,” says Tim. “So far it does not seem to have affected British buyers' appetite for French property. The pound has lost a little strength compared to last year, but it is still comparatively high if you look at it over the past five-to-six years, so British buyers can still really make the most of their budgets.”

### EXCELLENT INVESTMENT PROSPECTS

In general, the conditions for buying in France are still excellent for buyers. There are also some areas in France that are offering particularly good investment opportunities, some due to improved infrastructure. For example, with the LGV (Ligne à Grande Vitesse) due to connect Bordeaux with Paris in two hours in 2017, property near Bordeaux is gradually increasing in value.

Similarly, now the TGV runs from London to Marseille, areas of Provence have opened up and locations around Avignon and Saint-Rémy-de-Provence are becoming extremely popular.

### UP-AND-COMING LOCATIONS

The Riviera's market was boosted by price falls inland and buyers are now getting more for their money in locations such as Biot, Opio, Roquefort-les-Pins and Châteauneuf de Grasse.

“Grasse is also a great area for investment as the centre is being completely redeveloped and there is a direct train line to Cannes,” says Tim.

In Provence, villages such as Bormes-les-Mimosas and Carqueiranne offer excellent value for money compared to nearby towns.

While many buyers flock to the Dordogne in the South West, Cahors, in the Lot, can make a better value choice. Saint-Cirq-Lapopie and the Figeac area are also worth investigating.

The mayor of Beziers, in Languedoc, wants his city to be the most desirable in France. Currently undergoing a facelift, property prices are still reduced in Beziers, but it is a good time to buy as housing stock is starting to move.

Samoëns, an altitude resort in the Alps, has not yet been fully discovered. Property-wise it is one of the Alpine locations offering the best value for money.

“These locations are currently offering particularly lucrative investment prospects,” says Tim. “For 2016 we will continue to do what we do best and help our buyers find the best deals on the French property market.”

# FRANCE'S PRIME MARKET HOTSPOTS

Paris, the Alps, the South West, Languedoc, Provence and the Riviera – data gathered by Home Hunts' consultants all over France revealed these regions as the country's most coveted

## PARIS

THE City of Light experienced something of a phenomenon in 2015. Property sales increased throughout the year and, according to the Paris-Ile-de-France Notaires, saw an unprecedented level of activity in September and November 2015 where property sales were up 42% on the same period in 2014. This was an overall increase of 21% when compared with the average over the last decade.

"Paris prices are very attractive if you compare with London where prices are almost three times higher," says Hervé Lévy, Home Hunts' Paris-based consultant.

"Investors prefer to invest their funds in acquiring prime apartments rather than the uncertainty of the stock exchange at the moment."

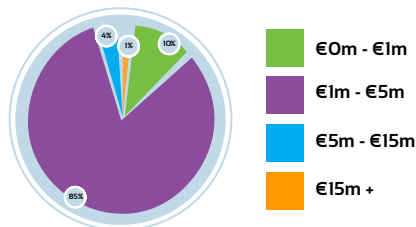
Overall in 2015, Home Hunts found that the most coveted areas are: the north of the 16th arrondissement, next to avenues Foch and Victor Hugo, and along the Ranelagh gardens; the 8th arrondissement and its golden triangle, as well as the 8th and the 17th arrondissements by Monceau Park; and property in the 7th or 16th arrondissements that offer views of the Eiffel Tower.

"Our clients want to live in a prime location, in security, in a property that is a long-term investment," says Hervé. "In terms of how the market is going to progress, we expect slight price increases in 2016 followed by further rises in 2017, so it is currently still an excellent time to buy prime property in Paris."



Monceau Park is one of the most desirable locations in Paris

Percentage of enquiries per price bracket



Buyers' nationalities

- American
- Kuwaiti
- Lebanese
- British
- Saudi Arabian
- Brazilian



The Alps is one of France's best-performing property markets

## THE ALPS

THE French Alps welcomes 55.6 million visitors each year and in 2015 its property market performed better than most regions in France.

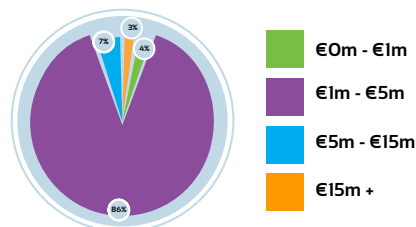
Home Hunts' research showed that the top Alpine locations in France are: Morzine and Les Gets; Chamonix and Megève; Evian-les-Bains; and Annecy.

Morzine and Les Gets are part of the Portes du Soleil area. "Prices are due to rise here, so buying here makes a savvy investment for the future," says Victoria Meneely-Holt, Home Hunts' Morzine consultant.

Chamonix continues to be one of the top destinations in the Alps and changes to Megève, such as a €100 million investment in the resort's lift system, means it can now compete with the likes of Courchevel 1850.

Evian-les-Bains is just twenty minutes away from the ski resorts of Bernex and Thollon-les-Mémises, yet is near Geneva, making it a good

Percentage of enquiries per price bracket



Buyers' nationalities

- British
- Swiss
- Russian
- Danish
- American
- French

year-round rental prospect – especially as the Portes du Soleil is only 40 minutes away.

Annecy's large expat community is highly attractive to overseas buyers and is just 35km from the Lake Annecy Ski Resorts.

## SOUTH WEST

AQUITAINE and the Midi-Pyrénées make up France's South West corner. Infinitely popular with overseas buyers, the glorious mountains, ocean-side beaches, charming villages, sweeping vineyards, thriving, modern cities and fast airport access offer opportunities for all.

In terms of property hotspots, there is a significant increase in the number of clients who want to buy in the countryside, within half-an-hour of Bordeaux. The high-speed train, which will connect Bordeaux with Paris in two hours, has made this area wildly attractive.

The Dordogne, with its ever-growing expat community, is an excellent choice for those wishing to go into the B&B or gite business.

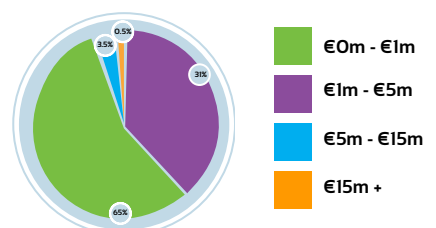
"There are some spectacular renovation projects available on the market," says Rory Ramsden, Home Hunts' consultant for South West France.

For buyers looking for privacy and space, the Lot proved popular in 2015. "Buyers with a commercial goal should consider this department as there is a lack of quality small hotels here," says Rory.

Towns such as Condom, Lectoure and Fleurance in Gers (Gascony) have been coveted by buyers over the last twelve months.

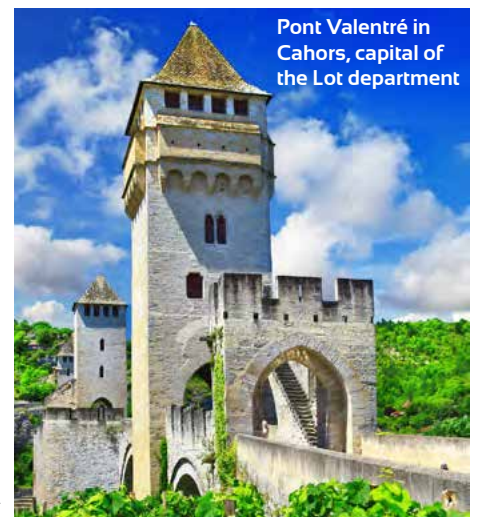
"There are some stunning properties on the market in Gers that could work either as a permanent home or as somewhere to spend just a few weeks in the summer," says Rory.

Percentage of enquiries per price bracket



Buyers' nationalities

- British
- American
- French
- Australian
- Danish
- German



Pont Valentré in Cahors, capital of the Lot department



## LANGUEDOC

STILL a well-kept secret, Languedoc's proximity to Spain and the Mediterranean Sea makes it a premier choice for buyers. In this region Home Hunts found that buyers made the most property enquiries and transactions in Montpellier, Narbonne, Pezenas and Collioure.

The capital of Languedoc, Montpellier is a vibrant city located 10km from the sea.

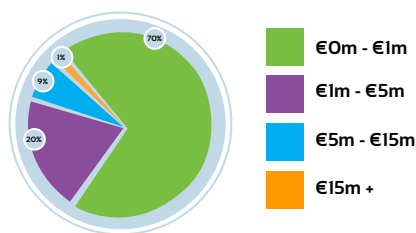
"Properties with B&B or hotel potential are of particular interest to buyers," says Phil Rees, Home Hunts' Languedoc consultant.

The coastal town of Narbonne is the biggest and most populated town in the Aude. "With excellent access to Spain, the mountains, the coast and the regional park, properties here offer buyers real value for money," says Phil.

Historic Pezenas is a dream French location not far from the sea. "It has a strong expat population," explains Phil, "as once people settle here they don't wish to leave."

Collioure is an upmarket coastal town with similar allure to Saint-Tropez. Phil says: "It is extremely popular with second-home buyers, especially those seeking traditional stone properties amidst beautiful countryside."

### Percentage of enquiries per price bracket



### Buyers' nationalities

- British
- Swiss
- French
- German
- Russian
- American



Collioure is one of Languedoc's most coveted property hotspots

## PROVENCE

THE area of Provence mostly corresponds to the official region of Provence-Alpes-Côte d'Azur. Home Hunts' research in 2015 shows that the most coveted locations in Provence are: Les Alpilles, the Luberon, the Var countryside and the Provence coast.

In Les Alpilles, Saint-Rémy-de-Provence offers international buyers a strong community, making it a popular place to live. "Saint-Rémy has become highly desirable in recent years," says Tim Swannie, Director of Home Hunts, "as buyers feel they are living in the real Provence."

The Luberon is famed for its beautiful hilltop villages and sweeping lavender fields.

"Properties in villages like Gordes, Bonnieux and Lourmarin are still the most searched for locations on our site every year," explains Tim.

The Var offers properties of all types, from contemporary seafront villas to châteaux, farmhouses and vineyards, as well as an authentic Provençal way of life. The inland area of the Var includes villages such as Lorgues,

Cotignac, Fayence and Bargemon, and most offer good facilities, local markets and a real sense of community.

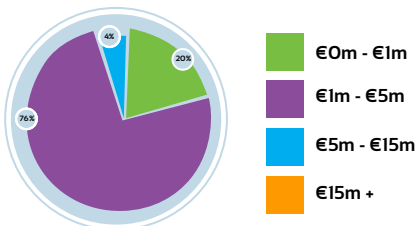
Stretching west from Saint-Tropez to Marseille, buyers' interest in the Provence coast increases every year. Resorts such as Bandol, Sanary-sur-Mer, Cassis and Le Lavandou continue to grow in popularity.

"There are some great-value properties in this area," says Tim, "and it is more discreet and a little less showy than the Côte d'Azur."

Senanque Abbey is an iconic Provençal landmark



### Percentage of enquiries per price bracket



### Buyers' nationalities

- British
- Dutch
- Scandinavian
- Belgian
- German
- Italian



Property in Villefranche-sur-Mer is an ideal investment

## RIVIERA

THE French Riviera's combination of history, culture, world-class beaches, stunning seascapes, gastronomy, good schools and international airport access makes it a perfect destination for overseas buyers.

Home Hunts' data revealed that the most coveted locations on the French Riviera are: Mougins and Valbonne areas; Cap d'Antibes and Cannes; Villefranche-sur-Mer and Saint-Jean-Cap-Ferrat; and Saint-Tropez.

Both medieval villages, Mougins and Valbonne offer authentic charm, good amenities and have a busy events calendar. "These villages have not yet been disturbed by tourists in the summer," says Amy Bault, a Riviera consultant for Home Hunts. "They are also close to several international schools."

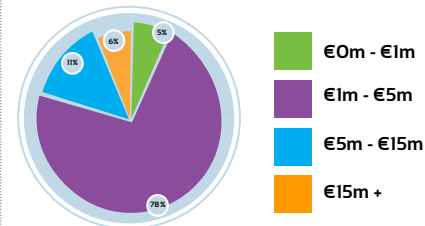
The Cap d'Antibes and Cannes areas are 30 minutes from Nice airport and close to sandy beaches. "Both areas are excellent for yacht lovers," says Amy. "Clients invest in these areas as they have the dream Riviera lifestyle on their doorstep."

The bustling town of Villefranche-sur-Mer neighbours the forested peninsula of Saint-Jean-Cap-Ferrat. "These are popular areas known for their beautiful sea views and proximity to Monaco," says Amy. "With easy access to the beaches and ports, they offer an ideal investment for many of our clients."

A quaint village, Saint-Tropez offers a perfect blend of old-world charm and glamour. "Property wise, there are a huge number of luxury villas, apartments and townhouses available in the area," explains Amy.

"Prices remain high as it's a highly exclusive location attracting buyers from all over the world."

### Percentage of enquiries per price bracket

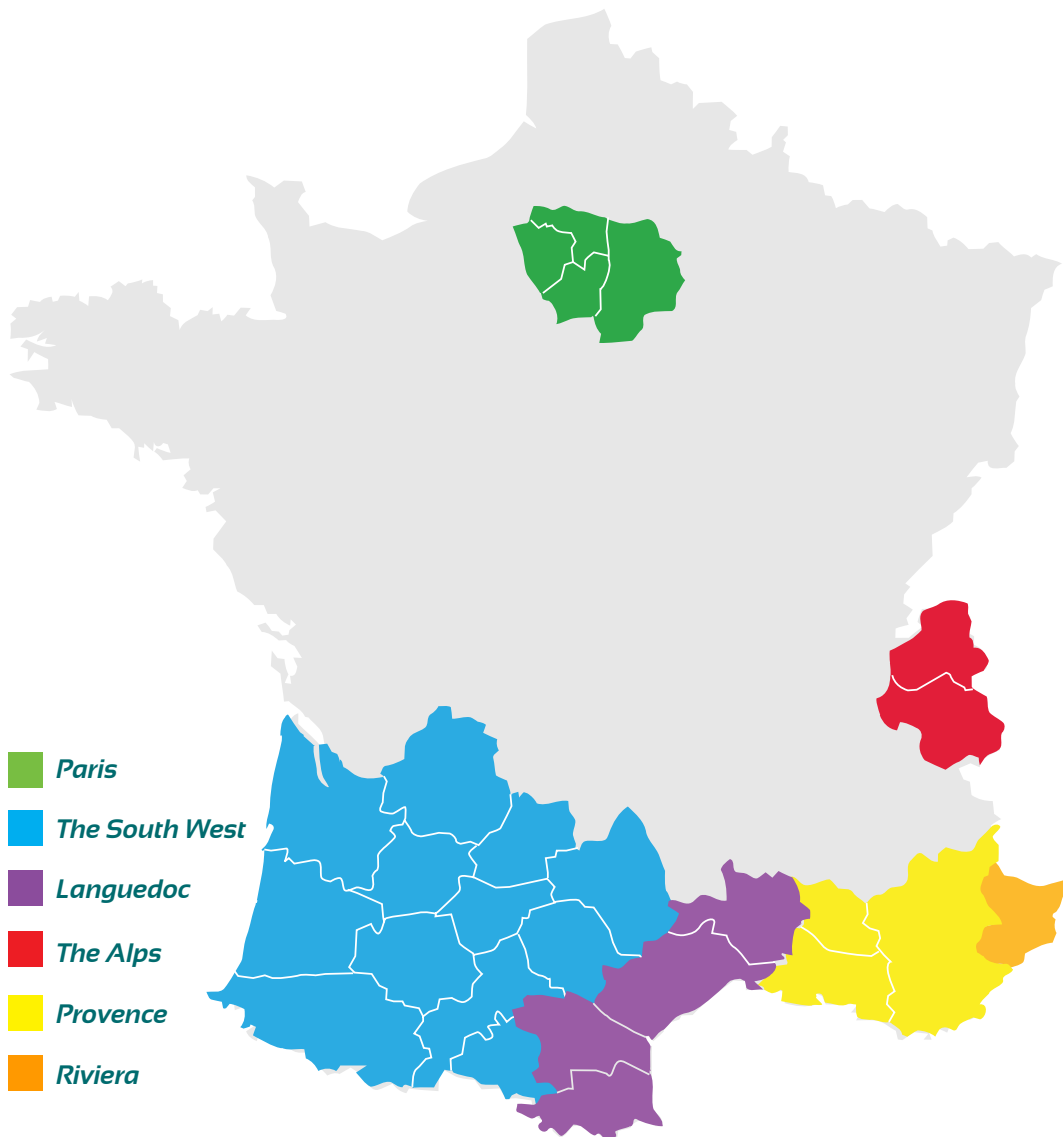


### Buyers' nationalities

- British
- Russian
- Middle Eastern
- Scandinavian
- Eastern European
- American

# PRIME PROPERTY FOCUS BY REGION

What types of properties are the most popular with buyers?



## Riviera

Properties attracting the most attention along the Riviera are:

- Contemporary-style villas.
- Bastide or stone-built farmhouses in the countryside.
- Properties with sea views.



## Provence

The following properties tempt buyers the most in Provence:

- Stone properties with land.
- Modern, contemporary villas.
- Renovation projects.



## Paris

What kind of property is winning the most sales in the City of Light?

- Two- or three-bedroom apartments with two bathrooms.
- Four- to five-bedroom properties.
- Family homes less than 25km from Paris.



## South West

The most sought-after properties in Home Hunts' South West territory are:

- Renovated farmhouses or maison de maîtres.
- Lifestyle vineyards.
- Gites, B&Bs or small hotels with income.



## Languedoc

These properties are creating the most interest in Languedoc:

- Character stone properties or maison de maîtres.
- Maison du villages.
- Properties offering gite, B&B or small hotel opportunities.



## The Alps

What is getting buyers excited in the French Alps?

- Villas with easy access to Lake Geneva.
- Ski-in, ski-out chalets.
- Apartments close to the slopes and town centre.





# ALPINE SKI RESORT FOCUS

What to expect from France's most coveted Alpine resorts



## CHAMONIX

ONE of the oldest ski resorts in France, Chamonix sits at the foot of Mont Blanc, the highest mountain in the Alps.

Famous for its cable car ride to the summit of the

Aiguille du Midi, which provides 360° panoramas of Mont Blanc at 3,842m, visitors can also experience the Skywalk here, a glass room with breath-taking views over a 1,000m precipice.

Although best for expert and intermediate skiers, there are pistes for all abilities and snow is present all season.

A vibrant international crowd also means that it has one of the best après-ski scenes in France.



## MEGEVE

AN ATTRACTIVE, chic village with a charming medieval centre, Megève was the first purpose-built resort in the Alps and is an old favourite of the French aristocracy. Better for beginners than for experts, who could feel limited here (although never far from Mont Blanc's more challenging pistes), cross-country skiers are likely to feel at home given all that the valley has to offer – as long as there is enough snow cover.



Renowned for its selection of gastronomic restaurants and diverse nightlife scene (including a casino, cinemas and clubs), this is the place to be for

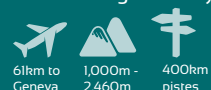
après ski



## MORZINE

THE picturesque town of Morzine is the largest in the Portes du Soleil area, one of thirteen resorts located between Mont Blanc and Lake Geneva. For skiers and snowboarders, the intermediate terrain, such as Plenye Plateau, makes this a popular resort with families. However, more difficult slopes aren't far away for those looking for more of a challenge.

Morzine's après-ski scene offers both quiet bars and lively nightclubs – something for everyone.

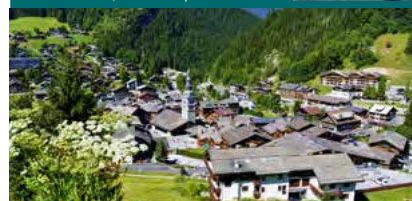


## LES GETS

LOCATED between Morzine and Samoëns, Les Gets offers a choice of four ski schools and is an excellent destination for snowboarders.

For mixed groups of beginners, intermediate and advance skiers, Les Gets is perfectly designed as runs of various levels are not only accessible from the same lift, but also have the same meet-up point at the bottom.

With a quieter après-ski nightlife than some of the other leading resorts, the entertainment is more family-friendly than frivolous.



## LA CLUSAZ (ANNECY)

KNOWN as the "pearl of the French Alps", Annecy is one of the most beautiful areas in France. A popular destination for skiers, it is

just 30km from La Clusaz, which is part of the Lake Annecy Ski Resorts along with Le Grand-Bornand, Manigod and Saint-Jean-de-Sixt.

Advanced skiers as well as beginners are well catered for here, so this quiet, unspoilt resort is highly popular with mixed-ability families and groups. In terms of après ski, La Clusaz is lively and event-driven, yet exudes a community atmosphere that suits adults and children.



## THOLLON-LES-MEMISES (EVIAN)

THE pretty village of Thollon-les-Mémises is just twenty minutes away from Evian-les-Bains, one of the most popular locations for buyers of luxury property in the French Alps. Positioned on the shores of Lake Geneva, owners have both summer water sports and winter skiing on their doorstep. Particularly good for beginner- and intermediate-level



skiers, this resort offers magnificent panoramic views over Lake Geneva. A friendly atmosphere makes it a perfect resort for families.





# LOOKING FOR A YACHT?

Buying your dream yacht is plain sailing with Home Hunts' bespoke yacht-finding service



BUYING a yacht is a lifestyle decision, a significant investment and a deeply personal choice. There are many elements to be certain of before embarking on a yacht purchase.

Whether you wish to try before you buy, need assurance that your refits would be feasible, require financing advice or need to know more about the latest technologies, getting personalised help from a yacht specialist is the key to locating the right yacht for your needs.

This is why Home Hunts has launched a yacht-finding service, called HH Yachting, with a team that knows yachts inside out – and where to find them. After years of success finding luxury properties for their clients, Home Hunts now offers a similar bespoke service for yacht buyers – and it is completely free.

## "WE HELP BUYERS TO FIND BOATS, WE DON'T HELP BOATS TO FIND BUYERS"

"The superyacht market is limited due to the fact that there are less than 9,500 superyachts in the world in total," explains Tim Swannie, Director of Home Hunts and HH Yachting. "We make it our job to know exactly what is available for sale around the world and seek out the best deals on the market."

He adds: "Buying a yacht is a very personal journey. Our clients come to us and discuss their requirements in great detail. Once we have good knowledge of a client's needs, we search the global market to find a match."

This service stands out from other yacht brokers – who work in a similar way to estate



Luxury yachts in Nice's port

agents – because brokers have a number of vessels on their books and it is their main focus to find buyers for these boats only.

"At HH Yachting, we work entirely the other way around," says Tim. "We help buyers to find boats, we don't help boats to find buyers."

The team is based in the South of France and Spain, but are usually able to meet clients wherever they are located. They work with boats that are 24 metres and over.

"Any yacht of this size and above is defined as a superyacht," says Richard Wells of HH Yachting. "Although there isn't really a standard definition of a megayacht, they are especially large. However, even megayachts have big sisters – the gigayachts – and we deal with all of these, whether motor yachts or sailing boats."

## SPLASH OUT IN THE SOUTH OF FRANCE

As with Home Hunts' exclusive property-finding service, the team can help clients to find the right yacht for their needs, assist with finance and tax advice, connect buyers with design and refit specialists and continue to offer support to new owners even after the sale has been made.

As yacht enthusiasts themselves, they can also advise on the best places to sail to for the most exclusive yachting adventures.

For HH Yachting, the South of France still offers some of the most stunning and tranquil sailing experiences on the planet.

"Saint-Tropez, Cannes and Nice simply must be visited, but there are many stunning, lesser-known gems that reveal themselves around each corner of the coastline," says Richard.



## How to spend a long weekend yachting on the Riviera

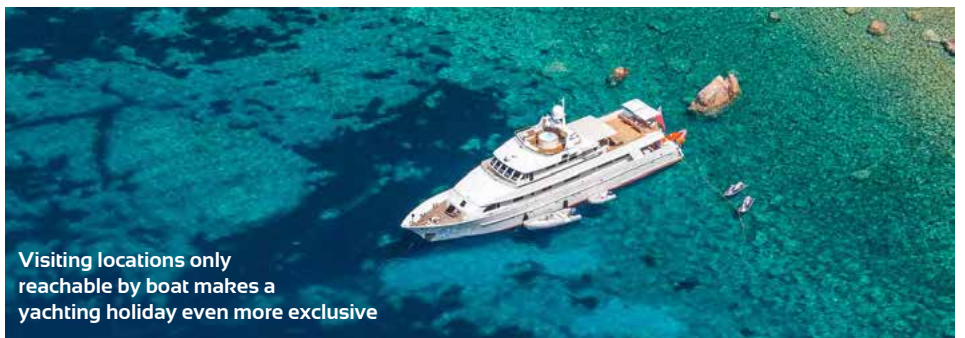
IF YOU'RE lucky enough to step on board your beautiful chartered superyacht in Nice, then head straight to the ancient harbour of Villefranche-sur-Mer. Walking the ancient streets followed by dinner on the rear deck is about as good as it gets and it's a great start to a memorable holiday.

Head off early the next morning for Antibes and enjoy the delights and smells of the food and spice market before sailing to the Îles de Lérins.

These tropical Islands will allow you to relax in the clear turquoise waters while you decide where to party the night away in nearby Cannes, if you decide to leave the yacht that is.

In the morning sail for around half-an-hour to visit the village of Théoule-sur-Mer and indulge in the local food, cheeses and wines. Waterskiing is popular here, too.

As the sun sets, head off to Saint-Tropez, the heart of the Riviera party scene, and look forward to an evening of non-stop, exclusive entertainment.



Visiting locations only reachable by boat makes a yachting holiday even more exclusive

If you're feeling fresh in the morning, visit the local markets and then make sure you're back on your yacht for the crazy one o'clock dash to Pampelonne Beach. This is where the summer season's best all-day parties are held.

Whether Club 55 or Nikki Beach, enjoy the unique atmosphere of this pleasure dome and party as if there's no tomorrow. It's all over by 7pm so take a beautiful sunset cruise to the

Porquerolles Islands, just a couple of hours south, for an unforgettable diving experience.

These islands are majestic and tranquil beyond compare, so take it easy with your friends and don't miss sunset cocktails at Port-Cros. A must-go location that is only reachable by boat, be sure to take an underwater camera as it offers one of the best diving experiences and the clearest water in France.





# VINEYARD INTELLIGENCE

How can you find the vineyard of your dreams and make it profitable? Wine property expert Rory Ramsden reveals the secrets behind buying a successful vineyard in France

WE USUALLY hear that when it comes to property, it's all "location, location, location", but not so for buyers searching for vineyard properties in South West France.

Buyers looking for vineyard properties are not interested solely in the location, but are more focused on value and quality within the budget available.

## FIND VALUE AND QUALITY

"Value and quality could easily be found with a Cru Bourgeois in the Médoc, on the left bank, or a Saint-Emilion Grand Cru on the right, or perhaps in the Entre-Deux-Mers, where it is possible to acquire an award-winning and profitable vineyard," explains Rory.

Prospects in the prime Bordeaux vineyard market are good, simply because the number on the market at any one time is limited. "Given that five of the top-ten wines on the Liv-ex 1000 in 2015 are from Bordeaux, foreign investors find the prospect of buying a Bordeaux vineyard a highly attractive proposition compared to the volatility of world stock markets," he says.

## FOLLOW A STRONG MARKETING STRATEGY

Around 80% of Home Hunts' vineyard clients are looking for profitable lifestyle vineyards under the €5 million mark. This can be challenging as many French wine producers ("vignerons") sell their harvest to

the local co-operative where their revenue is based on the quantity (weight) of the grapes

delivered. They are just not set up to make an attractive return on investment.

However, clients who buy with the intention of changing the strategy to focus on quality – by limiting the quantity of grapes on each vine to nurture the best grapes possible in the terroir – can make a vineyard more profitable, as long as they have an effective sales and marketing process in place.



"Our clients should see buying an underperforming vineyard as an opportunity to acquire unrealised value, then optimise both the vines ("viticulture") and the wine-making process ("viniculture") to transform the vineyard's profitability" says Rory. "Given that they have identified a niche market in which to sell to specialised wine shops and restaurants, they will certainly make money and increase the value of their new asset into the bargain."

Whether buyers choose to follow this advice or not, healthy vines are essential, so carrying out due diligence before committing to a purchase is vital.

"The moral of the story is not to buy a Bordeaux vineyard without having a clear business plan first," he adds.

## MAXIMISE OPPORTUNITIES

There are three key ways buyers can help themselves to create the vineyard of their dreams:

### 1) Buy in expertise right from the start.

Particularly relevant to those new to wine-making, Home Hunts can help to arrange a two-year handover period to help new owners take the reins of their new vineyard business with confidence.

"This is good for the buyer because they will learn the ropes and meet existing clients too," says Rory. "But it is also good for the employees who will feel more secure seeing the old boss around from time to time and want to stick around too – retaining key personnel is crucial."

### 2) Bring business acumen to your acquisition.

Arguably the most important aspect for a wine business is sales and marketing know-how. Combine this with some savvy business skills and buyers could be looking at a profitable future.

"Many vineyards have the potential to be profitable, but currently are not because the vendor is passionate about making wine, not about finding a niche market and supplying it with the wine that they want to drink," explains Rory.

"The key, therefore, is to find the vineyard with the best terroir and greatest potential to supply the target market."

### 3) Be ambitious and invest.

is the first step and not an end in itself, meaning that ambition and investment are crucial to a successful wine business.

"Improving the 'viticulture', the 'viniculture' and ethos of the vineyard so it produces really good wine allows you to enter blind-tastings and compete against some pretty big names, even though the vineyard is not in such a well-known appellation," says Rory.

"With these successes behind you, not only will your wine sell for higher prices, but your asset will increase in value too."





# EXPERT FINANCIAL INSIGHTS

Significant savings from currency pairings and low interest rates mean buyers get more for their money in France than ever before. But for how much longer are these budget boosters going to last?

THROUGHOUT 2015, interest rates were low and currency pairings, especially for British and American buyers, meant that sizeable discounts could be achieved on properties purely from the exchange rate. Combined with reduced market prices throughout France and low interest rates, buyers were able to make transactions on properties that would not have been conceivable several years ago.

But are these conditions still the same for 2016? Can similar deals be achieved for buyers wishing to invest in French real estate?

## INTEREST RATES TO STAY LOW FOR NOW

According to Tim Yates of Spectrum IFA, a mortgage and financial adviser in France, interest rates are basically unchanged and are still as low as they can get.

"The Euribor (interbank lending rate) is effectively 0%, so the rates quoted by the banks are purely their margins," he explains. "Mortgage rates for non-residents vary depending on the loan-to-value ratio and the payment terms, but are around 2.6% variable and 3% fixed."

Although rates should remain stable for the rest of this year – until there are clear signs that major Eurozone economies are growing again – buyers must bear in mind that banks are tightening their lending criteria.

"This is particularly in terms of the sources of income they will take into account when calculating someone's borrowing capacity," explains Tim. "We expect this to continue so there will be clients who would have been able to borrow a year ago, but can't now, and there will be those who can borrow now but may not meet the more restrictive lending criteria in another year's time."

"If buyers wish to take out a mortgage, it is better to borrow and buy now than to delay."

## CURRENCY MARKETS STILL FAVOURABLE

Adam Bobroff, Director of The Foremost Currency Group, concurs that now is still an excellent time to buy.

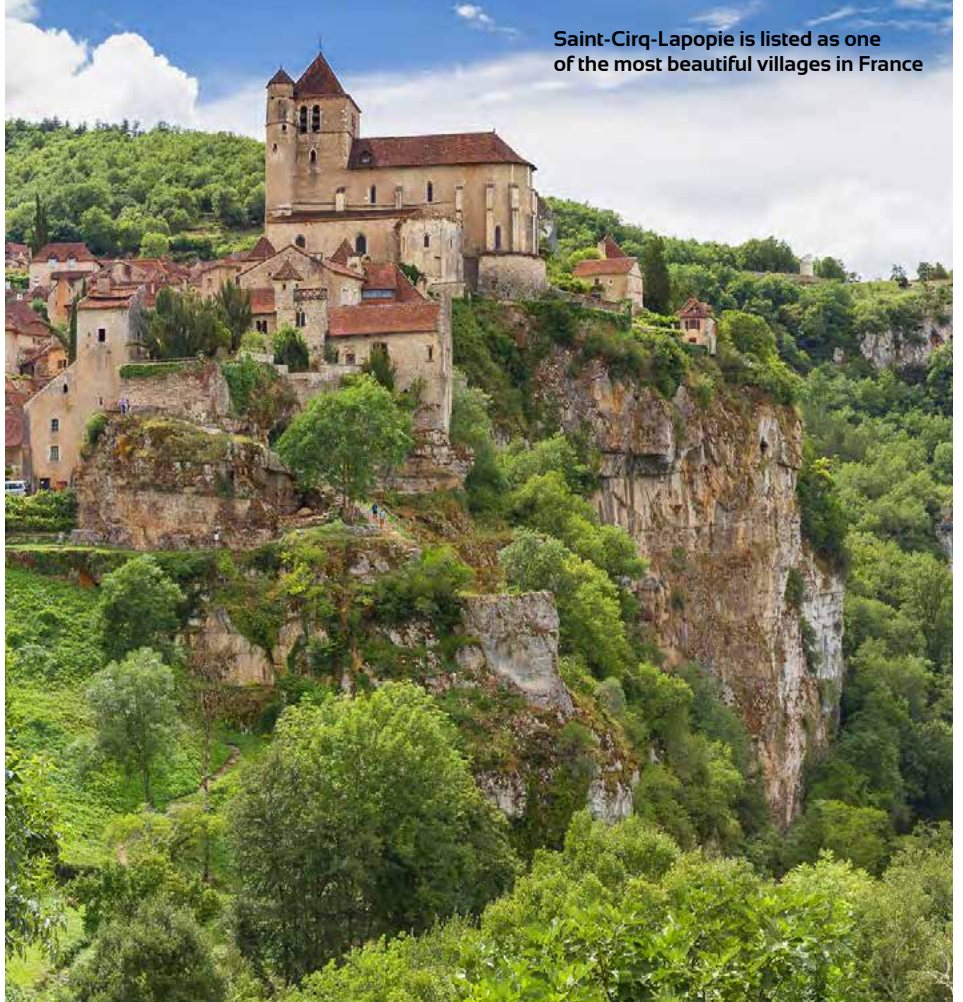
"Those following the currency markets closely will note that the euro has strengthened against the pound, but if you look at pound/euro rates historically we are still trading well above the average rates," says Adam. "This makes the purchase of an overseas property all the more appealing."

Buyers from the UK and the USA are still most likely to be attracted to the European property market.

"Those searching for a few years will have seen that a €200,000 property can become £40,000 cheaper, just on exchange rate movements alone," he explains, adding that Americans have enjoyed a similar benefit.

"While it has been one of the best times in the last five years to be purchasing euros with dollars, now the US has raised interest rates there could be some range-bound volatility for this pair."

The pound's rise last year was largely due to expectations of an interest-rate hike from the



Saint-Cirq-Lapopie is listed as one of the most beautiful villages in France

Property prices can be reduced by at least €50,000 as a result of favourable exchange rates



Bank of England, but with inflation at current levels the Bank of England is unlikely to act in the near future.

## SAVE MONEY WITH GOOD TIMING

For buyers looking to buy property in France timescale, budget and risk tolerance can play

a major role in the timing of a trade. "It is so important to get the timing right, as it can make all the difference," he says.

"Buyers should always ask a broker to tailor a bespoke strategy so they can get the best deal possible and make the most of their currency."





**HOMEHUNTS**  
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**IMPORTANT NOTE**

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