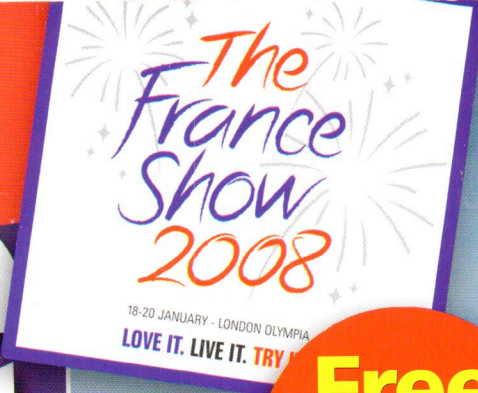


Living France

November 2007

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Plaster of Paris



With the London–Paris journey time by Eurostar now even shorter, **Louise Taylor** looks into buying property in France's capital

Chic, stylish, and just a couple of hours by train from London: it can only be Paris, the ultimate setting for romantic weekends, culture-filled breaks and everything that is desirable about French city life.

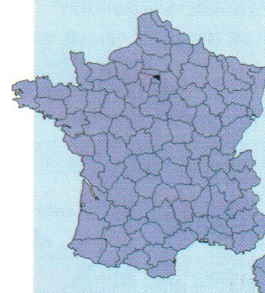
The good news is that the French capital is set to become even more accessible from 14 November 2007, when the Eurostar London–Paris journey time will be shaved down to just two and a quarter hours, thanks to the UK terminal shifting from London Waterloo to St Pancras. Reaching Europe's smartest destination will be even easier, and owning a home there may become a reality for yet more British

Francophiles, so if you want to join the Paris property set, here is some background to help you.

Happily, buying French property is fairly straightforward, and the system effectively prevents gazumping. Paris property taxes (*taxe d'habitation* and *taxe foncière*) are reasonable, and with 20 arrondissements or areas to choose from, there is ample scope for budgets great and small.

Paris property prices are considerably lower than in the UK capital (one agent claims they are some 60 per cent cheaper than in prime central London). According to information recently released by Currencies Direct, a three-bedroom apartment in

Need to know



PARIS

POSTCODE: 75000

DEPARTMENT:

Ville-de-Paris (75)

REGION:

Ile-de-France

Case study: NIALL COBURN

International barrister Niall has a long-held love of France, and wanted to buy a romantic get-away. Bonapart Consulting helped him find and buy a one-bedroom, 46m² (about 470 square feet) apartment in Montmartre, next to the Sacré-Coeur basilica, in November 2005. He took out a 15-year mortgage to cover the purchase price of €300,000 (£203,611), and set about putting in new lighting and furnishings. Happily, there was little to do in the way of redecoration (the property had been recently renovated by an interior designer), and the attractive original features were all in place.

'I considered buying in London, but it would have been far more expensive to find such a unique apartment in a historic area,' says Niall. He visits his pied-à-terre once a year, but plans to use it more often when he retires; in the meantime, he charges €1,800 (£1,222) rent a month and achieves around 80 per cent occupancy in a year. The style and location of Niall's Paris pad make it appealing to overseas visitors, who enjoy staying in a traditional, characterful building in the heart of the trendy Butte Montmartre *quartier*, close to the centre of town and tourist attractions. The fact that the Eurostar terminal at the Gare du Nord is only a ten-minute taxi ride away makes this apartment particularly convenient for train travellers from London.

Opposite page: A room with a view in Paris

This page: Niall Coburn's Montmartre romantic retreat gets great rental return



PHOTOGRAPHS THIS PAGE © VIRGINIE SAÏOT

the *Chambre de Notaires de Paris* (the city's solicitors' association) shows that the number of British buyers is booming (apparently we now account for 10.5 per cent of all foreign buyers).

So who exactly is buying Parisian pads, and why? Scotswoman Susie Hollands lives in Paris and runs Bonapart Consulting, a property finding service for anglophones. She observes: 'Our clients are a cosmopolitan crowd. Most are professionals; the common denominator among them is that they are busy, demanding individuals with discerning tastes. The great thing about this city is its affordability – with prices in London meaning that anyone who doesn't get paid a whacking City salary and big bonus has to consider the outskirts, Paris is a refreshing change. Why not buy in St-Germain-des-Prés, instead of Streatham?'

Buying for personal use is an obvious choice – Paris is a bargain compared with other European capitals, and frankly, what's not to like? Mind you, investing your hard-earned pounds in bricks and mortar is a more complex matter. The Paris property market is an interesting beast: prices grew healthily over recent years according to the *Chambre de Notaires de Paris*, rising from 8.8 per cent at the end of 2001 to a spectacular 14.7 per cent increase by December 2004. However, things took a decidedly downward turn in 2006, with annual growth down at 9.7 per cent by the year end, giving agents and investors pause for thought.

René Pallincourt, president of FNAIM, the French estate agents' association, puts things into ▶

the trendy Marais area of Paris' fourth arrondissement would cost in the region of £580,000, while the price of a similar property in a comparable area of London would be about £750,000, so it is easy to do the maths. A survey by

One to view

Located on a tree-lined boulevard in the chic sixteenth arrondissement, 81 Avenue Victor Hugo is a handsome building built in the late 1880s. It is currently being converted by City Lofts to create 24 one- to four-bedroom apartments, five studios and a house. The exterior boasts chiselled stonework and wrought-iron balconies; inside, there are grand fireplaces, original coverings and a sweeping stone staircase, while Conran-designed kitchens and bathrooms add a contemporary touch. Prices start from €330,000 (£223,972) for a studio apartment



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City Lofts

Tel: 01423 506262
www.citylofts.co.uk

Paris Property Finders

Tel: 00 33 (0)1 72 77 00 39
www.parispropertyfinders.com

Prestige Property

Tel: 01935 817 188
www.prestigeproperty.co.uk

perspective by confirming that the trend is a nationwide phenomenon rather than purely a Parisian one, and Susie Hollands comments: 'Property investment is a long-term game, and there are several points to bear in mind. The accessibility of Paris house prices compared with other world capitals makes buying in the historic centre feasible. Also, it's an area which is heavily protected – there's practically no new residential development, due to the lack of available land and tight planning restrictions – and this, combined with the fact that Paris is not only the world's most visited city but also a strong business and study centre with a central location within Europe, makes it a safe bet investment-wise.'

Exactly where you buy is governed by the reason for your purchase. According to the agents interviewed, some of the most popular areas with Brits buying for personal use are the super-central first arrondissement (home to the Tuileries gardens and the Ritz), the up-and-coming third (near the Centre Pompidou), the student-filled fifth (home to the Sorbonne and the Latin Quarter), the well-heeled sixth (St-Germain-des-Prés, the stomping ground of Jean-Paul Sartre and Simone de Beauvoir) and the funky eighteenth (Montmartre, Moulin Rouge, and many tourists).

However, there are other spots that have just as much authenticity, and more accessibly priced property. The residential areas of the northeast around the tenth, eleventh and seventeenth arrondissements are a little further from the city centre, but small one-bed apartments can be found here from around €150,000 (£101,805).

Canny owners rent out their Paris homes when they are not in residence, and as the Paris rental market is so strong (the world's most popular city attracts over 30 million visitors each year, and not all of them are tourists), buying the right kind of property in an appropriate area can pay dividends.



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The arrondissements of Paris

These pages, clockwise

from top left: Dine in style in City Lofts' contemporary conversion; the apartments are in the sixteenth arrondissement; be seduced by Parisian chic; enjoy famous landmarks such as Sacré-Coeur; Paris arrondissements spiral out clockwise from the centre



Miranda Bothe, of Paris Property Finders, comments: 'Paris' business district, La Défense, is the largest in Europe. It houses over 1,500 companies, and many of their employees are on overseas placement, which makes the corporate market a good option for buy-to-let investors.' She advises that a location near a Métro station on the number one line (Château de Vincennes–La Défense) or the high-speed RER link (both provide a direct route out to La Défense) would be relevant to this market, as would the eighth arrondissement, the southwest corners of the sixteenth and seventeenth, and the Opéra and Bourse *quartiers*. She stresses that for this clientele, apartments need to be within smart, well-maintained blocks, decorated and furnished to a high standard, with internet access.

Supply is high in the tourist rental sector, so your Paris home really needs to stand out. According to Bothe, overseas visitors' favourite locations for holiday lets include the Marais, the Latin Quarter and Montmartre, and with a shortage of two-bed apartments to rent, a property of this size in a pretty, typically Parisian street with pavement *cafés*, *bistros* and *boutiques* should please even the pickiest of tourists. ❖

BUYING A PARIS PROPERTY – WHAT YOU NEED TO KNOW

How does the buying process work?

The buyer contacts the agent (or owner) and makes an offer. If buyer and seller agree on the price, an initial *compromis de vente* (sales contract) is signed, overseen by a *notaire* (a French government official who handles all property transactions). A deposit of around 10 per cent of the purchase price is transferred by the buyer to the *notaire's* account and the date of signature of the final sale agreement (*acte authentique*) is set, usually three months hence. . .

What if I change my mind?

The initial sales agreement is a legally binding document for both buyer and seller, but the buyer is allowed a seven-day cooling-off period after the signing of the *compromis*, during which they can change their mind. After this period, the buyer can still decide not to proceed but they will lose their deposit; the seller cannot pull out of the sale, which effectively prevents gazumping.

What costs will I pay on top of the purchase price?

Agents' fees are calculated on a sliding scale of 5-10 per cent (the cheaper the purchase, the higher the percentage); sometimes it is possible to persuade an agent to reduce their commission, or the vendor to reduce their price. The buyer also pays the *notaire's* fees, which are around 7-8 per cent of the purchase price, depending on property type and price.

What does it cost to own a Paris home?

You will be liable for property tax (*taxe foncière*), even if your property is not inhabited, provided it is furnished and habitable (allow around €600 (£407) per annum for a small studio). Service charges range from around €500 to €2,400 (£339 to £1,629) a year. Anyone who resides in a property (owner, tenant or rent-free) with a rental value of over €4,600 (£3,122) is liable for residential tax (*taxe d'habitation*).

The buyer also pays the *notaire's* fees which are around 7-8 per cent of the purchase price

LATEST PARIS PROPERTY PRICES

| MOST EXPENSIVE Arrondissement | € price per m ² | Sterling equivalent |
|------------------------------------|---|---------------------|
| 6th | 9,003 | 6,110 |
| 7th | 8,385 | 5,691 |
| 4th | 7,944 | 5,392 |
| 5th | 7,846 | 5,325 |
| 8th | 7,315 | 4,965 |
| LEAST EXPENSIVE Arrondissement | € price per m ² | Sterling equivalent |
| 19th | 4,591 | 3,116 |
| 20th | 4,927 | 3,344 |
| 18th | 5,117 | 3,473 |
| 10th | 5,212 | 3,537 |
| 11th | 5,471 | 3,713 |
| BEST CAPITAL GROWTH Arrondissement | Growth year-on-year 1st quarter 2006-1st quarter 2007 | |
| 5th | 13.1 per cent | |
| 8th | 11.9 per cent | |
| 16th | 11.4 per cent | |
| 6th | 11.3 per cent | |
| 7th | 9.9 per cent | |

Figures quoted are for resale apartments only and are supplied by *Chambre de Notaires de Paris*

What's your story?

What are your memorable experiences of Paris? Write in to *Living France* and have your say on our lively letters page



letters@livingfrance.com