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Paris could be the next city to attract more overseas property investment, it is suggested

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Much has been said about London's prime property market attracting foreign buyers but now Paris is being discussed as being just as interesting for overseas investors.

Overseas investors are regarding Paris as having highly competitive real estate prices due to the weaker Euro, according to the latest report from property agents VINGT Paris.

For example, using current exchange rates a UK investor could save up to 40% on the average Paris property, as the pound's strength would see a €700,000 home cost £510,000.

According to figures from the report, Paris is second only to London as Europe's most attractive destination for Foreign Direct Investment (FDI), with 66.7% of Paris property currently owned by overseas investors.

The firm believes that this is likely to increase further as UK property prices continue to rise and investment returns fall, coupled with a weakening Euro, which is currently at a seven year low against the pound and 12 year low against the dollar.

The report suggests that Paris has always had an unmistakable allure, with its rich history, neoclassical architecture and Haussmannian style apartments retaining a global appeal.

Susie Hollands, chief executive officer of VINGT Paris, believes that it is a good time to invest in property in the city. 'Its culture, cuisine, reputation for intellectualism and abundance of beautiful homes make Paris a world class city, plus it has excellent international schools, a solid infrastructure and excellent transport network,' she said.

'The talk in the market over the past two to three years has been dominated by London, however, people forget that France is the world's fifth largest economy and investors will always be attracted by the Paris property market's incredible resilience,' she pointed out.

'Overseas investors have hedged against inflation by investing their liquid resources in tangible, prime Paris properties, so as London becomes increasingly unaffordable, Paris will be the winner. The potential returns in five to six years' time will be worth it,' she added.

Since the global recession, overall property prices in Paris and London have consistently increased but growth in some part of London has been regarded as unsustainable and indeed prices in some locations are static or even falling.

Comparing prices of London and Paris districts of similar stature, between 2007 and 2014, VINGT Paris found that prices in Paris' 8th arrondissement rose by 21%, while in Knightsbridge they were up by 84% over the same period.

Similarly, South Kensington saw a 67% price increase in the same seven year period, compared to 26% in Paris' 6th arrondissement. The only area of comparatively similar growth in the period is Notting Hill with growth of 33% and Paris' 3rd arrondissement at 35%.

Comparing the per square foot prices of the same London and Paris districts, the report found that despite similar price growth, Notting Hill apartments were almost twice as expensive as those in the 3rd arrondissement. Similarly, prices in South Kensington were nearly two and a half times greater than the Left Bank's 6th arrondissement, which is the French capital's equivalent.

Rising further up the price comparison scale, 2014 prices in Knightsbridge were £2,050 per square foot, which is more than three times of those in the 8th, Paris' equally upmarket Parisian arrondissement and the home of the Champs-Élysées.