

OVERSEAS

Buyers return to the Parisian pied-à-terre

House-hunters are back in the city and they want a small, chic apartment in a fashionable street

Liz Rowlinson

November 11 2016, 12:01am, The Times



This four-bedroom flat in Étoile Marceau (8th arrondissement) is on sale for €4.5million with Vingtt Paris

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On November 13 a ceremony will be held in Paris's Bataclan concert hall to mark the one-year anniversary of the terrorist attacks that killed 130 people in the city. After months of renovations the historic venue has unveiled its new façade, sparking optimism across the city. Tourism is slowly returning to normal after a six-month plunge.



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prospect of change with the French presidential elections in April.

“Nervousness after the attacks weeded out the less serious buyers,” says Susie Hollands, the chief executive of Vingt Paris, the estate agency. “Yet other clients told me, ‘Paris is Paris. There’s never going to be a time when I’m not going to want to come.’ ”

It was the convergence of cheap borrowing with the affordability of property that persuaded Randall Hansen to buy an apartment in the Montorgueil district a year ago. The Toronto-based British university professor bought a one-bedroom flat in the oldest quarter of Paris — a foodie cornucopia of bakeries, fishmongers and fromageries — for €330,000 (£292,935).

“I have loved Paris since I was a student there and with property prices ratcheting up in New York, London and Berlin I knew it was now or never,” he says. “We made the offer two days before the attacks, but I wasn’t going to give in to terrorists by pulling out.”





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Affordability is a big driver for international buyers. Savills, for whom Paris transactions rose by 20 per cent year-on-year in June 2016, suggests that the average price of prime property per square foot is €1,051 — 34 per cent less than London and 70 per cent less than Hong Kong. Figures from the Notaires de France suggest that Paris prices have had positive growth for three consecutive quarters, albeit by only 1 or 2 per cent.

It's still very much a buyers' market, says Mark Harvey, a partner at Knight Frank. "Prices have been paralysed for the best part of three years, but with record-low mortgage rates buyers are feasting while they can. The French banks are lending money aggressively when three years ago they were advocating caution."

Harvey says the agency has recently had a few high-profile sales — a duplex apartment at €20 million, a townhouse for €13 million, and there are only two units left at 140 Rue du Grenelle, a historic development on a prime street in the 7th arrondissement, where prices range from €3.4 million to €24 million.

With the election comes a feeling that now is the time for France to get things right and claw back some lost glory. "The loss of high-net-worth buyers to London when [President] Hollande introduced the wealth tax was devastating to French confidence. There is the hope that whoever gets into power might attract investment by lowering corporation tax and dropping the wealth tax," Harvey says.



A three-bedroom apartment on the Île Saint-Louis has views over the Seine and is on sale for €3.715 million with Savills

So who is buying? Fewer Brits since sterling nosedived, Hollands says. “The city benefits from buyers holding whichever currency is performing well and, with the US dollar strong, Americans have been very active — the trend is likely to continue after this week’s election result — but Paris also attracts Egyptian and Lebanese buyers. Singapore provides a steady flow, and the French are buying property like hot cakes since the rate drop.”

She says the €500,000 to €1 million sector is especially active. “Supply is limited because everyone, from international buyers to domestic downsizers, wants compact [807 sq ft], two-bedroom apartments for under €700,000 for a pied-à-terre. We have not seen offers at these asking prices for years.”

Hollands says: “The 9th arrondissement [Right Bank] is in demand, along with the ever-popular historic Le Marais [3rd and 4th] and the 11th — the overspill from the Marais, where fashionable restaurants are opening.” The Bataclan is in this district.



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intellectual and artistic heartland are top of the list. Confidence is also rising in the 16th, where prices dipped sharply. “Everyone wants light and views and they are willing to pay top dollar to have both,” Hollands says.

Harvey agrees. “Buyers request two bedrooms, second floor or above, a Haussmannian, or older, period building, well-kept communal areas, concierge, parking and it must not be vis-à-vis [overlooked].”



A bijou two-bedroom apartment in Saint-Germain-des-Prés is on sale for €1.45 million through Vingt Paris

Vingt Paris has an opulent, yet bijou, two-bedroom apartment in Saint-Germain-des-Prés for €1.45 million. The former orangery with high ceilings has gold and mirror panels, and comes with a courtyard garden.

People are very selective with streets and those with resonance command a premium. “In the 7th it’s got to be Rue de l’Université or Rue de Grenelle, and in the 6th Boulevard Saint-Germain is 20 per cent more expensive than Rue Bonaparte,”

Harvey says.

Interest is also picking up in the less fashionable 1st arrondissement prompted by the redevelopment of Les Halles — the shopping centre around Paris’s busiest railway station. Along with a revamped urban space of public gardens, play and shopping areas, there will be the luxury goods magnate François Pinault’s modern art museum at the Bourse de Commerce, near the Pompidou Centre. Art lovers can pick up a two-bedroom



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months or more are popular with investment-led buyers.

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