



The French property market in 2022

World Property Business Club, presentation November 2022, Miami

Global Property Price developments before and during the pandemic



Where did the price increase come from?

- ▶ Housing shortage in many cities around the world
- ▶ Urbanization leads to upward price pressure
 - ▶ But, urban rents only risen with local wages
- ▶ Real reason lies with central bank policies:
 - ▶ Ultra low financing conditions
 - ▶ Demand outpacing construction
 - ▶ >>optimistic price expectations
- ▶ **Picture is changing very rapidly!!**



Slowing growth of house prices



SOURCE: Bank for International Settlements and World Economic Outlook

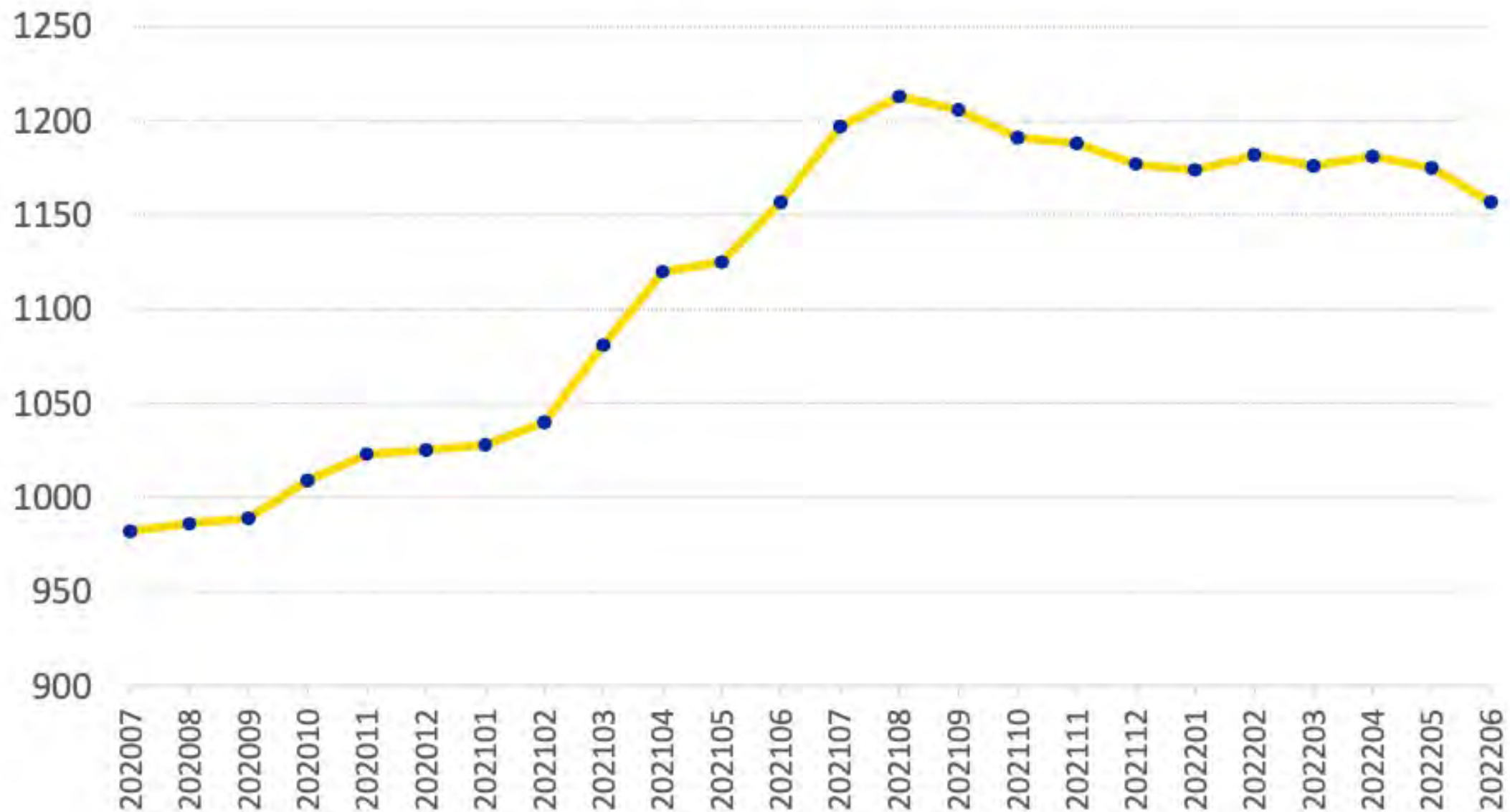
USA/France: attractiveness

- ▶ 1st destination for foreign industrial and commercial investments in Europe since 2019
- ▶ Main investor: the United States. 74% of foreign investors believe that France's attractiveness will improve by 2025
- ▶ 6% of residential property transactions on average are carried out by foreigners, non-residents or expatriates, 60,000 sales, €18 billion



Residential Sales in France (Juin 2022)

Nombre de ventes de logements anciens - France
(cumul sur 12 mois, en milliers)



Source: FNAIM

Explanatory factors

- ▶ Despite the pandemic: French economy doing relatively well after almost two years of pandemic crisis.
- ▶ GDP expected to increase in 2022, 2023 and 2024, despite health crisis aftermath and outbreak war in Ukraine.
- ▶ Corporate insolvencies are low (thanks to government support).
- ▶ Inflation:
 - ▶ monthly inflation stable until December 2021: +2.8%.
 - ▶ Currently at +5.5% (compare USA: > 8%)
- ▶ Cheap credit/high savings in 2021, with dwindling effect into 2022
- ▶ **Changing in 2022!**



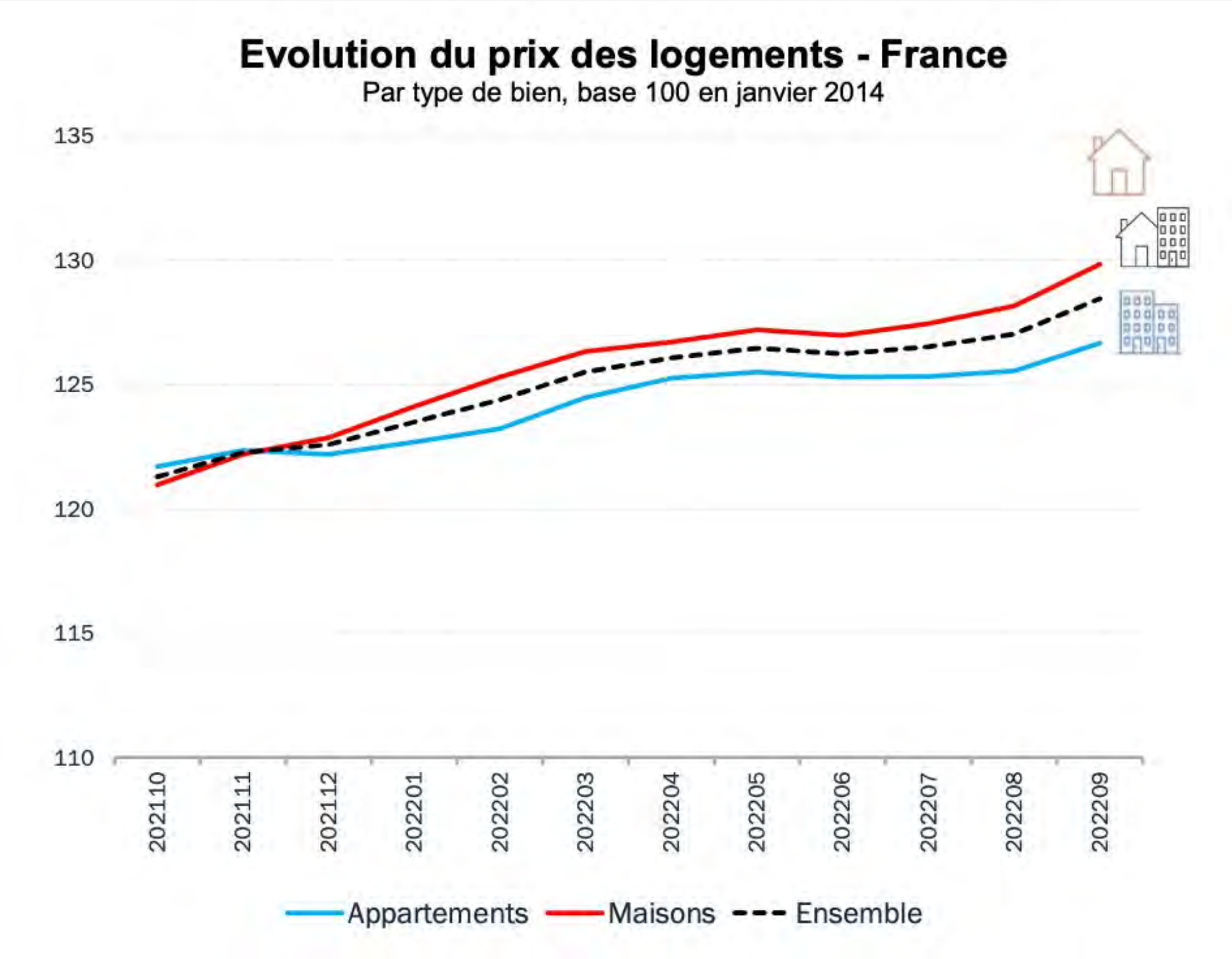
Mortgage rates in France

LES TAUX DES CRÉDITS IMMOBILIERS AUX PARTICULIERS (EN %) ENSEMBLE DES MARCHÉS

Source : L'Observatoire Crédit Logement/CSA



Price development (June 2022)



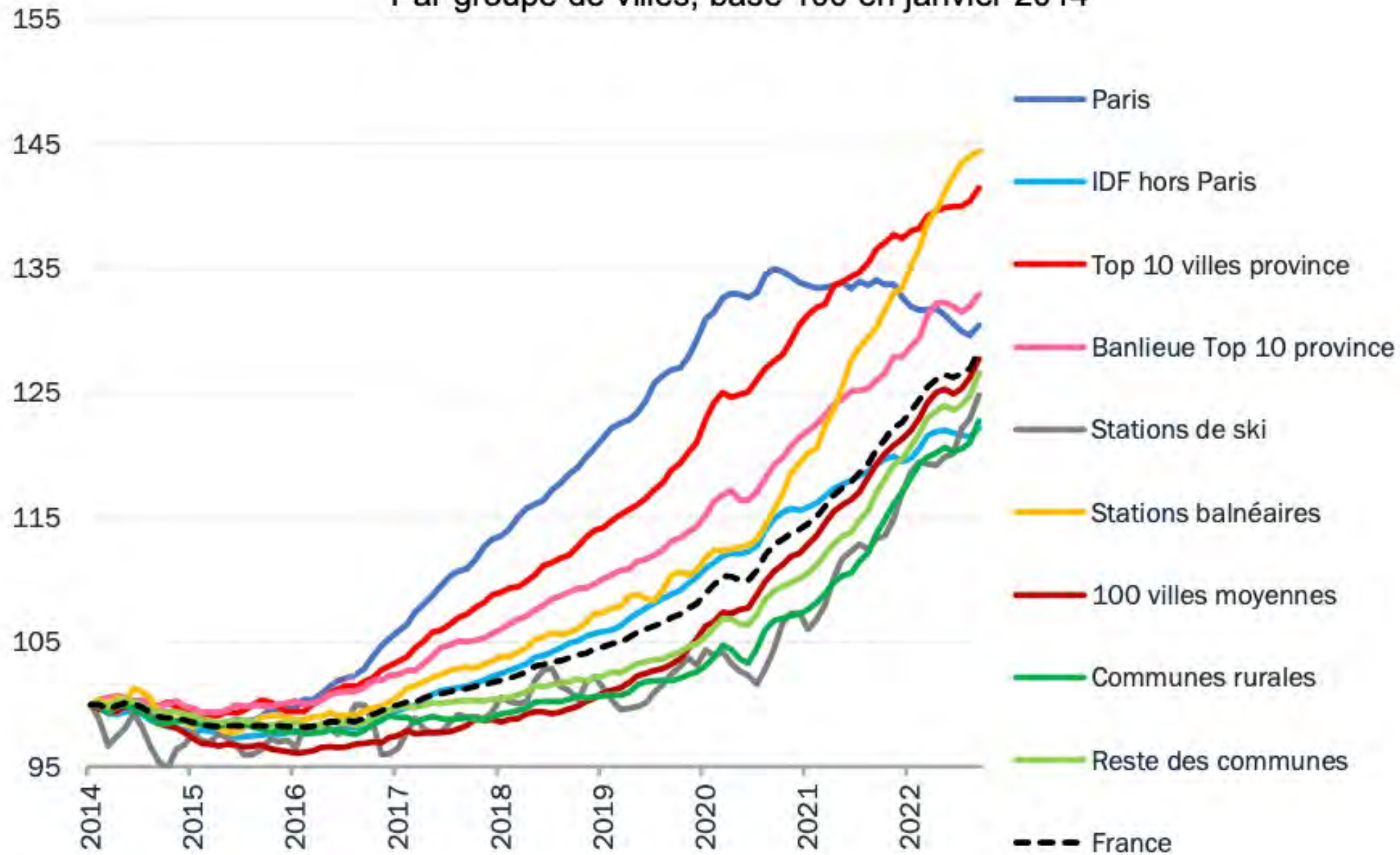
Source: FNAIM



Specifics price development (June 2022)

Evolution du prix des logements

Par groupe de villes, base 100 en janvier 2014



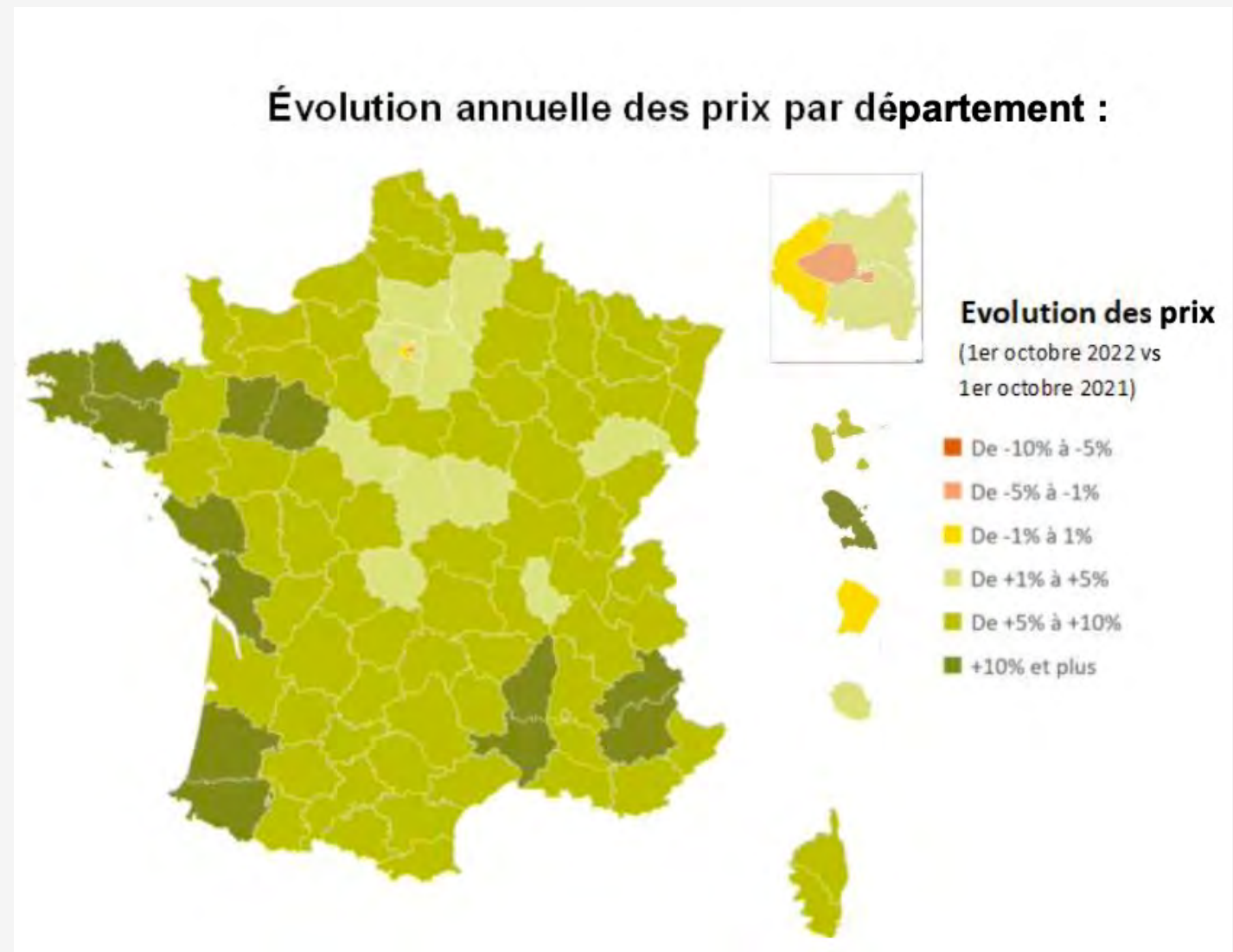
Regional engines

- ▶ The new regional engines
 - ▶ Bretaña: +15,1
 - ▶ Pays de la Loire: +11,4
 - ▶ Normandía: +9,4



Forecast France 2022

- ▶ Calm in 2022 after the euphoria of 2021?
- ▶ Can the housing market continue like this?
- ▶ FNAIM forecasts:
 - ▶ Market consolidation with a high level of activity, but slightly lower than in 2021.
 - ▶ Continued price increases, driven by rural areas > less sustained price levels.



FOREIGN BUYERS IN FRANCE



- ▶ The British are (still) leading foreign buyers in France: 22%-27%. Brexit will lead to decline
- ▶ The % of foreign buyers in France is expected to increase again after pandemic
- ▶ While the number of transactions is decreasing, the amount of transactions is increasing.
- ▶ Other buyers:
 - ▶ Belgians (19%)
 - ▶ Swiss (9%)
 - ▶ Germans (7%)
 - ▶ Italians (5.5%)
 - ▶ Dutch (7%)
 - ▶ US Americans (3%)
 - ▶ Swiss (7%)



WHERE TO INVEST IN FRANCE?



Source: Agence Etoile



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- ▶ The WPBC is an initiative of the FNAIM Grand Paris, (the Paris Chamber of the Real Estate Association of France, FNAIM) and was created in response to the lack of cooperation and exchange of services between brokers and real estate agents, to support them in conducting business around the world.
- ▶ The WPBC has grown in a short period of time to over 500 members, and is constantly expanding globally.





THANK YOU!



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