



PARIS FRANCE BREXIT 2019 HOUSING MARKETS

Brexit driving up property values in Paris

By **Mike Woods** Issued on 07-03-2019 Modified 07-03-2019 to 08:15



A Haussmann-style building in ParisLidwien van Dixhoorn

Recent sales and observations in the Paris real estate market suggest French expats returning from London due to Britain's impending departure from the European Union are driving up prices in an already saturated market, and that the trend is almost certain to continue.

Charlotte Rostin, property search agent with Homelike Home06/03/2019 - by Mike Woods

Charlotte Rostin, property search agent with Homelike Home
06/03/2019 - by Mike Woods



Listen

The numbers may be small but the trend is certain: Britain's impending departure from the European Union is prompting growing numbers of French nationals living in London, where they worked mainly in the financial services sector, to return home and settle in Paris.

Property search agency Homelike Home says the proportion of French expats looking to leave the UK to live in Paris has increased by 30 percent over what it was February 2016, four months before the Brexit vote.

"The motivation is mostly their job and the situation with the Brexit, and they want to secure their futures," says Charlotte Rostin, a property search agent with the company, of the clients looking to resettle in France.

"They don't know what the situation will be with their status, for work, for buying or for building a life with children."

Rostin cites two profiles, one being younger couples without children seeking to buy or to rent in the east side of the city, the other being older clients with families seeking long-term stability and access to international schools to the west side.

She estimates the actual numbers of returning expats to be in the several dozens.

Daniel Féau, a realtor specialising in the high end of the Paris market, has also registered a noticeable increase in the proportion of returning French expats, with this segment concluding about a hundred transactions in the above four-million-euro bracket in 2018.

"Firms are leaving the UK for France, which creates jobs, which in turn brings families with children who are going to go to the international schools in Paris, which in turn increases the demand in an already very tense market," says Nicolas Pettex, the firm's director general.

Brexit drives record apartment sale

The French consulate in London estimated in 2017 that as many as 300,000 French nationals were living in the British capital, and French newspaper Le Figaro has estimated 60,000 French nationals work in the city's financial sector.

So numbers in the dozens or even hundreds may not be the sign of a mass exodus of French expats from the British capital, but it is enough to have an impact on the market in

a city like Paris, where regulations leave little room for property development and expansion. Earlier this year, [the French capital saw its most expensive ever apartment sale](#) of 39 million euros to a client returning to France because of Brexit, and it's possible that there will be an effect on other sectors of the housing market as well.

“The luxury market in Paris is very in demand,” says Rostin. “But on the other parts of the market, the offers are low but the demands are increasing [...] And maybe they [returning expats] feel they have an emergency to buy now.”

Trends expected to continue

Professionals also believe there are signs the trend will continue as Brexit enters into effect.

“This is just the beginning. The flow is increasing because firms are relocating and things are becoming real,” Pettex says.

“You’ve got investment funds and major banks that don’t want to stay in London. They’re going to continue being active in London, but London is not going to be the headquarters for European activity anymore.”

Pettex cites as an example the Bank of America, which has decided to develop its activities in Paris and will bring demand for an estimated 1000 apartments.

“The size of the market is not so huge in Paris,” Pettex says. “With 50,000 transaction per year, 5 percent of those transactions are above one million euros, meaning between two and three thousand transactions per year, and if you have to find a thousand apartments in one year, it’s a bit complicated for a market that is not so huge.”

The uncertainty over Brexit and its consequences just weeks ahead of the departure date of 29 March is also a point that Rostin believes will continue driving returns.

“I think there will be a no deal, and I think it’s really frightening, because nobody knows what’s going to happen, so I am expecting a lot of French people coming back from the UK.”

<http://en.rfi.fr/france/20190306-brexit-driving-property-values-paris>