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RUGBY WORLD CUP FEVER HITS FRANCE

Sharon Hill, Director of Your French Property Tours France on a World Cup Property Mission

With England faced with the grim prospect of losing Johnny Wilkinson for the first three weeks of the World Cup we all await nervously to see how our team performs in yet another World Cup. I am hopeful that Brits will make the most of their time in France, whether it is celebrating England's awaited successes or enjoying what France has to offer, you'll be sure to see the potential that the French property market offers whilst travelling round France following England.

I am very excited to see the Rugby World Cup being held in France, whenever there is a sporting World Cup event substantial investment is ploughed into the cities not only via tourism but also through other sectors such as the property markets, which England will witness with the 2012 Olympics. We have seen many changes since the election of the new Prime Minister Sarkosky, all very positive for those looking at property investment. Brits that are thinking about buying a holiday home or buy to let investment should be looking at the World Cup cities of Bordeaux, Toulouse, Montpellier, Marseille, Saint-Etienne, Lyon, Nantes, Paris and Saint-Denis. It's surprising how blind we can be when an opportunity is staring us in the face.

Paris, Saint-Denis, Lens

The property market in Paris and the suburbs is still hot, although capital appreciation in double figures is not quite as wide spread as during the last few years. Paris is currently very popular with foreign investors as it is only 9th on the most expensive cities in the world, with average prices for prestigious properties around 13,000 Euros per m² far behind London where prices for similar types of properties are around 40,000 Euros per m². Foreign investment tends to be concentrated in certain areas such as the golden triangle between Etoile and Montaigne, however there are many areas to be considered depending on the level of risk and how long an investor wants to wait to benefit from the market.

For those keen to invest in up and coming areas and are prepared to hold onto their property for a while, the areas of Saint Denis to the North of Paris or Ivry Sur Seine to the South of Paris could be of interest. Both areas are well served by public transport and prices are still very low, especially in the case of Saint Denis. In the past, Saint Denis was considered as a rough area, somewhat like the Docklands in London, however, major regeneration is seeing more and more top international businesses relocate to the area as commercial property is cheaper and large office spaces easier to come by. In turn, leading French developers are constructing many new residential properties in order to increase levels of accommodation in the area.

Saint Denis has been appreciating in the region of 15 20% per year for at least the last five years, and even this year is set to appreciate by approximately 12%. Lens is not a popular city for overseas property investors and has stayed somewhat untapped, a city occupied by locals, but there is certainly scope for potential investment by developers, but we have not seen any movement as yet.

If something deemed safer and less risky is required, then why not in Paris itself? A premium will be paid for the property but Paris is Paris and properties are still appreciating nicely. Depending on the arrondissement, purchasers can still expect capital appreciation in the region of 5 - 10% per year, however, don't just buy anything! Check transport links, local access and amenities and also the prices of similar properties in the area.

Lyon

Lyon is often driven through but never visited and yet it's a beautiful city with a strong cultural heritage and fascinating architecture. Motorists unfortunately drive through the most unattractive part of the town as they cross it on the motorway and unfortunately never stop to visit yet alone to consider buying property. As France's second city, it has all the benefits of a city, yet at the same time all the advantages of its surrounding countryside which are within easy reach, its proximity to the Alps, to Geneva and to the South of France. A real crossroads in the heart of France, Lyon offers diversity and is doing extremely well in the property boom due to its strategic location, international airport and great transport links.

Lyon is an investors dream and is often ignored in favour of Paris or the Cote d'Azur. Investors here can benefit from steady capital appreciation and good rental income whether they buy a leaseback or a buy to let property.

Prices have risen by over 25% since 2005 and are set to continue rising with the radical regeneration of certain districts, such as Charlemagne, La Duchere, Berthelot and generally speaking the 7th and 8th districts as well as Villeurbanne. Investors looking to purchase in Lyon should seek properties with access to the metro or tube systems and should aim to purchase smaller properties (i.e. one bedroom) as these are more sought after and sell extremely well on the resale market.

St Etienne

In the last six years prices have risen by 94.8% in St Etienne and are still set to rise by another 6-7% in 2007, this is expected to continue into the future as St Etienne works hard to regenerate itself. Between 1976 and 2000 very little regeneration work took place in St Etienne and was known as more of an industrial town. Since 2000, the town has become unrecognisable with many regeneration projects and improvements, including a city of design, a new business district and the renovation of building fronts to name but a few. Prices here are lower than most other cities in France. The starting price for a one or two bedroom apartment in the fashionable areas such as Badouillere or the centre is 1,500 Euros per m2.

Nantes

Known throughout Europe as the most agreeable town in which to live in France, Nantes has experienced a dramatic increase in prices over the last few years which is now beginning to slow down as investors are forced into the suburbs in order to be able to find affordable properties. Investors could look at the Ile de Nantes which is still affordable compared to the city centre itself and is aiming to attract families and home owners to the area.

Bordeaux

Prices in Bordeaux have doubled over the last five years and whilst they have slowed down slightly recently, they are set to take off again with the arrival of the tramway, major regeneration works and the classification of Bordeaux's historical centre as part of the UNESCO World Patrimoine. In 2006 it was announced by the town hall that some 7,000 new properties will be built in Bordeaux in the next five years, however land is restricted and the town hall is considering introducing restrictions to ensure that each new building is a minimum of four storeys high in order to respond to the cities requirements in terms of residential accommodation.

Toulouse

In the past Toulouse has experienced an incredible increase in prices which led the market to suffer somewhat. The property market in Toulouse is gradually starting to pick up after a very slow 2006 in number of sales. 2005 to 2006 saw prices rise by over 20% which meant that a lot of properties became unaffordable and took longer to sell, however prices still appreciated in 2006. Things have picked up in 2007 and it is not yet known really how the market will react to a large number of new build properties which have recently been built, although the tendency at the moment is positive.

Marseille

Benefiting from a strong regeneration programme, Marseille is continuing to emerge as a property hotspot. Whilst sales slowed off in the latter part of 2006 mainly due to the increase in interest rates and unsettlement due to the French presidential elections, Marseille is still set to enjoy prices increases in the future although not perhaps in the double figures as we have seen in previous years. The regeneration of Marseille is important as it goes from being a 'rough' city to a cosmopolitan place to live and work and there is a strong requirement in terms of residential accommodation which is not being met today.

Montpellier

Still fashionable, property prices in Montpellier are still going up although the increase in prices is leading to more purchases in the surrounding areas such as Saint-Gély-du-Fesc, Pérols, Le Crès or Castelnau.

As the most expensive town in the Languedoc, prices have slowed down somewhat but are still continuing to increase by approximately 3%, so far this year although the market for new build property is still very dynamic. The market is strong for smaller properties but for houses and larger apartments it's a different story. These types of properties are tending to be on the market longer and prices more negotiable than in the last few years as there is currently more supply than demand.

Whilst we eagerly wait to see how England progresses in the World Cup, we can be sure that France is still very much on everyone's property radar with many opportunities to be had in a safe and stable country. My advice is to be sensible about your purchase and look at all the factors that will affect your investment, whether it is short or long term.

For further information please contact Your French Property on 01793 610 947 or visit www.your-french-property.co.uk

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Notes to Editors:

Established in 2003, Your French Property is at the forefront of the French Investment Property market and specialises in providing investment opportunities to overseas customers, mainly in the UK and Ireland. Your French Property offer leaseback and buy to let investments, covering all of France from studio apartments in major cities such as Paris or Lyon, to luxury ski chalets in the French Alps.

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