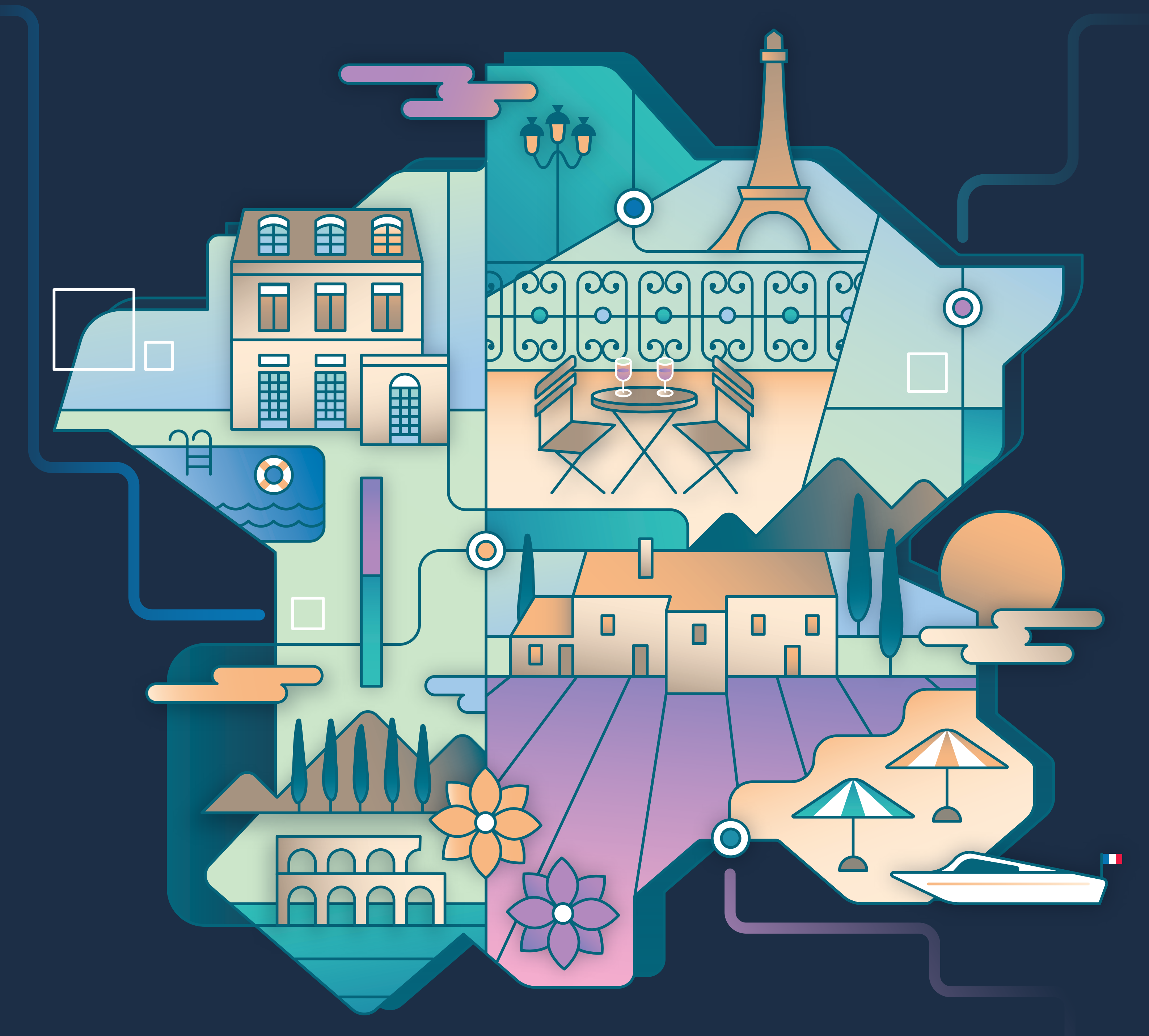
PRIME FRANCE REPORT 2021



1 THE IMPACT OF THE PANDEMIC
2 PRIME PRICE PERFORMANCE
3 FUTURE TRENDS

KEY FINDINGS

IMPACT OF THE PANDEMIC

France's prime markets saw prices increase 1.3% on average in 2020 and cumulative sales increased 5% in the six months to February 2021

PARIS

Prime prices across the capital dipped in 2020 but supply constraints along with big capital spending (Grand Paris Project & 2024 Olympics) will support future growth

SOUTH OF FRANCE

Monaco residents were a strong component of demand in 2020

ALPS

26% of European UHNWIs are more interested in buying a ski home as a result of the pandemic

OUTLOOK

Prime France will remain a sellers' market until Q1 2022 as more pent-up demand is released and borders reopen but activity will slow ahead of the May 2022 Presidential Election

OVERVIEW

Despite a challenging backdrop France's prime residential markets were resilient in 2020 as the pandemic sparked a reassessment of housing need amongst French buyers

Green shoots

Following three national lockdowns, a delayed vaccine programme, closed borders, and with its ski resorts shuttered, France's property market has operated against a challenging backdrop over the last year.

But by June 2021, 40% of French citizens had received a Covid-19 shot and the EU had unveiled proposals to end restrictions on non-essential travel and welcome back vaccinated visitors, a critical move for the world's most visited country that usually attracts some 90 million tourists a year.

Since March 2020, France has spent almost 190 days in national lockdown, but the economic impact of successive lockdowns has lessened each time, according to the French Statistics Office. This trend was replicated in the country's housing market.

Recovery mode

Residential sales largely halted in Q2 2020 as the housing market shut down, but subsequent lockdowns have seen momentum maintained with annual sales volumes up 5% between August 2020 and February 2021. Rural departments such as Aude, the Dordogne and the Pyrénées have seen some of the largest increases in sales year-on-year.

Cheap finance & stimulus support

The French Government has deployed €604 billion in additional spending and liquidity support, including a furlough scheme that covers 84% of net wages for residents earning up to €6,927 per month. At 1.11% mortgage rates are at a 50-year low according to the Bank of France, down from 5.35% in 2008, meaning homeowners looking to relocate or purchase a second home during the pandemic found it a relatively affordable option. Further assistance was provided by France's Financial Stability Board which eased lending rules in 2020 allowing banks to raise the household debt threshold from 33% to 35%.

At 1.11% mortgage rates are at a 50-year low according to the Bank of France, down from 5.35% in 2008

The return of the French

Paris was arguably hit hardest by the pandemic but analysis by our Paris research team shows only a small increase in households relocating from central Paris to the suburbs. In the second half of 2020, some 34% of those Parisians that left the city centre moved to the inner suburbs, up from a ten-year average of 30% and 11% moved to the outer suburbs, up only marginally from a ten-year average of 8%. French buyers dominated sales in 2020 as international travel bans curbed overseas demand. In 2020, 60% of prime sales agreed in France by Knight Frank were to French buyers or overseas nationals based in France, the highest on record.

Pent-up demand released in 2021

A surge in overseas demand is likely once borders reopen. France is home to over

15,500 ultra-high-net-worth individuals (UHNWIs), each with more than US$30 million in assets, a figure that is forecast to rise by 53% to almost 23,700 by 2025 according to *The Wealth Report 2021*.

France's lifestyle, accessibility and climate are major draws with Monaco and the Côte d'Azur arguably home to one of the largest concentrations of wealth globally. President Macron's decision in 2017 to remove the wealth tax on everything except property assets, helped cement the view that France was pro-business, reversing the outflow of wealth evident during Hollande's presidency.

7th & 16th arrondissements – France's top wealth enclaves

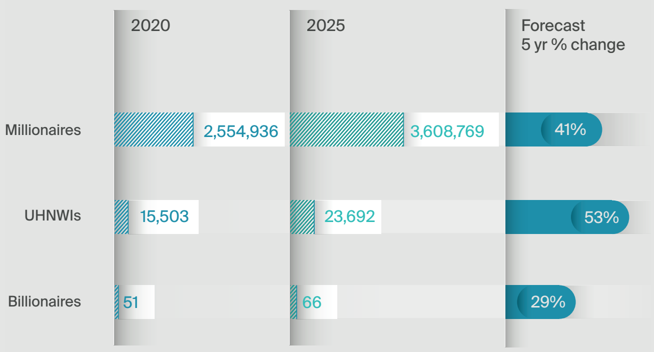
Data from the French tax authorities reveals where in France the wealthy reside. In 2019 (latest available data), average wealth (based on property wealth only) was highest in Paris' 7th arrondissement, whilst the 16th was home to the largest number of taxpayers (8,853).

Prime property

The most desirable and most expensive property in a given location, generally defined as the top 5% of each market by value. Prime markets often have a significant international bias in terms of buyer profile.

Watch *The Wealth Report 2021* webinar in *French or English*

UHNWIs in France to increase 53% by 2025



Source: The Wealth Report 2021 UHNWIs = Individuals with US$30m+ including primary residence

France's wealthiest communes based on property wealth*

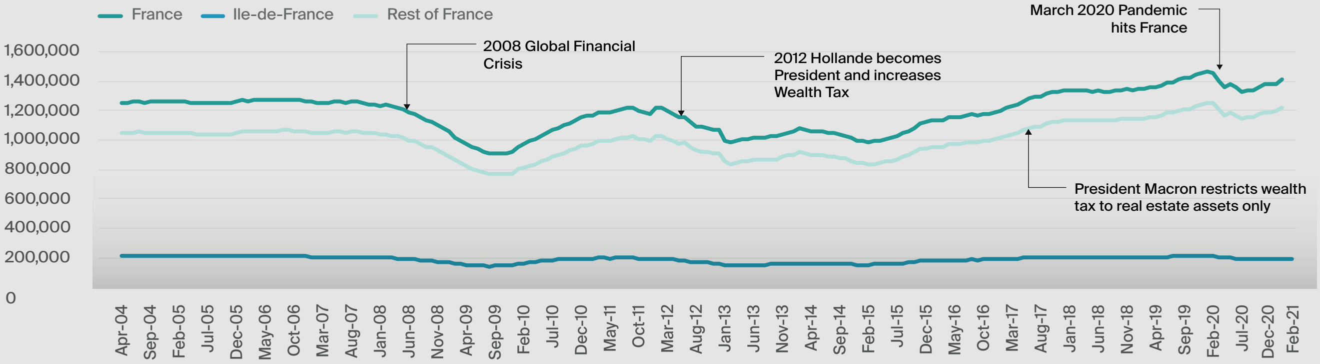
2019

Commune name	Average wealth in €	Number of taxpayers
7th, Paris	3,203,056	4,077
Neuilly sur Seine	2,895,472	3,524
6th, Paris	2,872,758	2,668
8th, Paris	2,847,048	2,107
16th, Paris	2,833,570	8,853
17th, Paris	2,443,877	3,625
14th, Paris	2,328,580	1,728
Lyon	2,279,458	1,902
15th, Paris	2,236,794	3,137
Boulogne Billancourt	2,224,112	1,780

Source: IFI *Cities with more than 20,000 inhabitants and 50+ wealth tax payees. Data includes real estate rights and shares of real estate companies held in France and abroad

French residential sales up 5% in the year to February 2021

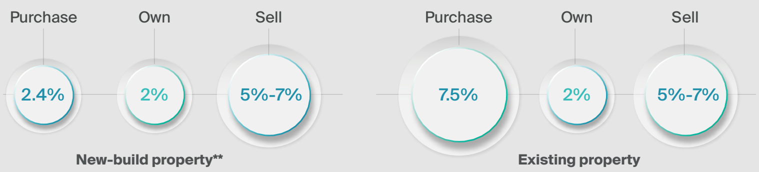
Number of home sales, cumulative over 12 months



Source: Knight Frank Research, Macrobond, CGEDD according to DGFiP (MEDOC) and notarial bases

France: A lower purchase tax for new-build homes

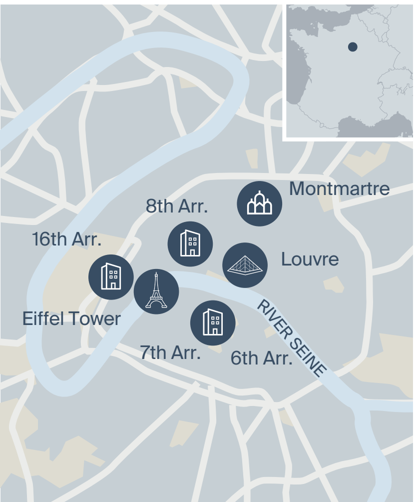
Purchase, ownership and sale* costs (% of property price)



Source: Knight Frank Research. * Excludes Capital Gains and Social Taxes **VAT of 20% applies to a new-build purchase but buyers can claim a rebate if they commit to renting the property for 20 years

Key dates ahead

May 2022	French Presidential & Legislative Election
February 2023	FIS Alpine Ski World Cup – Meribel & Courchevel
Summer 2024	Paris Olympics & Paralympics
2030	Grand Paris Project due for completion



Most active prime price band

€2m-€4m

Annual % change, 2020

-2.3%

Direction of price growth in 2021

▲

Key prime neighbourhoods

6th, 7th, 8th, 16th

Prime prices compared
Q1 2021

LOCATION	€ PER SQ M
Paris - prime average	€19,600
6th Arrondissement	€21,500
7th Arrondissement	€20,800
8th Arrondissement	€18,500
16th Arrondissement	€17,600

Source: Knight Frank Research

PARIS

Significant investment in infrastructure over the next decade means the city is primed for growth

Firm fundamentals

A shortage of stock, record low interest rates, strong investment in infrastructure, together with a reassessment of lifestyles, meant Paris' residential market proved largely resilient in 2020.

Stop-start in 2020

Along with other global cities, viewings and transactions were halted for several weeks in the second quarter of 2020 leading to spikes in activity when restrictions eased. Residential sales across the Greater Paris region totalled 187,100 in 2020, down 12% year-on-year but strong activity was evident between June and September 2020.

The prime segment, defined as the top 5% of the housing market, saw prices soften 2% in 2020 as travel bans hampered overseas demand although some investors were willing to purchase via virtual viewings. Despite this, the super-prime segment (US$10m+) held firm in 2020 with 13 sales recorded in total, mirroring the number seen in 2018 and 2019.

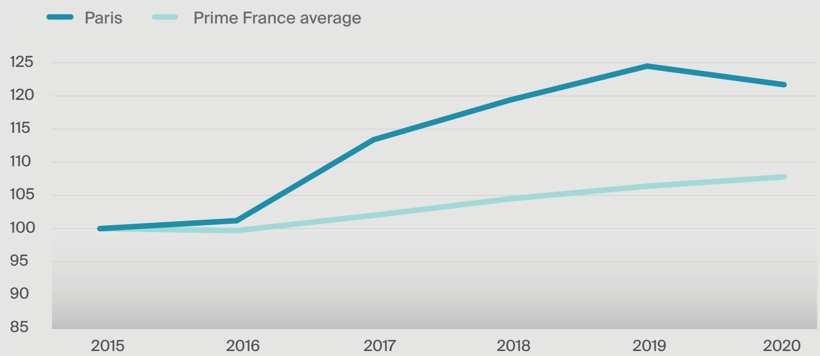
Hôtel particuliers in demand

With around 80% of Greater Paris' housing stock equating to apartments, the pandemic-induced demand for space pushed the premium for houses even higher. Of the properties sold in 2020 by Knight Frank's partners in Paris, Junot Fine Properties, 83% benefitted from outdoor space.

Of note was the demand for 'hôtel particuliers', these large historic homes, often with gardens and swimming pools, are rare finds but those that did come to the market attracted strong interest. Of the eight sold in 2020 (where sales data is available), five were located in the 16th arrondissement, two in the 7th and one in the 18th with an average sale price of €20.6 million overall.

"With around 80% of Greater Paris housing stock equating to apartments, the pandemic-induced demand for space pushed the premium for houses even higher.

Paris: Prime residential price
Indexed, 100 = 2015



Source: Knight Frank Research

Supply constraints

Strict building regulations and five UNESCO world heritage sites mean new-build opportunities in Paris are scarce. The pandemic has further exacerbated the issue with new construction delayed. The number of building permits obtained in 2020 remained relatively stable (-3%) while housing starts fell by 34% year-on-year. On average, only 4,000 new residential units have been launched each year over the last decade. Looking ahead, the potential repurposing of commercial stock to bolster residential supply offers one possible solution but Knight Frank *research* shows it is offices in the outer suburbs, not in central districts such as La Défense, that will lend themselves best to being converted.

Major investment ahead

The Grand Paris Project, Europe's largest transport initiative over the next decade, is set to deliver four new train lines and 68 new train stations by 2030. Prices in the Hauts-de-Seine department – one of the main beneficiaries along with Seine-Saint-Denis – are already outperforming the wider market. Average prices in the area registered 7% price growth compared to 5% for Paris as a whole in 2020 according to the Paris Chamber of Notaires. In addition, close to €4 billion is being earmarked for the 2024 Paris Olympics and the two projects will dovetail to provide significant economic stimulus for the north and west of the city.

Cash is king

Despite low interest rates, Knight Frank's partners in Paris, Junot Fine Properties, reported a strong uptick in cash buyers since the start of the pandemic. Some 87% of prime purchasers opted for a cash purchase, keen to use property as a store of capital and a means of wealth preservation during a period of heightened uncertainty.

PRS uptick

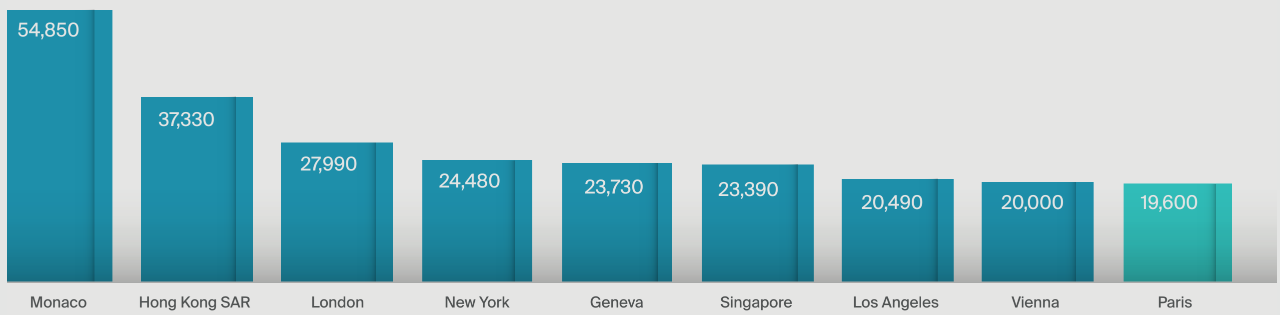
Compressed yields across the city's key commercial sectors are helping to promote the private rented sector (PRS) in the eyes of investors, given they offer both diversification and long-term income-driven benefits. Institutional investors ploughed some €700 million into Inner Paris' residential market in 2020. Widening house price-to-income ratios indicate deteriorating affordability and stronger rental demand in the coming years. The 20-39 year age group, a key component of rental demand in most cities, currently accounts for 31% of Paris' total population according to Oxford Economics.

Outlook

Headwinds come in the form of higher government debt which may weigh on plans for key infrastructure projects (Grand Paris and 2024 Olympics) and analysts forecast it will be 2023 before tourist numbers in Paris return to 2019 levels. However, there are some significant tailwinds too. Paris' large financial services sector, high productivity rates and above-average incomes, along with significant infrastructure improvements planned in the next decade, will boost the local economy.

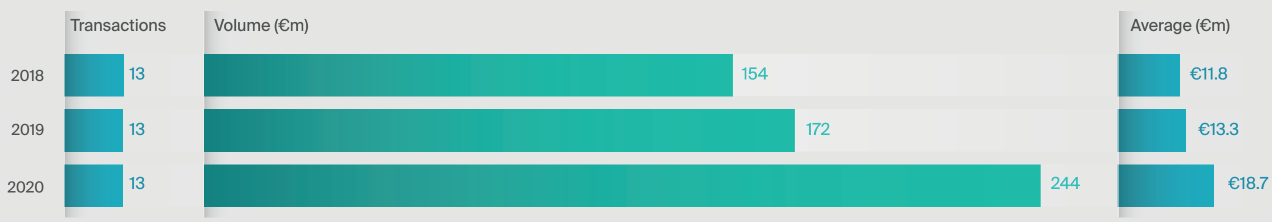
Download our *Paris Residential Report*

Paris – competitive on the global stage
€ per sq m, Q1 2021

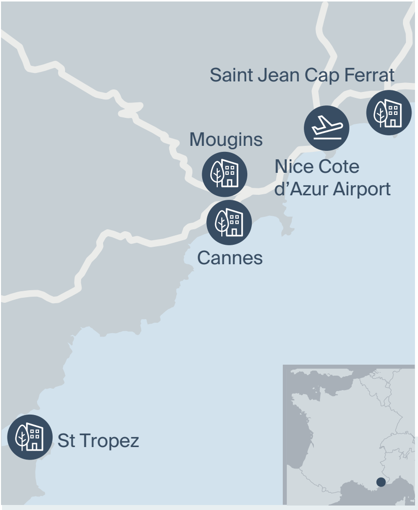


Source: Knight Frank Research

Super-prime sales steady
Transactions over US$10m*



Sources: Knight Frank Research, Junot Fine Properties *Exchange rate calculated as at 31 December 2020



Most active prime price band

€3m-€5m

Annual % change, 2020

1.0%

Direction of price growth in 2021

▶

Key prime neighbourhoods

Saint Jean Cap Ferrat, St Tropez, Cannes, Cap d'Antibes, Grasse

Prime prices compared

Q1 2021

LOCATION	€ PER SQ M
St Jean Cap Ferrat	€35,300
St Tropez	€28,300
Cap d'Antibes	€25,500
Cap d'Ail	€20,000
Èze	€20,000
Beaulieu sur Mer	€20,000
Cannes	€19,600
Villefranche sur Mer	€18,500
Saint Paul de Vence	€16,000
Mougins	€16,000
Nice	€10,000
Valbonne	€9,500
La Garde Freinet	€7,500
Fayence	€6,000

Source: Knight Frank Research

COTE D'AZUR

Despite some neighbourhoods performing strongly, prime price growth was largely static on the Côte d'Azur as a whole. Although French buyers and Monegasques filled the gap left by Covid-restricted international buyers, the level of supply on the coast negated strong price growth.

That said, the pandemic-induced 'race for space' continues with demand for villas strengthening at the expense of apartments.

Split into three distinct markets – Central Côte d'Azur, St Tropez and its surrounding area, and the inland region incorporating Mougins and Grasse, the area attracts a significant number of second home buyers but is also home to a large foreign-born resident population.

Another trend we've noted is the return of 'Re-pats' – French nationals who have lived abroad and want to resettle in the south of France due to the lifestyle it offers, many head to Mougins, Valbonne or Aix-en-Provence due to their good international schools.

Despite high stock levels along the coast there are pockets of constrained supply. Demand exceeds supply along Pampelonne Beach near St Tropez and notably in the village of Ramatuelle in the €3m-€7m price bracket. With opportunities scarce, buyers are looking further south to L'Escalet beach and La Croix Valmer where more options exist and at lower price points.

Further up the coast in Cannes it's a similar story. Super Cannes and Cannes Californie are attracting buyers from central Cannes seeking a larger choice of new, contemporary-designed villas.

Further east, Cap Martin, Villefranche and St Jean Cap Ferrat saw strong demand from apartment-based Monaco residents at the start of the first lockdown, whilst others sought small, manageable country estates further inland near Valbonne and Grasse.

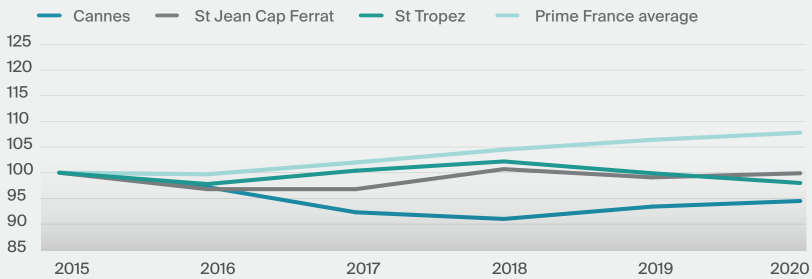
With tourism and conferences key income generators for the Côte d'Azur, the region has been buffeted by the pandemic but Cannes, which usually plays host to numerous flagship events each year, has announced the Cannes Film Festival and MIPIM will go ahead in 2021, signalling some green shoots for the region's tourist industry.

As policymakers around the world grapple with raising taxes to pay for the Covid-19 crisis, several countries are now considering wealth taxes for the first time. For those relocating to the Côte d'Azur, the well-established French model is providing reassurance to some, conscious that others could yet prove more draconian.

Download our *Ten Reasons to Buy* on the Côte d'Azur

French Riviera: Prime price index

Indexed, 100 = 2015



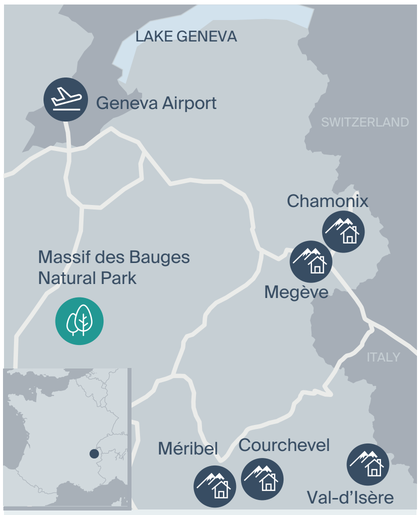
Source: Knight Frank Research

The Côte d'Azur's wealthiest communes based on property wealth*

2019

Commune Name	Average wealth in €	Number of Taxpayers	Average tax in €
Cannes	2,770,439	626	12,642
Aix En Provence	2,192,630	875	8,895
Marseille	2,191,555	1,444	8,731
Antibes	2,187,869	418	8,929
Nice	2,185,850	1,243	9,116

Source: IFI *Cities with more than 20,000 inhabitants and 50+ wealth tax payees. Data includes real estate rights and shares of real estate companies held in France and abroad



Most active prime price band

€2m-€4m

Annual % change, 2020

2.5%

Direction of price growth in 2021

▲

Key prime neighbourhoods

Val d'Isère, Courchevel, Méribel, Megève

Prime prices by neighbourhood

Q1 2021

LOCATION	€ PER SQ M
Courchevel 1850	€26,100
Val d'Isère	€20,100
Courchevel 1650	€16,000
Courchevel 1550	€15,900
Méribel	€15,900
Méribel Village	€14,700
Megève	€14,300
Chamonix	€11,900

Source: Knight Frank Research

FRENCH ALPS

The pandemic-induced 'call of the great outdoors' saw mountain living catapulted back into the spotlight given the lifestyle it offers; fresh air, privacy, exploration, views and open space.

Knight Frank's Attitude Survey in *The Wealth Report 2021* confirms the increasing appetite for ski homes. Globally, 11% of wealth advisers said their clients were more interested in purchasing a ski home as a result of Covid-19, this figure increased to 26% amongst European ultra-high-net-worth individuals.

With two ski seasons impacted by the pandemic, resorts in the French Alps are expected to see a busy 2021/22 season.

Since the start of the crisis demand that usually targeted hotel accommodation, switched to the chalet rental market as skiers looked to avoid communal spaces and have the option of balconies or outdoor space during their stay.

French, Swiss and Italians flocked to the region when travel was permitted providing holiday lets with a welcome rental boost in summer 2020.

Sales in the Haute-Savoie and the Savoie departments which are home to the key resorts in the Alps increased by 2.5% and 3% respectively in February 2021 year-on-year according to France's CGEDD.

Prime prices increased 2.5% on average in 2020, with the resorts of Megève (4.5%) and Chamonix (3.5%) registering the strongest increases.

Private and institutional capital is increasingly targeting the Alps due to the appealing tax regime offered on new-build properties. By offering a fully serviced rental property for 20 years homeowners receive a 20% VAT rebate, an initiative that applies nationwide.

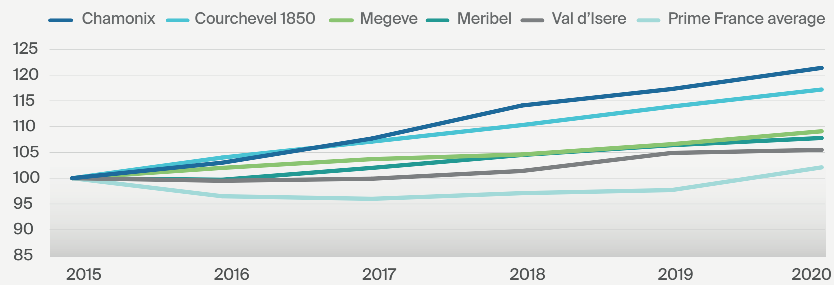
Alpine resorts are transitioning into year-round resorts investing heavily in both their ski and non-ski offering. Such plans not only boost tourism but leave resorts less exposed to concerns around climate change.

The key challenge of Brexit is perhaps surprisingly not, the 90/180 day rule, given few British homeowners would usually spend more than three months in their ski home, instead it relates to the hiring of British cleaning and support staff when offering guests all-inclusive stays. More cost and bureaucracy will now be incurred due to the requirements to employ French or EU nationals.

Download *The Ski Property Report*

French Alps: Prime price index

Indexed, 100 = 2015



Source: Knight Frank Research

	Resort altitude (m)	Rental yield	Season length (weeks)	No. of second homes	Journey time to Airport
Chamonix	1,035	4.3%	20	8,900	1 hr 10
Courchevel	1,850	2.5%	21	5,200	2 hr 5
Megève	1,110	1.5%	18	7,300	1 hr 9
Méribel	1,450	2.5%	21	6,400	2 hr 5
Val d'Isère	1,850	2.5%	23	4,200	2 hr 45

Source: Knight Frank Research, UBS, Ski Club of GB

Most active prime price band

€800,000-€2m

Annual % change, 2020

1.3%

Direction of price growth in 2021

Key prime neighbourhoods

St Rémy, Eygalières, Bonnieux, Ménerbes

Prime prices compared

Q1 2021

LOCATION	€ PER SQ M
Eygalières	€8,500
Ménerbes	€6,900
Gordes	€6,700
Aix en Provence	€6,400
Saint Rémy de Provence	€6,200
Bonnieux	€5,900
Maussane les Alpilles	€5,500
L'Isle sur la Sorgue	€3,800
Vaison la Romaine	€3,600

Source: Knight Frank Research

PROVENCE

Provence has arguably been the busiest of all Knight Frank's European markets since the start of the pandemic, both in terms of enquiries and sales.

Across the key departments of Vaucluse and Bouches du Rhóne, over 51,000 sales were agreed in the year to February 2021, up from just over 48,000 in the 12 months to August 2020. Prime sales in Provence's 'golden triangle' which stretches between the medieval villages of Gordes, Ménerbes and Bonnieux have seen a notable uptick in activity.

Prime prices increased 1.3% in 2020 and in 2021 we have seen a marked acceleration with prices rising around 5% in the first five months of the year as tight supply and strengthening demand put upward pressure on prices.

The region is home to over 270,000 second homes and they account for 11% of all housing stock.

Although more peripheral locations are still attracting interest from value hunters the pandemic has seen buyers retreat to established core markets that offer amenities and a sense of community.

Diminishing stock

Stock levels are slowly being depleted after a frenetic period of sales activity driven in the main by French buyers. However, when travel rules permitted, Swiss, German and Benelux buyers have been active, tempted by the region's easy accessibility by road.

Space and wellness

The appeal of green space, views and wellness makes Provence an obvious choice for many seeking a retreat in future post-pandemic times. Knight Frank's Attitude Survey in *The Wealth Report 2021* confirms that 47% of respondents are more likely to purchase a rural home as a result of Covid-19, this figure rises to 52% amongst European UHNWIs.

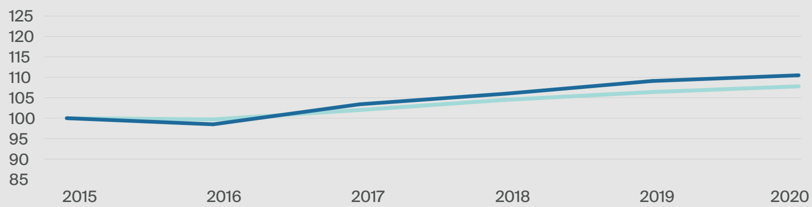
Rental prospects

With France's borders still closed to most tourists, it is likely to be 2022 before overseas demand starts to recover but around the world 2021 is likely to be the year of the 'staycation' and France is no exception, demand from French holidaymakers is notably strong in the region. In pre-pandemic times a four-bedroom property in St Rémy could achieve between €4,000 and €8,000 per week and would comfortably be rented out for four to six months of the year. Popular rental destinations include St Remy de Provence, Eygalières, Bonnieux, Gordes and Ménerbes.

Download our *Ten Reasons to Buy* in Provence

Provence: Prime price index

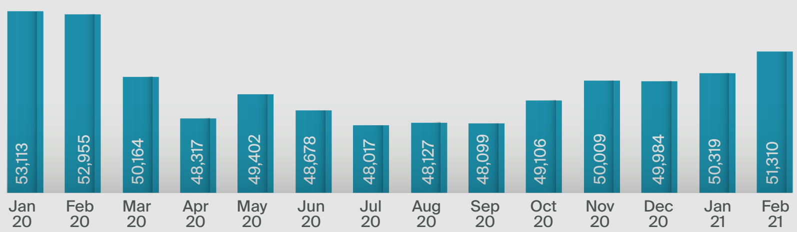
Indexed, 100 = 2015



Source: Knight Frank Research

Sales increase during Covid era

The number of existing home sales in Vaucluse & Bouches du Rhone, cumulative over 12 months



Source: Knight Frank Research, Macrobond, CGEDD according to DGFiP (MEDOC) and notarial bases

Most active prime price band

€800,000-€1.2m

Annual % change, 2020

1.5%

Direction of price growth in 2021

▲

Key prime neighbourhoods

Auch, Condom, Bergerac

Prime prices by neighbourhood
Q1 2021

LOCATION	€ PER SQ M
Bergerac	€1,850
Auch	€1,750
Condom	€1,700

Source: Knight Frank Research

GERS & THE DORDOGNE

Traditionally, the property market in the South West lags the rest of France's prime markets by six to 12 months, which suggests we are likely to see activity strengthen as French buyers continue to relocate or purchase second homes in key hotspots such as Bergerac, Auch and Condom. This should also coincide with travel restrictions easing for those international buyers from further afield.

> **Work is due to start on a high-speed TGV trainline in 2024. The new direct rail link between Paris and Toulouse will stop at Bordeaux cutting journey times from Paris.**

Gers & The Dordogne are home to some 36,241 second homes, accounting for 13% of all homes in the two departments according to France's National Statistics Office, INSEE.

Unbuffered by the pandemic, the number of existing property sales in the region totalled 17,061 in the year to February 2021, an increase of 3% year-on-year according to France's CGEDD.

Following a 30% decline in prime prices in peak-to-trough terms in the wake of the global financial crisis, prices have nudged higher but at a slower rate than neighbouring regions. Prime prices are on average 5% higher than in 2015 but at around €1,800 per sq m significantly lower than second home hotspots in Provence, the Alps or the Côte d'Azur.

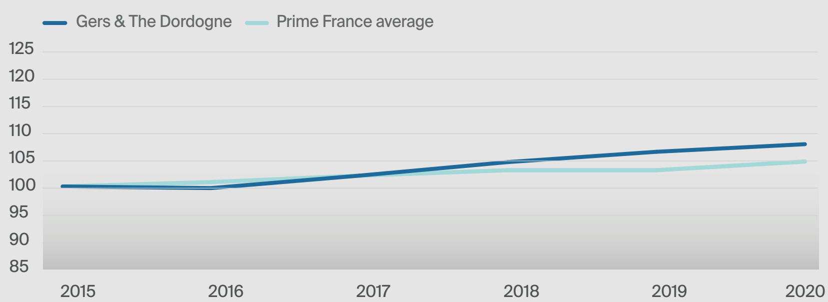
Buyers are typically seeking a traditional French farmhouse priced between €800,000 and €1.2 million or more generous accommodation in the form of a chateau in need of modernisation.

Popular with British buyers, Brexit will have a bearing on buyer sentiment in the region but the overlap with the pandemic has made it hard to gauge to what extent British homeowners will either sell up, apply for French citizenship or opt to rent their second home for longer periods now that they are subject to the 90/180 day rule.

When travel was permitted in 2020, Belgian and Dutch buyers were also active in the region.

Work is due to start on a high-speed TGV trainline in 2024, five years ahead of schedule. The new direct rail link between Paris and Toulouse with a stop at Bordeaux will cut journey times by 90 minutes to three hours making it an easy weekend bolthole for Parisians, those located in the north of France as well as international buyers who fly into Paris' major airports.

Gascony & The Dordogne: Prime price index
Indexed, 100 = 2015



Source: Knight Frank Research

EXPERT VIEW

Mark Harvey, Knight Frank's Head of International Sales, reflects on the outlook for France's prime residential markets post-Covid-19

Back in March 2020 the outlook for the French housing market was troublesome, but fast forward to June 2021 and we've seen surprisingly robust activity due in no small part to the appetite from French buyers.

Last summer saw three phases of activity, firstly a surge in interest from French buyers, this happened almost immediately when the first lockdown eased in mid-June and was followed by an uptick in demand from near neighbours – German, Swiss and Benelux buyers. The last to the party were the British and although travel bans have frustrated many attempts to undertake viewings and progress sales, new enquiries have been buoyant in 2021.

France's lifestyle and culture, along with record low interest rates, an uptick in French staycationers and a pipeline of significant transport improvements will encourage overseas buyers once borders reopen.

Flight to safety

One surprise trend was the extent to which Paris became a safe haven for wealthy French residents at the start of the pandemic. Cash buyers accounted for over 80% of prime purchasers in Paris in 2020 despite cheap debt being easily available. As the scale of the crisis became clear domestic buyers, nervous about the direction of stock markets and the liquidity of banks, moved their funds into property as a means of wealth preservation. Several big-ticket sales were concluded as a result including a Knight Frank sale in the 6th arrondissement which achieved €42,500 per sq m, setting a new record.

Cash buyers were not exclusive to Paris, we saw a number elsewhere in France where the words 'not subject to finance' were always met warmly by sellers and often helped to facilitate negotiations.

The generation gap

The average age of our prime buyers has declined, purchasers in their fifties looking at early retirement are no longer the dominant profile, instead thirty or fortysomethings with a job and family commitments account for a larger number.

The year ahead

The next few months will be far from straightforward, but I think we're moving in the right direction. Anyone expecting an immediate recovery of cross-border transactions will be disappointed. A lot hinges on the vaccine rollout, new variants and government decisions around travel. Once borders start to reopen we could see UK and US buyers account for a higher proportion of French sales than usual given their advanced vaccination rates.

It will be a sellers' market until early 2022 as we see more pent-up demand released, we will then see the usual seasonality return to the market and the exuberance of recent months die down in the run up to Presidential Election in May 2022, it is unlikely we will see any changes to the tax landscape in the interim.

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Notable sales since the start of the pandemic

LOCATION	ACHIEVED PRICES
Mougins	c.€40 million
Super Cannes	€15 million
Provence	€8.5 million
Chamonix	€20,000 per sq m
6th Arr., Paris	€45,500 per sq m

Source: Knight Frank Research

Smaller budgets, more risk averse

What we term our core buyers, those looking to spend between €1m and €3m, will be more risk averse than their high net worth counterparts. I expect buyers with lower budgets will wait out the sales boom. Not only are core buyers less likely to offer the asking price, which in the current climate in some markets can see you outbid, but they will be slower to travel if costly tests and quarantine periods are required. This means the top end of the market will continue to outperform.

Tried and tested

Markets most in demand in 2021 will mirror those we saw take off when lockdowns eased in June 2020 – Provence, inland Cannes, the French side of Lake Geneva, Chamonix, The Three Valleys as well as parts of South West France such as Gers and Gascony where good value still persists.

Buyers will revert to tried and tested prime markets, I expect they will be less likely to go off grid in search of value and remote living.

Making up for lost time

The French Alps, where skiers will be looking to make up for two lost seasons, will be one market to watch and here we expect rental demand to be robust in 2021/22. France will also chime with those buyers for whom wellness and wellbeing is even more of a priority as a result of the pandemic. For those wanting a healthier and better balanced lifestyle France continues to tick numerous boxes.

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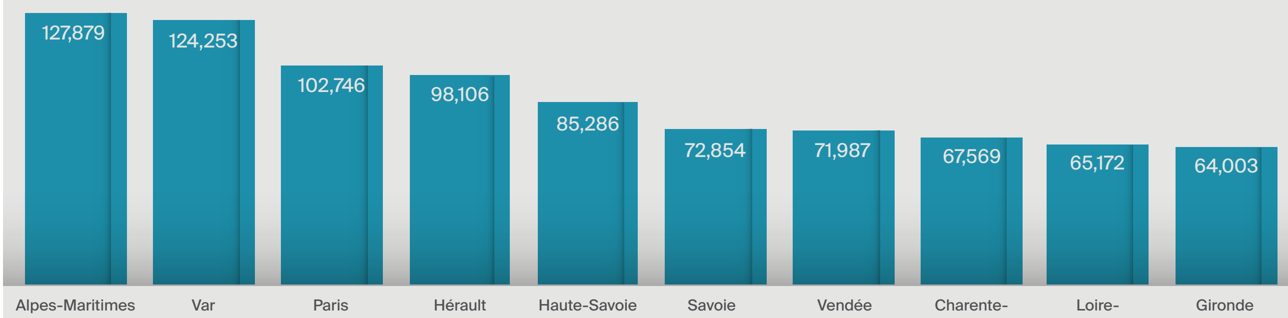
Contact *Mark* to discuss any property requirements you might have in France

Top ten departments in France with the largest number of second homes
2019



Source: Insee

EstateNetPrestige.com