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PRESS RELEASE

11th BNP PARIBAS INTERNATIONAL BUYERS OBSERVATORY
"Investing & Living abroad" 2019

Property: who is buying in France?
The investment regions revealed
The Brexit paradox

- **The market of foreign buyers of property in France grew again in 2018 (+6%), especially among resident foreigners (+8%).**
- **Despite Brexit, the British remain the main non-resident foreign buyers (27%) followed by the Belgians (19%) and the Germans who seem to have a growing appreciation for French stone.**
- **Contrasting results by region: the Southern Region (PACA) held on to its leading position with 20% of the transactions completed by foreign non-residents, followed by Occitania (15%), Nouvelle-Aquitaine and Auvergne-Rhône-Alpes; Île-de-France is the fastest growing (15%) region**

BNP Paribas International Buyers, the entity of BNP Paribas Personal Finance that specialises in helping non-residents complete property transactions in France, is today publishing the 11th edition of its **French Property Buyers Market Observatory which includes non-resident foreigners, resident foreigners and expatriate French nationals. This market, worth more than €17.7 billion, is characterised by the following key trends:**

1 / Ongoing growth, especially in the Île-de-France region

The market of foreign buyers – residents and non-residents – continued to grow in 2018: +6% (65,000 buyers in total), with a more significant increase among residents, i.e. roughly 8%. This increase is particularly noticeable in Île-de-France (+9%), where 30% of foreigners invested. It also continued, at a slower pace, outside the Paris region (5%). 27% of these foreign national buyers are not resident in France.

After several years of growth, the market of non-resident foreign buyers is steady at a high level (+0.4%), with an average purchase price that has dropped by 4.6% (€288k compared with €303k in 2017) - mainly due to a significant drop of 7.8% in Île-de-France, where the average price went from €577k in 2017 to €533k this year. Outside the Paris region, this drop is roughly 5.3%.

2 / French expatriates are buying less but spending more

On the market of non-residents of French nationality, there has been a slight dip in the number of transactions: -7%. This dip is offset by the average price of their purchases which has increased by 4%, mainly thanks to the renewed health of the Île-de-France region where the average price remains very high (€545k), and which represents 26% of the total number of transactions. This region is followed by the Auvergne-Rhône-Alpes and the Southern Region/PACA which represent 15% and 13% of the transactions respectively, after which come Occitania, Nouvelle-Aquitaine and the Great East (9%, 9% and 8%).

Despite a slight decline across all the regions, particularly in Hauts-de-France, Occitania and Normandy, **the market of non-resident French investors investing in their home country still represents no less than €3 billion.**

3 / Regardless of Brexit, the British are still leading the way among the non-resident foreign buyers, followed by the Belgians and Germans

British non-residents are continuing to invest heavily in our country. Their presence increased by 5% compared to 2017 reaching a total of 27% among the most highly represented foreign nationalities in the group of non-resident buyers (this figure peaked in 2015 at 34%). Their growth even reached 77% in inner Paris with a high average transaction value of €881k.

The Belgians are continuing their steady progress year on year and have consolidated their second place (19%).

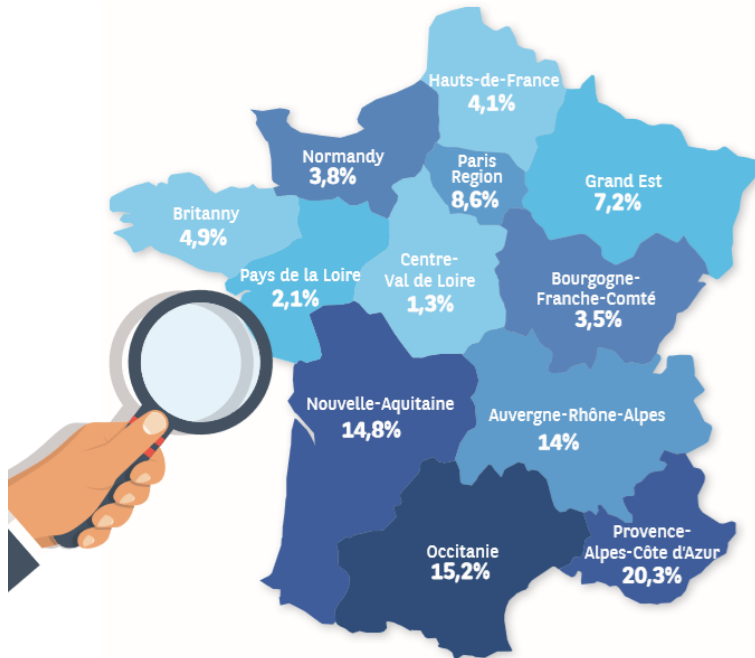
For the first time, the Germans have come in third place ahead of the Swiss, who, like the Italians and the Dutch have continued to fall back slightly. The same goes for the Americans, who nevertheless remain the leading non-European nationality, with a persistent strong presence on the French market. However, they are continuing to invest in inner Paris (+16% compared to 2017) with an average budget of €802k.

From 8th place in the rankings, the nationalities that are growing fastest are the Luxembourgers (+13%) and the Spanish (+18%), and especially the Irish (+36%), Portuguese (+51%) and Canadians (+54%). Given their more moderate budgets, they tend to drag the market down.

The Scandinavian countries – Norway (€612k), Sweden (€501k), Denmark (€479k) – make up the top third of the nationalities where the average recorded transaction value is the highest, ahead of China (€453k), the United States (€415k) and Russia (€377k). As for Sweden, this amount has increased by 15% compared to last year, but the fastest growth is that of the Netherlands with +30% (€298k). Finally, the British (-7%) and the Russians (-25%) are the only nationalities represented for which this average value is falling.

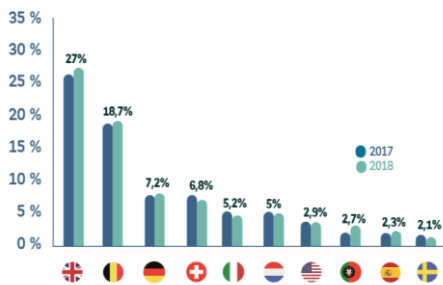


Breakdown of transactions made by Non-Residents per region

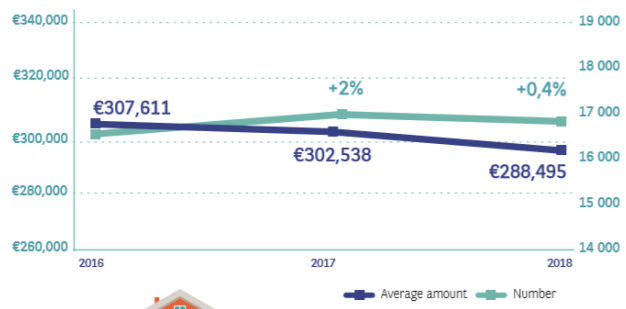


PROGRESSION IN THE RANKINGS OF NATIONALITIES BETWEEN 2017 AND 2018

TOP 10 nationalities by number of transactions in France



Slight increase in the number of transactions



1. ILE-DE-FRANCE: Falling prices driving growth in the number of transactions

While the average purchase price decreased by 8% (€533k) in Île-de-France, the market recorded an upsurge of 15%. This trend was all the more telling in Paris where the fall in prices reached 12% (€720k, still in 1st position among the region's eight departments) and where 55% of all transactions are concluded. This represents a fourfold price difference with Seine-Saint-Denis that is in last place with an average purchase price of €201k (-5%). One of the exceptions to this trend comes from Hauts-de-Seine (2nd) that is experiencing a surge in prices: +23% (€447k). The reverse trend can be observed in Yvelines (3rd) with a fall of 35% (€421k). Essonne (+34%, €229k, 6th) and Val-d'Oise (+16%, €224k, 7th) are the other two departments of Île-de-France where significant increases are to be highlighted.

Non-Europeans, in particularly large numbers, are buying property in the Paris region and its surroundings. The Algerians (9%) led the way in 2018, followed by the Americans and the Chinese that are level pegging with the Italians (8% for each). Behind them came the United

Kingdom (7%), Germany (5%) and finally Switzerland, Lebanon and Portugal (4% each) as the best represented countries.

2. SOUTHERN REGION: Provence and Côte-d'Azur – as popular as ever

The Southern Region – formerly the PACA region – retains its track record as leader with transactions that are settling at a high level (-1%). The Belgians remain the main buyers (17%), followed by the Italians (15% and decreasing) and the British (11%). Then come the citizens of Sweden (7%), Switzerland and the Netherlands (5%).

As for the average prices, these have waned slightly (€482k, -4%) after a substantial increase of 10% in 2017. The Var continues to lead the race with a 2% increase in the average transaction value, while Vaucluse experienced the most substantial growth of the region: +4%. The other departments of the Southern Region recorded a decrease in the average transaction value, as much as -10% in Alpes-de-Haute-Provence and -18% in Bouches-du-Rhône.

As far as the nationality of the buyers is concerned, the Belgians are omnipresent in Var (28%), followed by the Germans (18%) and the Dutch (11%), while in Alpes-Maritimes, it is the neighbouring Italians who hold the top position (22%) ahead of the British (11%) and Swedish (10%). It is also worth noting the significant progress of the Belgians in Vaucluse (42%), where the concentration is quite dense since five nationalities share most of the transactions (Switzerland 15%, United Kingdom 12%, Germany 10%, The Netherlands 7%).

3. AUVERGNE-RHONE-ALPES: British, Swiss and Belgians - all skiing enthusiasts?

The average transaction value in Auvergne-Rhône-Alpes rose slightly (1%, €369k) while the number of transactions fell by 5% at the same time. The British (30%), the Swiss (21%) and the Belgians (14%) are the leading trio among the nationalities of buyers in this region, with the rest of the pack following at a distance (Italians 6%, Dutch 5%, Portuguese 4%, Germans 3%, etc.)

More than half of the acquisitions made by non-resident foreigners in Auvergne-Hautes-Alpes were concluded in Haute-Savoie (54%). This proportion climbs to four-fifths when you add the two neighbouring departments of Ain and Savoie, representing 14% each. Isère (4%), Drôme (4%), Rhône (3%), Ardèche (2%) and Allier (2%) all recorded a low level of business.

Unsurprisingly, it is the three leading departments that are largely responsible for the high transaction value in this region: Savoie (€481k), Haute-Savoie (€406k) and Ain (€395k) are the only departments registering figures above the average, while Drôme (€241k), Rhône (€235k) and Isère (€188k) follow in their wake.

4. NOUVELLE-AQUITAINE: This region – especially Dordogne – is still very popular with the British

In Nouvelle-Aquitaine, a slight decrease in the number of transactions (-4%) was observed, while the average value of the latter remains stable at an affordable €175k (-1%). The British rule virtually unchallenged (59%) in this region where the Belgians, Dutch and Germans are far behind with 13%, 6% and 4% of the acquisitions respectively. However, the proportions are down, given that the 2017 figures showed a proportion of 60% among the British, 14% among the Belgians and 7% among the Dutch.

Of the twelve departments that make up Nouvelle-Aquitaine, Dordogne is by far the most sought after with one-fifth of the transactions (21%). Next are Haute-Vienne (12%), Charente-Maritime (10%), Charente (9%), Gironde and Lot-et-Garonne (8% each).

It is in Gironde (€316k), Charente-Maritime (€287k) and Pyrénées-Atlantiques (€263k) that the prices are the highest, while Dordogne (€172k) only comes in 6th position and Haute-Vienne (€93k) in 10th, which is probably part of the reason for their success.

5. OCCITANIA: The benefit of the "sea"

With a perfectly steady transaction value of €182k, Occitania is experiencing healthy growth in the number of acquisitions (5%). The British (28%) and the Belgians (26%) are particularly fond of Pays d'Oc, followed (a long way back) by the Spanish neighbours and the Germans (9% each). The other countries have more moderate shares of the transactions: The Netherlands 5%, Switzerland 4%, United States 3%, etc.

The activity in Occitania is concentrated around the coast. Hérault is concerned by 23% of the acquisitions, Pyrénées-Orientales by 18%, Aude by 15% and Gard by 12%. Lot (9%) and Haute-Garonne (6%) are the only ones of the region's nine landlocked departments to exceed 4% of acquisitions.

As for the average transaction values by department, it is Gers (€267k), Gard (€258k) and Tarn-et-Garonne (€233k) that raise the average. Lagging behind, the other departments follow on each other's heels at regular intervals: Hérault, Aude, Lozère, Haute-Garonne, Hautes-Pyrénées, Lot and so on.

À propos de L'Observatoire BNP Paribas International Buyers « Investing & Living abroad »

Fort de son expertise et de sa volonté d'anticiper les attentes des investisseurs, BNP Paribas International Buyers développe dans son Observatoire « Investing & Living abroad » une analyse du marché des Non-résidents qui achètent un bien immobilier dans l'hexagone.

À propos de BNP Paribas International Buyers

BNP Paribas International Buyers est une société de BNP Paribas Personal Finance spécialisée dans l'accompagnement des particuliers non-résidents réalisant une opération immobilière. BNP Paribas International Buyers s'appuie sur une unité opérationnelle basée à Lille, organisée autour d'un réseau France ainsi que d'un réseau International composé d'apporteurs d'affaires installés au Royaume-Uni, en Irlande, aux Pays-Bas et en Belgique. Plus d'informations sur notre site : <https://international-buyers.bnpparibas.com/>

À propos de BNP Paribas Personal Finance

BNP Paribas Personal Finance est n°1 du financement aux particuliers en France et en Europe au travers de ses activités de crédit à la consommation et de crédit immobilier. Filiale à 100 % du groupe BNP Paribas, BNP Paribas Personal Finance compte plus de 20 000 collaborateurs et opère dans une trentaine de pays. Avec des marques comme Cetelem, Crédit Moderne, Findomestic ou encore AlphaCredit, l'entreprise propose une gamme complète de crédits aux particuliers disponibles en magasin, en concession automobile ou directement auprès des clients via ses centres de relation client et sur Internet.

BNP Paribas Personal Finance a complété son offre avec des produits d'assurance et d'épargne pour ses clients en Allemagne, Bulgarie, France, Italie.

BNP Paribas Personal Finance a développé une stratégie active de partenariat avec les enseignes de distribution, les constructeurs et les distributeurs automobiles, les webmarchands, et d'autres institutions financières (banque et assurance) fondée sur son expérience du marché du crédit et sa capacité à proposer des services intégrés adaptés à l'activité et à la stratégie commerciale de ses partenaires. Il est aussi un acteur de référence en matière de crédit responsable et d'éducation budgétaire.



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