



PUSHING THE BOUNDARIES

ANNUAL REPORT 2017



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MARKET ANALYSIS: FRANCE

I. RESIDENTIAL MARKET IN FRANCE

A. PARIS

The upward trend in Paris residential real estate market is confirmed: price increase continues, reaching record levels as demand remains solid and offer has been relative scarce. In the 3rd quarter 2017, prices increased at the rate of 7.8 % yoy. Market conditions should not change: interest rates are still very low and economic situation is supportive.

B. REGIONS

Metropolitan areas outside Paris are benefiting from the economic activity. Prices are increasing, though not as fast as they do in Paris.

C. POPULATION

In 2017, the French population grew by 259,000 people (0.39%). This raise is the result of 189,800 inhabitants from the net natural balance and 69,000 inhabitants from net international migrations .

The number of households has also been increasing in France, but the size of households has been shrinking. The share of single-person or two-person households in total household has been increasing and has reached more than 67.0 % in 2014.

D. HOUSING STOCK

At the beginning of 2016, France housing stock is estimated at 34,5 million and it has been progressing of about 1.0 % by years in the last 30 years. More than 40 % of the housing stock is located in urban areas of more than 100,000 residents (15 % in the Paris region area).

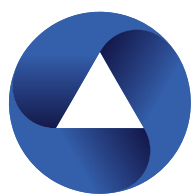
E. PRICES

The rise of housing prices accentuated in the 3rd quarter of 2017. It increased by 3.9 % y-o-y. New dwelling prices grew by 3.6%, slightly less than second-hand dwelling prices that rose by 3.9 %. Housing prices dynamics is mixed across the country. Apartments prices reached 8,940 €/m² in Paris in the 3rd Q 2017, compared to 3,670 €/m² in Lyon and 3,730 €/m² in Bordeaux.

F. NEW BUILDS

Housing starts increased by 19.3 % in the 3rd quarter of 2017 (yoy), while the number of building permits rose by 10.0 %.

Key stats: 8,670 €/sqm average apartment prices in Paris; new builds 499,400 residential building permits issued through September 2017; 416, 363,800 net new housing completions in 2016.



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