

## **January 2008**

### **Why January is a Good Time to Buy in France**

This time of year brings to mind thoughts of holidays or you may have made new year's resolutions that you would achieve your dream of buying a property in France during 2008 and perhaps are now realizing that if you are going to achieve this you had better get started.

This is an extremely good time to buy in France for the many reasons I list below.

The property market and price increases slowed during the latter part of 2007 due to the outside influences of the financial markets in other countries, giving way to a much more stable market. At present there are just gradual increases as is normal in France and there are some reductions being made where sellers had been over hopeful about what price they could achieve. Properties coming onto the market now are at more realistic prices.

This time of year has always been the most popular for putting properties onto the market and as such, if you make your trip to view properties now you will find you are offered the widest choice of properties that are fresh on the market.

We find that our clients who visit France at this time of year benefit from the fact that our agencies in France are not as busy as later in the year and can give more time and attention to our clients's needs to not only offer the best selection of properties they have and contact other associates who may have something suitable but also have time to show their areas.

It is a good time to view properties as most areas are not yet looking their best, the sun may not be shining and it is far easier to see the bad points in a property when it is perhaps cold and raining. Any problems of leaks, damp etc are likely to be noticeable at this time of year. It is also much more pleasant to view properties without the sun beating down on you when it can be difficult to think properly.

Because the market will be a little quieter at present it means that you may have the opportunity of taking a little longer to make up your mind about a property without worrying that someone else may step in within the next 24 hours – but that is not necessarily the case and you should take advice from the agent you are with if you are seriously interested in a property.

At this time of year travel including flights and ferries are cheaper as well as hotel accommodation so that you can make longer or multiple trips for a lower cost than later in the year. You will have the added bonus of being able to purchase your high season flights in advance once you have bought and they will of course be cheaper the earlier you buy them. With the popularity of France increasing there are more and more destinations being offered which opens up new areas, sometimes at very reasonable prices.

Should you find a property to interest you and require some estimates for works that you will require to be carried out, you will find it easier to get artisans to visit the property to give you an idea of costs. And, in the event that you buy the property you will still have time to get the work completed before the summer. If you want to install a swimming pool you would still have time to get it done before the summer and the fact that you are having it built out of season may in fact lower the cost.

If you buy now you will be able to complete on it and use your property by the time the sun comes out in May and into the summer so that you will save the money that would have gone towards a holiday this year and put it into the property.

If you intend renting out your property to pay the expenses and the mortgage then you will have time to get bookings for your property for the high season which will be particularly useful during your first year of ownership.

For many purchasers it will be a good idea to take a mortgage on the property in order to avoid some of the currency risk. The mortgage rate is lower in France than the UK. It will also be worthwhile to buy your currency as soon as you agree your purchase in order to fix the rate and therefore the cost of the property to you in sterling. You can buy your property at a fixed future rate by lodging 10% of the amount that will be required with a currency exchange company.

An added bonus for those purchasing early in the year is that you will save the tax d'habitation for this year as it is payable by the occupants of the property on 1<sup>st</sup> January.

With the unsettled financial markets in many countries at present, it may be prudent to invest in another country so that you 'don't put all your eggs in one basket'. The Euro is a strong currency and will always hold its own. In fact France offers a very stable market generally and a safe and secure purchasing process. Your investment should grow over time and eventually provide you with a nest-egg, possibly for your retirement as well as having given you years of enjoyment for you and your family. If you have rented it out it may even have provided you with an income.

Although I believe that this is an excellent time to purchase in France I think that it is always a good time to purchase in France as has been proved over the last 20 years. I have just taken a look through Latitudes 1991 brochure and was amazed at the prices, whoever said prices in France don't increase is definitely wrong – properties advertised in the brochure range from £15,000 to £35,000 for habitable houses in the North to £150,000 to £350,000 for houses in Provence – showing the increase over 17 years to be in the region of ten times or more. In comparison in the UK in our area of North West London prices over that period have gone up between two and seven times. So while you enjoy your 'free' holidays in your home in France you can rely on it as a 'nest egg' should you ever need it.