



Availability is the key word

THERE ARE too few of the “right” properties for the buyers in the market today, said Eric Massat, secretary of the FFCI (Fédération Française des Chasseurs Immobilier).

Noting the price rises in cities like Paris, Toulouse and Montpellier, he said it was because of a systematic lack of availability in Paris, while Toulouse and Montpellier benefited from great professional mobility which meant the lack of availability was felt even more there.

Mr Massat feels that price rises are here to stay this year: “There is very little availability and this is not likely to change in the coming quarters, so the trend of rising prices and the price bubble that we thought had exploded will, instead, be consolidated.

“One measure that will impact the market is the change in government incentives for first-time buyers. In theory, this is a very good thing, but, in

fact, there will be even more buyers, while the properties available are mismatched. More buyers and less availability will push prices up.

“After the price bubble popped, people who were renting thought it was time to buy, and insufficient availability meant the trend towards growing demand was reinforced.

“There are too few properties because construction is not important enough in France and because the economic crisis has meant prospective sellers have decided to hold on to their bricks and mortar.

“Besides, interest rates cannot go down any more and are tending to rise. We are still on attractive rates, which explains the surplus demand, but, if they stay attractive, the current picture can continue for a few months.”

