



ALL-RUSSIAN HOUSING CONGRESS

Consumer Preferences of Different Countries on the Example of the French Riviera

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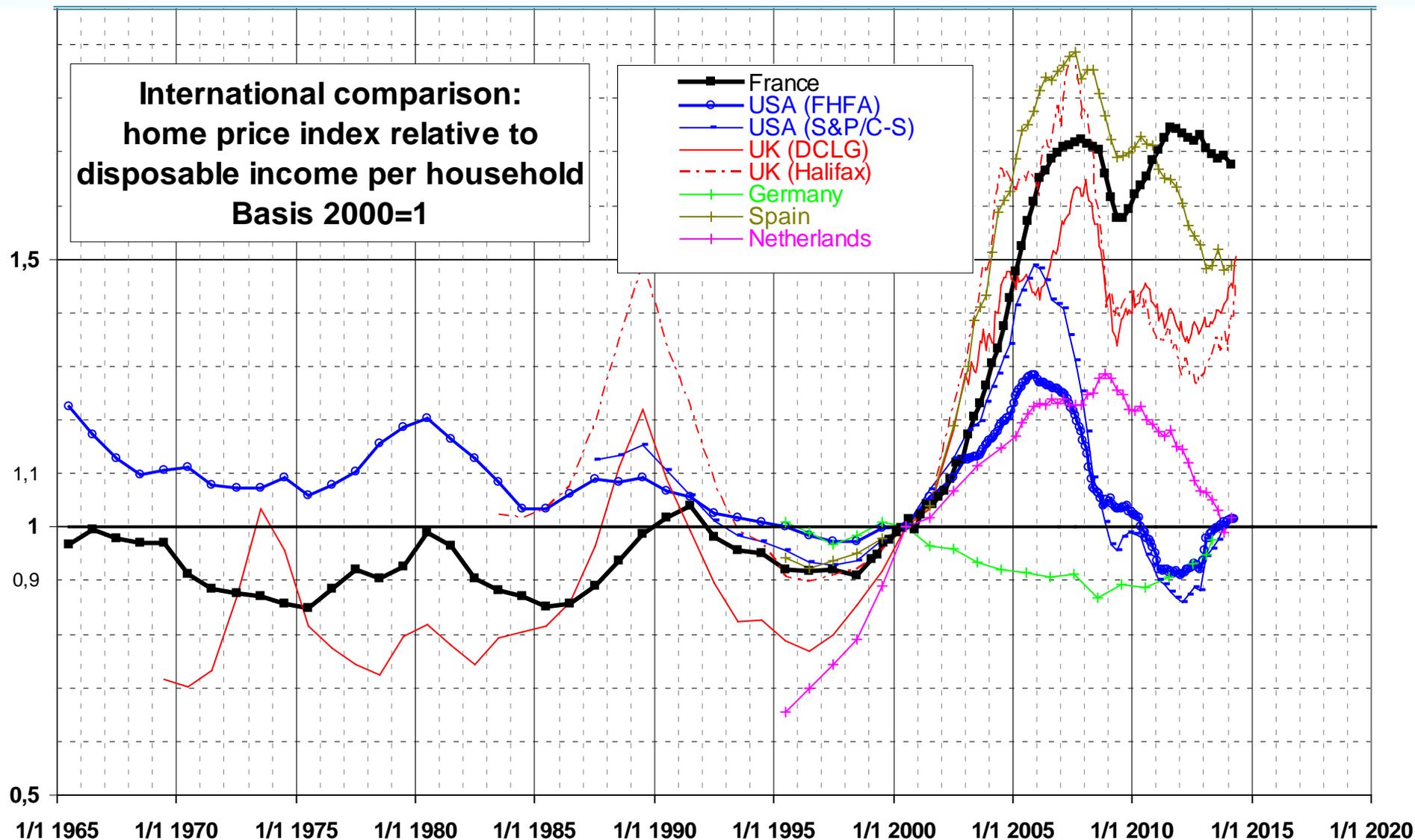
3 October, 2014

St Petersburg, Russia

Outline

- Consumer preferences in France, Italy, Spain, Portugal.
- Comparisons for 50 years in 6 countries (USA, UK, Germany, Spain, the Netherlands and France)
- Consumer preferences in France:
 - Regions;
 - Largest cities;
 - Paris;
 - French Riviera;
 - Nice.
- French market and French Riviera market peculiarities.

Consumer preferences across countries



Worldwide Demand for France



Location	Typical 4-bedroom property price (Euro)	Major buyer groups
Riviera	2,5 mln	Russia & CIS, Middle East, UK
Provence	850,000	UK, France, South Africa
South West	750,000	UK, France, Belgium, Scandinavia and China (vineyards)

Worldwide Demand for Italy

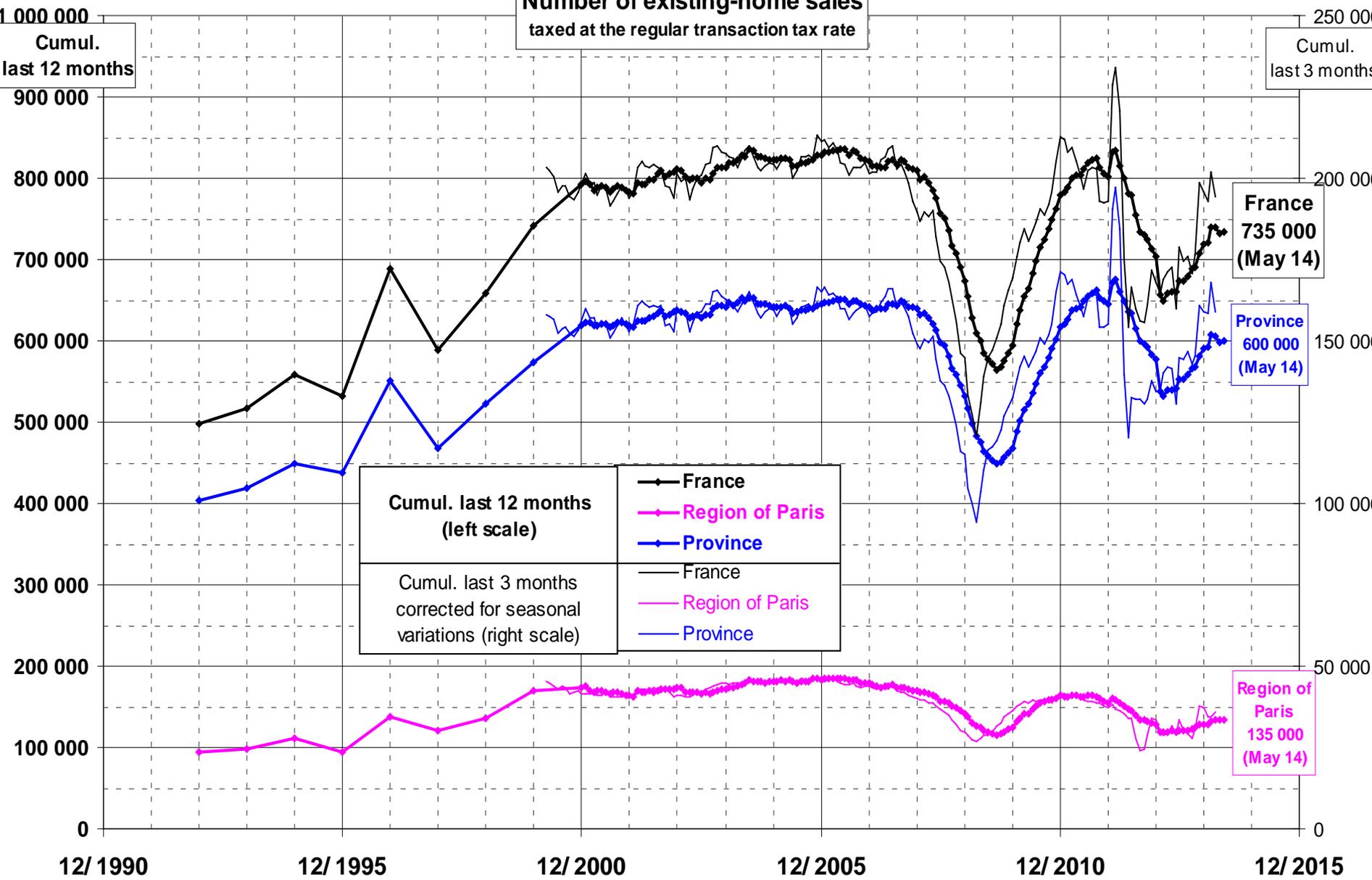


Location	Typical 4-bedroom property price (Euro)	Major buyer groups
Venice	1,6 mln	Italy, France, UK
Italian lakes	1,6 mln	Russia, Denmark, UK
Tuscany	1,01 mln	UK, Scandinavia, Benelux, Russia

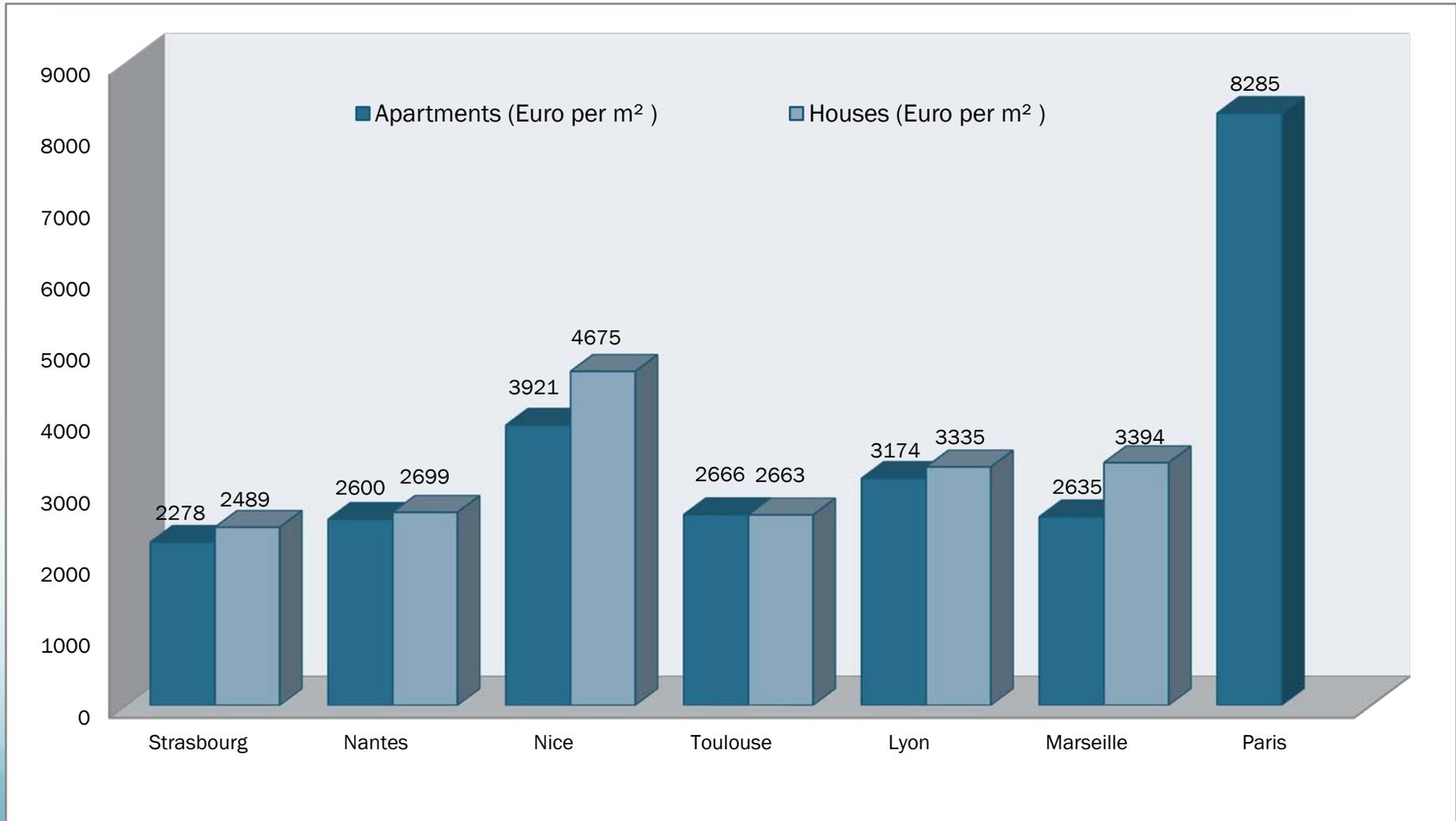
Worldwide demand for Spain & Portugal

Location	Typical 4-bedroom property price (Euro)	Major buyer groups
The Algarve	1,5 mln	UK, France, Ireland, China
Mallorca	1,3 mln	Scandinavia, Germany, UK
Ibiza	960,000	UK, Spain, Netherlands, France, Italy, Switzerland, Russia
Sotogrande	930,000	UK, Russia , France

Number of existing-home sales taxed at the regular transaction tax rate



Average property prices in the largest cities in France





Paris Snapshot

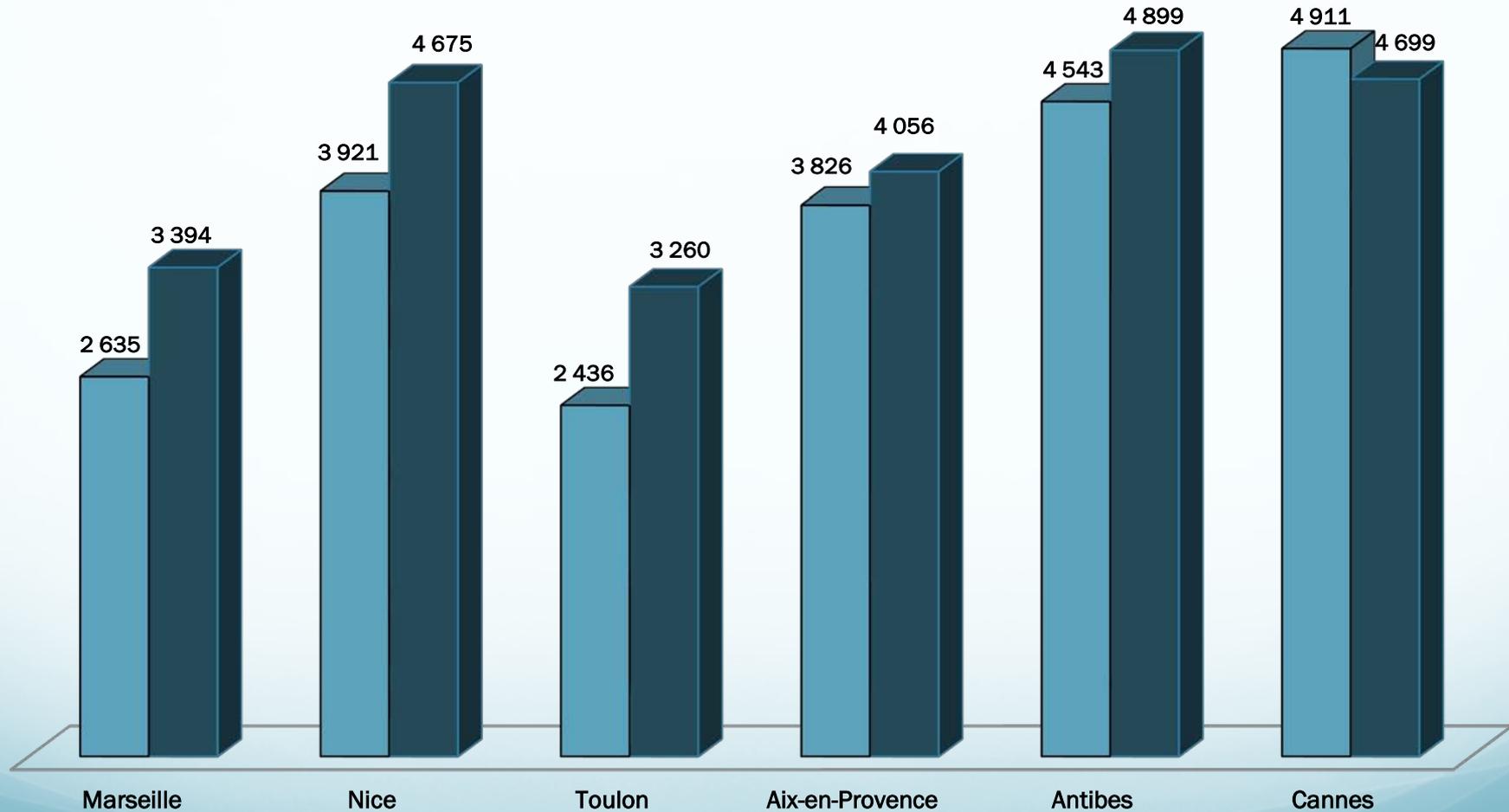
- Around 10% of all sales are foreigners, with the figure rising to 11.2% in the Inner Ring and dropping to 7.5% in the Outer Ring. 4 years ago, foreigners made up just 6.3% of the sales total in the region.
- Italians accounted for the largest foreign group in Paris, with 17% of sales. Chinese buyers dominated the foreign market in the Inner Ring with 22.2% of sales while Portuguese buyers came out tops in the Outer Ring at 29%.
- British, Italian and German buyers most active in luxury market; increased interest from Asian, Russian & Middle East buyers.



Average Prices in the French Riviera



■ Euros per m² for Apartments ■ Euros per m² for Houses



French Riviera Attractiveness



- British have made a tentative return attracted by buying opportunities, most notably in South West France, the Côte d'Azur and Provence.
- The Dutch, Swiss, Italians, Americans and Spanish are more active in 2014, with online property viewings by these nationalities rising year on year.
- Russian buyers, by comparison, have less of a presence in France than they did a year ago, but higher activity in summer.
- Non-resident foreigners' investments in the Riviera

	2011	2012	2013
Italy	33%	26%	21%
Belgium	12%	14%	15%
UK	9%	11%	11%
Russia	7%	9%	7%
Monaco	5%	7%	7%

Nice / French Riviera Snapshot



Most Globally Desired Second Home Market

- Constant high demand from national and international buyers: very high liquidity
- We control around 90% of the seafront market in Nice; around 90% are under exclusive mandates; we share 40-50% of our commissions with our Russian partners!
- We provide extensive after-sale service!
- In 2014, the middle-budget flats flooded the market, causing price decrease, while for the luxury market we faced high demand from Russian clients!
- In 2014, for the first 9 months, around 26% of our buyers were from Russia!!



Why French Market is attractive?



- ✓ Strong protection and security of property rights
- ✓ Secure and profitable investments
- ✓ Crisis resistant market
- ✓ Strict regulations for seller, broker, borrower and consumer protection
- ✓ Constantly liquid market: very high re-sale potential
 - ✓ Most attractive referral fees!!! From 33-50%
 - ✓ Commissions around 6%
- ✓ Attractive conditions for non-residents for mortgage loans

NB: Currently prospective buyers can expect to borrow in average at
2.57% over 15 years,
3.02% over 20 years,
3.25% over 25 years and
3.57% over 30 years.

Luxury properties in the French Riviera



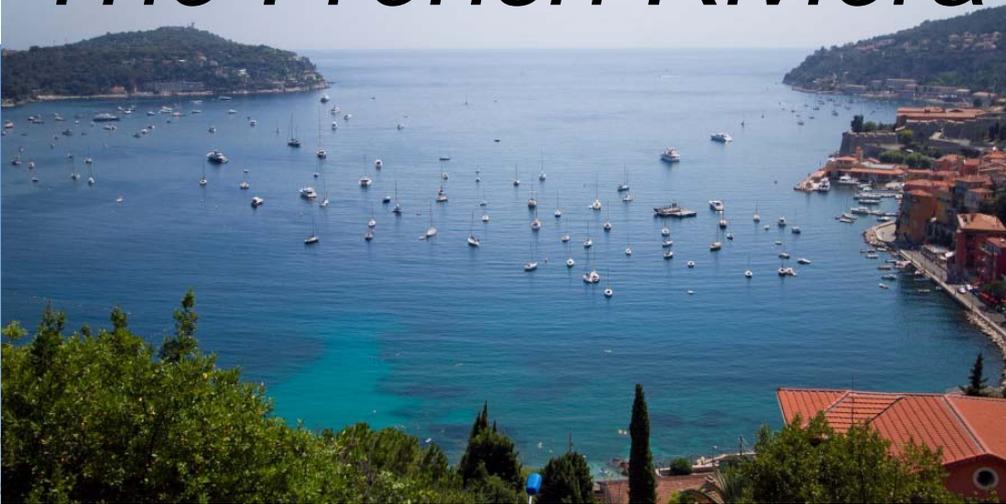
Luxury properties in the French Riviera



The French Riviera



The French Riviera



Nice, French Riviera



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The Life style





Chic and luxury lifestyle

French Riviera: A Magic Destination



Chagall Museum



A Culture Destination

MUSÉE MATISSE
Picasso



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A Leisure Destination





*A Nightlife
Destination*



*A Gastronomy
Destination*



A Business Destination

