

Why France?

Over the last decade or more, buying property in France has been a very popular dream among us Brits - whether it's for a permanent move, a second home, or a long-term or holiday let. This dream has been fuelled not only by significantly cheaper house prices and living costs, but also the French 'Way of Life' and the chance to live what is, for many, a relaxing and peaceful existence.

France is widely acknowledged as one of the most beautiful countries in Europe, which goes hand in hand with its reputation for offering a much more relaxed lifestyle than its peers. When compared with the UK, the cost of living is significantly cheaper, the weather is more reliably moderate, the food is tastier, healthier and fresher and the public health system is far higher in the world rankings. With these advantages, it is easy to see why, for many, the lure of France is very strong.

Location

France is the largest Western European Nation, bordering the Bay of Biscay and the English Channel. With land borders with Belgium, Germany, Italy, Spain and others, France has an abundance of transport links both within and outside Europe. You can go by road, rail, air or sea from the UK, all at very low cost. With both major and local destinations in such close proximity to the UK, France is easily the most accessible destination for the British, further adding to its allure.

Economy

France is in the midst of transition, from a well-to-do modern economy featuring extensive government ownership and intervention, to one that relies more on market mechanisms. The recent government has partially or fully privatised many large companies, banks and insurers and has ceded stakes in many leading firms, such as Air France, France Telecom and Renault.

The government also maintains a strong presence in several sectors, most notably power, public transport and the defence industries. The telecommunications sector however, is gradually being opened to competition. France's leaders have remained committed to a capitalism, in which they maintain social equity by means of laws, tax

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policies and social spending, to reduce income disparity and the impact of free markets on public health and welfare.

However, with Nicolas Sarkozy as the new French President, speculation is rife about the effects of his economic policy concerning France's property market. In order to boost the French economy, Sarkozy made plans for transforming the French property sector, encouraging people to own rather than rent property and raising property prices in order to generate revenue for France. The effect of this speculation has been to encourage property investors to buy in France in anticipation of the upsurge in property values.

The effect of rising prices may be, as in the UK, to alienate first-time buyers in France, who are unable to afford to own property, leading to a growth in the buy to let market. Buy-to let property is already popular with overseas property buyers looking for holiday homes they can rent out, but it could become a bigger allure for property investors as well.

Sarkozy has announced some radical plans to raise France's economic performance to equal Britain by abolishing the 35-hour week, taking a firm line with trade unions and liberalising the economy. If France reaches a similar economic growth to that of Britain, we can expect the same pattern seen in this country of rocketing property prices and a wave of investors taking advantage of the housing boom.

The tax burden however, still remains one of the highest in Europe (nearly 50% of GDP in 2005). The lingering economic slowdown and inflexible budget items probably pushed the budget deficit above the euro zone's 3%-of-GDP limit in 2006; with unemployment hovering still around 9%.

Tourism

Over recent years, France has remained the most visited country in the world, with over 77 million incoming tourists per annum— helping the country to also maintain the third largest income in the world from tourism. The French tourist industry has also benefited from the recent global economic recovery, notably in countries such as the US and Japan, the improving geopolitical environment and also from a continuing popularity with European tourists.

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Recent Investment

According to France's Association of Estate Agents, FNAIM (la Fédération Nationale de l'Immobilier,) property prices have reached a stable growth rate. Annual growth rate, however, has dipped since December 2006 from 7.2% to 6.5%. The quarterly figures are of no surprise, when viewed along side other economic factors, such as France's rate of unemployment and construction statistics. When a comparison is then made, the monthly price index is comparable with England.

France continues to be one of the most popular countries for foreign investment. About 180,000 British people own holiday homes in France, and one in 20 sales in the country last year was conducted with a foreigner – double the proportion in 1998. Many property investors have taken advantage of the 'slight lull' in the French property market to buy properties at debased prices in anticipation of resurgence in the market over the course of 2007.

Build Quality

With links to some of the largest and most successful property companies in Europe, Edison Ford is able to offer a selection of off plan, new build and leaseback property, with un-paralleled quality and security. Not only that, Edison Ford has access to a wide range of newly completed and established properties across France, which are of the highest quality and represent all kinds of investment opportunities.

Here at Edison Ford we visit France regularly to inspect developments and make sure that the property we offer will not only meet your expectations, but exceed them. We are confident that these properties will not only grow in value but will provide rental income, turning your dream holiday home into a viable business too.

Where to invest

France is a country, which does not disappoint those who have bought into its reputation. Offering everything from cultured cities to fantastic beaches, breathtaking mountains, rolling hills and meandering rivers. Although, broadly speaking, the northwest of France is remote, with rocky bluffs and windswept beaches; and the Mediterranean south coast is littered with golden sandy beaches and glamorous locations; the majority of France lies between these two geographical and cultural extremes.

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Summary

France is blessed with a rich and varied countryside, incorporating both stunning beaches and coastline and spectacular mountain scenery in the Alps, Pyrenees and Massif Central.

The French people are renowned for their appreciation of the good things in life and are often considered to be amongst the most cultured of Europeans. Good food and fine wine is a further staple of the French people, who are able to enjoy these pleasures at a cost cheaper than in the UK.

France represents a strong and stable market in which to invest in property. With a wide variety of investment options, purchasers are able to access very strong yields and tax efficient purchase processes within a modern European culture, with political and economic stability. It is also true to say that France is a country with ever increasing inward and overseas investment, as a result of relatively low property prices when compared to most other northern European countries.

Purchasers also stand to benefit from the changes made by the Sarkozy government, intended to drive French property prices ever further forward. With relatively easily accessible mortgage facilities, both repayment and Interest only finance is available for a French property purchase. Not only can a purchase be relatively easy to finance, France is also a safe place to buy property, with extremely good protection from the French consumer code, which includes cooling off periods for both property purchases and also mortgage loans.

France has seen average property price increases of 80 per cent since 1997, and prices continue to appreciate by approximately 10 per cent annually. Although this growth is not as high as that available in some emerging markets, such as Turkey, it is considered to be profitable and reliable within a stable investment market.

The above information is prepared to the best of our knowledge. Edison Ford accepts no liability for errors or omissions.