

BARNES

INTERNATIONAL REALTY

BARNES STUDY – NOVEMBER 2020 NEW PROPERTY LIFESTYLES



NEW PROPERTY LIFESTYLES

2020 has certainly reshuffled the deck in the property market, and the luxury sector in particular. Second homes have regained in popularity among families, who expect to be spending more time there each year in the future, provided that the various generations can use them as a home office during their stays. The months of lockdown imposed both in France and abroad also appears to have shed new light on the concept of having a semi-primary residence. These are the main findings of a BARNES survey of 1,850 clients in France and abroad performed between 26th and 30th November 2020.

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I KEY LESSONS

A GROWING INTEREST IN SEMI-PERMANENT HOMES

The lockdowns have had many different effects on clients, both buyers and sellers alike, as well as on the way in which they view real estate. While they felt they had managed to preserve their private lives (75%) and had spent the lockdowns at their primary or secondary residence (98%), 43% were reconsidering how they structured their working lives.

“This restructuring is expected to involve an increase in the amount of time spent each year at their second homes (89%), which they would be happy to transform into a semi-primary residence (72%)”, explains BARNES President Thibault de Saint Vincent. *“Furthermore, the idea of a base at which to host close friends and family is also popular among our clients, and there are very few who would consider spending another lockdown apart from their families”,* he continues. According to the clients we surveyed, a secondary home would have to enable them to accommodate their children and grandchildren (82%), particularly where working from home is concerned. In fact, over a third (36%) had stayed together as a family in the same place during the lockdown.

While 45% of them believed that the health crisis was prompting them to rethink their property situations, they were not planning to sell their main residences in the city (81%) to move to the countryside, the seaside or the mountains.



SPOTLIGHT ON THE PARISIAN MARKET

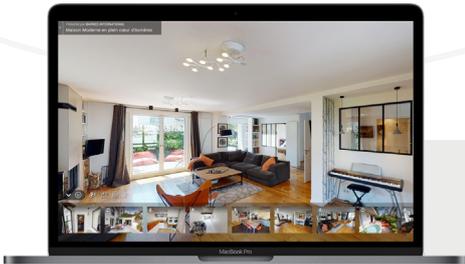
The market in Paris and the inner suburbs has also adapted, with the appearance of new search criteria concerning the properties themselves, as well as the preferred neighbourhoods. *“We have seen an unusual number of sellers wanting to leave the central neighbourhoods to find a house in the Hauts-de-Seine area, particularly Neuilly*

or Boulogne, where there is more green space”, Marie Beauchet, Managing Partner at BARNES Martyrs, confirms. “Some buyers who were only previously interested in the 8th arrondissement are expanding their searches to the 16th arrondissement and Neuilly”, adds Philippe Joffre, Managing Partner at BARNES Saint-Honoré. “The neighbourhood now seems to be less important than the number of square feet and the outdoor space that the property offers”, explains Valérie Le Roy Maguin, Managing Partner at BARNES Boulogne.

The concept of a semi-primary residence in Paris is also gaining ground: “We are seeing an increase in the number of clients looking for a change of lifestyle, particularly among those in the 40-60 age group”, explains Caroline Baudry, Managing Partner at BARNES Le Marais. “Just like this couple in their fifties who want to sell their 1,292 sq ft property on Rue Elzevir to buy a country house an hour from Paris and a 538 sq ft pied-à-terre, still in the Marais area that they have become attached to”.

What about working from home? “All buyers are now looking for a space that will allow them to work from home”, explains Philip Picache, Director of BARNES Val-de-Marne. “At the same time, there has been a marked increase in the popularity of garden level apartments, whereas before COVID they were relatively difficult to sell”.

As far as prices are concerned, although it is still too early to draw any definitive conclusions, the various BARNES offices are seeing a certain stability as we approach the end of 2020 since, despite a significant increase in supply, demand remains strong, especially for high-quality properties.



71%

of respondents were in favour of virtual viewings

78%

of respondents were in favour of electronic signatures

MARKET DIGITALISATION PROVES A HIT

While 71% of those surveyed were in favour of virtual viewings of properties offered for sale or rent, 86% were not prepared to make the decision to purchase a property based solely on this type of viewing. “This reluctance is understandable, because a virtual viewing doesn’t allow you to get a real feel for the place. It’s also impossible to know whether there is any noise pollution or any other noticeable flaws. Digitalisation is a real asset that saves time and allows us to create a shortlist when it’s impossible to travel, but a physical visit is still an almost essential part of the purchasing process”, explains Thibault de Saint Vincent. As for the execution of the transaction itself, 78% were in favour of electronic signatures.

II EXPERT OPINION

OVERVIEW OF THE MARKET IN 2020 AROUND THE WORLD

IN FRANCE

BARNES PROPRIÉTÉS & CHÂTEAUX: A DESIRE TO CREATE A FAMILY HAVEN AND A 10% INCREASE IN TRANSACTION VOLUMES

“We have noticed a distinct increase in searches for properties comprising several residential buildings as a result of the desire for intergenerational family homes with office space. Similarly, we are seeing the emergence of a new type of use as a second primary residence among clients who divide their time between France and other countries. As a result, our transaction volumes have increased by 10% in 2020”, Bertrand Couturié, Associate Director of BARNES Propriétés & Châteaux, explains.





DEAUVILLE: A RECORD YEAR WITH A 200% INCREASE IN TRANSACTION VOLUMES

“2020 has been a record-breaking year all round. We have recorded a 200% increase in our transaction volumes, with clients whose budgets are much larger than was previously the case. The traditional budget for a second home in Normandy is somewhere between €800,000 and €1.5 million, but this year there have been many buyers looking to spend between €2 million and €5 million. Waterfront properties and country houses with swimming pools and tennis courts, set on large plots with no disturbances and a maximum of 10km from Deauville have been selling very well since March”, Associate Director of BARNES Deauville Bénédicte Belvisi reveals.

NANTES: STRONG DEMAND FROM PARISIANS AND EXPATS

“Whether it’s Nantes, where demand for apartments with terraces and family homes has risen sharply, or La Baule, which is experiencing an increase in the demand for properties with land and a swimming pool, we are seeing a distinct increase in searches for family-friendly properties. That is to say holiday homes that can accommodate several generations or properties comprising several buildings to accommodate friends in addition to close family. Such requests often come from Parisians and French citizens living in London”, Etienne de Gibon, Associate Director of BARNES Nantes-La Baule, explains.

BASQUE COAST: AN INCREASINGLY YOUNG CLIENTÈLE

“This year’s buyers have been younger than usual, around the 35-40 mark as opposed to the previous 55-60 age group, and have been looking for both primary and secondary residences”, Philippe Thomine-Desmazures, Associate Director of BARNES Côte Basque, explains.



CHAMONIX: INCREASINGLY LARGE PROPERTIES AND A 275% INCREASE IN TURNOVER

“Demand has changed significantly this year, with the focus very much on quiet chalets to use as second homes and properties near the city centre for primary residences. One new development that has likely come about as a result of the lockdown has been the demand among buyers for a second living room for their children. We have also received requests for large chalets valued at over €3 million, which was rare before. Our turnover has increased by 275% on 2019”, Oonagh Mackenzie, Director of BARNES Chamonix, reveals.

CANNES: A RADICAL LIFESTYLE CHANGE

“In relation to previous years, we’ve seen more demand from people looking to change their lifestyle by moving their primary residence”, Alexandra Andres, Director of BARNES Cannes, explains.

MARSEILLE: THE SEARCH FOR MORE SPACE AND A SEA VIEW

“Requests for properties with outdoor space and large terraces, garden-level properties and properties further away from town and city centres and closer to the sea have become more widespread this year, primarily due to the fact that buyers want space to be able to host their children and grandchildren”, explains Claude Leonetti, Director of BARNES Marseille.



ABROAD

BUDAPEST: LEAVING THE CITY FOR THE OUTSKIRTS

“The number of sales we’ve secured in the centre of Budapest has fallen by nearly 80% since the pandemic, whilst interest in large apartments with terraces or balconies in the greenest parts of the city, starting with Buda, has increased dramatically”, explains Zoltan Hamza, Director of BARNES Budapest.

GREECE: A 20% INCREASE IN TRANSACTION VOLUMES

“Our transaction volume has increased by 20% in 2020, and our clients are clearly now looking for houses and villas in the suburbs close to the centre of Athens and holiday homes on the islands”, explains Katerina Mitsotaki, Associate Director of BARNES Greece.

PORTUGAL: GREAT DEMAND IN CASCAIS AND COMPORTA

“Houses that could accommodate the whole family and where they could comfortably spend lockdowns together were more sought-after than ever, and Cascais and Comporta were the areas that experienced the greatest demand in this respect. Searches for city-centre properties, meanwhile, focused on apartments with outdoor space and an additional bedroom that could be converted into a home office”, Filipa Frey-Ramos, Associate Director of BARNES Portugal, explains.



MIAMI: A 900% INCREASE IN DEMAND FOR OUTDOOR SPACE

“The search for properties with outdoor space has increased by over 900% in relation to 2019! Miami Beach, Surfside and Edgewater have been the most dynamic areas over the past 6 months, with most buyers coming from the north-eastern United States. As far as houses are concerned, almost every neighbourhood in Miami is experiencing a price spike”, explains Adam Redolfi, Associate Director of BARNES Miami.

NEW YORK: LIVE-AND-WORK CONFIGURATIONS

“In the short term, our clients are looking for outdoor space and above all large, spacious properties that will allow them to create live-and-work configurations in quiet, green, residential neighbourhoods, rather than going for an ultra-central location”, Yann Rousseau, Associate Director of BARNES New York, explains.



III DETAILED FINDINGS

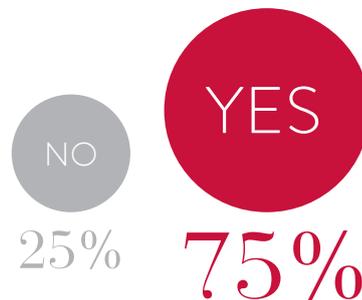
ON THE WORK-LIFE BALANCE



HAS THE 2nd WAVE OF LOCKDOWN IN 2020 PROMPTED YOU TO RECONSIDER THE ORGANISATION OF YOUR PROFESSIONAL LIFE IN THE LONG TERM?



DO YOU FEEL YOU HAVE MANAGED TO MAINTAIN THE QUALITY OF YOUR PRIVATE LIFE WITHIN THE CONTEXT OF LOCKDOWN AND SOCIAL RESTRICTIONS?



ON THE BALANCE BETWEEN PRIMARY AND SECONDARY RESIDENCE



HAVE YOU SPENT LOCKDOWN:



AT HOME
(AT YOUR PRIMARY OR SECONDARY RESIDENCE)?

98%

AT A THIRD LOCATION
(FRIEND'S HOME, RENTAL, etc.)?

2%

HAS YOUR CLOSE FAMILY GATHERED TOGETHER IN THE SAME PLACE FOR LOCKDOWN?

64%
NO



36%
YES

ARE YOU CONSIDERING BUYING A SECONDARY RESIDENCE (IF YOU DO NOT ALREADY OWN ONE) IN VIEW OF POSSIBLE FUTURE LOCKDOWNS?

75%
NO



25%
YES

WOULD THIS SECONDARY RESIDENCE NEED TO HAVE SPACE FOR YOUR CHILDREN AND/OR GRANDCHILDREN, INCLUDING HOME OFFICE WORK?

18%
NO



82%
YES

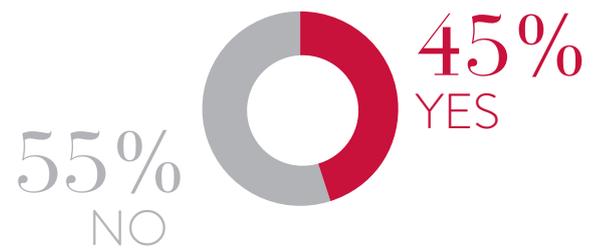
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IN THE FUTURE, DO YOU THINK YOU WILL SPEND MORE TIME EACH YEAR AT YOUR SECONDARY RESIDENCE?



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ARE YOU IN FAVOUR OF THE IDEA OF A SEMI-PRIMARY RESIDENCE (I.E. SHARING GLOBALLY EQUAL TIME BETWEEN TWO RESIDENCES)?



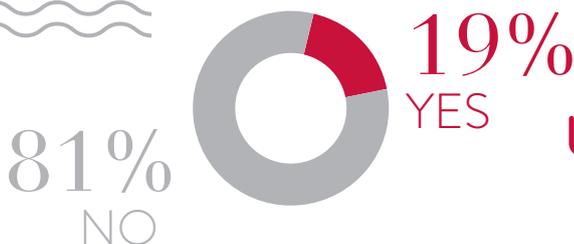
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HAS THE HEALTH CRISIS PROMPTED YOU TO RETHINK YOUR PROPERTY SITUATION (SALE, PURCHASE, etc.)?



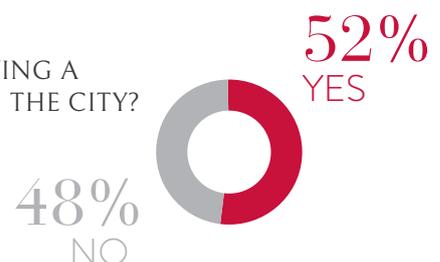
REAL ESTATE PROJECTS



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ARE YOU CONSIDERING SELLING YOUR PRIMARY RESIDENCE - IF IN A CITY - TO MOVE TO THE COUNTRYSIDE, OCEANFRONT, MOUNTAINS OR A VILLAGE?



IF YES, AND BUYING A PIED-À-TERRE IN THE CITY?

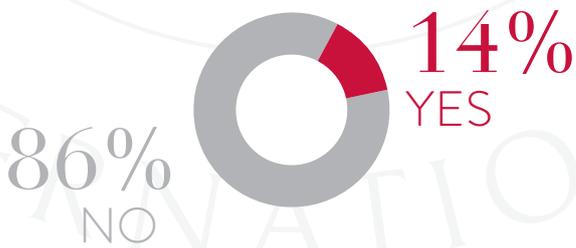


ON THE DIGITALISATION OF THE MARKET

ARE YOU IN FAVOUR OF VIRTUAL VIEWINGS OF PROPERTIES FOR SALE OR RENT?



WOULD YOU BE PREPARED TO MAKE A DECISION TO BUY BASED ON A VIRTUAL VIEWING?



ARE YOU IN FAVOUR OF VIRTUAL SIGNING OF NOTARISED DEEDS?



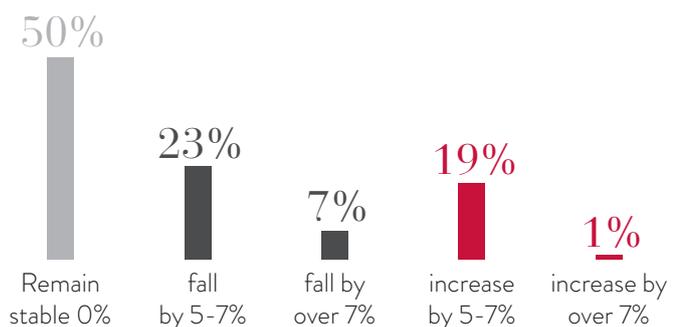
ON PRICE TRENDS

Since spring 2020, BARNES has observed that the supply/demand balance (number of properties for sale/number of active buyers) has gradually realigned.

The sale price of premium properties (>€3M) has globally remained steady, with an upward trend in certain premium markets.

However, the market for more standard properties (or with flaws) is becoming strained in a less favourable economic context.

IN THIS CONTEXT, ARE YOU EXPECTING PRICES TO:



FRANCE • SWITZERLAND • UNITED KINGDOM • BELGIUM • LUXEMBOURG
MONACO • ITALY • SPAIN • PORTUGAL • GREECE • MOROCCO • HUNGARY
RUSSIA • CANADA • UNITED STATES • CHINA • MAURITIUS • THAILAND • ST. BARTS



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