

Paris, January 2017

7TH PHASE OF THE LUX-RESIDENCE.COM STUDY:

Luxury property buyers in France carefully monitoring wealth tax (ISF)

For three years, Lux-Residence.com, a portal for high-end luxury property listings, has been analysing luxury property buyers' perception of developments in this niche market.

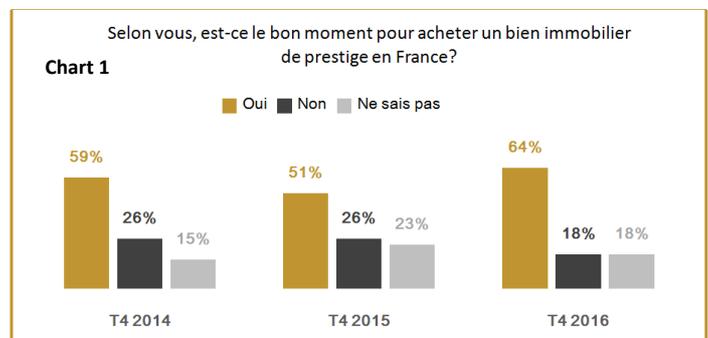
The 7th wave of this study highlights renewed optimism amongst luxury property buyers, **64% of whom feel that it is the right time to buy**, marking a 13 percentage point increase compared to 2015. Their morale remains fragile, however, as they appear to be **paying closer attention than ever to possible changes in French tax policy**, particularly concerning the wealth tax (ISF) in this presidential election year.

"The outcome of the French elections this coming May could either help or hinder the luxury property market, which has got off to a strong start in France in early 2017," concludes Cyril Janin, Managing Director and Spokesperson for Lux-Residence.com.

As a site devoted to the luxury property market, Lux-Residence.com provides support for those who plan on purchasing a high-end property, by publishing 40,000 listings for properties available in France and abroad. Lux-Residence.com carefully monitors developments in this segment of the market, where trends often differ from those observed in the "traditional" property market, and regularly analyses luxury property buyers' perceptions through its "Trends and forecast" study of a sample of premium buyers who intend to purchase a luxury property in the next two years.

64% of future buyers esteem that it is the right time to buy a luxury property

Questioned in late 2016, 64% of those who intend to purchase a luxury property think that it is the right time to buy. This is 13 percentage points higher than a year earlier. (See Chart 1) and is a good sign for the luxury property market in 2017.



L'IMMOBILIER DE PRESTIGE

TENDANCES & PRÉVISIONS PAR LUX-RESIDENCE.COM

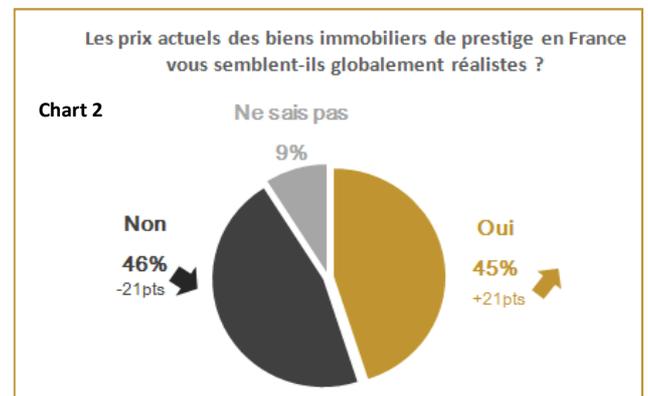
The luxury property market is less affected by interest rates than the traditional market

While renewed optimism in the "traditional" property market can be explained by extremely low interest rates, in the luxury segment, **only 40% of buyers claim to be affected by interest rate levels**. This is a relatively small portion compared to the traditional market, in which 51% of buyers report purchasing property in order to take advantage of low interest rates. But premium buyers' relative indifference to low rates is hardly surprising given that only 16% of them are first-time homeowners (compared to 48% in the traditional market) and that more than half of buyers who are already homeowners have two or more properties in their portfolios.

Prices seen as more realistic in the prestige property sector than in 2015

Price levels may be one of the primary explanations for the attractiveness of the luxury property market. In this market segment, **45% of potential buyers consider prices to be realistic, compared to only 24% a year earlier** (See Chart 2).

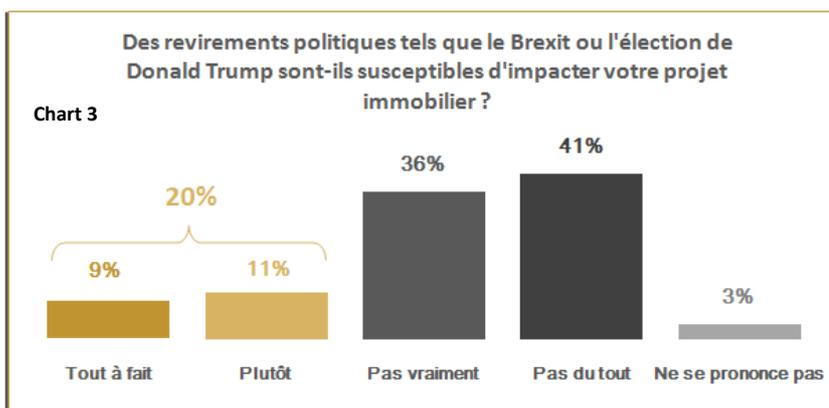
Furthermore, a growing proportion of buyers think that prices may be likely to rise. A quarter of those surveyed now consider this a possibility, compared to just 5% in 2015.



Base (Dec. 2016): 278 people intending to purchase luxury property in the next two years

Finally, future buyers see the economic outlook as favourable. Nearly a quarter (24%) expect the economic situation to improve, compared to only 12% a year earlier, though 46% instead foresee a trend toward the stabilisation of the current climate. Only 30% predict a decline, a much lower proportion than the 51% who expected the situation to worsen in 2015.

Terrorist attacks, Brexit, Trump... a moderate impact on the luxury market

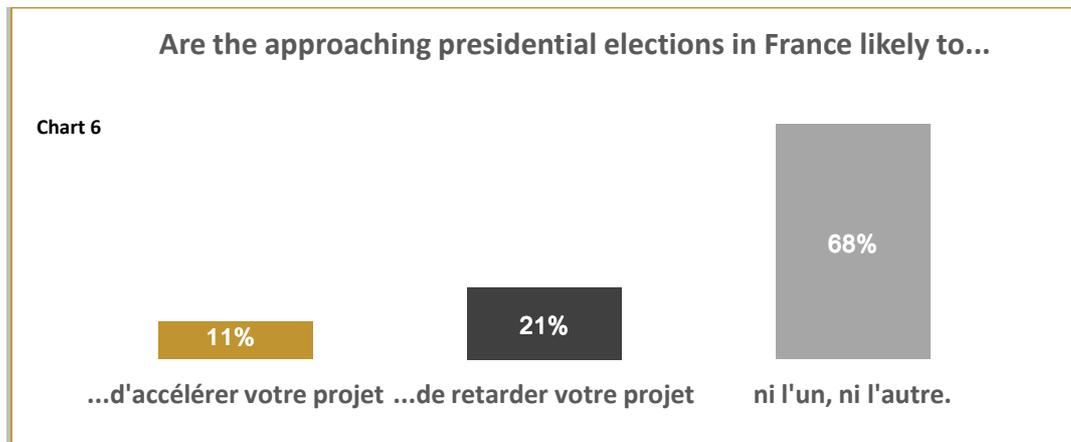


Base (déc. 2016): 278 personnes ayant un projet d'acquisition d'un bien immobilier de prestige d'ici à 2 ans

Sweeping political changes such as Brexit or the election of Donald Trump have only a moderate effect on prime property buyers, with just 20% claiming to be affected (See Chart 3). For those who say that their plans to purchase property will be influenced, the primary concern is the impact of these events on the value of the euro.

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TENDANCES & PRÉVISIONS PAR LUX-RESIDENCE.COM



Base (Dec. 2016): 142 people intending to purchase luxury property in the next two years and think that France has become less attractive

Luxury property buyers in France are therefore closely examining the platforms of the different French presidential candidates, and in particular their fiscal policies.

"The outcome of the elections this coming May could either help or hinder the luxury property market, which has got off to a strong start in early 2017," concludes Cyril Janin, Managing Director and Spokesperson for Lux-Residence.com.

Study Methodology:

Sample & Methodology: The survey was conducted using an exclusive sample of 278 people who intend to buy a luxury property in France in the next two years. It was carried out between 14 December and 1 January 2017.

About Lux-Residence.com:

As a high-end property advertising portal, Lux-Residence.com is a trademark published by Concept Multimédia. An essential partner in the luxury segment with nearly 40,000 properties listed online, the portal provides exclusive information about properties which are rare in terms of distinctive architecture, renown, or exceptional location. In 2017, Lux-Residence.com is introducing a new version of its website with a completely revamped, alluring design and extended premium services: immersion, luxury & simplicity. Find out more by visiting: www.lux-residence.com

Lux-Residence.com Press Contact:

Isabelle Wanclik - +33 (0)4 42 33 64 05 - isabelle.wanclik@logic-immo.com

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TENDANCES & PRÉVISIONS PAR LUX-RESIDENCE.COM

THE LUXURY PROPERTY MARKET
TRENDS & FORECASTS BY LUX-RESIDENCE.COM

Chart 1

In your opinion is it the right time to purchase luxury property in France?

Yes

No

I don't know

Base (Dec. 2016): 142 people intending to purchase a luxury property in the next two years

Chart 2

Do you feel that current luxury property prices are realistic overall?

No

Do not know

Yes

Base (Dec. 2016): 142 people intending to purchase a luxury property in the next two years

Chart 3

Are political changes such as Brexit or the election of Donald Trump likely to impact your plans to purchase property?

Absolutely

A little bit

Not really

Not at all

No answer

Base (Dec. 2016): 142 people intending to purchase a luxury property in the next two years

Chart 4

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TENDANCES & PRÉVISIONS PAR LUX-RESIDENCE.COM

How would you describe the evolution of the luxury property market in France over the past five years?

- Remained stable in terms of attractiveness 30%
- Become more attractive
- Become less attractive

Base (Dec. 2016): 142 people intending to purchase a luxury property in the next two years

Chart 5

What factors are responsible for making the French luxury property market less attractive?

- Taxation
- Terrorist attacks
- Prices
- Insecurity
- Politics
- Fiscal
- Expensive
- Economic
- Uncertainty
- Tax
- ISF - Wealth tax

Base (Dec. 2016): 142 people intending to purchase a luxury property in the next two years who think that France has become less attractive