

PARIS MACIMMO

Why Should I Buy a Property Now?

Because interest rates are at historic lows! In this edition of our newsletter, we will inform you why NOW is the best time to buy a property in Paris. Despite property prices nearing historic highs, interest rates are heading in the opposite direction, potentially giving buyers increased borrowing capacity, and for some, the ability to purchase an apartment for the first time in Paris. For those currently owning property in Paris, it could be the best time to refinance your existing mortgage.



The Highs and the Lows

The average cost of an apartment in Paris is over 10.000€/m² and poised to surpass its 2011 peak. This trend is continuing upwards, further increasing the gap between supply and demand.

There are many factors contributing to the current environment, including:

- The impending BREXIT deadline sparking many Brits to buy property in Paris and throughout France;
- Relaxed fiscal policies for high income earners, encouraging purchases in the luxury property sector; and
- Property investors who are coming back to the market for long-term steady growth, rather than quick returns.

Current Interest Rates

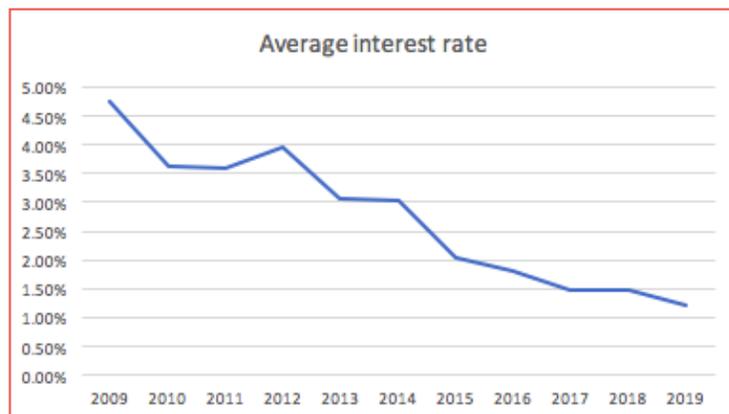
Current lending rates are approximately 1.20% for a 20-year mortgage, a decrease of 14 basis points for the same time last year. The following table illustrates the current lending rates, depending upon your profile (salary, down payment, duration of loan):

	15 years	20 years	25 years	30 years
Low interest rate	0.70%	0.90%	1.10%	1.48%
Average Interest Rate	1.10%	1.20%	1.55%	2.80%
High Interest Rate	1.85%	2.00%	2.25%	3.00%

Source: empruntis.com

Historical Interest Rates

The following graph illustrates the decline in interest rates for residential mortgages over the past decade.



Source: L'observatoire Crédit Logement

Increased Borrowing Capacity

Thanks to today's low interest rates, your borrowing capacity may have increased. Imagine if you currently pay €1,500 per month for rent, you could purchase an apartment for the same monthly payment. In addition to purchasing, you can build up equity in your own property rather than using your rent to pay someone else's mortgage. With the same monthly payment of €1,500 per month, plus a 5% down payment, you could borrow up to €410,000 today, in contrast to €277,000 ten years ago.

Monthly Payment	2009	2014	2019
€1,500	€277,000	€323,000	€410,000
€2,000	€370,000	€463,000	€550,000
€2,500	€464,000	€570,000	€690,000

Here are two links to assist with your own scenario:

- This [Mortgage Simulator](#) (in French) allows you to calculate the interest rate based on your specific profile (location of property, length of loan, credit quality).
- This website [Evolution of Pricing](#) shows historical data for property prices in Paris.

While property prices in Paris are expected to continue their ascent, it may be prudent to make your move now while interest rates are heading in the opposite direction. In summary, with interest rates at these levels, it is truly one of the best times to purchase or refinance a property in Paris.

If you want more information on selling or buying a property or assistance with financing, please [contact](#) us!

Yolanda Robins
Founder and Principal

PARIS MAC IMMO SERVICES
www.parismacimmo.com

+33 (0)6 75 08 55 26 (mobile/WhatsApp)
yolanda@parismacimmo.com

3 rue Taylor
75010 Paris
01 85 64 11 99

