

VARIATION IN NOTAIRES-INSEE* INDEXES

(Base 100 in 1 st quarter 2010)	OLDER PROPERTIES		OLDER APARTMENTS		OLDER HOUSES	
	3 months	1 year	3 months	1 year	3 months	1 year
Mainland France	0.4%	-0.2%	0.2%	-1.0%	0.5%	0.4%
Greater Paris	0.1%	-0.8%	0.3%	-1.0%	-0.3%	-0.2%
French Provinces	0.5%	0.0%	0.1%	-0.9%	0.7%	0.5%

* Three-month variation (seasonally adjusted): between 3rd and 4th quarter 2015.
One-year variation: between 4th quarter 2014 and 4th quarter 2015.



► Shift towards a more fluid market

Indexes

According to the Notaires de France-INSEE (French National Statistics & Economic Studies Institute) index, in the fourth quarter of 2015 prices of older properties increased slightly for the second straight quarter, up 0.4% compared with the third quarter of 2015 (provisional seasonally-adjusted figures) after rising 0.2% the previous quarter.

Over one year, prices of all older properties were virtually unchanged (-0.2%). For the first time since the beginning of 2012, home prices increased relative to the same quarter the previous year, rising by 0.4% between the fourth quarter of 2014 and the fourth quarter of 2015. Prices of apartments continued to fall, but at a lower rate (down 1% over one year after decreasing by 2%).

In Greater Paris, prices of older properties were relatively stable in the fourth quarter of 2015 (up 0.1% after rising by 0.4%).

Over one year, the decline in prices continued to ease: -0.8% compared with the fourth quarter of 2014, after a drop of 1.6% in the third quarter and 2.5% in the second quarter. Apartment

prices fell by 1%, while home prices remained virtually stable (-0.2%).

In the provinces, the prices of older properties increased in the fourth quarter of 2015: +0.5% compared with the previous quarter, after increasing by 0.1%.

Over one year, they were stable compared with the fourth quarter of 2014. Here as well, home prices were up (by 0.5% over one year), while prices of apartments continued to fall (-0.9% over one year).

2015 status report

In the fourth quarter of 2015, the volume of transactions continued to grow, resulting in a slight increase in prices for the second consecutive quarter.

This is now sufficiently worthy of note, after a downward trend in prices since the third quarter of 2012.

In 2015, the increase in the volume of transactions nationally was similar to that of 2013, with approximately 100,000 additional transactions bringing the number to 809,000. Expressed as a percentage, the number of transactions rose by 16%.

Unlike in 2013, when growth was constant and continuous over 12 months after reaching a low point, the number of transactions rose by as much but over a shorter period (approximately eight months), reflecting a strong and sudden appetite for real estate. More specifically, only the departments of Indre, Lozère, Haute-Corse and Cantal recorded a decline in sales volumes (between 2% and 5%), which was relatively insignificant compared with increases

in the number of transactions of up to 25% in departments like Morbihan, Pas-de-Calais and Charente-Maritime.

This increase in volumes led to an upward trend in prices, yet without moving them into positive territory: its effect was simply to stop the fall in prices, which remained stable in 2015 as a whole given the decline during the first two quarters. It should be noted that only home prices saw a positive variation during the last quarter, while the change in apartment prices remained slightly negative (-1% year-on-year). Nevertheless, the increases make up for the 2% to 3% decline observed during the first two quarters, which is significant in such a short time period.

2015 will therefore remain the year of a change of polarity in price trends, but without being enough to compensate for the erosion in prices that occurred during the previous three years.

Pre-contracts

The projection of the price index for older apartments throughout Mainland France based on pre-contracts indicates a decrease in apartment prices and a slight increase in home prices (+1.3%) over one year.

In the provinces, the early indicator for older apartments is down slightly (-0.2%). Homes are following the national trend with an increase of 1% over one year.

In Greater Paris, early indicators on pre-contracts show that the price stability observed in 2015 for older apartments should continue in early 2016. With regard to older homes, these indicators suggest a slight rise in prices.

LATEST TRENDS

	Older apartments	Older homes
Change over 3 months*	-0.2%	0.2%
Change over 1 year*	-0.5%	1.3%

* Changes in early indicators based on pre-contracts in Mainland France: projection to the end of May 2016.