

Paris Residential Market Insight



2025

Knight Frank's assessment of current market conditions across Paris's prime residential markets

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Resilience amid uncertainty



Paris's prime residential market continues to demonstrate resilience despite a barrage of headwinds.

Over the past six years, the city has endured a global pandemic, political instability with six prime ministers holding office, rising fiscal concerns, a global trade war and played host to the 2024 Olympics. Against this backdrop, Paris has not only held firm, but it has also broadened its appeal, attracting a more diverse buyer base, bolstered, until recently, by a weak euro.

PRICES HOLD, VOLUMES DECLINE

Since the start of the pandemic, average prime property prices have risen 12%, climbing from €20,370 to €22,730 per square metre. Yet sales volumes have softened. In the second half of 2024, Paris's Chamber of Notaires reports that just 12,220 properties changed hands – fewer than during the first half of 2020, when pandemic-related restrictions largely froze the market. This dynamic reflects a buyer's market, though primarily within the resale apartment sector.

STRENGTH IN PREMIUM SEGMENTS

In contrast, developers and vendors still hold the advantage in key luxury segments: new builds, pied-à-terres, and hôtel particuliers.

In the new homes sector, a shortage of new stock continues to push prices higher, with fewer than 2,000 new homes completed annually in Paris in recent years.

Pied-à-terres remain in high demand. The average price for such properties sold by Knight Frank's partners in Paris, Junot Fine Properties, reached €7.6 million in 2024. With an average size of 235 square metres, and an average price of €33,833 per

AT A GLANCE



Prime prices up 12% since start of the pandemic



New-build, hôtel particuliers and pied-à-terres in demand



The Left Bank sees heightened international interest

51,254

The number of individuals in France with US\$10 million+ in 2024

square metre, half of these sales were to Chinese buyers.

Hôtel particuliers, Paris's grand mansions, remain rare. Only six sold in 2024, with one fetching nearly €50,000 per square metre and another,

Why Paris?



Culture & History



High quality of life



Excellent international schools



Accessibility



Transparent and mature property market



Lack of new build supports pricing



Large expat community



Expanding living sectors (student, senior, BTR)

Source: Knight Frank Research

selling for €33 million. Since the pandemic, wealthy French buyers have renewed interest in these spacious properties with outdoor areas. In 2025 two big ticket hôtel particuliers have already been sold in the 7th arrondissement, one for €55 million and the other for €100 million.

GLOBAL WEALTH IN MOTION

Seven eurozone interest rate cuts – and more expected – are creating renewed momentum. As global uncertainty rises and wealth becomes more mobile, Paris is emerging as a stable, known market for investors. Political changes elsewhere are also fuelling demand: the return of President Trump to the White House, the UK’s scrapping of its non-dom regime, and Italy’s doubling of its flat tax are driving enquiries.

In Knight Frank’s 2024 European Lifestyle Report, a survey of 750 high-net-worth individuals across 28 nationalities ranked Paris as the top European city for relocation. Gen Z, Millennials, Gen X, and the Post-War generation all ranked Paris as their preferred European city destination.

Domestic demand in Paris remains subdued. Many French buyers remain locked into low-rate mortgages and are hesitant to sell. But with borrowing costs now falling sharply, early signs of renewed local activity are emerging.

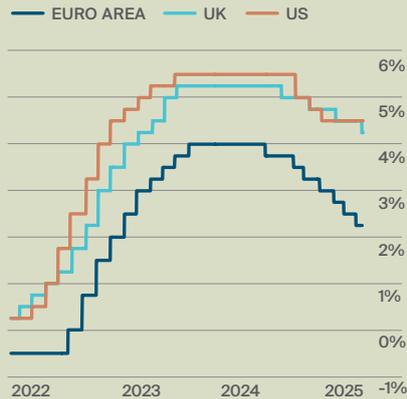
46%

The premium paid for a property with a view of a Parisian landmark in 2024

Need to Know

- **Notary Fees:** Increased by 0.5% in April 2025, raising total purchase costs to c.8%.
- **Short-term Rentals:** Primary residences can now only be rented for 90 days annually (down from 120). Second homes require commercial zoning to be rented legally.
- **Energy Efficiency Rules:** From January 2025, rentals of G-rated homes are prohibited across France. F-rated properties will follow in 2028, and E-rated by 2034.

ECB going lower, faster



As at May 2025. Source: Macrobond

Euro strengthens on back of tariffs



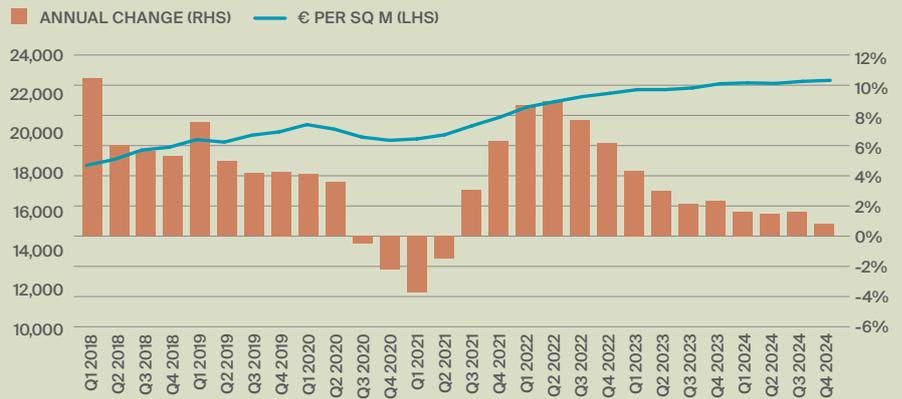
Source: Macrobond

Preferred European city by generation

	OVERALL	GEN Z	MILLENNIALS	GEN X	BOOMERS II	BOOMERS I	POST-WAR
1	Paris	Paris	Paris	Paris	Madrid	Barcelona	Paris
2	Berlin	Berlin	Berlin	Berlin	Barcelona	Berlin	Vienna
3	Barcelona	Barcelona	Barcelona	Vienna	Dublin	Paris	Milan

Source: Knight Frank’s European Relocation Survey

Paris: Rate of prime price growth edges lower



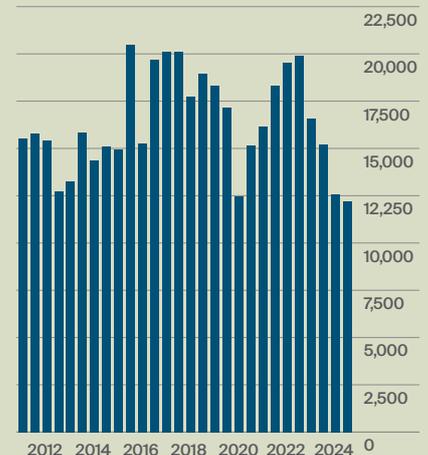
Source: Knight Frank Research

Prices by arrondissement

Arrondissement	€ PER SQ M	
	PRIME	MAINSTREAM
6th	30,500	13,460
7th	32,360	12,420
8th	28,700	11,760
16th	23,780	10,160
18th	18,900	8,380

Source: Junot Fine Properties, Paris Chamber of Notaires

Paris, total residential sales



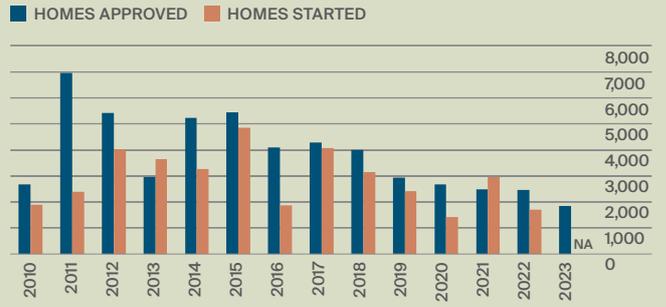
Source: Paris Chamber of Notaires



NEIGHBOURHOOD SPOTLIGHT: THE 16TH ARRONDISSEMENT

Elegant and family-friendly, the 16th is gaining traction. Its 19th-century architecture, green spaces, and top-tier international schools make it a natural fallback for those who either can't find the space they need in the 7th or 8th, or are priced out. Residence Signature, near Place Victor Hugo and Avenue Foch, is attracting interest from families seeking a multigenerational base.

Paris: Residential construction slides



Source: Sitadel

Top 5 overseas prime buyers

2025



Source: Knight Frank Research

KEY TRENDS TO WATCH IN 2025



1. Turnkey Premiums Rise

Ready-to-move-into homes with high-end finishes are commanding significant premiums. Popular with US and Chinese buyers in particular, many are wary of rising build costs and tariff-related delays.



2. Private Capital Eyes Conversions

The 2023 "PLU bioclimatique" law favours renovation over new construction to meet climate goals. Roughly 1,000 office buildings are targeted for residential conversion. Falling office rents and rising vacancies have drawn private equity and institutional funds toward the housing sector.



3. Left Bank Diversifies

Saint-Germain-des-Prés is attracting a broader mix of buyers. Once favoured by Northern Europeans and Americans, the area is seeing growing interest from Middle Eastern and Chinese clients. Fuelling this shift is the upcoming Maybourne Saint-Germain, a five-star hotel with 23 branded residences, where prices are between €60,000 and €70,000 per square metre.



4. Improved Connectivity

The southern extension of Metro Line 14 now links Orly Airport directly to central Paris and out to the northern suburbs. Meanwhile, a new train route connects Chantilly to Charles de Gaulle Airport in just 15 minutes, expanding commuter appeal and international access.

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We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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