

THE SANDHÜTEL LENS

EDITION 15: FRANCE





THE SANDHÜTEL LENS

France: Mountains, Coasts and the Monaco Border

THE WEALTH SERIES

Edition 15 · October 2026 · sandhutel.com

FRANCE TAXES THE ADDRESS. PRICE THE COMMUNE FIRST.

France's national numbers describe a market that has found its feet. Notaires de France counted 949,000 sales of existing homes in the twelve months to May 2026, up 5.7 percent, with growth slowing and prices close to flat. On that reading, the only decision left for a British family is whether they would rather ski or swim.

That reading misses what actually sets the cost of owning a French home. In France you pay the seller once and the commune every year. The département sets the transfer tax: most of the destinations in this edition now carry a normal rate of 6.32 percent, while the Alpes-Maritimes held at 5.81 percent. The commune decides whether to surcharge second homes, at anything from nothing to 60 percent. Above €1,300,000 of French property, the wealth tax known as IFI applies to non-residents too: a €3,000,000 second home owned outright pays €15,690 a year. Two homes at the same price can carry very different costs.

The market underneath splits just as sharply. Biarritz houses are up 40.1 percent since 2020 while its flats sit 9.1 percent below their 2023 peak. Houses in Lège-Cap-Ferret are 21.2 percent below theirs. Méribel apartments are up 18.6 percent on 2022. A national average tells a buyer almost nothing about any of them.

Then there is the Riviera, where the sharpest choice in this edition sits on a single street. IMSEE put Monte-Carlo at €54,009 per square metre in 2025. In Beausoleil, the French commune that runs into it, apartments averaged €7,288. Monaco charges no annual property or wealth tax; every French commune on its border charges the 60 percent second home surcharge. One side sells space, the other sells a lighter annual bill, and this edition puts a number on both.

This edition is written for the UK buyer choosing where in France to own a holiday home or a family base, not for anyone chasing a rental return. A British passport still buys 90 days in any 180 in the Schengen area, and since April 2026 the EU's Entry/Exit System records every crossing. So the tests here are the ones that matter for a home you will use and one day sell: what it costs to buy and to hold, whether the market can prove its price, and whether someone will want it from you when you are done.

THE REAL DIVERGENCE

The divergence that matters in France runs through the commune boundary. In the Savoie, the notaires put old apartments across the Trois Vallées at €10,000 per square metre, up 6.8 percent in the year to June 2026. In their latest Haute-Savoie figures, the Portes du Soleil, the most British sector of the département, slipped 1.4 percent to €6,250. On the Atlantic, Biarritz houses reached a 2020 to 2025 high of €9,559 per square metre while Lège-Cap-Ferret houses, at €12,527, fell 14.5 percent in a year and now sit 17.9 percent below 2022.

Then lay the tax map over the price map. Les Allues, Méribel's commune, has 88 percent second homes and chose not to apply the second home surcharge in 2025. Val d'Isère charges the 60 percent maximum. In Provence, Saint-Rémy charges 30 percent while the Luberon villages of Ménerbes and Lourmarin charge 60. Along the Riviera, every French commune on the Monaco border charges 60 percent, and the Principality next door charges no annual property or wealth tax at all.

Méribel pairs 88 percent second homes with no second home surcharge in 2025, while Val d'Isère charges the 60 percent maximum.

At €3,000,000, Monte-Carlo buys 56 square metres and Beausoleil, across the street, buys 412. Monaco costs at least €125,000 less to buy and hold over ten years; Beausoleil gives seven times the space.

Saint-Rémy, not the Luberon postcard villages, is the Provence you can resell: 111 house sales, 22 percent second homes, and a 30 percent surcharge against 60.

Cap Ferret has already corrected. Houses are 21 percent below their 2023 peak on 202 sales, and that is the entry point, not the warning.

STRUCTURAL DRAG: THE COST OF STAYING

Every figure here assumes a UK resident buying a resale home directly, without borrowing. At €3,000,000, transfer tax at the 6.32 percent rate, the 0.10 percent property security contribution, the regulated notary fee and an allowance for disbursements bring acquisition to €223,041, or 7.43 percent of the price. In the Alpes-Maritimes, where the département held the lower rate, the same purchase costs €207,741. That €15,300 gap is a Riviera discount nobody advertises; agency fees, where the buyer bears them, come on top. IFI starts once net French property exceeds €1,300,000, with no allowance for a second home: €3,900 a year at €1,500,000, €15,690 at €3,000,000 and €48,190 at €6,000,000.

The local taxes cannot be read from the price. Taxe foncière and the second home tax d'habitation are charged on the property's cadastral rental value, and the commune surcharge on top runs from nothing in Les Allues to 60 percent in Biarritz, Val d'Isère and on the Monaco border. Ask for the last two tax notices before the floor plan. On exit, a UK resident pays 19 percent income tax on the gain, 7.5 percent social charges if covered by UK social security and a surtax on gains above €50,000, tapering to nothing after 22 and 30 years, with UK tax credited under the treaty.

Sterling matters too: at €1 to £0.8506, a 10 percent currency move on a €3,000,000 purchase is £255,180.

€223,041

ACQUISITION AT €3M
7.43 percent, resale, most départements

€15,690

IFI EVERY YEAR
€3m second home, owned outright

60%

MAXIMUM THRS SURCHARGE
Biarritz, Val d'Isère, Monaco border

THE ADDRESSES WORTH READING CAREFULLY

Méribel (*Les Allues, Trois Vallées*)

Opportunity: Three Valleys apartments in a commune that chose no second home surcharge. Avoid: pricing a chalet off the commune average; 20 house sales do not make a market.

Méribel apartments averaged €12,678 per square metre on 129 sales in 2025, up 9.6 percent on the year, 18.6 percent on 2022 and 39.0 percent since 2020, and the notaires' broader Trois Vallées median of €10,000 rose 6.8 percent. Les Allues is 88 percent second homes, on a par with Val d'Isère, yet its 2025 budget report records that the commune chose not to apply the second home surcharge. Val d'Isère charges 60 percent and Chamonix 50. Under the 2026 Finance Law, existing decisions carry into 2027 while a commune stays in the qualifying zone, and a commune without a surcharge must vote to introduce one. That is an advantage, not a guarantee. Geneva, Lyon and winter Chambéry put Méribel five to six hours from central London.

A Three Valleys address with no surcharge on top. Buy the tax position while it lasts, and price your offer as if it will not.

Chamonix (*Chamonix-Mont-Blanc and Argentière*)

Opportunity: apartments in a working, year-round mountain town with real sales depth and Geneva as its gateway. Avoid: lower satellites such as Les Houches, at a 60 percent surcharge and on a weaker snow outlook, and chalet prices built on 51 sales.

Chamonix apartments averaged €9,991 per square metre on 251 sales in 2025, up 4.8 percent on the year, 18.0 percent on 2022 and 37.1 percent since 2020. Houses are the noisier series: €13,973 on 51 sales, down 27.2 percent in a year, which says more about which chalets sold than about the market. What Chamonix sells that most resorts cannot is a town that works in July as well as February. It is 69.2 percent second homes against 88 percent in Les Allues, and Geneva airport puts it four and a half to five hours from London. Météo-France's adaptation trajectory to around 2050 has natural snow cover shrinking by roughly two months at many low and mid altitudes and by about one month at high altitude. The surcharge here is 50 percent, rising to 60 in Les Houches.

In the Alps you are buying the snow that will still be there in 2050. Choose Chamonix over the lower Portes du Soleil resorts, and pay for altitude rather than for a name.

Biarritz (*Biarritz, Guéthary and Saint-Jean-de-Luz*)

Opportunity: houses, which are at the top of their 2020 to 2025 range and have outrun flats by 25 points. Avoid: apartments bought with letting in mind; the Pays Basque now makes owners compensate before a home can be let to tourists.

Biarritz is two markets under one name. Houses averaged €9,559 per square metre on 141 sales in 2025, up 40.1 percent since 2020 and at the highest level of the series. Apartments averaged €7,516 on 615 sales, up 15.0 percent since 2020 but down 2.2 percent on the year, 7.3 percent on 2022 and 9.1 percent below their 2023 peak of €8,267. The depth is real, and so is the regulation. Biarritz, Guéthary and Saint-Jean-de-Luz sit inside the Pays Basque compensation regime for tourist lets, and Biarritz and Saint-Jean-de-Luz charge the

60 percent second home surcharge. Direct UK flights are seasonal, with Bordeaux as the fallback.

In Biarritz the house is the asset and the flat is the commodity. Pay for land, and buy a home the next owner will want to live in.

Saint-Rémy-de-Provence (the Alpilles)

Opportunity: Provençal houses in a town with enough sales to prove their price. Avoid: Eygalières, where estimates run from €4,600 to €8,400 per square metre and the achieved sample is too thin to settle it.

Saint-Rémy houses averaged €7,317 per square metre on 111 sales in 2025, up 7.0 percent on 2022 and 55.0 percent since 2020, and just 1.5 percent below their 2023 peak. It is a working town rather than a summer set: 22.4 percent second homes, a 30 percent surcharge, and Marseille four and a half to five and a half hours from London door to door. The Luberon is where the contrast shows. Gordes, Ménerbes and Lourmarin recorded between 16 and 44 sales each in 2025, too few to settle a reliable price, and Ménerbes and Lourmarin also charge 60 percent. Across this landscape, owners near designated woodland must clear vegetation 50 metres around the house, extendable to 100 by the commune.

Saint-Rémy is the Provence you can resell. Leave the Luberon postcard to buyers who do not need to know what they paid.

Lège-Cap-Ferret (the Cap Ferret peninsula)

Opportunity: houses at 21.2 percent below their 2023 peak, on a protected coast where little new can be built. Avoid: plots exposed to shoreline erosion or forest fire, and apartments, where 32 sales prove nothing.

Cap Ferret houses averaged €12,527 per square metre on 202 sales in 2025, down 14.5 percent on the year, 17.9 percent on 2022 and 21.2 percent from their 2023 peak, which leaves them only 3.1 percent above 2020. This is a correction, and it has happened on real volume. The scarcity has not changed: 65.4 percent of homes are second homes, the Loi Littoral restricts building on the coast, and Bordeaux airport keeps the peninsula four and a half to five and a half hours from London, with the final road leg slow in high summer. The surcharge is light for a market of this quality: 20 percent against 60 in Biarritz. The risk is physical, and it is property by property: erosion and wildfire exposure must be checked at the address, not the commune.

The one prime French market in this edition where someone else has already paid for the correction. Buy the house, and survey the shoreline before you sign.

The Dordogne (Sarlat, Bergerac and Eymet)

Opportunity: stone houses at around €1,800 to €2,200 per square metre, with Sarlat apartments up 17.8 percent on 2022. Avoid: buying without a structural survey, and Eymet, where houses fell 11.9 percent on 52 sales.

Sarlat houses averaged €2,170 per square metre on 103 sales in 2025, up 1.8 percent on 2022, and its apartments €2,016 on 82 sales, up 17.8 percent. Bergerac houses averaged €1,825 on 321 sales, the deepest market in the Dordogne, up 1.2 percent on 2022. At these prices even a €750,000 purchase buys a large house and sits below the IFI threshold altogether. The discount has reasons. The Dordogne is among the départements in the national pilot on clay shrink-swell subsidence, older stone houses carry condition risk, and the Bergerac flights that make it easy in summer are seasonal.

The Dordogne is cheap for reasons you can survey. Pay the structural engineer before you pay for the view.

THE MONACO BORDER

Edition 04 of The SANDHÜTEL Lens set out why Monaco is a fiscal decision rather than a property one. This edition asks the question a UK buyer who is not moving to Monaco actually faces: if the next pound is going to the top of the Riviera, does it buy more in the Principality or across the street in France? IMSEE put Monte-Carlo at €54,009 per square metre in 2025, under a new method that now blends new and resale sales. The French border communes average a fraction of that: Beausoleil €7,288 on 276 apartment sales, Roquebrune-Cap-Martin €6,724 on 456, Cap-d'Ail €7,399 on 77 and Menton €5,159 on 955. Beausoleil is up 12.4 percent on 2022 and Roquebrune 10.8 percent; Cap-d'Ail fell 15.4 percent on the year.

At €3,000,000 the arithmetic is stark. Monte-Carlo buys 55.5 square metres, Beausoleil 411.6 and Roquebrune 446.2. Entry costs are close: €207,741 in the Alpes-Maritimes against around €187,500 in Monaco, where an individual pays 4.75 percent registration duty plus notary costs. Holding is where Monaco wins. Over ten years, purchase costs plus IFI come to at least €364,641 on the French side, before taxe foncière, the 60 percent surcharge every border commune applies, and building charges. Monaco levies no annual property or wealth tax, and even with illustrative prime building charges of €87 to €93 per square metre a year, purchase costs plus ten years of charges come to about €236,000 to €239,000. These are commune averages: a buyer shopping sea views or new build will pay well above them, so the French space figures are a ceiling, not a shopping list. The train from Cap-d'Ail reaches Monaco in four minutes, Roquebrune in five and Menton in eleven, 55 times a day; lower Beausoleil simply runs into Monaco on foot. UK tax follows the owner on both sides of the border, and the UK and Monaco have no comprehensive tax treaty.

55.5 m²

MONTE-CARLO AT €3M
IMSEE 2025, €54,009 per square metre

411.6 m²

BEAUSOLEIL AT €3M
2025 apartment average, €7,288

€125,000

MONACO TEN YEAR ADVANTAGE
At least, buying and holding at €3m

For the UK resident who will not take Monaco residence, Beausoleil and Roquebrune are how you own Monaco's doorstep at about a seventh of its price per square metre. Monaco itself only wins for the buyer paying for tax simplicity and the name.

THE WATCHLIST

Watchlist: Luberon (Gordes, Ménerbes, Lourmarin). Genuine scarcity, but between 16 and 44 sales a village in 2025, too few to prove a price, and Ménerbes and Lourmarin charge the maximum surcharge.

Watchlist: Courchevel (Savoie, Trois Vallées). Apartments averaged €12,751 per square metre on 118 sales across the commune, but 1850 trades on a different scale entirely and the commune figure cannot price it.

Watchlist: Megève (Haute-Savoie). Apartments averaged €10,447 on 181 sales. The brand and the summer are real; 83.1 percent second homes and a lower altitude make the climate case harder to underwrite.

Watchlist: Annecy (Haute-Savoie). The deepest Alpine market here, with apartments at €5,253 on 1,637 sales, but a 60 percent surcharge and tourist-let quotas narrow the second home case.

Watchlist: Morzine and Les Gets (Portes du Soleil). Apartments averaged €7,911 in Morzine and €6,887 in Les Gets, and British buyers took 19.6 percent of Portes du Soleil purchases in the notaires' 2024 observatory. Lower altitude is the price of the discount.

Watchlist: Île de Ré (Saint-Martin-de-Ré). Scarcity and quality are not in doubt; at €7,243 per square metre on 41 sales, the evidence is.

Watchlist: Deauville (Normandy coast). Apartments averaged €7,027 on 182 sales, with a 20 percent surcharge and easy access from the UK. Less structural scarcity than the best markets in this edition.

Watchlist: Cap d'Antibes (Antibes). One boulevard, Francis Meilland, averaged €22,293 per square metre on 34 apartment sales in 2025. The Cap needs comparables of its own, not the Antibes average.

Watchlist: Saint-Tropez and Ramatuelle (Var). Saint-Tropez houses averaged €32,261 on 56 sales, a figure a handful of villas can move. A trophy purchase, not a measurable market.

Watchlist: Paris (pied-à-terre). Old apartments averaged €9,600 per square metre at the end of 2025 and Eurostar makes it the easiest address in France to reach, but a 60 percent surcharge and strict rules on second homes make it a consumption purchase.

Watchlist: The Lot (Cahors and the Causses). A quieter alternative to the Dordogne, with Cahors houses at €1,762 on 170 sales, and thinner UK access and evidence.

SELECTED DATA SIGNALS

MACRO AND STRUCTURAL

949,000

FRANCE RESALE SALES
Notaires de France, 12 months to May
2026, up 5.7%

6.32%

TRANSFER TAX RATE
Most départements; 5.81%
Alpes-Maritimes

€15,690

ANNUAL IFI AT €3M
Second home, no debt, current law

0.8506

POUNDS PER EURO
Reference rate, 2 October 2026

DEMAND, ACCESS AND SCARCITY

88.0%

LES ALLUES SECOND HOMES
INSEE RP2023; no surcharge in 2025

19.6%

BRITISH BUYERS
Portes du Soleil, Notaires observatory
2024

2 months

LESS SNOW COVER BY 2050
Low and mid altitude, Météo-France
2026

4 min

CAP-D'AIL TO MONACO
TER, 55 trains a day, SNCF October
2026

Local prices in this edition are 2025 annual means calculated by Immo-DVF from the government's DVF record of achieved sales, with sample sizes stated; they are processed figures, not official indices. Regional medians are Notaires de France. Monte-Carlo is IMSEE. Tax figures are Sandhütel calculations from current law.

Read together, the top row says France is a recovering, flat-priced market with a heavy and uneven tax load. The transfer tax rate depends on the département, the wealth tax arrives with the second home and stays every year, and the exchange rate can move the sterling price of a purchase by more than any negotiation will.

The second row is the one to act on. Les Allues shows how far one commune's choices can depart from Val d'Isère's, the Portes du Soleil figure shows where British buyers still cluster, and the snow outlook shows why they may be clustering in the wrong place. Four minutes on a train is the whole case for the Monaco border.

THE SANDHÜTEL READ

France is not one second home market at a flat national price. It is a tax map laid over a price map, and the commune you choose sets the cost of every year you own as surely as the view sets the price you pay.

Put the two maps together and the edition's choices follow. Méribel's apartments are up 18.6 percent on 2022 in a commune that chose no second home surcharge, while Val d'Isère charges the maximum. Cap Ferret's houses have fallen 21.2 percent from their peak in a commune that charges 20 percent, so a buyer gets a reset price and a light surcharge together. On the Riviera the two maps point in opposite directions: the French border communes give more than seven times Monte-Carlo's space for the money, and Monaco repays that premium by costing at least €125,000 less to buy and hold over ten years at €3,000,000. Biarritz shows that even within one town, the house and the flat are different investments.

The allocation follows from that. In the Alps, anchor in Méribel for the tax position and Chamonix for the year-round town and the altitude, and leave the lower resorts to buyers who have not read the snow forecast. In Provence, buy Saint-Rémy, where the sales prove the price. On the Atlantic, buy a Biarritz house rather than a flat, and Cap Ferret now that the correction has been paid for. Take the Dordogne only with a structural survey in hand. On the Riviera, choose Beausoleil or Roquebrune for space and access, and Monaco only for tax simplicity and the name. Hold Courchevel, Megève, the Luberon, Île de Ré and Saint-Tropez on the watchlist until their markets can show what their reputations claim.

At Sandhütel, a French home is priced twice: once by the seller and once by the commune. Read the tax notice before the floor plan, and buy the address whose second price you can live with for twenty years.



David R. Sandhu

Founder and Principal at Sandhütel, a London based firm focused on strategic property investment, management and design. Over 15 years' leadership across credit strategy, investment management and real asset development, including as Global Head of Credit Product Management at Barclays Wealth. There he led balance sheet strategy, product governance and commercial growth across the UK, EMEA and Asia.

The content contained in this publication is the intellectual property of Sandhütel and David R. Sandhu. It may not be reproduced, distributed or transmitted in any form without prior written consent. This publication is provided for informational purposes only and does not constitute financial, investment or legal advice. Readers should seek independent professional guidance before making any property or investment decisions. Sandhütel accepts no liability for actions taken in reliance on the information contained herein. French transfer tax, IFI, taxe foncière and the second home taxe d'habitation are property and commune specific, and Monaco duties depend on the buyer's structure; a French notaire, a Monaco adviser and a cross-border tax adviser should confirm any contemplated transaction.