



Seasonal vs long-term

How Covid has affected the holiday rental market

By KIMBERLEY MANNION

In an average year, the Côte d'Azur attracts 13 million tourists, a contribution to local GDP twice the national average. When President Macron ordered the first lockdown, it was clear the tourism industry was in for a tough year. We spoke with local property letters about how they weathered the pandemic.

The tourism industry has been hit hard and that includes private rental properties. Last spring, those working in holiday rentals realised they were going to lose a lot of money, as would-be tourists sat confined in their homes. But after the first wave dipped and France re-opened for the summer, fears of empty villas all summer did not come to pass. The 2020 season was more or less saved - some even found it to be busier: according to Niall Bates of *Chic Gites* in Cannes, it was "almost the busiest summer ever." September was back to square one as large-

scale conferences and festivals continued to be cancelled and the second wave caused another lockdown. Céline Swicegood, a Côte d'Azur ambassador who works in property rentals, told RI: "The strategy was to try to focus on local tourism, but that doesn't work when everything is closed".

Landlords found themselves in a dilemma when it became clear they were in for a quiet winter - stick it out and hope for the best, or change strategy to long-term rentals. Many report being put off from the latter, having heard too many 'horror stories' of long-term French rental contracts and the complex laws protecting tenants.

With the exception of the new 'Bail Mobilité', a tenant who makes a property their primary residence must sign a lease for at least a year. This posed a big problem for Niall, who had to turn down visitors who wanted to télétravailler, or work from home, in the Riviera sun. At the time, there was still hope that conferences and events would return and bring back the tourists - too much hope to write-off holiday income for the year. Unfortunately, that view turned out overly optimistic.

Long-term contracts have other turn-offs: evictions for tenants who don't pay are banned during winter in the Nice metropole and rates are much lower than weekly holiday stays, therefore less profitable. Nice Mayor Christain Estrosi also outraged Airbnb owners when he banned rentals during the February 2021 holiday, a decision which was quickly overturned by the regional court.

"The complexity of French law can be difficult to understand for foreigners who may otherwise rent out their second home on the Riviera," says Dermot O'Maolchathail, a property manager in the area.

Hard for tenants, too

On the other hand, tenants looking for a place to live, especially new arrivals to France, who are often shut-out from agency renting, report frustrations with the same laws. The appre-

hension of long-term contracts and the lucrativeness of holiday renting makes it incredibly difficult to find a long-term apartment. "It's a shame rental laws are as they are because it makes it near impossible to find a place to live," says Suzy, a local resident.

Both sides seem to be at an impasse - property owners holding out for maximum income and local residents searching for a long-term home. Many feel stained by the same ink as a few negative experiences by landlords prevents honest tenants from finding a home. The situation seems to have created animosity between the two groups.

This summer, more landlords are open to long-term renting which, for renters, may be one positive aspect of the pandemic. For the other property owners? Some are enjoying a property they rarely get to use in the high season; some, according to local owner Dermot, "got renovation work done which they hadn't had the chance to do before."

The 2021 summer season is expected to be similar to last year, with the uncertainty of international travel. The only certain thing we've learned is we can't predict the future with this pandemic, but the vaccination roll outs provide hope that the industry will finally pick back up in the autumn. ▲

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Under very specific conditions, a reduction in the tax foncière, or property tax, can be obtained in the event of extended vacancy of a house or flat normally intended for rental. The vacancy must last at least 3 months and must be beyond the control of the taxpayer. For example, if your property was vacant between 24 February and 28 May 2020, you can apply for a reduction of 3/12 of your property tax for March, April and May 2020.

Reductions are only granted if the property is maintained for its intended use and a tenant has not been found despite effort by the owner.

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