



International real estate

House Hunting in French Polynesia: A Private Island for \$2.9 Million

The remote collection of islands in the Pacific Ocean is seeing a market ‘transformation’ thanks to a stable economy, expanded tourism and exploding demand.

Slide 1 of 13. This eight-acre private island in Rangiroa, a coral atoll in the Tuamotu Archipelago of French Polynesia, is on the market for \$2.9 million. Named Motu Teta, the island has a primary villa and two additional residences. White-sand beaches and crystalline Pacific Ocean waters teeming with tropical fish encircle the islands of Rangiroa, making the atoll a scuba-diving destination.

Credit...French Polynesia Sotheby’s International Realty

By Roxana Popescu

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An Eight-Acre Island in the South Pacific

\$2.9 MILLION (310 MILLION CFP FRANCS)

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The island is self-reliant, said Mr. Menahem, who compared living there to living on a boat. To that end, the island’s equipment includes a rainwater cistern, two generators (one for backup), solar panels, a tractor and several boats. There is no internet access, and cellular coverage is spotty. (Mr. Menahem said that internet access is expected within the year.)



Market Overview

The housing market in French Polynesia, a French collectivity with 280,000 people spread over more than 100 islands in the Pacific Ocean, is undergoing “a transformation,” said Emily Biotteau-Colas, the owner and managing director of Tahiti Homes, an agency in Papeete, the capital city.



Location “is more important in French Polynesia, because the quality of real estate is very poor here,” she said. “It’s very recent that people are paying attention to the décor or architecture.”

But in the past decade, the home décor industry there has “exploded,” she said, which has inspired people to build larger homes.

French Polynesia has seen recent increases in prices and sales, buoyed by economic stability and a housing shortage, Mr. Menahem said. On the popular tourist island of Moorea, he estimated, prices have risen as much as 25 percent in the past year.

“It’s going so good that I found myself with a new problem — that I don’t have stock,” he said. “What I’ve had I’ve sold, and it’s difficult to find new properties for sale.”

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That is in stark contrast to the market of several years ago, when prices stagnated and homes remained unsold.

Francois Perinotto, the director of Groupe Thisse, an agency in Tahiti, said prices there have not increased, but sales have, sharply. “We used to sell 10 to 20 houses per year,” he said. “Now we sell more than 50.”

Several factors have contributed to that, the agents said. One was the 2014 election of President Edouard Fritch, who took office after the resignation of Gaston Flosse amid a corruption scandal. These days, Ms. Biotteau-Colas said, “locals are confident in the government.”

New resorts and expanded air service between Tahiti and the United States since 2018 have brought an influx of tourists, which has lifted the local economy and increased employment,

Mr. Perinetto said. That, in turn, has allowed French Polynesians to invest more in real estate. Lower interest rates have also made buying property more attractive.

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And as a result of the tourist boom, some rental homes have been converted to Airbnb properties, further reducing supply, agents said.



The 765-square-foot bungalow, about 50 yards from the main house, has a terrace with a kitchenette and wet bar. Inside are a bedroom and a bathroom. Credit...French Polynesia Sotheby's International Realty

Moorea is about 20 minutes from Tahiti by boat, making it a popular second-home destination for Tahitians and foreigners. “It still offers an authentic Polynesian lifestyle, as well as great sceneries and beautiful white-sand beaches,” Ms. Biotteau-Colas said.

A two-bedroom villa in a gated community on Moorea, she said, sells for around \$370,000, while a private island in Bora-Bora could fetch up to \$40 million. Upscale, single-family, three- or four-bedroom houses in nice areas of Puna'auia range from about \$1.4 million to \$2 million. Similar homes in desirable hillside neighborhoods start at about \$800,000.

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Mr. Perinetto said luxury homes start at \$1 million for a three- or four-bedroom in a desirable neighborhood on Moorea or Tahiti, with a pool, a sunset view and security. He estimated that there are 20 to 50 luxury houses for sale across French Polynesia.

“The market is so small,” he said, that “when people want to buy, they buy an atoll or a private island and they build directly.”

Who Buys in French Polynesia

While the vast majority of Mr. Menahem's clients are local, he said — “90 or 95 percent of my buyers are people from here” — in the past couple of years he has seen an increase in American, Italian, Spanish and French buyers.

Ms. Biotteau-Colas said that her agency has recently had clients from the United States, Switzerland and France. But many foreign buyers may not find what they are looking for in French Polynesia, she added: “We do not have mansions or estates like they can find in the French Riviera, California or Florida.”

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The island, known as Motu Teta, comes with a rainwater cistern, two generators (one for backup), solar panels, a tractor and several boats. Credit...French Polynesia Sotheby’s International Realty

Mr. Perinetto said that most of his clients are Polynesian; only 10 to 20 percent are foreigners, and they are usually French.

Buying Basics

There are restrictions on foreigners buying property in French Polynesia, said Jeanne Lollichon, an owner of a notary firm in Puna’auia. “We don’t have so much space, and people here are very attached to the land,” she said.

Potential buyers must obtain governmental permission, which is granted on a case-by-case basis. Citizens of the European Union are exempt, she said.

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French law applies in French Polynesia, and as in France, property transactions are handled by notaries. Closing costs, which are the same for local and foreign buyers, include the notary fee, registration tax and other smaller charges; they typically total around 12 percent of the sale price, she said.

Transactions are done in CFP francs, which are pegged to the euro. If a property is listed in another currency, like the euro, it is for marketing purposes. The notarized deed is in local currency, she said.