

RESIDENTIAL RESEARCH



# MONACO INSIGHT 2016

ASSESSING MARKET CONDITIONS ACROSS  
MONACO'S PRIME SECOND-HOME DESTINATIONS



PRICING

BUYER NATIONALITIES

AREA GUIDE

# Pole position

After several years of limited supply, Monaco's new-build offer is expanding and with it, the gulf between resale and new home prices.

By Kate Everett-Allen

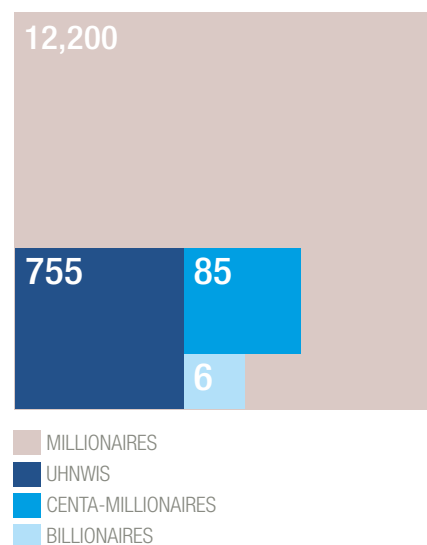
For a principality no larger than two square kilometres – smaller than Hyde Park and Kensington Gardens combined – Monaco, home to 12,200 millionaires, punches well above its weight.

Offering privacy and security – in a climate of increased geopolitical tension – as well as a benign tax regime, it comes as no surprise that its population of wealthy people (those with net assets of US\$30m+) has increased by 62% in the last decade.

Due to high demand and limited supply, prices have, aside from a marginal dip in 2012, largely moved in one direction since 2010. Average prices have increased by 27.8% in the last five years according to the Monaco Statistics office, but what stands out is the widening gulf between the price of new and resale properties.

Data from 2015 shows the average price of a resale property stood at €3.5m,

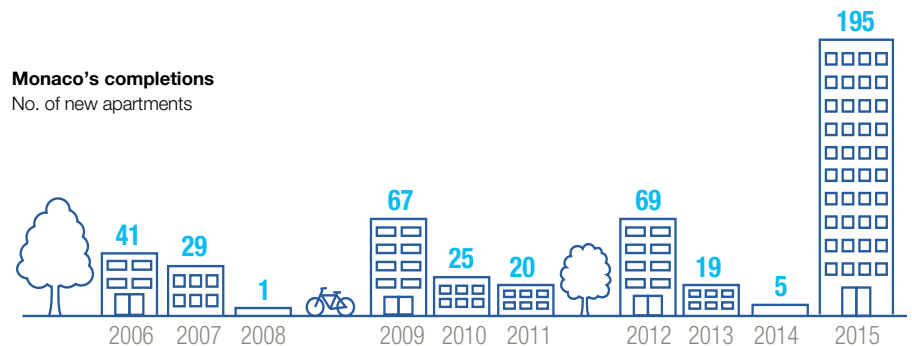
## Breakdown of Monaco wealth tiers (2015)



New World Wealth

## Monaco's completions

No. of new apartments



Imsee

whilst the average price of the 38 new-build apartments sold in 2015 was closer to €11.9m.

This appetite for new product and modern specifications means buyers – both owner occupiers and investors – are more likely to refurbish an older property compared to say properties just across the border in France and Italy.

Rental demand is also strong. Residency is conferred on those who rent as well as buy in Monaco, provided the tenant occupies an appropriate size property, for example a minimum of a two-bedroom property for a family of four. Families will often rent close to the International School of Monaco in La Condamine before deciding where to buy.

Monaco's constrained supply pipeline improved in 2015 when 195 new apartments housed within three new prime developments (Tour Odéon, Le Meridien and Le Petitie Afrique) came to the market.

The next single largest contribution to housing stock will be the delivery of Testimonio II, which will provide some 150 apartments. It will be built by the Marzocco's, the developers responsible

for Tour Odéon which provided a new high level of finish and amenities unseen in a large scale development in recent years.

Monaco's buyer profile is shifting. Not only is the age of buyers lower than it was a decade ago, but the nationality of buyers can increasingly be defined according to their purchasing power. Below €10m British, Italians, Swiss and northern European buyers have been active in the last year. Above €10m, Russian buyers, previously absent, are house-hunting once more, joined by Middle Eastern and Chinese buyers.

Sales activity in 2015 was focused at the lower end of the market. Of the 509 resales properties that changed hands in 2015, 423, or 83%, were priced below €5m.

The UK Chancellor's decision in July 2015 to change the rules that apply to those claiming non-dom status put Monaco back in the spotlight. It is proposed that from 2017 some non-doms living in the UK will find it harder to claim non-dom status and benefit from the remittance basis. Agents surmise this, and not the Brexit decision, will in the long-term prove the key determinant of inward capital flows to the principality.

**KEY**



Average price of all properties sold in 2015



Residential stock

**Monte Carlo**

€3.6m 482

The financial and cultural hub of Monaco, is home to Monaco's famous landmarks such as the Casino de Monte Carlo as well as the Hotel de Paris, numerous top quality restaurants and Monaco's most prestigious shopping boutiques.

**Jardin Exotique**

€2.6m 209

Perched on the cliffs at the western end of the principality, the area more closely resembles a French town with quiet residential streets but at a lower price point than neighbouring quarters.

**Avenue Princesse Grace & Larvotto Beach**

€6.7m 130

Located at Monaco's eastern tip, the area is home to the prestigious Avenue Princesse Grace and boasts Monaco's Larvotto Beach.

**La Condamine**

€4.5m 217

The central ward provides the backdrop for the Monaco Grand Prix and is home to the 700-berth Port of Hercule and burgeoning business district surrounding Rue Gabian.

**Monaco Ville**

€1.6m 61

The old town of the principality, the area reflects the true Monegasque way of life situated on the famous Rocher, or Rock, upon which the Prince's Palace and official residence is built.

**Fontvieille**

€4.2m 231

The newest addition to the principality, built on reclaimed land in the 1980s, the quarter is home to a 275-berth marina, the Louis II stadium and Monaco's Heliport.

	NAME OF NEW DEVELOPMENT	NO. OF UNITS	COMPLETION DATE/STATUS
1	Tour Odéon	156	2015
2	Le Petite Afrique	8	2016 - Sold pre-construction
3	28 Carré d'Or	N/A	2018 - For rent only
4	Le Meridien	30	2015 - Sold
5	Tour Giraflees	73	N/A
6	Testimonio II*	150	2019
7	Palais de la Plage	12	N/A
8	Le Portier	10 villas, 115 apts	2025
9	Sporting d'Hiver	6	For rent only
10	La Stella	2 villas, 99 apts	Sold pre-construction

\*For Monegasque nationals only Knight Frank Research, Imsee



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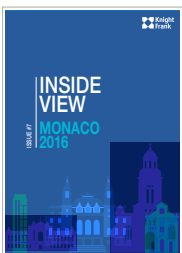
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## MARKETING PUBLICATIONS



[Monaco: Inside View 2016](#)



[International View 2016](#)

The Research data provided in this report was originally published within **France: Inside View**

## RESEARCH PUBLICATIONS



[The Wealth Report 2016](#)



[Ski Property Report - 2016](#)



[France Insight - 2016](#)



[Global Tax Report - 2015](#)

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