

# LUXURY RESIDENTIAL MARKET INSIGHT CÔTE D'AZUR

## Knight Frank



**“Successful vendors will confirm that correct pricing is the key to achieving sales.”**

**Where do buyers in the Côte d'Azur come from?**



UK	24%
France	15%
Russia & CIS	11%
Scandinavia	13%
Rest of Europe	27%
Rest of the World	10%

Source: Knight Frank Residential Research

## Market overview

**The South of France remains ever popular among international buyers and the steady stream of lifestyle buyers, including the return of UK-based purchasers, means the frequency of sales – albeit at reduced prices – is likely to increase.**

Poor weather coupled with the unwelcome emergence of the ash cloud served to suppress demand during the spring and early summer in 2010. The ability to travel across continents without flying saw demand come from more Eurozone buyers than has been typical of the last five years. The autumn market however, saw a welcome return of UK-based buyers, fuelled in part by the partial strengthening of the pound.

For these reasons, properties across the Côte d'Azur continue to sell, and where better-informed vendors have lowered their asking prices in line with market sentiment, they have sold in reasonable timeframes. Prices have fallen by between 10% and 20% in most sub-markets of the region.

For several years, core market sales were characterised within the €3-€5m price range. But many active buyers are now looking for smaller villas, and properties priced between €1m and €2.5m now form the largest single sector of demand. As a consequence, there is a lack of well-priced, quality villas available to buy in this price range.

In overview, of the several sub-markets that make up the Côte d'Azur, the most robust has been the St Tropez end of the coast. This is largely due to planning law prohibiting new development within 300m of the sea, significantly restricting the supply of new homes. A four or five-bedroom villa with sea views on the Gulf of St Tropez is likely to command between €2m and €10m. In the highly exclusive Les Parcs de St Tropez prices can reach considerably more.

Approximately 80km east of St Tropez, Cannes – host of the world-renowned Cannes Film Festival – retains its global appeal. A typical triplex apartment with sensational sea views in Juan-les-Pins, for example, is currently on the market with a guide price of €12.9m.

Set back from the coast the Arrière Pays (the back country areas behind Cannes and St Tropez), offers properties in quieter inland villages that benefit from relative tranquility while still being close to the cosmopolitan coastal locations.

These areas are consistently popular with British and northern European buyers, albeit for different reasons. The area behind St Tropez – which includes Grimaud – appeals because of its peaceful rural setting, while the area behind Cannes is popular as it offers a wider selection. A villa with five bedrooms in Saint Paul is likely to sell for around €3.5m.

Russian and CIS nationals continue to demonstrate strong interest in waterfront and sea-view properties, particularly in Cap Ferrat, Cap d'Antibes and Cap Martin. A five-bedroom villa on the west side of Cap Ferrat overlooking the bay of Villefranche-sur-Mer could command upwards of €20m.

In nearby Provence, buyer registrations increased during 2010 for the Luberon (Gordes and Lourmarin) and St Remy de Provence. Transaction levels have remained healthy and we foresee this activity continuing in 2011, particularly with UK buyers.

## Expert insight

**Few global destinations of choice have demonstrated the perennial attraction of the Côte d'Azur and Provence.**

While by no means unaffected by the world financial situation, the South of France nevertheless continues to offer an exceptional lifestyle to both its residents and second home owners alike. Close proximity to the renowned beaches, golf courses and countryside combine with easy access to the Alps – typically just a two-hour drive away.

It is precisely this variety which draws so many to the region – there is something for everyone, from peaceful fields of Provençal lavender to the ever-convivial beaches and bars of glamorous coastal towns.

Overall demand remains healthy for well-priced properties. Going forward successful vendors will confirm that correct pricing is indeed the key to achieving sales as buyers are better-informed than ever through the availability of online information. Taking sound, pre-sale pricing advice is therefore increasingly considered an essential marketing prerequisite for 2011/12.



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## PRIME PROPERTIES



EZE, CÔTE D'AZUR

Price on application



LES ALPILLES, PROVENCE

Asking price €3,750,000



VILLEFRANCHE SUR MER

Asking price €9,750,000



LA GARDE FREINET

Price on application

[Click here](#) to view all our properties for sale in France or go to [KnightFrank.com/France](#)

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