

LUXURY RESIDENTIAL MARKET INSIGHT

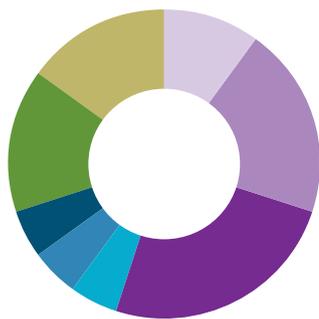
COSTA SMERALDA, SARDINIA

Knight Frank



“Sardinia’s Costa Smeralda is an immaculately preserved 14-mile stretch of crystal blue waters which offers residents an unparalleled level of privacy.”

Figure 1
Where do buyers on the Costa Smeralda come from?



UK	10%
Russia	20%
Italy	25%
Scandinavia	5%
France	5%
Switzerland	5%
Other Europeans	15%
Non-Europeans	15%

Source: Knight Frank Residential Research
Note: Figures may not add up to 100% due to rounding

Market overview

With a reputation for privacy and exclusivity the Costa Smeralda on Sardinia’s north-east coast has ridden the economic storm better than many of Europe’s other luxury second-home locations.

The Aga Khan’s blueprint for the Costa Smeralda or ‘Emerald Coast’ was first drawn up in 1962. His desire to create and conserve a corner of paradise with the marina of Porto Cervo at its heart has resulted in an immaculately preserved 14-mile stretch of crystal blue waters which offers residents an unparalleled level of privacy. The Consortium, which every homeowner becomes a member of and which oversees security and maintenance, has restricted development to low-rise, low-density villas and apartments, most of which are secluded from view by pine trees.

Property on the Costa Smeralda ranges from eight-bedroom villas with yacht moorings and staff lodgings to more modest three-bedroom semi-detached villas with mountain and sea views and marina or golf side apartments. Interest in Sardinia, and particularly in the Costa Smeralda, has intensified in the past decade as the world’s wealthy elite try to identify, from a finite number of resorts, those which offer the best privacy, security and idyllic scenery as well as quality restaurants and amenities, all within a two-hour flight from most of Europe’s capital cities.

Rising demand and restricted supply led property prices to climb 50% between 2004 and 2006 before peaking in 2007/8 when the average price of a four-bedroom waterfront villa reached €19m. Although sales activity cooled in response to the global financial crisis, prices held relatively

firm between 2008 and 2010. Since autumn 2010 applicant numbers and enquiries have increased, although they have yet to recover to pre-recession levels. Website visits alone have increased by 30% in the past two years with Russian, Italian, Northern European and UK buyers representing a significant component of demand (see figure 1).

Prices have softened slightly since autumn 2010, this has largely been as a result of seasonal trends (weaker demand in the winter months) along with the European debt crisis which has dented confidence among many would-be purchasers.

Our outlook for the market is a positive one – there is little at the local market level that will affect price performance, unless global economic factors reassert themselves. With new supply heavily restricted, the natural environment fiercely protected and demand strengthening from a growing pool of wealthy European and CIS/Russian purchasers, we expect prices to remain stable in the next two years.

Key Facts

Flight Time from London: 02.35 hrs

Average days of sunshine per year: 300

Activities: Golf, sailing, windsurfing, scuba-diving, tennis

Michelin-starred restaurants: 1



Rupert Fawcett
Head of Italian Department,
Knight Frank

Expert insight

One of the Costa Smeralda’s most highly sought-after locations is the area surrounding Pevero Golf Club which extends down to Pevero Bay, Cala di Volpe and Romazzino.

The most desirable properties on the Costa Smeralda are found at Piccolo Romazzino, a private housing estate made up of just 20 luxury

homes all with sea views across to Mortorio Island and Porto Rotondo. Those designed by the island’s renowned architects Couëlle and Vietti meet with perennial demand.

Equally attractive are the areas of Romazzino, Piccolo Pevero, Pevero Golf, La Celvia and Liscia di Vacca which, with its white sandy beaches, provides a secluded setting while being just 2 km from the marina and old town of Porto Cervo. Starting prices for a villa in these areas range between €2.5m and €7m.

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PRIME PROPERTIES



PEVERO GOLF COURSE

Asking price of €8,500,000



PORTO CERVO

Asking price of €2,750,000



PORTO CERVO

Asking price of €18,000,000



PORTO CERVO MARINA

Asking price of €1,000,000

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