

RESIDENTIAL RESEARCH



MONACO INSIGHT 2017

ANALYSIS OF MONACO'S PRIME
RESIDENTIAL MARKET



SALES BY NEIGHBOURHOOD

PRICE ANALYSIS

FUTURE INVESTMENT

Hot property

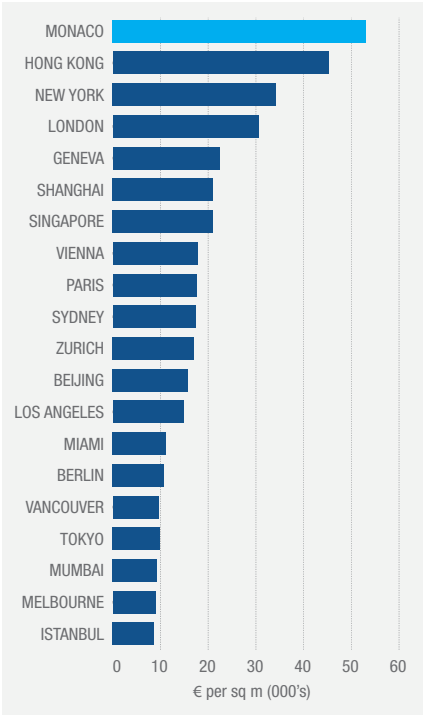
Monaco remains at the top of global wish lists. By 2026 the Principality will be home to 16,100 millionaires and 1,450 ultra high net worth individuals. No other city in the world boasts the same wealth density as Monaco.

By Kate Everett-Allen

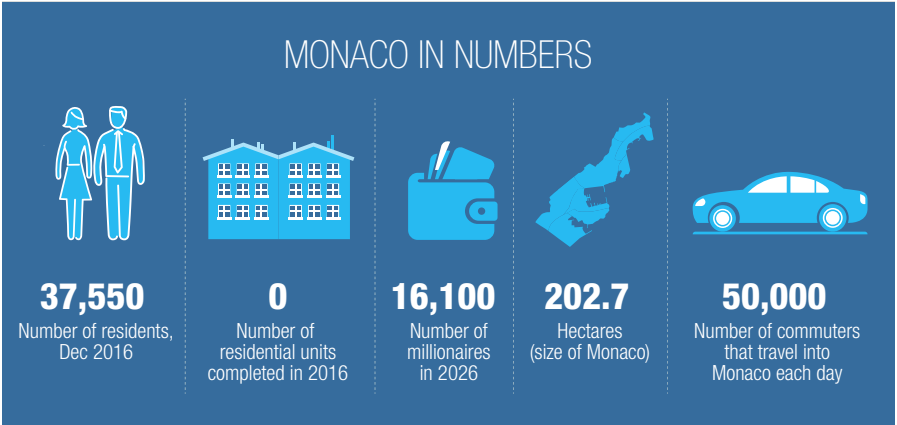
Monaco has led our annual global comparison of residential values since 2008 and prices continue to drift higher. Luxury residential prices in Monaco reached €53,000 per sq m in the second quarter of 2017, although super-prime values, such as those for the most exclusive properties in Monte Carlo’s Carré d’Or, can extend beyond €100,000 per sq m.

In last year’s report we highlighted the widening gap between the price of resales and new build property as well as what, at first glance,

Monaco on top
Prime prices as at June 2017



Knight Frank Research / Douglas Elliman



Knight Frank Research, IMSEE

appeared to be a strong pipeline of new residential development.

However, most of this new stock remains a long way from breaking ground. Indeed, IMSEE, Monaco’s Statistics Office, reported that in 2016 not one new residential property was completed. This is likely to put further pressure on prices in the short to medium term.

The tail end of 2016 saw sales activity soften; however, Macron’s victory in May 2017 brought with it a new sense of optimism.

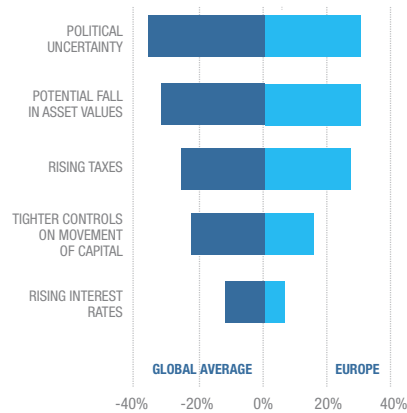
For Monaco, the flow of wealth across its borders is as much to do with the ebb and flow of foreign government’s tax and economic policy as it is to do with the longstanding appeal of the Principality.

According to our survey of almost 900 of the world’s leading private bankers and wealth advisors, political uncertainty is considered the greatest threat amongst UHNWIs – both globally and in Europe – when it comes to

the creation and maintenance of their wealth over the next five years.

Perhaps surprisingly, Monaco is home to a large volume of old residential stock in need of refurbishment. However, in recent years buyers are displaying a greater propensity to undertake this

How strongly do you agree that the following are threats to your UHNW clients’ ability to create and maintain wealth?



Attitudes Survey, The Wealth Report 2017

work as the lack of supply starts to pinch. Many of these buyers are long-established Monaco residents looking for an investment, aware that new arrivals often prefer to rent before deciding where to buy. Shrewd investors are also aware of the lack of market liquidity in Monaco – the wealthy remain discretionary vendors – meaning such investors can rely on long-term tenants.

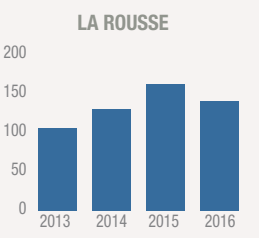
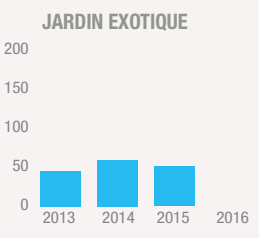
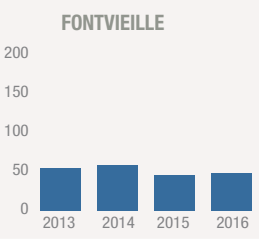
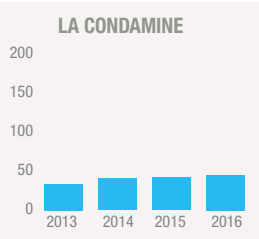
Not only does Monaco play host to more than 850,000 overnight tourists per annum, but more than 50,000 employees commute into Monaco from France and Italy each day. To keep pace with this influx, public investment is being ploughed into Monaco’s infrastructure, leisure and retail facilities.

Aside from the 2014 upgrade of Monaco’s Yacht Club, the new €107m Albert II Tunnel opened in 2016 helping

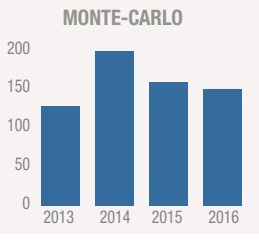
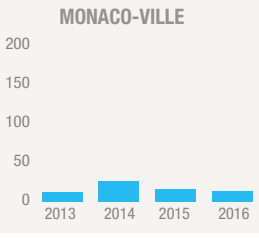
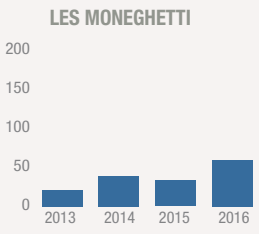
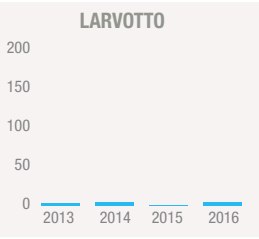
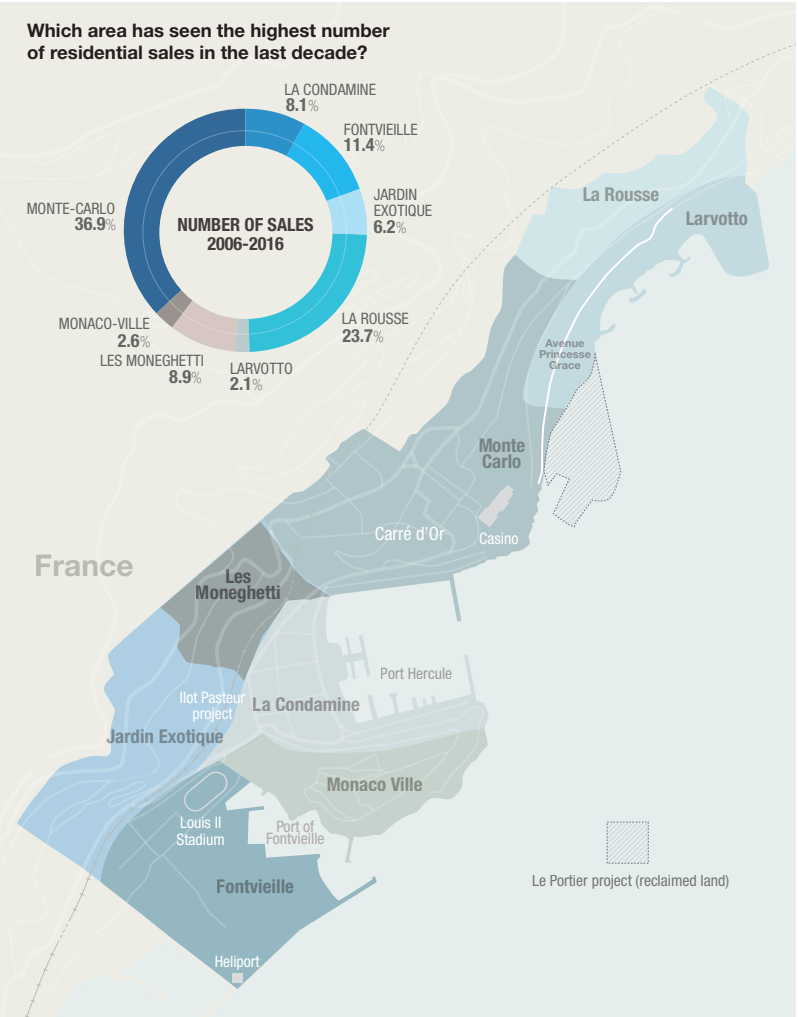
to reduce traffic congestion around Jardin Exotique.

Work has also recommenced on Le Portier project, but perhaps most significant is the new Ilot Pasteur regeneration project which, by 2021, will deliver a new home for Charles III College, a media library and concert hall. The €220m scheme will provide better links between Condamine and Fontvieille and add a new funicular cable car to improve access.

Monaco: Residential sales by neighbourhood



Knight Frank Research, IMSEE





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

RESEARCH PUBLICATIONS



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