

# MONACO

PRIME RESIDENTIAL - 2024

The Savills logo consists of a solid yellow square positioned above the word "savills" in a lowercase, sans-serif font. The text is white, and the 'i' in "savills" has a red dot.



# Market overview

Resilience on the Riviera



In the face of macroeconomic headwinds, prime residential globally has remained resilient. Monaco, often seen as a safe market, has maintained this resilience as well. Across the markets tracked in the Savills World Cities Prime Residential Index, capital values increased by 2.2% in 2023, compared to Monaco which saw price per square metre growth of 0.9%. While this growth is lower than the global average for 2023, prices in the Principality have reached a high plateau. Current prices per square metre stand at €51,418, less than 1% below the record price point seen in 2021.

While transaction volumes were down -8.7% for 2023, the total volume by value remains over €3.2bn with over 1bn of

new-build sales, nearly equalling the record new-build and overall volumes seen in 2022. New build sales remain over 30% of the total sales in a market where, historically, this category accounts for less than 10% of total sales since Savills began collecting data in 2006.

Over the course of 2023, there were 416 individual transactions across the Principality, which represents a decline of around a fifth compared to the previous year. However, the total transaction value has declined by a smaller amount than the number of transactions, which points to fewer but higher value transactions occurring this year.

These higher value transactions can be seen most clearly when examining the total

sales by price point. There was growth of two percentage points in the proportion of flats selling for more than €5m in 2023, while the share of flats sold priced below €5m fell by an equal amount over the same period.

### Size matters

The race for space continues in Monaco as a result of the pandemic causing global reassessment of housing needs for many. Additionally, this trend is enhanced because of a change in approach to residence card applications in recent years where the property size must match with the size of the family applying for residence. This has resulted in greater scrutiny of the size of properties rented or

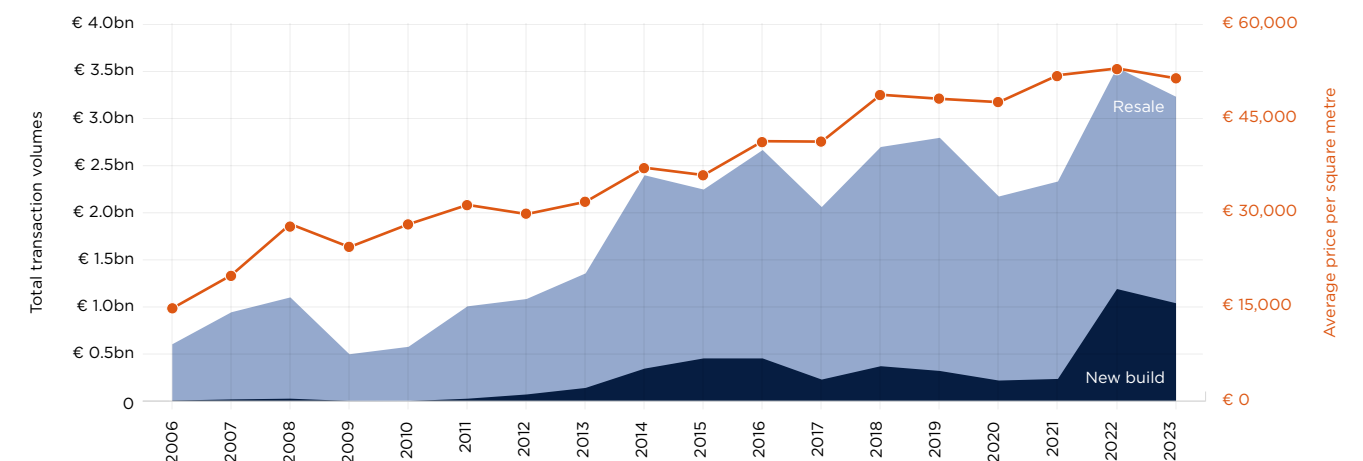


bought by prospective residents.

This change to residential card applications has been filtering through the wider property market, with many new build projects offering larger apartments in response. As a result, the sales of larger apartments with three bedrooms or more accounted for over 60% of the new build sales and 22% of the resales across the Principality last year. As more buyers look for larger apartments, smaller flats, such as studios and one bedrooms, have fallen in their share of total sales.

A shift to larger apartments is seen in the resales market too. The number of resales in Monaco has returned to pre-pandemic levels, and this rebound has largely been driven by the increase in sales of larger apartments, with two bedroom or larger property sales increasing by 12% from 2021. Two bedroom properties in particular saw the largest increase in sales with 103 properties transacting, an increase of 18% from the previous year.

Total transaction sales volume and average price per square metre



Source: Savills Research using IMSEE

### Capital Values and Rents – Monaco and selected World Cities

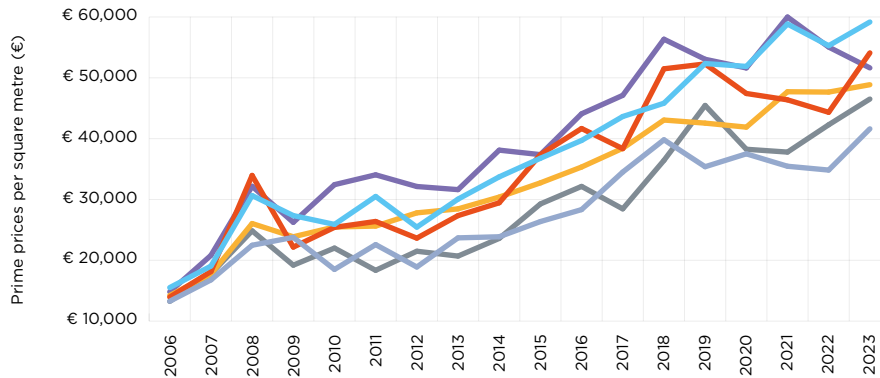
	MONACO	HONG KONG	NEW YORK	GENEVA	SHANGHAI	LONDON	SINGAPORE	PARIS	LOS ANGELES	MIAMI	DUBAI
<b>CAPITAL VALUE (€PSM)</b>	€ 51,400	€ 39,100	€ 25,300	€ 25,100	€ 20,400	€ 18,900	€ 17,800	€ 15,300	€ 15,300	€ 14,800	€ 8,400
<b>RENT (€PSM PER MONTH)</b>	€ 108.05	€ 72.60	€ 98.16	€ 34.52	€ 22.08	€ 46.42	€ 46.53	€ 38.22	€ 60.10	€ 38.95	€ 31.25

Source: Savills Research



## Average prime prices per square metre, districts in Monaco

Fontvieille Jardin Exotique Condamine La Rousse Les Moneghetti Monte-Carlo



Source: Savills Research using IMSEE

### District dominance

When looking to purchase a property in Monaco, it isn't just a decision to be in the Principality. Many are looking for properties within specific districts or developments. Monte Carlo and La Rousse together account for over 60% of the resale transactions in 2023; these two districts comprise over 40% of the total housing area in the Principality and each have international appeal.

It isn't just a select few districts which are seeing success: the mean price for resales has increased to an all-time high in five out of seven districts with Jardin Exotique and La Condamine seeing the highest price per square metre growth of 19% and 22%

respectively. For the second year running, Larvotto took the top spot for most expensive district by square metre in 2023, with prices rising 6% on the year to over €65,000 psm; however for a district with so few properties changing hands each year (an average of four properties a year since 2010), any high price-point transaction has the potential to skew the average price per square metre for the district.

### New year, new builds

For decades, the prevailing story of the Monaco property market has been one of chronic under-supply. For a micro-state less than half the size of Central Park in New York City, seeing global levels of

demand, this is hardly surprising.

To try to meet the consistently high levels of demand, construction projects continue apace. There are two large projects in the pipeline which are launching in 2024: Mareterra and Bay House Monaco, plus other smaller projects such as Le Luciana and Villa Ninetta. Both Mareterra and Bay House combined will add 166 new apartments and 15 villas to the residential market in Monaco. Each of these projects will bring much needed stock to the Principality but will do little to keep up with the consistently high demand across the Principality.

## Outlook

### Smoother sailing

For many prospective buyers globally, the mood for the coming year is one of caution as many buyers choose to wait for clarity on the global macroeconomic environment, inflation, and interest rates. However, the perceived safe haven status of Monaco may attract buyers to the market who would have purchased property elsewhere, supporting pricing, transactions, and overall demand for the year ahead.



### Savills Research

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