

CÔTE D'AZUR

PRIME RESIDENTIAL - 2024

savills

FOREWORD

The French Riviera has been a top destination for almost the past two centuries. From the holidaying British aristocracy in the 1850s to the global jet-set of today, the Côte d'Azur remains the location to see and be seen. The region maintains a reputation of luxury for both primary and secondary residences by ticking all of the boxes for leisure, lifestyle, connectivity and international reputation.

Even as new hot-spot second-home destinations enter the global consciousness, the Riviera will likely remain at the top over the longer term as there are very few locations which can match the heritage, amenities, and calibre of the local prime residential property.

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Executive director, Savills French Riviera



Riviera resilience

Despite global headwinds, the Côte d'Azur remains a key global destination

The Côte d'Azur, located on France's Mediterranean coast, stretches roughly from the Saint-Tropez area to the Italian border. Its cities, towns, and villages each offer different approaches to the Riviera lifestyle. Well-regarded restaurants, a slower coastal lifestyle, access to the countryside, and a variety of residential property types attract residents from across the globe. Nice Airport, the principal regional hub, has seen a strong bounce back from the pandemic-era passenger lows; arrivals last year were just 2% below 2019 levels. Increases in direct flights from European hubs as well as from the US and Middle East have made the region even more accessible.

The French Riviera is not immune to global events, however. The region faced the same challenges during the pandemic as the rest of Europe and was also adversely affected by the global financial crisis. The Riviera's economy has shown resilience, however, with a total GDP growth in the Alpes- Maritimes region of 9.9% from

2021-2022 (the most recently reported year by INSEE), compared to 3.5% in the European Union (EU) and 2.5% in France overall during the same period.

As with other global markets, recent global economic headwinds have slowed residential sales volumes as many would-be sellers adopt a 'wait and see' attitude. However, interest in the Côte d'Azur remains high, with the region's prime markets truly supported by a global demand base. Between 2013 and 2023, the number of millionaires in the Nice to Èze region increased by 25%, according to consultancy Henley & Partners, demonstrating the ongoing importance of the region to global high-net-worth individuals (HNWIs).

Pricing across the Riviera is as varied as the locations themselves. Prime properties in the region range from €10,000 to €30,000 per square metre. At the highest tiers of prime residential property, prices for certain off-market, trophy properties can exceed €80,000 per square metre. In many

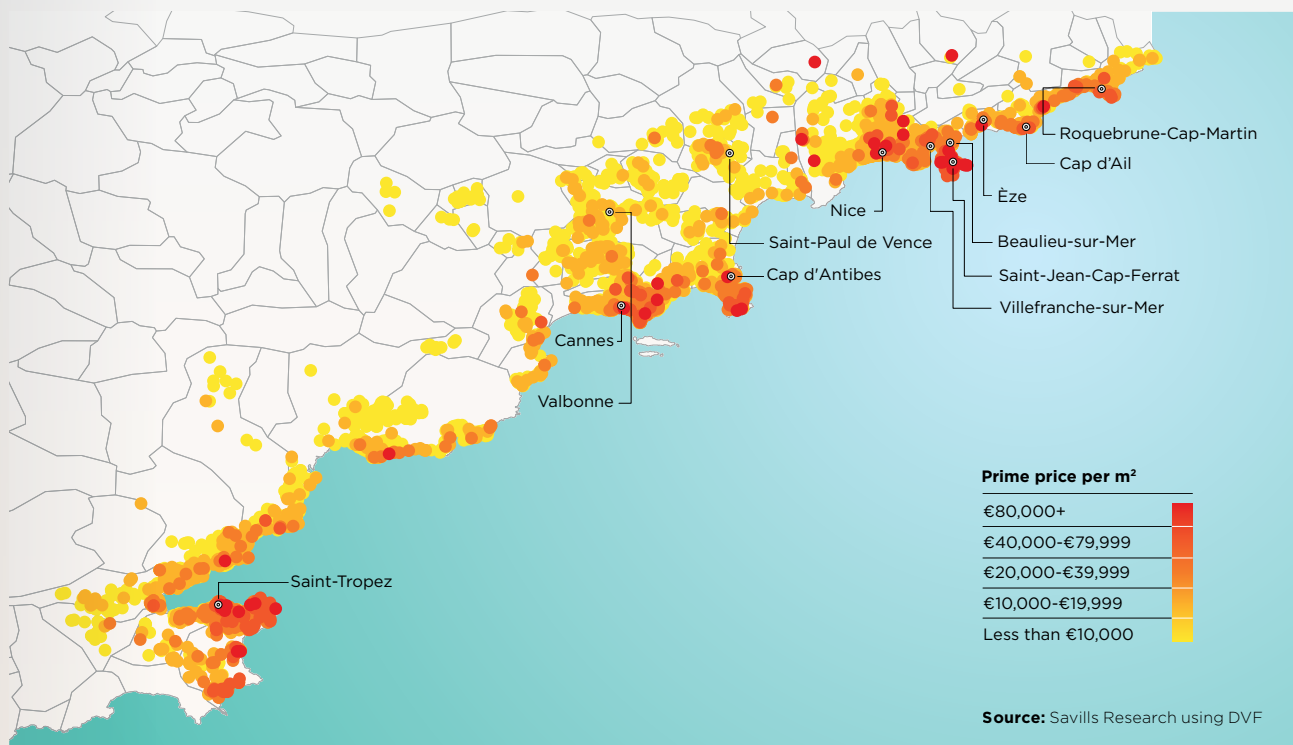
locations across the Côte d'Azur, stock remains low after a post-pandemic sales surge, while demand for prime residential properties continues to outstrip the number of available properties. These factors contribute to the high pricing seen across the region.

The region has seen more interest from younger age groups in recent years, attracting families with children who are looking to make the Côte d'Azur their primary base from which to travel for work and business. These buyers are prioritising lifestyle, schools, privacy, and access to Nice airport in their property searches.

While much of the Côte d'Azur can be considered prime, there are some notable ultra-prime hotspots. These include Saint-Jean-Cap-Ferrat, Roquebrune-Cap-Martin, Cannes and the Cap d'Antibes in the Alpes-Maritimes region. In the Var region, Saint-Tropez and Ramatuelle are iconic areas for ultra-prime residential.

Prime property sales across the Côte d'Azur (2019 to 2023)

Sales coloured by price per square metre



The prime residential markets of the Riviera

Perennial popularity

The Côte d'Azur's continued popularity with international purchasers, supply constraints and relative resilience have underpinned performance across the region.

Overall property investment in the Riviera totalled €2.1 billion last year. While this figure is -12.7% below 2019 volumes, the total number of deals is almost on par with pre-pandemic levels, down just -3% on 2019, and 41% above lows seen in 2021. In 2022 there was a flurry of activity in the region, a result of pent-up demand following lockdowns, and supply has been unable to match the demand.

It is worth noting that ultra-prime properties with large estates rarely come to market, with some properties transacting less than once a generation. This can cause large variance in the average property values and overall investment on a year-to-year basis.

While transaction volumes have

slowed, pricing has shown resilience. Prices in the Riviera, on a square metre basis, rebounded by 12.7% in 2021. Since then, prices per square metre have reached a plateau, growing 1.3% and 1% in 2022 and 2023, respectively. Higher interest rates and economic volatility have affected pricing and investment across the region but there remain strong demand-side fundamentals throughout the market. While both remain below 2019 levels, outside of the post-lockdown surge in investment in 2022, continued supply constraints have the potential to support price increases to pre-pandemic levels consistently in the future.

Prime residential prices vary greatly by submarket. Saint-Jean-Cap-Ferrat and Saint-Tropez, both of which have global recognition and reach, have average price per square metre ranges of €15,000 to €45,000 per sq metre, more than double some countryside locations such as

Valbonne and Mougins (€6,000 to €17,000 per sq m). The price differential between the areas of the Côte d'Azur is not down to the calibre of properties in each location, rather the land- and supply-constrained nature of the coastal areas.

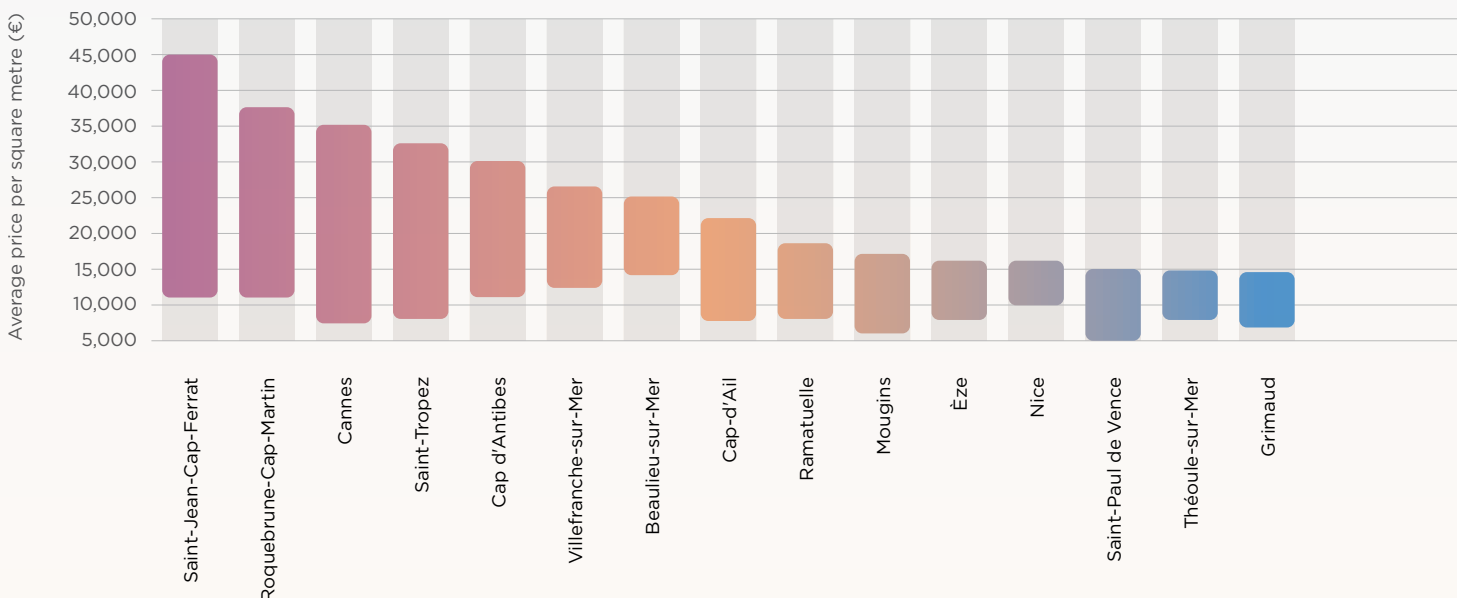
Demand drivers

Buyers across the Côte d'Azur are as varied as the locations along the Riviera themselves. While domestic French buyers are important, the market draws from a truly global pool of demand. European buyers tend to be from the Benelux region, Scandinavia, Germany, and the UK, as well as eastern Europe. Monaco also remains a source of buyers, with residents of the Principality turning to the Riviera for second homes.

From farther afield, there remains a high level of activity from buyers from across the Middle East, with the Riviera a

Côte d'Azur average prime price ranges in key destinations

Selected locations, larger and rarer properties can achieve prices in excess of these figures



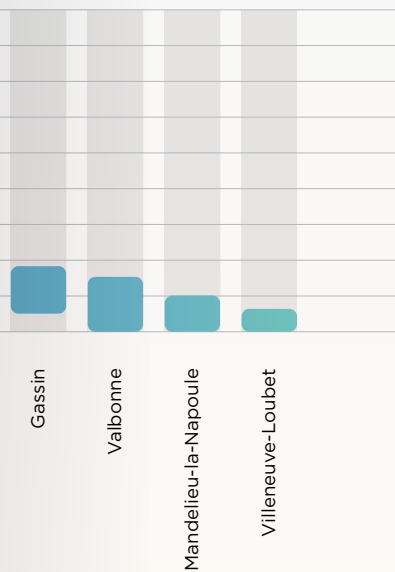
Source: Savills Research



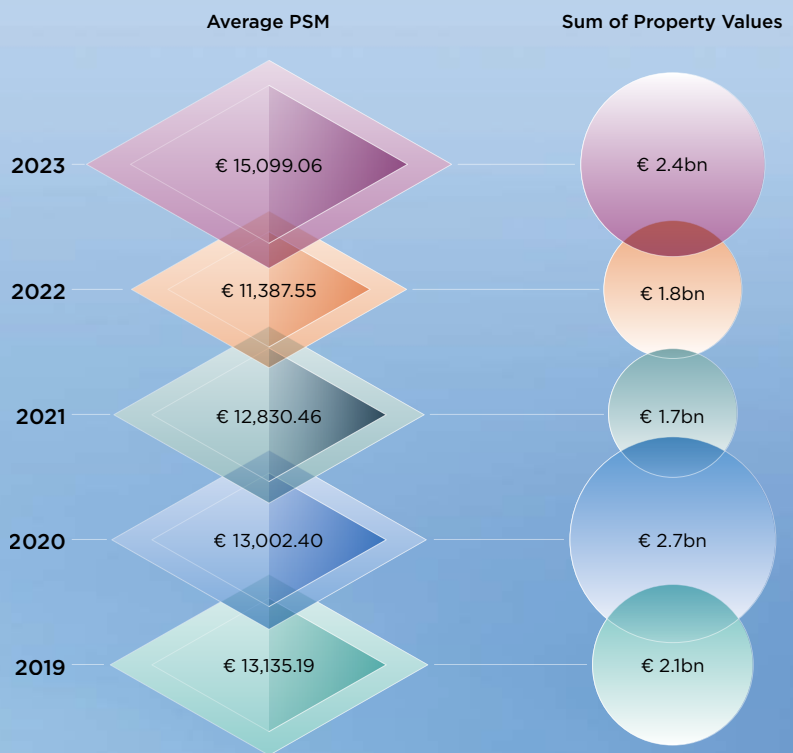
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perennial draw. In recent years, there has been increased activity from American buyers who have been drawn to the Riviera lifestyle and have benefitted from the comparatively stronger US dollar which has made buying into the market less expensive than in years past.

For new arrivals to the region who are looking to determine the ideal location along the Côte d'Azur to buy, rentals are appealing, and many choose to do so for a month to the whole season. Across the Riviera, properties for rent tend to range from €20,000 to €25,000 per month, but the largest and highest calibre properties can let for up to €400,000 per month. However, considering the seasonality of many markets in the region, longer-term rents of a full year or longer are not as common outside of the major cities of Nice and Cannes.



Côte d'Azur average prime prices for square metre and sales volumes



Source: Savills Research using DVF



Prime residential hotspots

Lifestyle leaders

1 Nice

The largest city on the Riviera, and the home of the region's international airport, Nice has risen in global esteem in recent years. From the time of Queen Victoria, who holidayed in the region, to the modern day, Nice remains a key market for prime residential property along the Côte d'Azur. With international buyers in the prime market from across Europe, United States and Dubai, there is no one nationality which dominates the market.

Prices for prime property can range from €10,000 to €15,000 per square metre, with super prime prices exceeding €20,000 per square metre for the highest calibre properties. After the pandemic, there was a significant trend for houses to be preferred over flats in the city, as buyers are searching for space after the lockdown period. However, average prime prices have plateaued in recent years, growing just 0.1% since 2022. Mont Boron remains the most exclusive and expensive district of Nice, but the Carré d'Or, Promenade des Anglais, and Cimiez all retain their appeal for both French and international buyers.



2 Villefranche-sur-Mer

Villefranche-sur-Mer was originally a fisherman's village, and today the old village offers a top location for summer rentals and bustling Airbnb activity. Perched atop the hills are prime villas, each with spectacular sea views that epitomise the area's appeal. Divided by perspective, properties overlooking the bay of Villefranche-sur-Mer and Saint-Jean-Cap-Ferrat command premium prices, well above those facing Nice or lacking a bay view.

This exclusivity and views come at a price, as Villefranche-sur-Mer outstrips neighbouring Nice in terms of cost. With average prime apartment prices ranging from €11,000 to €20,000 per square metre, and houses commanding anywhere from

€14,000 to €33,000 per square metre, the town's real estate market reflects its status as a prime residential destination. In some gated estates, prices can soar even higher, reaching upwards of €40,000 per square metre. In 2023, the area also saw impressive 18% year-on-year price growth and currently stands at 3.2% above pre-pandemic prices. This cost has not dented demand, however, as Villefranche-sur-Mer saw the largest investment over the past five years in 2023 at just under €93 million invested.

The community of Villefranche-sur-Mer is cosmopolitan, with a significant presence of foreign nationals who tend to

prioritise sea views. However, it's worth noting that approximately 80% of the market faces east, meaning only select areas benefit from evening sun, adding an additional element of exclusivity in its residential market.

3 Saint-Jean-Cap-Ferrat

The enclave of Saint-Jean-Cap-Ferrat is evolving, though it still remains a market defined by discretion. The market's nationality mix is diversifying, with buyers from across Europe, the United States, and beyond interested in Saint-Jean-Cap-



Ferrat's prime residential property. The scarcity of suitable available properties presents a significant challenge for potential buyers.

The market has seen a recent increase in enquiries, driven by owners seeking to capitalise on long-held properties. There are also developers active in the market, with many seeking to revitalise individual properties, fostering confidence and activity in the market, even during the traditional winter off-season. Saint-Jean-Cap-Ferrat's continued appeal can be demonstrated by its strong consistent transaction growth, with a total 25% growth in transaction volumes between 2019 and 2023.

Privacy reigns supreme for buyers in this enclave, with properties situated in larger land plots at a premium. Centrally located apartments, which are few in number and vary in price, average between €7,000 to €10,000 per square metre for those in need of renovations, rising to €15,000 to €20,000 per square metre for turnkey luxury. Waterfront properties command premiums sometimes upwards of €80,000 per square metre, while inland estates with sea views fetch from €50,000 to

over €60,000 per square metre. Budgetary constraints underscore the exclusivity, with €15 million unlikely to secure a sea view, while €20 million opens doors to panoramic vistas.

4 Beaulieu-sur-Mer

Beaulieu-sur-Mer, steeped in history, bears the imprints of its illustrious past. The Hôtel de Bristol stands as a testament to the influence of past aristocrats who visited the area, while the invention of clay tennis courts by the English adds a sporting legacy to the town.

Beaulieu-sur-Mer retains its status as a pinnacle of luxury in southern France. However, tourism in the market faces hurdles, as historic hotels struggle to meet modern expectations. Recent additions, such as the La Réserve de Beaulieu's spa, signal progress in increasing amenities. The region's traditional offerings are also evolving, mirroring Monaco's shift toward family-friendly amenities.

While Saint-Tropez pulsates with nightlife, the rest of the Riviera, including Beaulieu-sur-Mer, remains comparatively

tranquil. Apartments in the market range from €11,000 to €20,000 per square metre, while houses command prices from €17,000 to €30,000 per square metre. Trophy assets, some designed by renowned architects, fetch up to €40,000 per square metre or more. Beaulieu-sur-Mer saw transaction growth of 11.1% in 2023. This area has also seen the highest five-year price growth of our featured markets, with a remarkable 44.6% growth since 2019.

5 Èze

Èze village, perched atop a hill, boasts a roster of celebrity residents, making it a coveted enclave. Strongly linked to Monaco, many who live and work in the Principality seek a foothold in Èze's prime residential market.

With approximately 50,000 people commuting into Monaco daily, convenience dictates that those residing or working in the city prefer entry from the west to avoid traffic congestion. However, this proximity comes at a cost; houses in Èze are typically smaller with less privacy than in other parts of the Côte d'Azur but do offer the

much-desired ease of access to Monaco.

Èze encompasses distinct markets within the same township. Èze-Bord-de-Mer, as the name suggests, is on the coast and caters to weekenders from Monaco, offering apartment-villa hybrids on compact land plots priced between €15,000 and €20,000 per square metre. Èze has seen only a small -5.8% decrease in investment from last year, with a still formidable €30 million invested in the market in 2023. Meanwhile, Èze village and Saint-Laurent d'Èze, in hills above the coast, have seen an evolution from traditional to contemporary construction, with property developers undertaking renovations to elevate properties in this submarket to prime status.

6 Cap d'Ail

Cap d'Ail has been a top destination for over a hundred years, offering a plethora of belle époque properties along its waterfront. Divided into distinct segments, Cap d'Ail caters to varied tastes. The seafront attracts residents from Monaco seeking waterfront opulence, while new developments in the village offer modern amenities, appealing to a different demographic.

Properties in prime locations, such as Mala Beach and Avenue du Docteur Onimus, command attention. Turn-of-the-century residences dot the landscape, attracting discerning buyers searching for properties with timeless elegance. For the overall prime market, prices per square metre tend to range from €10,000 to €22,000. Cap d'Ail also saw the largest investment year in the past five, with almost €42.5 million in 2023.

While Cap d'Ail's allure is undeniable, its complicated access, smaller property



sizes and gardens add an element of challenge. Nevertheless, for those who seek the epitome of coastal sophistication, Cap d'Ail remains an unrivalled destination.

7 Roquebrune-Cap-Martin

Roquebrune-Cap-Martin, nestled on Monaco's eastern side, sits on one of the Riviera's prestigious caps. Within the enclave lies a gated community, the Domaine Privé, a haven coveted by historical luminaries and royalty since the late 18th and early 19th centuries. Properties here have prices ranging from €20 million to €70 million and higher for large waterfront estates, with prices per square metre reaching approximately €50,000.

Renovated properties fetch more or less double the price of their unrenovated counterparts, a testament to the scarcity and appeal of these sorts of residences in the area. While the panoramic views of Monaco dazzle potential buyers, selling

properties remains a challenge due to the lack of surrounding amenities. Despite this challenge, this region saw a 7.7% growth in overall investment from 2022 to 2023.

Roquebrune-Cap-Martin is a magnet for those seeking privacy and security. It is also especially appealing for professionals working in Monaco or individuals wanting to own a second home close to the Principality. Villas nestled in the hills of Roquebrune-Cap-Martin have a price range between €3 million to €20 million for the largest estates.

8 Cap d'Antibes

The Cap d'Antibes is a unique market in the Riviera due to it being one of the few remaining protected green areas close to the sea. As a result of this preservation, it is mostly villas that make up the prime residential market, demonstrated by an average surface area of 163 square metres across the properties sold. The area's enduring appeal is due, in part, to having many of the positives of Cannes without the potential drawbacks of city life.

The green environment mixed with sandy beaches in the area lead the lifestyle to be more nature-and sea-driven than other markets. This lifestyle and villas with an enhanced sense of privacy have caused the area to become a popular market for buyers from across Europe to North America. As a result, it remains one of the most expensive locations in the Côte d'Azur, where interested buyers can expect anywhere between €10,000 to more than €50,000 per square metre for estates located waterfront in the 'Bay of Billionaires'. It has also seen strong five-year price growth, with an increase of 27.8% since 2019.





9 Cannes

Cannes is one of the major city markets in the Côte d'Azur, alongside Nice and Monaco, and remains attractive to those looking for a more urban Riviera experience. Many French and international buyers, including Americans and buyers from across the Middle East, are looking for modern living in this market. As a result, many local developers are engaging in renovation projects across the city. These rejuvenated properties cater to what buyers want through high-amenity modern living.

Properties that have not seen these renovations tend to see lower listing prices, due to the lack of foreign demand. Price ranges remain quite high across the city, sitting around €7,500 to €35,000 per square metre, with some areas, such as the Croisette, remaining significantly more expensive. Prices have remained very resilient despite the many headwinds, with a less than 1% change in the five-year period since 2019. Cannes is also remarkable in that it has begun to attract many people

for year-round stays, rather than purely in the summer, which has had the effect of diminishing the impact of the off-season on the market.

10 Countryside (Saint-Paul de Vence, Valbonne, Grasse, Mougins)

The countryside of the Riviera is a diverse and large area with a focus on larger villa-style homes for sale. Since the end of the pandemic, there has been an increased interest from the international community in these smaller inland communities, which offer a different, more family-oriented lifestyle compared to the coastal regions. Several large international schools have opened to service this increased demand from international families hailing mainly from across Europe.

Prices in the variety of markets in the countryside vary dramatically based on the local commune and have remained relatively stable in recent history. In Mougins, the average price per square metre falls at

around €10,000, whereas in Valbonne, it is closer to €7,000 per square metre. Purchasers in these markets tend to be more price-sensitive, especially as many of the purchasers are not looking for second homes but a primary living location.

11 Saint-Tropez

Saint-Tropez, and its surrounding well-known areas such as Ramatuelle, Gassin and La Croix-Valmer/Gigaro, remain a top destination for global second-home buyers looking for the summer Riviera experience. With several high-profile residents, the area is well-known across the world for its summer season. It is perhaps the area most affected by seasonal interest, with the off-season between November to March seeing the area quieten down tremendously. During the peak season, this area turns into a destination in which to see and be seen, with lively nightlife and exclusive events, drawing in international buyers from both North America and across Europe to the shores.

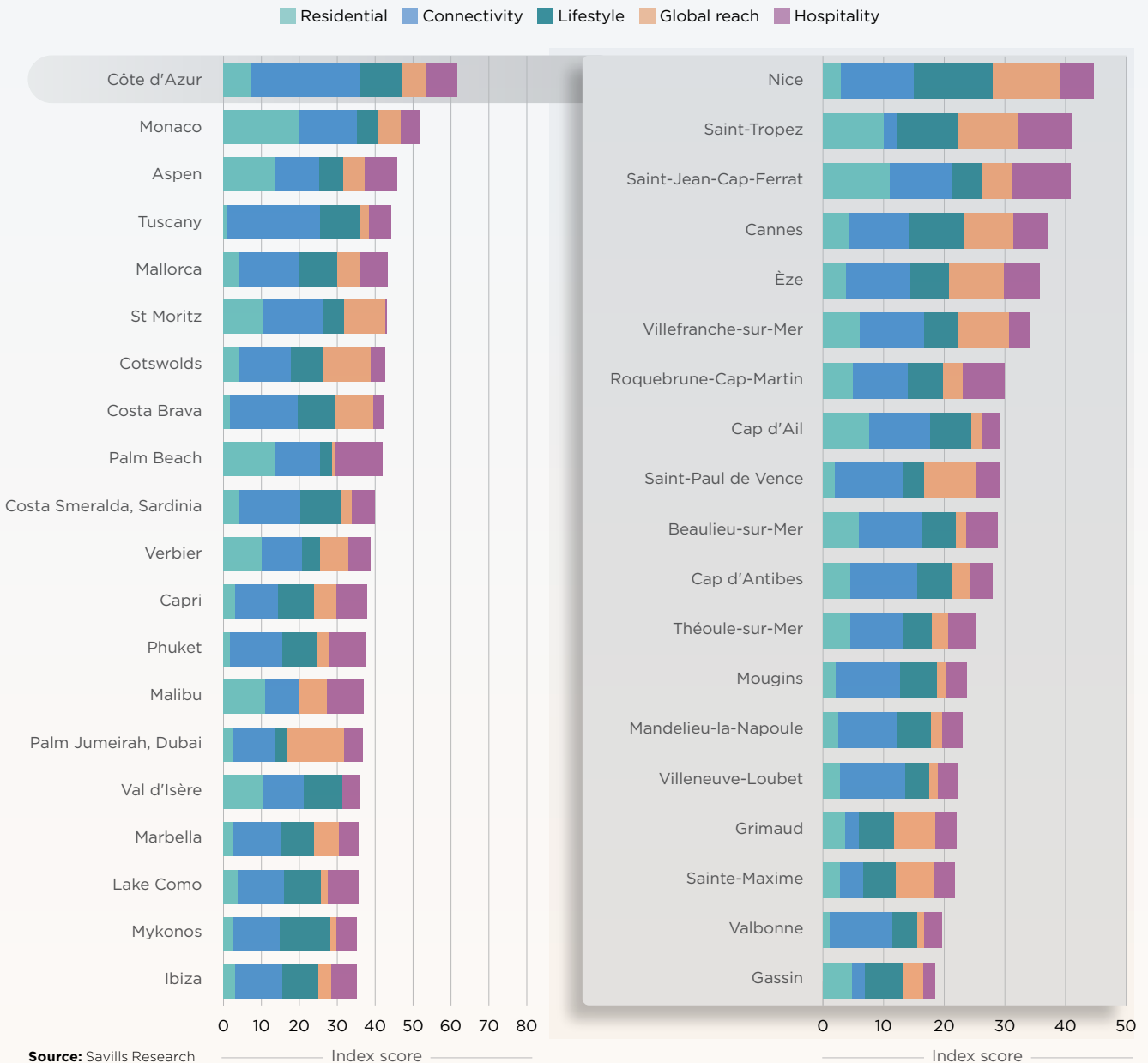
A new government initiative to preserve some of the natural environment and reduce development around the Place des Lices has recently been approved, which has resulted in greater density in the village core and reduced new development opportunities. Additionally, the area saw a surge of interest during, over and immediately following the pandemic, which further drove average price per square metres up in this small, supply-constrained village. These factors combined resulted in some of the highest prices in the Riviera, with price per square metre ranging from €13,000 to over €30,000 excluding exceptional properties.

Joie de Vivre Index

The Côte d'Azur tops Savills Second Homes Index, a measure of 60 global prime locations. Elements such as top-tier residential property, lifestyle factors, hospitality, connectivity and global reach help the Riviera stand out from the rest. However, the Riviera is a region of many different destinations, each appealing to different types of buyers, compared in the Joie de Vivre Index.

Savills Second Homes Index

Savills Joie de Vivre Index



Source: Savills Research

Outlook

The perennial appeal of the French Riviera is something that global buyers can continue to depend on, regardless of the wider macroeconomic and geopolitical environment. With a wide variety of enclaves, each with a distinctive offering, from the nightlife of Saint-Tropez to the more family-oriented countryside, the Côte d'Azur can meet the demands of an increasingly diverse international buyer-base.

- The Riviera has a stable and healthy economic framework supported by a large services sector and has strong economic growth forecasted. Between 2024-2034, the Alpes-Maritimes will see a predicted 17% GDP growth, compared to the the EU and France at 14% and 15%, respectively.
- As buyer interest continues to remain high, it is possible that some areas in the region will become increasingly supply-constrained, especially in coastal enclaves with limited available land. In these areas, prices will likely continue to rise unless significant new development can bring high-quality prime properties to the market quickly.
- If, in the future, expansions to the TGV or other transport modes help link the region further, greater connectivity will bring more international buyers and tourists to the region.
- International recognition of the region as a safe haven and location for capital appreciation will likely continue to attract global HNWIs to the area, spending more time over the year in this very unique part of the world.

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