

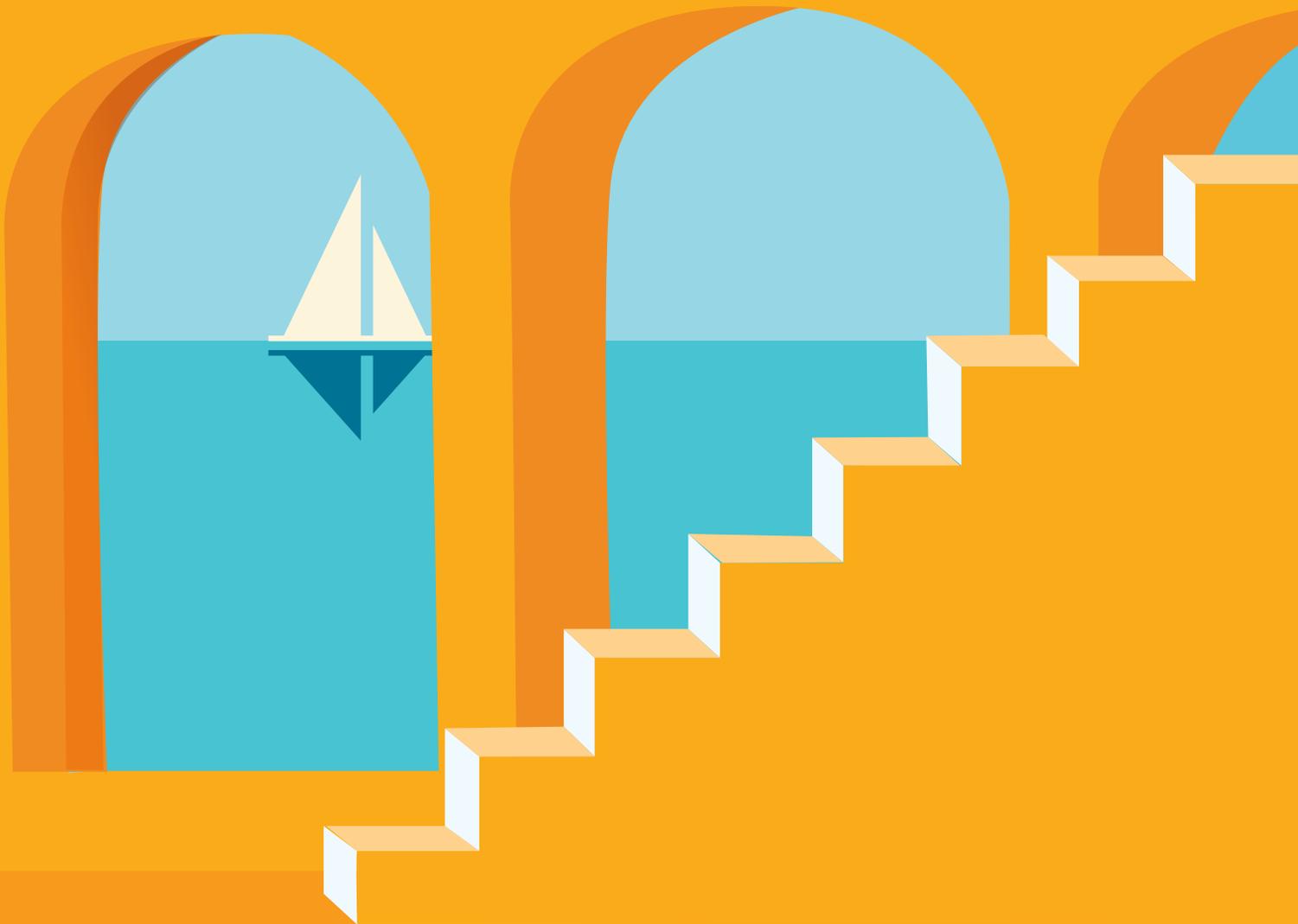
Monaco Residential Market Insight



2024

Knight Frank's assessment of current market conditions in the
Principality of Monaco

knightfrank.com/research



Monaco's appeal is undimmed



Monaco, with a population of 38,367, is home to approximately 141 nationalities, all within an area that's just over half the size of Central Park.

Despite its small footprint, Monaco remains a top contender among global safe havens and low-tax jurisdictions. According to Knight Frank's wealth sizing model, the number of ultra-high-net-worth individuals – those with a

net worth of US\$30 million or more – is expected to rise by 23% in the next five years, while the population of dollar millionaires is projected to grow by 43% during the same period.

With just 21,123 dwellings, 81% of which are privately owned, Monaco faces significant pressure to expand to meet housing demand. After years of undersupply, two major projects are slated for completion this year, though both are mostly sold out.

The first, Bay House, consists of two 25-storey towers that will add 56 apartments and five rooftop villas. Developed by Groupe Marzocco, the same firm behind Le Tour Odéon, Bay House is part of the larger Testimonio II project, which also includes a nursery and a new site for Monaco's renowned International School.

The second project, Mareterra, is a €2 billion land reclamation effort that will expand Monaco's surface area by 3%. Most units have already sold, with some commanding prices of €100,000 per square metres or more. The development features 110 apartments and 10 villas, seven of which will be

waterfront properties. With renowned architect Renzo Piano a key draw, the project will also offer a waterside promenade, a retail plaza, and a small marina.

However, it's not just the ultra-wealthy facing housing challenges. Monegasques, who make up a third of Monaco's 39,000 residents, are also feeling the strain. To address this, Prince Albert launched a 15-year housing plan in 2019, aiming to boost the number of state-owned apartments by 43%, reaching 4,548 units.

WHY IS MONACO IN DEMAND?

"We are seeing a significant increase in enquiries from buyers considering relocating to Monaco," said James Davies, who oversees Knight Frank's Monaco Desk.

Higher taxes, geopolitical tensions and sudden policy changes are placing Monaco, along with Switzerland, in the spotlight. A recent survey by Knight Frank confirmed security and privacy were the top motivation for high-net-worth individuals (HNWIs), looking to

Why Monaco?



Unrivalled safety



Excellent healthcare



Political stability



Strong culture & arts scene



Year-round calendar of sporting events



Easy access to Italy, French Riviera and the Alps



Low business taxes



No income tax or capital gains tax



No wealth tax or inheritance tax



Longest life expectancy in the world

Source: Knight Frank Research, World Health Organisation

Sales declined in 2023 as the delivery of new homes slowed



Source: IMSEE

relocate, followed by employment and then tax.

“With an eye on the shifting political and economic landscape, some prospective buyers, after contemplating the idea for several years, now believe the time is right to make their move.”

The UK Government’s decision to scrap the rules relating to non-doms, the 74,000 individuals who live in the UK but don’t pay tax on their global income, and the uncertainty over new inheritance tax rules in particular mean Monaco may be on their radar, along with other HNWI’s who have been affected by wealth and flat tax changes across Europe.

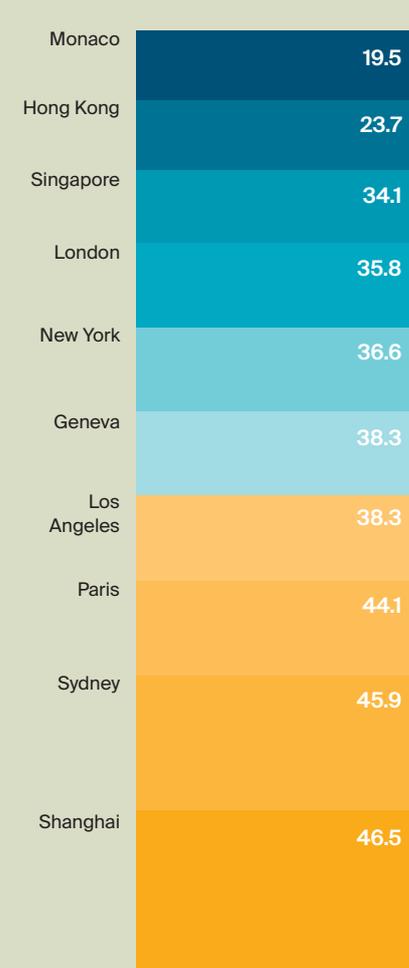
MARKET UPDATE

In 2023, Monaco recorded 418 residential sales, with 388 being resales. This segment of the market experienced a 10% year-on-year decline in sales. The steepest decline occurred in the resale of smaller apartments, this was most likely due to changes in the residency application process.

Since 2020, Monaco’s residency rules have required individuals or families applying for a residency card to rent or purchase a property that matches the size of their household. This has driven increased demand for larger homes.

According to Monaco’s Statistics Agency, IMSEE, over 60% of new

How many sq m does €1m buy? sq m



Source: Knight Frank Research

TOP THREE FOREIGN BUYER NATIONALITIES

Q2 2024



Source: Knight Frank Research

How do Monaco’s neighbourhoods compare?

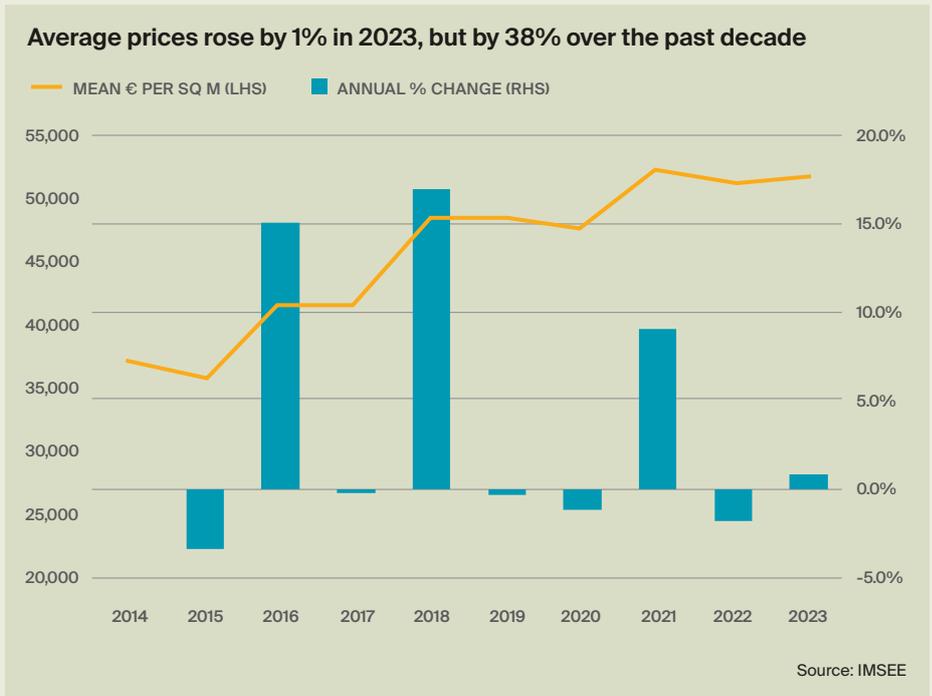
FONTVIEILLE	JARDIN EXOTIQUE	MONTE CARLO	LES MONEGHETTI	LA CONDAMINE	LARVOTTO	LA ROUSSE	MONACO-VILLE
PRICE € PER SQ M							
59,175	41,614	51,628	46,511	54,099	65,857	48,865	NA
PRICE CHANGE 2023/2022							
7.0%	18.3%	-6.2%	18.3%	19.7%	5.6%	2.5%	NA
SALES IN 2023 BY DISTRICT							
42	24	119	29	36	8	123	7

Source: Monaco Department of Tax Services, IMSEE

build sales and 21% of resales last year were apartments with three or more bedrooms. Developers are also responding to this trend by offering larger units in the new build sector.

New housing delivery in Monaco is highly variable due to limited land for development. While no new units were added in 2023, major projects like Bay House and Mareterra are expected to deliver over 180 homes, leading to a significant rise when the official figures are published for 2024.

Despite some short-term declines, property prices in Monaco have remained strong, growing 38% over the last decade. Price growth returned to positive territory in 2024 with a 1% increase overall, the La Condamine neighbourhood saw the highest year-on-year growth at 19.7% based on completed sales.



NEED TO KNOW



Residency: A Resident Card (visa) is required and residents must live in Monaco for at least 183 days of the year. The Residency by Investment scheme requires a deposit of at least €500,000 amongst other requirements.



Purchase costs: Notary and related property purchase taxes and charges are typically around 6%, higher if purchasing as a company. A VAT charge of 20% applies on new build properties.



Sustainability: Some 48% of all cars in Monaco are now electric vehicles and the Principality aims to be carbon neutral by 2050.

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