

French Riviera residential focus

2023

Knight Frank's focus reports provide data-driven analysis for second home buyers, lenders, developers and investors

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► Few second home destinations offer the maturity and diverse buyer mix of the French Riviera. Overseas demand has recovered following the Covid years and investors are recognising value in Cannes' apartment market

Prime prices increased by 14.8% on average across the French Riviera during the pandemic with St Tropez the top performing market, up 17.1% between 2019 and 2022.

During the pandemic buyers targeted expansive villas with pools and outdoor space, as a result Cannes' apartment had a quiet few years. Playing host to over 280,000 delegates and visitors each year, the town now presents a buying opportunity for investors seeking high occupancy rates throughout the year.

Monaco's high density along with its ambitious Mareterra reclamation project, means villas offering privacy and space over the border in France will continue to be on the radar of wealthy Monegasques seeking a secondary bolt hole.

NEW PROJECTS

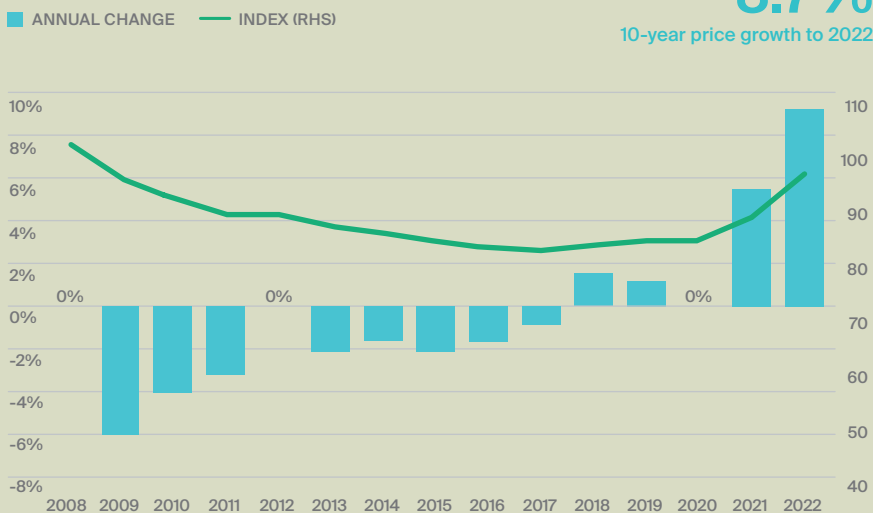
Despite high build costs the French Riviera is seeing a high level of construction with new developments, including bespoke design-and-build projects, springing up, signalling a



THREE REASONS TO BUY

- Home to the film festival, Cannes is also a premier exhibition and conference venue, generating year-round rental income for investors
- Flexible working and excellent broadband connectivity makes weekly commutes from Paris, London, Brussels or Geneva a viable option.
- Monaco and Italy are on the doorstep, located within a 60 and 90-minute drive of Cannes respectively

The long view: Prime price performance



Source: Knight Frank Research

TOP 3 PRIME OVERSEAS BUYERS

H1 2023

- UK
- Switzerland
- Nordics

PRIME PRICE (€ PER SQ M)

Q2 2023

37,000

St-Jean-Cap-Ferrat

19,600

Villefranche-sur-Mer

30,500

St-Tropez

16,900

Mougins

26,500

Cap d'Antibes

15,500

Saint Paul de Vence

21,200

Cap d'Ail

10,100

Ste Maxime

21,100

Beaulieu sur Mer

10,100

Nice

21,100

Eze

9,700

Valbonne

21,000

Cannes

9,000

Grimaud

20,500

Ramatuelle

7,600

La Garde-Freinet

TYPICAL GROSS YIELD*

70%

Non-residents as a % of total buyers in the prime sector

4-5%

*Based on a 3-bedroom property in a central location

Source: Knight Frank Research

confident outlook for the market.

Turnkey projects offering minimal hassle are high on overseas buyers' wish lists with off-plan sales proving robust.

OVERSEAS DEMAND

With parts of Asia only recently reopening their borders we expect to see enquiries strengthen in the second half of 2023.

Stock levels are slowly recovering from their pandemic lows. British, Swiss and Nordic purchasers led the charge in the first half of 2023, but the region has one of the most diverse mix of buyers globally. US buyers are continuing to take advantage of the exchange rate across the region, with St Tropez a key focal point.

MORTGAGES

Although mortgage rates are going up, overseas buyers seeking a mortgage in France have more options than just 12 months ago. After a period of uncertainty, in part due to squeezed margins, more French banks are making mortgage offers to non-EU residents.

SEASONAL SHIFTS

The traditional seasonality of the market has shifted. Cannes, Mougins, and Cap d'Antibes are increasingly year-round locations, with festivals and events acting as a strong draw.

OUTLOOK

We expect prime prices to rise on an annual basis in 2023 but the rate of growth will be below that witnessed during the pandemic. As listings slowly rise price growth will moderate further in 2024.

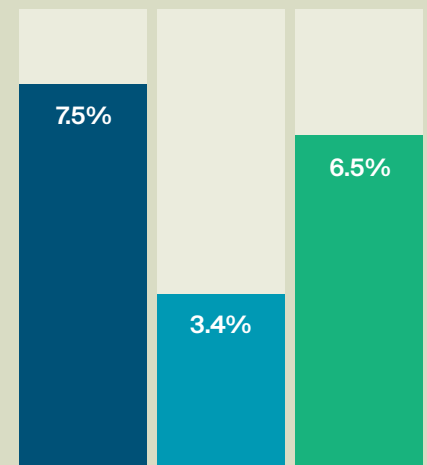
FORECAST

Direction of prime price growth



Buy, Hold, Sell costs

Based on a non-resident buyer purchasing, owning and selling a €2 million resale property for use as a second home



Source: Knight Frank Research



The Wealth Report - Wealth Populations Report

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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