

Monte Carlo Real Estate Bucks 2008 Falls

Monte Carlo is known the world over for her Grand Prix, million and billionaire residents, glamour...and some of the most expensive property in the world.

But with the world on the brink of a possible recession and falling house prices both in the US and Europe, Monte Carlo could buck the trend in the years ahead and see surprisingly big gains in prices while those around her go into freefall.

Part of Monte Carlo's price increases in recent years, and for the medium term future too, is that new housing being built is for locals, and a strong new supply of openly available apartments is unlikely to happen for ten years - and with strong demand and little supply it suggests further price rises are likely for 2008.

British citizens have moved to Monte Carlo in high numbers in recent years and as UK taxes show no sign of falling this large group is expected to swell further in 2008.

Previously a relatively small group of Monte Carlo residents, the number of British people living in Monte Carlo has doubled in the last two years since 2005, with some 3000 now claiming residency in Monaco.

Attaining residency in Monaco necessarily means renting or buying an apartment. The lowest priced property on the market at the moment is a 30m² studio with a 7m² balcony in the Fontvieille district at 720,000 Euros. With closing costs this rises to over 800,000 Euros. As well as buying a property, to gain residency in Monaco a bank account needs to be opened in the Principality, with account opening deposits varying between 100,000 and 500,000 Euros.

Mid range is a 210m² 3 bedroom 2 bathroom apartment in Monte Carlo, close to Casino Square, at 4,200,000 Euros. And at the top end is a three floor penthouse apartment in the well known Eden Star development at 25,000,000 Euros, equivalent to around 16 million Sterling.

At the opening of Monaco's new consulate in London recently, Prince Albert of Monaco acknowledged the important contribution British people are making to his country, and said he would like to see more in the Principality. Prince Albert is particularly keen to see British entrepreneurs move to Monaco, but one travel guide for the country doesn't think Prince Albert has fully thought through his ideal scenario.

'Prince Albert said recently that he welcomes British entrepreneurs moving to Monaco, but that he wouldn't be distributing leaflets on London's streets to get more to do so. But he is missing the point. The costs involved in moving to Monaco are prohibitively high, even compared to London standards, and if he is serious about British talent moving to Monaco while we don't expect Monaco to remove the financial barriers he could move to lower the bar a bit at least.'

A well respected US magazine recently claimed Monaco has the most overpriced real estate in the world, claiming the rental returns as part of their figures meant the tax haven's property costs were unduly high. But with Monte Carlo property prices rising fast, especially around Casino Square, it could be a better bet buying a property there than taking to the roulette and [blackjack](#) tables at the Monte Carlo casino!

In response a Monaco internet site says the American magazine are wrong, and have forgotten why Monaco's property prices are high in the first place.

'The error they made was comparing Monaco with places like Rome, Warsaw, Los Angeles and Vancouver, and they also overestimated closing costs. While admittedly high in Monaco at around 11 per cent, it's not common to be 20 per cent that their research was based on.'

Monaco property buyers would find it difficult to find anything at all for 700,000 Euros, even for the smallest studio apartment, and realistic starting prices are from a million Euros.

Prices in 2007 rose dramatically, with the Casino Square area seeing price increases close to forty per cent, and in Fontvieille, close to the helicopter pad which connects Monaco with Nice Airport, prices nearly doubled.

Overall it is thought that demand has grown by around thirty five per cent over the last five years, with few new Monaco properties becoming available to meet the new buyers expectations.

About the Author

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