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# CHAMONIX MARKET REPORT

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Mountain Base  
Chamonix Property



# CHAMONIX MARKET REPORT SUMMER 2015

The Mont Blanc mountain range has become a year-round destination with more visitors expected during July and August than during December and January. This market report identifies trends in the local property market and examines what sets Chamonix apart from the rest of the Alps.

## MARKET UPDATE

### How did the price of prime property perform in Chamonix between June 2014 and June 2015?

The second half of 2014 saw activity rise but in a relatively stable market. Activity peaked in late autumn with buyers hoping to complete before the winter season. The real stimulus to the market came in early spring, with a marked shift in the Sterling/Euro exchange rate and a very sudden change in the Swiss Franc/Euro rate as it was unpegged. Both currencies strengthened by nearly 20% against the Euro, increasing activity to a level that we haven't seen since 2007.

Resales have seen a marked increase in prices. A typical one or two bedroom apartment in Chamonix centre has risen by 9-10% in value in the last 12 months, although the new build market seems to have remained more stable. For prime chalets, there is a similar story with demand strong for prime property but a lack of stock.

Outside of the core areas, the market is flatter. Prices have remained steady with the volume of transactions considerably more limited.

### Who is buying in Chamonix?

Over the past year, the buyers have been more internationally diverse than ever before, most notably with the growth of US buyers. The core buyers remain European by nationality, whether they actually live there or further afield, in places such as Hong Kong and Singapore.

The most important sector remains the British and Swiss buyers, due to the exchange rate

movement, but there is also increased activity from Scandinavian buyers. They are searching for properties with good rental returns between €0.5m and €1.5m. The typical buyer is looking for a holiday home which they can rent for much of the remainder of the year to help cover cost.

### What sets Chamonix apart from other Alpine destinations?

Chamonix is a town first and foremost, with a deep Alpine history, a good sized permanent resident population and a genuinely year-round appeal. It has a truly global reputation with visitors from every continent, lured by the sight of Mont Blanc, Western Europe's highest peak.

The skiing is often described as challenging but this is unfair. Yes, there is a huge amount of easily accessible off-piste and touring skiing, but there are also five ski areas offering everything from nursery slopes and blues to more challenging reds and blacks.

The summer season is very popular, with more visitors in July and August than the main winter weeks. It is host to a number of international events including the Ultra-Trail du Mont Blanc, the Marathon du Mont Blanc and the World Climbing Championships.

Its international nature creates a cosmopolitan atmosphere in the town, with a rich diversity of night life including Michelin starred restaurants.

Chamonix is an easy drive from Geneva airport, taking less than an hour, giving an unrivalled access compared to many ski areas.

The Compagnie du Mont Blanc, who run the lift system, have committed to an unrivalled investment of €477m over the next few years.

In comparison to its peers, Chamonix remains competitively priced and the more recent increase in demand for high-end property makes the Valley an interesting place to invest.

### What type of properties are in greatest demand?

Properties with provable rental income in central Chamonix and Les Praz are in greatest demand.

As well as location and rental potential other important features are:

- outdoor space
- good storage
- parking (preferably a garage)
- views
- potential to add value

Core markets are:

- Apartments: 2-3 bedrooms, €500,000 and €750,000 in central Chamonix or Les Praz
- Chalets: 3-5 bedrooms, €1,500,000 to €2,500,000, in the older villages - Central Chamonix, Les Bois, Moussoux, Les Praz

### What's your outlook for the next 12 months?

We would expect the market to continue to show the encouraging signs we have seen over the past few months. Despite the uncertainty in the Eurozone, exchange rates are favourable for foreign buyers and interest rates are very low. Stock remains thin, but we would hope to see more properties coming to the market following the successful challenge in the European courts against the levy of social tax on income and capital gains for non-French residents.



## HIGHLIGHTS SUMMER 2015

Unpegging of the Swiss Franc against the Euro driving Swiss demand

Demand outstripping supply in key areas and stock

Prices for apartments in central Chamonix have risen by 10% in the past year

Strongest international demand originating from UK, Switzerland and USA

Chamonix is a year round destination; demand and sales taking place throughout the year underpinning a strong rental market

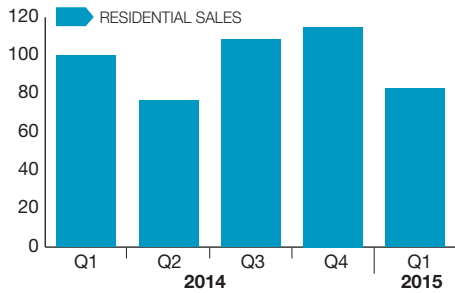
The Compagnie du Mont Blanc has committed to investing €477,000,000 over the coming years upgrading the infrastructure

# MARKET INTELLIGENCE

Knight Frank's Global Property Search website receives more than half a million hits per month making it a unique barometer of the demand for prime international property. The following charts highlight some of the key trends currently evident in the prime Chamonix market.

**FIGURE 1**

**Chamonix: a year-round resort**  
Residential sales in Chamonix Mont Blanc\*  
Indexed, 100 = Q1 2014

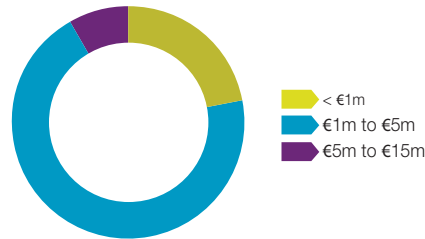


Source: Notaires de France  
\* Includes apartment, house and land sales

Unlike in other resorts, sales transactions in Chamonix occur all year round with demand remaining strong in the summer months. There were 25 residential sales completed in August 2014, compared to 12 in February 2015.

**FIGURE 2**

**Which price brackets are targeted by Chamonix buyers?**  
(%) Jan-Jun 2015

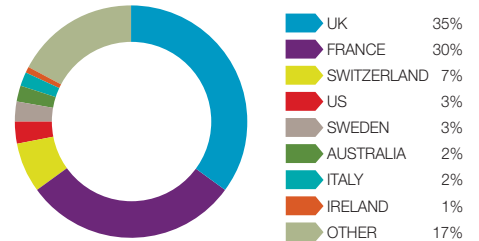


Source: Knight Frank Residential Research

Properties in Chamonix's €1-€5m price bracket generated over 69% of online viewings in the first half of 2015. This figure has risen from 46% in 2013. To date in 2015 only 8% of online viewings have been focused within the €5m-€15m price bracket.

**FIGURE 3**

**Where do Chamonix buyers come from?**  
(%) Jan-Jun 2015

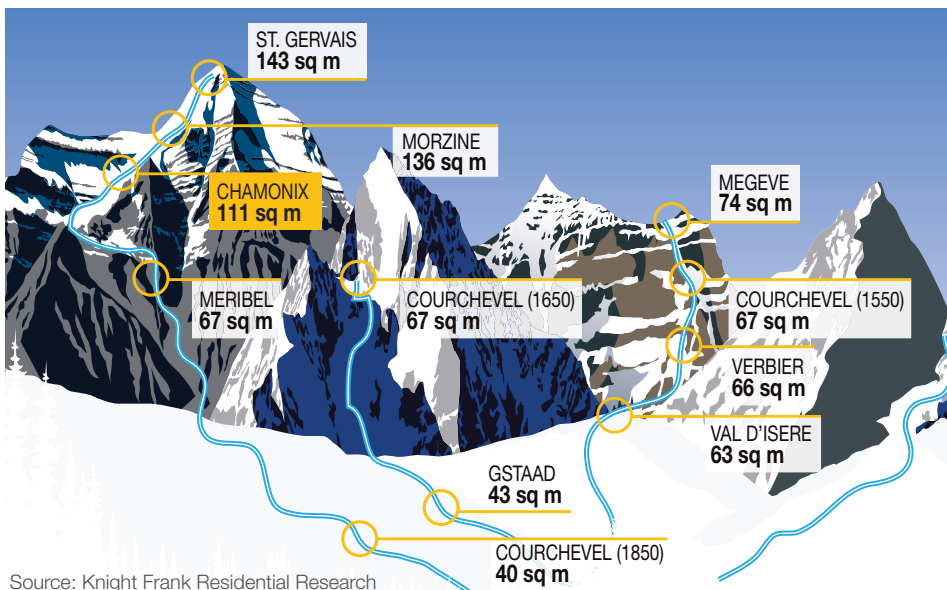


Source: Knight Frank Residential Research

UK and French nationals account for around 65% of Knight Frank's purchasers but Swiss and US buyers have increased in number since the beginning of 2015, influenced in part by movements in their exchange rates with the Euro.

**FIGURE 4**

**What does €1m buy you in...**

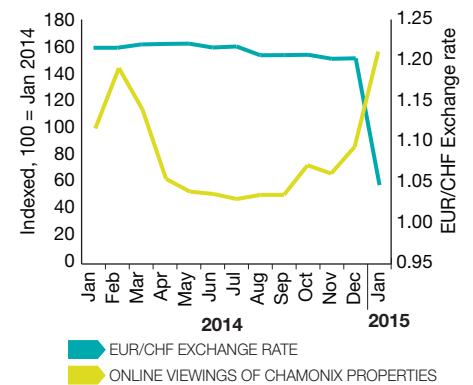


Source: Knight Frank Residential Research

Chamonix is increasingly considered one of the key resorts in the French Alps that offers value for money. Based on the typical price per sq m of a luxury property, a million euros currently buys around 111 sq m in Chamonix, compared with 74 sq m in Megeve and only 40 sq m in Courchevel 1850.

**FIGURE 5**

**Currency has an impact on demand...**



Source: Knight Frank Residential Research/ECB

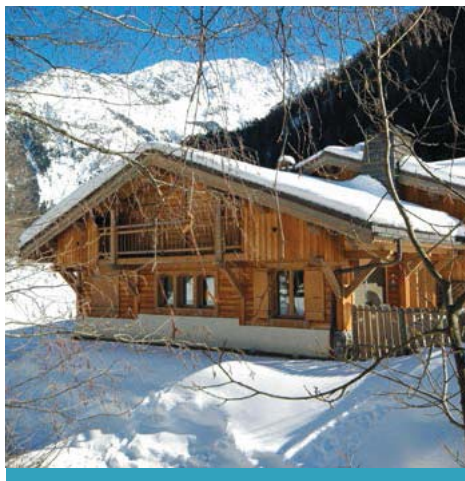
The decision by the Swiss National Bank to unpeg the Swiss Franc from the Euro on 15 January 2015 led to an immediate surge in online viewings in Chamonix, an 83% increase month-on-month.

# PRIME PROPERTIES FOR SALE



## LES PRAZ

Guide Prices from: €525,000 - €630,000  
RSI150191



## ARGENTIERE

Guide Price: €990,000  
MBA150020



## ARGENTIERE

Guide Price: €995,000  
RSI140766



## LES BOIS

Guide Price: €2,000,000  
MBA150025



## PLAINE DES PRAZ

Guide Price: €2,575,000  
RSI140590



## CHAMONIX

Guide Price: €3,950,000  
RSI141033

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