

Mountain Base
Chamonix Property



Ski Property Report 2022

The definitive guide to property conditions in the world's top ski destinations



KEY FINDINGS



COVID-19'S IMPACT

The proportion of global buyers that are more likely to buy a ski home as a result of Covid-19 increased from 11% in 2020 to 18% in 2021



SKI PROPERTY INDEX

The Swiss resort of St Moritz leads our annual Ski Property Index due to tight supply constraints



RECORD PRICES

Strong demand for best-in-class properties saw Chamonix achieve a record sale price of €20,000 per sq m in 2021



HOLIDAY RENTALS

With 90% of ski purchasers looking to rent their property, we access exclusive rental data that confirms Courchevel commands the highest daily rate



ASPEN

Following record sales prices and a 51% surge in transactions in 2020, the Aspen market paused for breath in 2021, due not to a lack of demand but a shortage of stock



“The mountains
are calling, and I
must go”

JOHN MUIR

Scottish-American naturalist,
father of the US National Parks

THE APPEAL OF MOUNTAIN LIVING

Unexpectedly, Covid-19 has shone a spotlight on mountain living and all it offers



KATE EVERETT-ALLEN
HEAD OF INTERNATIONAL RESIDENTIAL RESEARCH

After 18 months of turmoil and with two lost ski seasons behind us, the mountains are the place to be.

If property rental bookings are a lead indicator of sales demand, we expect the 2021/22 season to be a busy one.

The challenge in some markets, particularly Swiss resorts such as St Moritz and Verbier, is now the shortage of stock.

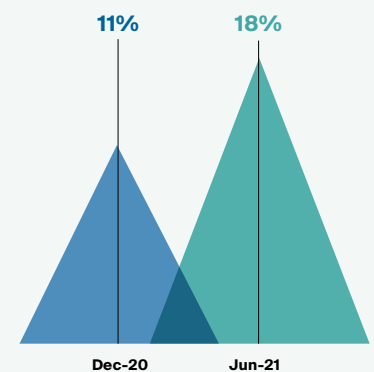
The uptick in demand is significant. According to Knight Frank's *Global Buyer Survey*, in June 2021, 18% of global buyers said they were more inclined to purchase a ski home as a result of Covid-19, up from 11% six months earlier. Fresh air, views of nature, exercise and time with family and friends are driving demand.

The *Global Buyer Survey* also revealed that demand amongst Asian buyers is strengthening, with some 22% revealing they would now consider a ski home purchase. Timely, given the world is gearing up for the Beijing Winter Olympics in February 2022. Ski industry experts have long pointed to Asia as being critical to the future of the sport, helping to expand the world's population of skiers, and Beijing 2022 may yet be a key tipping point (page 10).

Along with large parts of the world, ski resorts are exposed to rising temperatures, and with Environmental, Social and Governance (ESG) rising up developers' and investors' agendas we look at how resorts are investing heavily and adapting to future protect the unique lifestyle they offer (page 11).

I hope you enjoy reading the 13th edition of the Ski Property Report which also covers the ever popular Ski Property Index, tracking prices across 20 Alpine resorts, and provides a roundup of market trends in Colorado.

FIG 1. % OF RESPONDENTS MORE LIKELY TO PURCHASE A SKI HOME AS A RESULT OF THE PANDEMIC



Source: Global Buyer Survey 2021, The Wealth Report 2021

We know the past 18 months have been a challenge with many forced to put their plans on hold but when you're ready to venture into the mountains do take advantage of our unrivalled knowledge and let Knight Frank be your guide.



Our new interactive Alpine View, your one-stop shop for all things ski-related throughout the upcoming season

ST MORITZ RECORDS STRONGEST PRICE GROWTH IN 2021

Now in its 13th year the Ski Property Index reveals how the price of a luxury chalet has changed in the French and Swiss Alps over the last 12 months

In a reversal of fortunes, Swiss resorts lead the Ski Property Index for the first time in three years.

The story is one of resilience due to stock shortages and strong domestic demand. But the pandemic also shone a spotlight on the advantages of Swiss independence. The country's ability to set its own travel rules, its decision to reopen its ski resorts in December 2020 (the only European country to do so), and its overall response to the pandemic has bolstered its appeal.

St Moritz leads the index with price growth nudging 17% on an annual basis. In June 2020, some 90 ski homes were available to buy, a year later there were close to 20, this has had an inevitable impact on pricing.

AT A GLANCE

Stock levels and the scale of resort investment are influencing price performance

The story is similar in Verbier, where some properties have sold for over 12% above the asking price, the resort also achieved a record sale price of CHF30,000 per sq m (€27,400 per sq m) for a resale apartment.

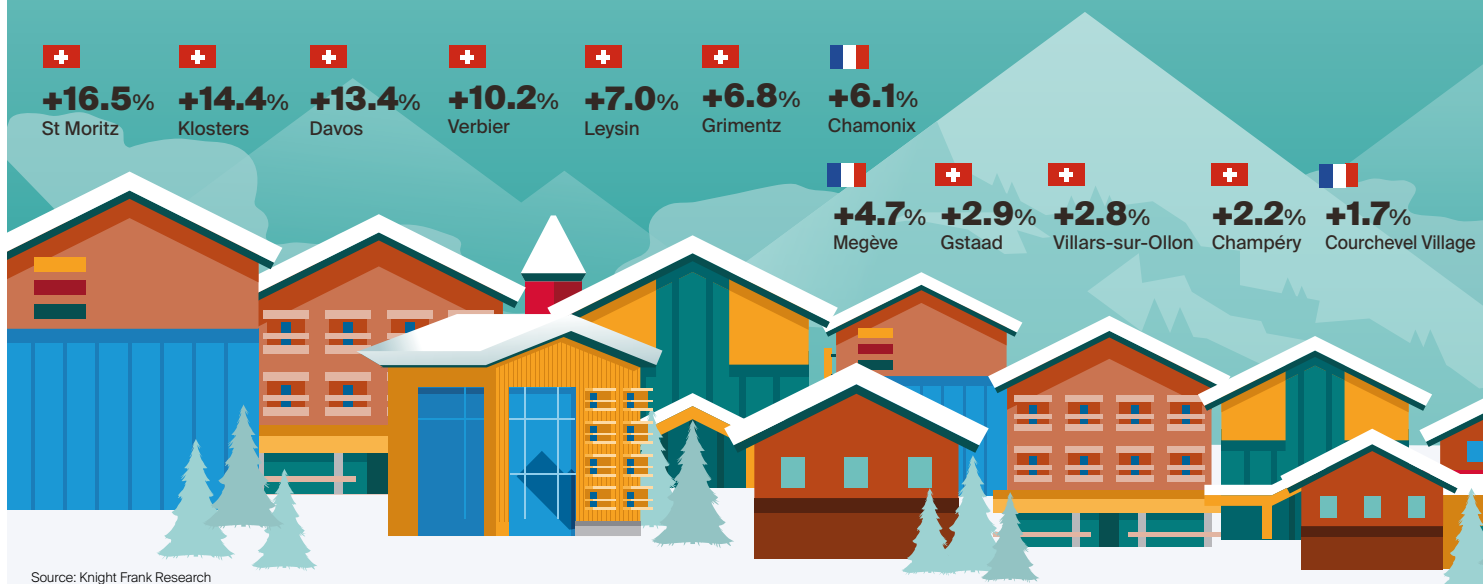
But, 2021 is an anomaly. We don't expect this frenetic pace in Swiss resorts to continue. Supply constraints will ease as the Covid-19 landscape starts to normalise.

Alex Koch de Gooreynd, Knight Frank's head of Swiss sales comments: "Would-be sellers have become landlords and parents that were thinking of selling have put their plans on ice as their children or extended family members have wanted to enjoy the Alps in the last 12 months.

FIG 2. KNIGHT FRANK SKI PROPERTY INDEX RESULTS 2021

Based on a four-bedroom chalet in a prime central location

Annual % change to Q2 2021



Source: Knight Frank Research

Whilst this affection for the mountains shows no sign of cooling, we are hopeful that we will start to see stock levels recover, albeit slowly.”

French Alps set for a busy winter

In France, ski resorts were ordered to close in March 2020 and remained shut until June 2021. Despite this, properties continued to change hands.

Chamonix (6.1%) and Megève (4.7%) proved to be France’s frontrunners, due primarily to their easy access from cities such as Milan, Turin and Geneva and due to their relative value.

“Mid-altitude resorts offering a viable base all year-round with a mix of activities are appealing to a broader range of buyers,” says Roddy Aris, Knight Frank’s head of sales in the French Alps.

France’s most expensive resort, Courchevel 1850, also had a busier year than normal. “It’s arguably ‘the’ safe haven market in the French Alps, buyers know they’re getting a foothold in one of the most desirable ski resorts in the world, plus it delivers on service and amenities, the challenge is finding the stock,” explains Roddy.

French purchasers filled the gap left by international buyers as those in Paris, Lyon and Bordeaux pivoted to the Alps as much



as to the south of France during the crisis. With travel rules easing, British buyers are jostling for front line position. Most want a ready-to-move-into option within an hour of Geneva Airport, with the €4 million to €8 million price bracket particularly busy.

French expatriates, previously based in Asia, are increasingly active and there is a growing number of purchases funded by UK companies, several keen to have a foothold in the Alps from where to entertain clients and staff.

Size or slopes?

Roddy adds: “Most buyers in the French Alps know which resort they want and

which side of the mountain they want to be on, the key decision they are left with is usually whether they want easy access to the slopes and amenities or a larger chalet further out. Size or location, the eternal question.”

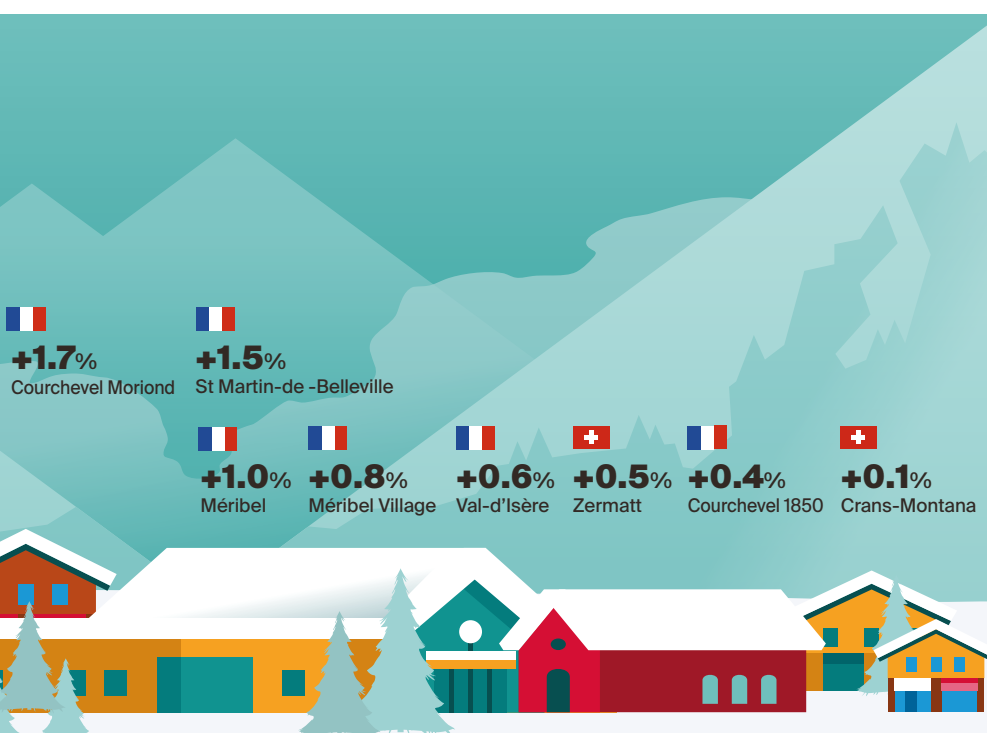
FIG 3. RESORTS RANKED BY PRIME PRICE

	Switzerland	France	€ per sq m*
1.	Gstaad		32,800
2.	Courchevel 1850		26,800
3.	Verbier		23,500
4.	St Moritz		22,700
5.	Zermatt		21,100
6.	Val d'Isère		20,300
7.	Courchevel Moriond		16,500
8.	Courchevel Village		16,200
9.	Méribel		15,800
10.	Megève		14,500
11.	Méribel Village		14,500
12.	St-Martin-de-Belleville		13,100
13.	Davos		13,000
14.	Klosters		12,800
15.	Chamonix		12,500
16.	Villars-sur-Ollon		12,300
17.	Crans-Montana		10,900
18.	Grimentz		10,700
19.	Leysin		10,500
20.	Champéry		8,200

* Exchange rate calculated as at 30 June 2021

FIND OUT MORE

Contact *Alex Kock de Gooreynd* or *Roddy Aris* to learn more about current market conditions



HOLIDAY RENTALS

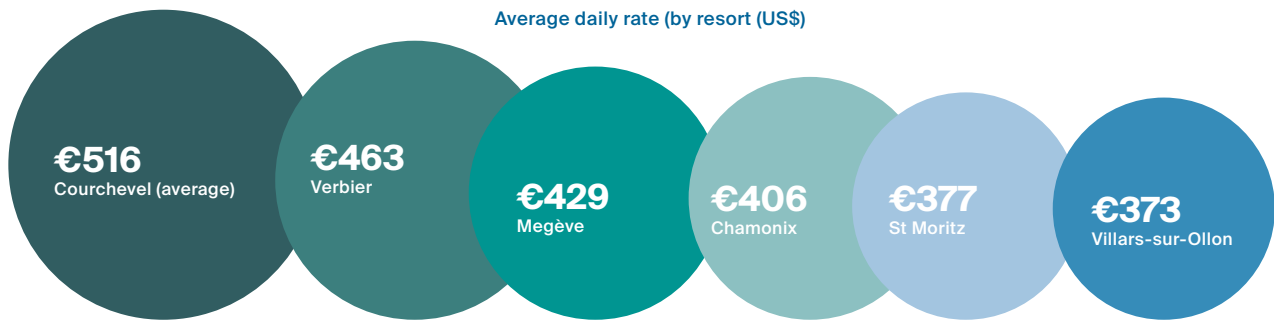
Most owners of ski homes want to rent their property and generate a return or at least cover maintenance costs and personal holidays.

With rates per night, property sizes and overall rental stock differing from resort to resort, it is hard to identify a potentially lucrative gap in the market...until now. Knight Frank Research has undertaken the first deep dive into the Alpine holiday rental market to help gauge how six major French and Swiss resorts compare. The results provide a valuable insight into how the rental profile of

each resort varies in terms of stock, size and rental values. Although the data relates to the 12-months to September 2021 when the world was in the midst of a pandemic and occupancy rates were, on average, significantly lower than usual, the data reveals which resorts are popular with which nationalities and helps buyers identify where there is a mismatch between demand and supply. The findings below are based on all properties with an average daily rental rate above US\$250 (€210).

FIG 4. **COURCHEVEL COMMANDS THE HIGHEST RENTAL RATE***

Average daily rate (by resort (US\$))



* Courchevel 1850 average daily rate = €557 Exchange rate calculated at 30 Sept 2021

FIG 5. **CHALET RENTALS ARE IN SHORT SUPPLY IN ST MORITZ, COURCHEVEL AND VERBIER**

Listings by property type (%)

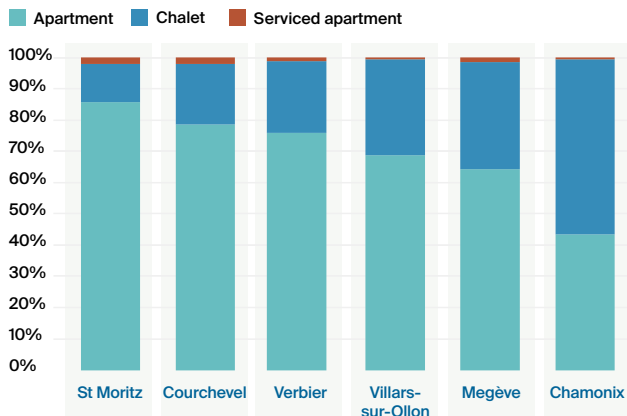


FIG 6. **SWISS RESORTS HAVE FEWER 5-BEDROOM+ PROPERTIES FOR RENT**

Listings by bedroom number

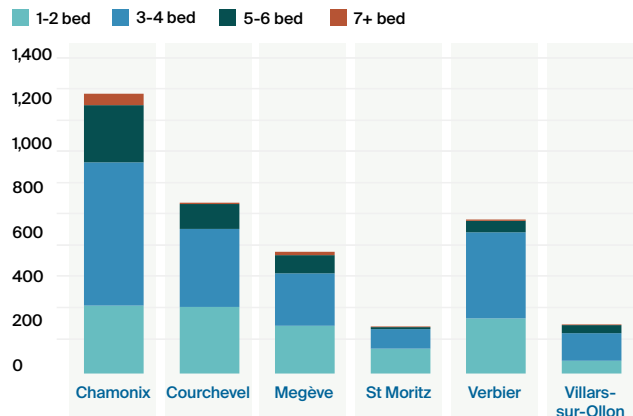


FIG 7. **COURCHEVEL AND VERBIER HAVE THE HIGHEST PROPORTION OF RESIDENT HOSTS**

Domestic hosts per resort (%)

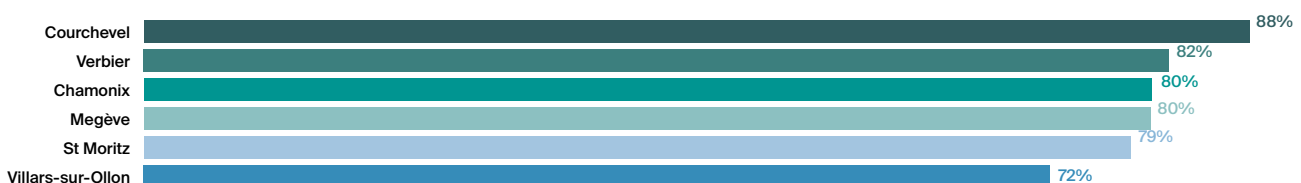


FIG 8. **TOP FIVE NATIONALITIES OF OWNERS BY RESORT**

	CHAMONIX	COURCHEVEL	MEGÈVE	ST MORITZ	VILLARS-SUR-OLLON	VERBIER
1	France	France	France	Switzerland	Switzerland	Switzerland
2	United Kingdom	United Kingdom	Switzerland	Italy	France	United Kingdom
3	Switzerland	Switzerland	United Kingdom	Germany	United Kingdom	Italy
4	Italy	Austria	United States	United Kingdom	Belgium	France
5	United States	Belgium	Italy	Slovakia	Netherlands	Belgium

THE ULTIMATE LOCATION FOR REMOTE WORKERS?

We reveal the best ski resorts for those no longer tethered to the office

The work-from-anywhere workforce has expanded significantly due to Covid-19. A number of companies have announced either hybrid or remote working models with PwC, Google, British Airways and BP amongst them. Some, such as Unilever have gone one step further, confirming employees can work from abroad, provided they can be in the office at 24 hours' notice. Plus, there is an army of entrepreneurs, freelancers and a new breed of bloggers, podcasters and copywriters that are also reaching for their passports.

Fast broadband and good coverage is critical for most remote workers but the pandemic has also heightened the appeal of nature and pushed wellbeing to the forefront of buyers' minds. Our *Global Buyer Survey* found that when choosing their next property, 71% of respondents said access to high-speed broadband would be more important to them. Some 55% considered views of

nature more important and 65% said good air quality would be a key consideration as a result of Covid-19.

Combine these factors and it is perhaps no surprise that a new cohort of footloose workers are eyeing the Alps with interest.

With this in mind we have created our own remote working resort monitor for those considering relocating, whether temporarily or permanently.

Measuring broadband speeds, the choice of amenities in each resort, the proximity to an airport and the degree to which each resort is open to non-resident buyers we have ranked the Alpine resorts.

Chamonix comes out on top. A resort with a permanent resident population of over 10,000, it is one of the largest Alpine towns offering a range of retail, cultural, sporting and culinary amenities.

Megève too benefits from a broad range of amenities and its slopes are particularly suited to families with young children. Villars-sur-Ollon and Verbier are Switzerland's highest-ranking resorts, both have invested heavily in their ski and non-ski infrastructure, and in Villars-sur-Ollon's case, the Magic Pass grants access to a wider ski domain incorporating Crans-Montana and Grimentz.

FIG 9. TOP TEN RESORTS FOR REMOTE WORKERS

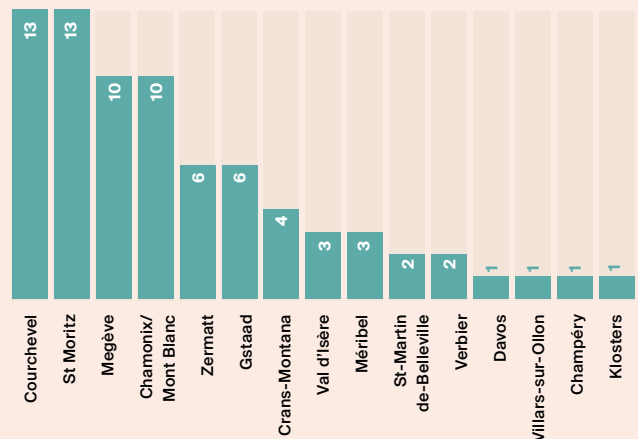
RANK	SKI RESORT
1	Chamonix
2	Megève
3	Villars-sur-Ollon
4	Verbier
5	St Moritz
6	Gstaad
7	Champéry
8	Courchevel Village
9	Courchevel Moriond
10	Courchevel 1850

Source: Knight Frank Research

FIG 10. WHAT DO REMOTE WORKERS WANT?



FIG 11. MICHELIN-STARRED RESTAURANTS BY RESORT



Source: The Michelin Guide

POST-BREXIT RULES

Non-European Union (EU) nationals are limited to spending 90 out of every 180 days in the bloc, this includes UK nationals since the country's departure from the EU in 2020. This rule also applies to Switzerland given it was a signatory to the Schengen Agreement in 1985.

FIND OUT MORE

To discuss which resort would suit your lifestyle and family best get in touch with *Alex Kock de Gooreynd* or *Roddy Aris*.

COLORADO SPOTLIGHT

Slim pickings for buyers late to the party in Aspen, leading to more off-market sales

Following a 51% surge in transactions in 2020, the Aspen market paused for breath in 2021, sales slowed but not due to a lack of demand rather a shortage of stock, which continued to have an inflationary effect on prices.

The influx of co-primary residents from New York, Miami, Los Angeles and San Francisco has continued, with more high-net-worth individuals opting to call Aspen home and enrolling their children at Aspen Country Day or Aspen Public School District.

In short supply

According to Miller Samuel, Aspen saw 19 new listings in August 2021 (condos and single-family homes), down from 61 a year earlier. This fall in inventory has seen sales dip, 25 contracts were signed in August 2021, down from 54 in August 2020.

Riley Warwick at Douglas Elliman, Knight Frank's residential partner in the US, points to one particular sale

to show the extent to which Aspen has become a seller's market, "one property I'm familiar with sold for US\$6.65 million in 2019 and was resold in 2020 for US\$9.3 million despite no significant refurbishment, almost a 40% increase."

With Aspen Central Core, Red Mountain and West End achieving high prices, some buyers are venturing into up-and-coming neighbourhoods such as Meadowood, Five Trees and Mountain Valley.

There is little prospect of new developments boosting stock levels significantly in the medium term with only a small number of schemes in the pipeline, Lift 1A and Aspen Club amongst them.

Neighbouring Snowmass offers buyers more choice in terms of available stock as well as the joy of ski in/ski out homes. But sales volumes are robust there too; Electric Pass Lodge sold out pre-completion, whilst nearby Havens Snowmass sold out in four weeks.

AT A GLANCE

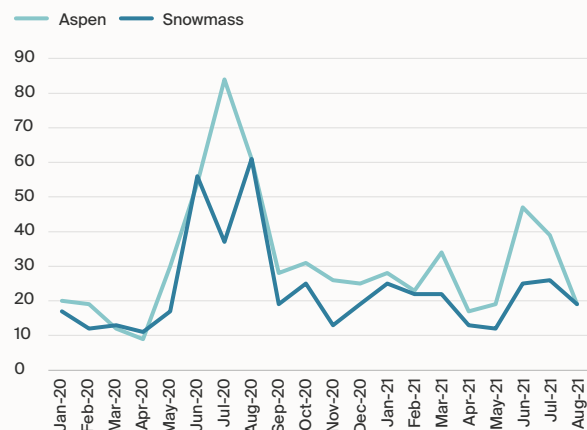
- Luxury prices in Aspen up 19% in 2021

- New listings declined 69% in August 2021 year-on-year

- A record sales price of US\$72.5 million was achieved on Red Mountain in 2021

FIG 12. INVENTORY LEVELS TUMBLE

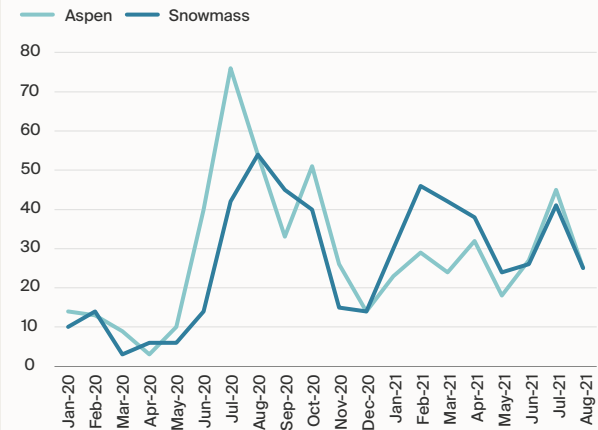
No. of new listings



Source: Miller Samuel/Douglas Elliman

FIG 13. SUPPLY CONSTRAINTS WEIGH ON SALES ACTIVITY

No. of signed contracts



Source: Miller Samuel/Douglas Elliman



Off-market sales increase

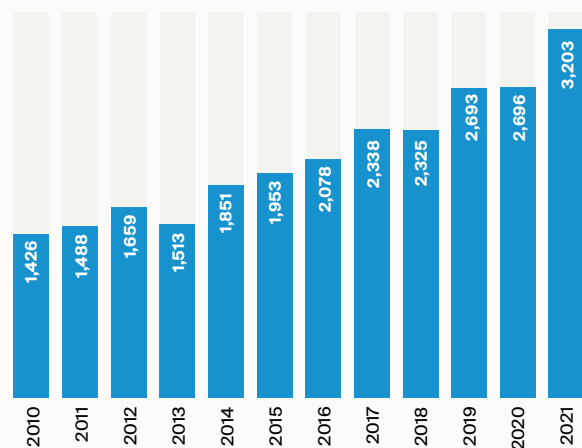
With inventory levels constrained an increasing number of sales are being agreed off-market as agents resort to cold calling, such is the imbalance between demand and supply.

One such property not publicly listed was 421 Willoughby Way on Red Mountain which sold to a Douglas Elliman buyer for a record-breaking US\$72.5 million in June 2021. A 21,477 sq ft home with nine bedrooms, the property last sold for US\$43 million in 2009.

According to Douglas Elliman, of the 77 single-family homes currently listed in Aspen, 21 have an asking price of US\$20 million or above.

FIG 14. LUXURY PRICES EXCEED US\$3,200 PER SQ FT

Luxury prices (US\$ per sq ft)



Source: Douglas Elliman

Opening up

With borders largely closed since Spring 2020, US buyers have been the driving force behind the Aspen market. According to the National Ski Areas Association, US ski areas saw their fifth highest visitor numbers on record in 2020 with 59 million visits registered. However, with vaccinated travellers from the UK and Europe permitted from November 2021, and with significant wealth amassed globally during lockdowns, we expect a broader buyer mix this winter.

GOING GREEN

Aspen Ski Company, which operates the Aspen/Snowmass ski resorts, developed the first set of green buildings in the ski industry and participated in the creation of the US Green Building Council's Leadership Energy and Environmental Design (LEED) programme.

Electric Pass Lodge marks a key watershed, a development designed to be 100% powered by renewable energy, it is one of the first of its kind in the US.

FIND OUT MORE

To discuss your property requirements in Aspen, Snowmass or Vail get in touch with *Jason Mansfield*.

EASTERN PROMISE

Globally, skier numbers are largely static, but Asia may hold the key to future demand

President Xi Jinping's decision to bid for the 2022 Winter Olympics could prove a boon for the ski industry globally.

Following South Korea's games in Pyeongchang in 2018, Beijing is set to host over 3,000 athletes in February 2022 reaching a potential global audience of up to 2 billion.

Despite the Chinese mainland being home to around 13 million skiers, it equates to just 1% of the population according to the 2021 International Report on Snow & Mountain Tourism, suggesting there is room for growth. President Jinping's goal is to use the Beijing Olympics to convert 300 million Chinese residents to winter sports. The industry already generates around RMB 3 trillion per annum (US\$465 billion) but to date most wealthy Chinese mainlanders head to Japan for their skiing fix.

The Chinese mainland's resorts are largely dominated by red or blue runs but that is set to change. From Xinjiang province to Heilongjiang significant funds are being ploughed into the infrastructure of China's 700+ ski resorts according to the China Ski Industry White Book.

Ski instructor, Warren Smith who opened the first British ski school in the Chinese mainland resort of Wanlong in 2016 says, "Demand is growing and there is a lot of collaboration with European resorts. In 2016 for example, Verbier and Wanlong partnered in offering reciprocal ski passes."

Europe-bound?

The likelihood is that some of this demand will find its way to the European Alps. Firstly, due to the scale of wealth creation taking place. In the five years to 2025, the Chinese mainland will be home to an additional 3.3 million high-net-worth individuals (US\$1m+). Combine this with a greater propensity for travel, an appetite for luxury brands and more of a focus on health and wellbeing and we expect more interest in The Alps in the coming years.

According to Warren Smith, "We're already seeing demand from Asian students based at UK and northern European universities heading to the Alps to get a European ski experience."

"We're already seeing demand from Asian students based at UK and northern European universities heading to the Alps to get a European ski experience."

WARREN SMITH

TABLE 1. CHINA'S ESCALATING WEALTH

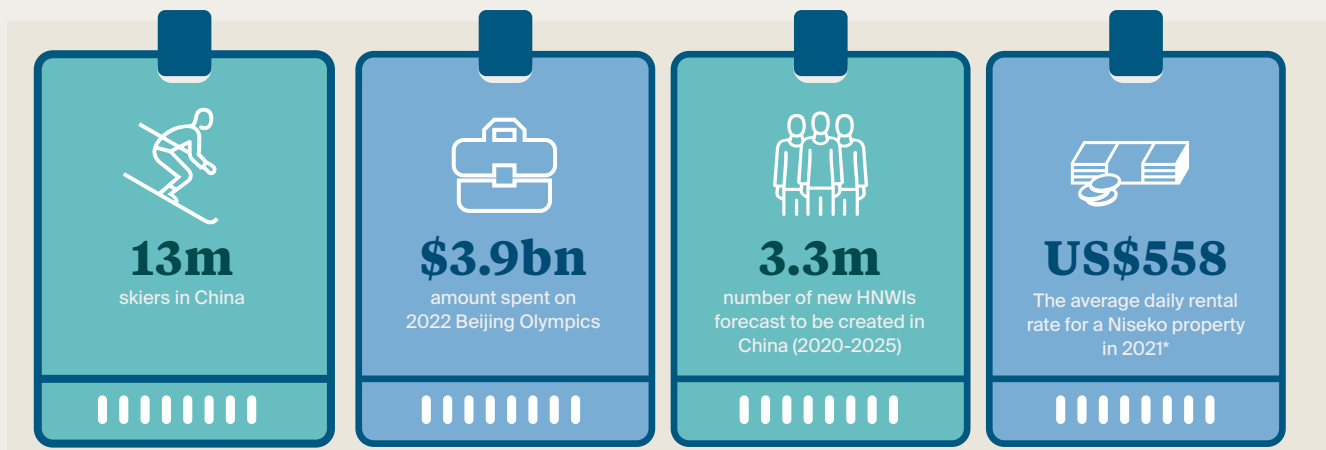
	HNWI POPULATION (US\$1M+*)	UHNWI POPULATION (US\$30M+*)
2020	5,843,228	70,426
2025	9,105,036	103,042
5-yr % change	55.8%	46.3%
5-yr increase	3,261,808	32,616

Source: The Wealth Report 2021 *Including primary residence

NISEKO STILL SHINES

Niseko is the most aspirational of Asia's resorts attracting local and overseas demand, in particular from Singapore, the Chinese mainland, South-East Asia and Australia.

Significant investment is earmarked with the new Mandala Group's Seasons YŌSO joining the Park Hyatt to expand Niseko's branded residences offering.



Source: CNN, Holiday rental platforms, The Wealth Report 2021, 2021 International Report on Snow & Mountain Tourism *Based on 12 months to Sept 2021

SUSTAINABLE SKIING

Ski resort owners are amongst the most ardent proponents of carbon neutrality given the threat of rising temperatures to their way of life

According to a survey by saveoursnow.com, a third of the world's 250 leading ski resorts are now using 100% renewable energy, whilst 60% have adopted renewable energy in some form.

Groups such as Protect our Winters and France's Flocon Vert (Green Snowflake) awards are promoting the reduction of carbon footprints, setting out policy recommendations and lobbying governments.

Chamonix and Megève are two of just nine resorts to receive the Flocon Vert for their pioneering climate and energy action plan. Whilst in the US, Aspen has won the Golden Eagle Award for its action on climate change.

Villars-sur-Ollon is working on a variety of sustainable projects including a fleet of hybrid public buses, low-energy snow-making systems and introducing solar panels on public buildings.

The Three Valleys which includes the Courchevel resorts and Méribel now buys in the renewable energy which fuels all of its on-mountain operations.

What about ski home purchasers?

As the world gears up for Cop26, our *Global Buyer Survey* confirms that ski home purchasers are also thinking carefully about what steps they can take to reduce their carbon footprint.

Of those respondents who said they were more likely to buy a ski home, 90% said the energy efficiency of a home would be 'important' or 'very important' to them.

Aside from real estate, transport is another high-emission source. According to research by carbon-measurement consultancy, Best Foot Forward, a one-way journey by plane from London to Val Thorens produces 82kg CO2 per passenger. The equivalent journey by train produces only 14kg CO2 per passenger.

Although the energy efficiency of a ski home is not one of the first questions posed by most buyers, Covid-19 has shone a light on the extent to which our health is connected to that of the environment which may yet act as a catalyst for change.



WAYS TO REDUCE YOUR CARBON FOOTPRINT

Take the snow train to the Alps

Make use of the free in-resort bus service

Target resorts with chairlifts and gondolas operated via renewable energy

If undertaking a self-build use local materials

FIND OUT MORE

We're interested to know your thoughts on how the ski industry should adapt to the climate agenda. *Do get in touch.*



Impression escope chamonix

THE SKI PROPERTY REPORT

Now in its thirteenth year, the Prime Ski Property Report provides an overview of prime market conditions across Knight Frank's key ski destinations: The French Alps, The Swiss Alps, Aspen, Snowmass, Vail and Niseko.

DEFINITIONS

Where we refer to Prime Property this equates to the top 5% of each property market by value. Prime markets often have a significant international bias in terms of buyer profile.

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