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Monaco & The South of France: The Wealth Corridor

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Monaco Is Not Tax Free.
It Is Fee Free at the Top and Priced Accordingly.

Say Monaco and the assumption arrives before the analysis does: no tax, so no arithmetic worth doing. Look at what an investor actually pays and that assumption falls apart quickly. Registration duty on a resale purchase runs to around 6% all in, rising toward 7.5% on non transparent structures, and even Monaco's own government confirms it. On a €10,000,000 apartment that is €600,000 to €750,000 before a euro of income is earned. What Monaco actually offers is not an absence of cost. It is an absence of annual drag once the entry cost is paid, in a market where 493 transactions changed hands in 2025 for a combined €5.9 billion, the deepest liquidity of any comparable wealth hub in Europe.

That distinction matters because Monaco is only the sharpest example of a pattern running the length of this coast. The corridor from Monaco through Nice, Cannes, Antibes and Saint Tropez into inland Provence is routinely sold to investors as one continuous luxury market, a single Riviera trade with Monaco simply the most expensive postcode in it. The data does not support that reading. Monaco averaged €57,569 per square metre in 2025. Nice apartments average €5,216. That is not a gradient. It is a different market wearing the same regional label, the same structural error this series flagged in Rest of UK when a single regional headline concealed five distinct city trades.

The signal the Riviera label misses is not price. It is what each part of the corridor is actually selling. Monaco sells fiscal residency and capital preservation to buyers who have already made their money elsewhere. Nice sells liquidity and year round rental depth to buyers who want a functioning city, not a trophy. Saint Tropez sells status and a rental ceiling that has fully decoupled from any conventional yield calculation. Inland Provence sells space and privacy at roughly half the coastal price. An investor allocating to the South of France as one trade will misprice at least three of these four propositions.

The other force reshaping this corridor is not French at all. The UK abolished its non dom tax regime from April 2025, replacing it with a residence based system, and Monaco, Milan and Geneva have absorbed the bulk of the relocating wealth that followed. British residents in Monaco now number 3,081, up 163 in a single year and the fourth largest nationality group in the Principality. That is not a rumour circulating among relocation advisers. It is a resident population shift with a visible, growing British signature, and it is the demand side of everything this edition covers.

THE REAL DIVERGENCE

Monaco's headline price number rewards scrutiny before it becomes a thesis. IMSEE's 2025 Real Estate Observatory puts the average at €57,569 per square metre, down 1.4% on 2024's revised figure of €58,402, itself up 14.8% on 2023. Read alongside a resale only figure of €51,967 per square metre, up 44.3% over ten years, the picture is not a market falling out of favour. It is a market absorbing a wave of ultra prime new development, Larvotto district pricing above €70,000 per square metre among it, that pulls the blended average upward faster than the underlying resale market is actually moving. The average is real. It is also being distorted by supply at the very top, the same distortion effect this series flagged when Birmingham's income numbers were doing more work for new build stock than for the city as a whole.

Transaction data confirms the market is not thinning. 493 transactions closed in 2025, up 5.8% on 2024, for a combined €5.9 billion, stable against 2024's record level. That is depth most European wealth hubs cannot match at this price point, and it is the strongest argument for treating Monaco as a liquid capital preservation asset rather than an illiquid trophy purchase. Rental data adds a second layer: average rent reached €124.88 per square metre per month in 2025, up 9.1% on the year, against an acute shortage of three and four bedroom apartments that Savills describes as units let before they reach public marketing. That is not a market cooling. It is a market where a specific unit type is structurally undersupplied against genuine relocation demand.

The coastal towns diverge from Monaco and from each other in ways a single Riviera average conceals entirely. Nice apartments average €5,216 per square metre, the most liquid city market on the coast, with 76% short let occupancy and €37,000 median annual short term rental revenue, the strongest occupancy figure in this dataset. Cannes apartments average €6,012 per square metre on agent data, though the official DVF transaction median for 2025 sits meaningfully lower at €5,026 across 3,371 recorded sales, a meaningful gap between agent asking data and completed transaction reality. Houses average €7,689 per square metre. Antibes sits close to Cannes on headline pricing at €6,509 per square metre, but that figure understates Cap d'Antibes specifically, where villa transactions trade on a different scale entirely and do not appear as a separated line in public price data.

Saint Tropez is the clearest outlier in the dataset, and the numbers do not behave like a conventional property market at all. Houses average €21,511 per square metre against a 95% range of €8,604 to €43,022, with long let rental values around €24 to €31 per square metre against that capital value, implying a yield low enough that no income calculation meaningfully explains the price. Short let performance is strong in isolation, €69,000 average annual revenue on Airbtics data, but concentrated into a short summer season across only 544 active listings. Inland, Aix en Provence houses average €6,472 per square metre, roughly a third of Saint Tropez, with a more conventional rental signal at €18.20 per square metre monthly. That gap, not the coastal price alone, is the real divergence this corridor is built on.

Monaco is a fiscal and scarcity trade, not a yield trade, and pricing it as anything else misreads the market.

Nice is the corridor's only genuinely liquid city market, and investors chasing Saint Tropez glamour are overlooking where the depth actually sits.

Saint Tropez pricing has decoupled from rental economics entirely, and the villa premium is now a pure status allocation.

Inland Provence is the corridor's rational counterweight, offering half the price of coastal prime with none of the seasonal income ceiling.

THE ACQUISITION COST DRAG

The assumption that Monaco is a tax haven and France is not collapses the moment an investor prices an actual purchase. France charges lower entry prices almost everywhere on this coast outside Monaco itself, but acquisition friction on resale property runs to 7% to 8% under standard notaire guidance. On a €5,000,000 purchase that is €350,000 to €400,000 in cash cost before completion. On a €10,000,000 purchase it is €700,000 to €800,000. That cost sits on top of France's IFI wealth tax, which applies to French real estate held by non residents once net taxable property wealth exceeds €1,300,000, a threshold a single Riviera villa clears on its own.

Monaco inverts the structure without eliminating the cost. Registration duty on a transparent individual purchase runs to roughly 6% all in, meaning a €5,000,000 Monaco apartment carries acquisition costs of around €300,000 and a €10,000,000 purchase around €600,000, both lower than the equivalent French resale transaction. Structure the purchase through a non transparent entity and duty can rise to 7.5% before notary and administrative costs, pushing the €10,000,000 case above €750,000. New build purchases where VAT applies can bring registration duty down to around 1%, with total acquisition cost near €250,000 on a €10,000,000 unit, the cheapest entry point in this entire comparison. The investor case for Monaco is not the absence of purchase cost. It is that Monaco residency removes the annual IFI exposure France imposes on real estate wealth above €1,300,000, converting a recurring liability into a one time acquisition cost.

€700K–€800K	€600K	€1.3m
France acquisition cost, resale property at €10m	Monaco acquisition cost, transparent purchase at €10m	French IFI wealth tax threshold, net property wealth

THE CORRIDOR WORTH READING CAREFULLY

Monaco

Areas to watch: Monte Carlo, Larvotto, Fontvieille, La Condamine.

Monaco averaged €57,569 per square metre in 2025, down 1.4% on 2024's revised €58,402, itself up 14.8% on 2023, a pattern driven by ultra prime new development entering the resale pool rather than a broad market repricing. Resale only values rose a steadier 1.1% to €51,967 per square metre, up 44.3% over ten years. Transactions rose 5.8% to 493 in 2025 for a combined €5.9 billion, stable against 2024's record. Rent rose 9.1% to €124.88 per square metre monthly, against an acute shortage of three and four bedroom apartments that Savills reports let before public marketing. British residents reached 3,081, up 163 in a year and now the fourth largest nationality group in the Principality.

> *Buy for fiscal residency and capital preservation, not yield. Gross yields sit around 2.6% to 3%, and any investor case built on income here is the wrong case.*

Nice

Areas to watch: Carré d'Or, Cimiez, Le Port, Mont Boron.

Nice apartments average €5,216 per square metre on agent data, with a SeLoger cross check of €5,274 confirming the range, and houses average €6,388. Short let performance leads the coast on consistency: 76% occupancy and €37,000 median annual revenue across 9,444 active listings, well ahead of Cannes and Saint Tropez on liquidity even where those markets post higher peak rates. Nice's pricing sits at roughly a tenth of Monaco's and a quarter of Saint Tropez's, without sacrificing depth of demand or ease of exit.

> *The corridor's most liquid non Monaco asset. Allocate here for a functioning, year round rental market rather than a trophy address.*

Cannes

Areas to watch: La Croisette, Le Suquet, Californie, Palm Beach.

Cannes apartments average €6,012 per square metre on agent estimates, with prime Croisette frontage estimated near €11,564, though the official DVF transaction median for 2025 sits lower at €5,026 across 3,371 recorded sales, a meaningful gap between agent asking data and completed transaction reality. Short let occupancy runs 47% to 52% depending on source, well below Nice, with revenue concentrated around the festival and event calendar rather than spread across the year. Houses average €7,689 per square metre.

> *Price against the official transaction median, not the Croisette asking figure. Cannes rewards event calendar timing more than year round holding.*

Antibes and Cap d'Antibes

Areas to watch: Cap d'Antibes, Juan les Pins, Vieil Antibes.

Antibes apartments average €6,509 per square metre and houses €7,656, broadly in line with Cannes on headline pricing. That town wide figure materially understates Cap d'Antibes specifically, where villa transactions trade on a different scale entirely and do not appear as a separated line in public price data. Buyers pricing off the Antibes town average risk underestimating what a genuine Cap d'Antibes villa purchase actually requires.

> *Treat the headline Antibes number as a floor, not a guide. A Cap d'Antibes villa purchase needs bespoke comparable evidence, not the town average.*

Saint Tropez

Areas to watch: La Ponche, Les Parcs, Pampelonne, La Bouillabaisse.

Saint Tropez houses average €21,511 per square metre against a 95% range of €8,604 to €43,022, with a SeLoger cross check confirming a comparable €21,810. Long let rents sit around €24 to €31 per square metre, a yield low enough that no conventional income calculation supports the capital value. Short let revenue is strong in isolation at €69,000 average annually, but concentrated across only 544 active listings and a short summer season, with 53% annual occupancy and $941 average daily rates reflecting extreme seasonal compression rather than sustained demand.

> *This is a status allocation, not an income one. Buy for the asset and the season, and underwrite the purchase without reference to yield at all.*

Aix en Provence

Areas to watch: Centre ville, Route de Sisteron, Le Tholonet.

Aix en Provence houses average €6,472 per square metre, roughly a third of Saint Tropez and a fifth of Monaco, with apartments at €5,482 and centre ville pricing closer to €6,130. Rental yield sits on a more conventional footing at €18.20 per square metre monthly, without the seasonal distortion visible on the coast. This is the corridor's value and lifestyle counterweight: less fiscal theatre than Monaco, less trophy premium than Saint Tropez, and a rental market that behaves like a normal city rather than a resort.

> *The rational allocation for space, privacy and long duration living, priced at a genuine discount to every coastal comparator in this edition.*

Watchlist: The Luberon villages, including Gordes, Ménerbes, Bonnieux and Lourmarin. Demand for privacy and estate scale property is real and growing, but public transaction data at commune level is too thin to support a specific price call this edition. Worth a dedicated look once cleaner village level data is available, not before.

SELECTED DATA SIGNALS

€57,569
Monaco average price per sqm
2025, IMSEE

€5.9bn
Monaco total transaction value
2025

493
Monaco transactions, up 5.8%
2025

€21,511
Saint Tropez house price per sqm
2025 average

9.1%
Monaco rent growth year on year
2025, €124.88 per sqm

3,081
British residents in Monaco
7.9% of population, 2025

€5,216
Nice apartment price per sqm
Most liquid corridor city

€6,472
Aix en Provence house price per sqm
Inland value comparator

THE SANDHÜTEL READ

Monaco and the South of France are not one wealth corridor with a shared price curve. They are four distinct propositions, fiscal preservation, urban liquidity, seasonal status and inland value, and the coastal headline price tells an investor almost nothing about which one they are actually buying.

Two signals in this edition connect directly. Monaco's 493 transactions and €5.9 billion in 2025 volume confirm genuine liquidity at the top of the market, and that liquidity is arriving alongside a hard demand signal: British residents in Monaco reached 3,081, up 163 in a single year, following the UK's abolition of the non dom regime in April 2025. This is not a coincidence sitting in adjacent paragraphs. It is capital that left one jurisdiction under fiscal pressure and is now visibly resident in another, transacting at record depth. Set against that, Saint Tropez's €21,511 per square metre average carries a long let rental yield low enough that no income model justifies the price, confirming that not every coastal number in this corridor is being driven by the same buyer logic Monaco is.

The allocation argument follows the fiscal driver, not the coastline. Capital seeking preservation and residency should go to Monaco directly, priced on acquisition cost and IFI avoidance rather than yield, accepting a purchase cost of €600,000 to €750,000 on a €10,000,000 transaction as the price of removing a recurring French wealth tax exposure. Capital seeking a functioning rental asset belongs in Nice, where 76% occupancy and genuine year round liquidity outperform the more photographed coastal towns. Saint Tropez is a discretionary status purchase that should never be underwritten against income, and Aix en Provence is the correct home for capital that wants scale, privacy and a conventional rental return without paying the coastal premium for either.

At Sandhütel, we do not treat a coastline as a single market because a map draws it as one. Monaco is priced for what it removes, not what it yields, and every allocation on this corridor should be underwritten against that same discipline.

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