

INVICTVS

REAL ESTATE



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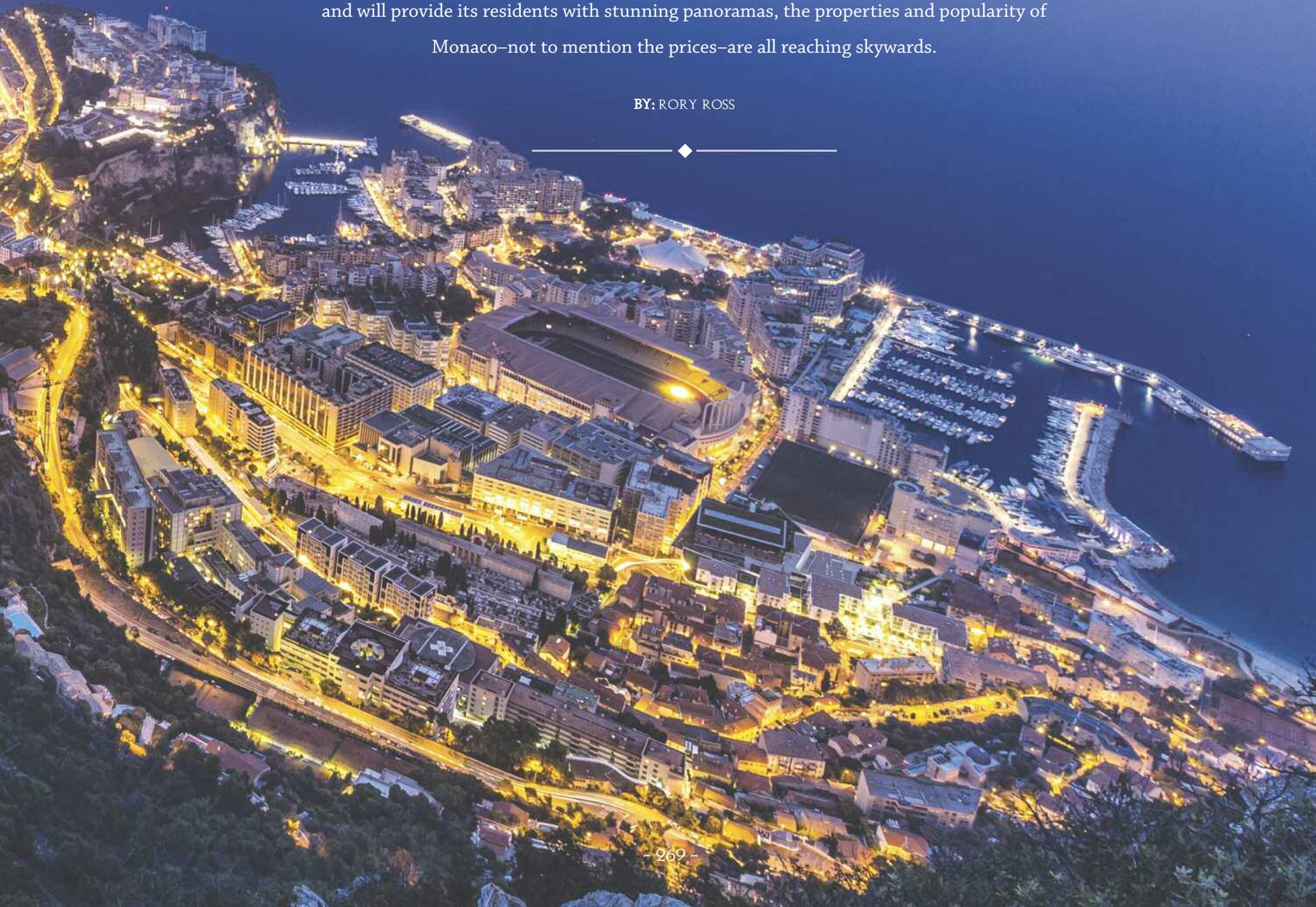
REAL ESTATE

# FOCUS ON MONACO

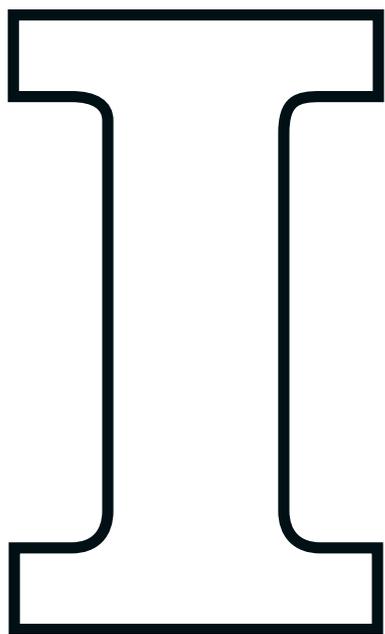
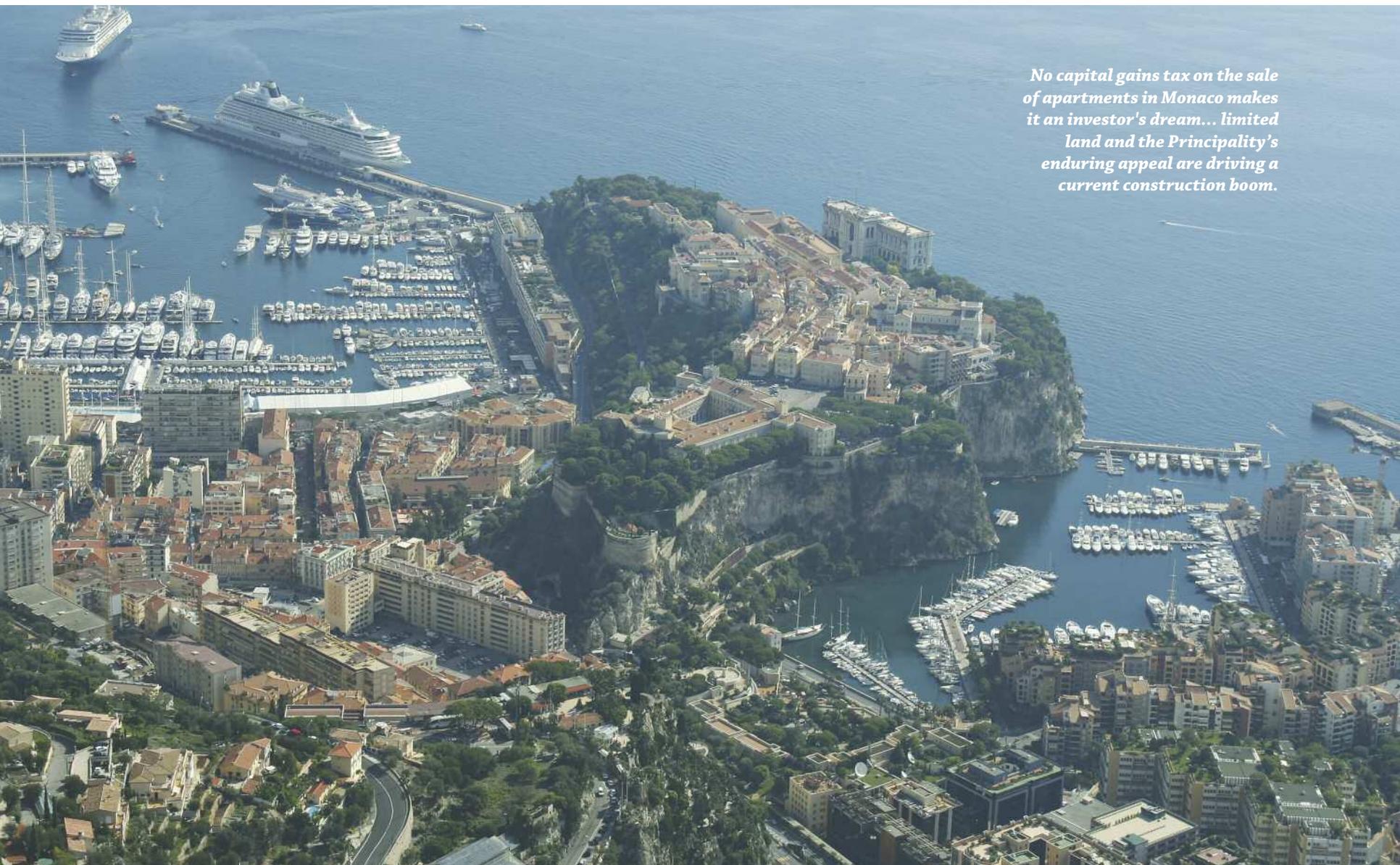
# Principal Assets

Visitors to the forthcoming Monaco Yacht Show will note that the skyline of the Principality is currently undergoing a dramatic reconstruction. From the waterfront where the new Yacht Club de Monaco has recently opened its doors, to the imposing Tour Odéon that towers over the city and will provide its residents with stunning panoramas, the properties and popularity of Monaco—not to mention the prices—are all reaching skywards.

BY: RORY ROSS



*No capital gains tax on the sale of apartments in Monaco makes it an investor's dream... limited land and the Principality's enduring appeal are driving a current construction boom.*



**If you think that real estate in London, New York and the metropolises of the Middle East and South East Asia has gone way into bubble territory, come to Monaco.** Monaco makes Belgravia look like a screaming bargain, especially with no capital gains tax on the sale of apartments. To check out some of Monaco's most hysterically priced real estate, book into the Andromeda suite on the 11th floor of the esteemed Méridien Beach Plaza hotel, just off Avenue Princess Grace (the 'most expensive street in the world'). As you survey the Monaco skyline studded with cranes, bend your gaze to a small promontory just to the left of the hotel. You will see what looks like a cluster of five low-rise brick buildings with large windows overlooking the Mediterranean. These are the latest offering by SBM, the Monaco State holding com-

pany. These villas are yours to rent at 200,000 Euros a month. At the time of writing they were fully tenanted.

Meanwhile, the dial has been turned up on construction activity in the principality, the sort of hammering and grinding that so often mars a stay on the Côte d'Azur. One of the largest and most controversial projects presently underway is the Sporting d'Hiver on Place du Casino. Architects Rogers Stirk Harbour & Partners (founded by Lord Richard Rogers) are collaborating with Alexandre Giraldi, Monaco's architect du jour, to redevelop this art deco exhibition center and replace it with offices, shops and flats. All the boutiques that ordinarily inhabit the Sporting have relocated to what look like giant eggs located in the Jardins des Boulingrins to the north of Casino Square, where they will remain

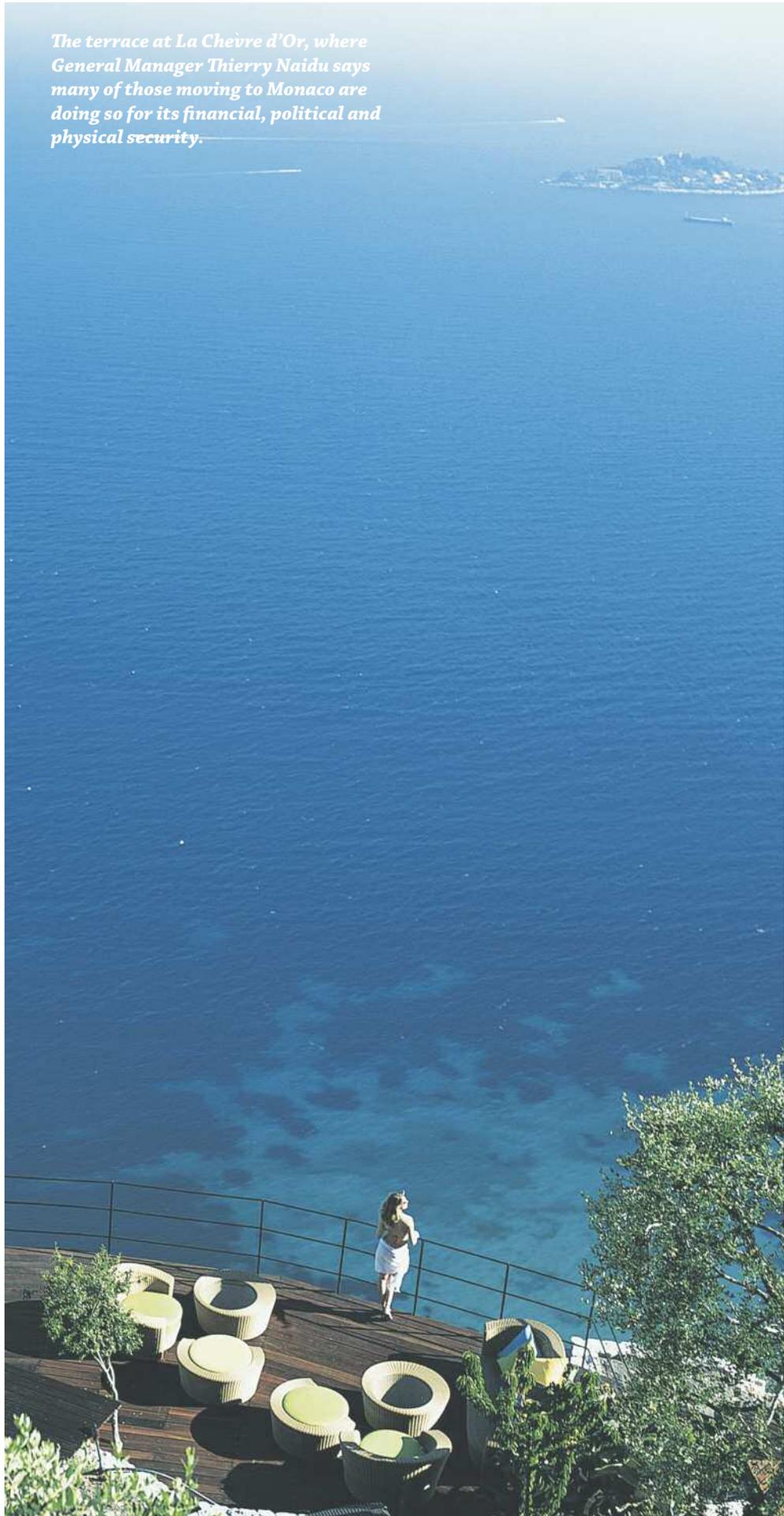
until the new-look Sporting opens in 2018. Such is the sheer volume and complexity of construction projects in Monaco that residents are in effect living in a building site. Want to get from A to B? Best way is on foot. If you take a bus or car, your journey will take you three times as long, thanks to a skull-crushing labyrinth of déviations.

All this represents an eat-yourself-to-colonic-irrigation feeding frenzy for Monaco's 120 estate agents. Much of the financial drive behind the real estate boom comes from Russian and east European money surging into the principality, supported by tributaries from Australia, Japan and China. The Russian contingent reflects the broader influx throughout the Côte d'Azur. "Like the Americans at the beginning of the 20th century, Russians have an emotional connection with Côte d'Azur," says Sabrina Declercq who handles PR for both Le Méridien in Monaco and Le Méridien in Nice. "Arabic visitors prefer Cannes to Monaco. At Le Méridien in Nice, we get Chinese, but not here in Monaco. Chinese go to Nice for their honeymoon."

"We are starting to have Chinese and Indian guests," says Thierry Naidu, General Manager of the 5-star Château de la Chèvre d'Or, in Eze village just outside Monaco, where neighbors include Bono, The Edge and Julian Lennon. "This is a big change. The Chinese like food, wine, and la vie française. We are also seeing Brazilians. Five per cent of our guests are Brazilian. They love the security, which is very different from their own country. Here, they don't need bodyguards. The gold-plated strip of land between Nice and Monaco, encompassing Beaulieu, St Jean Cap Ferrat and Villefranche, is secure. Financial opacity and tax avoidance are no longer Monaco's main selling points. People are coming here for financial and political stability, and physical security."

La Chèvre d'Or is 61-years old and, perched 1,600' (500m) up on the haute corniche, with panoramic views of Cap Ferrat, it is considered among the best and most romantic hotels in the world, and a long-standing member of Relais & Châteaux. Often, clients check in with the idea of dipping their toes in the local way of life, which leads to an exploration of the real estate opportunities hereabouts, often culminating in a purchase. I ask Naidu what is it about this part of the Côte d'Azur that people find so compelling. "The light," he says. "When you come here you have a quality of light that is exceptional. Also, the charm: beneath the notice of glamorous cities like Monaco, Nice and Cannes, you find French village life carrying

*The terrace at La Chèvre d'Or, where General Manager Thierry Naidu says many of those moving to Monaco are doing so for its financial, political and physical security.*



on as normal at places like Eze, which has a bakery, market, flower stall, and everyone knows everyone."

Another reason for the strong real estate market is that Monaco et environs are attracting a new and different type of buyer, a buyer who wants to move here with his family, which means he wants large properties with three or four bedrooms, which is almost unheard of, certainly in Monaco. "We had a lot of newcomers in 2012," one Monaco resident told me. "Families with children: it will be interesting to see how that will change the social dynamic. Restaurants are always full here. Winters are now quite lively. All year long is busy."

Two new additions to the Monaco skyline are worthy of note as iconic buildings: the

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new Yacht Club de Monaco, and the Tour Odéon. Take the Yacht Club. Unlike the previous tiny Yacht Club de Monaco, you cannot miss this new one. It dominates the eastern side of Port Hercule. Rumors of its cost vary wildly from 50-million to 100-million Euros (\$67-million to 135-million). If your Monaco co-ordinates revolve around the F1 Grand Prix, the Yacht Club is located between the exit of the Loews Tunnel and the Nouvelle Chicane.

With its sleek glossy lines and three 'decks' surrounded by railed walkways, the Yacht Club looks, at a glance, as if someone has tried to ram the Casino with a giant super yacht. On the ground floor are boutiques, a sailing school and a rowing club: Jack Kelly, Grace Kelly's father and Prince Albert's ma-





GUILAUME PELISSON

*“Lord Foster has designed several yachts,” says Andrieux. “This is his first yacht club.”*

ternal grandfather, was triple Olympic gold medallist at sculling.

Step into the lobby and prepare to be amazed by the soaring ceiling and white spiral staircase. Embedded in the walls are vitrines displaying silver trophies and a silver sailing yacht. Behind the mahogany Reception, three large back-lit chronographs show the time in New York, Monte Carlo and Shanghai (but not, curiously, Moscow). Isabelle Andrieux, the club’s charming PR, waltzed me briskly around. The club was launched from drawing boards of Norman Foster & Partners in collaboration with Alexandre Galdi. “Lord Foster has designed several yachts,” says Andrieux. “This is his first yacht club.”

Even more stunning than the lobby is the Library where you can relax on dazzling white leather sofas, and dig your toes into radiantly white fluffy carpets. The level of luxury for a Yacht Club is quite extraordinary. It’s everything you’d find at the Yacht Club



CARLO BORLENGHI

Costa Smeralda in Sardinia, and more. The walls are lined with pictures, charts, photographs, designs and demi-coque models. Among the numerous huge trophies mounted and plinthed throughout the room, you will find the Wally trophy for the respective holders of the sailing records between Monaco and St Tropez, and Monaco and Porto Cervo (Monaco-St Tropez stands at 3 hours, 4 minutes and 40 seconds, established by Nariida on 20 October 1999; Monaco-Porto Cervo stands at 10 hours, 13 minutes and 42 seconds established by Esimit Europa 2, on 26 August 2012).

Elsewhere there are meeting rooms, bedrooms and even a ballroom, which is intended as a “platform of communication for the yacht industry,” as Andrieux put it. I wondered if the bedrooms were also platforms of communication for the yacht industry. There is a private restaurant, fitness center, and a beautiful outdoor swimming pool, which is located just beneath Gerhard



***Lord Norman Foster's design for Monaco's new Yacht Club is certainly evocative of the megayachts that line the berths outside.***

Berger's apartment, to his great excitement. The cream-walled Sport Bar, tastefully hung with pictures of legendary naval figures, old charts and pictures of 19th century Monaco, opens on to a deck overlooking the harbor. I spotted the graceful silhouettes of Rising Sun, Altitude and Chopi Chopi, along with an ugly duckling played by a hideous giant cruise ship.

The preponderance of teak flooring at the Yacht Club, "Will be unbelievably expensive to maintain," suggests a member. "The teak is absolutely gorgeous, but, unlike aboard a yacht where you have to remove your shoes, there is no such requirement at the Yacht Club. At parties, people will be stamping out cigarettes on it, and spilling red wine."

The demolition party for the old Yacht Club (1953; although yachting in Monaco dates from the first regatta in 1862), proved a highlight of the social calendar. Eight hundred people dined then danced at a royal-and celebrity-studded party that went on until 4am. The auction of memorabilia raised lots of cash for good causes. The following week, the party started all over again with the opening of the new Yacht Club, attended by 3,000 guests."

The idea behind the Yacht Club is to reinforce Monaco's credentials as THE center of the yachting world, a gathering place for the most powerful owners, designers, builders and brokers. "Monaco is the center of the super yacht and motor yacht world," says yacht broker Chris Cecil-Wright. "Certainly my peers in the yachting industry regard Monaco as the place where it is essential to have an office, because all the large yachts on the planet head to Monaco at least once in their life. And the Monaco Yacht Show is the biggest in the world by a long shot."

To become a member of the Yacht Club isn't as tough a nut to crack as some other international yacht clubs. You simply have to be proposed and seconded by two members, and then stump up the joining fee

and annual subscription, which seems to vary depending on who you ask. Each year, some 80 new members are plucked from the 400-strong queue of supplicants, and are anointed by Prince Albert, President of the Club, with the official tie and scarf. Spouses of members are included in the membership.

“It is not like the Royal Yacht Squadron where you have to be elected in order to become a member,” says Cecil-Wright, adding that, “should you so much as - ha-ha! - have the temerity to suggest yourself as a possible member of the Royal Yacht Squadron, you are instantly blackballed forever, as indeed are several members of the Monaco Yacht Club.”

“The key to joining lies in the Yacht Club’s motto: The Art of Living the Sea, says ex-

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yacht-broker-turned-property-financier Simon Piggot, a member since 1997. “The selection process can take years or it can be very fast, depending on who is proposing. There are honorary members such as Paul Cayard, skipper of Azzurra, the Italian America’s Cup Challenge, and Royals such as the King of Spain and Prince Charles de Bourbon des Deux Siciles, both avid skippers. There are less active members who share a love of the sea and yachting. The scope of the membership reflects its ambassadorial role, promoting a spirit of friendship, and welcoming twinned and reciprocal members worldwide as well as newcomers to Monaco. Hence the Club is a brilliant marketing tool for the Principality and its values of eco-sustainability both in construction and in yachting terms!”

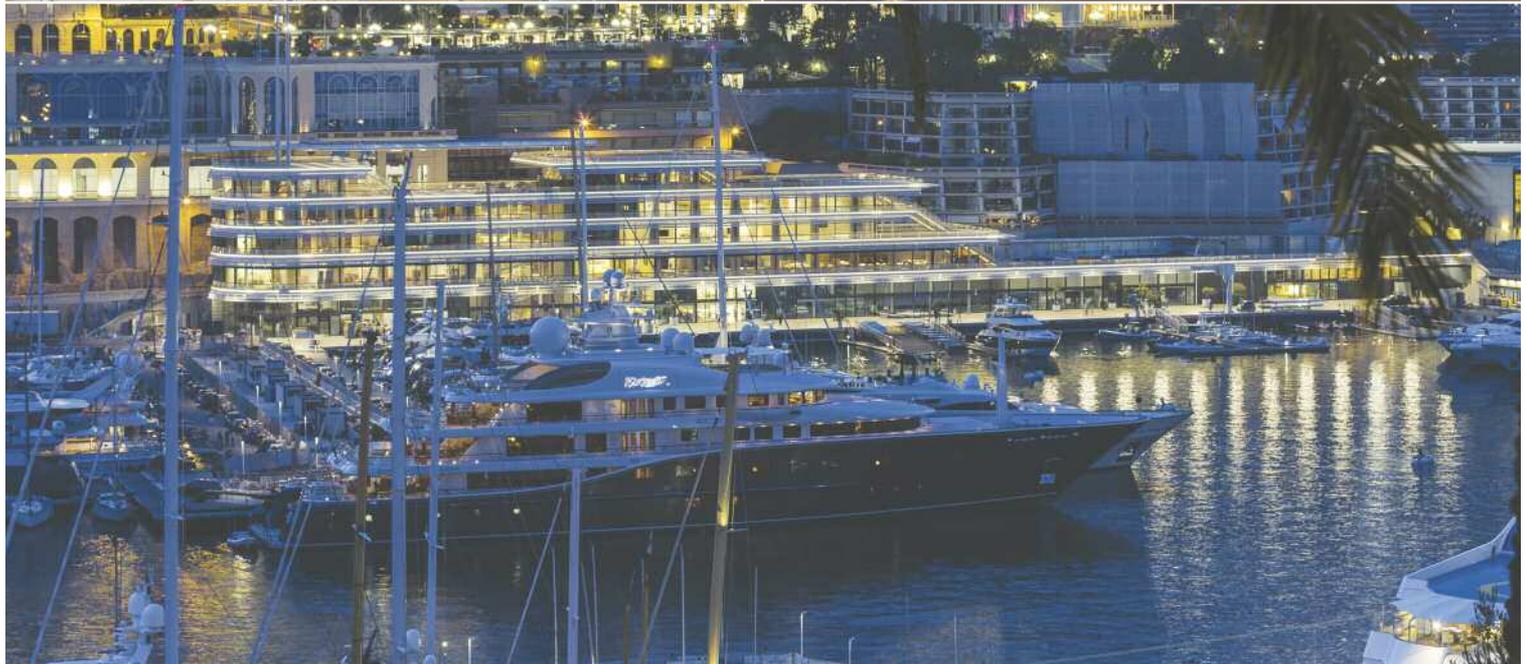
*The interior of Monaco Yacht Club brings together many great elements from yachting, like the Hermes and Riva Aquarama rooms...*



SYDNEY GUILLEMIN



CARLO BORIENGI



GUILAUME PLESSON



*At around \$400-million the Tour Odéon's penthouse—which occupies four floors and features an infinity pool on the roof terrace—will compete for the title of 'most expensive piece of real estate on the planet'.*

## TOUR ODÉON

High above the skyline of the eastern end of Monaco, the Tour Odéon has been turning heads ever since construction began on this vast edifice in 2009. When completed 'in April 2015', Odéon will be Monaco's architectural icon. The penthouse of this 550' (170m) 49-storey block occupies no less than the top four floors of the building... as well as the roof with its outdoor infinity pool. Although the penthouse has not yet been marketed, there have been several 'expressions of interest'. At around \$400-million (300-million Euros), the penthouse will vie with the Petite Afrique building in Monaco as the most expensive marketed real estate on the planet.

I meet Niccolo Marzocco, aged 30 and scion of the Marzocco construction family that is building the Odéon, and who have been operating in Monaco ever since the mid-1970s. Odéon marks a break from his family's repertoire of Belle Époque wedding cakes. It is the joint vision of the Marzocco clan, the architect

Alexandre Giraldi and the late interior designer Alberto Pinto. The 37,500sqft (3,500sqm) plot on which it stands bleeds into France. "The important thing is to have the building in Monaco and the green bits in France," explains Marzocco. "One unique thing about the building is the transparent façade. Glass balconies cover 80 percent of it. For facade lighting we are working with Yann Kersalé, a French conceptual artist who works in light. He works with Baccarat, and has completed projects in Paris and Barcelona. His main thing is lighting up buildings. Odéon will be like a giant screen, but it will not disturb the neighbors." We put on hard hats and ascend the tower via the builder's elevator.

The Marzocco family enjoys an unusual recent history, as Niccolo can relate. "In 1988, my father Claudio was kidnapped in San Remo," he says. "He was in the office one night, and called my mother to say he would be home at 7.30. But he didn't turn up. Mum began to call him, but got no reply. My uncle found everything at

the office open, but no sign of my father. His car was later found on a nearby highway, but there was no word of him. The Mafia had taken him to Calabria, where they chained him up in a cave in a forest and held him for one month." Niccolo continues the dramatic story. "They fed him and gave him cigarettes. They didn't harm him physically. He didn't know his captors, who wore masks. But his captors didn't make contact; the way they do these things is they make the family wait. My father managed to undo the chain with a piece of flint, and then he made his escape. Now, Dad is not Rambo," he grins candidly, "he didn't even do military service. But he managed to walk around 20-miles at night in order to escape. I was a little boy at the time. My mother told me Dad had gone on a business trip. But he came home looking very thin with a big beard. After that, the entire family - there are 28 of us now living in Monaco - moved straight here, and have stayed ever since, although I play football in Ventimiglia just over the border."

*"During planning, we flew a hot air balloon over the site at the height of the penthouse... we wanted to check the 360-degree views."*



# INVICTVS

During our tour, I discover 27,000sqft (2,500sqm) of Odéon have been put aside for services: cleaning, concierge, car washing, convenience stores, catering, valet, business centre, cinema and lounge. "This makes the building kind of unique," says Marzocco. A novel feature is that Odéon is the first public-private partnership project in Monaco: half of the building belongs to the government of Monaco; the other half is for sale to the public. The government-owned half will be rentable by Monaco residents. Both parts have their own separate entrances and lobbies.

"Certainly the quality of Odéon beats anything else in Monaco," says Simon Piggott. "It offers a full service, not just an apartment. Park Palace next to Casino Square can easily have prices reaching \$87,500 (65,000 Euros)/square meter, but it will be surrounded by works for the next four years! The conundrum is whether to buy in the Carre' D'Or (like Petite Afrique) and bear the noise, or buy in l'Odéon - three to five minutes by car to

Place du Casino - with its spectacular views!" At the 22nd floor we arrive at a completed 4,300sqft (400sqm) three-bedroom show apartment. The wraparound balconies are 7' (2.20m) deep. "A good compromise," says Marzocco. "Too deep and you lose light indoors, too shallow and the balconies are too small." The railings are high at 4' (1.27m) tall. "My father doesn't like heights," smiles Marzocco. The flat itself is sumptuously done in contemporary oligarchical pied-a-terre style, but I kept thinking what else I could buy for the \$35-million (26-million Euro) asking price that equates to \$35,000 per square foot (65,000 Euros/sqm)... like my entire street in west London.

"We have one penthouse, and two duplexes," says Marzocco. "The penthouse is 37,500sqft (3,500sqm). Each duplex is 13,000sqft (1,200sqm). The penthouse will be one of the biggest in the world." We continued slowly upwards to the penthouse, still a building site. The views from 700' (220m) above sea level are superb. In Monaco, 'sea view' generally means

a tiny arrowslit of blue, but in Odéon, it means virtually the entire Mediterranean. "When we were planning the building, we flew a balloon to see what the views would look like. On a clear day, you can see Corsica."

The first apartment to be sold in Odéon was a wedding gift to a 25-year-old. When we met, Marzocco had sold 26 units out of 36 placed on the market. "We were surprised when people asked for bigger apartments. Most apartments in Monaco are studio flats. When we conceived this building, we thought a scenario could unfold where the only buyers would be Russians. In fact, we have had French, Swiss, Norwegian, Russian, Kazakhstan and Belgian. It is a good mix. Some clients bought one, two or three units," he says. "People are coming Monaco to live not to invest. Most of the clients are quite young. People move to Monaco mainly for security." I asked Marzocco whom he thought would buy the penthouse. He laughed. "I don't know, but I hope it will be a nice person, someone who would invite me to lunch." **I**

***The show apartment currently available for viewing at Tour Odeon. Of the 36 units placed on the market to date, 26 had sold at the time of going to press.***

