

REAL ESTATE

Demand climbs for ski properties in the Alps: Knight Frank

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Chalet in the Swiss Alps. Image credit: Knight Frank

By SARAH RAMIREZ

While record snowfall and improved infrastructure supported increased demand for homes in the Alps over the past year, property market regulations and the strong franc kept prices from growing, according to Knight Frank's 2018 Ski Property Index.

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Purchasing a ski home, instead of a home in a more mainstream market, is often a lifestyle choice for affluents. More than a third of the world's ski resorts are located in the French and Swiss Alps.

"The Alpine market has never been so dynamic," said Roddy Aris, associate at **Knight Frank**. "There is a wealth of public and private money going in to the mountains to upgrade infrastructure, develop new markets, cement existing ones, prolong the winter season and expand the summer seasons.

"Customers are drawn more and more to a healthy lifestyle and quality family time and that is what they find in the mountains," he said.

The report did not evaluate the market for ski resorts in North America.

Peaks and valleys

Knight Frank evaluated trends in 16 alpine resorts over the period from June 2017 to June 2018.

Thirteen resorts saw prices rise or stay stagnant, but as a whole the index declined 0.5 percent. The 2017 Ski Property Index reported a 1.8 percent drop in prices.



Penthouse in an iconic Chamonix building, France. Image credit: Knight Frank

Two Swiss resorts, Villars and Verbier, topped the index with price growth of 6 percent and 3.4 percent, respectively. However, Switzerland also appeared at the bottom of the rankings, with prices at St. Moritz dropping 11.1 percent.

"Last year Villars held the lowest ranking with a negative 5.8 percent annual percentage change, yet in 2018 it has jumped to first position with 6 percent growth," Mr. Aris said. "This underpins the thought that the resorts that invest in their infrastructure are the ones that will continue to thrive, and this has been the case in Villars with its recent investments."

Verbier was also the snowiest resort and received 27 feet (8.23 meters) of snow during the 2017-2018 season. St. Moritz suffered partly due to high prices along with demand for smaller homes while most of the supply is larger chalets.

Val d'Isère was the top-performing French resort with a more modest 2.2 percent price growth. All of the French resorts appeared in the middle of the pack and none experienced declines.



Chalet in the French Alps at winter. Image credit: Knight Frank

Prospective buyers need to prioritize different factors including length of season, rental demand, elevation and proximity to airports.

As far as factors resorts do have control over, several are investing in new construction — both residential and hotels — and improved ski lifts.

Policymakers in both countries are keeping an eye on the new developments. With 40 percent of either buyers or vendors being foreigners, exchange rates are also an important consideration.

Seasonal experiences

Those purchasing a ski home no longer plan to use it exclusively in the winter months. Ski resorts try to outdo each other by offering residents and visitors better experiences in the peak and off-peak seasons.

Earlier research from Knight Frank showed that the opulence of ski resorts does not protect the sector from customers' hunting for a deal, with buyers appreciating a good value.

Affluent customers who enjoy homes in the mountains and ski resorts as second residences still want to be sure that they are getting a good deal, with interest in locations that offer great values such as Chamonix and Saint Gervais, France, both near the base of Mont Blanc in the Swiss Alps, strengthening. Customers want worth and appeal for

their purchases and investments, making villages such as Val d'Isere Verbier, Switzerland and Chamonix best-in-class considerations ([see story](#)).

Last year, hospitality group Four Seasons Hotels & Resorts opened its first ski resort in the French Alps as it continues to offer guests various lifestyle accommodations.

Four Seasons Hotel Megève is the newest addition to one of Europe's most-popular mountain resorts. The property has direct access to more than 277 miles of skiing, plus the region's only in-house Ski Valet and Ski Concierge services.

In the warmer months, Four Seasons Hotel Megève guests can enjoy the French Alps by golfing, hiking, biking, kayaking and air tours via plane, helicopter or hot air balloon. The nearby town also offers designer shopping and cultural events such as jazz festivals and equestrian showcases ([see story](#)).

"Alpine purchase have always been lifestyle aspirational purchases," Mr. Aris said. "Nobody needs a home in the Alps but it provides a lifestyle and quality family time that can't be found anywhere else in the world."

"Mountain lovers know this and are happy to pay to achieve this goal," he said. "The key to a successful purchase is buying in a liquid market — this is where there is most demand — so that if you wish to sell or upscale or downscale you are able to do so relatively easily."

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