



Housing for Monegasques

Study of future needs up to 2040

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Preamble

The purpose of this study is to provide figures to help understand the issue of Monegasque public housing and to estimate future needs depending on changes in the population of Monegasque nationality and the capacity of the stock (current, planned and envisaged). It follows on from those carried out in 2012 and 2017 at the request of the Government.

To carry out this analysis, Monaco Statistics collected statistical data from the State Property Authority, the Housing Department, the Department of Forward Studies Urban Planning and Mobility and the Monaco City Hall. Data from the population census carried out in 2016 was also used.

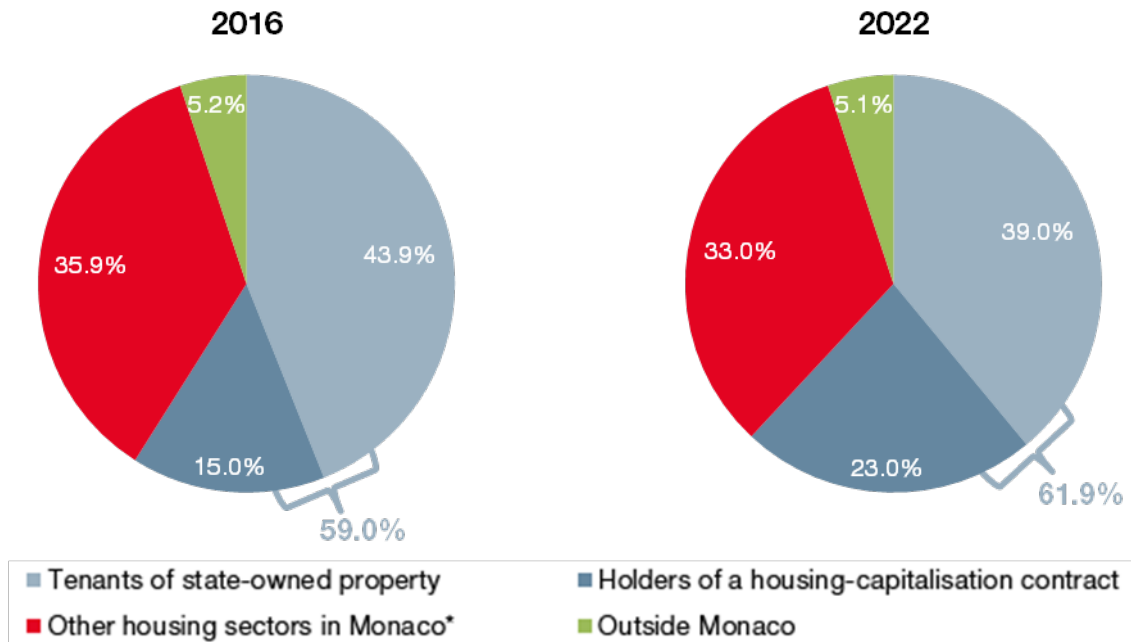
1. Current situation

1.1. Population

As at 31 December 2022, the Principality had a population of 9,686 Monegasques: 5,263 women and 4,423 men.

Since 2016, the proportion of Monegasques living in state property has risen slightly, from 59.0% to 61.9%. Among them, the share of occupants with a “housing-capitalisation contract” has increased more markedly (from 15.0% to 23.0%).

Figure 1. Breakdown of Monegasques by simplified housing sector in 2016 and 2022



* Other housing sectors in Monaco: private (non-regulated or under law) under any occupancy status (owner-occupiers, tenants, etc.), community.
Note: The distribution of Monegasques according to housing sector was estimated on the basis of administrative data concerning the Monegasque population and State-owned housing stock.

Sources: Monaco City Hall, State Property Authority, Monaco Statistics

1.2. State-owned housing stock

The state-owned housing stock studied covers all housing owned by the State on Monegasque territory.

Composed mainly of 1-bedroom (35.0%), 2-bedroom (36.0%) and 3-bedroom (21.5%) flats, there were 3,826 units as at 31 December 2022.

Monegasque¹ occupants, tenants and holders of a "housing-capitalisation contract", account for more than 80% of the state-owned housing stock. Non-Monegasques occupy 12.7% and the remaining 6.2% are temporarily unoccupied properties.

Of the 3,104 Monegasque occupants, 102 (3.3%) live in flats of the regulated sector², including 72 in the rent controlled sector³.

Table 1: Situation of state-owned housing at 31/12/2022

Situation at 31/12/2022	Studio	1-bedroom	2-bedroom	3-bedroom	4 bedrooms and more	Total	Share
Monegasque occupant	43	1,067	1,113	749	132	3,104	81.1%
<i>including holders of a housing-capitalisation contract</i>	7	280	452	362	50	1,151	30.1%
Non-Monegasque occupant	55	163	188	59	21	486	12.7%
Empty flat	24	109	76	14	13	236	6.2%
Total	122	1,339	1,377	822	166	3,826	100%

Note: In view of the delivery of the Elsa tower starting in December 2022 and continuing into early 2023, the situation of the state-owned housing stock at 31/12/2022 has been corrected to reflect the planned moves into this building.

Sources: State Property Authority, Monaco Statistics

The unoccupied flats are intended to be offered at future state housing commission. They are made up of recently vacated flats (often undergoing renovation) and flats rejected during the previous commission.

This stock of empty flats is mainly generated by the changing rental patterns of households over the course of their lives. It helps to meet part of the "frictional need" and is a tool for managing the housing stock.

¹ Nationality of the holder of the lease or housing-capitalisation contract.

² Flats located in buildings constructed before 1 September 1947 and subject to regulations designed to protect tenants' rights.

³ The rent controlled sector concerns flats under law 1.235.

1.3. State housing commission

Between April 2017 and January 2023, 8 State housing commissions were held, more than one a year. In total, they proposed 1,185 new or recovery flats (i.e. apartments that had been vacated and reallocated).

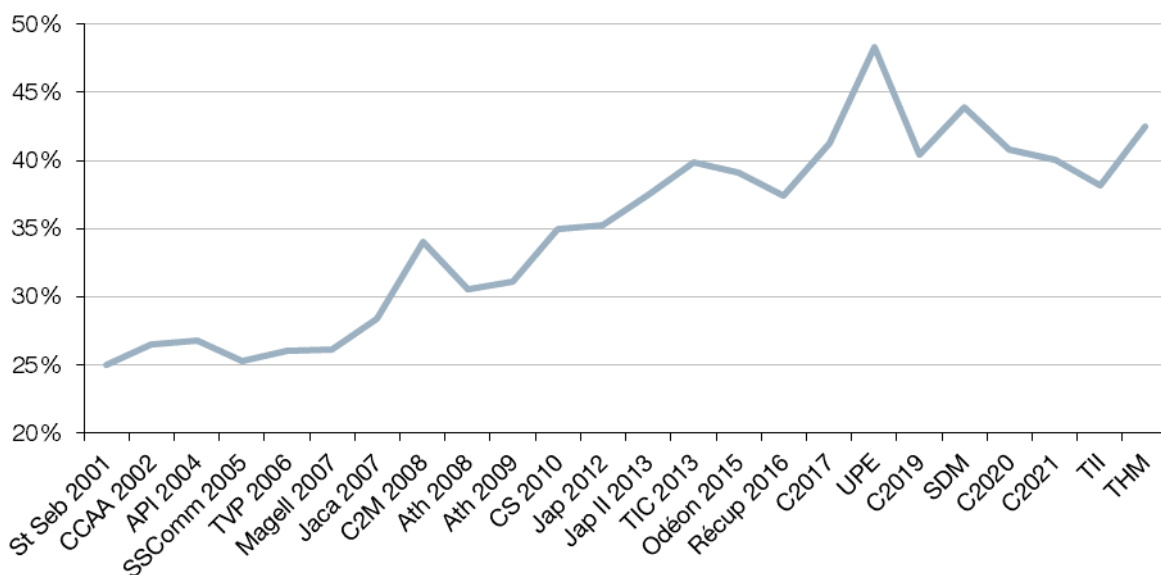
Table 2: Number of flats available by State housing commission

Date	Code	State housing commission	Number of flats
April 2017	C2017	Recovery accommodation (Commission 2017 – C2017)	80
January 2018	UPE	Engelin et U Pavayùn	180
January 2019	C2019	Recovery accommodation (Commission 2019 – C2019)	94
October 2019	SDM	Soleil du Midi	105
November 2020	C2020	Picapeira (Commission 2020 – C2020)	116
October 2021	C2021	Recovery accommodation (Commission 2021 – C2021)	94
June 2022	TII	Testimonio II (ELSA tower)	212
January 2023	THM	RESEDA Tower (TII bis - Palais Honoria - Elevation of Mèlèzes)	304

Sources: Housing Department, Monaco Statistics

The proportion of applicants already accommodated in state-owned housing, which was around 25% for the Résidence Saint-Sébastien commission in 2001, has increased considerably over the years to stabilise at an average of 40% since 2013. This increase is a direct consequence of the change in the proportion of Monegasques living in state-owned housing for more than 20 years.

Figure 2: Share of applicants already living in state-owned housing, by state housing commission



Sources: Housing Department, Monaco Statistics

2. Assumptions for projecting housing needs

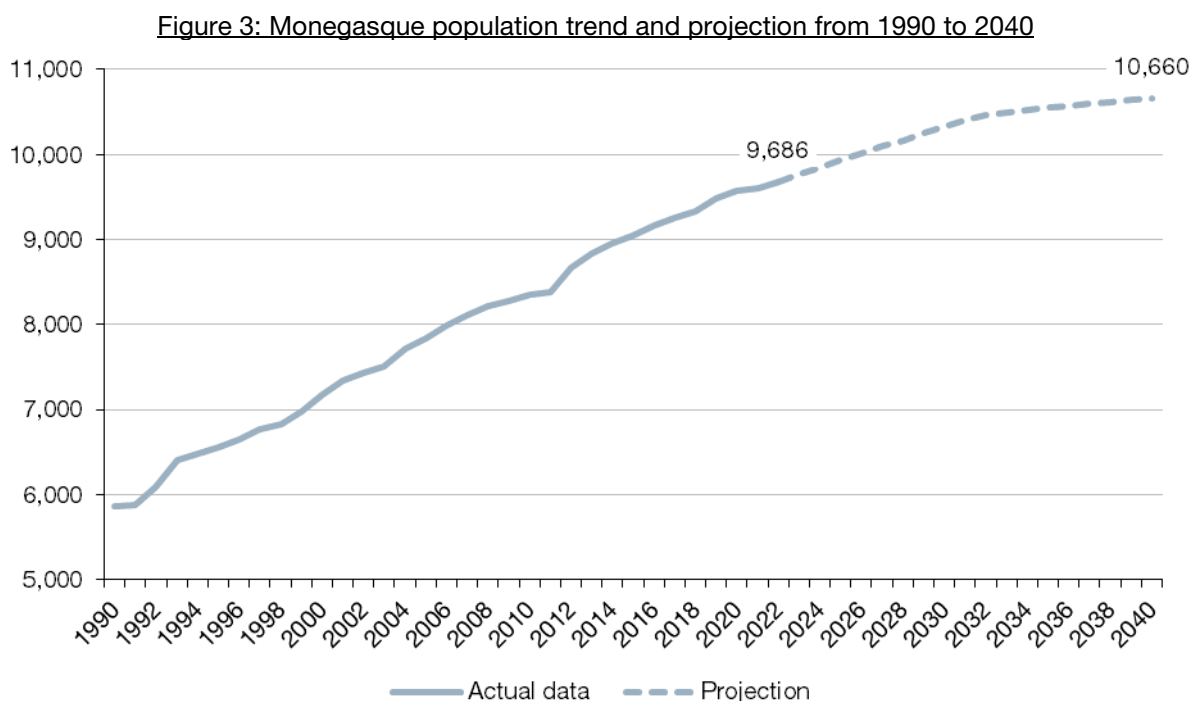
2.1. Estimated growth to 2040

The population projection is carried out using the component method⁴, which consists of projecting the population age by age and year by year, adding births, naturalisations by Sovereign Order, acquisitions of nationality by marriage and subtracting deaths.

The starting point for the projection is the population by sex and age given on 31 December 2022 by the Registry Office (Nationality) of Monaco City Hall, i.e. 9,686 Monegasques.

Assumptions have therefore been made regarding the birth rate, the death rate, the marriage rate, the divorce rate, as well as acquisitions of nationality by marriage and naturalisations by Sovereign Order, in order to simulate a so-called "central" scenario.

Thus, the population by 2040 is estimated at **10,660 Monegasques**, i.e. almost 1,000 additional people in 18 years⁵.



Sources: Monaco City Hall, Monaco Statistics

⁴ Methodology available in Appendix 1

⁵ Details of the results are given in Appendix 2.

2.2. Size of Monegasque households

The size of Monegasque households is a key factor in projecting the need for public housing. It stood at 1.94 Monegasques per household in the 2008 Census and 1.93 in the 2016 Census. The assumption made for 2040 is that this indicator will remain stable at 1.93.

2.3. State-owned housing occupied by non-Monegasques

Most of these flats are occupied by French nationals. They mainly concern housing under law 1.235, rehousing following demolition and staff housing.

The state-owned housing stock occupied by non-Monegasques represented 486 homes as at 31 December 2022. Of these, 33.5% were 1-bedroom apartments and 38.7% were 2-bedroom apartments.

By way of comparison, this figure was 450 in March 2017. The assumption made for 2040 is that this number will remain stable (486).

2.4. Share of Monegasques living in state-owned housing

The proportion of the Monegasque population living in state-owned flats is subject to two assumptions representing a lower limit and an upper limit.

As at 31 December 2022, it was 61.9%. With the addition of the applications from Monegasques not currently living in the estates at the time of the last commission (THM in January 2023), this proportion would rise to 67.1%.

Thus, as in the previous housing study, the lower limit considered corresponds to 65% of the Monegasque population living in state-owned flats.

The upper limit was set at 80%, on the assumption that the proportion of Monegasques living abroad would remain unchanged (5.1%) and the proportion living in the Principality outside the state-owned sector would more than halve, falling from 33% to less than 15%.

2.5. Management stock

The necessary management of the tenancy process for state-owned housing implies the presence of a management stock of flats to cover frictional needs.

Among the foreign case studies, [that of AUCAME](#) (Agence d'Urbanisme de Caen-Métropole) in 2014, seems to summarise the generally accepted findings: *"Generally speaking, it is accepted that a "reasonable" vacancy rate is around 6 to 7%, a threshold that allows both the fluidity of residential career paths and the maintenance of the housing stock. If the vacancy rate is higher than 7%, this may mean, among other things, that there is too much supply to meet demand. Below 6%, it reflects a high level of tension in the housing markets, with supply outstripping demand."*

In Monaco, the vacancy rate in the public housing stock varied between 4.0% and 7.2% over the period 2017-2022. It is 6.2% in 2022.

The assumption used for the management stock is 7%.

2.6. Planned completions

Monaco's housing stock is constantly evolving: 7 projects have been approved to deliver 715 state-owned housing units by the end of 2027, including almost 300 1-bedroom flats (i.e. 40.8%). In addition, other projects are pending authorisation.

Table 3: Scheduled completions of state-owned housing

	Completion date	Number of flats	Studio	1-bedroom	2-bedroom	3-bedroom	4 bedrooms and more
State-owned stock by end 2022		3,826	122	1,339	1,377	822	166
Palais Honoria	Q2 2023	84	0	30	26	26	2
Elevation of Mèlèzes	Q4 2023	14	0	14	0	0	0
Réséda Tower (Testimonio II)	Q1 2024	197	0	104	30	59	4
Carmelha	Q2 2024	25	0	14	4	7	0
Grand IDA	2024	163	1	57	77	27	1
Larvotto Supérieur	2026	35	0	25	7	3	0
Bel Air	2027	197	0	48	81	61	7
State-owned stock by end 2027		4,541	123	1,631	1,602	1,005	180

Sources: Department of Forward Studies Urban Planning and Mobility, Monaco Statistics

3. Estimated housing needs up to 2040

3.1. Number of housing units required

The following assumptions have been made:

- Estimated Monegasque population in 2040: 10,660 nationals;
- Size of Monegasque households: 1.93 Monegasques per household;
- Number of homes occupied by non-Monegasques: 486 flats;
- Size of management stock: 7%.

The number of state-owned flats required by 2040 would be between 4,377 and 5,266 to provide housing for between 65% and 80% of the Monegasque population. This would represent a building requirement of between 551 and 1,440 flats.

Table 4: Evolution of the need for state-owned housing construction

	65% of Monegasques housed		70% of Monegasques housed		75% of Monegasques housed		80% of Monegasques housed	
	Housing requirements	Construction needs	Housing requirements	Construction needs	Housing requirements	Construction needs	Housing requirements	Construction needs
2022	4,025	199	4,294	468	4,564	738	4,833	1,007
2025	4,116	290	4,392	566	4,669	843	4,945	1,119
2030	4,256	430	4,543	717	4,830	1,004	5,117	1,291
2035	4,337	511	4,630	804	4,924	1,098	5,217	1,391
2040	4,377	551	4,673	847	4,970	1,144	5,266	1,440

Source: Monaco Statistics

Depending on the proportion of Monegasques living in state-owned housing, the annual number of additional homes required would be between 31 and 80 between 2023 and 2040.

Taking into account planned completions, this number would fall to less than 56 flats per year from 2028 onwards. Indeed, 715 housing units are planned between now and 2027, i.e. an average of 143 per year between 2023 and 2027.

Table 5: Annual number of housing units required by 2040

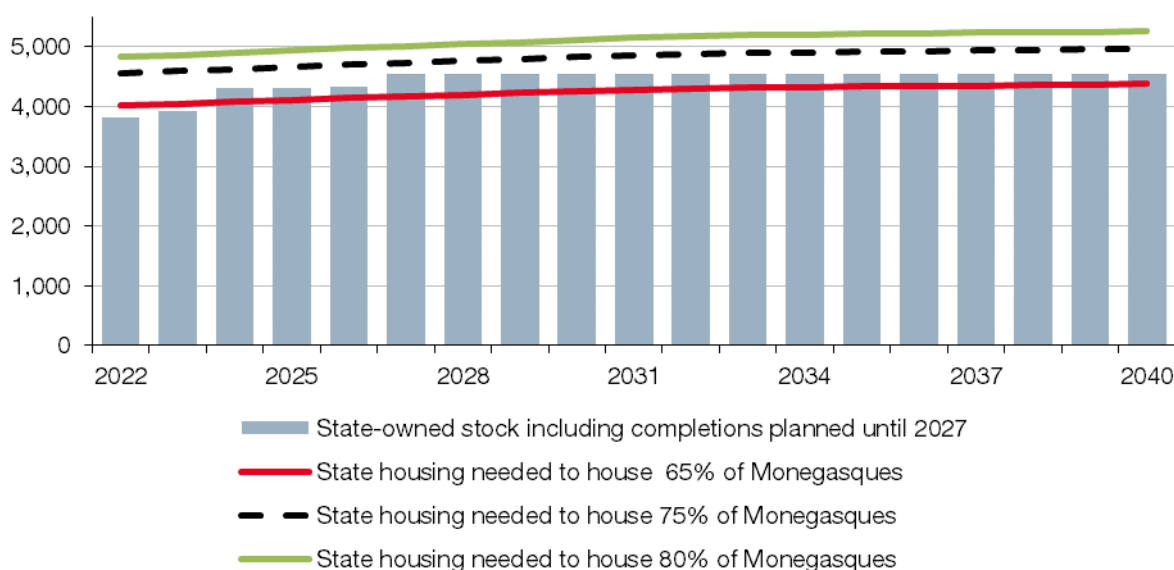
	Size of housing stock	Share of Monegasques living in state-owned flats			
		65%	70%	75%	80%
Annual number of flats required	3,826	31	47	64	80
Annual number of flats required beyond 2028	4,541	0	10	33	56

Note: In the case of a negative annual housing requirement, the building requirement has been set at zero.

Source: Monaco Statistics

By 2040, the planned stock of 4,541 flats would meet the state housing needs of 68% of Monegasques.

Figure 4: Evolution of state-owned housing stock and housing requirements

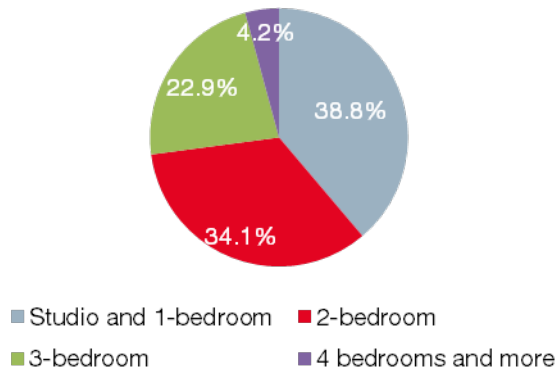


Source: Monaco Statistics

3.2. Type of flats required

The THM Commission, which took place in January 2023, made it possible to identify the need for change of flat type for households already living in state-owned flats, as well as requests from Monegasques living outside state-owned flats. The ideal theoretical stock for 2022 is therefore made up of the stock as at 31 December 2022, adjusted according to the THM commission and the 7% management stock. The breakdown of needs by type is then estimated, all other things being equal, on the basis of this ideal theoretical stock.

Figure 5: Breakdown of ideal theoretical stock by type



Source: Monaco Statistics

The number of state-owned housing units required by type is then estimated by applying this theoretical breakdown to the building requirement (see Table 4).

Table 6: Estimated number of state-owned housing units required by type by 2040

	Share of Monegasques living in state-owned flats				Housing stock 2022
	65%	70%	75%	80%	
Studio and 1-bedroom	1,698	1,814	1,929	2,044	1,461
2-bedroom	1,492	1,593	1,694	1,795	1,377
3-bedroom	1,002	1,069	1,137	1,205	822
4 bedrooms and more	185	198	210	223	166
Total	4,377	4,673	4,970	5,266	3,826

Source: Monaco Statistics

Finally, the need for state-owned constructions by type by 2040 is obtained by the difference between this estimate and the stock in 2022.

Table 7: State-owned construction requirements by type up to 2040

	Completions scheduled up to 2027	Share of Monegasques living in state-owned flats			
		65%	70%	75%	80%
Studio and 1-bedroom	293	237	353	468	583
2-bedroom	225	115	216	317	418
3-bedroom	183	180	247	315	383
4 bedrooms and more	14	19	32	44	57
Total	715	551	847	1,144	1,440

Note for the reader: Assuming that 75% of Monegasque nationals live in state-owned housing, the number of studios or 1-bedroom apartments to be built in addition to those already planned would be: 468-293 = 175 flats by 2040.

Source: Monaco Statistics

3.3. Operations envisaged by the National Housing Plan for Monegasques

The National Housing Plan for Monegasques (PNLM), launched in 2019 by H.S.H. Prince Albert II, envisages 612 additional flats⁶, in addition to the 715 already planned (see section 2.6). This would represent an average of 47 flats per year between 2028 and 2040.

Table 8: State-owned operations planned by the National Housing Plan for Monegasques

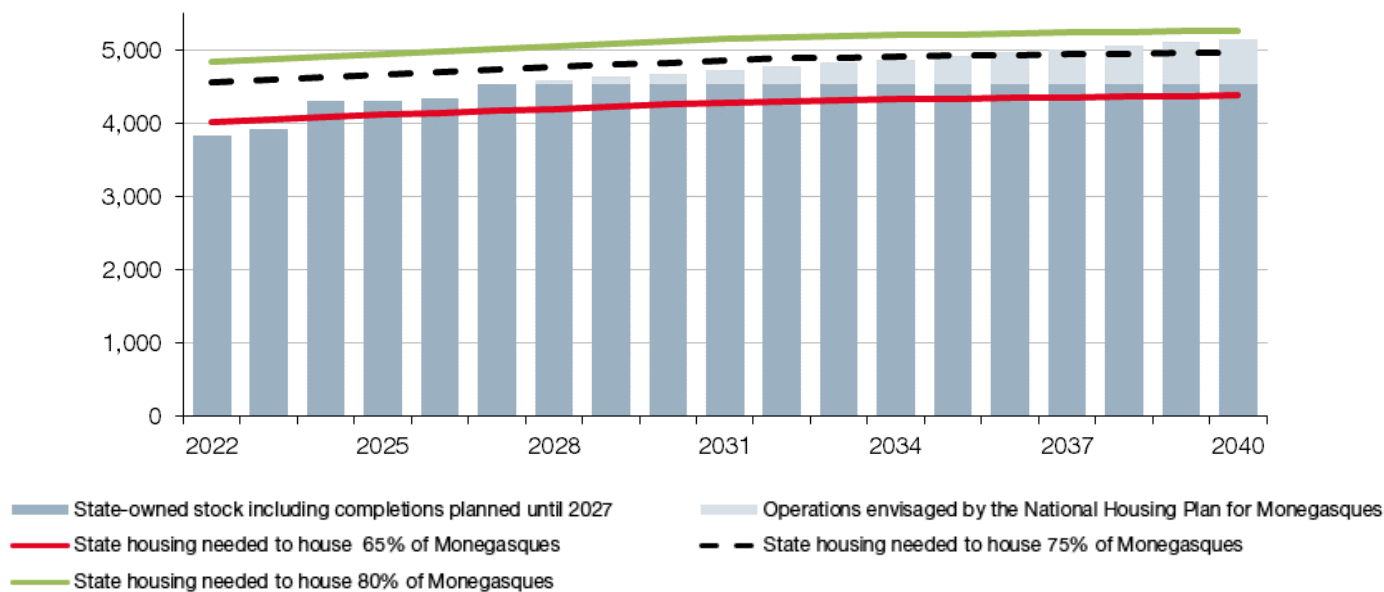
	Net number of housing units
Possible raising of block B of the Grand IDA	6
Esplanade des Pêcheurs	23
Lierres-Nathalie	56
Fontvieille shopping centre	20
Herculis	57
Annonciade II	355
Palace Guards barracks on boulevard de Belgique	95
Total	612

Note: These operations, which are planned to take place between 2026 and 2040, are still awaiting authorisation and, in some cases, validation of their volume.

Sources: National Housing Plan for Monegasques, Monaco Statistics

The projects envisaged by the National Housing Plan for Monegasques would cover the needs of 78.1% of Monegasque citizens by 2040, i.e. 183 additional housing units compared to the target of 75%.

Figure 6: Evolution of state-owned housing stock and housing requirements



Note: The management stock is set at 7% and the number of housing units occupied by non-Monegasques at 486.

Source: Monaco Statistics

⁶ Most of these projects would require the demolition of existing buildings. Therefore, only the net balance of housing is presented.

Appendices

Appendix 1: Methodology for forecasting the population of Monegasque nationality up to 2040

This population projection was carried out using the component method, which consists of projecting the population year by year, adding births, subtracting deaths by age and adding naturalisations, also age by age.

Assumptions have therefore been made about the birth rate, mortality, marriage rate, divorce rate and naturalisation by marriage and Sovereign Order in order to simulate a so-called "central" scenario. They are essentially based on the results of the Monaco Statistics Demography Observatory.

The starting point for the projection is the population by sex and age as at 31 December 2022, as provided by the Demography Observatory. The number of Monegasque nationals is projected between the starting year (2022) and the fixed horizon (2040).

In year $n+1$, the population of year n is aged by one year, then increased by births, naturalisations by Sovereign Order and acquisitions by marriage, and finally reduced by estimated deaths in year $n+1$.

The number of births was estimated on the basis of the average general fertility rates by age⁷ between 2012 and 2021. The male/female breakdown of these births was based on the average sex ratio at birth⁸ of the population of Monegasque nationality since 1951: 106.5 males for every 100 females.

The number of new citizenships to be granted by Sovereign Order of Naturalisation in future years has been estimated at 27 per year, the average number observed over the years 2013 to 2022. They are distributed on the basis of an analysis of the age history and the distribution by sex observed over these years.

Concerning acquisitions by marriage: for the years 2023 to 2032, the number of eligible applicants is composed by the number of foreign people married to a Monegasque national ten years earlier, minus the estimated number of divorces before ten years of marriage (based on the average divorce rate for marriages from 2003 to 2012). This number is reduced by taking into account the number of eligible applicants who have not taken steps to acquire nationality (over the period 2002-2011). From 2033 to 2042, there will be no acquisition of nationality by marriage because the time required to obtain nationality has been set at 20 years instead of 10⁹.

Finally, for deaths, death rates¹⁰ and quotients¹¹ by age have been calculated for the period 2013-2022 and applied to the projected population.

⁷ General fertility rate: Ratio between the number of live births and the population of women aged between 15 and 49.

⁸ Sex ratio at birth: number of boys born for every 100 girls.

⁹ [Law n°1.512 of 3 December 2021](#).

¹⁰ Death rate: Ratio between the number of deaths and the total population.

¹¹ Death quotient: The death quotient at a given age measures the probability of people surviving that age and dying before the next age.

Appendix 2: Overview of population projections up to 2040

	Births	Naturalisations by Sovereign Order	Acquisitions by marriage	Deaths	Estimated population	Growth in value	Growth rate (%)
2023	116	27	35	100	9,764		
2024	117	27	43	101	9,849	85	0.9%
2025	119	27	46	103	9,937	89	0.9%
2026	120	27	39	107	10,016	79	0.8%
2027	120	27	40	108	10,095	79	0.8%
2028	122	27	35	111	10,169	74	0.7%
2029	121	27	45	112	10,250	81	0.8%
2030	122	27	40	114	10,325	75	0.7%
2031	121	27	40	116	10,397	72	0.7%
2032	122	27	36	118	10,464	67	0.6%
2033	124	27	0	120	10,494	30	0.3%
2034	123	27	0	122	10,523	29	0.3%
2035	123	27	0	124	10,549	27	0.3%
2036	122	27	0	126	10,573	23	0.2%
2037	123	27	0	128	10,595	22	0.2%
2038	123	27	0	129	10,616	21	0.2%
2039	125	27	0	131	10,637	22	0.2%
2040	128	27	0	132	10,660	22	0.2%

Sources: Monaco City Hall, Monaco Statistics

