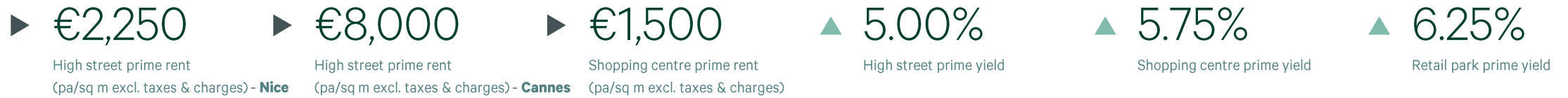


Nice – Cannes: France’s number 2 luxury destination



Note: The arrows indicate annual variations

KEY POINTS

- Nice: France’s number 1 green city, capital of the Côte d’Azur, and number 2 national hub for conference organisation
- Cannes: this city of cinema and major events was named the world’s best destination for festivals and events in 2022 and Europe’s top destination for festivals and events for the third year in a row
- Nice and Cannes: two destinations popular for international, family, business, and luxury tourism
- La Croisette: showcase of the city of Cannes and hotspot for luxury in France and around the world
- Le Carré d’Or: the Park Avenue project will enhance the luxury dimension of this historic waterfront district
- Two evolving cities with mixed urban and real estate projects
- Investments in prime high-street retail units

	2020 population	2020 number of households for tax purposes	2020 disposable income**	2022 retail units	2022 retail density	2022 vacancy rate***
Nice*	952,328	175,676	€20,870	2,413	96.7%	9.1%
Cannes	74,544	39,226	€20,470	1,685	97.5%	11.3%

*Urban unit, **median disposable income, ***all asset types combined

Sources: INSEE, Codata 2023 - retail density & vacancy rates, CBRE Research 2023 - rents & yields

Destination: Capital of the Côte d’Azur

A must-see destination on the Mediterranean coast, the Côte d’Azur benefits from its villages, its countryside, and its famous seaside resorts in Nice and Cannes. The economic activity of the Nice Côte d’Azur metropolis benefits from summer tourism (around 5 million visitors per year) and business tourism (almost 2 million tourists per year). Tourism is the driving force behind the Cannes economy and has earned the city a reputation as one of Europe’s leading event tourism destinations. Nice’s economy is based on an ecosystem focused on sectors of excellence such as AI, healthtech, IT, aromas and nutri-cosmetics, and cleantech. Sophia Antipolis is Europe’s leading technology park dedicated to information technology. The Côte d’Azur Eco-Valley is the first operation of national interest dedicated to the development of eco-technologies and smart cities.

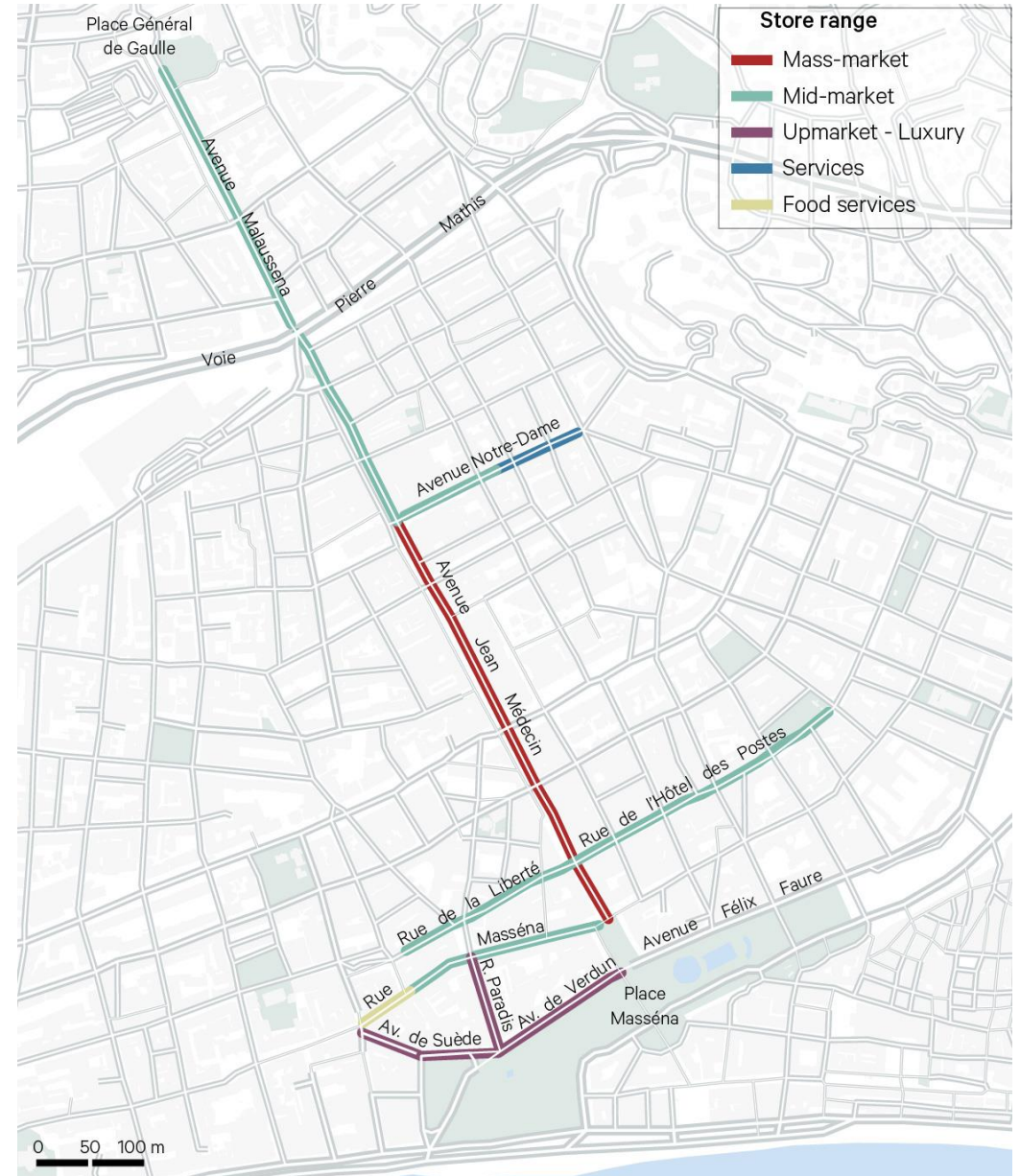
In addition to the advantages of their respective seashores, Cannes and Nice have received several distinctions:

- France’s leading tourist city
- Leading regional international airport
- 2nd-largest number of hotels outside the Paris region
- France’s leading cruise port
- Number 2 city for the concentration of municipal museums
- 1st city to have a wine AOC
- World’s top destination for festivals and events - World Travel Awards 2023
- The Grand Hôtel du Cap-Ferrat was named best French luxury hotel - World Travel Awards 2022

On the urban planning front, work is underway to improve and redevelop road surfaces and sidewalks in the centre of Nice, the Carré d’Or, and the main thoroughfares of Jean-Médecin. At the same time, the Nice city council is planning to reinforce its commercial fabric to preserve its attractiveness. In Cannes, the aim of the renovation work on the La Croisette and the Allées de la Liberté is to boost the city’s attractiveness through the redevelopment of the La Bocca district, which includes a shopping arcade.

Not to be outdone by the travel retail market, Nice Airport has launched a call for tenders to revamp its entire commercial offering targeting the two Nice terminals. The 28 retail spaces, spread over 4,500 sq. m, are affected.

Figure 1 – Distribution of Nice high-street retail activity



Source: CBRE Research 2024

High-street retail momentum

Nice

The city centre draws its strength from six major roads: Avenue Jean-Médecin, Avenue de Verdun, Rue de la Liberté, Rue Paradis, Rue Masséna, and Rue d’Alphonse Karr. The city has recently made a name for itself with many luxury retailer openings. The luxury goods industry, already present in Nice and Cannes, continues to expand. The arrivals in 2022 of two luxury residential real estate players on Avenue de Verdun (Michaël Zingraf) and Rue Longchamps (Sotheby’s) are particularly noteworthy. The Park Avenue Nice project, led by City Mall, will bolster the luxury identity of the Carré d’Or and establish itself as a new retail destination (from 2024).

The market’s vitality is mainly concentrated in the Carré d’Or, Jean-Médecin, and Thiers submarkets. The Old Nice submarket, which suffered from a high level of retail vacancy following the departure of local shops, is now experiencing a revival, thanks to food retailers. Even so, rental vacancy has fallen throughout the city (9%), with rents showing some stability. This post-pandemic trend has boosted a return of demand. Some spaces remain vacant because of particularly high asking rents, though.

However, the market is suffering from a shortage of supply, particularly in large spaces (300–600 sq. m) in the food service and ready-to-wear sectors. For these reasons, retailers are turning to the outlying areas, except for luxury, which continues to favour the Nice city centre. Expressed demand is concentrated at the lower end of Avenue Jean-Médecin (up to Avenue Notre-Dame). In 2022, this section of the thoroughfare saw the arrival of Jott, Aroma-Zone, and Leroy Merlin Décoration and the relocation of Habitat. Other new arrivals included IKKS, Amorino, and Starbucks (Rue Masséna), Not Shy (Rue Lonchamp), Ubaldi (Place Masséna), Sandro, Wolford, and Falconeri (Rue Paradis), Ferret and Dinh Van (Avenue Verdun), and Momoni, Vanessa Bruno, and Isabelle Marant (Rue Alphonse-Karr). The openings in 2023 included Kave Home (Avenue Jean Médecin), Roche Bobois and Ubaldi (Place Masséna), and Intersport (Avenue Notre-Dame).

Cannes

Renowned for its upscale retail offering, the Cannes high street is proving resilient. Although still moderate, the return of tourists and customers with high purchasing power has been noted, while rents remain stable for the time being. Rue d’Antibes remains a key retail thoroughfare, where Darty and Lacoste recently renewed their leases. The arrivals of Breitling and TAG Heuer in 2022 are particularly noteworthy. In 2023, the key arrivals included Arije (Bd. de la Croisette), Tudor (Bd. de la Croisette), Façonnable (Rue d’Antibes), Isabel Marant (Rue des Belges), and CP Company (Rue du Commandant André).

Figure 2 - Nice and Cannes high street rents

City	Street	Low range	High range
Nice	Rue de Paradis Avenue de Verdun	€1,800	€2,250
Nice	Avenue Jean Médecin	€1,500	€2,000
Nice	Rue Masséna	€1,200	€1,600
Nice	Rue de la Liberté	€700	€1,000
Nice	Rue de l’Hôtel des Postes	€250	€400
Cannes	La Croisette	€4,000	€8,000
Cannes	Rue d’Antibes	€1,500	€2,500
Cannes	Commandant André	€1,000	€1,500
Cannes	Rue Hoche	€600	€1,000
Cannes	Rue Meynadier	€500	€800

*Weighted rent in € pa/sq m excl. taxes & charges
Source: CBRE Research, Q3 2023

Figure 3 – Focus on Rue Jean-Médecin



*The data pertain to the entire Rue Jean-Médecin, from Place Masséna to Boulevard Raimbaldi.
Sources: Codata, CBRE Research 2023

Commercial dynamics of shopping centres and the outlying areas

Nice's high street has two major shopping centres:

- Nice Etoile, located on Avenue Jean Médecin, is home to around 100 shops across a retail space of around 22,000 sq. m. The vacancy rate remains relatively high, particularly for upper-floor units, despite being near Place Masséna and tram line 1. The ground-floor occupancy rate is generally good and stable, thanks to direct access to the very busy pedestrian thoroughfare.
- Nice TNL features 21,300 sq. m of retail space spread across 50 shops. Each year, the centre welcomes 7 million visitors.

In the outlying areas, Cap 3000 in Saint-Laurent-du-Var is the leading shopping centre. With its 135,000 sq. m of space, Cap 3000 features 300 shops, restaurants, and a walkway dedicated to luxury. The centre recently strengthened its upscale identity, attracting local and international customers and competing with the Nice high street.

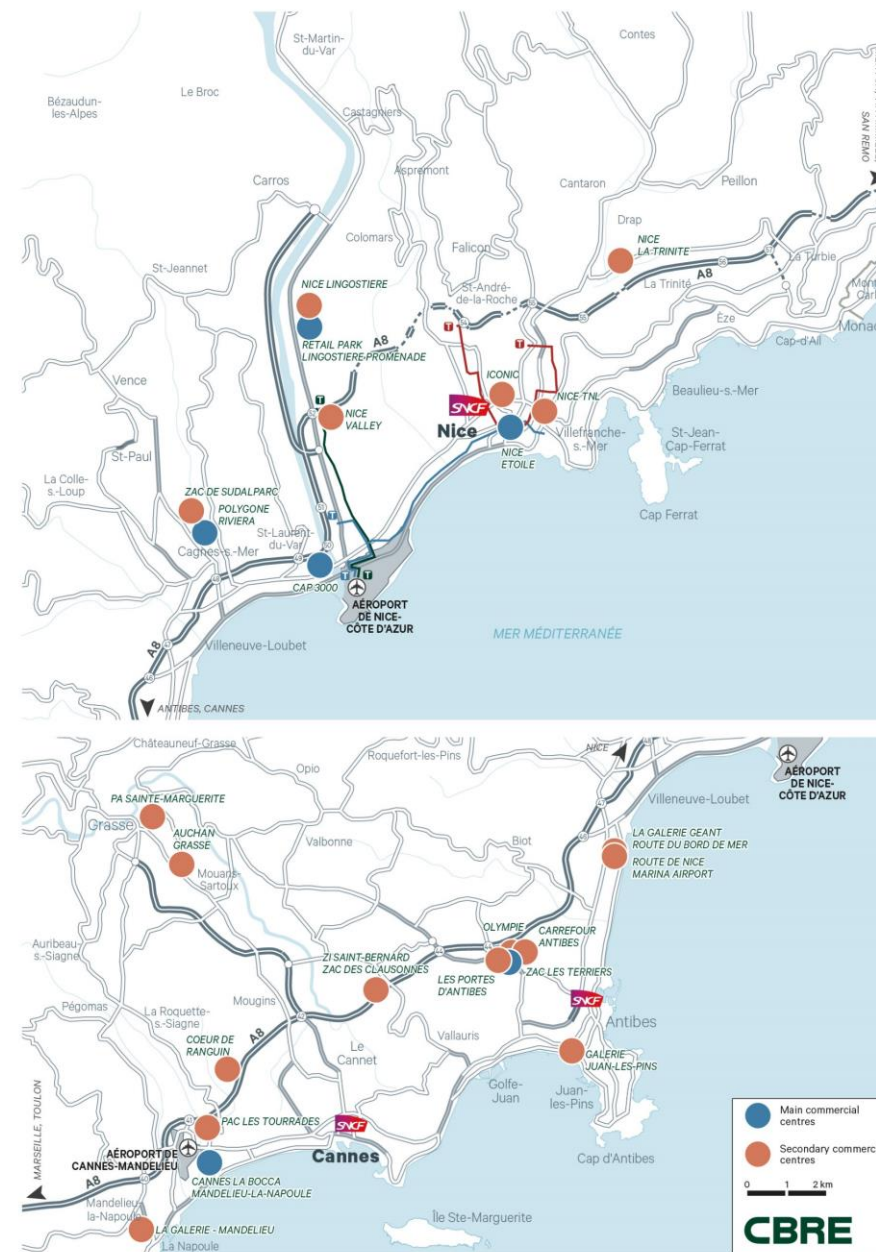
The Nice Lingostière shopping centre was also transformed, with an extension of more than 11,000 sq. m. opened in May 2021. The shopping centre boasts over 100 shops across a total of nearly 20,000 sq. m. Newly installed retailers include H&M, Mango, and Cultura. The site welcomes nearly 5 million visitors every year. The upcoming opening of IKEA is expected to boost the city's appeal and compete with the Nice Lingostière shopping centre, which is less accessible because of its location in the north of the city.

Also noteworthy is the installation on the Iconic programme of Uniqlo and Monoprix in spaces between 1,500 sq. m and 1,000 sq. m.

The Village Sophia (formerly Open Sky) retail complex project, led by Compagnie de Phalsbourg, has undergone changes. The original retail space was reduced by 35%. Work on the project, which has come to a standstill, is scheduled for completion in 2025.

Retail parks remain attractive, with little retail rotation and low rental vacancy.

Figure 4: Main retail centres in and around Nice-Cannes



Source: CBRE Research 2024



Retail Contacts

Vincent Louksy

Consultant - Retail
+33 (0)6 69 07 84 61
vincent.louksy@cbre.fr

Sophie Boniou

Leasing Regions Director - Retail
+33 (0)6 98 33 58 69
sophie.boniou@cbre.fr

Benjamin Sebban

Investment Director - Retail
+33 (0)6 69 09 68 11
benjamin.sebban@cbre.fr

Marianne Frank

Deputy Head of Investment Properties - Retail
+33 (0)6 07 86 48 10
marianne.frank@cbre.fr

Béatrice Rousseau

Valuation & Advisory Services
Director - Retail
+33 (0)6 08 18 40 02
beatrice.rousseau@cbre.fr

Romain Galante

Valuation & Advisory Services
Associate Director - Retail
+33 (0)6 31 43 05 17
romain.galante@cbre.fr

Research Contacts

Livia Sormain

Research Consultant
+33 (0)1 53 64 30 80
livia.sormain@cbre.fr

Sabine Echalier

Market Research Director
+33 (0)1 53 64 37 04
sabine.echalier@cbre.fr

Pierre-Edouard Boudot

Executive Director – Head of Research
+33 (0)1 53 64 36 86
pe.boudot@cbre.fr

© Copyright 2024. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change. CBRE disclaims all liability for any decisions taken or conclusions reached based on information herein, particularly in terms of CBRE or third party securities purchased or sold and does not guarantee the accuracy, completeness, or adequacy of the information herein. Legal, tax or accounting statements and recommendations should be understood as general observations based on our experience and knowledge of the commercial property markets and should not be used as legal, tax or accounting advice, which we are not authorised to provide.