



A GUIDE FOR PROPERTY RENTAL IN MONACO

The process for renting property in Monaco has its unique characteristics and differs considerably from jurisdictions such as the UK or France. This guide is intended to bring clarity to the process of renting property in the Principality.

In order to secure a rental property, the first step is to make a written offer for the apartment setting out the level of rent you will be prepared to pay and any other conditions you may have. It is important to note that if the offer is accepted and you subsequently withdraw from the agreement, you will forfeit the 3 month rental deposit which is submitted when you make the offer (see below). You will also have to pay the agency commission (10% of the annual rental plus VAT at 20%). A copy of your ID must be annexed to the offer and often a bank reference will be required.

When you make the offer, it is usual practice to back up the offer with a cheque drawn on a Monaco bank, and which represents the 3 month rental deposit mentioned above plus the agency commission. This is not cashed unless and until the offer is accepted, but should the offer be accepted and you then withdraw, the cheque is cashed and both sums are forfeited to compensate the owner and agency for work done and time lost.

In some cases, for example where a prospective tenant is being employed in Monaco, the tenant's employer can write the cheque on behalf of the tenant which is, in these cases, often the simplest solution.

If you do not yet have a Monaco bank account when trying to secure a rental, the agency acting will require a bank transfer to be made in their favour for the amounts and on the same conditions as described above. This transfer must be made within a short timeframe of the offer being accepted and this will be set out in the offer document.

Disbursements and other costs:

Registration duty at 1% of the annual rent plus service charges;

Stamp duty at €1 per page of the lease;

Bailiff ("huissier") fees as generally a bailiff will make a report on the condition of the apartment at the start of the lease which records its state on entry and the apartment should be returned in the same condition: usually around €500- €700.

In terms of the agency fee, the usual commission as recommended by the Chambre Immobilière (our professional regulatory body) is 10% plus VAT at 20%. It is always the tenant who pays the commission here which is not the case in, say, the UK where the landlord pays a commission and the tenant does not. This commission covers the following:



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1. Compiling a selection of apartments for you to view, bearing in mind your search criteria;
2. Organising visits of selected apartments with you;
3. Drafting an offer and submitting it to the landlord or his representative;
4. Liaising with you re the preparation of the lease - we will help negotiate the terms of the lease with the landlord but it should be noted that in most cases there is very little, if any, margin for negotiation of rent as leases in Monaco tend to be offered on a 'take or leave it' basis;
5. Registering the lease with the tax authorities
6. Dealing with the supply of utilities to the apartment (ie electricity/ telephone etc) once the lease is signed;
7. Ensuring that the apartment is correctly insured by the tenant;
8. Assisting (if required) with the residence card process on behalf of the tenant. Registering the lease with the tax authorities;

The service that Savills Monaco provide is comprehensive and specifically designed to give prospective tenants peace of mind in what for most is an unfamiliar process and market.

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