

## European prime property

## Could climate change put Alpine resorts out of business?

Ski areas are working hard to diversify, but property prices in many places are on the slide



The Glacier Express traverses Findelbach bridge in the Swiss Alps © Christian Kober

George Hammond NOVEMBER 2, 2018

The road from Bourg-Saint-Maurice to Val d'Isère is like most others in the Alps: a series of stomach-testing bends, framed by rising peaks and punctuated by the occasional careering Citroën. In one regard, though, it is unique. Midway along the road's path, Hercules looms into view. The Roman god's curls and flexed torso are rendered on a concrete canvas 180m high. The fresco is painted on the Tignes dam and depicts the Olympian holding back the waters of Lac du Chevril.

When it was completed in 1952 the hydroelectric dam was Europe's tallest, and intended to supply 10 per cent of France's electricity. The development of nuclear power soon put paid to that — salt in the wounds for the former residents of Tignes, whose village had been submerged in order to build the dam. The modest houses and church spire occasionally emerge when the lake is drained.

There was an upside to the flood. Compensation paid to the village funded the construction of a new town and resort, Tignes — one of Europe's most popular skiing destinations. But with ski numbers declining over much of the past decade — as younger generations turn elsewhere and global warming changes the Alps at an alarming rate — is there a risk of the ski town going under again?

Since 2008, the number of skiers visiting the Alps has declined in every season bar two, falling from 175m to just over 150m in the 2016/17 season, according to a report compiled by Laurent Vanat, a ski consultant. Last year's bumper snowfall may have lured greater numbers, but the general trend should spark concern for ski resorts. Vanat identifies the basic issue as “the retreat of baby-boomers and the low renewal of customer base”, with “worldwide competition in holiday and leisure activities” turning the heads of younger holidaymakers.



A five-bedroom chalet in Gryon, Villars-Sur-Ollon, Vaud, €2.8m © David Walls

Then there’s climate change. The temperature in the Alps has risen at almost twice the global average, up by almost 2 degrees over the past 120 years. The increase makes snow levels precarious, and means resorts are evermore reliant on artificial methods for keeping runs open. For Tignes, a massive reservoir may prove to be a godsend. “Any resort can put in snow cannons,” says Jeremy Rollason, head of Savills’ ski department. “The hard part is getting access to water — consumption of which is controlled by a variety of communes.”

On the verge of a new ski season, Alpine resorts are working hard to adjust to changing temperatures, tastes and expectations.

One of the most ambitious investments is taking place in Andermatt, in the Swiss Alps, led by Egyptian billionaire Samih Sawiris. The picturesque village has long been favoured by more adventurous skiers for its off-piste access, but an injection of £1.4bn into new ski infrastructure as well as 500 new homes and a number of hotels is intended to attract a wider audience.



Andermatt Concert Hall will seat 700 people

“To make it attractive to buyers you need an all-year-round infrastructure. We’ve built the whole

conference infrastructure, we've opened a 700-seat concert hall — in the mountains that's a huge concert hall. We have a golf course, we have possibility for hiking, cycling. Everything you can do in the mountains you can do here," says Stefan Kern, head of communications for the development company.

A substantial part of the project is a network of new lifts connecting Andermatt to the neighbouring resorts of Sedrun and Disentis, creating a far larger linked ski area.

The investments in Andermatt are indicative of wider trends across the Alps. In Switzerland, Arosa and Lenzerheide have recently been married by a cable car, as have Grimentz and Zinal; in Austria, the Arlberg region has been linked up; in France a planned connection between Alpe d'Huez and Les Deux Alpes will create one of the largest ski areas in Europe. These resorts are "effectively doubling their ski areas. There are untold advantages for smaller resorts to being a back entrance [to larger areas]," says Rollason.



Motorcycle enthusiasts in Morzine © Jean-Philippe Ksiazek/AFP/Getty Images

As well as infrastructure, resorts are piling money into facilities that will keep them attractive once the snow melts. "There's been a realisation that not everyone skis. France was quicker to invest in things other than snow cannons: mountain bike trails, zip-wires, paragliding or the Aquamotion [a £50m water park] in Courchevel," says Kate Everett-Allen, head of international residential research at Knight Frank. "The Swiss markets have been supported by other things: the World Economic Forum in Davos, private schools in Crans-Montana and Villars," she adds. That and the low tax, presumably.

"Apart from infrastructure itself we're seeing resorts trying to do more and more events. Even the smaller communes are organising festivals," says Rollason.

Big spending on new infrastructure and facilities hasn't prevented chalet prices falling across much of the Alps. In St Moritz in Switzerland, the average price of a four-bedroom chalet is down 11.1 per cent in the year to June 2018, according to Knight Frank. In nearby Klosters, prices have come off 10.7 per cent. Across the 16 French and Swiss resorts covered in Knight Frank's analysis, average prices dipped 0.5 per cent in the year to June 2018, having fallen 1.8 per cent the year before.



The Tignes dam sports a fresco of Hercules © De Agostini/DEA/W. BUSSI/Getty Images

Even in newly flush Andermatt prices have remained static. With the best snowfall in memory coming last season and cash flowing into development across the Alps, it might appear that resorts are having to run just to stay still.

Dwindling visitor numbers might have a bearing on the price drops, but there are other reasons too: the strength of the Swiss franc (which was de-pegged from the euro in 2015) and regulations on the Swiss property market — in particular the introduction of the Lex Weber law in 2013 that set a cap on second homes in each Swiss commune at 20 per cent — have constrained buyers and hit prices in turn. Over the border, prices have been more buoyant. Of the eight French resorts in Knight Frank’s analysis, only one didn’t see price growth in the year to June.

The greatest increases in France and Switzerland respectively were in Val d’Isère, with a 3 per cent increase, and Villars, with 6 per cent. In the former, a four-bedroom chalet is on the market for

€4.5m, with Knight Frank. In the latter, a five-bedroom chalet is for sale with the same agent for €2.8m.



Four-bedroom chalet in Val d'Isère, €4.5m

Both have some way to match Gstaad for price. One square metre of chalet space in the Swiss village costs around SFr35,000, according to Knight Frank. High prices are largely underpinned by Gstaad's reputation as a mountain meeting-point for the rich and famous, but having one of the longest ski seasons in the Alps helps too. The town itself is low, at just over 1,000m, but its 220km of accessible pistes top out on a 3,000m-plus glacier, with some runs open for 28 weeks a year.

Not every resort is so well placed and resort managers have had to take matters into their own hands to cope with unreliable snowfall. In Davos, a programme of snow farming has been in place for over a decade. Last season's powder is stowed under tarpaulin over the summer, and propagated as the new season begins. In Andermatt, the glacier is part-covered in summer, says Kern.

Such measures are increasingly the norm, as resorts strive for longer seasons against the tide of global warming. Even in the face of such an existential threat to the Alpine ecosystem, Kern, at least, is keen to emphasise the positives: "The other effect of climate change is that, when it's really hot in the flat regions it's still quite cool up in the mountains. Some guests enjoy the cool air."

## Buying guide

- The Alps contains more than a third of the world's ski resorts and is the most visited ski region globally, according to Laurent Vanat, a skiing consultant
- The Lex Koller law, which restricts foreign purchases in certain parts of Switzerland, has been in place since 1983. Andermatt's developers have negotiated an exemption from the rule
- Chinese president Xi Jinping has set a target for China to have 300m skiers by 2030. The Alps has seen an increase in Chinese buyers, but from a very low base, say agents

## What you can buy for ...

**€1.15m** A six-bedroom chalet in the Chamonix valley

**€3m** A three-bedroom penthouse in Courchevel

**€10.6m** A nine-bedroom chalet close to Gstaad

More homes at [propertylistings.ft.com](http://propertylistings.ft.com)

Follow [@FTProperty](#) on Twitter to find out about our latest stories first. Subscribe to [FT Life](#) on YouTube for the latest FT Weekend videos

Get alerts on European prime property when a new story is published

Get alerts

Copyright The Financial Times Limited 2018. All rights reserved.

Explore the series

ABOUT THIS SERIES

Live the high life: a round-up of how to enjoy a change in altitude

Currently reading:

Could climate change put Alpine resorts out of business?

Hot property: mountain living

Planks for the memory: Norway's wooden ski tradition

Patagonian property attracts adventure capitalists

Adirondack Park seeks to revive the great camps of the Gilded Age

When is a waste incinerator also a ski slope?

Snow-sure Val d'Isère aims for Courchevel's crown

[See all 9 stories](#)

Follow the topics in this article

European prime property

Life & Arts

House & Home

George Hammond

