

luxury defined

AN INSIGHT INTO THE LUXURY
RESIDENTIAL PROPERTY MARKET

2015



CHRISTIE'S
INTERNATIONAL REAL ESTATE



DAR OLFA, MARRAKECH, MOROCCO

FOREWORD

*Our third annual analysis of the global luxury residential market, **Luxury Defined 2015** sheds fresh light on the new benchmarks, dynamics, and drivers that are shaping this enduring asset class.*

What qualifies as “luxury” in the residential property sector differs significantly from market to market, both in terms of price and characteristics of a home. In this year’s *Luxury Defined* report, we frame the global luxury real estate sector, not only by examining the world’s top 10 cities for prime property, but also by analyzing more than 70 additional regional markets to determine the factors at play across the luxury residential spectrum. We also look at the characteristics that define luxury today and explore which emerging markets are setting the pace for luxury tomorrow.

Because we remain under common ownership with Christie’s art auction house, Christie’s International Real Estate is uniquely qualified to understand the shifts and trends impacting high value asset classes, from fine art to fine homes, alongside the motivations of the affluent individuals who purchase them – a distinction that sets us apart from our major competitors.

This paper captures the collective wisdom and insights of our global network—comprised of 32,000 agents operating out of 1,350 offices globally—and specialists from the broader Christie’s luxury goods world. The experts you will hear from in this report are the leaders in their local property markets and are recognized as authorities on the world real estate stage.

Key findings of this research report include:

- While 2013 saw record-breaking growth in primary markets, 2014 witnessed a return to more normal growth. Second-home resort markets led the growth in high-value sales in 2014, with *Jet Set Destinations*

recording on average a 28 percent year-on-year increase in sales.

- The average starting price for a “luxury” home across the globe is \$2 million. Beverly Hills has the highest price entry point, where luxury begins at \$8 million.
- Luxury properties sell the fastest in certain global economic hubs, such as Toronto, which led the way with a remarkably low average of 31 days on market for prime property.
- More properties than ever were both sold and listed for sale at \$100 million or higher in 2014. “Trophy” is the new buzzword in luxury real estate.
- Tax-law changes and exchange-rate movements have affected several markets, but the overall global luxury real estate sector performed exceptionally well in 2014.
- London topped the list of the world’s most “luxurious” real estate markets in 2014; Toronto ranked as the so-called “hottest” luxury property market.

I hope you find these and other findings insightful.



Dan Conn, CEO
Christie’s International Real Estate



Zürich, Switzerland Page 04



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Côte d'Azur, France Page 30



Muskoka, Ontario, Canada Page 44



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Luxury Defined

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TROPHY RICHARD MEIER PENTHOUSE AT 165 CHARLES, NEW YORK, NEW YORK

LUXURY DEFINED 2015 OVERVIEW

Much like beauty, luxury is in the eye of the beholder. Often elusive, sometimes overused, but always out of the ordinary, “luxury” means different things to different people. In its broadest sense, luxury connotes quality, refinement, and exclusivity. But in the rarefied world of prime real estate, its definitions also encompass changing lifestyles, shifting economic hubs, the need for greater privacy, and environmental concerns.

In this report—the third in our *Luxury Defined* series—we set out to define the global luxury real estate market in a much broader context than ever before. Unlike previous studies, this report captures standard measurements of the luxury property market—top sale prices, volume of luxury home sales, average sale prices and so forth—and benchmarks them laterally (to similar markets) rather than vertically (to all markets), painting a unique portrait of this fascinating market globally. This paper examines the macroeconomic factors and demographic shifts that give rise to differences between the luxury and the overall residential markets, and explores why this asset class

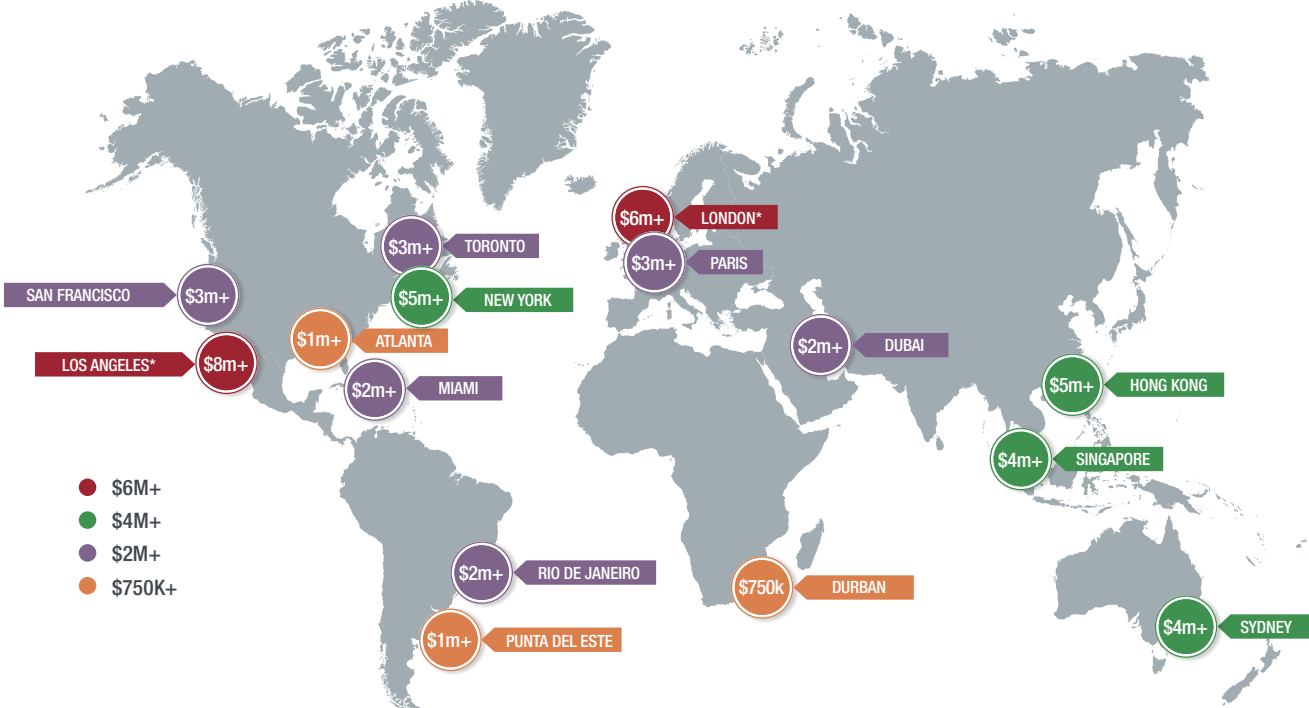
is becoming an increasingly important component of the portfolios of the world’s most affluent individuals.

As with previous *Luxury Defined* reports, in this year’s paper we once again set global market benchmarks by selecting and ranking the world’s top cities for luxury real estate. These markets were chosen based on a range of factors that influence the affluent luxury home buyer and seller⁽¹⁾ and are highlighted as the world’s top 10 “Best of the Best” cities: Dubai, Hong Kong, Los Angeles, Miami, New York, Paris, San Francisco, Sydney, and Toronto.

As intriguing as the shifts and dynamics are in the world’s top cities, they are not always illustrative of the luxury real estate market at large. To provide a more comprehensive definition of this sector, this year’s report includes data from our affiliates in more than 80 prestige real estate markets worldwide and analyzes primary and secondary markets in separate detail. Our insights provide a broader context to better understand how high-net-worth individuals (HNWIs) are buying prime real estate where they live, work, and play.

1. What’s the starting price for a luxury home around the world?

US\$, average by luxury housing market location



* Los Angeles data references Beverly Hills and surrounds. London data references Prime Central London. New York data references Manhattan.

COMPARING THE MARKETS

DEFINING LUXURY BY LOCATION

What qualifies as a “luxury” home differs significantly around the world, in terms of both price and attributes of individual properties. Based on our survey, the average starting price for a luxury home across all markets is around \$2 million, ranging from \$750,000 in markets such as Durban in South Africa, and an astounding \$8 million in Beverly Hills. Given this disparity in prices for the basic starting point of luxury property, comparing the standard measurements of the luxury real estate market in a global economic powerhouse city to that of a smaller second-home resort destination fails to account for key market differences. To more accurately reflect and interpret the trends and market dynamics at play, we segmented surveyed markets into several categories, largely identified by population size, number of high-net-worth residents, buyer types, home purchase type, housing mix, and general economic indicators. (See Exhibits 3 and 4)

“Much like beauty, luxury is in the eye of the beholder. It means different things to different people.”

Cities and their surrounds dominate our first umbrella category, the “primary markets.” The majority of luxury homes in these areas are purchased as primary residences. Markets grouped under this umbrella include *Global Economic Hubs* (large

international cities), *Metropolitan* (mid- and small-size cities), and *Suburban* markets that surround cities. Our top 10 “Best of the Best” cities referenced throughout the report are all *Global Economic Hubs*, but several other cities are included in this category, such as Atlanta and Zürich.

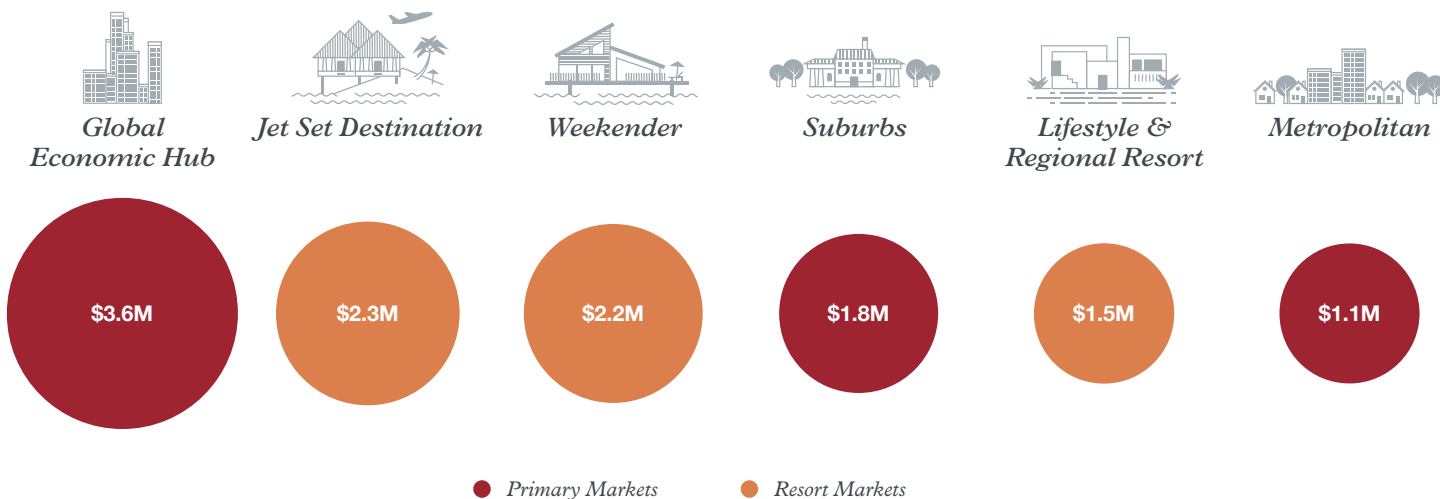
Our secondary market class is broadly defined under the “resort” market umbrella—smaller destinations that generally have a population of 500,000 or less.

These include *Weekender* markets that are within easy traveling distance of primary markets and are frequented by local HNWI on weekends and vacations, as well as *Jet Set Destinations*, which are largely the domain of the international glitterati. Also under the resort market umbrella are *Lifestyle & Regional Resorts*—boutique destinations populated by a mix of primary and second home buyers who are attracted by distinctive local cultural, lifestyle, and educational amenities.




It must be noted that several markets fit into two or more categories. In these instances, we assessed the dominant factors at work in each and placed the markets accordingly.

2. What’s the starting price for a luxury home around the world?




US\$, Average by luxury housing market type



3. Primary luxury housing markets

	KEY FEATURE	LUXURY HOUSING MIX	BUYER TYPES	TYPICAL DESTINATION
Global Economic Hub 	Major international business and cultural centers	Mix of high and medium density with more limited supply of detached homes	- Local - International	- London - New York - Hong Kong - Rio de Janeiro - Zurich
Metropolitan 	Mid- and small-size cities	Mix of high- to mid-density urban and detached homes	- Local - Some international	- Orlando, Florida - Salzburg, Austria - Portland, Oregon - Durban, South Africa - Stockholm, Sweden
Suburban 	Suburbs, towns, and hamlets that line the fringes of cities	Primarily detached homes, some acreage	- Local - Limited international	- Greenwich, Connecticut - Orange County, California - North Central New Jersey - New Canaan, Connecticut - Washington, D.C. suburbs

4. Resort luxury housing markets

	KEY FEATURE	LUXURY HOUSING MIX	BUYER TYPES	TYPICAL DESTINATION
Jet Set Destination 	Ski and sun resorts frequented by overseas and ultra-affluent visitors. Driven by domestic and international wealth influences and tax attributes.	Mix of detached homes, some with significant acreage, and medium-density "in-town" residences.	- Local - Regional - International	- Côte d'Azur, France - St. Barths - Cayman Islands - Telluride, Colorado - Turks & Caicos Islands
Lifestyle & Regional Resort 	Boutique destinations with distinctive cultural or lifestyle amenities. Mix of primary residences and second homes.	Low-density detached homes often with large acreage. Some medium-density "in-town" residences.	- Regional - Some international - Retirees - Lifestyle seekers	- Santa Fe, New Mexico - Bordeaux, France - Porto, Portugal - Bozeman, Montana - Jupiter Island, Florida
Weekender 	Weekend or holiday areas within easy commute of nearby cities. Driven predominantly by local wealth.	Primarily detached homes, often with significant acreage, and some medium-density "in-town" residences.	- Local - Regional - Some international	- Hamptons, New York - Saint Jean de Luz, France - Muskoka, Ontario, Canada - Pebble Beach, California - Berkshires, Massachusetts

RESEARCH PARAMETERS/METHODOLOGY

- I. As a broad global benchmark, homes priced at US\$1 million and above are referenced as the luxury real estate market throughout the report, noting that the price point for luxury differs significantly amongst markets.
- II. Prices are listed in USD. Exchange rates are calculated from Oanda.com and are based on a full year average for 2014.
- III. Data is based on a full calendar year for 2014 (the prior year's report examined October 1, 2012 – September 30, 2013 data).
- IV. All information is based on data provided by Christie's International Real Estate affiliates unless otherwise noted.



Global Economic Hub

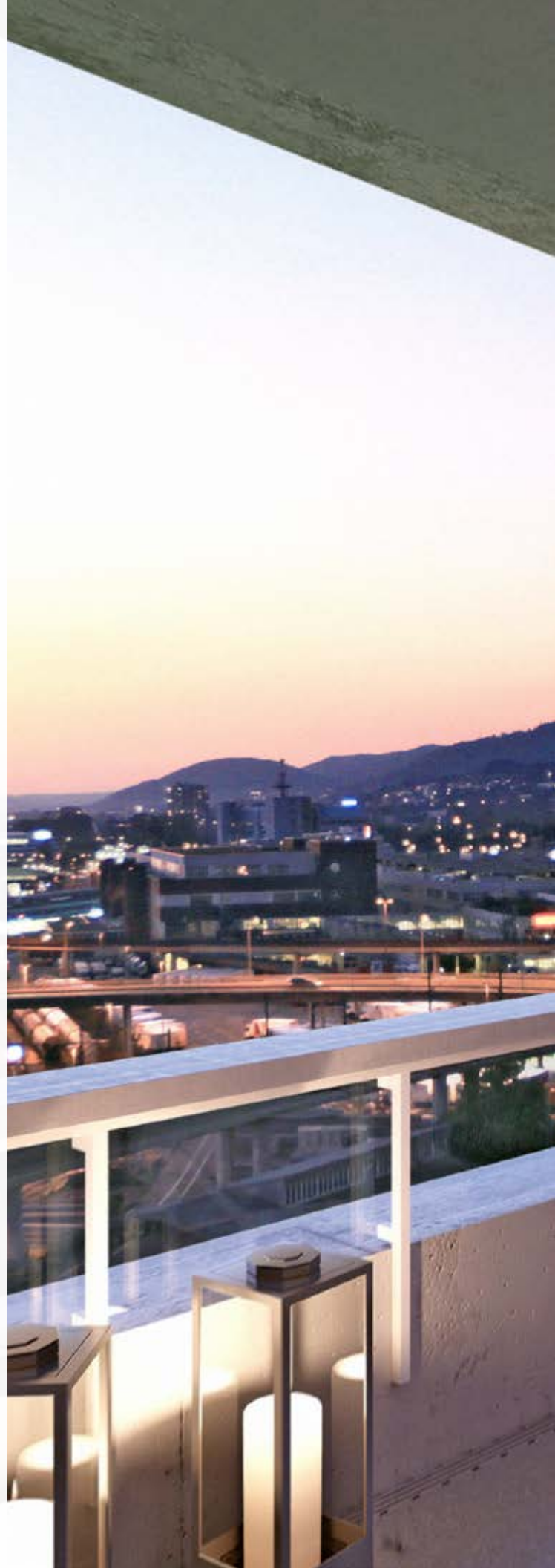
MARKET SPOTLIGHT ZÜRICH, SWITZERLAND

Switzerland's largest city, Zürich is a major global financial center and consistently ranks as one of the cities with the best quality of life in the world. As home to numerous Swiss banks and the Swiss Stock Exchange, Zürich is a hub for HNWIs, both as a primary residence and as a place to frequent for business. Due to strict overseas ownership laws, however, non-resident international buyers are unable to purchase a second home in the city.

"There has been high pressure on the market due to historically low interest rates, although newly onerous buying and financing restrictions have slowed opportunities for robust luxury market growth," says Michael Blaser of Wüst und Wüst, noting that prices have remained high, particularly in the city's downtown areas.

A recent influx of newly constructed high-end apartments in the downtown area have inundated inventory, although the planning for new developments has slowed. "We currently have more supply than demand — this should lead to attractive conditions for buyers," added Blaser.

What defines luxury:	\$4 million+
Record sale in 2014:	\$18.9 million
Highest square foot sale price in 2014:	\$2,541
Average days on market for luxury homes:	200



“We currently have more supply than demand — this should lead to attractive conditions for buyers.”

Located in Zürich West, this unique contemporary penthouse on the 23rd floor of the high-rise Zölly Tower spans a living area of approximately 319 square meters and features a 50-square-meter terrace offering breathtaking views of the city.

SNAPSHOT PRESTIGE HOME BUYER PREFERENCES IN 2015

What the world's wealthy consider the most desirable features, amenities, and styles in luxury property is always evolving. From the collective insights and experiences of our expert international real estate affiliates, we have crafted a snapshot of luxury home buyer preferences in 2015. This is what luxury is today....

1 | LUXURY IS... SO MUCH MORE THAN LOCATION, LOCATION, LOCATION

Traditionally prominent addresses and prized ZIP codes are no longer the defining baseline concept for luxury homes. HNWI's are expanding the borders of traditional luxury locales, and are willing to pay a premium in emerging luxury areas if the amenities and lifestyle offerings are right. The evolution of high-end commercial real estate is also driving this phenomenon.

- *"As certain areas of London become more accepted (The City, Battersea, Vauxhall, White City/Hammersmith, Earls Court, Shoreditch), we are finding domestic and international purchasers more open to areas traditionally outside their comfort zone. This is due to gentrification driven by increased residential development and improved infrastructure."*
*Lulu Egerton of
Strutt & Parker, London*

- *"After being priced out of the traditional luxury areas, younger and international affluent buyers have embraced non-traditional areas such as Kowloon Island, where new developments are offering high-quality services and amenities."*
*KS Koh of Landscape-Christie's
International Real Estate,
Hong Kong*

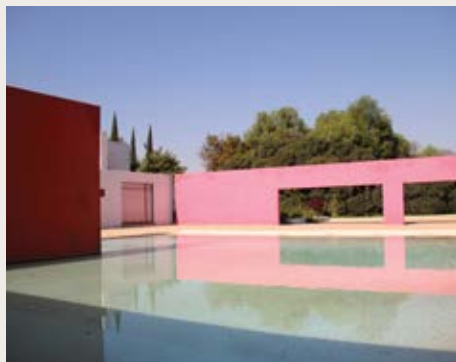
2 | LUXURY IS... CONSCIOUS LIVING

Owning a home that doesn't negatively impact the community—and one that can even bring positive meaning—is attractive to wealthy buyers. The demand for more sustainable and healthy environments has placed greater emphasis on knowing where and how products are manufactured, and has fueled a trend toward conscious living.

- *“The essence of the Cayman Islands lifestyle is derived from the beauty of our water and weather, and from the alignment of sustainable architecture with the natural landscape. In the luxury market, these elements remain a priority for discerning buyers who value creative vision and thoughtful design as a way of enhancing their lifestyle.”*

Jackie Doak of Provenance Properties, Grand Cayman, The Cayman Islands

- *“Luxury-home buyers are looking for houses that are energy-efficient as well as environmentally conscious in construction and amenities.”*
Walt Danley of Walt Danley Realty, Paradise Valley, Arizona
- *“Affluent buyers are increasingly looking for close proximity to a vibrant community rich with cultural offerings and outdoor activities, as well as opportunities to volunteer and make a difference.”*
Michael Saunders of Michael Saunders & Company, Sarasota, Florida



3 | LUXURY IS... EXPERIENTIAL

Today's new wealthy consumers are more informed, more globally exposed, and more sophisticated than previous generations. Baby boomers in particular are now “less materialistic and more experiential,” noted Cognizent in a luxury retail trend study⁽²⁾. And HNWIs are being led into the luxury experience by prestige brands such as Christie's. “The worlds of high-value art, education, travel, luxury goods, and architecture are colliding,” observes Dirk Boll, European Managing Director of Christie's. “Our focus remains on serving our clients whenever and however they choose to connect with art. Increasingly they are connecting with art in luxury sectors such as architecture and travel, where the enjoyment extends beyond ownership and into experience.” This shift toward experiential luxury is similarly reflected in the amenity and lifestyle preferences of HNW home buyers.

- *“Buyers are increasingly seeking to spend money on property features that could be described as ‘experiential’, such as a meditation garden or an outdoor shower.”*
Justine DeLuce of Chestnut Park Real Estate, Toronto
- *“When economic imperatives aren't driving things, there is a quest for meaning and a better life. The choice becomes: How is family life enriched by having access to amenities and lifestyle options that can be experienced every day?”*
Ruth Kennedy Sudduth of LandVest, New England



- *“In Pebble Beach and Carmel, buyers are looking to harness some of the perceived slower tempo and quality-of-life priorities, especially when they select a property with provenance. It is not that the former owner has to be famous, or even widely known, but rather that the home has a history, a legacy and sense of presence that the new owner can honor as they create their own memories”*
Bill Mitchell of Carmel Realty Company, Carmel, California

4 | LUXURY IS... CONVENIENCE

The resurgence of urban downtown cores in many major cities and changing age dynamics are having a significant impact on the home-buying preferences of the world's most affluent. As millennials grow up and baby boomers transition into life as empty nesters, many larger cities are witnessing a surge of affluent older buyers to urban areas. Residents of suburban areas are also increasingly seeing a preference for urban amenities.

- *“Local empty nesters are opting to ‘downsize’ from large single-family homes into generously sized condo and townhome units, with many opting for developments that are within walking distance of offices, shopping, and restaurants.”*
Ron Shuffield of EWM Realty International, Miami, Florida
- *“We have witnessed a trend of affluent buyers, generally aged 50 and above, selling the house in the greens and moving to town.”*
Michael Blaser of Wüst und Wüst, Zurich, Switzerland



- *“Many baby boomers are downsizing and wanting to live near town for the convenience. They’re looking to be as close to city/urban living as the suburbs will allow.”*
Barbara Cleary of Barbara Cleary’s Realty Guild, New Canaan, Connecticut
- *“Lisbon’s property market has been growing, fueled by demand from clients looking for new and modern buildings in the city center.”*
Rafael Ascenso of Porta da Frente, Lisbon, Portugal

5 | LUXURY IS... AGE-AGNOSTIC

Multigenerational travel (trips involving at least three generations) was dubbed the biggest trend for 2014 by a luxury travel industry report ⁽⁹⁾. As growth in this type of tourism increases, some prestige real estate markets, particularly those in resort destinations, are seeing increasing demand for luxury homes with spaces that have the flexibility to adapt to generational diversity and entertaining requirements.

- *“Wealthy buyers are increasingly focusing on family spaces such as places for adult children or grandchildren and guesthouses for elderly parents.”*
Dub Dellis of Walt Danley Associates, Paradise Valley, Arizona
- *“We are seeing a trend toward the purchase of upscale apartments in luxury vertical developments that offer multi-functional spaces for flexible entertaining.”*
Lucia Cavazos of Gerencia RED in Monterrey, Mexico
- *“A wide array of amenities and entertainment for the entire family are increasingly a priority for affluent home buyers. This trend is especially noticeable in young families where homes with amenities for children of all ages has become a must. This has led to a rise in important new developments being built in the outskirts of Bogotá, even within Country Clubs.”*
Juan Carlos Corredor Muñoz of Julio Corredor & CIA, Bogota, Colombia

6 | LUXURY IS... ULTIMATE PRIVACY

The age of the smartphone and its pervasive social-media feeds has brought with it an increasing desire for privacy, particularly for high-profile and celebrity buyers of luxury homes.

- *“Eye-grabbing street views, which take out-of-town tourists by surprise and which took precedence in the days of Gregory Peck and Greta Garbo, have morphed into a preference for longer-than-ever gated drives, security systems, and being out of the public eye as much as possible. Ostentatiousness has been abandoned in favor of subdued.”*
Jeff Hyland of Hilton & Hyland, Beverly Hills, California
- *“A key characteristic of many of today’s highest-end listings is ultimate privacy and seclusion. Paparazzi-proof hideaways—such as Donna Karan’s ‘The Sanctuary’ with its private-island feel—are increasingly sought after by security-conscious buyers.”*
Katherine Baryluk of Regency International, Turks and Caicos

7 | LUXURY IS... COLLECTIBLE

“For today’s wealthy investor, acquiring and holding collectibles is akin to building a store of treasure,” notes a report from *Barclay’s Wealth Insights* (4). Trophy real estate is the ultimate collectible treasure. Like buying a prized sports team or high-value artwork, trophy residences can ignite the passions of ultra high-net-worth individuals (UHNWI). Many developers of ultra-luxury properties have baked collectible concepts right into their plans with limited-edition structures and one-off creations by highly regarded international architects and designers.

- “South Florida developers and globally recognized star architects are creating ‘works of art’ within many of Miami’s newest condo buildings. Buyers are being drawn to purchase third, fourth, or fifth homes here in order to own a unit in one of these iconic buildings.”
Ron Shuffield of EWM Realty International, Miami, Florida
- “One-of-a-kind trophy homes are becoming the latest ‘must have’ for the world’s most affluent. Akin to owning a Warhol or a Bugatti, UHNWIs are increasingly seeking to own an architectural collectible, such as one of the 41 residences within the iconic Ten Trinity Square development by London’s River Thames. Discerning buyers see acquisitions of this kind as an opportunity to be a resident of a living piece of art and history.”
Dan Conn, CEO of Christie’s International Real Estate

8 | LUXURY IS... TURNKEY-READY

Many buyers are willing to pay a premium for the convenience of a “just bring your toothbrush” property, outfitted with top-of-the-line accoutrements that amplify a luxury lifestyle. Brokers reported an increased interest in brand-new residences, with buyers happily paying a premium for security, concierge, and other luxury amenities.

- “The year’s top sale in Beverly Hills was a \$70 million ‘spec’ home, purchased with all furnishings and appointments, including an extensive collection of wines in the 2,500-bottle cellar and a fully stocked \$200,000 candy wall. Tired of the line ‘just bring your toothbrush,’ the agent even provided eight OralB 3D Braun toothbrushes as part of the deal!”
Jeff Hyland of Hilton & Hyland, Beverly Hills, California



- “Many buyers are more insistent on immaculate condition of houses or apartments. They have little appetite for refurbishment or ‘a project’ and are willing to pay more to be able to move in straight away.”
Lulu Egerton of Strutt & Parker, London
- “Responding to interest from buyers, a number of new ‘turnkey’ homes came onto the market in 2014, an emerging trend in St. Barths.”
Christian Wattiau of Sibarth Real Estate, St. Barths

9 | LUXURY IS... A BLANK CANVAS

At the other end of the spectrum, some enthusiastic buyers are pushing the desire for newness to new heights. Impeded by lack of quality inventory, more and more ultra-affluent buyers wish to build their own trophy homes from scratch.

- “One of the most interesting trends is that of purchasing a trophy property with an older home and tearing that home down. As the very best lots were some of the first developed in Jackson, we anticipate that trend to continue.”
Julie Faupel of Jackson Hole Real Estate Associates, Wyoming
- “The highest priced sale in 2014 was a \$13 million estate. The property is set to be demolished and the owners will rebuild a new mega home.”
Robert Greenwood of Regency International, Turks & Caicos

- “Due to the greatly constricted inventory in our market, we’re seeing significant new and custom construction for buyers who are seeking expansive, one-of-a-kind estates.”
James Bruner of Fenton Lang Bruner & Associates, Jupiter Island, Florida

10 | LUXURY IS... UNDERSTATED

Luxury is no longer about brash displays of wealth, note many experts in our network. Instead, scaled-back, quality-over-quantity luxury will continue to be one of the key tenets behind many prestige property acquisitions.

- “Luxury buyers aim to be more discreet, less ostentatious. There is a trend toward architecture that blends into the topography of the area, not about everything being overtly expensive.”
Justine DeLuce of Chestnut Park Real Estate, Toronto
- “Quality of amenities and lifestyle offerings are becoming more important to affluent buyers than the size of a home.”
Emily Moreland of Moreland Properties, Austin, Texas
- “We are witnessing a continuing shift from ostentatious displays of one’s wealth... to a more restrained expression of tasteful understatement.”
Bud Clark of Willis Allen Real Estate, La Jolla, California



Metropolitan

MARKET SPOTLIGHT HONOLULU, HAWAII

Gracing the southeastern shores of Oahu, the vibrant city of Honolulu is a fast-paced and dynamic regional economic center despite the laid-back resort lifestyle its temperate climate and surf culture fosters. Thanks to its central Pacific location, the city's high-end real estate market attracts vast numbers of international purchasers. "We have always had strong foreign interest from Japan and Korea, but we are now seeing more from China," says Cedric Choi of Choi International. "The greatest positive impact on the luxury market has been the travel plans of the Chinese," he adds, noting that the new 10-year visa program between China and the United States is likely to bolster demand for luxury Honolulu residences from affluent Chinese visitors over the coming years.

Despite low inventory and housing prices at historic highs, Honolulu saw the highest year-on-year increase in the overall number of \$1 million property sales since 2006, with a 14 percent increase from 2013 to 2014. The outlook for the next 12 months looks strong, with a flurry of new high-end developments across Oahu set to ease existing inventory constraints and attract more international buyers.

What defines luxury:	\$1 million
Record sale price in 2014:	\$17 million
Average luxury square foot sale price:	\$690
Average days on market for luxury homes:	97



“We have always had strong foreign interest from Japan and Korea, but we are now seeing more from China”



Natural materials create an atmosphere of intimacy and warmth in this custom-designed 10,593-square-foot home designed by award-winning San Francisco firm Gast Architects. A LEED Home Gold Certification highlights the home's many sustainable qualities.

THE RISE AND RISE OF THE LUXURY REAL ESTATE MARKET

Despite pockets of economic fluctuation, the number of ultra-affluent individuals in the world swelled in 2014⁽⁵⁾. Strong equity markets expanded wealth levels of the world's billionaires and millionaires, acting as a demand accelerator for the prime property markets. This demand fueled solid year-on-year growth in luxury home sales—a strong indication of an increasingly healthy high-end global market.

The global prime property market experienced solid growth in the number of \$1 million-plus home sales in 2014, as many of the world's most affluent recognized the intrinsic value of owning prime property, be it for the safe storage of wealth, a lifestyle upgrade, or as a “passion” investment. Averaging across the six luxury submarkets surveyed, luxury home sales jumped 16 percent over 2013, with resort markets leading the upsurge in high-value sales across sectors. (See Exhibit 5).

After identifying record urban sales growth in many top global cities in our 2014 *Luxury Defined* report, we hypothesized that resort markets would follow the strong sales growth set in primary markets and surge to strong performance in the coming years. Exhibit 5

demonstrates that these predictions were accurate, with *Jet Set*, *Weekender*, and *Lifestyle & Regional Resort* markets recording the highest increases in year-on-year volume, at an average of 28 percent, 25 percent, and 19 percent respectively. Notable sales growth occurred across many *Jet Set Destinations* in 2014, fueled by attractive investment opportunities and an emerging confidence among potential buyers that the market has bottomed and a recovery is well under way.

Spain's sun-kissed Valencia region is seeing an uptick in sales, notes José Ribes Bas of Rimontgó. “Buyers are finding high-quality properties in privileged locations at very competitive prices, which creates a growth in buyer interest, especially those from overseas who pay in cash.”

5. Luxury resort markets heat up, while the city simmers

Growth in the number of luxury home sales (individual units) by market type, 2013 - 2014



Jet Set Destinations



Weekender



Lifestyle & Regional Resort



Metropolitan



Global Economic Hub



Suburban

■ Primary Markets ■ Resort Markets

That said, some markets still have significant growth ahead of them to return to normal levels. “Our luxury market is just starting to recover,” says Laura O’Conner of Trails West Real Estate in Whitefish, Montana, a prime ski and outdoor recreational destination. “We tend to run a year or more behind urban markets.”

The return toward a healthy luxury market mirrors the resurgence of consumer confidence and interest in purchasing second homes across all price ranges. According to the National Association of Realtors (NAR), the vacation-home market in the United States jumped by 54 percent in 2014 compared to 2013. This may be attributable to an uptick in interest from younger buyers, as evidenced by research from NAR and HomeAway, which shows that the median age of second-home buyers in the United States dropped from 55 in 2004 to 43 in 2014. ⁽⁶⁾

Several *Global Economic Hubs* and *Metropolitan* markets saw sustained firmness in their luxury market sales due to a strengthening economy and burgeoning value in luxury market prices. “Chicago is being ‘discovered’ as undervalued by investors who normally look to the coasts,” says Benjie Burford of CONLON Real Estate, where overall luxury home sales are

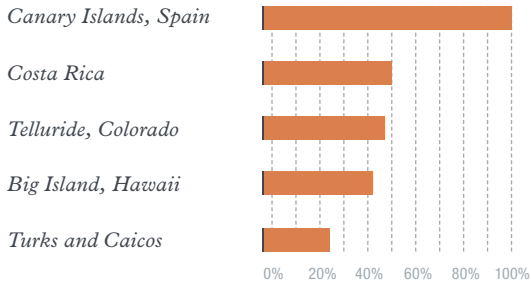
increasing. “In 2014, we saw around a 15 percent jump in average prices and our firm experienced a 25 percent increase in the number of luxury homes being sold. The biggest sector of the increase was in new custom homes being built on teardown lots.”

Another solid performer in this sector was Atlanta, which recorded a 16 percent increase in year-on-year luxury sales. Buoyed by a strong local economy diversified across many industries, the area’s temperate weather and affordable housing continues to attract companies looking to relocate. “We continue to see more major corporations relocating or expanding headquarters and, as a result, more international transactions,” says Dan Parmer of Harry Norman, Realtors.

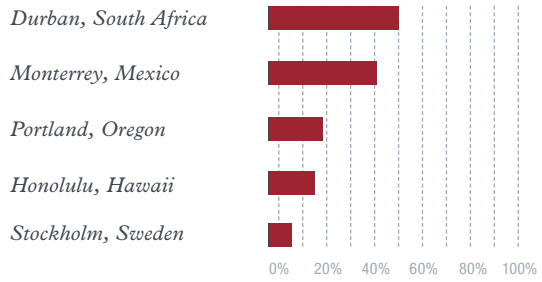
Suburban markets had the slowest pace of sales growth at just three percent in 2014. This reflects HNWI’s growing preference for the conveniences and amenities of urban living and may also be indicative of limited supply of quality inventory in suburban areas. “While there were fewer sales in New Canaan in 2014 vs. 2013, the median sale price was significantly higher and, as a result, the dollar volume of sales increased slightly over 2013,” reports Barbara Cleary of Barbara Cleary’s Realty Guild in Connecticut.

5a. Many resort markets experienced strong year-on-year growth in the number of luxury home sales in 2014; primary markets saw sustained luxury sales growth
 Sampling of primary and resort markets; growth in the number of luxury property sales (by percent), 2013 - 2014

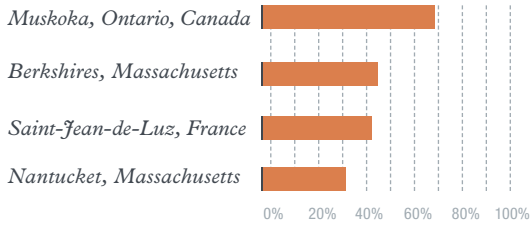
Jet Set Destinations



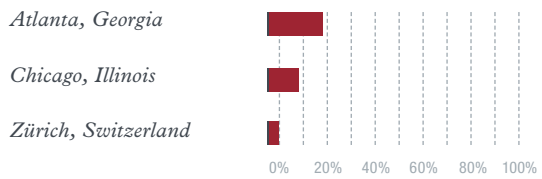
Metropolitan



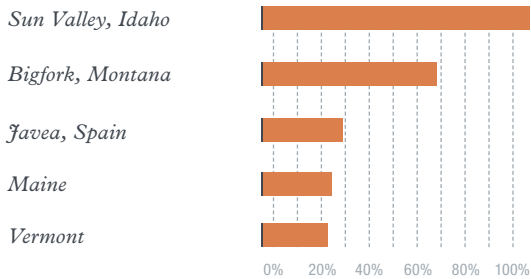
Weekender



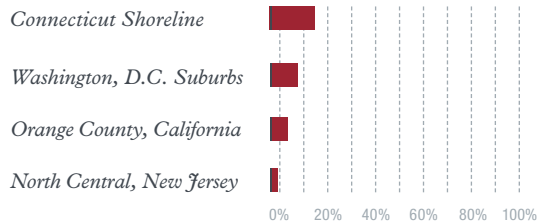
Global Economic Hubs



Lifestyle & Regional Resort



Suburban



TOP 10 CITIES SALES SNAPSHOT
A SLOWER BUT STABLE VELOCITY

As we observed in last year's *Luxury Defined* report, the world's top cities experienced an explosion in luxury home sales during 2013, fueled by pent-up demand, increasing consumer confidence, and robust stock market returns. In 2014 however, prime property sales in these markets settled into a stable growth pattern that seems tepid compared to the year prior. (See Exhibit 6).

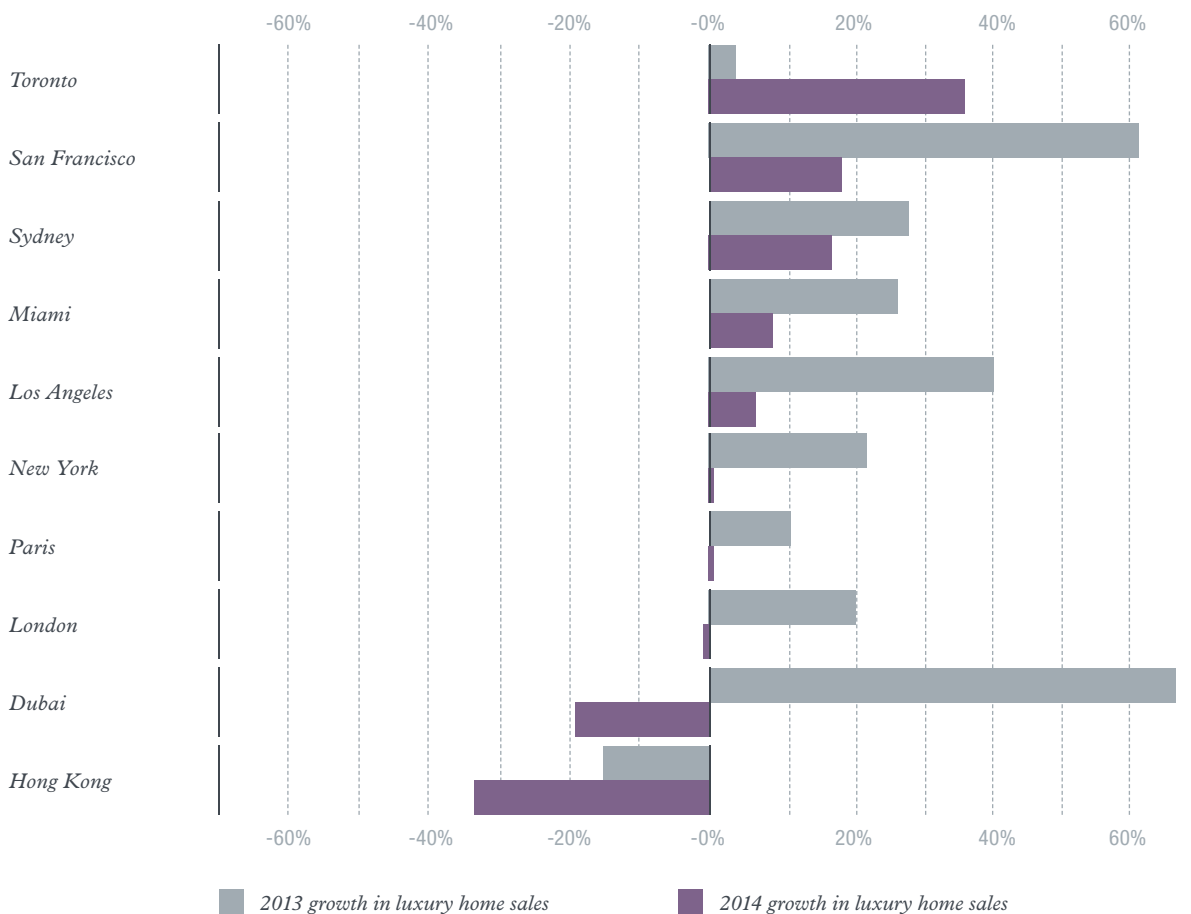
San Francisco, which startled the world with an astronomical 62 percent increase in \$1 million-plus home sales in 2013 compared to 2012, had strong, though less explosive, annual

Resort markets led the increase in high-value sales across market sectors in 2014

growth of 19 percent in 2014. "The Bay Area is still experiencing a perfect storm of hot market conditions, exceptional job growth, excellent income levels, and limited supply," notes Mark McLaughlin of Pacific Union International. "Coming after an exceptional year of strong sales and price appreciation that ranked among the highest in the US, the growth slowdown was predictable, but the positive economic fundamentals of the San Francisco market remain unmatched."

In Miami, the sales pace slowed from 27 percent growth in 2013 to nine percent in 2014. "The

6. A return to normalcy for most of the world's top property markets
Growth in the number of luxury property sales (by percent), 2013 - 2014



single-digit increases of 2014, in contrast to the double-digit increases of 2012 and 2013, reflect a return to more normal market conditions,” says Ron Shuffield of EWM Realty International, whose firm sells a \$1 million-plus home in Miami every 17 hours. Across the Christie’s International Real Estate Affiliate network, brokerages reported real estate sales of more than \$300 million per day in 2014 (\$13 million every hour).

Toronto, the only location among the top 10 markets to see a faster pace of sales in 2014 than in 2013, saw luxury sales rise by 37 percent in 2014 compared to just four percent the previous year. “2014 was the Toronto market’s second-best year on record,” reports Justine Deluce of Chestnut Park Real Estate. “If there had been more inventory, the record would easily have been shattered.” Extremely low supply of homes in Toronto has pushed prices to \$1–\$2 million for relatively average homes in the city and up to \$2–\$4 million for larger homes or those in the most desirable neighborhoods. The shortage of homes pushed luxury condo prices above \$1 million as well in 2014.

While prime property sales continued to make headlines in hotspots Los Angeles, New York, and London, unit sales growth in all three cities slowed to near zero compared to growth spurts of 40 percent, 22 percent, and 20 percent respectively in 2013. Inventory remains an issue across many of these markets. “We have had low inventory for some time, and it’s just now inching up,” says Hall Willkie of Brown Harris Stevens in New York, where the city’s housing market is beginning to edge toward normalcy after years of price increases and bidding wars. “The frenzy has cooled. It’s more of a sustainable market, and that’s a good thing.” London has felt a short-term paralysis due to political messaging on potential tax law changes and non-dom status. Los Angeles and Sydney saw slower year-on-year sales growth, likely as a result of overall price increases in both luxury markets.

The outlier in our top 10 cities is Hong Kong, where government cooling measures designed to slow the spike of real estate values and reduce the impact of overseas real estate investors continued to dampen the market. Luxury home sales slowed by 15 percent in 2013 and then tumbled another 33 percent in 2014. Toward the year’s end however, this momentum began to ease. “Wealthy mainland Chinese buyers are beginning to accept these taxes and are starting to trickle back into the market,” remarks KS Koh of Landscape-Christie’s International Real Estate in Hong Kong, who is optimistic that sales will begin to stabilize in 2015.

Dubai also saw a contraction in sales growth in 2014, despite the value of sales increasing by more than 10 percent. “These corrections in the Dubai marketplace are driven in part by the fluctuations in availability of luxury product being offered to the market,” notes Joachim Wrang-Widen of Christie’s International Real Estate. “We anticipate that the market will begin to stabilize in 2015 as new, particularly entry-level luxury product, becomes available.”

THE SALES JOURNEY OF A LUXURY HOME VARYING FROM RESIDENTIAL MARKET TRENDS

Unlike their lower-priced counterparts, luxury homes can often take significant time to sell due to their smaller pool of potential buyers. On average, it took 254 days for a luxury property to sell across our 80 surveyed markets in 2014—significantly higher than the overall market. In Miami for example, it took an average of 80 days for a home to sell, and 142 days for a luxury property to close in 2014. This gap is more pronounced the higher the listing price. The year’s highest sale in Los Angeles was first listed in 2007 for \$125 million for example, and sold for \$88 million in 2014 after a lengthy 84 months on the market.

Finding the right buyer for a unique property can take time, especially in markets that rely on a large influx of non-local buyers. As noted in Exhibit 7, \$1 million-plus homes in resort markets take, on average, much longer to sell than in primary markets, likely due to a lack of urgency on behalf of buyers. In *Jet Set Destinations*, luxury homes routinely take more than a year to sell.

At the top end of the market in boutique regional resort markets, second-home buyers are increasingly discerning, which may account for some of the slower market momentum. “Unlike the entry level of the luxury market—where upshifting families and relocating empty-nest buyers capitalized on lower rates, improved economic stability, and upward corporate mobility to drive a large increase—ultra-luxury buyers in our market were exceptionally selective,” reports Reed Jackson of Ivester Jackson Distinctive Properties in Lake Norman, North Carolina. “Many are from out of state, many have multiple homes, and it is not unusual for them to engage in an extended search of over 12 months or longer.”

In some *Weekender* markets, luxury home buyers had been purchasing with cash, so low interest rates that may have otherwise spurred demand had limited impact. However, increased confidence in the market

7. Luxury property moves fastest in the city

Average number of days on market for \$1m+ homes, December 2014



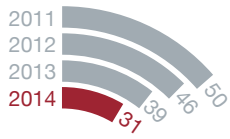
■ Primary Markets ■ Resort Markets

is starting to impact velocity for properties that are correctly priced. “Our market is beginning to turn toward a seller’s market, which is creating the recent surge in showings converting more quickly to contracts,” says Louise Lachicotte of The Lachicotte Company in Pawley’s Island, South Carolina.

TOP 10 CITIES SUPPLY AND DEMAND
CONTINUED INTEREST DRIVES TURNOVER

The average number of days on the market for high-end properties in the world’s top 10 cities was significantly lower than the overall global average of 254 days. In San Francisco for example, \$1 million-plus homes sold in an average of 71 days in 2014, faster than 2013’s average of 79 days, thanks to limited supply and continued demand. The markets where selling an upper-bracket home took much longer include Hong Kong (average of 225 days) and Paris (average of 170 days), where local market factors played a key part.

8. How long does it take to sell a luxury home in the world's top cities*?
 Average days on the market for \$1M+ homes, December 2014



Toronto



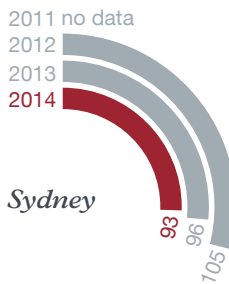
San Francisco



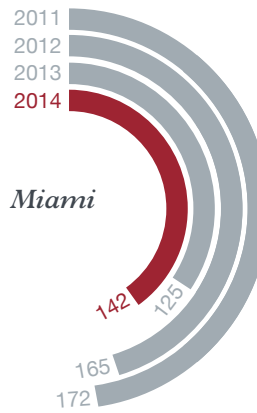
Los Angeles



New York



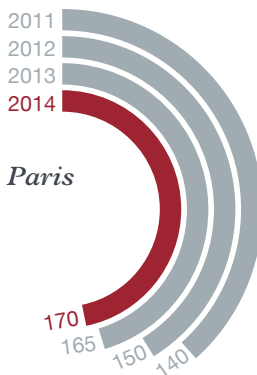
Sydney



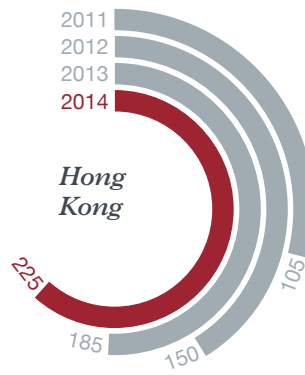
Miami



London



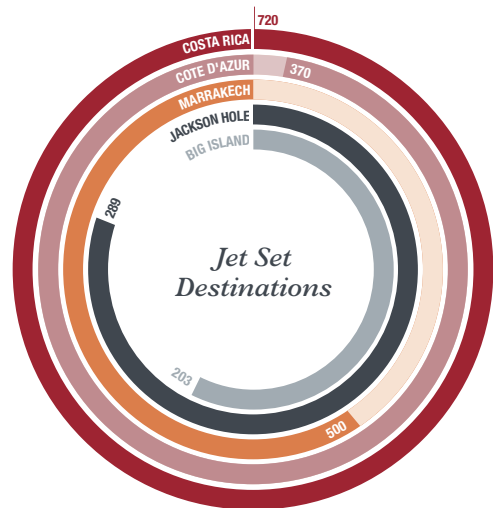
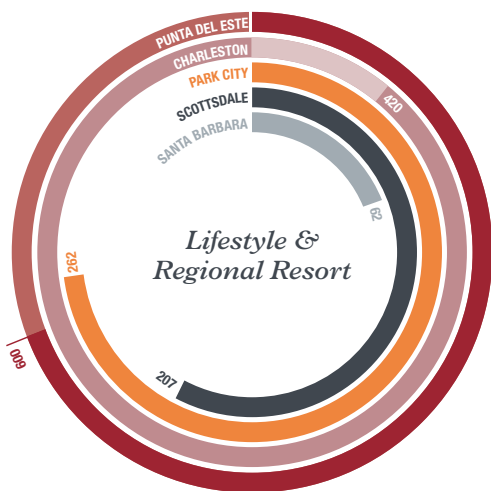
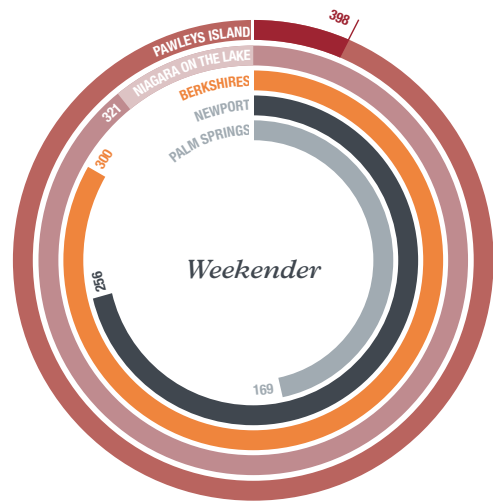
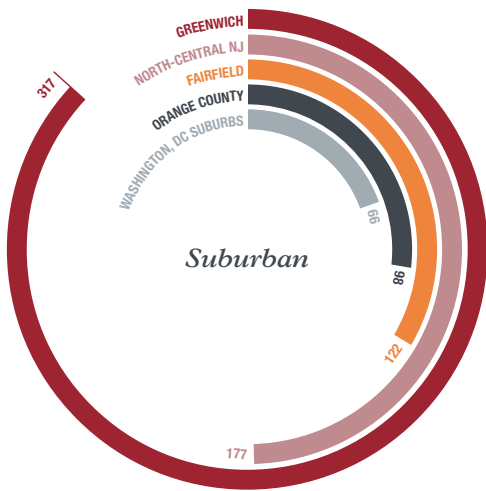
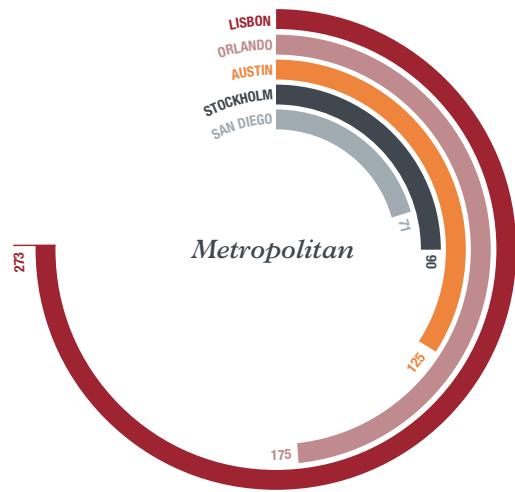
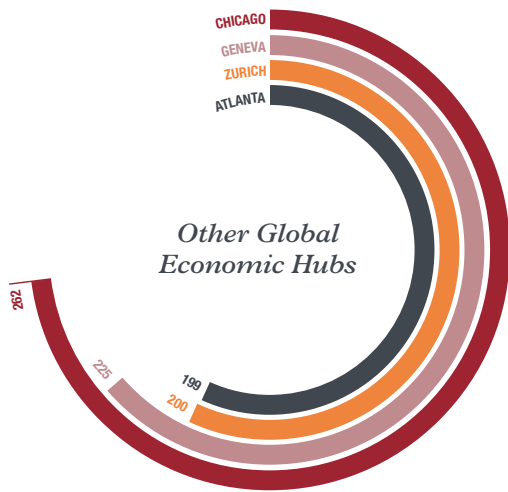
Paris



Hong Kong

* As there is a limited resale luxury market in Dubai and most of the properties are new builds, the days-on-market metric is not as valid an indicator of market velocity and was therefore not included in this research.

8a. How long does it take to sell a home in other global luxury markets?





Suburban

MARKET SPOTLIGHT ORANGE COUNTY, CALIFORNIA

One of Southern California's most celebrated enclaves, Orange County is home to the vast residential areas of Anaheim, Santa Ana, and Irvine, as well as an array of exclusive beachfront communities. Orange County's luxury residential properties have powered the region's real estate recovery over the past two years, with solid growth in luxury home prices and year-on-year \$1 million-plus home sales. In the most expensive ZIP codes along the coastline, the median house price jumped by 28 percent in October 2014 over the previous year, to an average of \$1.4 million.

The exclusive community of Irvine is the area's largest luxury market in Orange County, with a higher number of high-value homes sold in 2014 than any other area in the region. Luxury homes in prized communities such as Laguna Beach and Newport Beach are increasingly attracting overseas purchasers. "We are seeing an increase in wealthy international buyers—particularly those from Asia—purchasing high-end homes, which is contributing to the rise in all-cash purchases," notes Michael Marshall of First Team Real Estate.

What defines luxury:	\$1 million
Record sale in 2014:	\$23.6 million
Highest square foot sale price in 2014:	\$4,657
Average days on market for luxury homes:	98



“We are seeing an increase in wealthy international buyers—particularly those from Asia—purchasing high-end homes, which is contributing to the rise in all-cash purchases”

High on the hill in Newport Coast's exclusive Crystal Cove neighborhood, lies this magnificent five bedroom estate that features breathtaking views of the ocean, Catalina Island, city lights, and Palos Verdes

TROPHY HOMES

THE VIEW FROM THE TOP

Redefining the pinnacle of residential real estate is a lofty task. The ultra-high end of the market established new price benchmarks in 2014, as more properties than ever changed hands for over \$100 million.

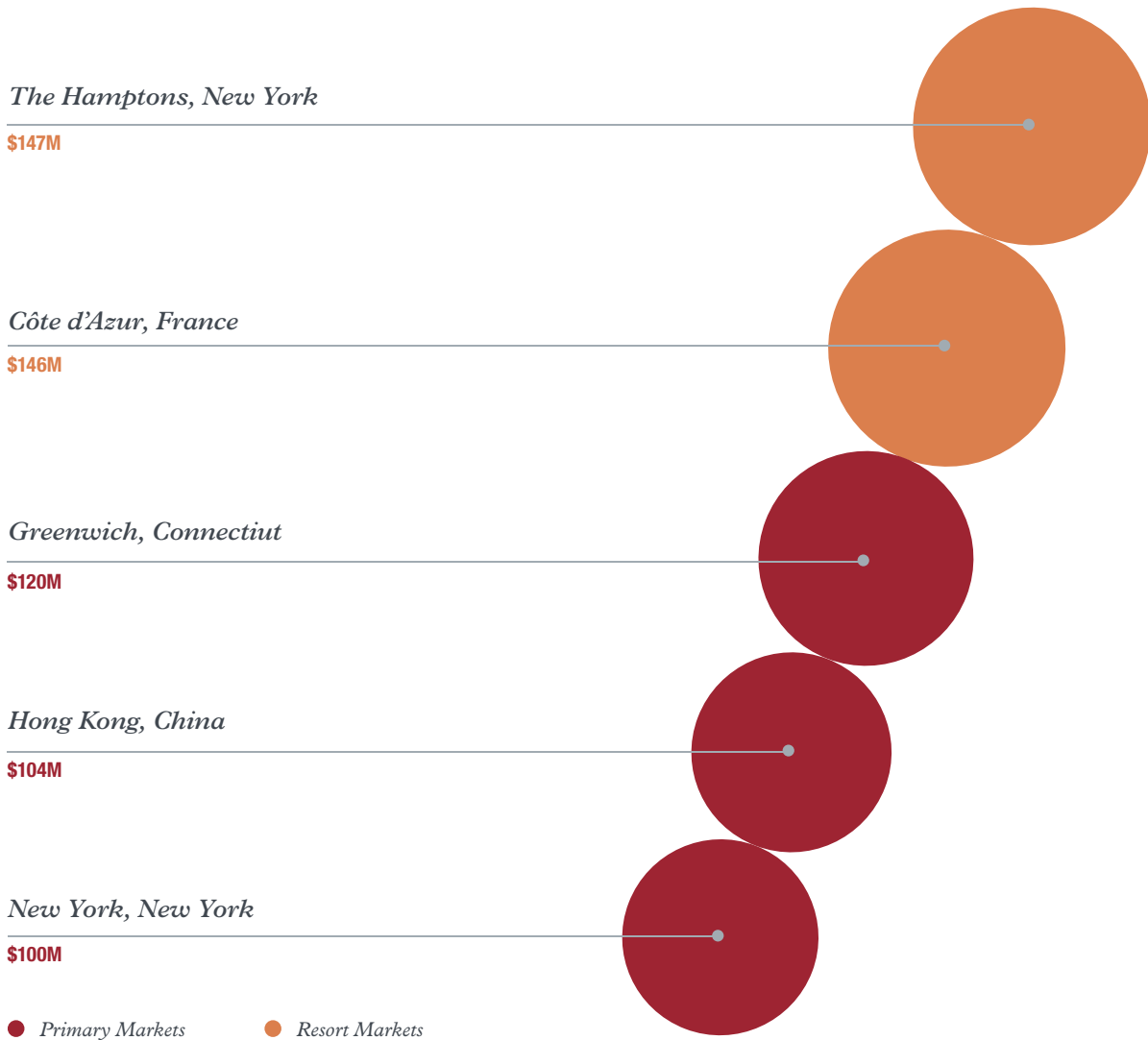
Buoyed by the global economic recovery and soaring stock market prices, the ultra-high end of the real estate market established new benchmarks for price in 2014, as five properties around the world changed hands for more than \$100 million. This stratospheric figure certainly isn't the norm, even in markets with a reputation for expensive homes. But the increasing number of properties that are listed for sale and, more importantly, sell for more than that milestone amount, has set the bar higher in the game of trophy real estate.

Interestingly, it was not the world's *Global Economic Hubs* that achieved the highest priced sales in 2014. (See Exhibit 9). Rather, two markets favored by New York City's elite as prized *Suburban* and *Weekender*

destinations appeared among the list of the most expensive sales in the world.

In Greenwich, Connecticut, Copper Beech Farm—which sits on 50 waterfront acres and was listed by David Ogilvy & Associates—achieved a record US residential sale price of \$120 million. That price was eclipsed a short time later with the sale of a beachfront estate on Further Lane in East Hampton, which sold for \$147 million. Remarkably, the areas surrounding the city were first to reach the elusive \$100 million price point. New York achieved its first \$100 million sale in December 2014 with a penthouse at one of the city's new luxury Midtown developments.

9. *The world's highest priced home sales in 2014*
 US\$, unit sale price



Other markets to have previously reached this landmark price point include many of the world's top *Jet Set Destinations* (Côte d'Azur and Sardinia) and *Global Economic Hubs* (London and Hong Kong), based on a study of publicly reported top real estate sales from the past five years. (See Exhibit 10).

Which city will next eclipse the \$100 million price point? Sale prices in Los Angeles have climbed into the \$90 million range, and there are currently several properties listed in the city for more than \$100 million.

Clearly the question for Los Angeles is not "if" but "when." "With some of these recent mega sales, the glass ceiling has been broken and people are having more confidence that Los Angeles is in the same league as markets such as the Hamptons and London," said Jeff Hyland of Hilton & Hyland.

It is notable that in 2014 more properties than ever before were listed for sale at that price point, (see Exhibit 11), as more and more one-of-a-kind trophy homes are being built and curated for the world's UHNW population.

THE ART OF THE ASK

HOW TO PRICE THE UNPRICEABLE

Unique trophy properties can be challenging to value and price accurately. To determine a fair asking price for a home, real estate agents generally use a combination of appraisals and recent sales that fit a number of comparable characteristics to the property in question such as location, size, amenities, and acreage. At the top of the market, however, there are few comparable sales (or in some cases none at all). Creating an appropriate list price for trophy homes is indeed a challenging task.

Connecticut's Copper Beech Farm was first listed at \$190 million, more than four times the highest price ever achieved for a property in the Greenwich market (the highest previous sale being a \$45 million 80-acre equestrian farm sold in 2004). Listing broker David Ogilvy of David Ogilvy & Associates, who also held the record for previous top sale in 2004, explains that pricing a property of this proportion and uniqueness was a challenge. "It's one of these things where you cannot look at it and say, 'It's worth X,' because there's nothing

10. \$100 million+ homes sold since 2010⁽⁷⁾

	LOCATION	SALE PRICE (Publicly Reported)	SALE PRICE (Local Currency)	DATE	HOME TYPE
I	London	\$221,000,000	£136,000,000	2011	New development
II	Costa Smeralda, Sardinia	\$168,000,000	€130,000,000	2012	Single-family home
III	Skorpios, Greece	\$150,000,000	-	2013	Private island
IV	East Hampton, New York	\$147,000,000	-	2014	Single-family home
V	Saint-Jean-Cap-Ferrat, France	\$146,000,000	€120,000,000	2014	Single-family home
VI	London	\$121,200,000	£75,000,000	2012	Single-family home
VII	Greenwich, Connecticut	\$120,000,000	-	2014	Single-family home
VIII	Woodside, California	\$117,500,000	-	2012	Single-family home
IX	Hong Kong	\$104,151,000	HK\$850,000,000	2014	Single-family home
X	Hong Kong	\$102,800,000	HK\$800,000,000	2011	New development
XI	London	\$101,500,000	£65,000,000	2013	Single-family home
XII	New York	\$100,471,453	-	2014	New development
XIII	Los Altos Hills, California	\$100,000,000	-	2011	Single-family home

* Several additional sales had been reported in the press at this price point, but were not recorded through government regulatory boards (e.g. Land Registry in the UK) and were thus not included in this list.

11. \$100 million+ homes offered for sale as of April 2015

	LOCATION	APPROXIMATE ASKING PRICE (Reported)	LOCAL CURRENCY	HOME TYPE
	Villefranche-sur-Mer, Côte d'Azur, France	\$425,000,000	€395,000,000	Single-family home
	London	\$385,000,000	£250,000,000	Single-family home
	Monaco	\$330,000,000	€300,000,000	New development
	Théoule-sur-Mer, Côte d'Azur, France	\$220,000,000	€200,000,000	Single-family home
	Beverly Hills, California	\$195,000,000	-	Single-family home
	Hamptons, New York	\$140,000,000	-	Single-family home
	Hillsboro Beach, Florida	\$139,000,000	-	Single-family home
	Beverly Hills, California	\$135,000,000	-	Single-family home
	Montecito, California	\$125,000,000	-	Single-family home
	New York, New York	\$118,500,000	-	Three condos
	London	\$115,500,000	£75,000,000	Single-family home
	Florida Keys	\$110,000,000	-	Land
	Switzerland	\$106,000,000	CHF100,000,000	Single-family home
	Hong Kong	\$106,000,000	HK\$819,100,000	New development
	Dallas, Texas	\$100,000,000	-	Single-family home
	New York, New York	\$100,000,000	-	New development
	Aspen, Colorado	\$100,000,000	-	Ranch (multi-parcel)
	London	\$100,000,000	£65,000,000	New development
	Grenada	\$100,000,000	-	Land

like it, no comparables—the last 50-acre waterfront property in Greenwich was sold and subdivided 60 years ago,” he remarks. When Copper Beech Farm hit the market in April 2013, it earned the distinction as the most expensive single-family home ever listed for sale in the United States. Many in the press speculated that it wouldn’t sell for a nine-figure sum. But it did, closing for \$120 million in April 2014, which at the time was the highest priced sale in the country. “When people say, ‘That’s expensive,’ I think when we look back in 20 years, it will be one of the great buys,” Ogilvy predicts.

The art of accurately pricing high-value trophy assets can be a challenge when there are no comparables

Not pricing a trophy home appropriately can greatly impact the chances of it selling quickly or suffering a significant price adjustment after lagging on the market. “To remain overpriced means a property may be ‘on the market’, but more importantly it is not ‘in the market,’” observes Andrew E. Nelson of Willis Allen Real Estate in La Jolla, California.

Across the markets surveyed for *Luxury Defined*, the highest priced homes in each market traded on average at 14 percent less than their original asking prices. At the top end of the spectrum, the variance from listing to sale price differed even more significantly. Copper Beech Farm in Greenwich sold at 39 percent less than its original asking price. Fleur de Lys, the top sale in Los Angeles, which was listed for \$125 million and sold for \$88 million, went for 42 percent less than its list price.

When a unique legacy property comes to market, the challenge of pricing becomes even greater. The 9,000 square foot penthouse at Ten Trinity Square—an iconic

Grade II* landmark building in the City of London, which is undergoing a meticulous renovation and is set to open in 2016—remains without an asking price.

“Although the term ‘trophy’ might be applied to ultra-prime real estate, ‘legacy’ seems more fitting for this one-of-a-kind residence,” observes Dan Conn of Christie’s International Real Estate. “With Four Seasons Hotel services, a storied history, prized location, and the finest amenities on offer, there is no way to put an accurate price on this once-in-a-lifetime residence. The penthouse itself includes the building’s central tower with views of the Tower of London and the River Thames.”

The art of accurately pricing high-value trophy assets is a challenge also faced by the fine art specialists at Christie’s. Much like their real estate counterparts, art specialists often employ comparables and appraisals to determine what the market will accept.

“While many artworks can be priced using historical comparables and adjusting for macro market trends, pricing masterpieces in the field is a much more subjective, speculative art,” notes Brooke Lampley, head of the Impressionist and Modern Art department at Christie’s. Lampley was involved with the estimate of Picasso’s *Nude, Green Leaves and Bust*, one of the world’s highest priced pieces, which sold for \$106.5 million and set the record for most expensive work of art at auction at the time of the sale. “We have assessed the most distinguished private and public collections in the world and this requires a vision of today’s taste and specific knowledge of what today’s buyers are looking to buy, and at what price.”

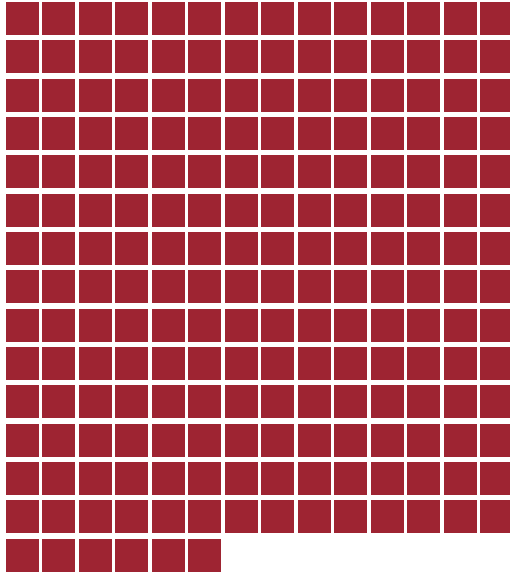


12. How many average priced homes can you buy for the same amount as the highest-priced home sold in 2014?

Hong Kong, China

Top sale \$104 million

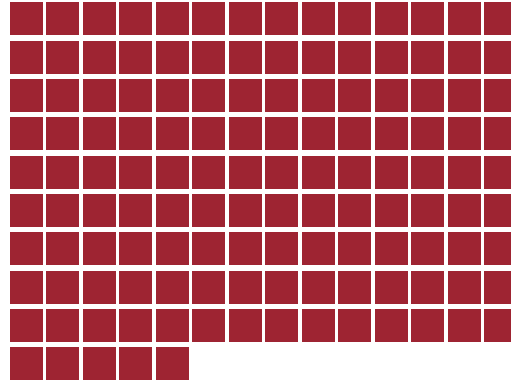
Number of average homes you could buy for the same price (202)



London

Top sale \$98 million

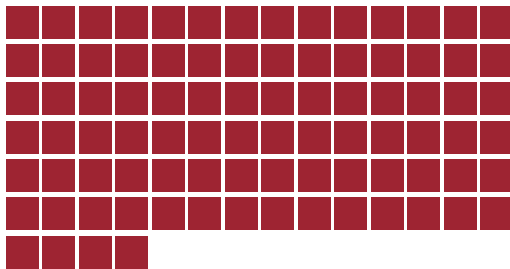
Number of average homes you could buy for the same price (131)



Miami

Top sale \$28 million

Number of average homes you could buy for the same price (88)



New York

Top sale \$100 million

Number of average homes you could buy for the same price (54)



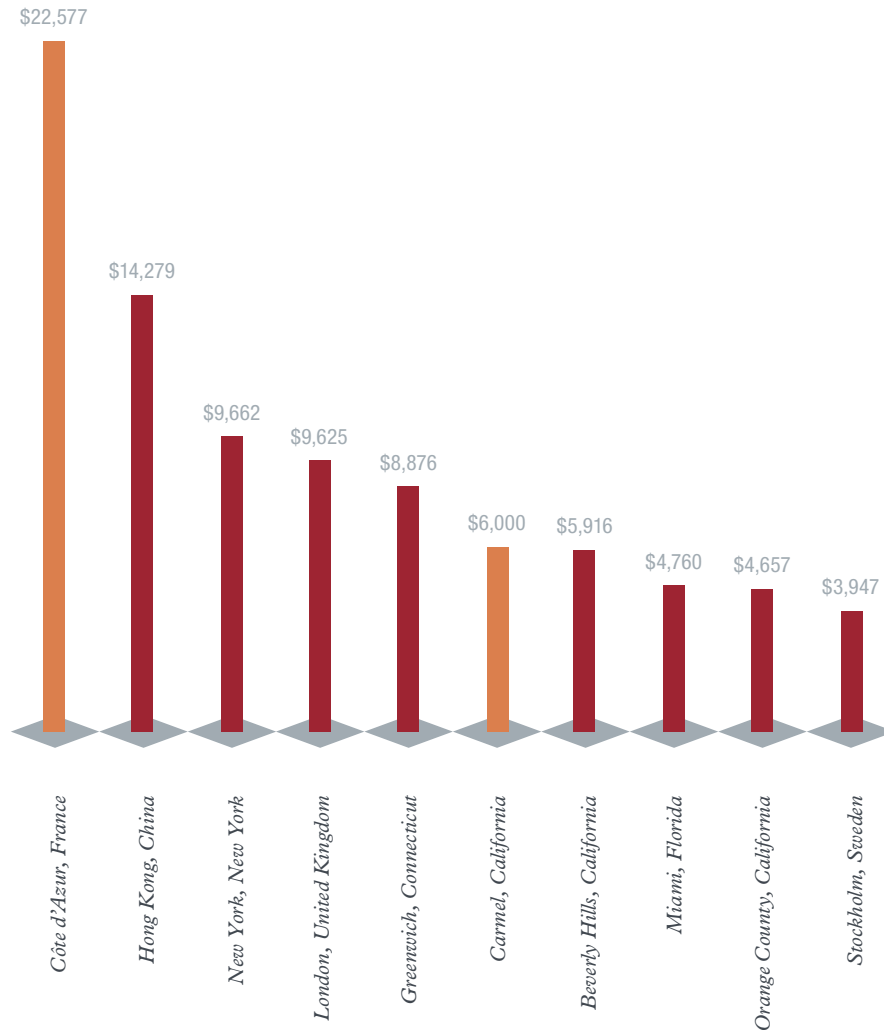
TROPHY HOME SALES

A NON-INDICATIVE PRICE INDICATOR

Headline-grabbing record prices continue to capture the attention of the buying public and the public at large. These stratospheric sales are, of course, the exception rather than the rule, and are not always indicative of the health of a particular property market. They tend to be a one-time only spike in the market rather than illustrative of a wider trend.

While there's no question these ultra-luxury homes are above average, their prices also tower above the average sales prices, even for luxury homes in their markets. (See Exhibit 12). In New York, the city's top sale of \$100 million was 54 times the price of an average home. In Hong Kong, the top sale of \$104 million dwarfed the average sales price. One could

13. Highest price per square foot achieved globally in 2014
US\$, individual unit sale per market



* Figures calculated with a ratio of 10.764 square feet to one square meter

purchase 202 “average” homes for the same price as the year’s top home sale.

The rise in trophy acquisitions is not necessarily correlated to the residential property market, however. UHNWIs and global sovereign funds have been acquiring trophy real estate assets across the globe

for some time, most notably in recent years by Chinese investors who were barred from investing overseas prior to 2012. Well-heeled, cash-bearing Chinese UHNWIs have invested heavily in the commercial real estate sector, with recent trophy purchases spanning from New York’s iconic Waldorf Astoria Hotel to the Richard Rogers–designed Lloyd’s of London building.

PERFECT PAIRINGS

RELATIVE VALUES FOR FINE ART AND FINE HOMES

High value assets are not only investments, but are often acquisitions of passion. We explore the relative values of these passion assets, offered by Christie's and our real estate Affiliates. Though one asset may be so small as to slip in a pocket and the other so expansive it fills the countryside, the two design forms continually inspire their existing and aspiring owners. Scarcity of similar quality and specialist marketing to the world's most qualified buyers drives pricing in each category.



\$1-2M

PATEK PHILIPPE SKY MOON TOURBILLON

Platinum manually-wound
double dialed wristwatch
Estimate: \$1,500,000



SPECTACULAR COUNTRY HOUSE ON 13 ACRES

Capilla Del Señor, Buenos Aires, Argentina
Offered by ReMind Group
List price: \$2,000,000



\$3-5M

**A CUSHION SHAPED KASHMIRE
SAPPHIRE RING OF 35.09 CT**
Estimate: \$3,000,000-\$5,000,000



VILLA ISLA ON LONG BAY BEACH
Providenciales, Turks and Caicos Islands
Offered by Regency International
List price: \$4,200,000



\$6-10M

PAYSAGE DE MATIN
Oil on canvas
Claude Monet (1840 - 1926)
Estimate: \$6,000,000-\$8,000,000



MOEMALIE—23 ACRE GATED COMPOUND IN KULA
Maui, Hawaii
Offered by Maui Estates International
List price: \$8,900,000



\$15-20M

**DRESDEN FROM THE RIGHT BANK OF THE ELBE
ABOVE THE AUGUSTUS BRIDGE**
Oil on canvas
Property of a private European collector
Bernardo Bellotto (Venice 1721-1780 Warsaw)
Estimate: \$12,400,000-\$18,500,000 (£8,000,000-12,000,000)



ELEGANT RHINE ESTATE NESTLED IN THE LORELEI VALLEY
Saint Gorhausen, Germany
Offered by Von Poll Immobilien
List price: \$20,030,000 (€18,900,000)



Jet Set Destination

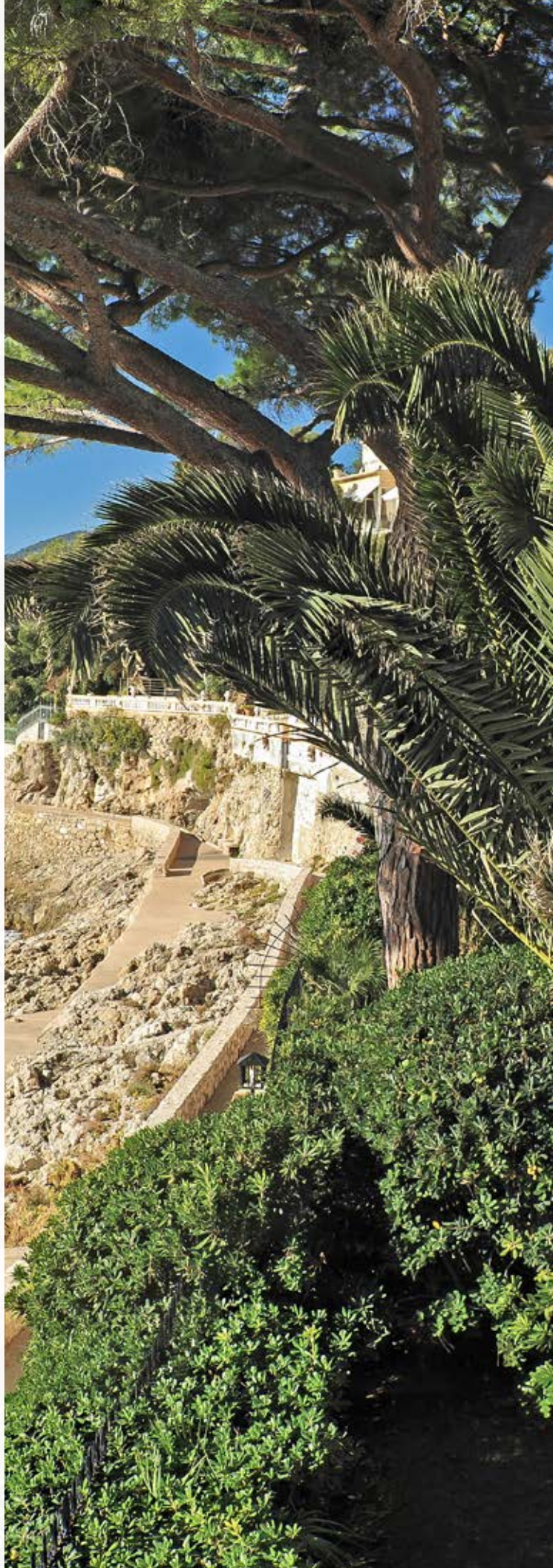
MARKET SPOTLIGHT CÔTE D'AZUR, FRANCE

Surrounded by a dazzling sea and lined by exquisite luxury villas, the Côte d'Azur remains one of the most prized second-home destinations for the world's jet-set glitterati. Frequenting by European and British aristocracy since the 19th century, today the region attracts more than 90 percent of its property buyers from abroad.

Housing prices in the Côte d'Azur have dropped by up to 20 percent from their 2007 peak, offering significant value for overseas investors who have long dreamed of owning a property in the south of France. "Attractive loan rates, realistic pricing, and eased buying regulations are all providing exceptional opportunities for discerning buyers," says Niki van Eijk of Michaël Zingraf Real Estate.

Competition for the region's most prized properties—large, contemporary-style villas with premium water views—is likely to remain strong, especially given the increasing interest from overseas buyers encouraged by strength in their native currencies against the euro. "Wealthy international buyers are increasingly interested in modern properties—those with no works needed," adds van Eijk, noting an uptick in demand for "move-in-ready" properties that overseas buyers can just bring their suitcases along to and enjoy.

What defines luxury:	\$3 million
Record sale in 2014:	\$146 million
Percentage of international buyers:	90%



“Wealthy international buyers are increasingly interested in modern properties—those with no works needed”

Built in the early 20th century, this noble six-bedroom waterfront mansion in Cap d'Ail retains a majestic and classic-style interior and is surrounded by lush vegetation, a swimming pool, and a splendid terrace with private access to the sea.

MOTIVATIONS OF THE INTERNATIONAL SECOND-HOME BUYER

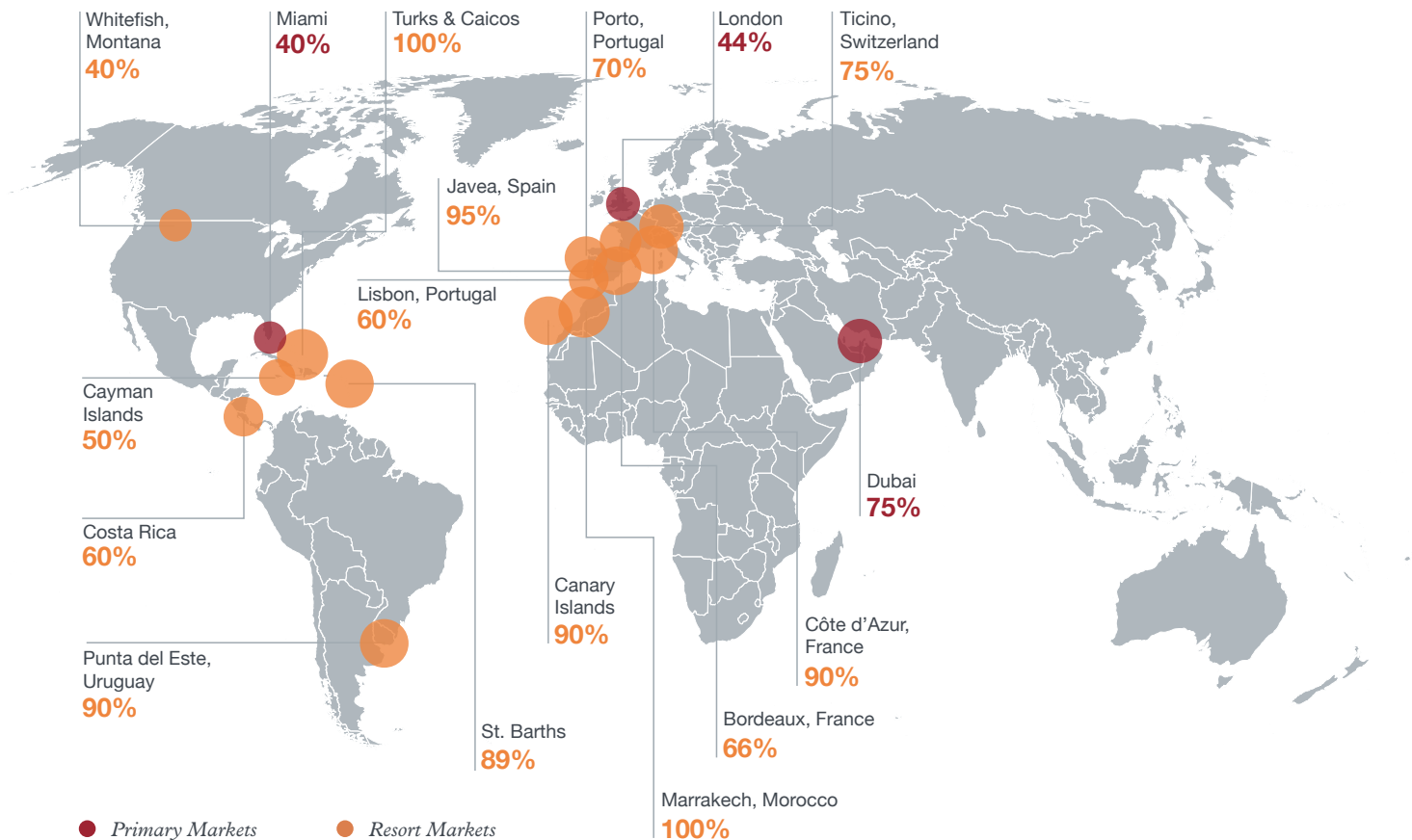
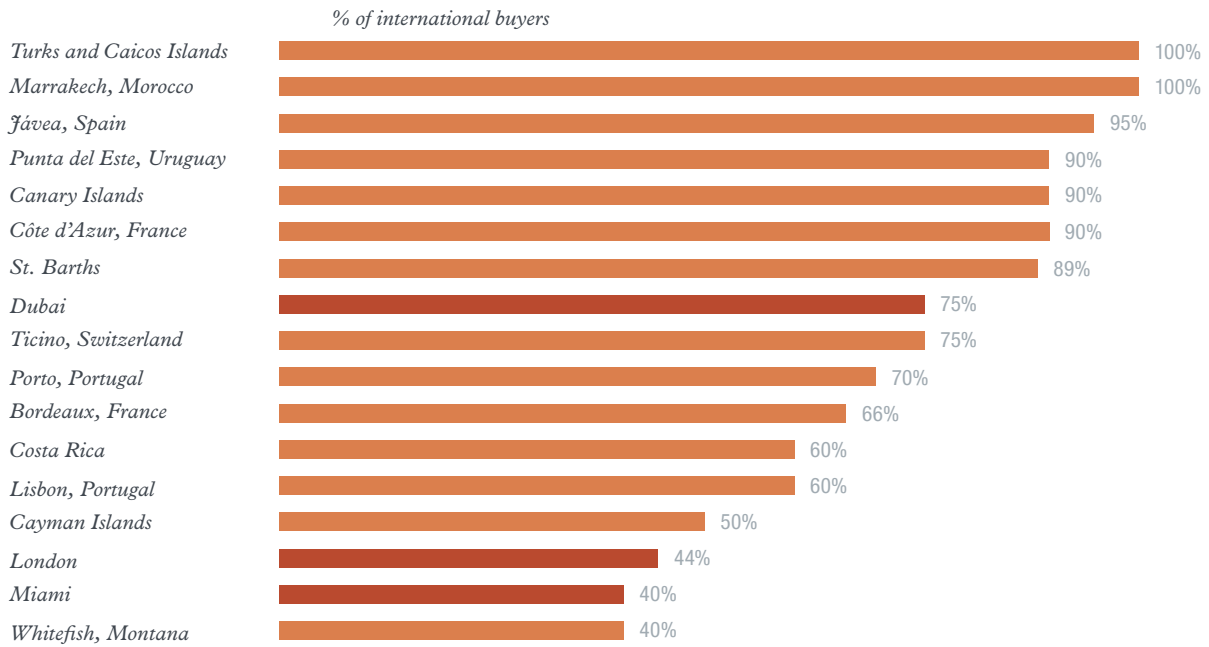
As the world's luxury real estate markets stepped further toward buoyancy in 2014, stories of wealthy international buyers in many urban markets led the headlines. But are cities really the luxury property markets most impacted by overseas buyers?

In our survey of more than 80 markets worldwide, we discovered that the habits of international buyers tend to have the greatest impact in resort and second-home markets, especially those in *Jet Set Destinations*. (See Exhibit 14). Of the top markets with the highest percentage of international luxury home buyers, only three of our top 10 cities ranked in the list. Dubai ranked top of all cities, with three-quarters of prime property buyers hailing from overseas. London (44 percent) and Miami (40 percent) trailed significantly behind. Interestingly, Miami's luxury market is now witnessing an uptick in activity from Chinese buyers, fueled in part by the August 2014 establishment of the only city-owned EB-5 Regional Visa Center in the country, which

is designed to encourage investment by internationals wanting to relocate in Miami.

At the top end of the spectrum, the Turks and Caicos Islands and Marrakech in Morocco relied on overseas buyers for 100 percent of their luxury home sales in 2014. "Due to its proximity to the United States and its offshore status, the Turks and Caicos Islands attract global HWNIs from North America and Europe looking for health and wealth preservation," observes Katherine Baryluk of Regency International. A soon-to-launch direct flight route from Brazil will further attract international buyers from South America to this picturesque Caribbean island, she anticipates.

14. Where the global jet set land and buy luxury second homes



Markets with a high volume of international buyers are susceptible to the economic ebbs and flows of other countries. Punta del Este in Uruguay, with its 90 percent overseas home buyers, recorded a downturn in luxury sales volume, primarily as a result of the precipitous decline of Argentina's economy in 2014. There is reason for hope, however. "The appeal of our region is global," said Diego Roel of Terramar Servicios, who is seeing new demand from European buyers. "An influx in luxury buyers from Italy and Germany may boost the market and bring an uptick in our otherwise depressed luxury sector."

Interestingly, two of Portugal's luxury areas make our list of top overseas buyer markets, spurred on in part by government measures to attract international buyers with residency visas—commonly referred to as "Golden Visas"—as well as the retired foreign tax exemption regime. "In 2014 we saw a strong increase in the number of retired buyers from France, mainly related to the retired foreign tax exemption regime," says Ricardo Costa of LUXIMO'S in Portugal.

Somewhat surprisingly, the resort town of Whitefish in Montana, which has traditionally been considered a domestic resort market, caps our list of top international buyer markets. Thanks to its close proximity to Canada, more than 40 percent of its luxury home buyers hail from Montana's neighboring northern-border country. As the US dollar appreciates however, this trend may slow.

TAXES ON OVERSEAS BUYERS

A BURDEN FOR SOME, BUT NOT ALL

To better understand the international non-resident buyer in 2014, we explored the factors that affected the purchasing power, outside of the traditional lifestyle motivators—currency shifts and new taxes—to see what impact they had on the markets.

In recent years, significant international attention has spotlighted the French government's imposition of wealth taxes on its HNW residents. Luxury home sales across France have slowed as a result, but this may be more due to regional economic factors than taxes, which, despite the hype, are not drastically different from elsewhere in Europe⁽⁸⁾. "The current fiscal environment in France for non-residents brings major opportunities to invest, thanks to a partial exemption on capital gains tax, the favorable euro exchange rate, low loan rates, and possible changes in 2015 on taxation of non-resident estates," notes Michaël Zingraf

of Michaël Zingraf Real Estate in Côte d'Azur. "This is a very good time to invest in France, where the majority of economic levers are in favor of non-residents."

Savvy buyers have begun to recognize these opportunities, Zingraf adds, noting that thanks to this uptick in buyer interest, his firm achieved its highest sales volume to date in 2014.

Mere rumbles of proposed legislation to penalize international buyers against purchasing local property have already had an impact in other markets. "Although the London market absorbed the Stamp Duty Land Tax change at the tail end of 2014, election posturing around a 'mansion tax' and non-dom tax relief has understandably caused buyers to suspend activity," says Andy Martin of Strutt & Parker. "The Prime Central London markets are most affected, while the regional markets with lower average prices have fared better. In reality the likely fiscal changes will impact the occupational taxes of the domestic buyers most, whereas international buyers will always weigh up domicile advantages. Market uncertainty is the most likely reason for the current pause and once the 2015 UK general election has passed and that uncertainty is removed the markets will revert."

CURRENCY UPS AND DOWNS

A BOON FOR SECOND-HOME BUYERS

Much of the significant movement in overseas buying power in the last 12-month period has emerged from countries that have seen a resurgent local currency.

"The dollar is the icing on the cake at the moment, but that doesn't change the quality of the cake"

Affluent Americans are increasingly becoming a prominent fixture in the European property market, thanks in part to the tumble of the euro in comparison to the US dollar. "At the highest end of the market, American buyers returned last year, after becoming scarce in the period following 2008," says Charles-Marie Jottras, of Daniel Féau Conseil Immobilier in Paris. "And they are increasingly purchasing luxury property in Paris—above the €2 million price point—partly because this segment is selling for around 15 percent less in euro terms than it was in 2012."

This sentiment was echoed in Bordeaux: "We expect more US buyers to return to France with the dollar/euro exchange rate being so favorable," remarks Karin Maxwell of Maxwell-Storrie-Baynes.

While the strength of the US dollar has seen an outflow of US capital to second-home markets, the purchasing



ELAINE POINT PIPER, SYDNEY, AUSTRALIA

power and interest from Canadians in the US has waned. California's desert resort Palm Springs, a traditional haven for retired and second-home buyers from north of the US border, saw a "comparative lack of Canadian buyers because of the exchange rate," notes Harvey Katofsky of HK Lane Real Estate.

Just in time for the 2016 Olympic Games, a drop in Brazil's currency has become fortuitous for overseas HNWI's looking to acquire a luxury property in the South American country at very attractive valuations. "A decrease in property prices combined with a significant drop in the Brazilian *real* over the past 12 months is providing buyers with an enticing opportunity," says Frederico Judice of Judice & Araujo Imóveis in Rio de Janeiro. "In recent months we have seen an uptick in

interest from international investors who are considering purchasing in Rio de Janeiro at more inviting prices."

A drop in the Australian dollar has also fueled interest in that country's property market. "International buyers aren't watching the world's currency markets and then deciding where they'll buy property based on that. But they do look at property they want to buy and will time their purchase accordingly," observes Ken Jacobs of Ken Jacobs in Sydney. The increasing global appeal of Sydney's lifestyle, healthy environment, and proximity to Asia's emerging markets is increasingly attractive with a slowing Aussie dollar. "The dollar is the icing on the cake at the moment, but that doesn't change the quality of the cake," said Jacobs. However, uncertainty around government policy regarding overseas ownership of residential real estate may dampen foreign enthusiasm until those policy issues are put to rest.



Lifestyle & Regional Resort

MARKET SPOTLIGHT BORDEAUX, FRANCE

The world's premier wine-producing region, Bordeaux is revered not only for its prestigious viticultural heritage and rich history, but also for its tranquil setting, high quality of life, Neoclassical architecture, and its many magnificent vineyard estates. In 2014, the châteaux vineyards market enjoyed sustained interest from China, currently the largest export market for Bordeaux wine. International buyers have been attracted by the region's favorable buying conditions, such as no restrictions on overseas ownership and a streamlined sales process that takes just six months to complete. The market, which comprises historic 18th-century architecture and château vineyard estates, is also affordable, offering some of the best value in France. The international presence, however, remains small compared to domestic investors, and predominantly comprises second-home buyers.

"In 2014, we saw sustained interest from Chinese investors for vineyard estates with château residences. These investors have purchased approximately 100 vineyards since 2010. We also expect more US buyers to return to France due to the dollar-to-euro exchange rate being so favorable, as well as the recent changes in France's fiscal policy," says Michael Baynes of Maxwell-Storrie-Baynes.

What defines luxury:	\$1 million
Record sale in 2014:	\$4.4 million
Highest square foot sale price in 2014:	\$564
Percentage of properties over \$1 million:	60%



“We saw sustained interest from Chinese investors for vineyard estates with château residences”




















This stunning château enjoys the most idyllic setting among the vines. The estate includes the main 14 bedroom-château house and approximately nine hectares of land with formal gardens, meadows, mature trees, an ornamental pond, a swimming pool, and a tennis court.

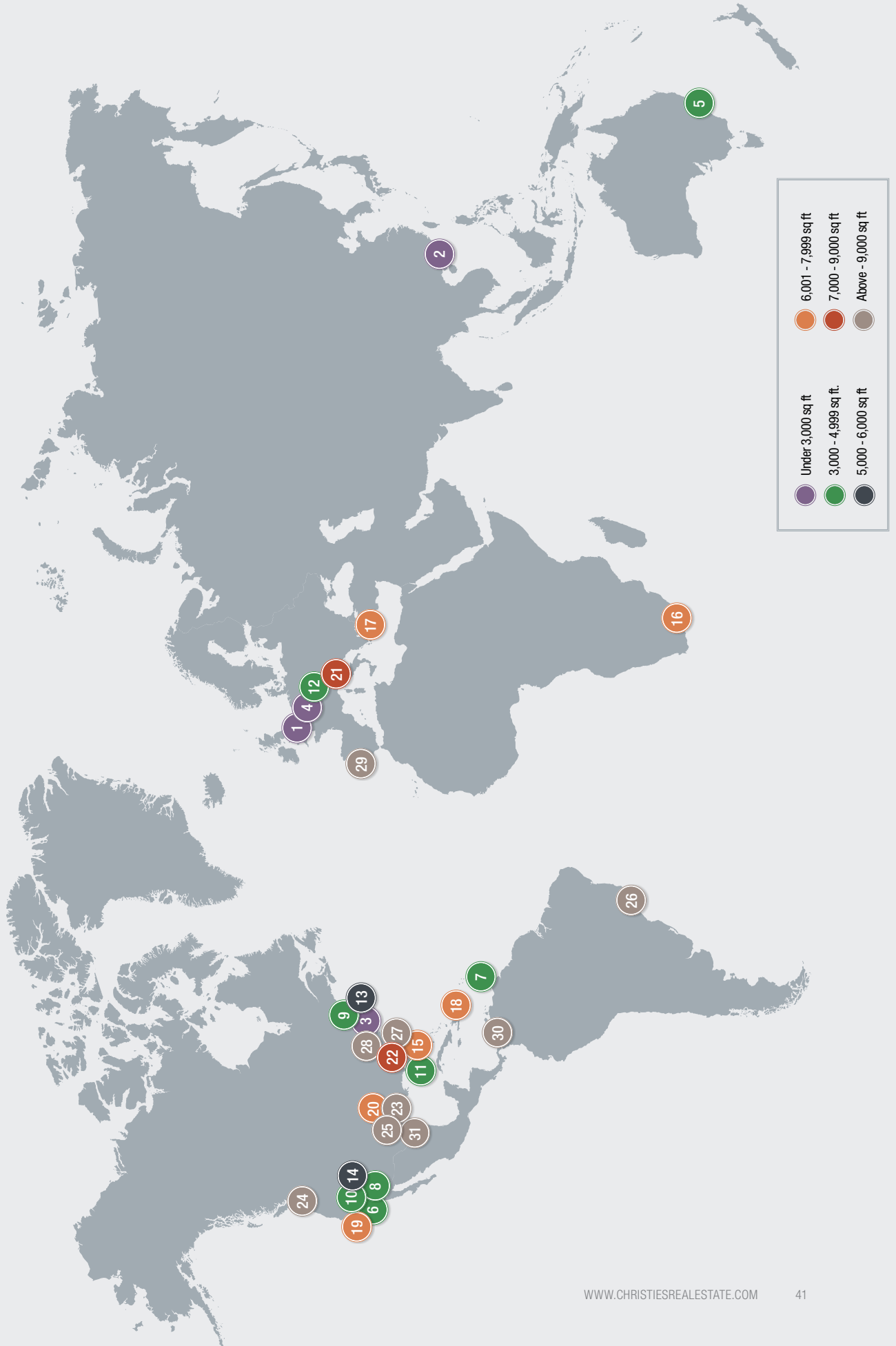
WHAT \$5 MILLION BUYS AROUND THE WORLD



WHAT \$5 MILLION BUYS AROUND THE WORLD

	LOCATION	NUMBER OF BEDROOMS	SIZE	DESCRIPTION	AFFILIATE NAME
1	 London, UK	2	1,319 sq ft	Exemplary light and bright flat in West Eaton Place	Strutt & Parker
2	 Hong Kong, China	3	1,567 sq ft	Unique mid-rise apartment with tasteful décor	Landscope
3	 New York, New York	3	1,865 sq ft	Elegant condo in the Upper East Side's landmark Manhattan House	Brown Harris Stevens
4	 Paris, France	3	2,287 sq ft	Duplex apartment in the 6th arrondissement	Daniel Féau Conseil Immobilier
5	 Sydney, Australia	4	3,000 sq ft	Grand contemporary estate in Vaucluse	Ken Jacobs
6	 Beverly Hills, California	3	3,932 sq ft	Luxurious contemporary Hollywood Hills estate	Hilton & Hyland
7	 St. James, Barbados	4	4,330 sq ft	Stunning Caribbean retreat with ocean views	One Caribbean Estate
8	 Orange County, California	5	4,400 sq ft	Elegant Newport Coast estate with ocean views	First Team Real Estate
9	 New Canaan, Connecticut	5	4,803 sq ft	Charming farm estate on 2.6 acres	Barbara Cleary's Realty Guild
10	 San Francisco, California	4	4,813 sq ft	Mid-century home with Golden Gate Bridge views	Pacific Union
11	 Sarasota, Florida	3	5,125 sq ft	Sleek modern home on Sarasota Bay	Michael Saunders & Company
12	 Vaud, Switzerland	7	5,382 sq ft	Picturesque estate in Lutry with beautiful lake views	SPG Finest Properties
13	 Hamptons New York, USA	6	6,000 sq ft	European-inspired residence in Wainscott South	BHS Hamptons
14	 Olympic Valley, California	6	6,000 sq ft	Grand timbered mountain estate	Oliver Luxury Real Estate

	15	Miami, Florida	6	6,475 sq ft	Custom-built waterfront masterpiece in Coral Gables	EWM
	16	Durban, KwaZulu-Natal, South Africa	3	6,748 sq ft	Beautifully maintained art deco mansion	Tyson Properties
	17	Mykonos, Greece	6	6,996 sq ft	Stunning villa above the new port of Mykonos	Plouris Sotriopolous
	18	Punta Cana Resort, Dominican Republic	7	7,000 sq ft	Tropical contemporary and golf-front villa	Provatour
	19	San Luis Obispo County, California	3	7,000 sq ft	Tuscan vineyard estate on 40 acres	Richardson Properties
	20	Dallas, Texas	6	7,159 sq ft	Waterfront living in University Park	Allie Beth Allman
	21	Tuscany, Italy	8	8,718 sq ft	Historic villa in Chianti	Romolini
	22	Vero Beach, Florida	6	9,000 sq ft	Oceanfront private resort on 1.2 acres	Norris & Company
	23	San Antonio, Texas	6	9,168 sq ft	Unique retreat offering luxurious lakeside living	Phyllis Browning Company
	24	Portland, Oregon	5	9,168 sq ft	Grand 1.4 acre estate on Portland Heights	Luxe Platinum
	31	Austin, Texas	7	9,760 sq ft	Palatial 3.4 acre estate on Lake Travis	Moreland
	26	Rio de Janeiro, Brazil	4	10,4763 sq ft	Bucolic retreat on 15 acres	Judice & Araujo Imoveis
	27	Orlando, Florida	6	11,650 sq ft	Custom Deer Island home on a 1.75 acre peninsula	Regal Real Estate Professionals
	28	Cornelius, North Carolina, USA	5	12,482 sq ft	Mediterranean-style villa with Lake Norman views	Ivester Jackson Distinctive Properties
	29	Lisbon, Portugal	6	13,777 sq ft	Magnificent villa in Cascais near the golf course	Porta da Frente
	30	Cartagena, Colombia	12	16,522 sq ft	18th-century republican house with renovated contemporary interiors	Julio Corredor & Cia
	31	Monterrey Nuevo Leon, Mexico	5	17,222 sq ft	Five-bedroom home with city and mountain views	Gerencia RED



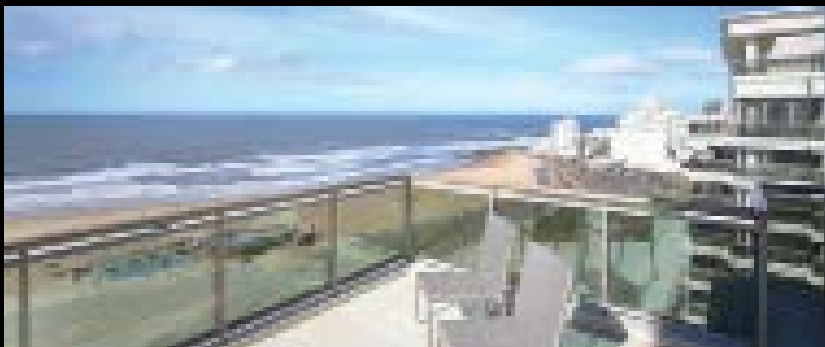
EMERGING & RESURGENT LUXURY MARKETS

With the improving macroeconomic landscape, many real estate markets around the world are experiencing a resurgence in sales and visibility. Property buyers have developed renewed interest and confidence in these burgeoning markets for myriad reasons, ranging from lifestyle offerings to tax incentives. We have identified seven key real estate markets—some revitalized and some emerging—that present attractive options for investment, exclusivity, and getaways.

TELLURIDE, COLORADO: POPULATION 2,000 ▼

Interest in property in Telluride has grown alongside its reputation as a top ski destination. “Telluride’s recovery from the great recession began in earnest in 2013 and momentum was further enhanced in 2014 with a gross dollar sales increase of 48 percent,” according to TD Smith of Telluride Real Estate Corp. “Values have not only returned to pre-recession levels, but have exceeded those before the downturn. Those circumstances have spread into surrounding market segments as second-home investors seek ‘perceived better buys’ thereby enhancing the overall market place.”

What defines luxury:	\$3 million
\$1 million+ home market:	54%
Top sale in 2014:	\$9.3 million
2013-2014 luxury sales growth:	49%
\$1 million + market:	54%



PUERTO RICO: POPULATION 3.6 MILLION ▲

Puerto Rico’s prime property market has been buoyed in recent years by the US territory’s status as a tax haven. Residence in Puerto Rico means a shield from most federal income taxes, and prominent investors have been catching on rapidly since the law was passed in 2012. “Investors have also been revitalizing resort property and developing luxury residences, signaling that the Puerto Rican real estate market is ripe with opportunity,” says Letty Brunet Gonzalez of Trillion Realty Group.

What defines luxury:	\$1 million
\$1 million+ home market:	10%
2013-2014 luxury sales growth:	105%

CANARY ISLANDS: POPULATION 2.1 MILLION ▼

The Canary Islands have long been a favorite vacation spot and foreign direct investment target for Western Europeans. Of this Spanish archipelago’s seven islands, Tenerife has seen the most home-buying activity in the past few years. “The majority of buyers like to purchase property on the first line of the coast,” notes Mireille Oude Lansink of ETEN Real Estate. “We see the biggest trend in 2015 being overseas HNWLs buying investment properties between €1.5-2 million.”

What defines luxury:	\$2 million
\$1 million+ home market:	60%
Top sale in 2014:	\$12 million
2013-2014 luxury sales growth:	100%



COSTA RICA: POPULATION 4.5 MILLION ▼

Boasting a landscape of tropical rainforests, active volcanoes, and more than 750 miles of coastline, Costa Rica has been a top luxury resort destination for decades. With the recent completion of several upscale developments, with additional new resorts, communities, and golf courses lined up over the next five years, Costa Rica's prime property market is a hotbed of opportunity for investors. "With the exception of resort property, our luxury market has been almost non-existent for four years—2015 seems to be the turnaround year. The market is ripe with value, so the opportunity for buyers is great," says Bob Davey of Plantación Properties.

What defines luxury:	\$750,000
\$1 million+ home market:	5%
Top sale in 2014:	\$4.5 million
2013-2014 luxury sales growth:	50%

**DURBAN, SOUTH AFRICA: POPULATION 3.5 MILLION ▲**

Home to the largest port on the African continent, as well as host to the 2022 Commonwealth Games, Durban is both a cosmopolitan center and a beach getaway. A possible bid for the 2024 Olympic Games has also spurred a massive infrastructure revitalization and expansion project by the city, attracting substantial interest in Durban's real estate market. Chris Tyson of Tyson Properties cites a supply shortage in homes as well as continuing relatively low prime interest rates as factors in driving growth in the luxury property market. In addition, there is a recent trend of new homes being built to satisfy demand, making Durban an appealing investment option for 2015 and beyond.

What defines luxury:	\$750,000
\$1 million+ home market:	25%
2013-2014 luxury sales growth:	50%

**TURKS AND CAICOS ISLANDS: POPULATION 13,000 ◀**

Long a favored luxury vacation spot and high-end resort destination for globetrotters, the Turks and Caicos Islands have seen a resurgence in private island, development, and residential sales. High-value (\$10M+) sales have been driving this upward trend, observes Robert Greenwood of Regency Ltd. With world-class beaches and investor-friendly tax laws, these attractive Caribbean islands are well positioned as an active target for international investors.

What defines luxury:	\$2 million
\$1 million+ home market:	18.5%
Top sale in 2014:	\$13 million
2013-2014 luxury sales growth:	25%

SAINT-JEAN-DE-LUZ, FRANCE: POPULATION 130,000 ▲

A historic fishing town known for its quiet rhythm, charming architecture, and its *art de vivre*, Saint-Jean-de-Luz is an ideal vacation-home location, offering sandy beaches in the summer and skiing in the Pyrenées in the winter. Homes for sale in the market are low in supply and highly prized. "Buyers want to buy near the coast for the lifestyle," observes Nicolas Descamps of Côte Ouest Immobilier, also noting that prices have dipped in recent years, which presents favorable buying opportunities.

What defines luxury:	\$1 million
Average days on the market for luxury homes:	180
2013-2014 luxury sales growth:	43%





Weekender

MARKET SPOTLIGHT MUSKOKA, ONTARIO, CANADA

Just two hours from Toronto in Ontario, Canada, the Muskoka region is renowned for its secluded lakefront cottages and exceptional recreational offerings. Dubbed “The Malibu of the North” by *The New York Times*, this pristine wilderness area has gained recognition as a world-class travel destination.

Predominantly a second-home, summer-resort market, in 2014 Muskoka saw a marked increase in sales of luxury homes, especially in the \$2 million-plus range, which skyrocketed by 66 percent over 2013. “The jump in luxury sales volumes does not necessarily show that average sale prices increased, but does indicate that buyers had an appetite for more expensive recreational properties—something that has not occurred since before the recession of 2008,” notes Justine Deluce of Chestnut Park Real Estate Limited.

Across the board, sale prices have edged closer to their list prices than ever before and demand has kept up with supply. Negative market influences are shaped by low interest rates and winter weather conditions, while a potential threat to growth may come from rising oil prices impacting Canada’s commodity-driven economy.

What defines luxury:	\$1 million
2014 record sale:	\$7 million
Year-on-year growth in luxury sales:	66%



“Luxury buyers are looking for architecture that blends into the topography of the area for a more discreet, less ostentatious, approach.”

Complete with 200 feet of lake frontage, this brand-new five-bedroom estate offers exceptional views and is located in a highly sought-after south Lake Rosseau locale. The exterior is finished in a traditional Olde Muskoka style and the contemporary cottage-chic interior will appeal to sophisticated weekenders.

INDEX RANKINGS

THE WORLD'S TOP 10 CITIES FOR PRIME PROPERTY

Now in its third year, the Christie's International Real Estate Index gives luxury rankings to the year's 10 top-performing cities for high-value residential real estate across the globe.

Ranking the world's top luxury real estate markets can be best achieved by observing two types of market dynamics: those that measure the relative 'luxuriousness' of a market and those that take its overall 'temperature.' In previous years, the *Christie's International Real Estate Index*—a comparison of the world's top 10 performing luxury residential housing markets—reviewed both factors and gave an overall score to each market.

In order to better evaluate the relative annual performance of the top housing markets, this year's Index aggregates residential data for each city and presents a corresponding score out of a possible 100 for both luxury and market-temperature categories.

The *Luxury Index* evaluates overall prices and relative 'luxuriousness' of a market. Measuring the *Luxury Temperature* of the top prime property markets, however, offers a different perspective of the global marketplace. This category evaluates both growth and demand, and answers the elusive question: "Which was the hottest luxury housing market?" in a particular year. This ranking takes into account annual sales growth, time on market, and other independent city rankings.

KEY FINDINGS FROM THE 2014 INDEX

- London topped the year's *Luxury Index* rankings—which rewards top sales prices, high average prices per square foot, and number of luxury sales—with a score of 75.
- New York's exceptional record sale (\$100 million) and sustained strength in other *Luxury Index* metrics

solidified its position as the second top luxury market. New York and London's high rankings are unsurprising to many, given both cities' continued strength as global economic hubs.

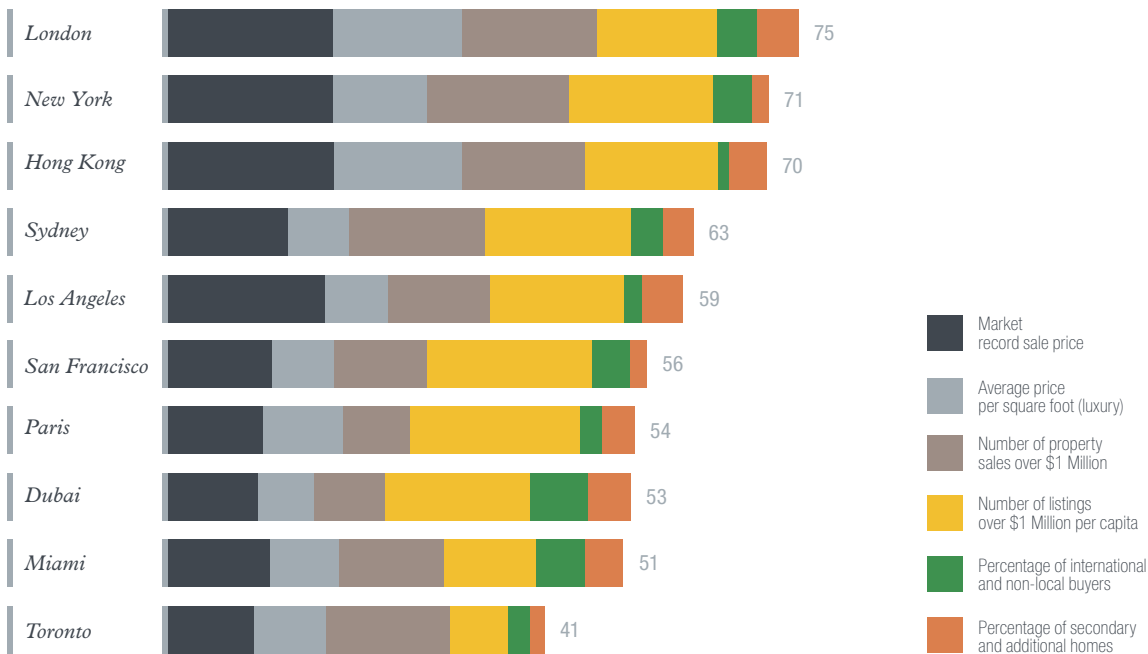
- Despite slowing prices and negative annual sales growth due to government cooling measures, Hong Kong ranked third in the *Luxury Index*. This is testament to its enduring popularity for investment that it is still one of the world's most expensive—and prized—cities for luxury real estate.
- Ranking third on our *Luxury Temperature* list, Sydney recorded strong year-on-year sales growth and large numbers of sales over \$1 million, ending up in fourth place in our *Luxury Index* rankings.
- New to the Index in 2014, Dubai recorded the highest percentage of international and non-local buyers (75 percent) and a solid number of luxury listings relative to its population, likely as a result of continued luxury inventory entering the market.
- Despite being ranked tenth in the *Luxury Index*, Toronto's market was red hot in 2014, giving rise to its number-one position in the *Luxury Temperature* category. Toronto's market strength was fueled by overall increases in home prices and incredible velocity in sales.
- San Francisco ranked second in the *Luxury Temperature* category as a result of strong annual sales growth, and ranked sixth in the *Luxury Index*.

Note: The 2013 Index included Côte d'Azur in its rankings, which was replaced this year by Dubai to limit the Index to similar market types (Global Economic Hubs).

15. Christie's International Real Estate Index

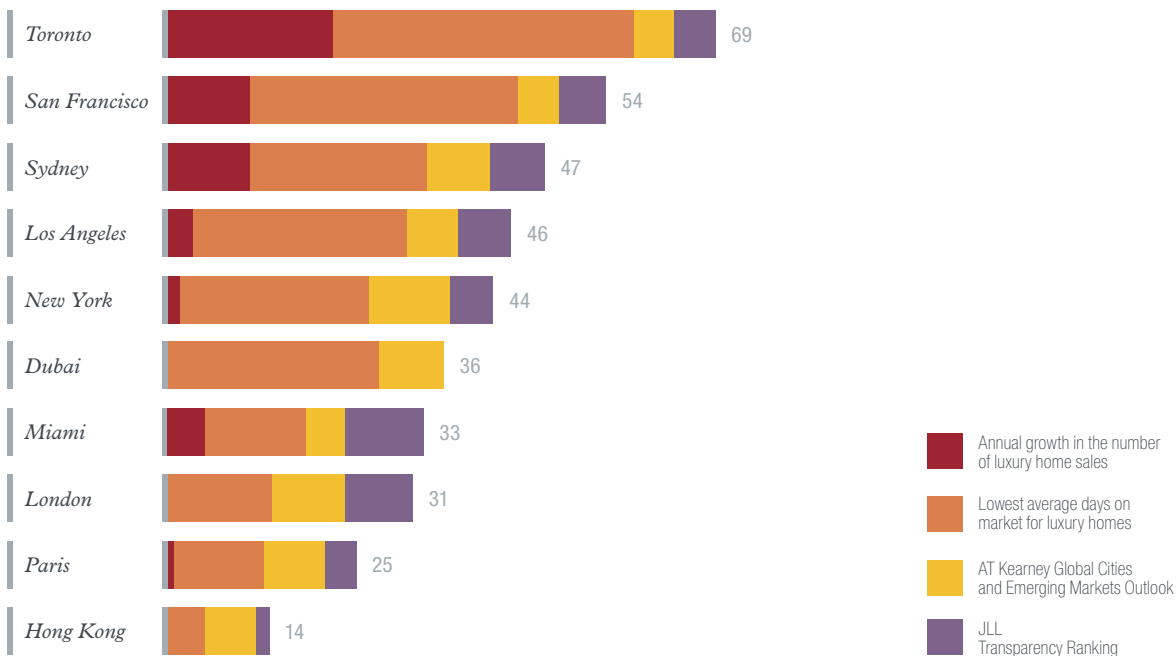
Luxury Index

Score (out of 100)



Luxury Thermometer

Score (out of 100)



CONTRIBUTORS CONTACT DETAILS AND DATA SOURCES

The real estate specialists cited in this report are exclusive affiliates of Christie's International Real Estate who have compiled the data from their own records. In some cases, the data refers to certain luxury enclaves within a city in which each firm operates, not the entire city itself.

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**Massachusetts,
New Hampshire,
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www.waltdanley.com

Stowe, Vermont
Pall Spera Company Realtors, LLC
www.pallspera.com

Sun Valley, Idaho
Sun Valley Real Estate LLC
www.sunvalleyrealestate.com

Telluride, Colorado
Telluride Real Estate Corp.
www.telluriderealestatecorp.com

Toronto, Ontario, Canada
Chestnut Park Real Estate Limited, Brokerage
www.chestnutpark.com

Vero Beach, Florida
Norris & Company Real Estate
www.norrisandcompany.com

Washington D.C. Metro Area
Long & Foster Real Estate, Inc.
www.longandfoster.com

South & Central America

Bogotá, Colombia
Julio Corredor & CIA
www.juliorredordorycia.com

Costa Rica
Plantación Properties
www.plantacionpropertiesscr.com

Monterrey, México
Gerencia RED Grupo Inmobiliario
www.gerenciared.com

Punta del Este, Uruguay
Terramar Servicios Inmobiliarios
www.terramar.com.uy

Rio de Janeiro, Brazil
Judice & Araujo Imóveis
www.judicearaujo.com.br

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INDEX METHODOLOGY

Step 1: Six factors for which data was collected (as shown in this study) for each city that best define the global luxury market were divided into two categories and weighted:

- Direct residential metrics: Market record sale price, average price per foot, number of sales over \$1 million and number of listings over \$1 million relative to population. This group was assigned a weight of 85% in the Index.
- Other luxury real estate indicators: Percentage of international and non-local buyers and percentage of secondary and additional homes. This group was assigned a weight of 15% in the Index.

Step 2: Four factors for which data was collected (as shown in this study) for each city that best define the health of the top 10 global luxury markets identified in Step 1 were divided into two categories and weighted:

- Luxury sales velocity metrics: Growth in luxury sales and number of days on market for luxury homes. This group was assigned a weight of 80% in the luxury health barometer.
- Other luxury real estate market health indicators: AT Kearney Global Cities Index and Emerging Markets Outlook, and JLL Transparency Ranking. This group was assigned a weight of 20% in the luxury health barometer.

Step 3: The score for each factor was then weighted by the scale assigned in Step 1.

Step 4: Each score for each factor was then weighted by the scale assigned in Step 1 or Step 2, as applicable.

Step 5: The six and four scores for each city across all factors in the luxury and market-health categories, respectively, were then totaled, resulting in the luxury Index and market-health barometer scores for that city.

The benchmarks and methodology of this report will continue to be refined year to year as more comparative data is evaluated.



VILLA SIX, ST BARTH'S, FRENCH WEST INDIES

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This report is intended to be an informative piece that outlines key areas of consensus and disagreement among residential real estate professionals in the luxury real estate market. Although prepared with careful analysis, it is not intended to be prescriptive or to imply endorsement of the findings by any of the parties, companies, or individuals involved in the discussions, research, or any other aspect of the development of this paper. The views, opinions, and data contained within this paper are the aggregate findings of a large group of residential real estate professionals and do not imply a view or opinion on the part of any of the companies represented, their members, employees, or agents. We make no express or implied warranties or guarantees with respect to the accuracy of any of the material presented, and, to the extent allowable under applicable law, we disclaim liability for any errors, inaccuracies, or omissions contained in these contents and for any loss or damages sustained by any party for any direct or indirect reliance on the material presented herein. This white paper does not necessarily reflect the review of Christie's Inc. or any of our other related companies or affiliates.

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