luxury defined

AN INSIGHT INTO THE LUXURY
RESIDENTIAL PROPERTY MARKET

2017

CHRISTIE'S
INTERNATIONAL REAL ESTATE

luxury defined

AN INSIGHT INTO THE LUXURY
RESIDENTIAL PROPERTY MARKET

2017

CHRISTIE'S
INTERNATIONAL REAL ESTATE

Ten Trinity Square, London, England

On the heels of a period of sustained growth, today's luxury real estate marketplace is all the more bifurcated, with disparities between individual markets, including inventory, sales activity, and sales prices. Since the beginning of 2016, the prime residential market could best be characterized by the old theory, "the earth is flat"—albeit with very high peaks (most notably, "The Peak" in Hong Kong, but also political safe havens like Canada), set against more turbulent waters witnessed in deep markets like the UK, which has had to deal with an election, new taxes from a "conservative" government, and yet another election to come. That said, the last 15 months have yielded unprecedented sales prices and sales volumes, including many in new or re-emerging destinations for investment.

This report provides an in-depth look into the driving forces behind the buying patterns of ultra-high-net-worth individuals and their continued appetite for luxury properties around the world. Highlights from this year's white paper include:

- The number of million-dollar-plus residential sales worldwide grew by just 1% annually in 2016, a softening from the 8% and 16% year-on-year changes recorded in 2015 and 2014 respectively. The luxury market is showing upward movement as global stock markets surged in early 2017 and political uncertainties slowly clarify.

- Luxury sales prices trended upwards slightly, with 2016 showing a 2% increase in home-sale prices worldwide, a trend continuing in 2017, but particularly evident in "hot" luxury property markets such as Toronto and Montreal.

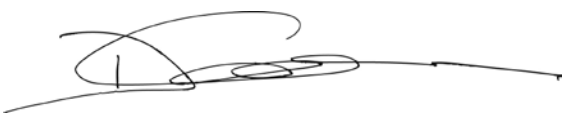
- The definition of "luxury real estate" continued to broaden and bifurcate from region to region in 2016 and into 2017. For example, luxury is defined as under $1 million in Costa Rica, while it starts at $10 million-plus in Monaco.

- The world's fastest-growing and hottest luxury markets are Canadian. Topping our Luxury Thermometer list this year are Toronto, Ontario, and Victoria, British Colombia, ranking first and second respectively. New markets that entered the top 10 rankings include Austin, Texas; Charleston, South Carolina; Paris, France; and San Diego, California.

- For the first time in history, in 2016 the world's 10 most expensive reported residential real estate sales each exceeded $100 million, with the world's top sale registering in Hong Kong for $270 million.

As the real estate arm of Christie's auction house, Christie's International Real Estate is uniquely qualified to understand the global trends impacting high-value asset classes—from fine art to fine homes—and the motivations of the high-net-worth individuals who purchase these assets across the globe. This annual white paper captures the collective wisdom and insights of the leaders of our real estate network, composed of more than 32,000 real estate agents operating out of 1,200 offices in the world's most luxurious housing markets. The specialists you will hear from in this report are the most qualified leaders in their local prime property markets, as well as recognized authorities on the world stage.

I hope you enjoy reading this report.



Dan Conn, CEO
Christie's International Real Estate

table of CONTENTS

AT A GLANCE 1

Defining Luxury Real Estate

THE CHRISTIE'S LUXURY HOUSING RANKINGS 2

Luxury Index: Hong Kong Prevails as the World's Top Ranking City for Prime Property 2

Luxury Thermometer: Toronto Regains its Title as the 'Hottest' Luxury Housing Market Worldwide 3

Markets to Watch 4

PUTTING TRUISMS TO THE TEST IN TODAY'S LUXURY REAL ESTATE MARKETS 6

When Uncertainty Prevails, Luxury Housing Purchases Soften 8

Uncertainty Further Undercuts Discretionary Second-Home Spending 12

Luxury Real Estate Follows Trends in Luxury Asset Classes, Not the General Housing Market 14

Cash is Always King in Luxury Real Estate 16

Prices Will Always Go Up … AKA My Home Will Sell for More Than My Neighbors 18

THE RELATIVE VALUE OF LUXURY HOMES WORLDWIDE 22

What Does $1M, $5M, $10M, $50M, $100M, $250M Buy? 23

THE $100M HOME 46
2016: The Year of the Trophy Home 48
Trends: The Spectacular Rise of the Spec Home 51
Buyer Undeterred: Securing the $100 Million Dream 52
Three-Year Review: Rise to Prominence 53
Retrospective: Ten Years of the Trophy Home 55

PERFECT PAIRINGS 56

LUXURY HOME TRENDS 58
An Architectural Palette for Art 60
Defenders of Fine Architecture 61
Kitchens as Theater and à Votre Santé 62
Closets: Go Big … No, Go Bigger 63
Raising Your Game 64
Privacy and Security 65
Luxury Timeline: 10 Defining Moments 66

A SNAPSHOT OF SECOND-HOME "LIFESTYLE" MARKETS 69
Vineyard Markets 71
Ski Markets 73
Yachting Destinations 75
Tropical Beach Resorts 77

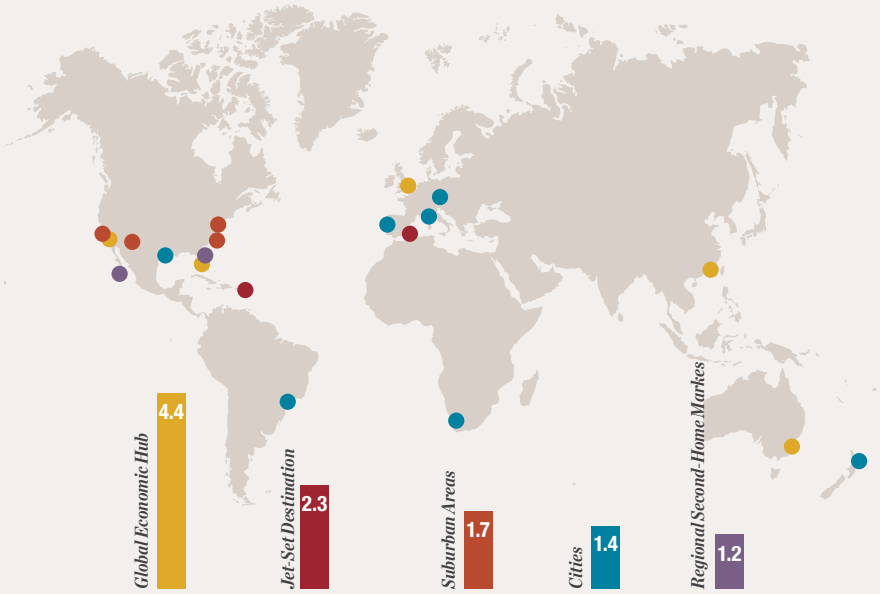
At a Glance: Defining Luxury Real Estate

A look at the world of luxury real estate in 2017 reveals a shifting, bifurcated marketplace following a period of sustained growth. Synthesizing data from over 100 luxury housing markets worldwide, this year's *Luxury Defined* report uncovers the reasons behind the generally slowing sales, upward-moving prices, and shifting sentiment of high- and ultra-high-net-worth individuals (HNWIs and UHNWIs) in both the challenged and best performing prime property markets.

What price defines a luxury home?

Worldwide, the average starting price of a luxury home is $2.1 million, down slightly from last year's $2.2 million. The benchmark differs significantly by region and market type—from under $1 million in Costa Rica to above $10 million in Monaco. When segmenting markets by categories, not surprisingly, global economic hubs, such as London and Hong Kong, have the highest entry price point for a luxury home worldwide, averaging $4.4 million.

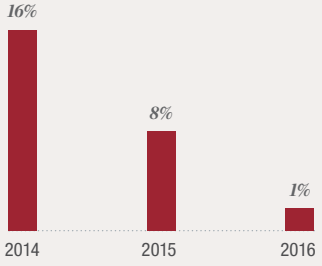
Lowest Entry Price		Highest Entry Price	
$2M	Miami, FL	$10M	Monaco
$1M	Ibiza, ES	$7M	St Barths, FWI
$1M	Orange County, CA	$5M	Greenwich, CT
$.75M	Porto, PT	$6M	Zürich, CH
$.75M	Los Cabos, MX	$5M	Jupiter Island, FL



What's the average starting price for a luxury home? US$ millions, by market

How are million-dollar-plus home sales faring worldwide?

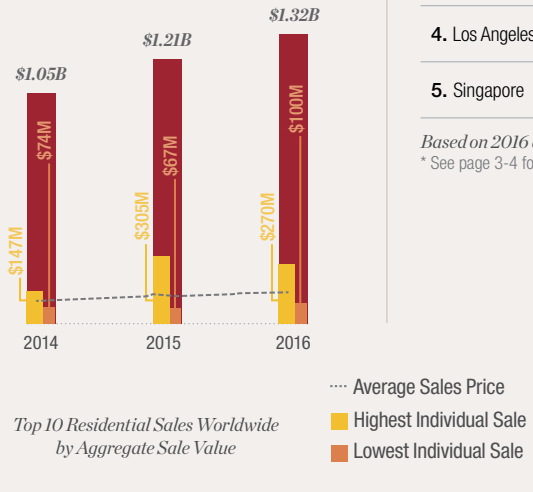
After years of explosive post-global recession growth, prime property market growth slowed in 2016. Million-dollar-plus residential property sales volume growth dropped to one percent worldwide. Twenty-four property markets reported significantly fewer luxury homes sold in 2016 than the year prior; 19 markets reported notable increases, and the remainder reported flat sales.



Annual change in the number of individual $1M+ residential property sales across surveyed markets where sales data was available, 2014–2016

The world's top residential sales reach record highs in 2016

Trophy home sales worldwide saw a dramatic uptick in 2016. For the first time ever, the world's top 10 reported residential property sales were all priced above $100 million, and sold for more than $1.3 billion in aggregate, with an average sales price of $132 million.



Top 10 Residential Sales Worldwide by Aggregate Sale Value

The world's top-ranking luxury property markets

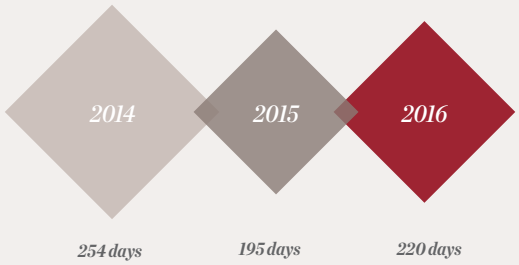
Luxury Index*	Luxury Thermometer*	Most Expensive (by average PPSF)
1. Hong Kong	**1.** Toronto	**1.** Monaco ($5,420)
2. London	**2.** Victoria, BC	**2.** Hong Kong ($4,895)
3. New York	**3.** San Francisco	**3.** St. Moritz (3,000)
4. Los Angeles	**4.** Austin	**4.** London ($2,710)
5. Singapore	**5.** Charleston, SC	**5.** Cannes ($2,500)

Based on 2016 annual figures

* See page 3-4 for full indexes

How long does it take to sell a luxury home?

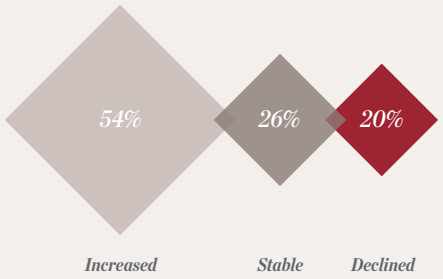
Million-dollar-plus homes took longer to sell in 2016 than in 2015, indicating increased inventory in some markets, as well as pricing challenges and the specter of uncertainty in others. Across the globe, luxury properties took on average 220 days to sell in 2016 versus 195 days in 2015, a 13 percent increase. Properties in second-home resort markets took longer to sell than those in cities.



Average Time on Market for $1M+ Homes Across 100 Housing Markets Worldwide (2016)

How have luxury house prices shifted worldwide?

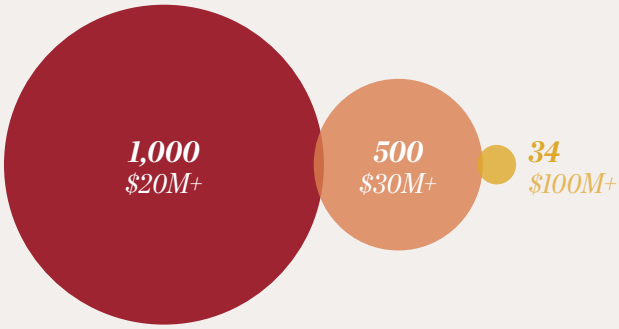
Globally, prices of million-dollar-plus homes increased by approximately two percent over 2015. Over half of our 100 luxury markets reported an increase in home sale prices, though the percent increases varied significantly across markets, with the largest increase reported in Toronto, where prices rose by 20 percent.



Luxury House Prices Across 100 Luxury Property Markets Worldwide (2016)

How large is the world of ultra-prime property?

While luxury properties priced at $20 million and above continue to capture headlines, the number of ultra-luxury homes is quite small. In fact, there are only around 1,500 residences publicly available for sale over $20 million worldwide and 34 above $100 million. Many of these homes are clustered in select geographies, with Hong Kong home to the most listings priced at $20 million and above.

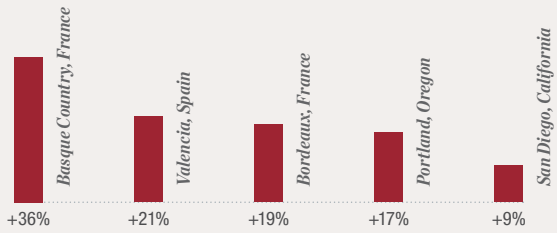


Ultra Luxury Inventory Worldwide

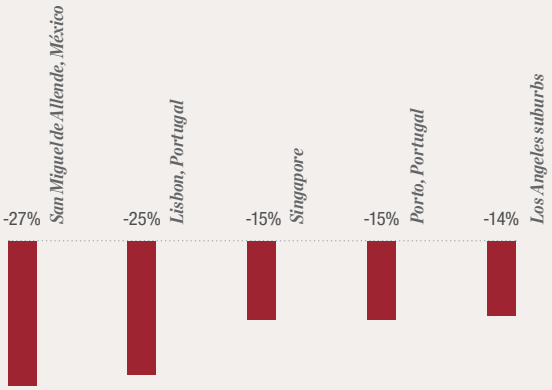
Overseas buyers of luxury properties remain strong in second-home resort markets

Although capital inflows from foreign buyers in top luxury real estate markets remained strong, the buyer demographic mix shifted. Chinese buyers remained strong overseas despite new restrictions on capital outflows, and further penetrated luxury markets in Montreal, new enclaves in Toronto, and other areas new to this buyer group such as North Carolina and Sardinia. Russian buyers declined outside their home country, though some U.S. markets reported an uptick in Russian buyers in early 2017. Middle Eastern buyers continued to remain strong across Paris and the Côte d'Azur.

Largest Annual Increases in the Number of Overseas Luxury Home Buyers

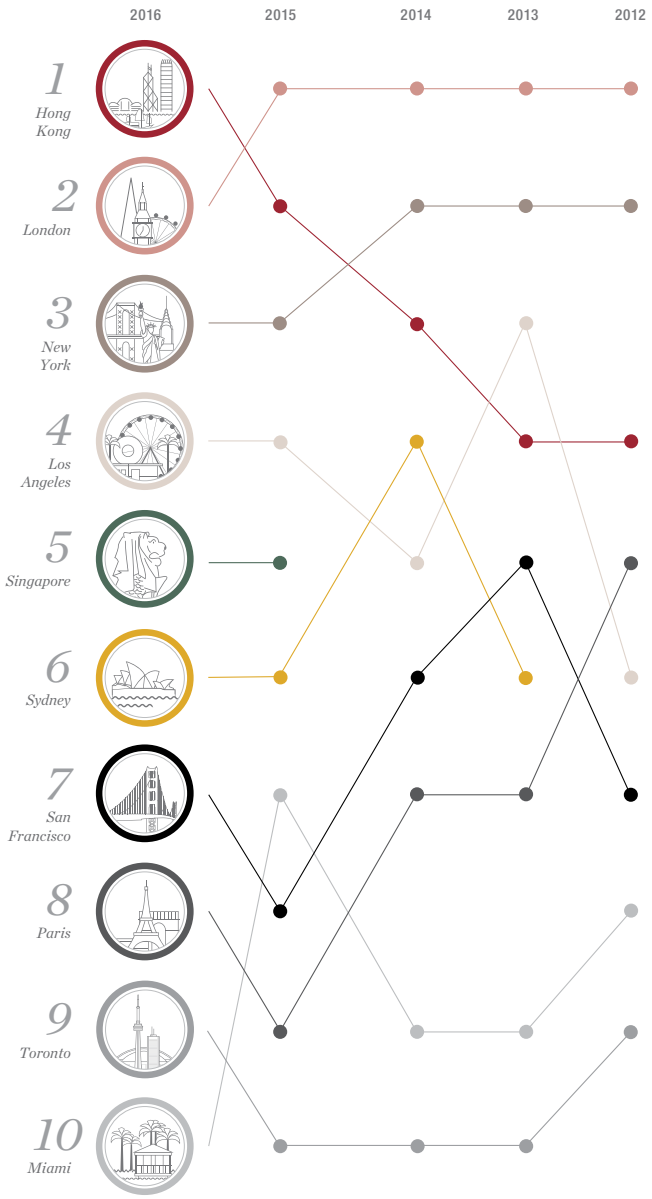


Largest Annual Declines in the Number of Overseas Luxury Home Buyers



Luxury Index

For the first time ever, Hong Kong leads as the world's top ranking city for luxury real estate



Luxury Index Methodology: Six factors for which data were collected (as shown in this study) for each city that best defines the global residential market were weighted. Direct residential metrics were weighted at 90% and included record sales price, average price per square foot for $1M+ homes, number of sales over $1M, number of $1M+ sales relative to total sales, and average $1M+ sales price in 2016, and absorption rate. Other luxury real estate indicators were assigned a weight of 10% in the Index and included the percentage of international and non-local buyers, percentage of secondary and additional home owners.

The Christie's Luxury Housing Rankings

For the past five years, the Christie's International Real Estate Index has categorized and ranked the world's top performing luxury property markets by assessing and synthesizing several quantitative market dynamics on an annualized basis. In 2015, we expanded our Index rankings to measure not only the top 10 most "luxurious" cities for real estate (Luxury Index), but also the top 10 "hottest" performing prime property markets (Luxury Thermometer).

Since our study's inception, London has dominated the Luxury Index, towering above all other prime property markets with more luxury listings, deeper density of million-dollar-plus property sales, comfortably ahead of runners up New York and Hong Kong.

For the first time ever, this year Hong Kong has seized the top slot. With four residential sales above $100 million, capped by a single sale eclipsing $270 million, Hong Kong led in almost all categories and set new sales price records for the region.[1] The city-state takes the crown despite new stamp duties that were introduced in December to manage the limited supply of real estate and curb rising property prices. Despite these measures, there still appears to be significant demand for premium real estate in the city, particularly in the top echelons, which saw continued demand from mainland Chinese buyers seeking to hedge against yuan depreciation.

Still among the top markets in price per square foot and average luxury home sales price, London drops to second place. Despite property tax hikes and uncertainty over the UK's EU Referendum, London remains a fixture as a premier city for prime property and the post-referendum decline in the pound has spurred renewed interest in luxury prime central London homes from US dollar-denominated buyers.

Another to drop in this year's Index rankings is Miami, moving to tenth from seventh place. A decline in luxury sales activity, an influx of new development condos, and a steep increase in inventory supply has impacted the market. Well-priced Miami properties are still selling based on existing demand, which remains significant though diminished, but price reductions are becoming more commonplace in the coastal city.

Also notable in this year's Index rankings is the upward movement of Toronto and San Francisco. Both cities placed on our 2016 Luxury Thermometer list, revealing that market momentum often has a flow-on effect on house prices and high-end inventory.

In contrast to the Luxury Index, which evaluates overall prices and relative "luxuriousness" of a market, the Luxury Thermometer rankings evaluate both growth and demand, and answer the elusive question: "Where is the world's hottest luxury housing market?"

Already-hot prime property market Toronto soared to the top of this year's Luxury Thermometer rankings, with almost double the number of million-dollar-plus sales recorded versus the previous year. The Canadian city retook the number one spot from Auckland, which dropped to sixth place. Toronto recorded the shortest time to sell a luxury property (17 days on the market, down from 28 days the year prior), fueled by incredibly low inventory and rapid price increases that prompted both buyers and sellers to act. The recent introduction of new taxation measures, including a 15 percent tax on overseas buyer purchases, may begin to cool the city's red-hot property market in 2017.

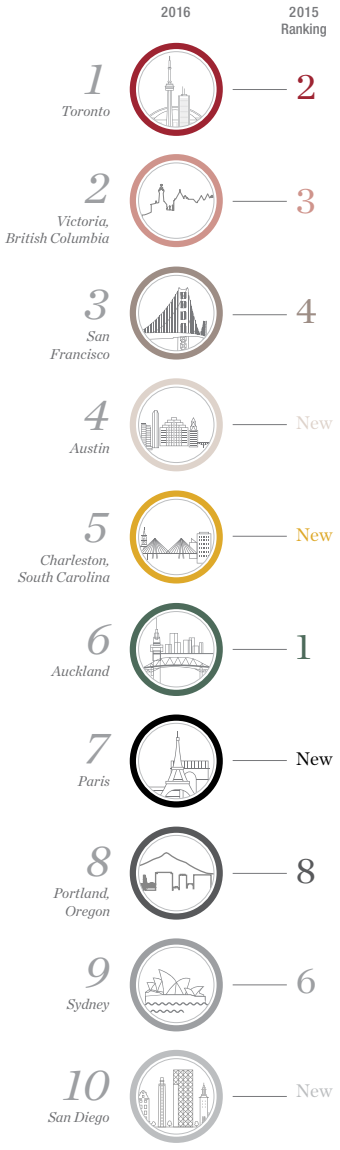
Toronto was joined atop the rankings by another Canadian city, Victoria, which witnessed its best year ever for luxury home sales. The provincial capital saw a significant uptick from affluent international buyers who were deterred by nearby Vancouver's new 15 percent tax on overseas purchases and opted for Victoria instead.[2]

Victoria is one of six Pacific Rim markets to rank in our Luxury Thermometer this year. Relatively strong local economies alongside national and overseas migration and capital inflows were key contributors to growth in these "hot" luxury property markets in California, Oregon, British Columbia, Australia, and New Zealand. An influx of affluent Chinese buyers—most notably in Auckland, San Francisco, Portland, and Sydney—accounted for some of the growth in sales, pricing, and absorption rate. Rapidly increasing numbers of wealthy millennial buyers—in Portland and San Francisco, especially—were also key contributors.

New to the Luxury Thermometer this year are three U.S. cities—Austin, Charleston, and San Diego—as well as Paris. The historic city of Charleston is experiencing a resurgent local economy and an influx of millennial buyers at the entry-level luxury price point, with strong growth in sales and prices in 2016. Three of last year's top ranking "hottest" luxury property markets—Valencia, Costa Smeralda, and Stockholm—all recorded robust results but were overtaken by the outperforming newcomers.

Luxury Thermometer

Toronto regains title as world's hottest luxury property market; half the list are Pacific Rim cities



Luxury Thermometer Methodology: Six factors for each primary and second-home resort housing market were synthesized to assess the 'health' of the $1M+ market. Factors were weighted in two categories. The first was given a weight of 80% and included luxury sales velocity metrics (growth in $1M+ unit sales in 2016 over 2015, change in the average number of days on market for $1M+ homes in 2016 over 2015, change in average $1M+ sales price in 2016 over 2015 and change in the average home price for the entire market in 2016 over 2015). The second category was given a weight of 20% and incorporated other luxury real estate market health indicators (absorption rate and average number of days on the market for $1M+ homes in 2016).

The four scores for each city across all factors were then totaled, resulting in the Luxury Thermometer for that city. The top ten markets were the highest overall aggregate scores were includes as the world's "hottest" markets.

Markets to Watch

While they may not be among the most "luxurious" or the "hottest" prime property markets in the world quite yet, these diverse yet similarly active luxury housing markets are on the upswing. Here are our top five picks of luxury property markets on the rise:

▲ 7%

MILLION-DOLLAR-PLUS HOME SALES IN 2016

▲ 12%

INCREASE IN MEDIAN HOME SALES PRICES IN 2016

Washington, D.C., Metro

Moving the Needle: Millennials and Boomers

Historically, and perhaps surprisingly, the change of executive power in the D.C. metro—including the U.S. Capital, and areas of Virginia, Maryland, and West Virginia—doesn't have a discernible impact on its local real estate market. While a handful of high-profile new residents make headlines, a steady and strong job market offering professional and well-paying jobs—many in law, consulting, government contracting, public policy, and public affairs—sustain the greater D.C. area between elections.

Insights from Our Local Expert

"Arlington, Virginia, right across the Potomac from the District, is particularly attractive to affluent millennial buyers. I've seen reports where Arlington ranks No. 1 in the United States in this demographic, edging out well-known tech hubs. Our agents report that these new high-end buyers are educated, dual-income couples earning good salaries at a young age. Like much of the D.C. area, Arlington is attractive because of the strong job market, convenient public transportation options, walkability, lively dining, award-winning schools, and open spaces."

— ***Jeffrey S. Detwiler, President and COO, The Long & Foster Companies***

Lake Tahoe Region, California & Nevada

Moving the Needle: Tourism, Tech, and Tesla

In 2016, skier visits to the region skyrocketed by 110 percent over the previous winter and 2017 has kept pace.[3] With 80 percent of luxury property purchasers from the tech hub of San Francisco's Bay Area, it is no surprise that telecommuting buyers, both millennials and boomers, are on the uptick in Lake Tahoe. In the area, 55 percent of purchases are second homes and 40 percent are third homes. A short distance away in Reno, Tesla CEO Elon Musk is building a 5.5-million-square-foot plant to manufacture battery packs for the innovative electric-car brand's lower-cost Model 3 car due out at the end of the decade. Other major corporations, including Apple and Switch, are building a sizable presence in this gambling mecca.

Insights from Our Local Expert

"There's been a real renaissance in tourism and a recent tech surge that directly affects the housing market. The number of homes sold for more than $1 million increased 28 percent around the lake. The East Shore saw the biggest movement, with a 65 percent increase in homes sold for over a million."

— ***Michael Oliver, CEO, Oliver Luxury Real Estate***

▲ 100%

OF LUXURY BUYERS ARE INTERNATIONAL, MOSTLY FROM THE UK, UAE, AND FRANCE (THE WORLD'S LARGEST MOROCCAN EXPAT COMMUNITY)

Marrakech, Morocco

Moving the Needle: The New Africa

Just this January, Morocco was readmitted to the African Union after a 30-year hiatus.[4] This is good for Africa and good for Morocco's economy. Due to its continued relative political stability, the city of Marrakech is increasingly seen as a safe haven for real estate investors in the Arab region.[5] Luxury property sales are beginning to recover, yet still remain 50 percent below their 2007 peak. This appealing pricing, positive economic outlook, and recent increase in requests from UK-based Indian and Pakistani citizens are likely to spur Marrakech's luxury property market to a new growth phase.

Insights from Our Local Expert

"We remain positive with Morocco taking a leadership position on the African continent, promoting the country as an affordable, safe, glamorous, and innovative alternative to other parts of the world for remote workers. We have had inquiries from Americans, Belgians, Indians, French, Middle Easterners, Scandinavians, and Moroccans and it's likely the Chinese will soon look, too, now that there are no visa restrictions."

— ***Alex Peto, Partner, Kensington Luxury Properties Marrakech***

▲ 44%

INCREASE IN INTERNATIONAL TOURIST VISITORS TO BELIZE COMPARED TO FIVE YEARS AGO

Belize

Moving the Needle: Star Power

In October of 2016, after extensive public hearings, Oscar-winning actor Leonardo DiCaprio received a green light from the Belize government for his eco-resort, Blackadore Caye. With this all-important nod, DiCaprio can finally begin construction on the property that he purchased a decade ago. The resort, with a mission to meld environmental responsibility and ultimate comfort, could open as soon as 2019. The DiCaprio Seal of Green Approval is a definite plus for the Belize real estate market as a showcase of the country's pristine eco-diversity and beauty for a potential new audience of international luxury buyers.

Insights from Our Local Expert

"We look forward to continuing to promote DiCaprio's vision for Belize as a paradigm of relaxation, green hospitality, and ecological stewardship. As more people come to Belize, we expect the luxury property market to prosper."

— ***Gil Castillo, President, SanCas Realty***

▲ 500 ppsf

STARTING PRICE FOR A LUXURY HOME. PRICES CAN REACH UP TO $1,500 PPSF

The Bahamas

Moving the Needle: Non-Taxing Living

In addition to some of the world's most beautiful beaches, the Bahamas offer added advantages: no restrictions for expats purchasing real estate, and reduced tax burdens.[6] As the world becomes more chaotic, island living, far from the madding crowd, becomes even more attractive. While 80 percent of buyers still consider this their second home, more are pulling up stakes, working remotely, and moving their families because of the educational opportunities. Seventy percent of buyers are international, with millennials on the rise. Although Hurricane Matthew, which landed in Nassau and the northern part of the country in October, caused significant destruction, the cleanup was swift and the disaster did not deter luxury home buyers.

Insights from Our Local Expert

"A welcome upsurge in the sale of island properties in the Bahamas closed out 2016. With world stock markets hovering at record levels, in my experience this inspires investors to look for ways to consolidate their assets and fulfill their dreams at the same time. A Bahamian second home ticks both of those boxes."

— ***John Christie, CEO, HG Christie***

PUTTING TRUISMS *to the* TEST *in* TODAY'S LUXURY REAL ESTATE MARKETS

In 2016, the worldwide ultra-affluent population grew by 4.2 percent and their wealth expanded by 2.5 percent[7]; the global economy shifted upwards, and equities markets reached record highs—all signs that in normal years would point towards a positive performance in prime property markets. Though there were pockets of outstanding results and the first quarter of 2017 is already showing signs of an uptick, the global luxury real estate market experienced a subdued 2016 after several years of frenzied sales growth and dramatic price rises in isolated luxury pockets during the economic recovery.

In aggregate, of the 101 markets surveyed, million-dollar-plus home sales worldwide rose by one percent year-on-year. This represents a sharp drop from the eight percent growth recorded the year prior, and is a far cry from the 16 percent increase recorded in the post-recession boom in 2014.

Despite an overall flattening of the market, a closer look at individual market performances reveals an even more interesting tale. Much like the unexpected major international political outcomes of 2016, the most telling stories in the luxury residential sector are in the extremes. When comparing individual property markets, remarkable disparities were posted in sales performance, varying sharply from a staggering 90 percent year-on-year increase in red-hot Toronto, to a cooling 35 percent drop in London.

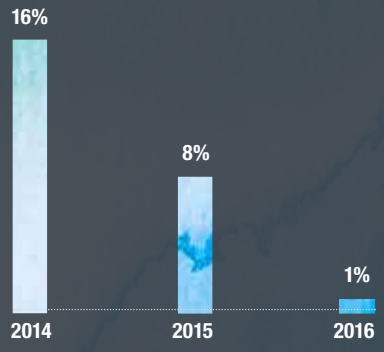
The story behind the world of luxury real estate becomes even more interesting when one examines the dynamics between inventory, sales activity, and sales prices. Fifty-four percent of our 101 studied property markets recorded an annual increase in luxury property prices, and 52 percent noted increases in inventory levels.

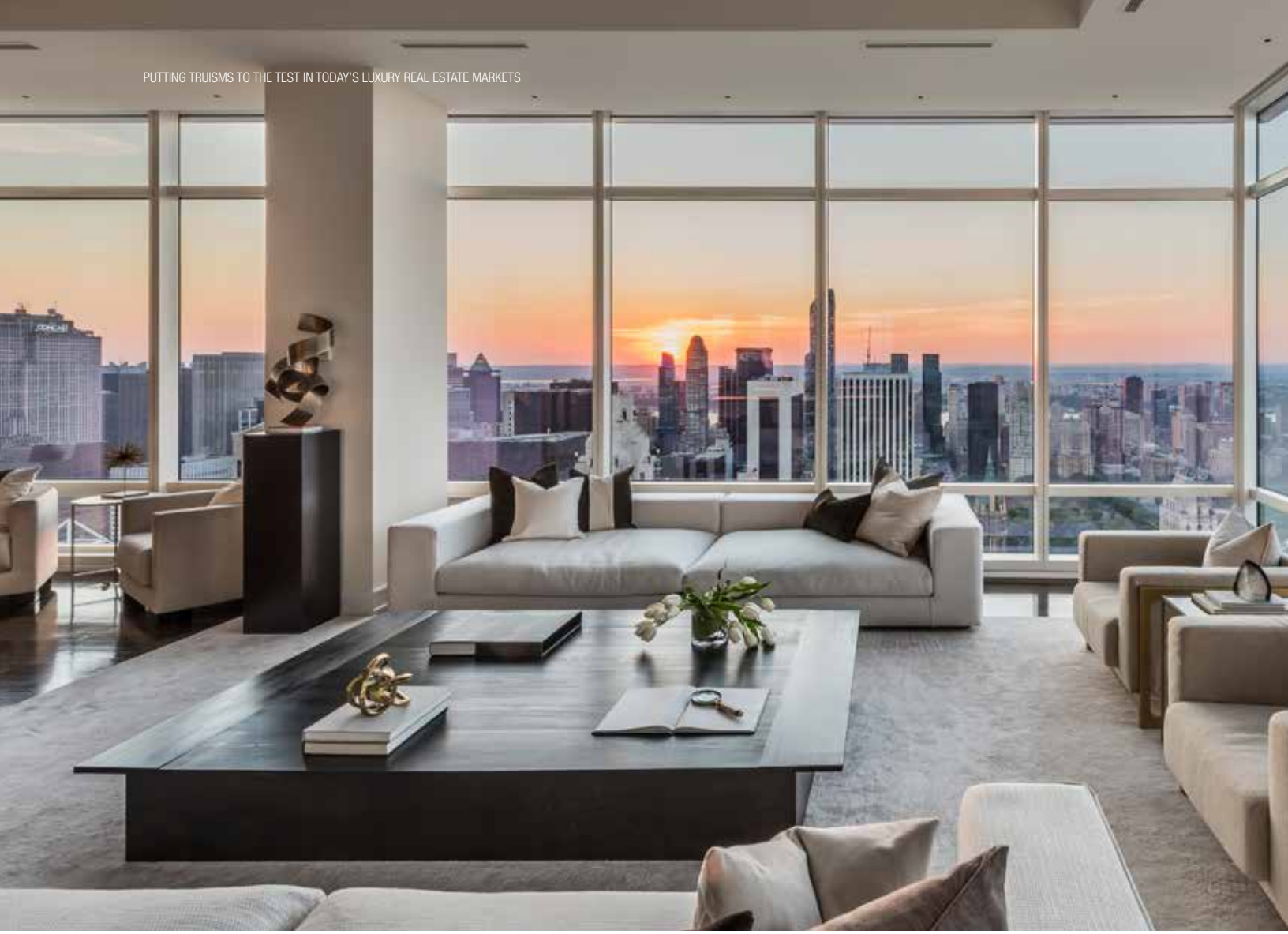
It is clear that local and international trends impacting wealth movement, global financial factors, and geopolitical currents continued to be a driving force on prime international real estate values. However, it is hotly debated to what degree these trends influence the decisions of individual buyers and sellers and how heavily they are weighted beside more localized and traditional housing market dynamics.

We look at some of the historical "truisms" of luxury real estate under the lens of current vacillating and polarized markets to see if these adages still hold true.

1. Overall luxury housing markets see softening growth in luxury home sales

Growth in the number of residential $1M+ unit sales across housing markets worldwide, 2014-2016





Truism: When Uncertainty Prevails, Luxury Primary Residence Purchases Soften

The luxury property marketplace is impacted by a single overriding and intangible element—sentiment. Uncertainty, in both major political events or economic shifts, leads buyers and sellers to reflect on what might be, resulting in hesitation and inaction. From the UK's EU Referendum and the U.S. election to restrictions on Chinese capital outflows and Russian sanctions, many affluent buyers and sellers have been waiting for a clearer indication of global political and economic outcomes before proceeding with a luxury home sale or purchase, creating a year of pause.

Globally, primary residence markets (cities and suburban areas) saw an overall steadying of luxury housing sales, with a two percent increase in the number of million-dollar-plus homes sold compared to the year prior (see Exhibit 2).

In contrast to a buyer or seller transacting at the lower end of the housing market, a HNWI's decision to purchase or sell a luxury property is less often based around necessity and is more heavily weighted on lifestyle or investment goals. Moreover, HNW capital is less tied up in primary home equity, so these major global shifts weigh heavier on HNW second (and more) home buying and selling decisions.

What is of utmost importance for luxury home buyers and sellers during unsettling periods is the return of consumer confidence and the *perception* of stability. According to a survey of more than 200 global luxury agents from the Christie's International Real Estate network—undertaken in the 10-12 weeks following the U.S. election—the *outcome* of the election was less important than the fact

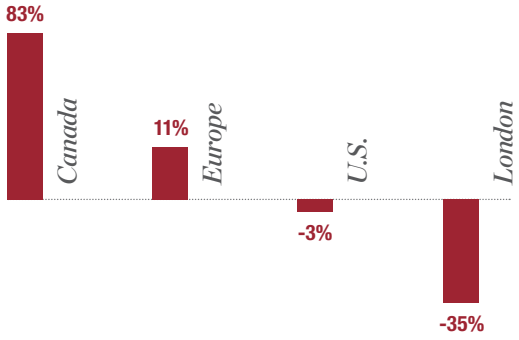
One Beacon Court Penthouse in New York, New York

Verdict

True

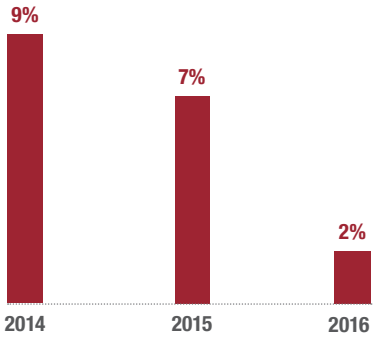
3. *Luxury real estate sales declined the most in primary housing markets where uncertainty prevailed*

Change in the number of $1M+ residential unit sales across primary residence markets (cities and suburbs) worldwide, 2016



2. *Primary residence markets see stable growth in luxury home sales*

Growth in the number of individual $1M+ residential unit sales across primary housing markets worldwide



that it had concluded and uncertainty had subsided to some degree. Sixty percent of agents reported that the election outcome had little to no impact on their luxury sales to date; 21 percent observed that it had increased sales. “Nearly half of the HNWIs in our market were sidelining cash until the election was over,” says Kevin M. Leonard of Illustrated Properties in Palm Beach Gardens, Florida. “We are now seeing that cash being injected back into the luxury real estate market.”

“When there’s uncertainty, people who can delay big financial decisions tend to do so,” adds Hall Willkie of Brown Harris Stevens in New York. He notes that national elections temporarily weaken Manhattan’s property market, but the impact was intensified in 2016 with million-dollar-plus

Billionaire in Los Angeles, California

sales dropping by over three percent annually. At the higher end of the Manhattan market, the drop was more pronounced, with an eight percent decline in sales over $10 million.

Although a significant reduction in both ultra-prime and million-dollar-plus home sales was reflected in numerous other major primary-residence markets, local factors such as an influx of new stock (Miami) and recently introduced property taxation (London), had more impact on sales volume than other macroeconomic factors such as the slowdown in the Chinese economy, the UK's EU Referendum and the U.S. election.

Primary-residence housing markets saw an overall steadying of luxury property sales, with little to no change in the number of million-dollar-plus homes sold in 2016 compared to the year prior.

"Property taxation increases, amendments to non-dom rules and uncertainty surrounding the UK's vote to leave the European Union have all contributed to impact on transaction levels in the prime London market, which remain low," says Lulu Egerton of Strutt & Parker. "However, London retains its attractiveness to overseas buyers and the fall in sterling following the Brexit vote has created a currency play for dollar- and euro-based buyers. The UK General Election on 8th June this year could potentially bring less uncertainty and more confidence to the market if the Conservatives win. This will enable Theresa May to gain greater influence in Parliament which she needs to conduct the Brexit negotiations within the two-year time frame."

In today's increasingly globalized financial world, historically local events are now felt by residents a world away, particularly those in similarly connected economic hubs. As a result, a shift in city-level policies can have a ripple effect on the fortunes and purchasing patterns of international buyers. Vancouver's tax on foreign buyers, for example, caused a shift in the Canadian foreign investment landscape, resulting in an uptick in sales from overseas buyers in nearby Victoria and distant Toronto.

Luxury housing markets in primary-residence markets across the U.S. saw declines in sales volumes, in part due to uncertainty, while similar markets in Canada, perceived as more stable, saw on average an 83 percent annual growth in sales (see Exhibit 3). The same holds true of London: as the UK's EU Referendum and property taxation cooled the market, buyers migrated to other parts of Europe where financial markets were perceived as more certain. European primary-residence markets saw on average an 11 percent increase in million-dollar-plus home sales in 2016 over the year prior.

"Amsterdam's property market is booming. Prices rose nine percent in 2014, 17 percent in 2015, and 23 percent last year," explains Pieter Joep van den Brink of Residence 365, Christie's International Real Estate's exclusive Affiliate in Amsterdam. Paris saw similar strengthening of the market, due more to local factors than to Brexit: "Historically weak interest rates, a strong decrease in prices between 2012 and 2015 and a cheap euro in US$, were the major factors that pushed the Paris market into a booming period since the beginning of 2016," says Charles-Marie Jottras, Daniel Feau Conseil Immobilier. "Listing inventory plummeted 35 percent in one year, driving prices upward."

Luxury property markets with relative local political stability, robust economies, inbound migration, and limited exposure to the destabilizing geopolitical events also thrived, even in pockets of the U.S. Ruth Kennedy Sudduth of Landvest, an exclusive Affiliate of Christie's International Real Estate in New England, saw this in her regional market. "The stock market and strong employment underpinned a solid, though highly regionally variable, real estate market. The cities and nearby are on fire, while the rural areas which had lingered at near recession lows in pricing had a solid performance in the fourth quarter of 2016," Sudduth adds.

So while uncertainty creates a slowdown in luxury housing, we see that it can be temporary. Early 2017 is already showing signs that the prolonged slackening across some luxury property markets is beginning to ease.

Van Eeghenstraat Mansion in Amsterdam

Truism: Uncertainty Further Undercuts Discretionary Second-Home Spending

The prevailing sense of uncertainty hit hardest for some second-home vacation markets. These tend to be the first to experience a downturn and are the slowest to recover because of the discretionary nature of the acquisition. Resort and second-home destinations, popular with overseas buyers, witnessed an even larger shift than primary markets, down from 24 percent and 10 percent growth in 2014 and 2015 respectively, to a seven percent drop in 2016 (see Exhibit 4).

Ireland's country housing market, for example, received a double blow in 2016, reports Roseanne De Vere Hunt of Sherry FitzGerald. "An uncertain market has followed the Brexit vote, with a dramatic decrease in demand from UK buyers for country homes. The weakened sterling, in particular, reduced the spending power of traditional UK buyers. The U.S. buyer also tends not to purchase in an election year."

Especially notable is that certain second-home resort markets that are closely tied to a major urban area are often at the mercy of these feeder markets. (See Exhibit 6). The upside of this trend can be seen in Toronto's weekend resort market of Muskoka. This seasonal destination experienced a remarkable year of recreational property sales, echoing trends in sales and price activity in the Greater Toronto area, which saw values increase by 20 percent in 2016 alone, notes Chris Kapches of Chestnut Park Real Estate. "The increase in sales volume is having a dramatic impact on supply, consistent with the urban market experience. The recreational marketplace is beginning to mirror Toronto."

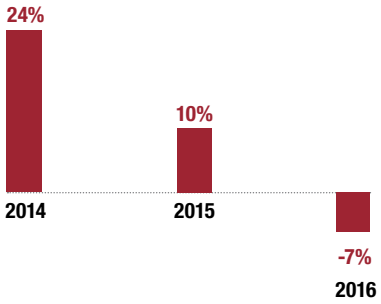
Conversely, the downside of this trend can be difficult for second-home resort markets that rely on the fortunes of other cities, such as New York and the Hamptons, and London with various resort markets including Barbados. "There has been a notable decline in both the demand and the pricing of inventory within our market as a direct response to the UK's EU Referendum and the perception that the economic situation in the UK is not going to improve in the short-medium term," explains Jason Applewhite of One Caribbean Estates in Barbados. "The obvious effects and negative economic outlook for this particular group of investors has ultimately affected their purchasing power since the value of the sterling dropped."

For some second-home resort markets, however, the ramifications of global uncertainty has had a positive market impact. In Bermuda, Karin Sinclair of Sinclair Realty observes, "Since November, we've seen significant American purchasers interested but 'taking a deep breath' as they try to figure out what is happening, what to invest in real estate and where. The same is true with major buyers coming from the UK—including the non-doms," she said, noting that several major prime property sales in 2016 and early 2017 were in part motivated by dissatisfaction with the U.S. from buyers on both sides of the political aisle. "Most of the world seems to be reeling in emotion. Bermuda's greatest assets—beauty, tranquillity, and most of all civility—are very important and very appealing at this point in history."

Other potential beneficiaries of the geopolitical uncertainty are already beginning to witness signs of what may be further to come. The U.S. election accelerated HNW buying decisions, explains Shari Reynolds of CDR San Miguel in the Mexican resort town of San Miguel de Allende, "People who were planning to

4. Second-home resort markets see declining growth in luxury home sales

Change in the number of $1M+ residential unit sales across second-home resort markets worldwide



buy five years from now are buying today. We are seeing Mexican nationals who own second or third homes in the U.S. selling their U.S. properties and buying here." In Monterrey, which ranked as a top performing "comeback market" in our 2016 *Luxury Defined* report, the election has already impacted the decisions of some local and overseas affluent home buyers. "Investors are rethinking their investments until they see more stability in the U.S. and Mexico relationship," says Scarlet Mireles of Gerencia RED in Nuevo León, Mexico, who notes that this is causing a slowdown at the top end of the market.

As with primary housing markets, regions that were directly impacted by uncertainty often saw a larger decline in second-home resort sales than those that were indirectly affected. Some of the dips in volume were offset in part by an increase in interest from affluent buyers looking to telecommute to their favored lifestyle destination, or commute more frequently—a trend set to continue in the future. "High-net-worth buyers are moving from big cities to Telluride with families and are connected electronically to their businesses," says T.D. Smith of Telluride Real Estate. Advances in technology and acceptance of telecommuting in the business world are opening up new lifestyle and home ownership opportunities for affluent individuals outside their resident countries. "Young families that can unplug and are connected to tech for work are now raising their families in Costa Rica," says Robert F. Davey of Plantación Properties. "We have had an explosion in international private school enrollment with young families and older adults having children. The U.S. election being over and the Europeans fleeing places with violence is a big factor they articulate when they vacation and invest in Costa Rica."

Luxury specialists in primary housing markets have also recognized the trend of affluent individuals purchasing a second or third home in a resort destination because of a prevailing preference for lifestyle above all. "As technology continues to make accessibility and connectivity more seamless regardless of location, HNWIs will cultivate spontaneity by embracing opportunities to visit other preferred locales at a moment's notice," observes Jenni Bonura of Harry Norman Realtors in Atlanta. "Therefore, the demand for luxury properties in vacation or exotic locations will continue to strengthen. Yet the desire for speed and ease of ingress/egress at their primary home will lead many who previously sought high-rise living to pursue the benefits of a single-family-residence home or low-rise living—coupled with a pied-à-terre in their preferred locale(s) worldwide."

All that notwithstanding, the outlook for second-home resort markets in 2017 and beyond still remains opaque. The dust has yet to settle on the long-term outcomes of the UK's EU Referendum; French and German elections; and the continued economic challenges faced by many affluent individuals in Russia, China, and parts of South America. And uncertainty remains to some degree in the U.S., so a sustained uptick in market momentum may happen slower than some anticipate. Despite a prevailing optimism purported by Wall Street and other investors that the new administration's proposed tax cuts and reduced fiscal regulations would likely free up additional capital for investment, other policy proposals are causing investors pause due to a much wider range of potential policy outcomes.

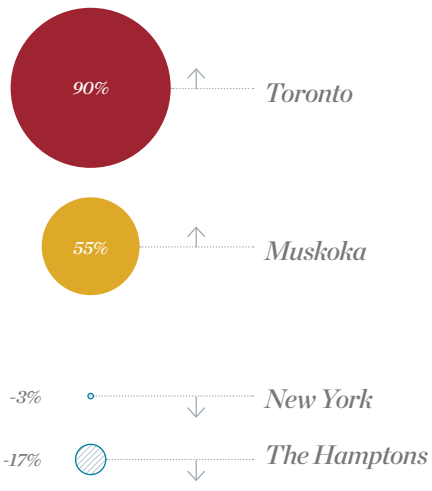
On the other hand, if President Trump is able to cut taxes as he has promised, more capital will land in the hands of over 4.5 million HNW Americans who may have little incentive to store their money in an overpriced stock market.[9] This would likely entice affluent Americans to diversify into other assets including prime property.

As a result, emerging luxury enclaves within the U.S. and currency-favorable destinations abroad may well see an influx of highly liquid dollar-backed buyers eager to add a Parisian pied-à-terre or a St Barths sailing hideaway into their portfolio mix.

Consequently, despite recent dips in sales volumes of second-home resort markets, the outlook for many regions is upbeat. "With the financial markets reaching all-time highs and the uncertainty of the election behind us, we expect to see buyers divesting from their stock portfolios to deploy their resources into hard assets," says Julie Faupel of Jackson Hole Real Estate Associates. Joy C. Martin of American Caribbean Real Estate in the Florida Keys concurs: "Perceived stock market volatility has the affluent population investing in luxury real estate holdings to diversify and add stability to their portfolios with tangible assets that add comfort and enjoyment to their lifestyle."

6. Sales in "weekender" housing markets reflect the performance in their urban feeder markets

2016 over 2015, US$1 million+ individual unit sales



Truism: Luxury Real Estate Follows Trends in Luxury Asset Classes, Not the General Housing Market

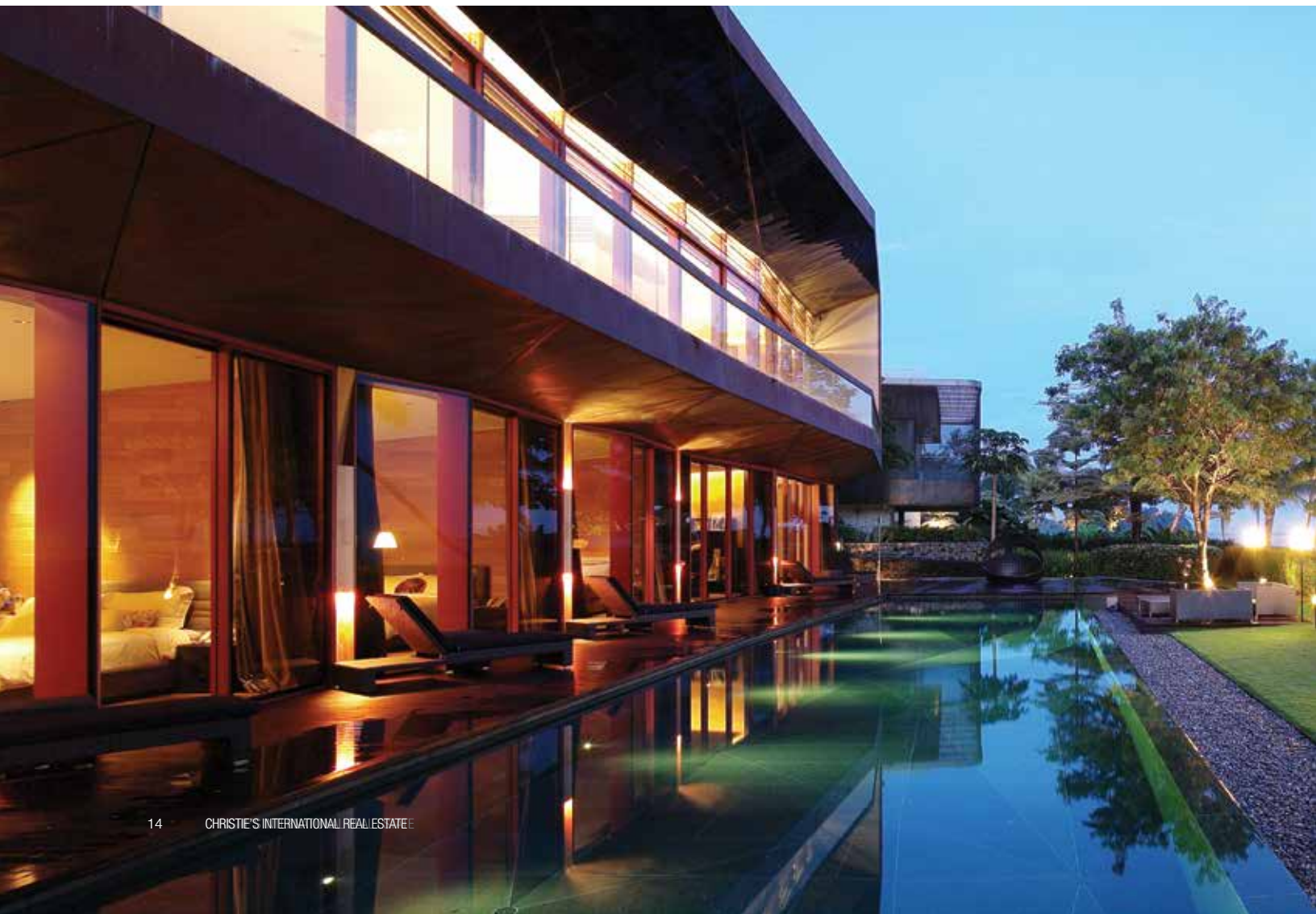
Unlike buyers in the overall housing market, affluent buyers have the capacity to purchase and sell a residential property for reasons beyond necessity. Much like a high-value art purchase, the acquisition of a luxury home is motivated by a variety of factors including preservation and growth of capital, diversification against geopolitical risks, defense against inflation, diminishing volatility, lifestyle, and the desire to own a beautiful asset of lasting intrinisic value.

Prime property markets—which led the general residential real estate sector out of the global downturn—are increasingly diverging from the general housing market, reflecting trends in other luxury asset classes. This divide has accelerated in the post-financial crisis years, as luxury property markets saw a sharp uptick in sales and prices and now a transitory softening in some key economic hub markets, in contrast to the general housing market which remains on an upward trajectory.

A closer examination of the economic landscape shaping the motivations of HNW buyers reveals striking similarities between prime property and other luxury asset classes.

Low interest rates have helped fuel the recovery in the current global economic cycle, which have in turn increased the value of most assets, from stocks and bonds to prime residential property and collectible assets.

The rising wealth of the world's affluent population has also contributed to post-recessionary growth in luxury sectors. Because the incomes of HNWIs have grown at a significantly greater rate than the general population, the returns on many luxury brands have been higher



than those of general goods companies.[8]

These and other macroeconomic factors contributed to the buoyancy in luxury real estate, luxury goods, fine art, and other luxury asset sectors in the post-global crisis years. The air of uncertainty that hit the global economy in 2016 had a dampening effect on many of these industries.

Many of the factors that drove a pause in some prime property markets also befell other luxury sectors. "Brexit, the U.S. Presidential election, and terrorism have all led to significant uncertainty and lower consumer confidence, hindering sales of personal luxury goods," observes Bain's December 2016 *Luxury Goods Worldwide* report.[9]

Globally, the luxury personal goods market saw a downturn globally for the first time since the post-financial crisis, representing a one percent contraction at current exchange rates. Interestingly, the Bain study notes that "globally, were it not for purchases from Chinese consumers, the overall global market for personal luxury goods from 2012 through 2015 would have contracted by an average annual rate of two percent," a familiar and amplified trend witnessed at the top-end of several prime property markets across the globe.

Likewise, the worldwide slowdown in luxury goods and luxury real estate mirrors a softening in fine art and collectibles, which did not see the explosive growth witnessed in recent years. Although total annual art sales were $45 billion globally in 2016, up 1.7 percent on 2015, auction sales were lower than in previous years.

These factors, contrasted with overall growth in the general housing market worldwide, reinforces our original assessment reported in our 2013 *Luxury Defined* white paper that luxury real estate reflects trends in luxury goods and other alternative asset classes, as opposed to the overall housing market. And although the outlook for these markets in 2017 and beyond is generally positive, luxury real estate is likely to continue following trends set in luxury goods markets which has already "settled into a new normal characterized by slower growth."

The Copper House in Singapore

Verdict

True

Low interest rates have helped fuel the recovery in the current global economic cycle, which have in turn increased the value of most assets, from stocks and bonds to prime residential property and collectible assets.

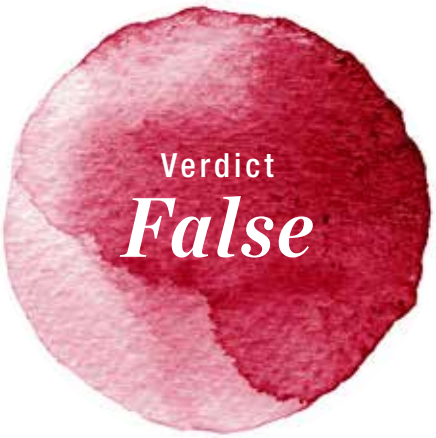
Truism: Cash is Always King in Luxury Real Estate

In the post-recession global recovery, "cash is king" became a much-maligned catch phrase in the world of luxury residential real estate. Just five years ago, 80 percent of our top ranking property markets reported that luxury homes were acquired with over 50 percent cash or non-traditional financing. Today, less than half of our top ranking markets report that luxury sales are purchased with more than 50 percent cash. And across our 101 surveyed prime property markets across the globe, on average only 36 percent of million-dollar-plus home sales were purchased with cash in 2016, a significant dip from 44 percent the previous year (see Exhibit 8).

"Luxury buyers appear to be borrowing substantially against their luxury homes, and no doubt using their capital in the equity markets that have returned rates substantially higher than the prevailing borrowing costs," says Chris Kapches of Chestnut Park Real Estate in Toronto.

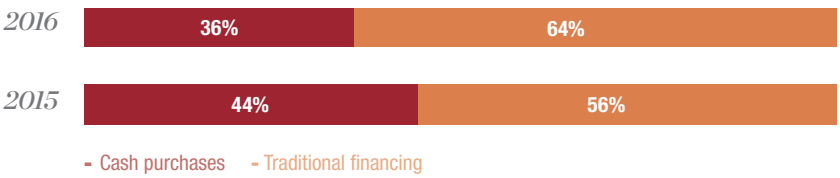
Cash is not as prevalent as it was a few years ago, particularly in markets such as Miami, where cash-in-hand foreign buyers have waned. New Treasury reporting requirements for overseas buyers that purchase million-dollar-plus properties with cash have become a disincentive for some buyers, as well as overheated house prices have caused cash transactions to drop from 70 percent in 2013 to below 60 percent today. However, Ron Shuffield of EWM Realty International in Miami believes that his city has "more pent-up demand from luxury buyers than we've ever had," noting that pricing corrections will likely bring buyers—both cash and traditionally financed ones—back into the fold.

In hot markets like Toronto, where luxury home prices have skyrocketed in recent years, low interest rates have incentivized buyers to opt for traditional financing more so than they had in the past. "Luxury buyers appear to be borrowing substantially against their luxury homes, and no doubt using their capital in the equity markets that have returned rates substantially higher than the prevailing borrowing costs of 2.39 percent in 2016," says Chris Kapches of Chestnut Park Real Estate. Similar sentiment was evident across the U.S., where low rates and bullish equity markets swayed the financing decisions of some affluent home buyers. The suburban areas of Long Island in New York, for example, saw an increase in traditional financing. "We saw less cash used in 2016 than 2015," says LP Finn of Coach Realtors, noting that this may be in part because buyers wanted to take advantage of low interest rates that may not be on offer in 2017 and beyond.



8. Cash buyers for million-dollar-plus home sales on the decline

Financing of $1M+ home sales across 101 luxury housing markets worldwide, 2016 vs. 2015



Negative interest rates in countries like Sweden, Japan, and Denmark have also prompted both the increased use of mortgages and flight of capital to luxury real estate in recent years. A recent HSBC study[10] explored the correlation between Sweden's house prices, Stockholm flat prices, and the Riksbank's (Sweden's central bank) policy rate over the past four years, showing that the country's sub-zero interest rates have fostered imbalances in the property markets. HSBC global economist James Bevan explains that the central bank succeeded in its goal of building inflation, but the inflation has only occurred in the housing markets. In Stockholm, where negative interest rates have persisted since late 2014, luxury property inventory is so scarce that it is hampering sales. The city ranked among our top 10 "hottest" property markets in last year's Luxury Thermometer Index, but it dropped off this year because although demand remained strong, lack of available stock handicapped activity.

In Switzerland, where mortgage transactions on high-end home sales are commonplace, banking limitations have compounded negative interest rate challenges. "Banks are more restrictive in valuing properties (they fear a real estate bubble) and therefore we're forced into long-lasting negotiations and price discussions with buyers," explains Michael Blaser of Wüst und Wüst in Zurich, where the luxury market has slowed over the past two years. Blaser however expects sub-zero rates to have a net-positive effect on the motivations of buyers and sellers. "As banks are more and more charging negative interest rates to customers, real estate investment will get more attractive, even if the market is more and more regulated by the government."

Although this situation creates a conundrum for buyers and sellers at the lower end of the property market, it poses an increasingly unappealing situation for both buyers and sellers at the high end of the market. Negative interest rates operate as a disincentive for luxury homeowners to place their home on the market and similarly fuels buyer demand for prime property, especially as price appreciation continues.

The dichotomy of buyer-seller motivations is also reflected in the art market, where buyers are increasingly interested in acquiring a non-interest-bearing asset such as a high-value painting or sculpture, but owners are less incentivized to sell because there are limited alternatives for their cash. This has prompted some affluent individuals to use their existing art collections as leverage for other asset acquisitions including similarly illiquid investments such as the purchase of a luxury property. Andrea Danese, CEO of Athena Art Finance, a new art-secured lending institution, explains: "While some HNWIs opt to finance their art as a means to supplement their general liquidity and cover life expenses, many see the value of accessing the value of their art on a limited recourse basis to redeploy into other investments. Most clients are highly resistant to selling their art (selling can also be very tax-punitive). Given this, financing can be an important tool to manage what can be highly valuable and cherished asset without the need to sell."

Because the U.S. Federal Reserve is likely to raise federal funds rates during 2017 and other central banks across the globe may follow suit—the increase in HNW investors using traditional mortgages to acquire luxury residential real estate may wane. "With interest rates increasing, we expect to see cash represent an even higher percentage of high-end sales," says Katie Minkus of Hawaii Life Real Estate.

Contemporary Villa in Zurich, Switzerland

Truism: Prices Will Always Go Up ... AKA My Home Will Sell for More Than My Neighbors

In the world of luxury property, the "real" property value is dependent on several unique factors including its location, provenance, quality, rarity, and comparable value.

In a hot property market, intrepid luxury home sellers often set extraordinary asking prices and in some cases are able to achieve them, if sentiment and buyer demand remain on an upward trajectory. These high sale prices often inspire neighbors—giddy with the possibility of a windfall sale price equal to or higher than that of their neighbor—to ask an even more lofty price for her or his home. Once this ambitious pricing happens en masse, buyers lose interest in overpriced properties, and sales volumes drop unless extraneous factors continue to put upward pressure on prices. After a time, some sellers reluctantly reduce their prices to fair market value and buyers start slowly returning to the market at lower prices. Some determined sellers refuse to reduce prices or take their properties off the market, waiting instead for a more opportune time to sell.

In numerous prime-property markets across the world today, some sellers—emboldened by recent post-recession recovery headlines about record-high prices—are listing their homes with unrealistic price expectations. This "high-and-hope" pricing strategy no longer works in today's marketplace, causing a drag on sales. Tremendous overpricing en masse results in longer marketing periods for luxury homes, which is evident in many of our studied markets across the globe. In a study of average days on market for million-dollar-plus homes in 101 luxury markets worldwide, properties took 14 percent longer to sell in 2016 than they did the year prior—up from 195 days in 2015 to 220 days in 2016 (see Exhibit 9).

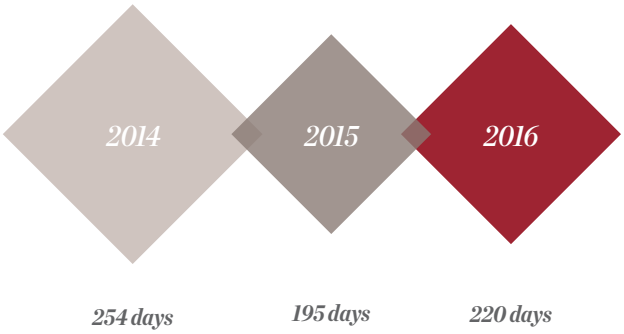
Longer time to sell is evidenced in affluent second-home resort markets where urgency is not paramount for buyers. "Many of our high-end sellers don't have to sell. They'd rather sit on their prices than reduce," says Ueli Schnorf of Wetag Consulting in Lake Lugano, Switzerland. Luxury homes in second-home markets took 305 days to sell on average at year-end 2016 compared to 160 days in primary housing markets.

"Buyers want to know that the prices they are being asked to pay are justifiable based on recent property sales," says Hall Willkie of Brown Harris Stevens in New York. "Once you get outside that price range, properties sit."

For properties in the upper echelons of the luxury market, price reductions of 5-10 percent and beyond are becoming commonplace. According to a survey of agents from the Christie's International Real Estate network, high-priced properties sold for significantly less of their asking prices in 2016 as compared to 2015 (see Exhibit 10). On average,

9. Luxury homes took longer to sell than in prior years

Average days on market for $1M+ residential unit sales across all surveyed markets worldwide, 2014-2016



Beach View Estate in Dana Point, California

Magnificent Grade I listed Queen Anne House in Westminster, London

homes listed between $5-10 million traded for 90 percent of their asking price, a notable decline from the 96 percent achieved the year prior.

Overpricing in the U.S. was compounded by several issues that impacted sales: an influx of new high-end development supply, a strong U.S. dollar—which kept some overseas buyers at bay—and an overall pause by domestic and overseas buyers in an election year all contributed to the slowdown and these price reductions. “Price adjustments are needed in the luxury market to entice buyers who are looking for value," observes Silvana Malpelli of Brown Harris Stevens in New York. "There is no question that demand is still strong, but buyers are not willing to pay current asking prices.”

These pricing challenges and new inventory dynamics are paralleled in Miami, where almost 40 percent of all million-dollar-plus sales during 2016 realized a reduction of almost 14 percent from original asking prices. “To that end, we have no doubt that a great driver of residential real estate sales in 2017 will be appropriate pricing,” says Ron Shuffield of EWM Realty International. “New construction of luxury condos, coupled with a growing resale inventory, has added a large number of units to the market,” he adds, noting that a four percent drop in international buyers exacerbated issues caused by seller overpricing in the luxury property market.

Why is it that when luxury house prices go up and up, what follows is almost always a marked increase in inventory, and en masse overvaluation by sellers when a market cycle draws to a close? Property investors and luxury homeowners often act myopically—the initial increases in house prices ignites in the minds of buyers the expectations of future price increases. Investors tend to extrapolate recent market

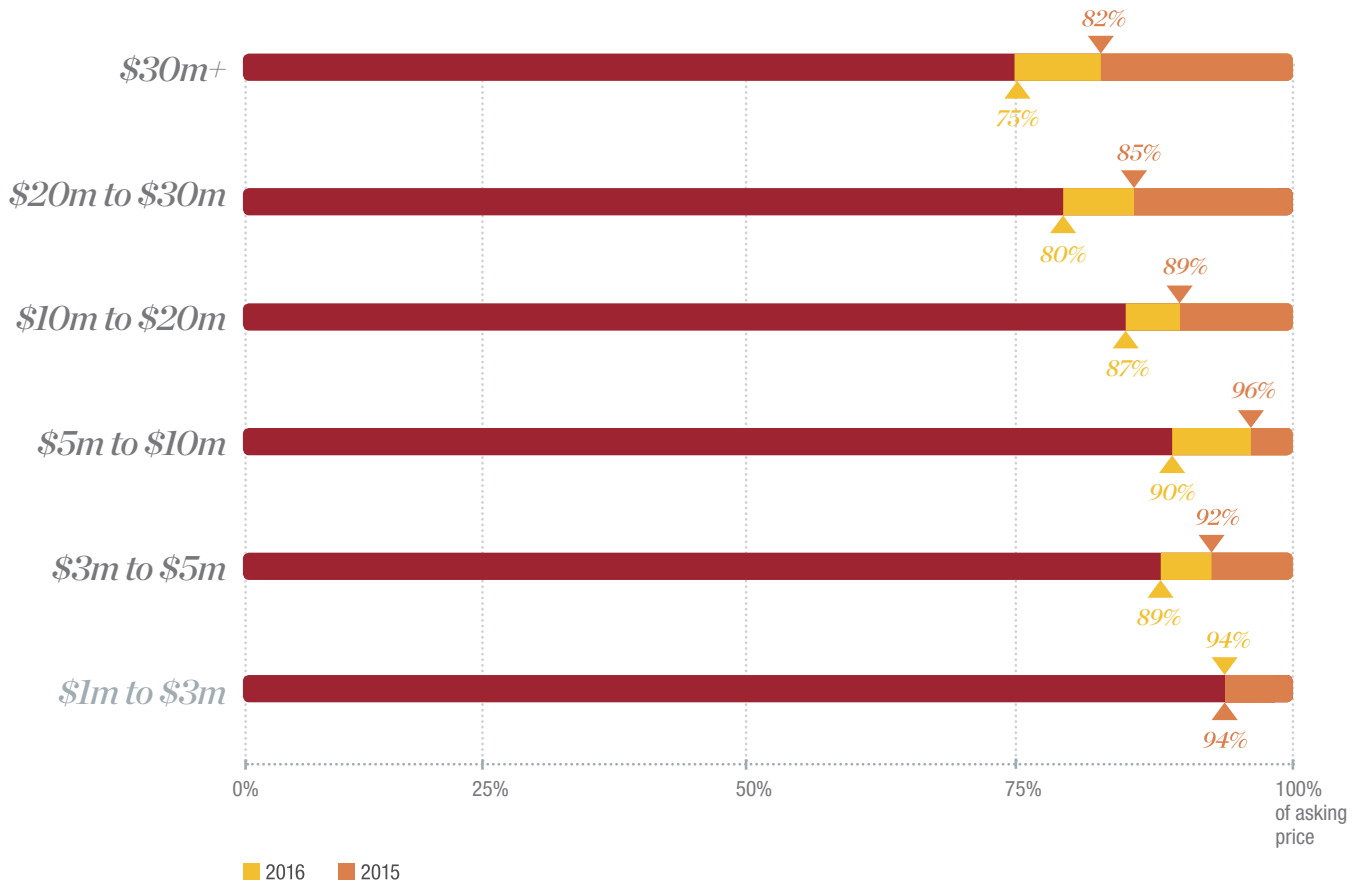
Verdict

False

Property investors and luxury homeowners often act myopically—the initial increases in house prices ignites in the minds of buyers the expectations of future price increases.

10. *List-to-sale price ratios drop year-on-year, signaling a buyer's market*

Percentage of asking price achieved for the highest priced residential sales in 2016 and 2015 as reported by 200+ surveyed real estate agents from the Christie's International Real Estate network



Historic Mansion in Portofino, Italy

developments and price movements into the future[11]. The prevailing sense of prolonged optimism skews market sentiment, observes Constantine Valhouli of real estate analytics platform Neighborhood X, noting that the "boom years of any real estate cycle are defined by a suspension of disbelief: a conviction that high prices actually reflected the underlying value, that the fundamentals really had shifted, and a conviction that prices would keep rising."[12] Furthermore, pricing expectations in some markets are also distorted as a result of exuberant developers who jumped into the market without coordination or limits on new supply.

Seller disbelief about current market conditions is causing friction within certain luxury property markets. In Belleair, Florida, luxury home sellers "seem to only remember real estate pricing prior to 2008," explains sales associate Kerryn Ellson of Coastal Properties Group, noting that agents spend a lot of time educating sellers on market conditions. "Some sellers just got tired of having their home on the market so they drastically cut their list price to get a contract, which in turn, would set a lower benchmark for other comparable listings," she adds, creating a new demarcation in the marketplace.

Outside of overpricing, factors such as an influx of new housing stock can compound challenges faced by sellers. In suburban markets such as New Canaan in Connecticut, the "inventory of luxury homes of $2 million and above is up approximately 10 percent in 2016 versus 2015, while sales of luxury homes in the area are down approximately 20 percent," notes Brian Cleary of Halstead Property, posing significant challenges to seller expectations. Similarly in Sarasota, Florida, Michael Saunders of Michael Saunders & Company observes that supply challenges are weighing heavily on prices: "Our inventory is up 13 percent year-on-year, plus there is more new construction product in the luxury market, making it more challenging to sell some of the older product that needs updating or improvements."

Conversely, in some high-end markets, limited supply remains a constraining factor, which has proved to be a challenge when meeting gaps between seller and buyer expectations. In Hawaii, the lack of supply and relatively steady demand has helped to limit price drops in some markets and has pushed prices higher in others, explains Matthew G. Beall of Hawaii Life Real Estate Brokers. "If the supply continues to dwindle, however, we'll expect to see a widening disparity between what buyers and sellers consider fair market value for high-end properties. At the very top of the island's markets, some high-end home sellers are still listing their properties at incomparable prices. The limited amount of high quality inventory is supporting that trend, along with price increases in the sellers' local markets."

For savvy sellers, a buyer's market can often be an opportune time to sell and upgrade to a larger or more luxurious home, so long as the seller prices her or his home correctly and sets aside the pains of selling for less than what a property may have attracted 12 months earlier. "Many of the luxury sellers in our local market are resistant to price adjustments and feel like their home is worth more—worth what they paid plus what they invested, worth more because of their location, worth more because it is a luxury offering with very high-end finishes and amenities," notes agent Karen Tourville of Turpin Real Estate in Mendham, New Jersey. "The luxury sellers who are successful in this market are not looking in the rear view mirror at what things were worth but rather they are looking at the offer on the table and treating it as the only offer that they may ever receive—and then they negotiate from there."

the RELATIVE VALUE *of* LUXURY HOMES WORLDWIDE

What Does $1M, $5M, $10M, $50M, $100M, $250M Buy?

What Does $1M, $5M, $10M, $50M, $100M, $250M Buy?

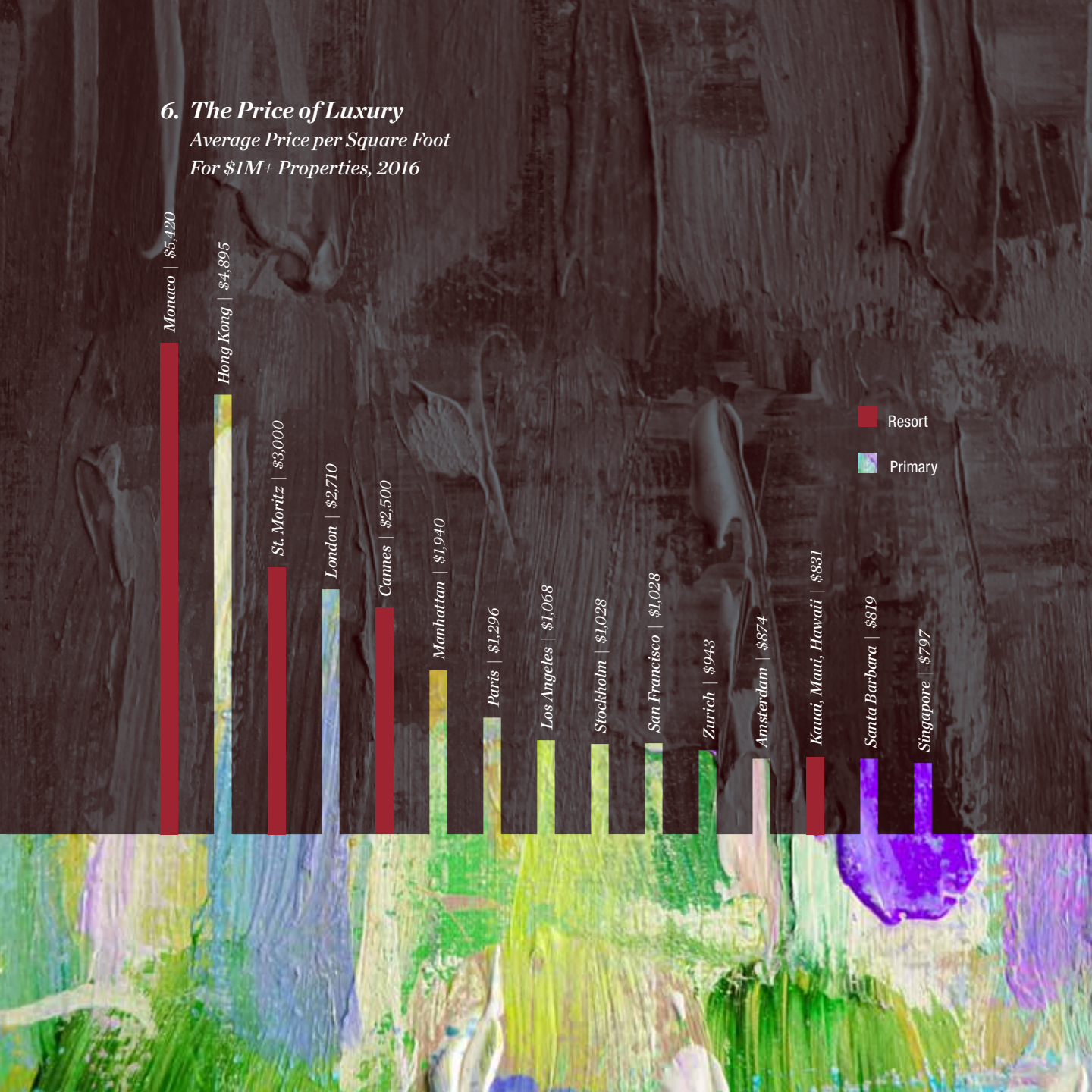
An analysis of the world's top markets for luxury property prices as ranked by prices per square foot not surprisingly reveals a remarkable price variation worldwide. When evaluating this metric in the world's top ranking global economic hubs, the average price per square foot for luxury sales at the end of 2016 ranged from $685 in Miami to $4,895 in Hong Kong. The most expensive cities based on square foot prices were Hong Kong, London, and New York where square foot prices for luxury homes averaged $4,895, $2,710, and $1,942, respectively. These markets also achieved the highest record square foot prices in 2016, all exceeding $10,000, with Hong Kong topping the surveyed cities with an eye-popping $29,000 price per square foot for an ultra-prime HK$2.1 billion residence in The Peak.

Outside of the top global economic hubs, Monaco remains the world's most expensive luxury property market both on a price-per-square-foot basis and on an average sales basis. The principality topped the list of the world's most expensive markets for prime property for the second year running, with average prices for luxury homes reaching $5,433 per square foot. "Average prices have risen in Monaco by 143 percent on a square-meter basis since 2006 and we expect this trend to continue," says Monica de Champfleury of Hammer Draff Great Properties. "Demand for more spacious and luxurious apartments continues to grow, but supply remains restricted. Most new projects in development are already pre-sold or are earmarked for rental, putting upward pressure on prices. Monaco remains not only one of the world's most expensive destinations but also one of the most attractive, and prices in prime locations are expected to exceed €100,000 per square meter by 2018."

Although this price-per-square-foot metric provides a good benchmark to measure the relative "luxuriousness" of a property, it doesn't reveal the amenities, features, or overarching characteristics one would expect of a luxury home in different markets around the world. To better understand the relative price of luxury around the world, we considered 40 luxury homes offered through the Christie's International Real Estate network, examining square foot size, number of bedrooms, location, and typical amenities from a range of properties. The following analysis presents those findings.

6. *The Price of Luxury*

Average Price per Square Foot
For $1M+ Properties, 2016

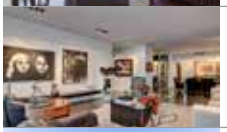


What Does $1 Million Buy?

Average bedrooms: *2-5*

Typical size: *900-5,000 square feet*

- *Smaller properties (under 2,000 square feet) at this price point tend to be apartments in urban areas or "jet set" resort markets.*
- *Larger $1 million homes are generally in smaller cities, suburban areas, or second-home resort markets.*
- *Depending on the location, a $1 million home usually has at least one these amenities (larger homes in more remote locations often include more than one): upgraded kitchen or bathroom, entry-level luxury location, some views .*

	LOCATION	BEDROOMS	SQ FT	TYPE	DESCRIPTION	AFFILIATE
	Cannes, France	1	650	Apartment	Sea-view apartment in glamorous Croisette Palm Beach	Michaël Zingraf Real Estate
	London, United Kingdom	2	668	Apartment	Fully refurbished, immaculate two bedroom floors	Strutt & Parker
	San Francisco, California	1	952	Apartment	Downtown Ritz-Carlton residence with access to hotel services	Pacific Union Real Estate
	**Montreal, Quebec, Canada**	2	1,605	Apartment	Elegant renovated condo in Westmount Square	Profusion Realty Inc.
	Kaiteriteri, South Island, New Zealand	3	2,518	Single-family home	Contemporary coastal home with bay views	Bayleys Realty Group Limited
	Aquitaine, France	5	2,798	Single-family home	Mediterranean villa with sea views	Côte Ouest
	Chatham, Massachusetts	5	3,328	Single-family home	Cape Cod residence with water views	Pine Acres Realty
	East Islip, New York	4	3,500	Single-family home	Deer Run estate home with pool	Coach Realtors
	Indian Wells, California	3	3,572	Single-family home	Tuscan-inspired home in Indian Wells Country Club	HK Lane Real Estate
	Guaynabo, Puerto Rico	5	4,059	Single-family home	Contemporary resort-style residence	Trillion Realty Group, Inc.

	LOCATION	BEDROOMS	SQ FT	TYPE	DESCRIPTION	AFFILIATE
	Bloomfield Township, Michigan	3	4,223	Single-family home	1914 Craftsman-style estate	Hall & Hunter Realtors
	Savannah, Georgia	4	4,486	Single-family home	Ardsley Park mansion	Seabolt Brokers
	Austin, Texas	5	4,600	Single-family home	Tuscan-inspired estate home in Angel Pass	Moreland Properties
	Santa Fe, New Mexico	4	4,725	Single-family home	Pueblo-style estate with pool and city views	Barker Realty
	Fort Worth, Texas	5	4,909	Single-family home	Monticello manse with pool	Giordano, Wegman, Walsh and Associates
	San José del Cabo, Mexico	5	4,949	Single-family home	Resort-style villa with golf-course views	2Seas Los Cabos
	County Kildare, Ireland	6	5,145	Single-family home	1720s Georgian-style Country House	Sherry FitzGerald
	Spring Branch, Texas	4	5,307	Single-family home	Canyon Lake estate with Guadalupe River frontage	Phyllis Browning Company
	Monterrey, Mexico	4	5,381	Single-family home	Contemporary Monterrey residence	Gerencia RED Grupo Immobilario
	Cape Town, South Africa	11	7,007	Single-family home	Seaside home with views of False Bay	Greeff Properties

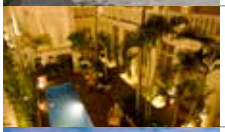
What Does $5 Million Buy?

Average bedrooms: *3-6*

Typical size: *2,000-8,000 square feet*

- *Properties offered at $5 million with less than 3,000 square feet of living space are generally apartments or townhouses in prime urban areas or "jet set" resort markets.*
- *Amenities in a home of this price point tend to vary by location and may have at least one or more of these amenities: upgraded kitchen and bathroom with high-quality finishes, entry- or mid-level luxury location, some views.*

	LOCATION	BEDROOMS	SQ FT	TYPE	DESCRIPTION	AFFILIATE
	New York, New York	2	1,284	Apartment	Upper West Side residence with Central Park views	Brown Harris Stevens
	Paris, France	2	2,045	Apartment	Pied-à-terre in the heart of Saint-Germain-des-Prés	Daniel Féau Conseil Immobilier
	Singapore	3	2,303	Apartment	Bespoke newly built condo in the heart of Orchard Road	Singapore - Christie's International Real Estate
	Rome, Italy	3	2,906	Apartment	Two-level penthouse close to the Colosseum with magnificent views	La Commerciale
	Seven Mile Beach, Cayman Islands	3	3,075	Apartment	Penthouse with views of Seven Mile Beach	Provenance Properties of Cayman Ltd.
	Whitefish, Montana	5	4,632	Single-family home	Lakefront home with stunning vistas	Pure West Real Estate
	Tavares, Florida	3	4,742	Single-family home with large acreage	Elegant equestrian estate on 152 acres	Regal Real Estate
	Aventura, Florida	4	4,955	Apartment	Stunning new-build penthouse on Williams Island	EWM Realty International
	Pismo Beach, California	5	5,245	Single-family home	Italian-style five-bedroom villa	Richardson Properties
	Nijmegen, Netherlands	4	5,608	Apartment	Two-floor penthouse in the Estel Residences	Residence 365

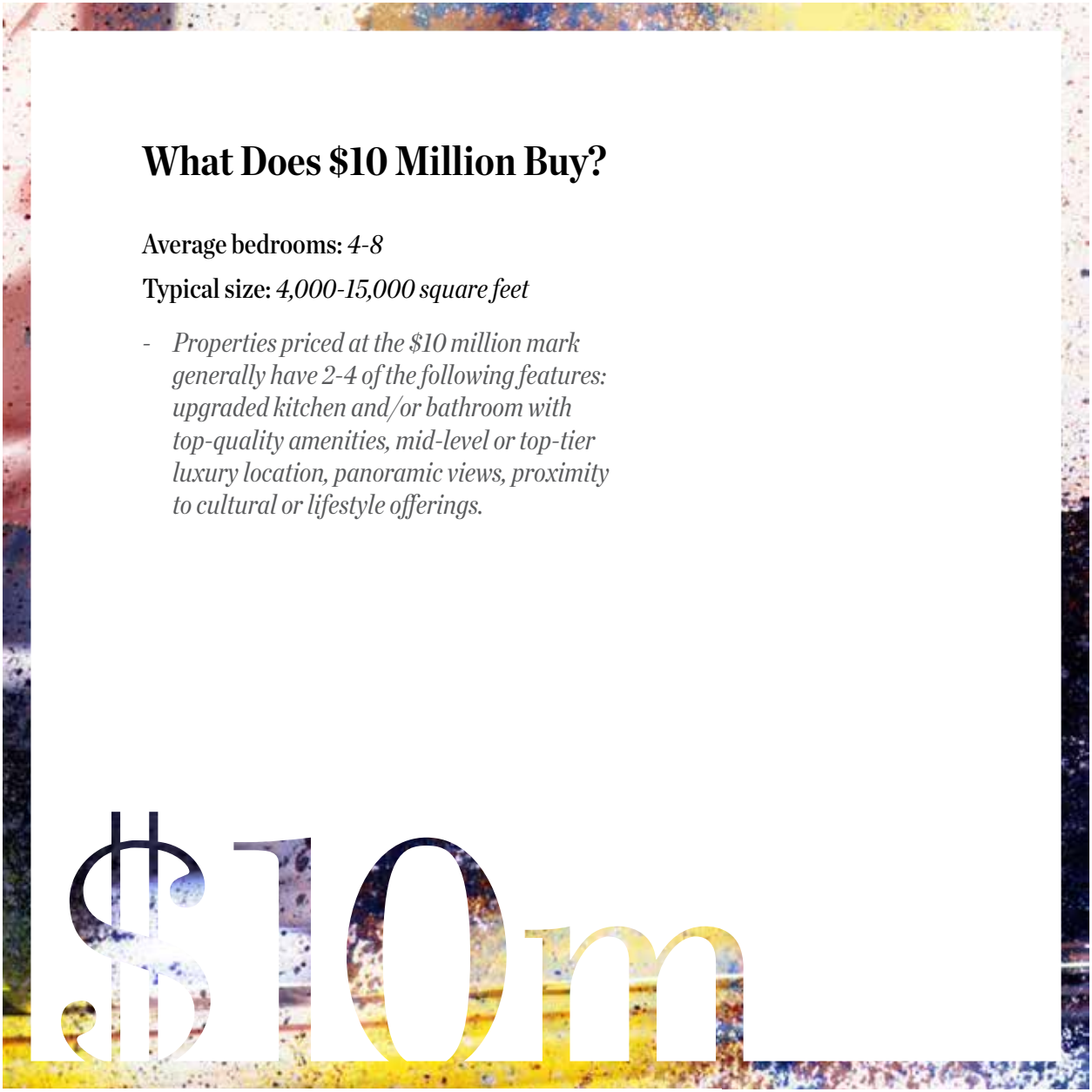
	LOCATION	BEDROOMS	SQ FT	TYPE	DESCRIPTION	AFFILIATE
	Jackson, Wyoming	4	5,535	Single-family home	Owl Creek mountain estate with views	Jackson Hole Real Estate Associates
	Ibiza, Spain	7	6,189	Single-family home	Modern villa with beautiful views to Formentera and Dalt Vila	Estela Exclusive Homes
	Javea, Spain	6	6,522	Single-family home	Mediterranean villa close to the beach	Rimontgó
	Darien, Connecticut	5	8,000	Single-family home	Five-bedroom Georgian-Colonial home	Halstead Property
	Bethesda, Maryland	6	8,100	Single-family home	Six-bedroom home with light-filled open floor plan	Long & Foster Real Estate
	Houston, Texas	5	8,977	Single-family home	Mediterranean-style home nestled among beautiful oak trees	Nan and Company Properties
	Portland, Oregon	5	9,829	Single-family home	Five-bedroom home on 2 acres	Luxe Platinum Properties
	San José, Costa Rica	11	15,911	Single-family home	Palatial private estate with breathtaking skyline views	Plantación Properties
	**Cartagena, Colombia**	12	16,522	Single-family home	18th-Century Republican house	Julio Corredor & CIA
	Cognac, France	10	19,375	Single-family home	Ten-bedroom Renaissance estate	Maxwell-Storrie-Baynes

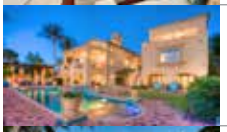
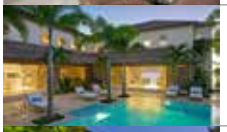
What Does $10 Million Buy?

Average bedrooms: *4-8*

Typical size: *4,000-15,000 square feet*

- *Properties priced at the $10 million mark generally have 2-4 of the following features: upgraded kitchen and/or bathroom with top-quality amenities, mid-level or top-tier luxury location, panoramic views, proximity to cultural or lifestyle offerings.*



	LOCATION	BEDROOMS	SQ FT	TYPE	DESCRIPTION	AFFILIATE
	Makena, Hawaii	3	2,968	Single-family home	Three-bedroom beachfront home on Secret Beach	Hawaii Life Real Estate Brokers
	London, United Kingdon	6	3,681	Single-family home	Six bedroom house with family large garden	Strutt & Parker
	**Boca Grande, Florida**	4	4,656	Single-family home	Mediterranean-style beachfront retreat	Michael Saunders & Company
	Miami Beach, Florida	6	7,471	Single-family home	La Gorce Island waterfront estate	EWM Realty International
	Middletown, New Jersey	8	7,600	Single-family home	Eight-bedroom waterfront estate	Gloria Nilson & Co. Real Estate
	Crystal Bay, Nevada	5	6,573	Single-family home	Lakefront home with guest house and deepwater pier	Oliver Luxury Real Estate
	**Prospect, Barbados**	6	9,200	Single-family home	Six-bedroom beachfront villa on Barbados' Platinum Coast	One Caribbean Estates
	San Miguel de Allende, Mexico	8	9,278	Single-family home	Hacienda-like estate within the walls of its own park	CDR San Miguel
	Victoria, British Columbia, Canada	4	9,400	Single-family home	Four-bedroom home with landscaped gardens and infinity pool	Newport Realty
	Pointe Milou, Saint Barthelemy	3	2,842	Single-family home	Villa with ocean views	Sibarth Real Estate

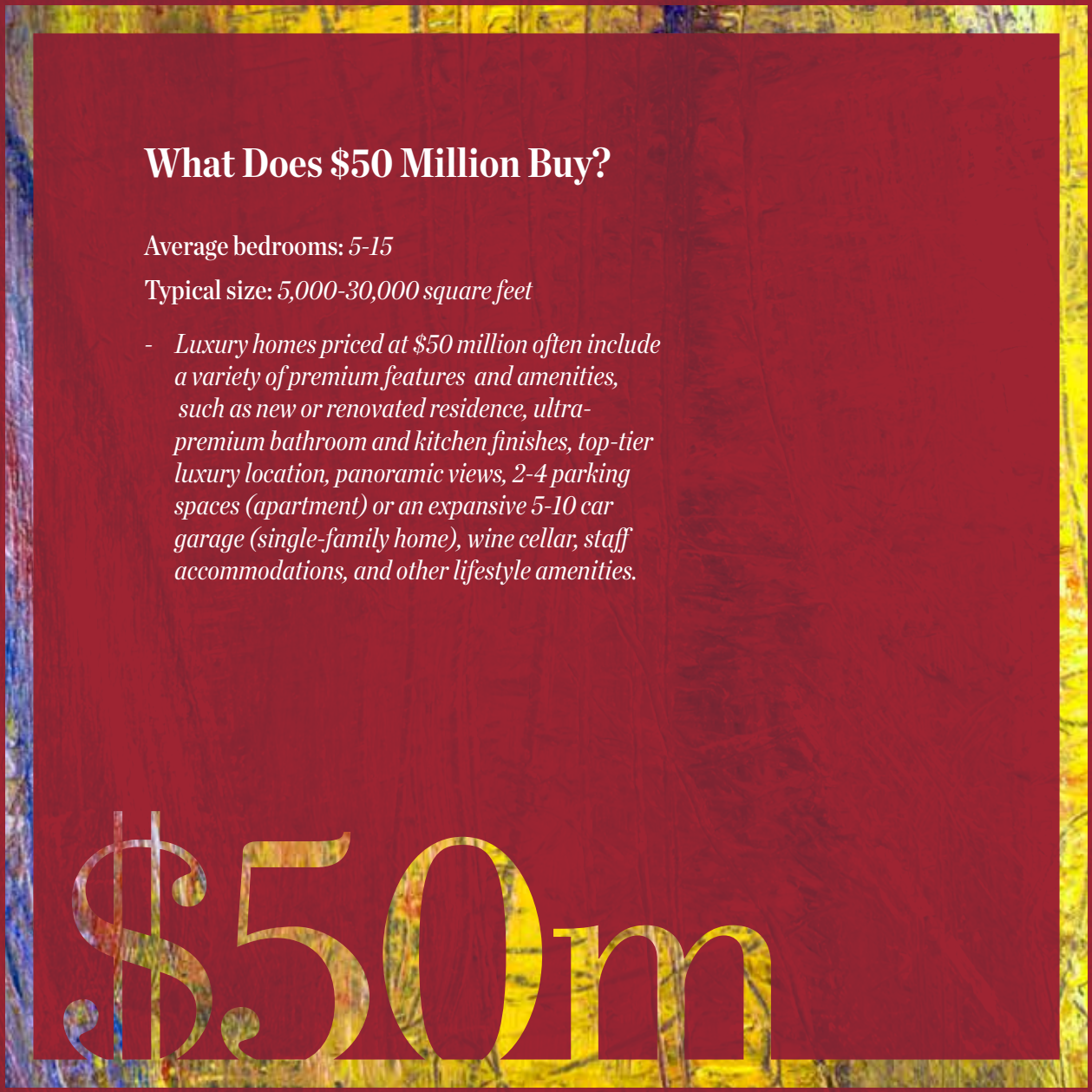
	LOCATION	BEDROOMS	SQ FT	TYPE	DESCRIPTION	AFFILIATE
	Rancho Palos Verdes, California	5	12,278	Single-family home	Villa with Merlot vineyard and ocean views	Strand Hill Properties
	San Juan Capistrano, California	9	14,000	Single-family home	Nine-bedroom estate boasting breathtaking ocean and city views	First Team Estates
	Toronto, Ontario, Canada	7	15,000	Single-family home	Seven-bedroom home set on lush and private ravine setting	Chestnut Park Real Estate
	Casa de Campo, La Romana, Dominican Republic	6	18,000	Single-family home	The Wave House at Punta Aguila	Provaltur International Inc.
	Peapack, New Jersey	5	18,396	Single-family home with large acreage	Georgian-style estate and horse farm	Turpin Real Estate
	São Paulo, Brazil	6	19,001	Single-family home	Six-bedroom home with pool	Axpe Imóveis Especiais
	Santiago, Chile	6	22,066	Single-family home	Six-bedroom home with views of all the Vitacura Valley	Borquez & Asociados Limitada
	North Holland, Netherlands	20	24,326	Single-family home	A historical country estate with royal allure	Residence 365
	Burr Ridge, Illinois	8	30,097	Single-family home	Handcrafted eight-bedroom mega mansion	CONLON: A Real Estate Company
	Alton, New Hampshire	7	38,196	Single-family home	Seven-bedroom estate with lake and mountain views	LandVest, Inc.

What Does $50 Million Buy?

Average bedrooms: *5-15*

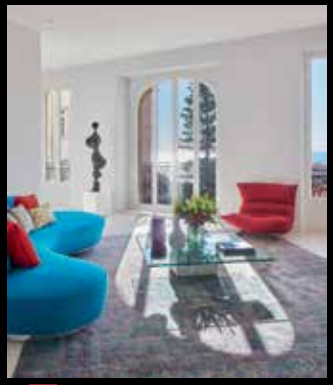
Typical size: *5,000-30,000 square feet*

- *Luxury homes priced at $50 million often include a variety of premium features and amenities, such as new or renovated residence, ultra-premium bathroom and kitchen finishes, top-tier luxury location, panoramic views, 2-4 parking spaces (apartment) or an expansive 5-10 car garage (single-family home), wine cellar, staff accommodations, and other lifestyle amenities.*



Fenton Lang Bruner & Associates
Jupiter Island, Florida
10 Bedrooms, 26,019 sq. ft.
Waterfront estate on 8 acres

Landscope Christie's International Real Estate
Stanley, Hong Kong
4 Bedrooms, 4,773 sq. ft.
Waterfront home with panoramic sea views



Hammer Draff Great Properties
Monaco
4 Bedrooms, 10,000 sq. ft.
18th-century townhouse

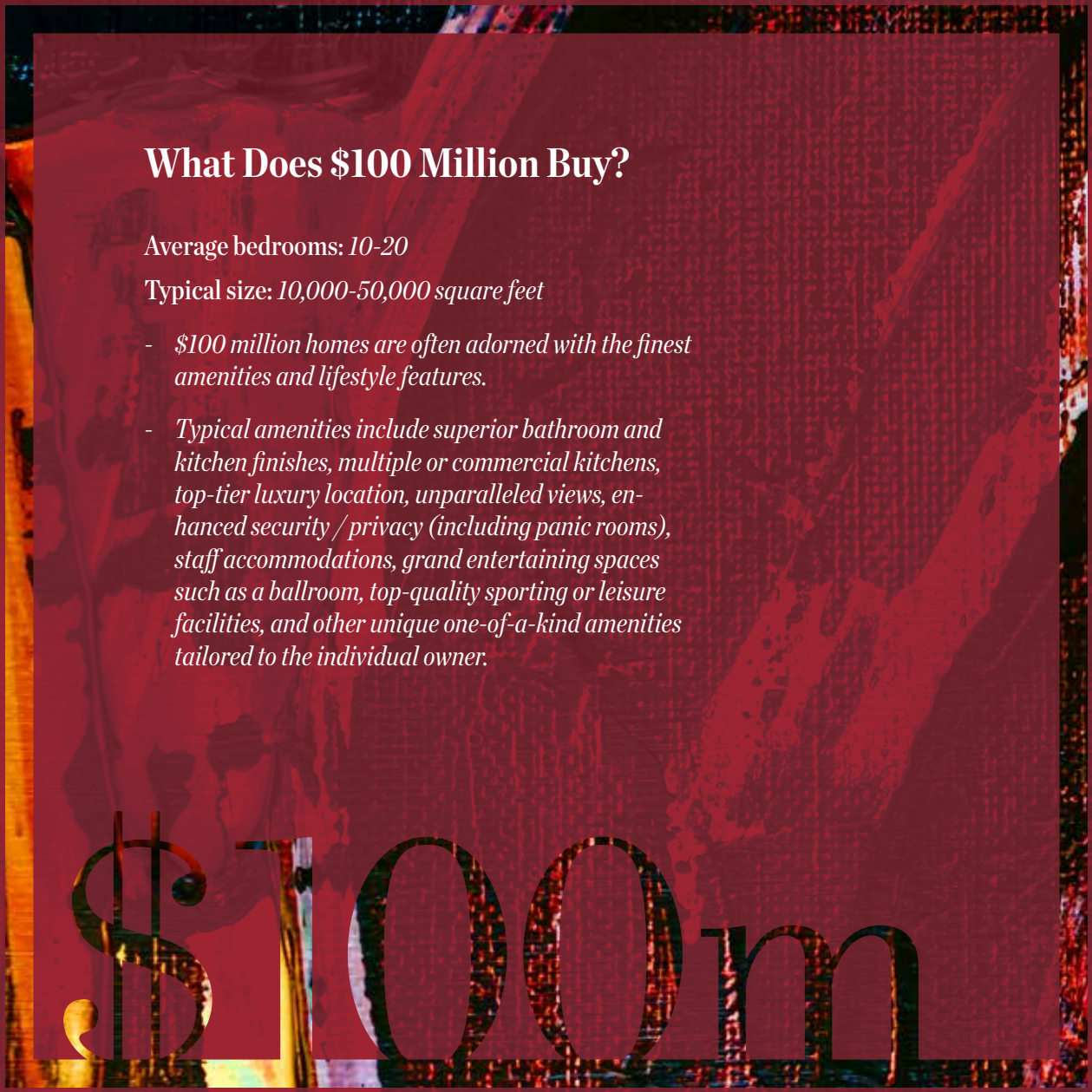
William Raveis Real Estate
Naples, Florida
5 Bedrooms, 12,781 sq. ft.
Port Royal waterfront home

What Does $100 Million Buy?

Average bedrooms: *10-20*

Typical size: *10,000-50,000 square feet*

- *$100 million homes are often adorned with the finest amenities and lifestyle features.*
- *Typical amenities include superior bathroom and kitchen finishes, multiple or commercial kitchens, top-tier luxury location, unparalleled views, enhanced security / privacy (including panic rooms), staff accommodations, grand entertaining spaces such as a ballroom, top-quality sporting or leisure facilities, and other unique one-of-a-kind amenities tailored to the individual owner.*



Brown Harris Stevens
New York, New York
7 Bedrooms, 12,000 sq. ft.
Magnificent front-corner duplex with 20 rooms

Kensington Luxury Properties Marrakech
Casablanca, Morocco
24 Bedrooms, 107,639 sq. ft.
Luxurious Moorish-style palace

HG Christie
Exumas, Bahamas
20 Bedrooms, 70,000 sq. ft.
Private island with deepwater harbor and marina

Hilton & Hyland Real Estate
Los Angeles, California
17 Bedrooms, 30,000 sq. ft.
Legendary estate in Holmby Hills

What Does $250 Million Buy?

Average bedrooms: *10+*

Typical size: *20,000-60,000 square feet*

- *Properties offered at a quarter of a billion dollars or more are a showcase for the world's most unique and beautiful home amenities.*

- *$250 million homes are superlative expressions of luxurious living and typically feature a plethora of lavish features including top-of-the-line bathroom and kitchen finishes, multiple or commercial kitchens, top-tier luxury location, art gallery spaces, unparalleled views, high-tech enhanced security / privacy (including panic rooms), staff accommodations, showroom garages for 15+ cars, extravagant entertaining spaces (such as amphitheaters), helipads, top-quality sporting or leisure facilities, and other bespoke amenities crafted for the individual owner.*

Michaël Zingraf Real Estate
Côte d'Azur, France
10 Bedrooms, 12,916 sq. ft.
Revolutionary and unique contemporary property

Hilton & Hyland Real Estate
Los Angeles, California
12 Bedrooms, 38,000 sq. ft.
Ultra-luxury spec home in Bel-Air

the $100M HOME

In 2015, we identified the $100 million home as the new benchmark for ultra luxury. Despite initial skepticism two years ago about the viability of homes offered at these rarefied asking prices, in 2016, a record-breaking 10 properties sold at and above this price point for a total value of $1.32 billion. The previous record, set in 2014, was five $100-million-plus homes sold in a single year. Currently, 33 nine-figure homes are publicly listed for sale around the world, up from 19 just two years ago.

This banner year for trophy homes warrants an exploration of the market forces and trends that propelled the market to this new high.

Around the world, a record-breaking 10 properties sold at and above this price point, with a total value of $1.32 billion.

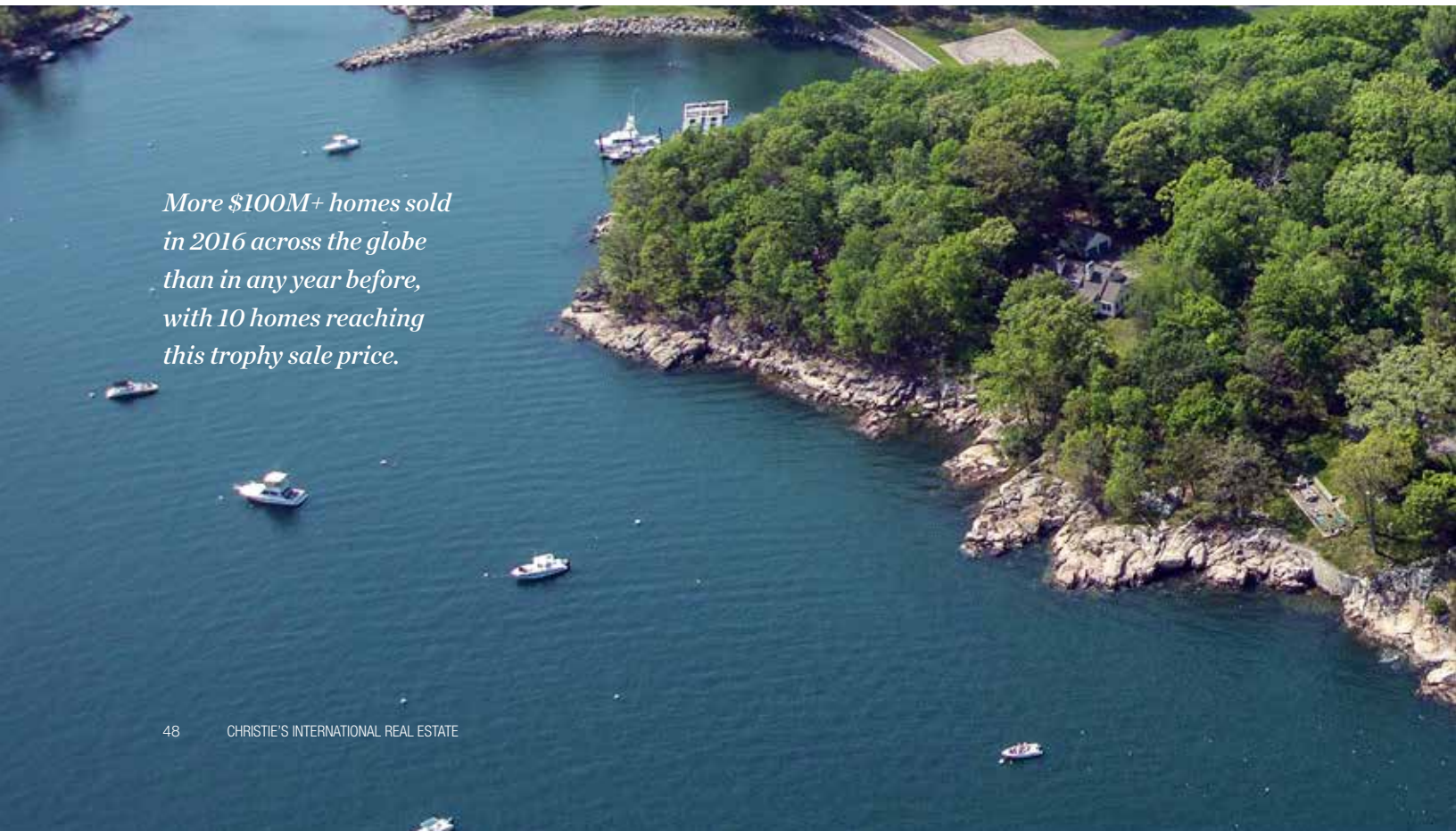
2016: The Year of the Trophy Home

2016 saw new markets join the $100 million club, with $100 million+ homes sold for the first time in Los Angeles, Suzhou (China), and Texas.

Two trophy homes sold in London—one in Kensington Palace Gardens for ***$119M,*** *and one in Belgravia for* ***$101M.***

In California's Holmby Hills, Hilton & Hyland Real Estate sold the iconic Playboy Mansion for $105 million—the first of Los Angeles' two trophy home sales in 2016.[11] Breaking the nine-figure mark for the first time on mainland China was Taohuayuan, or Utopia, in Suzhou, China.[12] And in Texas, the WT Waggoner Ranch was the year's highest, listed at $725 million, though its final sale price was not disclosed.[13] This is a working ranch and not a pure-play residential sale; as such, it is not included in our aggregate count of 2016 nine-figure sales. Another Texan property was listed for $100 million and closed last year, though the final sale price was not disclosed.[14]

The remaining sales occurred in geographies where the trophy home is already an established market segment. Hong Kong posted four residential sales above $100 million. The $270 million (HK$2.1 billion) sale in The Peak neighborhood was the city's highest-priced sale and the highest in an urban area, also setting the all-time price-per-square-foot record for Asia ($29,385). Of the three other properties that sold, two were residences in the new Mount Nicholson Project on The Peak, and one was a new development in Hong Kong's Stanley neighborhood.[15]



More $100M+ homes sold in 2016 across the globe than in any year before, with 10 homes reaching this trophy sale price.

Two trophy homes sold in London—one in Kensington Palace Gardens for $119 million, and one in Belgravia for $101 million. East Hampton, New York, recorded its second-highest sale ever at $110 million.[16] The Lily Pond Lane Estate, comprised of three adjoining parcels of land, was sold as one expansive piece of prime coastline.

Also of note, five of the year's sales were new developments or spec homes.

Already in 2017, the $100 million phenomenon shows no sign of waning, at least in Hong Kong. Two sales were announced at the beginning of the year, one for $360 million,[17] (a "teardown") and the other for $139 million, both at The Peak.[18]

The Playboy Mansion was the first property in Los Angeles to reach a sale price above $100 million (also pictured above)

Great Island in Connecticut, offered for sale at $175 million

9. $100M+ Publicly Reported Residential Sales Worldwide in 2016

	SALE PRICE (US$)	PROPERTY NAME	LOCATION	COUNTRY	TYPE	LIST PRICE (Local)
	Undisclosed	W.T. Waggoner Ranch	Vernon, Texas	United States	Ranch	$725,000,000
1	$270,692,000	Gough Hill Road Residence	The Peak	Hong Kong	Single-family home	
2	$154,000,000	Taohuayuan (Utopia)	Suzhou	China	Single-family spec home	
3	$131,376,000	Headland Road Estate	Stanley	Hong Kong	Single-family home	
4	$119,255,000	Kensington Palace Gardens	London	United Kingdom	Single-family home	
5	$117,465,000	Mount Nicholson Residences	The Peak	Hong Kong	New development	
6	$110,000,000	Lily Pond Lane Estate	East Hampton, New York	United States	Single-family home	
7	$106,904,000	House at Mount Nicholson	The Peak	Hong Kong	New development	
8	$105,000,000	The Playboy Mansion	Los Angeles, California	United States	Single-family home	$200,000,000
9	$101,638,000	Belgravia Residence	London	United Kingdom	Single-family home	
10	$100,000,000	Mon Reve	Los Angeles, California	United States	Single-family spec home	$150,000,000
	Undisclosed	Crespi Estate	Dallas, Texas	United States	Single-family home	$100,000,000
	$1,316,330,000	Total sales volume of disclosed sales				

10. 2017 Top Residential Sales Worldwide

As of April 25, 2017

	SALE PRICE (US$)	PROPERTY NAME	LOCATION	COUNTRY	TYPE	LIST PRICE (Local)
1	$360,640,000	Pollock's Path Estate	The Peak	Hong Kong	Apartment complex	
2	$139,104,000	House at Mount Nicholson	The Peak	Hong Kong	New development	
3	$92,667,000	House at Mount Nicholson	The Peak	Hong Kong	New development	
4	$85,000,000	Palm Beach Estate	Palm Beach, Florida	United States	Single-family home	
5	$85,000,000	Carbon Beach Compound	Malibu, California	United States	Compound	
6	$79,500,000	Wildenstein Townhouse	New York, New York	United States	Single-family home	$100,000,000
7	$77,060,000	Palm Beach Estate	Palm Beach, Florida	United States	Single-family home	
8	$76,415,000	Mount Nicholson Residence	The Peak	Hong Kong	New development	
9	$69,900,000	Malibu Mediterranean Estate	Malibu, California	United States	Single-family home	
10	$65,160,000	Unit at 432 Park Avenue	New York, New York	United States	New development	
11	$65,000,000	Trousdale Estates Compound	Los Angeles, California	United States	Compound	$135,000,000
12	$60,894,000	Unit at 432 Park Avenue	New York, New York	United States	New development	
13	$60,750,000	Penthouse in Golden Square	Monte Carlo	Monaco	Single-family home	$70,000,000
15	Undisclosed	Elaine Estate	Sydney	Australia	Single-family home	In excess of $51,500,000

Trends: The Spectacular Rise of the Spec Home

Resales still dominate the $100 million segment but a new contender has emerged that could transform the landscape in the years ahead—the ultra-luxury spec home.

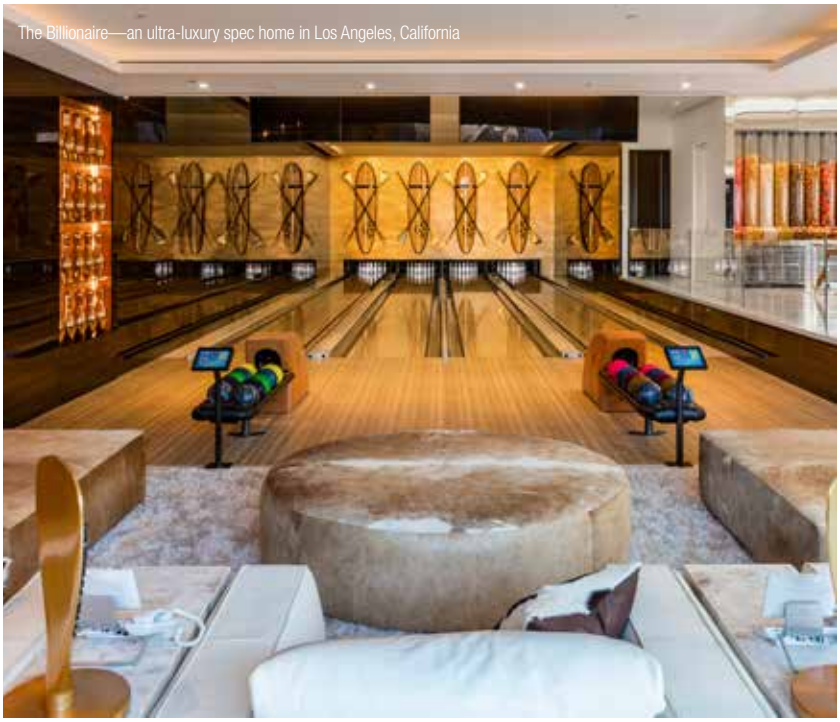
Designed to be “move-in ready,” the spec, or speculative, home is built by a developer based on the tastes and preferences of prospective target buyers, rather than specific to one client. Although spec homes are a well-established segment in the overall real estate market, “Mon Rêve” in Holmby Hills, California, was the first ultra-luxury spec home to sell in the U.S. for $100 million last year, opening the door for similar projects to be listed and sold at sky-high prices.[19]

At this price point, spec homes offer an uncompromising architectural design, exquisite craftsmanship, and lavish amenities. Ultra-spec homes are designed to be statement pieces says Hyland, adding that they "Boast over-the-top features, such as outdoor movie theaters, indoor state-of-the-art bowling alleys, $30 million luxury automobile galleries, and helicopters – much like our Billionaire by Bruce Makowsky listing, the most expensive property in the nation."

Curated collections of art—three works by Damien Hirst valued at $2 million—are even included in the sale of one $100 million Los Angeles spec home. Privately listed for sale by Hilton & Hyland Real Estate, the property also features a selection of wines and cars, as well as bespoke interior design and furnishings.[20]

"Spec homes are no longer developed with the intention of appealing to an entire market," says Hyland. "With a specific luxury buyer in mind, developers are taking custom building to new heights—and they’re in demand. Between the valuable land they’re often built on and high-end finishes that cater to an elite individual, spec homes have proven to be ideal in their turnkey nature."

While ultra-luxury spec homes and new developments are on the rise in the trophy-home market, resale homes still comprise the majority of sales in the segment. Over the past decade, nearly two-thirds of the $100 million-plus properties sold were resales. The number of new development trophy homes sold only surpassed the number of resale properties once in 2011. This dynamic is bound to evolve as the availability of nine-figure inventory continues to evolve.



The Billionaire—an ultra-luxury spec home in Los Angeles, California

"In 2016, expansive spec homes dominated the highest end of the Los Angeles luxury market, comprising six of the 10 priciest transactions," says Jeff Hyland of Hilton & Hyland Real Estate. "In this rapidly expanding market, spec homes today are like nothing we have seen nor could have imagined."

Buyer Undeterred: Securing the $100 Million Dream

Buyers of nine-figure homes recognize their inherent value and develop new schemes—some more creative than others—to obtain them. While a billionaire buyer may have the means to purchase these homes outright, market dynamics and liquidity concerns come into play, as does a bit of legislative sleuthing.

A bank loan was front and center for New York's highest sale of 2016—the buyer of the $88 million Park Avenue penthouse financed a large portion of his purchase with a $56 million loan.[21] What is notable about this transaction is that super-sized loans such as this were non-existent as recently as three years ago.

Hong Kong is the current hot spot for $100 million sales, with UHNWIs going to great financial lengths to acquire the most prized residences. Although the Hong Kong government has stiffened buyer stamp duties in an effort to cool property prices, trophy-home buyers have remained undeterred, paying the substantial stamp duty taxes or finding ways to minimize their tax exposure.

Playboy Mansion, the first property to break the ***$100M*** *mark in Los Angeles*

The January 2017 purchase of a $361 million (HK$2.8 billion) property at Pollock's Path on The Peak further highlights the lengths to which buyers will go to secure their trophy properties.[22] The buyer reportedly intends to level the existing structure and build a large home for his family, thereby redeveloping the land and generating a sizeable refund on the stamp duty. The extraordinary sum spent on this building, in addition to the taxes and the cost of redeveloping the property, further demonstrates the enduring appeal of Hong Kong's prime neighborhoods for the world's wealthiest individuals.

The Bubble Palace, Côte d'Azur, France

Three-Year Review: Rise to Prominence

Of the $100 million-plus listings currently on market, four were listed in 2014, seven in 2015, fourteen in 2016, and five already in 2017. Listing price increases have also accompanied the increase in the number of $100 million-plus properties for sale. Although the nine-figure listing has been a marketing ploy by some property owners, listing prices have increased as historic properties and new developments come on the market.

Ironically, the proliferation of trophy listings and sales occurred during periods of global uncertainty and volatility. Like masterpiece works of art, these trophy properties can be viewed as an investment category and an asset class. For instance, in Hong Kong, residential properties in luxury enclaves are “important investment target{s} for many overseas companies.” Although the nine-figure listing is a fairly new market development, some of these initial listings already demonstrate the potential these properties have as stores of value.

Even with its sky-high asking price, The Manor—unlike other top listings in the area such as The Playboy Mansion or The Beverly House—is a value-added offering.[23] Listed for $200 million, The Playboy Mansion sold for $100 million, or $5,250 a square foot less than a year after first hitting the market. The Beverly House, if sold for its list price of $195 million, would have a square foot price of $3,900. By comparison, The Manor—newly renovated and listed at $200 million—would be a relative bargain even if sold at list price, with a square-foot price of $3,500.[24] Co-owner and co-listing agent Rick Hilton of Hilton & Hyland Real Estate observes that “The sky is the limit. Once we hit the $100 million mark, we broke the glass ceiling—and we’re seeing people comfortable with spending more than that. Two-hundred million dollars doesn't just get you the largest and grandest private residence in Los Angeles' prestigious Holmby Hills, it gets you an exclusive lifestyle. The Manor is a home unlike any other in the world. Sitting on 4.7 acres of land, the French-château style 56,500- square-foot masterpiece is larger than the White House. On a square-foot basis, Los Angeles offers far greater value for money than competing cities across the globe, putting The Manor in a category of luxury all on its own.” When compared to the average square-foot price of $8,489 for the current $100 million listings around the world, all three properties demonstrate the value proposition of Los Angeles trophy homes.

Although there has been much skepticism about this narrow market, a survey of prospective trophy-home buyers clearly demonstrates its viability. According to *Forbes*, there are 2,043 individuals whose net worth exceeds $1 billion, up 13 percent from last year’s count. Together, their net worth amounts to $7.67 trillion, a year-on-year increase of 18 percent.[25] By comparison, the total value of the 33 trophy properties currently listed for sale is $6.44 billion, or less than one tenth of one percent of the 2,043 billionaires’ combined net worth. The wealthiest individuals on this list could afford to purchase all 33 of these $100 million listings for themselves without coming close to exhausting their fortunes.

A new benchmark may also be looming. In the South of France, persistent rumors suggest one palatial estate comes with a €1 billion price tag.[26]

The Manor in Holmby Hills., California, offered at $200 million

11. Current US$100M+ Listings Worldwide

	REPORTED LIST PRICE (US$)	PROPERTY	LOCATION	COUNTRY	TYPE	FIRST LISTED
1	$1,100,000,000*	Villa Leopolda/Villa Les Cedres	Saint-Jean-Cap-Ferrat	France	Single-family home	2016
2	$500,000,000*	Nile Niami Bel Air Spec Home	Bel Air, California	United States	Spec home	2015
3	$381,465,000	Le Palais Bulles/"Bubble Palace"	Côte d'Azur	France	Single-family home	2015
4	$330,000,000	18 Carlton House Terrace	London	United Kingdom	Single-family home	2013
5	$330,000,000	Odeon Tower Sky Penthouse	Monaco	Monaco	New development	2014
6	$250,000,000	"Billionaire" Bel Air Spec House	Bel Air, California	United States	New development	2017
7	$250,000,000	220 Central Park South Penthouse	New York, New York	United States	New development	2016
8	$200,000,000	Spelling Manor	Holmby Hills, California	United States	Single-family home	2016
9	$195,000,000	The Beverly Compound/Hearst Estate	Beverly Hills, California	United States	Single-family home	2016
10	$175,000,000	Great Island	Darien, Connecticut	United States	Single-family home	2016
11	$145,000,000	La Dune	Hamptons, New York	United States	Single-family home	2016
12	$140,000,000	Briar Patch	Hamptons, New York	United States	Single-family home	2014
13	$137,000,000	Il Palmetto	Palm Beach, Florida	United States	Single-family home	2016
14	$130,417,200	Villa on the Port	Monaco	Monaco	Single-family home	2017
15	$130,000,000	520 Park Avenue Penthouse	New York, New York	United States	New development	2015
16	$129,000,000	Palazzo di Amore	Beverly Hills, California	United States	Single-family home	2014
17	$125,000,000	258-acre Bel Air Canyon	Bel Air, California	United States	Land	2013
18	$125,000,000	Palazzate	Barbados, St. Peter	Barbados	Spec home	2015
19	$119,000,000	Cologny Manor	Geneva	Switzerland	Single-family home	2016
20	$115,000,000	The Park Bel Air	Los Angeles, California	United States	Spec home	2015
21	$113,000,000	Chateau de la Croix des Gardes	Cannes	France	Single-family home	2016
22	$110,000,000	La Finca Project at La Romana	La Romana	Dominican Republic	Land	2016
23	$108,000,000	220 Central Park South Penthouse No. 76	New York, New York	United States	New development	2017
24	$108,000,000	Las Varas and Edwards Ranches	Goleta, California	United States	Ranch	2016
25	$106,000,000	Allaman Castle	Geneva	Switzerland	Single-family home	2011
26	$105,000,000	Palais Venetien	Cannes	France	Single-family home	2015
27	$105,000,000	No. 1 Twelve Peaks	Hong Kong	China	New development	2014
28	$100,000,000	Skygarden	Bel Air, California	United States	Spec home	2016
29	$100,000,000	Beachfront at Playa Arriba	Miches, La Altagracia	Dominican Republic	Land	2016
30	$100,000,000	Islas Cayonetas	Las Perlas Archipelago	Panama	Land	2015
31	$100,000,000	"Opus" Nile Niami	Los Angeles, California	United States	Spec home	2017
32	$100,000,000	220 Central Park South Penthouse No. 73	New York, New York	United States	New development	2017
33	$100,000,000	Merv Griffin Estate	Beverly Hills, California	United States	Single-family home	2016

Local currency calculated into US$ via oanda.com as of April 28, 2017
* Rumored to be the asking price, although not officially on the market

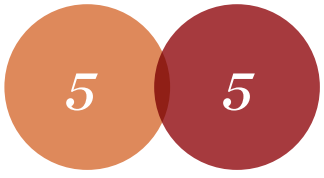
12. Three-Year Review - $100 Million+ Home Sales Worldwide

2014

5 Homes Sold Over $100m
Total Value = $617M

2015

4 Homes Sold Over $100m
Total Value = $762M



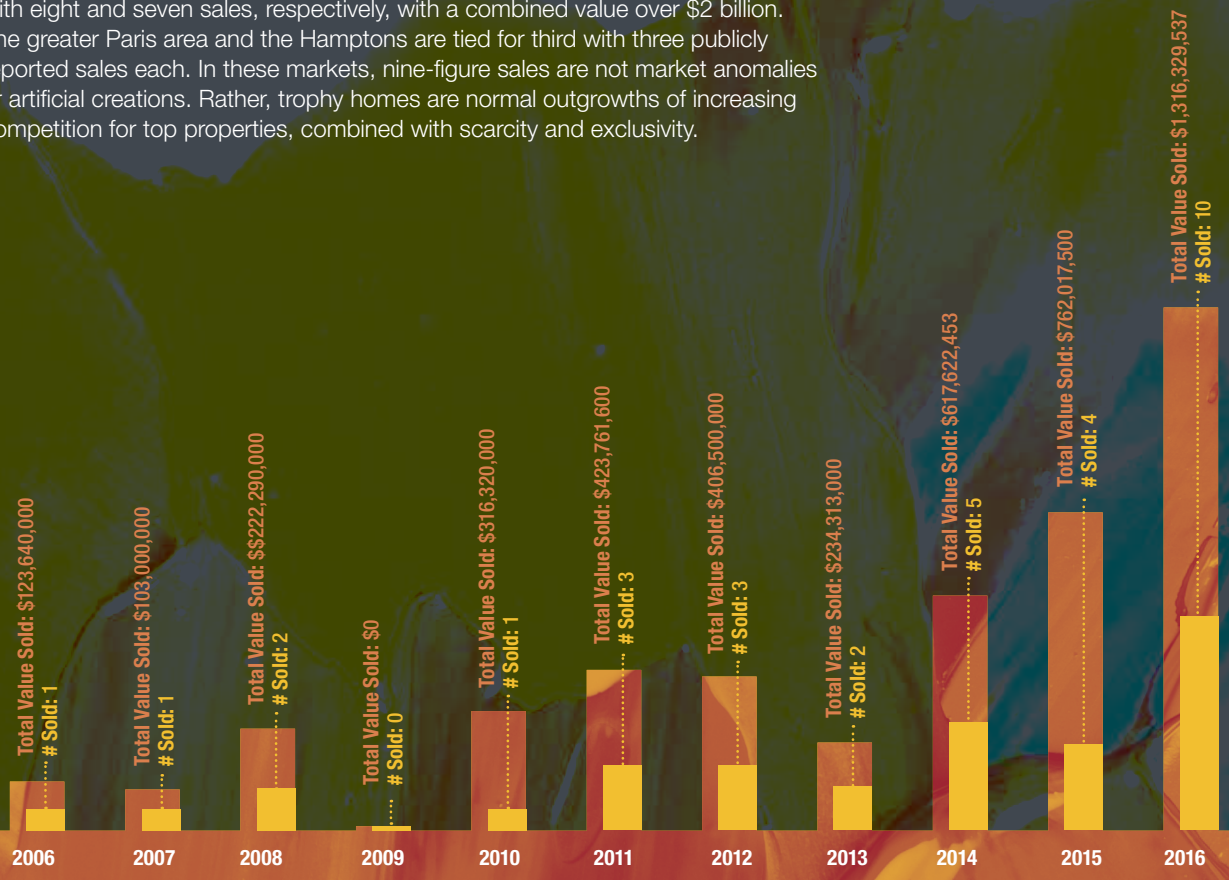
2016

10 Homes Sold Over $100m
Total Value = $1.32B

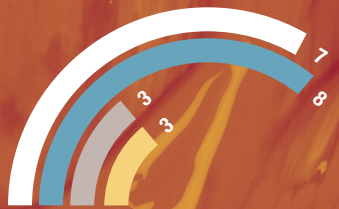
New Development Properties Resale Homes

Retrospective: Ten Years of the Trophy Home

Looking back at the history of this still-young and developing $100 million segment, location stands out as the key factor in the growth of listings and sales. Over the past 10 years, 32 properties have sold at this price point in 13 different markets or regions. Only seven of those locations have more than one nine-figure sale. London and Hong Kong are the two strongest trophy-home markets, with eight and seven sales, respectively, with a combined value over $2 billion. The greater Paris area and the Hamptons are tied for third with three publicly reported sales each. In these markets, nine-figure sales are not market anomalies or artificial creations. Rather, trophy homes are normal outgrowths of increasing competition for top properties, combined with scarcity and exclusivity.



Total $100M+ properties sold 32
Total value sold $4,525,794,090



Top Regions for $100M+ Sales

Number of publicly reported $100M+ sales since 2006 by location

Hong Kong
London
Paris
The Hamptons

Resale vs. New Developments

Number of publicly reported $100M+ sales since 2006 by home type

Resale
New Development

Perfect Pairings

Explore the relative values of passion assets

High-value assets are not only investments, but are often acquisitions of passion and lifestyle. Offered by Christie's and our Affiliate network, these highly sought-after assets showcase the deep connections between extraordinary real estate, fine art, and luxury goods. From an artfully designed lakefront villa—with a sumptuous lake vista painting to match—to a visionary rose-toned waterfront estate paired with a glittering yacht painting, our Perfect Pairings for the international collector are both rare and beautiful.

FOR LAKEFRONT LOVERS

TWILIGHT, LAKE TAHOE
Albert Bierstadt
oil on canvas
Estimate: $3,000,000–$5,000,000

SERENE WATERFRONT RETREAT
Charming six-hectare estate on Lago Moreno
Rio Negro, Argentina
Asking price: POA

FOR THE ECLECTIC EQUESTRIAN

HORSE
Han Gan
Handscroll, ink and color on silk
Estimate $500,000–$600,000,
Price realized: $17,047,500

ELEGANT EQUESTRIAN LIVING
45-acre country estate with a grand nine-bedroom residence
Colts Neck, New Jersey
Asking price: $8,900,000

LE MUSIOR (PORT D'ANTIBES)
Paul Signac
oil on canvas
Estimate: $2,500,000–3,500,000

PARADISE ON THE WATER: 'LA DOLCE VITA'
Classic Mediterranean home overlooking Pittwater
Sydney, Australia
Asking price: POA

FOR THE YACHTING ENTHUSIAST

THE CARDSHARPS
Pietro Paolini
oil on canvas
Asking price: $600,000–800,000

GILDED GAMING AT DARLINGTON
Meticulously renovated 1907 mansion
Mahwah, New Jersey
Asking price: $48,000,000

FOR THE GAMER

ANATOLIAN MARBLE FEMALE IDOL OF KILIYA TYPE
Chalcolithic Period, Circa 3000–2200 B.C.
9 in. (22.9 cm.) high
Estimate on request

ARCHITECTURALLY SIGNIFICANT LIVING
Modernist design with beautiful lakefront views
Ticino, Switzerland
Asking price: POA

FOR THE SCULPTURE COLLECTOR

LUXURY HOME TRENDS

What's Trending in Home and Art

Christie's International Real Estate polled real estate executives and agents in the field and asked them which amenities and home features stood out in the current luxury real estate landscape. Here are some of their insights…

An Architectural Palette for Art

As reported last year, the display of art in the home continued as a major priority for luxury homeowners, whether that is dedicated gallery space or integrating art in a home's primary living spaces. That begged the question: Is there a style of architecture best suited to a particular medium or genre of art?

We asked Sean Conlon, founder and chairman of Chicago-based Conlon: A Real Estate Company, who is also a respected collector of Old Masters paintings.

Growing up in Ireland in a working-class family in County Kildare, Conlon and his father toured historic country estates on Sundays (owners received a tax incentive when they opened their homes for the public to view their art collections.) Conlon's lifelong passion for Old Masters was born.

Having owned real estate in the UK, Chicago, and California, Conlon has displayed his impressive art collection in many different environments. Here he provides his personal insights on architecture and Old Masters.

"There is no architecture that could be described as "best suited" to a particular genre of art. If you love it, you can make it work. And in fact a mix of styles can sometimes feel quite natural.

As with contemporary art, an Old Masters collection does require huge walls, because works can be so epic in scale. My own collection is currently displayed in my Chicago Townhouse, whose 29-foot walls are perfect for the enourmous paintings.

That said, some of my Old Masters are also on display in my Malibu home. Built in the 1960s by the architect Harry Genser, whose homes are often described as "temples of the ocean," it has a very contemporary style typical of his vision for celebrating California's dramatic landscapes and waters. What art wouldn't radiate in this kind of architectural pedigree?

The ultimate expression of taste and achievement is your home and your art. They project to the world who you are. I am passionate about both and I want them to not only complement each other but to elevate each other."

Darlington in New Jersey is offered for $48 million

Defenders of Fine Architecture

This year has also seen an inordinate number of meticulous renovations of historic homes and estates. From the Baldridge Estate in Fort Worth, Texas, to Hacienda San Bernardo in Mexico's Yucatan and Villa Lieblein in Vienna, owners have taken enormous pride- not to mention considerable time and money—to rescue these architectural phoenixes from the ashes.

A recent restorative offering is Darlington in Mahwah, New Jersey, 30 minutes outside of New York City, one of the purest examples of Jacobean architecture in the United States. Its seven-year restoration, undertaken a century after the historic estate was originally constructed, employed hundreds of artisans from around the world. Ilija Pavlovic, the visionary behind the project and CEO of exclusive Christie's International Real Estate Affiliate Special Properties Real Estate Services, spearheaded this massive project which just went on the market in Spring 2017.

We asked Mr. Pavolic what compelled him to undertake a project of this scope?

"My profession was the car business. I always admired the production values of the Rolls-Royce or Bugatti, largely hand-crafted by master engineers and artists. That is the ethos I wanted to bring to Darlington.

"On any given day during the renovation, 150 to 200 artisans from around the world would be at work on the project-woodcarvers from Italy, painters from Greece, and with Poland, the Balkans, the U.S. and other countries represented as well. The language barriers were such that the workers often couldn't understand each other but they worked flawlessly together. Their common language was the love of their work and their love for the project. It was intoxicating to stand in the room and watch. The results speak for themselves."

A beautiful open-plan kitchen in Franschhoek, Western Cape, South Africa

Kitchens as Theater and à Votre Santé

Luxury kitchen in Charleston, South Carolina

Expansive kitchen in Middleton, New Jersey

Anyone watching a master chef in action soon realizes that cooking is a dance and a kitchen is the stage. Counter space, considered prime real estate even more so than stoves or appliances, is expanding exponentially and also allowing a household's multiple cooks to create in tandem. Precision, efficiency of movement, command of space defines a chef—which so many of us now aspire to be.

When entertaining, guests want to watch their hosts in action. As a result, they tend to congregate in the kitchen, which then grows in stature with "spectator" seating and elegant design.

Kitchens are further evolving into the hearth and hub of the family. A great kitchen is said to fuel a healthier lifestyle with more sit-down dinners, conversation opportunities and healthier dining choices than food on the fly. Elaborate indoor herb gardens continue to crop up, so to speak. More elaborate "farm-to-table" garden options in luxury households are taking root, as well.

The 2017 season of *Top Chef,* the long-running foodie television show, recently wrapped up in Charleston, South Carolina. Helen Geer of local area Affiliate William Means Real Estate explains the importance of a kitchen in selling a home: "The kitchen has become a major entertaining space. Instead of a utilitarian area for someone other than the owner to prepare food, buyers today like to cook and take enormous pride in the meals they prepare themselves. Even if they don't cook, people still like to entertain in the kitchen with hors d'oeuvres or small plates. It is more intimate and welcoming."

An expansive closet in a luxury home in Geneva, Switzerland

Closets: Go Big… No, Go Bigger

Just as your art and your home are the image you project to the world, so are the clothes you wear. That is certainly the reason that closets continue to grow in size and opulence.

Across our 101 surveyed markets, numerous brokers across the globe reported that large closets continue to be a highly desirable amenity for luxury home buyers.

It would be difficult to find a closet that can rival the square footage of space once devoted to clothes at "Ocean Lawn" in Newport, Rhode Island, which sold this March for $11.65 million by Melanie Delman of Lila Delman Real Estate. The estate was the longtime residence of Elizabeth Park Firestone, also remembered as a turn-of-the-20th-century fashion icon who amassed so many gowns, dresses and outfits, she once commented that she never had to wear the same thing twice.

The original closet at "Ocean Lawn" was expanded, swallowing two guest bedrooms and three servants' quarters. When that, too, proved inadequate, she set her sights on the floor above and converted all the rooms overhead to create a massive two-story closet. For her out-of-season wardrobe, she constructed a separate outbuilding on the property.

When the home changed hands in 2000 after the death of Mrs. Firestone, the new owners downsized the closet, reclaiming three bedrooms and a library before selling the estate in 2017.

"Closets are no longer confined spaces. The closet is really another room, not a storage center, and has become almost recreational. They are now places for lounging and enjoyment where people can unwind, a personal and intimate sanctuary for both men and women."

Melanie Delman, Lila Delman Real Estate International, Rhode Island

Raising Your Game

Luxury real estate specialists surveyed report that the passion for recreation at home is only getting more expansive. This year we have seen ice-hockey rinks with Zambonis and warming areas, a BMX pump course, and an irrigated regulation soccer field. One noteworthy home had a slide directly from the master suite to the backyard pool.

While indoor basketball courts have been a staple of luxury homes for some time, there is one in Portland that comes with an ingenious twist; it transforms into a formal ball room-complete with chandeliers and sound systems for grand-scale entertaining. When it is time once more for a game of hoops, the high-brow accoutrements are stored in giant lockers built specifically for that purpose.

Sports continue to play a major role in the amenities on offer at many high-value homes across the globe, with homeowners integrating their preferred sports into properties in new and creative ways.

"We continue to be amazed at how many homeowners are creatively integrating sports amenities in their home while maintaining the high-end integrity of their luxury property."

Bill Hamm, Christie's International Real Estate

This Portland, Oregon, home features a multi-purpose indoor basketball court

Dedham Private Estate in Massachusetts features an ice-hockey rink

This Cayman Islands estate features a high-tech security system throughout the property

Privacy and Security

Beginning with the castle moat, security has been a salient feature of important homes for centuries. What started as basic in-home security systems like ADT have evolved radically for today's most sophisticated residences.

Recent security innovations are wonders of technology, and are not surprisingly designed by former military masterminds: outdoor surveillance cameras with night vision to protect a home's perimeters; safe rooms with oxygen scrubbers, back-up generators and Kevlar®-reinforced doors; blast films on windows to make them virtually impenetrable; and ceiling devices that when tripped, fire pepper spray or a fog laced with ingredients to temporarily debilitate unwanted intruders.

"On a micro level, I think security will be front of mind for many buyers. Fingerprint recognition and other sophisticated security systems—technology will continue to move forward and London will not relax on this front."

Lulu Egerton, Strutt & Parker, London

88 St. James's House, London

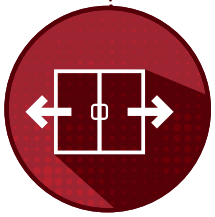
luxury TIMELINE 10 DEFINING MOMENTS

759 AD
HOT TUB
Japanese Culture

The Japanese are credited with the first personal soaking tubs—wooden ofuros that were used exclusively for meditating and soaking. Folkore suggests that they believed elders infused their wisdom into the waters to the benefit of younger generations.[27] Today luxury homes boast the full complement of international spa amenities, including steams and saunas; hammams and wet rooms; yoga and massage rooms; Zen gardens, and the enduring in-home beauty salon.

1902
AIR CONDITIONING
Willis Carrier

Willis Carrier, a 25-year-old engineer, designs a system to send air through water-cooled coils to control humidity in the printing plant where he worked. The technology was adapted for residential use, but as late as 1965 only 10 percent of U.S. homes enjoyed the heat relief. Homes today are not only cool but also smart, with technology continuing to facilitate and in some cases the need to predict comfortable in-room temperatures.[28]



1926
ELECTRIC GARAGE DOORS
Wayne-Dalton

Using technology to remotely detonate bombs in WWII, the radio frequency strong enough to open a garage door was also powerful enough to open those of neighbors. The result was a comic synchronized dance of doors opening and closing on many a suburban cul-de-sac in earlier days. Garages have since morphed into elaborate auto museums with themed décor and gallery lighting, entertainment niches, bays with lifts for mechanic tinkering, and yet still, an electric door.[29]

1937
FROZEN FOODS
Marjorie Merriweather

Marjorie Merriweather Post, owner of General Foods Inc. and wife of Russian ambassador Joseph E. Davies, ships 25 refrigerators to Moscow. The feisty entrepreneur, who purchased Birdseye and its freezing technology, lavishly entertains international guests with out-of-season produce, taking home entertaining to the next level. "Frozen" now gets a chilly reception, having been toppled by fresh home-grown organic produce as farm-to-table dining takes over luxury kitchens.[30]

1952
RESIDENTIAL SWIMMING POOLS
Esther Williams

This now-ubiquitous luxury mainstay first gains widespread appeal as a status symbol. Esther Williams, the wildly popular aquatic movie star, is credited with launching the trend following the release of *Million Dollar Mermaid*. The newest iteration of this amenity: snorkel pools, essentially giant salt-water in-ground aquariums and living reefs to channel your inner Jacques Cousteau at home.[31]

1963
PRIVATE JETS
Bill Lear

Bill Lear's signature private plane takes off from Wichita, Kansas. The Gulfstream era, featuring large-cabin private jets, begins in 1966. Reportedly the world's most expensive jet today, at a cost of more that $500 million, is an Airbus A380 belonging to Prince Al-Waleed bin Talal of Saudi Arabia and includes gold plating, a concert hall, a Turkish bath, prayer room, and a garage for the Rolls Royce. Private jets made getting to remote destinations even easier, opening up a new world of second-home options to the world's wealthiest individuals.[32]

1973
CELL PHONES
Martin Cooper

Maxwell Smart's shoe phone hit the television airwaves in 1965. Eight years later, Martin Cooper, an engineer at Motorola, completes history's first cell call. The phone weighed 2.5 pounds and was nine inches in length. Battery life was 20 minutes. By the 1990s, cell phones are less often used as phones, having spawned a global selfie army of the nimble of thumb.[33]

1985
PRIVATE HELIPADS
Ogden Phipps

The first time the landing apparatus appeared on a private yacht was 1985: Ogden Phipps' Buckpasser. The utilitarian tarmac with a giant H has since cropped up on high-rise luxury buildings and estates across the globe, recently evolving into an elegant outdoor gallery space to fully showcase these sleek machines first conceived by Leonardo da Vinci.[34]

2014
ROBOTIC BUTLER
Botler

In August, Botler reports to work in a California hotel. The robotic butler whizzes around hallways, delivering packages and room service to guests. Botler is more engaging than, say, the robotic pool bottom skimmers or morphed home carpet sweeper. Botler does a dance when he gets a top star rating. He can't make beds or answer doors (Botler has no hands) but we seem well on our way to reprising Rosie, the Jetsons' maid from '60s television.[35]

2017
FLYING CAR
AeroMobile

This is the year Slovakian-based AeroMobile plans to roll out its gas-powered, 20-foot-long flying car with retractable wings (comes in handy when street parking). The car is shown on the company's website pulling out of a hangar, driving on a street with other cars, and taking off from a grass runway. It can hit 99 mph on the road and fly over 400 miles on a full tank. The downside: One less excuse for not getting the kids to school on time.[36]

There was a time when amenities we now take for granted represented the ultimate in luxury and opulence. Here is a walk back in time and a peek at how times change and how they are sure to change in the years ahead.

Many affluent individuals choose to purchase second homes—and in some cases primary homes—in prized small luxury enclaves that reflect their personal passions and lifestyle interests. To better understand the motivations and trends shaping the global HNW population, we snapshot the performance of some of the most popular 'lifestyle' markets from vineyards to beach resort markets in 2016 and early 2017.

a SNAPSHOT *of* SECOND-HOME "LIFESTYLE" MARKETS

Vineyard Markets

Despite global production of wine dropping to its lowest levels in 20 years in 2016 as a result of several climatic events, interest from affluent buyers in viticultural estates has never been stronger.[37] Discerning Chinese wine aficionados fueled some of the interest across several wine-producing regions, but this is expected to slow towards the end of 2017 and into 2018 as new currency exchange restrictions hinder capital outflows for Chinese investors. Retiring affluent baby boomer buyers are likely to replace any slowing in Chinese buyers, with almost 70 percent of our studied vineyard markets reporting an increase from affluent boomer buyers.

Globally, the average starting price for a luxury vineyard property is $3.2 million worldwide, significantly higher than the $2.1 million for luxury homes across all market types. Luxury property sales prices across vineyard markets vary dramatically across our surveyed markets and depend on a range of factors including geographical location, size, soil, climate, grape variety and yield, age of vines, winemaking facilities, and other amenities.

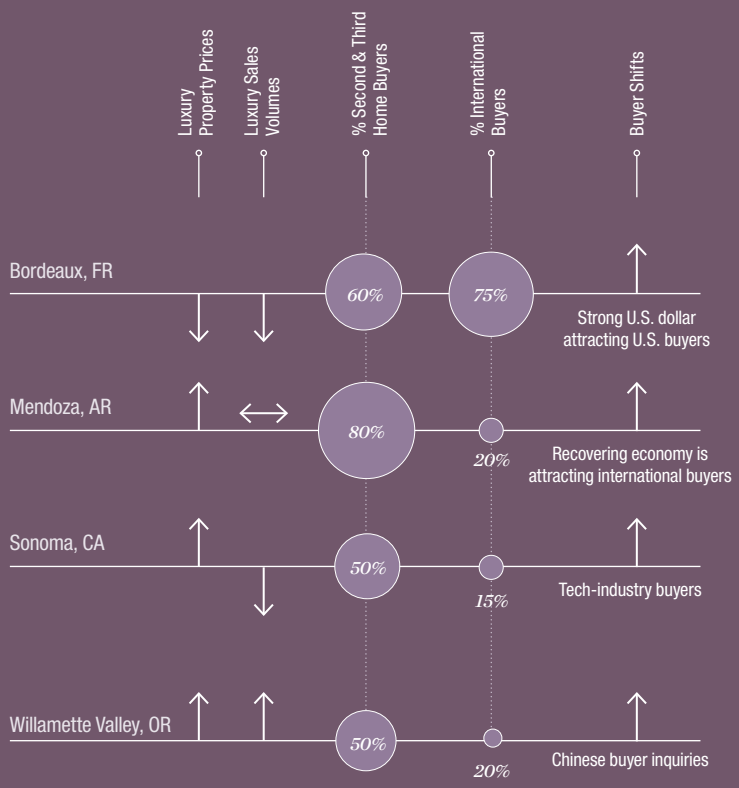
"With the U.S. dollar increasing in value, we are also seeing strong interest from U.S. buyers seeking Bordeaux wineries for sale. American transactions accounted for four vineyard sales in 2017."

Michael Baynes, Maxwell-Storrie-Baynes, Bordeaux, France

Vineyard château in Bordeaux, France

LUXURY VINEYARD MARKETS WORLDWIDE	
Average Starting Price for Luxury Vineyard Properties	$3.2 million
Highest Residential Sale in 2016	$15.5 million for a winery estate in Bordeaux, France
Highest Average Luxury Property Prices	$400,000+ per acre in prime sections of Napa Valley
Luxury Vineyard Property Sales Prices	Prices are up in South Africa's Stellenbosch Valley, and start at $3 million for a luxury wine-producing estate. Prices are down four percent in Napa Valley since year-end 2015. Prices are steady in Bordeaux, but appreciating at the higher end of the market (€5 million+).
International Buyers	Tuscany saw the biggest annual change in international buyers, with a substantial increase in Chinese buyers. Chinese buyers also purchased three of the five highest priced châteaux sold in Bordeaux in 2016.
Notable Trend	Income-producing properties are keenly sought-after by investors who are attracted by the combination of lifestyle offerings, quality of life, and potential for yield.
The Next Vineyard Market Hot Spots?	**Oregon's Van Duzer Corridor,** the newest designated American Viticultural Area (AVA), which borders the western side of the Willamette Valley and benefits from the direct flow of Pacific Ocean air, moderating summer heat. **Kent in South East England,** where changing climatic conditions have attracted up-and-coming sparkling wine producers in recent years as the area is expected to someday boast the same climate as the Champagne region does today.

Local market snapshot of sampled vineyard markets:



"There is very strong demand for wine estates from international buyers. It is indeed the most requested piece of real estate at the moment and there has been a constant increase in this trend over the past three to four years. Tuscany, and more specifically the Chianti Classico region and the Bolgheri area are the most sought-after areas. Veneto (Amarone area), Piedmont (Barolo and sparkling wines) and Friuli-Venezia Giulia are very much requested as well, especially from Chinese clients."

Riccardo Romolini, Agenzia Romolini Immobiliare, Tuscany, Italy

"Investments from China have slowed due to new government restrictions regarding the transfers of capital outside China, especially for private individuals. During the first quarter of 2017 we have seen an increase of Americans interested in Spanish wineries, particularly in the northern regions of Rioja and Ribera del Duero. Other important investors in the Spanish vineyard market are Mexicans but as they have suffered the Trump effect in the devaluation of their currency, investments have slowed down as well."

Puri Mancebo, Rimontgó Valencia, Spain

"While home prices in Sonoma County have risen each year since 2012, home sales have declined for three of the past four years. A major reason is that the quantity of homes on the market has fallen dramatically. The number of available homes for sale at the end of January 2012 amounted to nearly 1,100. Last month that number was 500."

Rick Laws, Pacific Union Sonoma, California

Ski Markets

Despite a decline in the number of skiers visiting ski resorts worldwide over the past three years, luxury property markets in prized ski destinations across the globe have seen a steady stream of interest from affluent clientele looking to secure a dream lifestyle property. Though prime property sales volumes were down on average across our studied markets for 2016, much of the slowdown can be attributed to overall HNW uncertainty, which has already begun to subside somewhat in 2017. New luxury developments and refurbished or new ski lifts across many prime ski markets are set to bolster growth and buyer interest in 2017 and beyond.

Technology is shifting the makeup of traditional ski home buyers. Several markets reported that as buyers can now so easily work remotely in their jobs and businesses thanks to advances in digital communications, they have seen an increase in affluent buyers relocating their families to these ski destinations to enjoy a more relaxed lifestyle centered on the outdoors.

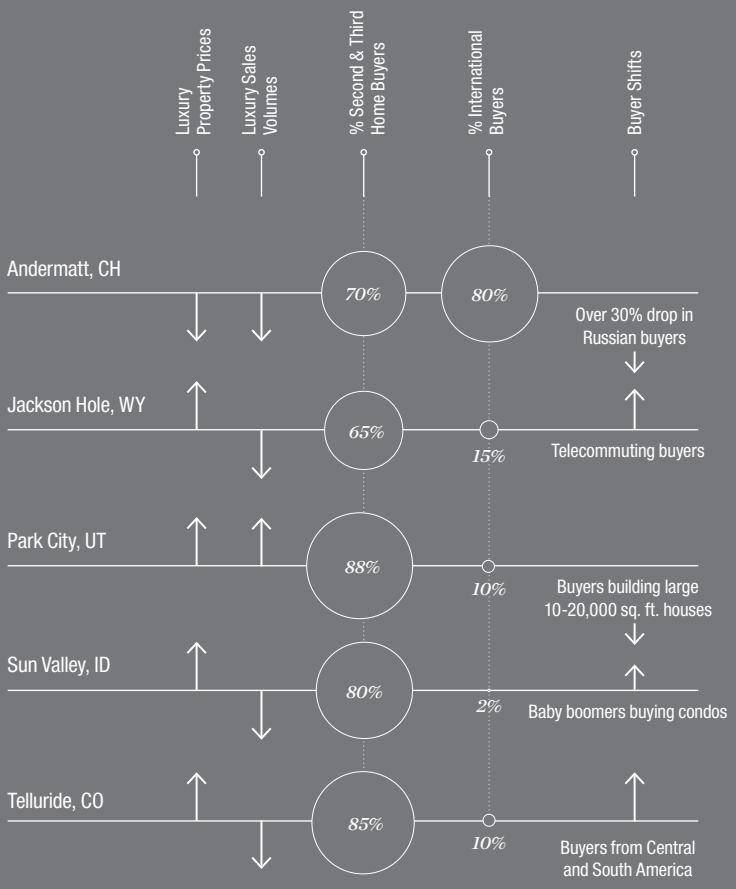
"As Park City continues to mature and be known on an international scale, high-end buyers are more comfortable than ever spending up to $20 million for a home in our area."

Jess Reid, Jess Reid Real Estate
Park City, Utah

Flagstaff Mountain Ski Residence in Park City, Utah

LUXURY SKI MARKETS: A GLOBAL SNAPSHOT	
Average Starting Price for Luxury Ski Homes	$4 million
Highest Residential Sale in 2016	$24 million for an eight-bedroom home in Aspen, Colorado
Highest Average Prices for Luxury Properties	$1,860 per square foot in St Moritz, Switzerland
Top Market for Luxury Sales Volume	**Park City, Utah** reported the highest annual increase in million-dollar-plus sales of our surveyed ski markets with a **19 percent increase** over 2015. Luxury properties also rose in price, but a lack of inventory hampered potential buyers.
Notable Trends	**Modern and contemporary-styled residences** are growing in favor, reported brokers across many ski markets. Affluent buyers are increasingly looking for residences with upgraded and top-of-the-line amenities, so they can enjoy the immediate convenience of visiting for a weekend or short vacation without concerns about renovation.
The Next Hot Spot?	**The Caucasus mountains of Georgia,** which recently welcomed its first luxury boutique hotel, The Quadrum Ski and Yoga Resort, an eco-friendly resort built from shipping containers. **Lech in the Austrian Alps**, a quaint town that is undergoing a boom in luxury resort development despite significant restrictions limiting housing availability.

Local market snapshot of sampled ski markets:



"Despite worldwide ski destination trends, Telluride has seen an increase in skier visits with luxury real estate sales following suit. Luxury comes at a value when comparing Telluride's price per square foot to other ski markets. The addition of the Mountain Collective Pass and yet another year of record snow fall only serve to enhance Telluride's appeal."

TD Smith, Telluride Real Estate Corp. Telluride, Colorado

"Although prices were falling they seem to have found their ground now, with some homes 15-20 percent lower than the peak. "

Ueli Shnorf, Wetag Consulting Andermatt and Ticino, Switzerland

"Sun Valley is experiencing a renaissance in luxury amenities, resulting in renewed interest from luxury home buyers. Sun Valley is having record ski count days this season, boosted by a 30-year record snowfall and membership in the Mountain Collective Pass."

Tom Drougas, Sun Valley Real Estate, Idaho

"There is extraordinary demand for "new" product at the high end of the market. Buyers are looking for homes that are a mountain-contemporary look and feel, which are difficult to find. As a result, we've seen a marked increase in buyers for vacant land where they are building. That said, the older inventory is sitting stagnant on the market and, in some cases, it is depreciating in value because of the dated finishes."

Julie Faupel, Jackson Hole Real Estate Associates, Wyoming

Yachting Destinations

Reflecting the broader trend witnessed across the luxury sector, the global yachting market stagnated in 2016,[38] (valued at €7 billion by Bain & Company, the same as 2015) as affluent consumers the world over shifted their focus from luxury products to luxury experiences.[39] This did not, however, bode poorly across the board for luxury property markets in prime yachting destinations, with many reporting strong local tourism figures despite declining or steady luxury sales volumes in 2016. Rebuilding of local-area amenities such as new ports and marinas in places like Ibiza and Los Cabos have started to attract interest from new buyers, a trend that is expected to continue well into 2017 and 2018.

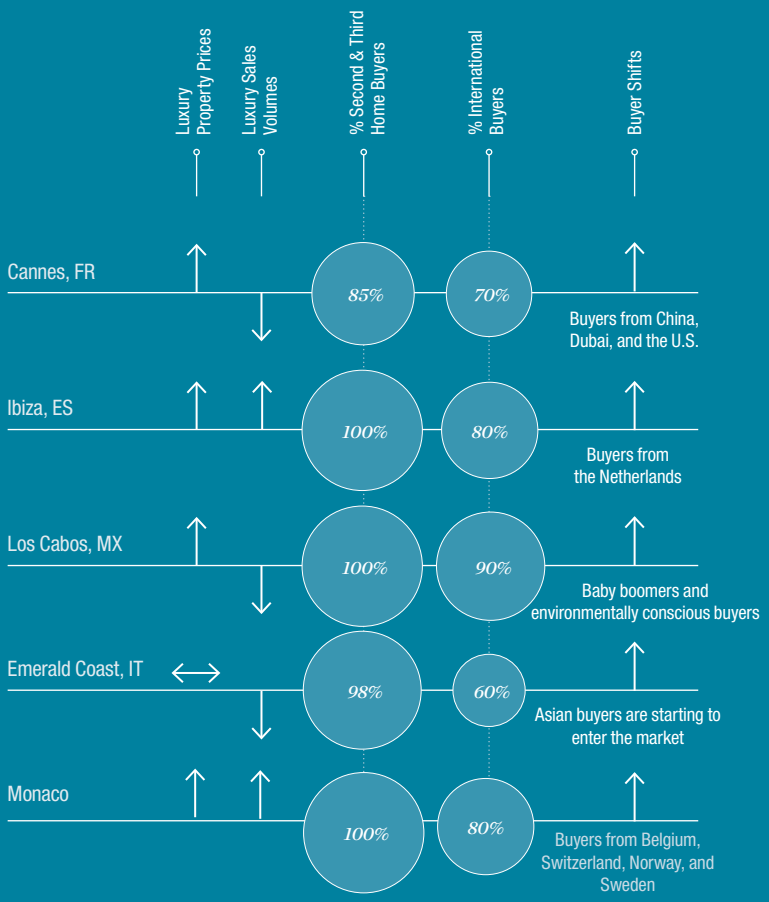
Yachting destinations include some of the highest-priced markets for prime property across the globe. The average starting price for luxury homes in yachting destinations is $4.8 million, more than double the benchmark starting price across all luxury housing markets worldwide ($2.1 million). This also ranks as the highest starting price for luxury homes across all lifestyle categories.

"It's no surprise that yachting and the luxury real estate market go hand in hand most of the time and even more so often when it comes to Ibiza, well known for welcoming the most impressive yachts in the Mediterranean. Ibiza is fully aware of its status and it is taking the marina to the next level by developing new space that will berth mega yachts. There's positive correlation between both markets that has led to more high-end real estate investors and properties. This is nothing new but this trend has been more notable in recent years."

Estela Estevez, Estela Exclusive Homes, Ibiza, Spain

YACHTING MARKETS: A GLOBAL SNAPSHOT	
Average Starting Price for Luxury Properties	$4.8 million
Highest Sale in 2016	$55 million for a waterfront estate in Costa Smeralda, Sardinia
Highest Average Prices for Luxury Properties	$4,900 for in-town properties in Monaco and $3,000 per square foot for waterfront properties in Côte d'Azur
Luxury Sales Volumes	Sarasota saw a solid five percent increase in luxury property sales in 2016, with strong interest for well-priced luxury estates, especially from domestic buyers. Attracted in part by new moorings for large yachts and up-graded port facilities, affluent individuals turned their sights to Ibiza's luxury property in 2016. Ibiza and the Balearic Islands recorded a 41% increase in million-dollar sales for the first half of the year (full-year data not yet available) and prices rose on average by 10 percent.
Notable Trends	Locations with new or refurbished ports that can accommodate large yachts are generating increased interest from affluent buyers.
The Next Yachting Hot Spot?	Chile's western and southern coasts are poised to become the next hot spots for yachting enthusiasts. From glaciers and mountain vistas to island inlets and charming port towns, this romantic destination is ideal for the adventurous traveler.

Local market snapshot of select yachting destinations:



"One of the first modern resort areas, the Côte d'Azur offers an incredible diversity of landscapes along the beautiful Mediterranean coastline and continues to attract buyers from the Middle East, China, the U.S. and beyond. In early 2017, all lights are green for investment in the Côte d'Azur as property prices have returned to their fair value. A weak euro and record low interest rates are further attracting overseas buyers."

Michaël Zingraf, Michaël Zingraf Real Estate, Cannes, France

"Activity on the peninsula continues to flourish, with the greatest impact on the market being the increased construction since hurricane Odile in 2014. We have a significant amount of new luxury inventory finishing in 2017. This could possibly affect prices in a downward fashion. Sales will likely be brand driven."

Julie Kershner, 2Seas Los Cabos, Los Cabos, Mexico

"Newport's coastal, luxury second-home market performed at a steadier rate than the overall housing market in 2016, which outperformed sales in the year prior by over 10 percent. We expect the number of high-end sales to climb in 2017 as the local economy improves."

Melanie Delman, Lila Delman Real Estate International, Newport, Rhode Island

"Porto Cervo, an already-thriving traditional yachting destination, is becoming increasingly sought-after in the international yachting community with the launch of a new luxury development, La Tiara di Cervo. We are also seeing an increase of international buyers, especially buyers from Germany, Austria, and Switzerland over the age of 55."

Silvia Miorini, Immobilsarda SRL, Sardinia

"Our inventory of €1- 3 million properties is very low. Properties within this price range have been selling relatively fast with very few new listings."

Christian Wattiau, Sibarth Real Estate, St. Barths

Tropical Beach Resorts

Affluent buyers of second homes in tropical resort markets are increasingly focused on experiential luxury with atmospherics, luxurious lifestyle amenities, and one-of-a-kind experiences paramount. Though some markets saw a steady stream of lifestyle oriented buyers, overall luxury home sales in tropical beach resort markets saw a decline in sales as a result of prevailing global uncertainty in 2016. Tropical beach resort markets that rely on significant capital inflows from cities impacted by uncertainty (such as Barbados with the UK) or political or economic upheaval (Punta del Este with Brazil and Venezuela) are seeing a pause in the market, offering significant value propositions for savvy buyers.

New legislation targeted at foreign buyers and owners—both proposed laws and new laws already in place—have had a dampening impact on several tropical resort areas. In Fiji for example, a new law requiring foreign homeowners to build a $120,000-plus residence on any owned block of land by the end of 2016 caused some owners to sell at dramatically reduced prices, which had a flow-on effect on the remainder of the property market.[40]

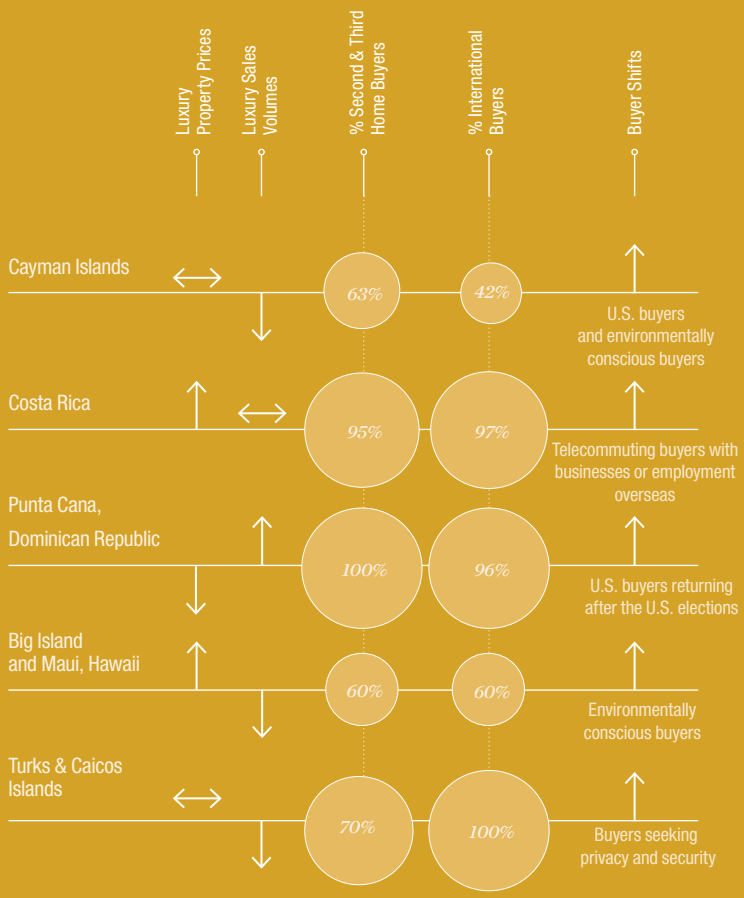
"Locations that provide rest and relaxation amid a myriad of available amenities will continue to be a premium. There's a reason the people in Hawaii are among the happiest and healthiest in the world."

Matthew G. Beall, Hawaii Life Real Estate, Hawaii

Sandy Surf, South Maui Private Beachfront Estate

TROPICAL BEACH RESORT MARKETS: A GLOBAL SNAPSHOT	
Average Starting Price for Luxury Properties	$1.75 million
Highest Residential Sale in 2016	$29 million for a contemporary estate Kihei, Maui, Hawaii
Highest Average Prices for Luxury Properties	$2.5 million average sales prices for luxury beach resort properties in the Cayman Islands $831 per square foot across Kauai, Maui in Hawaii
Notable Trends	Amenities that allow a property to be completely self-sustaining, offering the ultimate in privacy and the safety and security of an independent living experience are increasingly prized in tropical beach resort markets.
The Next Tropical Beach Resort Hot Spot?	Eco-friendly tropical resort markets are poised for interest from HNW buyers including areas such as Brazil's Serra Grande, which lies midway between the cities of Ilheus and Itacare within the UNESCO Atlantic Forest Biosphere Reserve, and Belize, where Oscar-winning actor Leonardo DiCaprio's soon-to-be-built sustainable resort is sure to draw attention in 2018.

Local market snapshot of select beach resort destinations:



"The definition of luxury has changed in the Cayman Islands. Having high-end finishes, appliances and views is no longer special, it is expected. The new luxury is about what experiences and lifestyle the property grants them access to for themselves and their families. Vacation-home buyers are becoming less and less concerned with the actual real estate and are more amenity, lifestyle and experience focused."

David Seerman, Provenance Properties, Cayman Islands

"Inventory is at a shortage due to developer caution regarding a slow market for over eight years. The market started to recover in 2016 and 2017 shows good growth. Inventory and new construction starts are following this optimism. A few projects like Las Catalinas and the Four Seasons are leading the sales recovery in the luxury market. New luxury inventory is following the best five years of tourism in Costa Rica's history. The international airports have record years, year after year, which shows the growing popularity of the Costa Rica market."

Bob F. Davey, Plantación Properties, Costa Rica

"Many European, Canadian, and American buyers are actively looking at villas, condos, and vacant land, and want to make Dominican Republic their home, not just their vacation destination. Some of our clients see the DR like a hub in the Caribbean with direct, fast, and numerous connections from South America, Europe, and North America. Now with the results of U.S. elections behind us, we have noticed an acceleration of this trend, with showing requests for resort homes and land increasing dramatically. Buyers are not only looking, but also making wise offers to secure the best properties and to move some of their businesses here."

Cesar Herrera, Provaltur International, Dominican Republic

Surveyed Affiliates

2 Seas Los Cabos
Agenzia Romolini Immobiliare Srl
American Caribbean Real Estate, Inc.
AxPe Negocios Imobiliarios
Barker Realty, Inc.
Bayleys Realty Group Limited
Borquez & Asociados Limitada
Brown Harris Stevens of the Hamptons and North Fork
Brown Harris Stevens Palm Beach
Brown Harris Stevens Residential Sales
CDR San Miguel
Chestnut Park Real Estate Limited, Brokerage
Coach Realtors
Coastal Properties Group
Comey & Shepherd
Conlon: A Real Estate Company
Côte Ouest Immobilier
Daniel Féau Conseil Immobilier
David Ogilvy & Associates, Inc.
Dilbeck Estates
Esslinger-Wooten-Maxwell, Inc. Realtors
Estela Exclusive Homes
Fenton Lang Bruner & Associates
First Team Estates
Friedberg Properties & Associates
Gerencia RED Grupo Immobiliario
Gloria Nilson & Co. Real Estate
Greeff Properties
H.G. Christie Ltd.
Hall & Hunter Realtors
Halstead Property
Hammer Draff Great Properties
Harry Norman Realtors
Hawaii Life Real Estate Brokers
The Higgins Group
Hilton & Hyland Real Estate
HK Lane
Illustrated Properties Real Estate, Inc.
Immobilsarda Srl
Ivester Jackson Distinctive Properties
Jackson Hole Real Estate Associates
Jess Reid Real Estate
Julio Corredor & CIA
Ken Jacobs
Kensington Luxury Properties Marrakech
Landscope Christie's International Real Estate
LandVest, Inc.
Lila Delman Real Estate International
Long & Foster Real Estate, Inc.
Luxe Platinum Properties
Luximo's
Maxwell-Baynes Real Estate
Michael Saunders
Michaël Zingraf Real Estate
Moreland Properties
Newport Realty
Oliver Luxury Real Estate
One Caribbean Estates
Pacific Union
Page Taft Real Living
Phyllis Browning Company
Pine Acres Realty
Plantación Properties
Ploumis Sotiropoulos Real Estate
Porta da Frente, Lda
Premier Estate Properties
Profusion Realty Inc.
Provaltur International Inc.
Provenance Properties of Cayman
Pure West Real Estate
Randall Realtors
Regal Real Estate
ReMind Group S.A.
Residence 365 B.V.
Residence Fastighetsmäkleri
Richardson Properties, Inc.
Rimontgó
Seabolt Brokers
Sherry FitzGerald Ltd.
Sibarth Real Estate
Sinclair Realty Limited
Singapore Christie's International Real Estate
Strand Hill Properties
Strutt & Parker
Sun Valley Real Estate
Telluride Real Estate Corp.
The Alberta Collection
The Lachicotte Company
Trillion Realty Group
Turpin Real Estate, Inc.
Village Properties Realtors
Walt Danley Realty
Wetag Consulting Immobiliare SA
William Means Real Estate
William Raveis Real Estate
Willis Allen Real Estate
Wüst und Wüst

Research Parameters

- 101 luxury housing markets were studied for this report.
- All information is based on data provided by the exclusive Affiliates of Christie's International Real Estate unless otherwise noted.
- In some cases (e.g. Los Angeles, Sydney), the data refers to certain luxury enclaves within a city where each exclusive Affiliate operates, not necessarily the entire city or region.
- Prices are listed in US dollars.
- Exchange rates are calculated from Oanda.com and are based on a full year average for 2016.
- Data is based on a full calendar year for 2016 and/ or the first three months of 2017.
- To account for historical averages and to maintain a stable baseline of research, our *Luxury Defined* research reports refer to "luxury real estate" as homes priced at US$1M and above unless otherwise noted. The starting price point for luxury homes varies significantly across our studied markets.
- Housing markets are grouped into two broad categories: "primary residence" housing markets and "second-home resort markets" throughout the report.
- To provide further context into trends within these markets, we refer to several submarket types that are identified by population, size, number of high-net-worth residents, buyer types, home purchase type, housing mix, and other economic indicators.
- Within "primary housing markets" we defined three major groups: "Global economic hubs" such as New York and London; small-medium sized "cities" such as Portland and Auckland, and "suburban" markets (e.g. Greenwich and San Luis Obispo).
- Within second home resort markets, we categorized markets under "Jet Set Destinations" (e.g. St Barths and Cannes), and more regional second home markets such as the Hamptons and Punta del Este.

Sources

The Christie's Luxury Housing Rankings: Luxury Index

1 He Huifeng, Peggy Sito, and Tony Cheung, "'No cause for alarm,' development chief says, after HK$2.1 billion Hong Kong house sale sets new record," South China Morning Post, June 6, 2016, http://www.scmp.com/property/hong-kong-china/article/1967543/no-cause-alarm-development-chief-says-after-hk21-billion

The Christie's Luxury Housing Rankings: Luxury Thermometer

2 Natalie Obiko Pearson, "Foreign Buying Plummets in Vancouver After New Property Tax," Bloomberg, September 22, 2016, https://www.bloomberg.com/news/articles/2016-09-22/foreign-buying-plummets-in-vancouver-after-new-property-tax

Markets to Watch

3 Hugo Martin, "Skiers and snowboarders are inundating resorts, paying higher lift prices," Los Angeles Times, January 6, 2017, http://www.latimes.com/business/la-fi-ski-lift-prices-20170107-story.html

4 Jean Abinader, "Why is Morocco Reaching out to Africa and Asia?" Fair Observer, September 15, 2016, https://www.fairobserver.com/region/middle_east_north_africa/will-morocco-rejoin-the-african-union-33203/

5 "New Report Paints Positive Economic Picture for Morocco," Morocco World News, March 13, 2017, https://www.moroccoworldnews.com/2017/03/210796/new-report-paints-positive-economic-picture-morocco/

6 "Legislation: The International Persons Landholding Act, 1993," Bahamas Real Estate Association, accessed February 2017, http://www.bahamasrealestateassociation.com/page.php?page=6

Truisms

7 Capgemini, World Wealth Report 2016, from Capgemi company publication downloads website, https://www.worldwealthreport.com/download, accessed February 2017

8 Josh Barbanel, "Manhattan Residential Real-Estate Market Heats Up," The Wall Street Journal, March 15, 2017, https://www.wsj.com/articles/manhattan-residential-real-estate-market-heats-up-1489575600

9 "Regional View – HNWI Population," Capgemini, Accessed February 2017, https://www.worldwealthreport.com/reports/population/north_america/usa

10 Luke Kawa, "HSBC: Sweden's Experience Shows Negative Rates Haven't Worked," Bloomberg, February 9, 2016, https://www.bloomberg.com/news/articles/2016-02-09/hsbc-sweden-s-experience-shows-negative-rates-haven-t-worked

$100M+ Homes

11 Neal J. Leitereg, "Westside spec house fetches $100 million in complex sale," Los Angeles Times, November 12, 2016, http://www.latimes.com/business/realestate/hot-property/la-fi-hp-top-sales-20161112-story.html

12 Fang Block, "Most Expensive Luxury Home in China Listed for $154 million," Mansion Global, June 28, 2016, http://www.mansionglobal.com/articles/31790-most-expensive-luxury-home-in-china-listed-for-154-million

13 Bryan Gruley, "NFL Owner Stan Kroenke Buys Texas Mega-Ranch Listed for $725 Million," Bloomberg, February 9, 2016, https://www.bloomberg.com/news/articles/2016-02-09/nfl-owner-stan-kroenke-buys-texas-mega-ranch-listed-for-725-million

14 Steve Brown, "Billionaire banker Beal buys $100 million Hicks estate in biggest home deal in Dallas history," Dallas News by The Dallas Morning News, January 2016, https://www.dallasnews.com/business/business/2016/01/15/billionare-banker-beal-buys-100-million-hicks-estate-in-biggest-home-deal-in-dallas-history

15 Peggy Sito, "Super-rich still love to buy super luxury homes despite economic uncertainties in Hong Kong," South China Morning Post, February 17, 2016, http://www.scmp.com/business/article/1913778/super-rich-still-love-buy-super-luxury-homes-despite-economic-uncertainties

16 Dusica Sue Malesevic, "Hedge funder Scott Bommer in contract to sell three Hamptons properties for $110M," The Real Deal, January 28, 2017, http://therealdeal.com/2016/01/28/hedge-fund-manager-scott-bommer-flipping-hamptons-properties-again/

17 Beckie Strum, "Hong Kong Apple Supplier Buys HK$2.8 Billion Property," Mansion Global, January 26, 2017, http://www.mansionglobal.com/articles/52440-hong-kong-apple-supplier-buys-hk-2-8-billion-property

18 Sandi Li, "Corporate buyer to pay record HK$324 million in stamp duty for luxury house on Hong Kong's Peak," South China Morning Post, January 24, 2017, http://www.scmp.com/property/hong-kong-china/article/2065047/corporate-buyer-pay-record-hk324-million-stamp-duty-luxury

19 Neal J. Leitereg, "Tom Goes buys Holmby Hills spec house in $100-million deal involving multiple properties," Los Angeles Times, October 21, 2016, http://www.latimes.com/business/realestate/hot-property/la-fi-hotprop-100-million-home-sale-los-angeles-20161021-snap-story.html

20 Katy McLaughlin, "Los Angeles Spec Home Seeks $100 Million," Mansion Global, February 21, 2017, http://www.mansionglobal.com/articles/54645-los-angeles-spec-home-seeks-100-million

21 E.B. Solomont, "Mystery buyer pays $66M for 432 Park penthouse," The Real Deal, January 12, 2017, https://therealdeal.com/2017/01/12/mystery-buyer-pays-66m-for-432-park-penthouse/

22 Beckie Strum, "Hong Kong Apple Supplier Buys HK$2.8 Billion Property," Mansion Global, January 26, 2017, http://www.mansionglobal.com/articles/52440-hong-kong-apple-supplier-buys-hk-2-8-billion-property

23 Jeff Wattenhofer, "At $200M, the former Spelling mansion is actually a bargain…," Curbed, October 7, 2016, http://la.curbed.com/2016/10/7/13203826/the-spelling-mansion-is-a-bargain-at-200-million

24 Cathaleen Chen, "Is the Spelling mansion worth every penny of its $200M ask?" The Real Deal, October 6, 2016, https://therealdeal.com/la/2016/10/06/could-the-spelling-mansion-be-worth-every-penny-of-its-200m-ask/

25 Luisa Kroll and Kerry A. Dolan, "Forbes 2017 Billionaires List: Meet the Richest People on the Planet," Forbes, March 20, 2017, https://www.forbes.com/sites/kerryadolan/2017/03/20/forbes-2017-billionaires-list-meet-the-richest-people-on-the-planet/#58e6689b62ff

26 Naomi Leach and Peter Allen, "The world's most expensive villa," Daily Mail, August 19, 2016, http://www.dailymail.co.uk/news/article-3748647/The-world-s-expensive-villa-French-chateau-owned-King-Leopold-II-goes-sale-eye-watering-1BILLION.html

Luxury Timeline

27 "Hot Tub History," SpaDepot, Accessed February 2017, http://www.spadepot.com/spacyclopedia/hot-tubs-history.htm

28 Will Oremus, "A History of Air Conditioning," Slate, July 15, 2013, http://www.slate.com/articles/arts/culturebox/2011/07/a_history_of_air_conditioning.html

29 "A (Very) Short History of the Garage Door Opener," Garage Automatics, Accessed February 2017, http://www.garageautomatics.com/garage-door-opener-history/

30 Special to the New York Times, "Ms. Marjorie Merriweather Post Is Dead at 86," The New York Times, September 13, 1973, http://www.nytimes.com/1973/09/13/archives/mrs-marjorie-merriweather-post-is-dead-at-86-a-rich-working-woman.html?_r

31 Wikipedia, The Free Encyclopedia, s.v. "Swimming Pools," Accessed February 2017, https://en.wikipedia.org/wiki/Swimming_pool

32 "History of the Private Jet," Privatefly, Accessed February 2017, https://www.privatefly.com/inspirational-jet-flights/history-of-the-private-jet.html

33 Erik Arvidson, "Facts about How the First Cell Phone Was Invented," Techwalla, https://www.techwalla.com/articles/facts-about-how-the-first-cell-phone-was-invented

34 Dudley Dawson, "Superyacht helicopter deck design solutions," BOAT International, January 20, 2015, http://www.boatinternational.com/yachts/yacht-design/superyacht-helicopter-desk-design-solutions--521

35 Jordan Crook, "Starwood Introduces Robotic Butlers at Aloft Hotel in Cupertino," Tech Crunch, August 13, 2014, https://techcrunch.com/2014/08/13/starwood-introduces-robotic-butlers-at-aloft-hotel-in-palo-alto/

36 "Aeromobil: Flying Car," Aeromobil, accessed February 2017, https://www.aeromobil.com/flying-car/

Lifestyle Markets

37 Organisation Internationale de la Vigne et du Vin, State of the Vitiviniculture World Market, from Organisation Internationale de la Vigne et du Vin website, http://www.oiv.int/en/technical-standards-and-documents/statistical-analysis/state-of-vitiviniculture, accessed February 2017

38 "Superyachts Sold in 2016," BOAT International, accessed February 2017, www.boatinternational.com/yacht-market-intelligence/superyacht-industry-data/superyacht-sales-data/superyachts-sold-in-2016--29153

39 Claudia D'Arpizio, Frederica Levato, Daniele Zito, et al., Luxury Goods Worldwide Market Study, Fall-Winter 2016, from Bain & Company website, http://www.bain.com/publications/articles/luxury-goods-worldwide-market-study-fall-winter-2016.aspx, accessed February 2017

40 "$US20 plot of Fiji land lowest ever for real estate site," Radio New Zealand, January 5, 2017, http://www.radionz.co.nz/international/pacific-news/321839/$us20-plot-of-fiji-land-lowest-ever-for-real-estate-site

Principal author: Monique Sofo
Contributing authors: Dan Conn, William Hamm, Dani Finkel Love, Nicholas Canelos, Lisa Bessone, Jason Simonds
Designer: Leo Montan

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 views of Christie's Inc. or any of our other related companies or Affiliates.

CHRISTIE'S
INTERNATIONAL REAL ESTATE

© May 2017
Christie's International Real Estate Inc.

CHRISTIE'S
INTERNATIONAL REAL ESTATE