



2020



GLOBAL LUXURY

THE REPORT

2020 GLOBAL LUXURY MARKET INSIGHTS

EXECUTIVE

notes



M. RYAN GORMAN
PRESIDENT AND CHIEF
EXECUTIVE OFFICER

Market reports are predictive by nature. They paint a picture of future trends and pinpoint new areas of growth. However, predicting the future is a near-impossible task. Before I took the reins as President and Chief Executive Officer of NRT and more recently, for the **Coldwell Banker®** organization, I came from the Silicon Valley startup world, where everyone loves a good forecast. I now say, “I don’t know the future. I just try to stick to the principles.” With that in mind, I’d like you to review this report from a different perspective: What future opportunities does this data present for us?

The year 2019 was transitional for the high-end property market. U.S. recession fears and concerns about a global economic slowdown eventually gave way to cautious optimism. Some traditional hotspots along the coasts plateaued. Others, like Malibu, maintained their edge with solid year-end numbers. The surprise has been the expansion of the affluent sector into mid-sized markets like Boise, Charlotte and Fort Worth. Part of this is due to wealth migration from higher-tax states to lower-tax states. These secondary luxury markets represent new pockets of opportunity.

It’s not just about *where* the affluent buyers are moving — but *who* is buying, *what* they’re investing in, and *why*. Watch for housing developments focused around wellness, “hipsturbia” neighborhoods, and communities catering to active seniors, millennials, and LGBTQ. When it comes to luxury condos in big cities, we are already seeing more buildings offering unique hospitality and services for pets and children, as well as five-star hotel-condo models. New definitions of luxury are emerging, creating greater diversity within the marketplace. A one-size-fits-all approach to connecting with tomorrow’s affluent consumers is *not* the future of our business!

Our intention with this report is to not only map out the exciting opportunities on the horizon, but also help *create* opportunities for Coldwell Banker Luxury Property Specialists and their high net worth clients.

It’s been over two years since we launched “The Report” under our **Coldwell Banker Global Luxury®** identity. Our goal was to be the definitive guide for international high-end property buying and selling. Never wavering from this objective, we continue finding new ways to present the trends, analysis, and insights in this all-encompassing report.

In this edition, we again shine a light on the U.S. power markets. Change has been a significant theme for the high-end real estate sector — so we decided to look at the country’s luxury hotspots under a different lens this year. Rather than categorize markets as buyer’s or seller’s markets, we looked at top-performing markets like Malibu, Austin, and Arlington, Virginia, and identified five non-traditional luxury markets to watch like Boise, which are displaying strength thanks to growing numbers of affluent buyers who want more value for their money. Recognizing that modern affluent buyers are diverse and influenced by a variety of factors, we also examined 15 locales across five luxury market types: feeder, vertical, urban lifestyle, evolving and tourism. We also take the “global” in our name seriously, so we included buying and selling insights from Canada, Mexico, Europe, the Caribbean, and India.

Understanding buyers is critical for anyone considering a high-end property sale, whether abroad or in the U.S. So in a Report “first,” we polled 22 Coldwell Banker Luxury Property Specialists around the world and took their pulse on changing buyer demographics and desirable home features, styles and property types. No surprise: Outdoor living spaces, home automation, open-concept floor plans, and new builds continue to dominate in desirability. There is a lot more to explore in this edition — our largest yet at 128 pages. I hope you enjoy it.

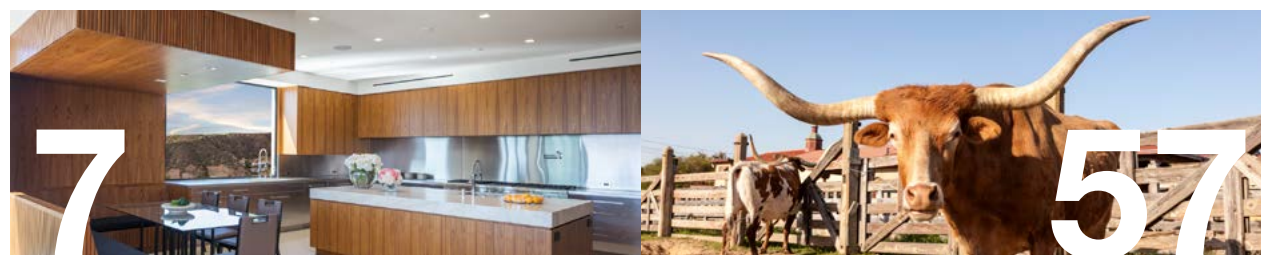


CRAIG HOGAN
VICE PRESIDENT
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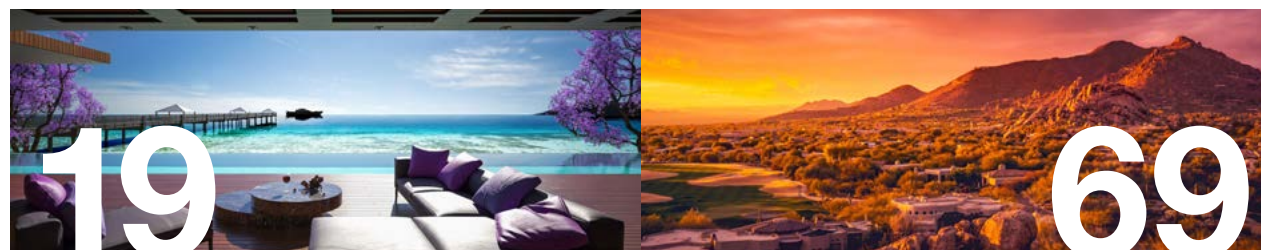


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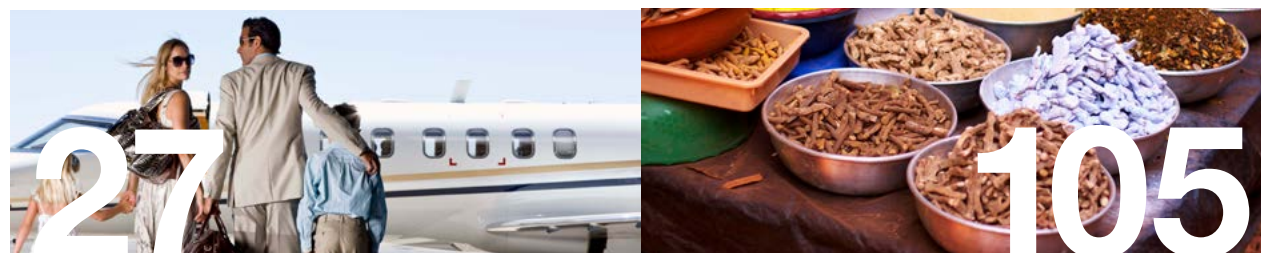


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GLOBAL LUXURY



luxury IN REVIEW 2019

Research for the Coldwell Banker Global Luxury report combines extensive analysis of high-end home sales with in-depth surveys and interviews of dozens of agents who provide on-the-ground perspectives from real estate markets around the world.

One major theme in this year's report is the migration of wealthy buyers from traditional luxury hotbeds in the biggest cities to locations that offer lifestyle and cost advantages, a movement accelerated by the trend toward decentralized workplaces, as well as job opportunities in diverse geographies. Tax law changes in 2018 that limited deductions for state and local taxes provide further fuel for buyers to move from places like New York and California to Florida and Arizona.

Another recurrent theme is the broad concept of wellness, which has come to mean much more than spas, pools, and exercise rooms to include everything related to holistic well-being. Increasing focus on green design is giving rise to rating systems that certify buildings as eco-friendly, while similar certifications are taking root to score buildings' wellness.

Finally, there is a widening recognition of the increasing influence of several demographic groups in the luxury home market. One group becoming ascendant is the millennial generation, many members of which are now entering their prime earnings years with growing families. The LGBTQ community also represents a large and growing proportion of luxury homebuyers.

HEALTH + WELLNESS

WELLNESS TAKES ROOT

Advancements in science and technology have produced longer life spans around the world, but also enabled daily human life to become more sedentary, presenting people with the unappealing possibility of living longer but healthier lives. Greater interest in exercise and better nutrition arose to counteract this outcome and became the foundation of a broad and widening movement toward wellness, defined as the active pursuit of activities, choices, and lifestyles that leads to a state of holistic health.

Wellness has grown into a big business that has moved far beyond fitness and currently encompasses categories as diverse as personal care, beauty, and anti-aging products, as well as mind-body health and spas and pools. The Global Wellness Institute (GWI) estimates the worldwide wellness market to be worth \$4.5 trillion, with the strongest growth coming from the spa industry, wellness tourism, and the emerging industry of wellness real estate,¹ which has taken flight by responding to rising demand for buildings that support the holistic health and well-being of people who live and work in them.

RISE OF WELLNESS REAL ESTATE

The wellness real estate¹ industry grew 6.4% annually from 2015–2017 and is expected to reach \$198 billion in 2022, according to GWI. A large portion of this growth has been driven by the luxury real estate sector, where price premiums for wellness lifestyle real estate developments are often 10% to 25% higher than at conventional residential

developments, justifying the additional investment. Wellness-focused real estate represents about 1.5% of the total annual global construction market, and the top five markets where the trend is most active are the U.S. (\$52.5 billion), China (\$19.9 billion), Australia (\$9.5 billion), the United Kingdom (\$9 billion), and Germany (\$6.4 billion).

There has been an increased emphasis by developers to build real estate that is eco-sensitive, providing environments that offer well-being, natural elements, and healthy amenities. Eco-friendly buildings have the potential to attract greater numbers of purchases by younger buyers based on the tendency of this group to consider more than price when investing.

“Awareness and knowledge of the benefits of living in an eco-friendly environment coupled with an industry ready to support the building of wellness real estate will ensure that this segment continues to grow,” says **Paul Scialla**,² a former Goldman Sachs partner who founded Delos. The New York City start-up consults with real estate developers, hotels, home builders, and other building operators to implement standards, programs, and solutions to promote stress resilience, performance, restfulness, and joy. Delos pioneered the WELL Building Standard™, to help guide buildings towards meeting a wide-ranging set of wellness criteria, similar to the separate LEED green building certification. Delos’ subsidiary, the International WELL Building Institute, administers and continues WELL’s development and drives market adoption.



“Awareness and knowledge of the benefits of living in an eco-friendly environment coupled with an industry ready to support the building of wellness real estate will ensure that this segment continues to grow.”

— Paul Scialla

Delos also works to advocate for recognition by governments, insurance companies, and the health sector that well-being in homes and offices has the potential to provide preventative solutions for disease down the road and the associated increase in medical costs.

“Indoor environments can influence almost every aspect of our lives, from our moods and energy levels, to how well we sleep and how productive we are throughout the day,” says Scialla, who preaches the benefits of passively-providing filtered air and water, and improved lighting in helping to promote building wellness. “Our efforts to maintain healthier lifestyles can be significantly undermined by subtle forces such as the quality of indoor air and water, as well as the quality of lighting.”

LUXURY LEADS THE CHARGE

A study in 2018³ showed that three-quarters of people shopping for a home in the U.S. consider

housing an essential or extremely important contributor to their health. When asked what constitutes health and well-being, 75% responded “having more energy,” while 65% said “feeling better rested.” More than half mentioned “achieving a happier state of mind” and “increasing mental alertness.”

From custom designed homes and new condominium buildings to planned residential communities, the inclusion of wellness structurally as well as in the design, features and amenities, is becoming the rule rather than the exception, especially for the affluent in their real estate choices.

“Luxury is the trend leader in wellness, but developers are starting to leverage the benefits to create more affordable smart-healthy homes and neighborhoods,” says Scialla, noting the sharpening focus on wellness at the center of new home conception, design, and creation.



MIGRATION OF WEALTH TO NEW MARKETS

Cities like New York, Chicago, Los Angeles, and San Francisco have traditionally boasted the biggest trophies in luxury real estate. They are likely to continue, because of their size and economic gravity, attracting buyers from all over the U.S. and the world to their deep inventories of prime properties, prized as much as investments and status symbols as places to live.

The gravitational tug of the big city is not as strong as it once was, however, as recent homebuying patterns by wealthy individuals in the U.S. show money moving into new markets and creating new

clusters of luxury in secondary cities. The migration to new markets is fueled by a mix of factors that include lifestyle preferences, job opportunities, property value differentials, and a desire to reduce taxes.

GETTING DOWN TO BUSINESS

A major driver of high-end home purchases outside the top five markets is the economic vitality and dynamism found in local economies elsewhere, especially those benefiting from the growth of new industries.

This phenomenon is on prominent display in Austin, TX, where a marquee of names from the technology sector including Amazon®, Apple®, and Dell® continue to add thousands of high-paying jobs as they expand operations in the area, giving rise to booming luxury markets in downtown Austin and beyond the city limits. Nashville, TN, has also benefited from Amazon's expansion and from a steady stream of corporate relocations, spurring new luxury developments throughout the city and injecting new life into old neighborhoods.

"Amazon's offices are a big boost, but with HCA and other companies here, the local economy already had a good foundation in healthcare, supplemented of course, by the entertainment," says **Ashley Boykin** from Coldwell Banker Barnes in Nashville.

LOCAL COMPANIES DRIVE MARKETS

Boise, ID may be better known for potatoes than chips, but since 1978 it has been the headquarters of Micron Technology®, a leading maker of memory chips and a major local employer with a workforce of more than 4,000

in Idaho. Micron® initiated the nucleus of technology in Boise that now attracts new talent and start-ups from larger markets. The chip business can be cyclical, but it has been on an upswing, and over the past four years, Micron has enjoyed more than a fivefold increase in market value, helping boost home-buying power for anyone owning large amounts of Micron stock or incentivized with stock options.

"Boise is experiencing a downtown renaissance with new luxury condos selling for more than \$1 million," says **Bob Van Allen** of Coldwell Banker Tomlinson Group in Boise. Van Allen notes that buyers of high-end homes are a blend of local wealth and people who have sold highly appreciated

property in California, Washington, and elsewhere and then came to Boise to enjoy the quality of life and relatively lower cost of living.

ALL ABOUT THE JOBS

Minneapolis, MN is another luxury market making gains thanks to a vibrant local economy anchored by dozens of well-known large employers like Best Buy®, Target®, and General Mills®, as well as a wide range of companies in health sciences. As these companies expand, so do their ranks of highly-compensated executives.

"There is no doubt that growth in our market comes through jobs, and we have 17 of the Fortune 500 companies based here and 24 of the Fortune 1000," says **Chad Larsen** of Coldwell Banker Realty in Minneapolis, which offers good relative value for buyers, with just 1% of homes selling for more than \$1 million. "Many executives want to live centrally rather than in distant suburbs, and there is a healthy variety of options including the growing trend of speculative renovations and rebuilds."

"Boise is experiencing a downtown renaissance with new luxury condos selling for more than \$1 million."

— Bob Van Allen

The situation is similar in Cincinnati, OH, where large companies like Procter & Gamble®, Kroger®, and others attract high-end buyers to the Queen City on the Ohio River.

"Almost half the people moving here are from outside of Ohio, and they're moving here from all over the country, mainly because they are being recruited for jobs," says **Julia Wesselkamper** of Coldwell Banker West Shell in Cincinnati. "As Cincinnati grows and businesses develop, so does our luxury market, and we've seen it happening over the last few years."

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SIGNIFICANT FINANCIAL TRENDS

RATES AND TAXES: SIGNIFICANT FINANCIAL TRENDS AFFECTING LUXURY REAL ESTATE

One financial force that continues to exert a significant impact on property markets is the period of sustained low interest rates that has persisted for the past decade, with rates that are actually negative in countries like Germany¹ and Japan². Low borrowing costs and low yields on savings have greatly increased the amount buyers are willing to pay for real estate in markets around the world.

Another trend in U.S. markets related to personal finance is the ongoing migration from high-tax states to low-tax states, mostly in the south and out west. The trend accelerated in 2018 when changes in the U.S. Tax Code limited federal income tax deductions for state and local taxes.

STILL IN CRISIS MODE

Real estate markets around the world still reflect the extraordinary financial events that took place during the Great Recession and the response over the decade that followed. Government bailouts of banks stemmed the initial panic of the financial crisis, then the Federal Reserve and central banks around the world followed up with unprecedented actions to reduce interest rates and to keep them at extremely low levels.

The financial world learned a new vocabulary of acronyms, including QE (quantitative easing) and ZIRP (zero interest rate policy), which led to TINA (there is no alternative), describing the impact of

the policy, which was to redirect cash from savings into investments.

The European Central Bank began its campaign of quantitative easing after the Federal Reserve started buying bonds and other securities to bring rates down. The ECB and the Bank of Japan engineered rates so low that yields on German and Japanese government bonds turned and have stayed negative, which means that it literally pays to borrow money. Government bond yields provide benchmarks for mortgage rates, which also remain near historically low levels, enabling buyers to pay higher prices for homes.

“We all know that real estate turns from buyer’s to seller’s markets, and one day something will change in the future; we are now in a negative interest rate environment in which you’re paid to borrow, so we expect the cycle will go higher as long as this continues,” says **Laurent Demeure**, President, CEO of Coldwell Banker France & Monaco.

In an environment of slow growth, low unemployment, and continued low rates, global property markets remain in the sweet spot. “People are also expecting financial cracks in the stock market, and they feel more comfortable with their money in the property market,” says Laurent.

TAX LAW CHANGE FEEDS LOW-TAX STATES

President Donald Trump was perhaps the most prominent New Yorker to leave the Empire State for



“People are coming here and enjoying a lower cost of ownership, and they're pleasantly surprised with how much more house they get for their money in Florida.”

— *Tim Singer*

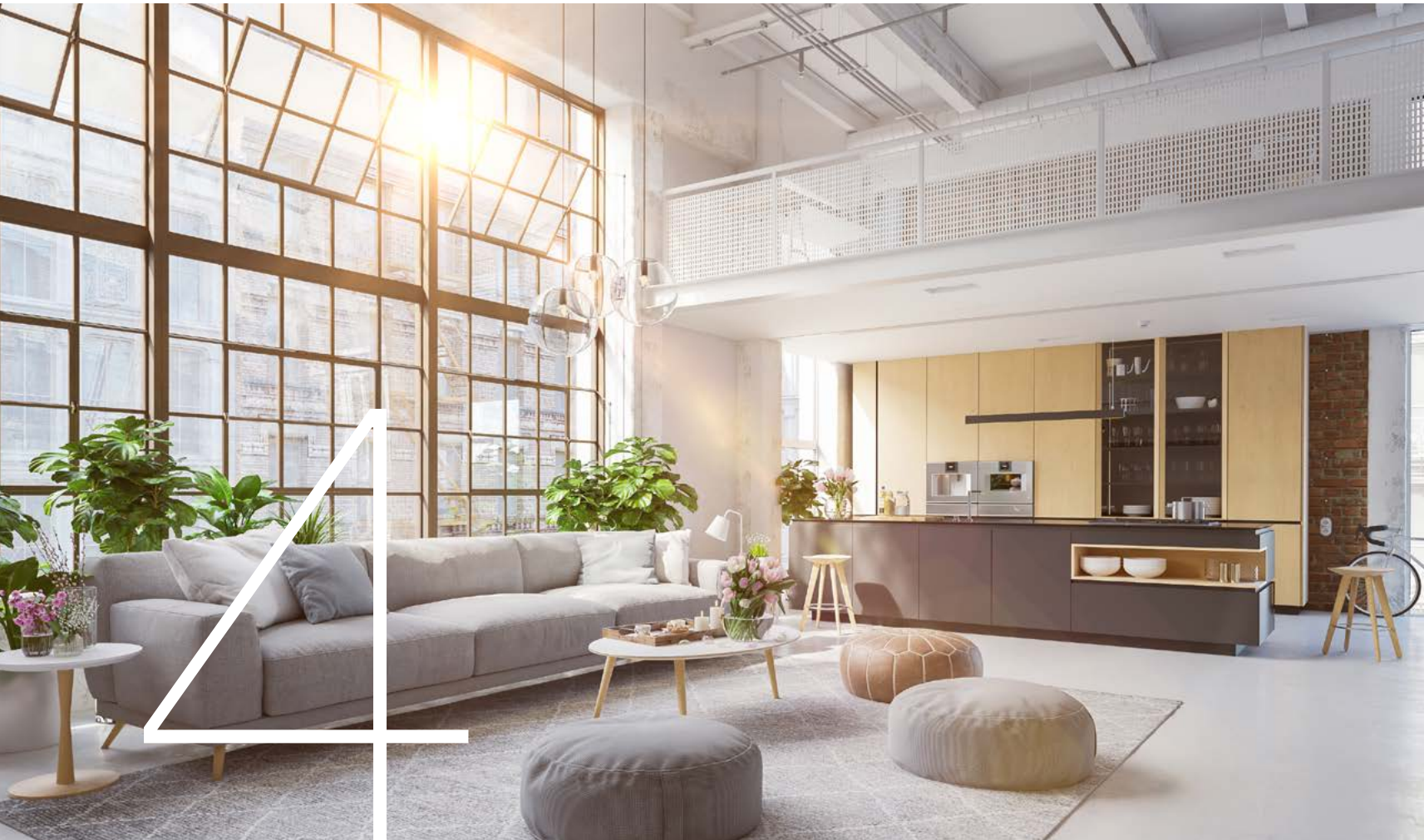
the Sunshine State in 2019, but he was hardly alone in becoming a resident of Florida. States with income taxes and high property taxes like New York, New Jersey, and Connecticut³ are losing record numbers of residents to states like Florida and Texas that have no income tax and modest property assessments relative to the northeast.

The migration accelerated two years ago when the provisions of a major overhaul of the tax code took effect, capping federal income tax for state and local tax (SALT) deductions at \$10,000. States with the highest average SALT deductions⁴—New York, California, Connecticut, and New Jersey—experienced a combined exodus of 455,000 people in the year ended July 1, 2019, and Bank of America⁵ research showed adjusted gross income of low-tax states rising \$32 billion more in 2018 than in high-tax states.

“There’s no doubt that high property taxes and changes in the tax law are feeding us a lot of buyers from the northeast,” says **Tim Singer** of Coldwell Banker Realty in Fort Lauderdale. “People are coming here and enjoying a lower cost of ownership, and they’re usually pleasantly surprised with how much more house they get for their money in Florida.”

Businesses are also relocating to Florida, which helps owners and managers take advantage of the tax savings. Billionaire investor Carl Icahn⁶ moved his business and his residence from New York to Florida in 2019.

“Florida has always enjoyed a cost advantage over states up north, and the latest tax changes are really underscoring the value,” says **Precella Wallace** of Coldwell Banker Realty in St. Petersburg, FL.



LUXURY PROPERTY TYPES IN DEMAND

Personal tastes and the composition of local markets can strongly influence the choice of whether to purchase a standalone property or a condominium unit, but beyond this fundamental distinction, patterns of preference begin to emerge in property types sought out by the affluent.

MODERN AND MOVE-IN READY

The universal message from luxury real estate agents is that high-end buyers want modern, contemporary homes that are ready to occupy. “The trend is that people like turnkey properties, and

buyers are looking for ready to move-in situations,” says **Irene Dazzan-Palmer** of Coldwell Banker Realty in Malibu, CA.

Luxury homebuyers show very little tolerance for outdated designs and features, even in situations where the construction is relatively new. Although they may have been built relatively recently, many existing condos in desirable areas are undergoing extensive updates before buyers move in. “The demand is so high for property downtown on Beach Drive that people are paying \$2 million for

something built in 2007 or before and spending several hundred thousand more on new interiors,” says **Precella Wallace** of Coldwell Banker Realty in St. Petersburg, FL.

RENAISSANCE SITUATIONS

Booming real estate markets in many large cities have triggered redevelopment of former industrial areas and rundown neighborhoods, creating new clusters of luxury communities. One example is Mission Bay¹ in San Francisco. The waterfront neighborhood adjacent to Oracle Park has gone from downtrodden to desirable over the past two decades, with its docks, railyards, and warehouses transformed into a neighborhood of more than 10,000 people occupying 5,789 housing units.²

New construction is a big draw for luxury buyers in resurgent neighborhoods, but so are renovations of older housing stock, such as brownstone buildings in the Brooklyn neighborhoods of Cobble Hill, Carroll Gardens, and Brooklyn Heights. Also gaining momentum is converting commercial and industrial properties in prime urban areas into condos with modern features, like the current project underway at the Tribune Tower in Chicago. Renovations are rampant across downtown Detroit, where demand is strong for conversions of former factories into luxury lofts, and for gut renovations of Victorian-styled homes in the trendy Brush Park neighborhood between downtown and midtown. “Condos, lofts, they’re buying everything they can,” says **Bill Brundage** of Coldwell Banker Weir Manuel, Detroit, MI.

FOCUS ON WELLNESS

Luxury homebuyers view the place where they live as playing a critical role in promoting their overall sense of wellness. Spas, pools, and gyms are becoming ubiquitous, but the modern concept of wellness encompasses far more than exercise and fitness to include a broad array of holistic health and environmental concerns. Demand is rising for residences that embrace wellness as a central theme in location, design, and function.

Energy efficiency, lighting quality, and the flow of air and water have become important considerations as wealthy buyers increasingly expect buildings to be eco-sensitive existing in harmony with their

surroundings. The sharpened focus on wellness has even given birth to building certification systems that score properties on a range of criteria related to wellness. “You have all these energy efficient technologies available, so there’s a certain degree of expectation of being a green building,” says **Ricardo Rodriguez** of Coldwell Banker Residential Brokerage in Boston, MA.

PROPERTIES AFFILIATED WITH LUXURY HOTEL BRANDS

The hotel-condo ownership model prevalent in popular resort destinations has allowed buyers to earn income when they’re away by placing their property into a rental pool managed by a hotel. This has recently given rise to new developments of single-family dwellings and townhomes, creating affiliations to gain access to the five-star services and amenities offered by a luxury hotel but without the necessity of being managed or rented.

In the islands of the Caribbean and in places like Puerto Vallarta and Cabo San Lucas in Mexico, luxury condos and villas are associated with brands like Fairmont, Four Seasons, Ritz-Carlton, and Rosewood. These models have also become widespread throughout Asia, the Middle East, and increasingly in North America.

“The Algonquin Resort in St. Andrew by the Sea offers Marriott Autograph level luxury services to the surrounding privately owned vacation cottages,” says **Katherine Bacon** of Coldwell Banker Select Realty in Saint John, NB, Canada. “This luxury community, with commanding sea views and properties ranging from \$350,000 to \$2 million, can enjoy exclusive membership with all the amenities.”

CONDOS WITH FAMILY-FRIENDLY FEATURES

Across downtowns from coast to coast, new luxury condos under construction reflect buyers being more flexible on size than they are on amenities. In luxury buildings, a doorman and concierge are expected. Also important are features related to children and pets. Washing stations and walking areas for pets are widespread, and there is a growing push toward more creative child care services that include a wide range of activities and excursions coordinated for kids.

5

NEW DEMOGRAPHIC GROUPS OF INFLUENCE

Shifting trends in population and family structure are proving to be potent forces shaping the luxury home market as new demographic groups assert growing influence. In recent years, two of the most influential groups of buyers have been the millennial generation, and the lesbian, gay, bisexual, transgender, and queer (LGBTQ) community. Members of both groups have demonstrated that they have the propensity and the economic means to purchase luxury homes.

MILLENNIALS MAKE THEIR MARK

Millennials born between 1982 and 1996 are often stereotyped as entitled children, but the oldest of these kids are heading towards 40, and many now have their own offspring. Accenture forecasts that the population bulge of nearly 80 million people born from 1980 to 2000 will spend \$1.4 trillion this year,¹ 30% of total retail sales. As millennials enter the prime earning years of their careers, they are also at the point in their lives when they are most likely and most able to upgrade their primary residence. The luxury market is responding in kind by providing the types of properties they most want to buy.

“What’s happening with luxury new construction is that there’s a shift in what people are looking for because there has been a shift in who’s buying,”

says **Ricardo Rodriguez** of Coldwell Banker Residential Brokerage in Boston, MA. “Buyers are getting younger, and these are established millennials with kids entering the market, which redefines everything from unit size and composition to the level of amenities they expect.”

Millennials are demonstrating a strong affinity for urban areas and generally want to live in the city, but because their children are important considerations, they are demanding that buildings be designed with kids in mind.² Considerations include lots of closets, play rooms, and space for an au pair to live.

“Instead of home offices and work stations, now it’s about ‘homework stations,’ and instead of screening rooms, we see more game rooms,” says Rodriguez. “Kids are coming to showings with their parents, and they really value their opinions and take their input

into consideration,” adds Rodriguez, who expects the influence of millennial buyers with growing families to keep on rising as the generation continues to mature.

LGBTQ BUYERS ASSERT INFLUENCE

Another population segment making a major impact on the luxury property market are LGBTQ individuals. Although estimated to represent less than 5% of

“Family formation within the LGBTQ community is a driving force in the housing market with marriage equality sweeping the nation.”

— Jeff Berger



the overall population,³ LGBTQ individuals control upwards of \$1 trillion in annual buying power,⁴ conferring an economic clout on par with that of the total millennial generation.

Like millennials, high rates of family formation are a factor in prompting home purchases by LGBTQ buyers. A survey by UCLA’s Williams Institute⁵ shows that 29% of people who identify as LGBT are raising children.

“The modern American family is changing before our eyes, and the geographical diversity of where LGBTQ families live is striking,” says **Jeff Berger** of Coldwell Banker Realty in Jupiter, FL. “Family formation within the LGBTQ community is a driving force in the housing market with marriage equality sweeping the nation,” adds Berger, who is also founder of the National Association of Gay & Lesbian Real Estate Professionals.

When choosing a place to live, LGBTQ buyers tend to consider a broad array of livability factors, including access to culture, entertainment, dining,

and health care, as well as the degree to which the surrounding community accepts their lifestyle.

“The gay couples I work with want to live in places that have shops and services to support who they are; they don’t want to go somewhere where they can’t buy flowers or a cake,” says **Tim Singer** of Coldwell Banker Realty in Fort Lauderdale, FL.

Large LGBTQ communities have long existed in major U.S. cities and in popular vacation spots like Key West and Provincetown, MA on Cape Cod, but the more recent trend is the transformation of smaller cities and districts of larger ones into gay-friendly destinations.

One example is the city of Wilton Manors, FL, just outside Fort Lauderdale. “Twenty years ago, I couldn’t give it away, but now it’s one of the trendiest areas,” says Singer. “The city has a forward-thinking government and an openly gay mayor, which provides a level of comfort for LGBTQ buyers.”



landmark LISTINGS

2019 TOP U.S. LISTINGS

- \$500M** THE ONE / Bel Air, CA
- \$279M** GATEWAY CANYONS / Gateway, CO
- \$250M** MESA VISTA RANCH / Pampa, TX
- \$225M** CASA ENCANTADA / Bel Air, CA
- \$165M** VILLA FIRENZE / Beverly Park, CA

2019 TOP GLOBAL LISTINGS

- \$447M** 22 MIDDLE GAP ROAD / The Peak, Hong Kong
- \$390M** THE BUBBLE PALACE / Cannes, France
- \$130M** SLOANE HOUSE / London, England
- \$125M** VILLA L'ECHAGUETTE / Monte Carlo, Monaco
- \$125M** PALAZZATE / St. Peter, Barbados



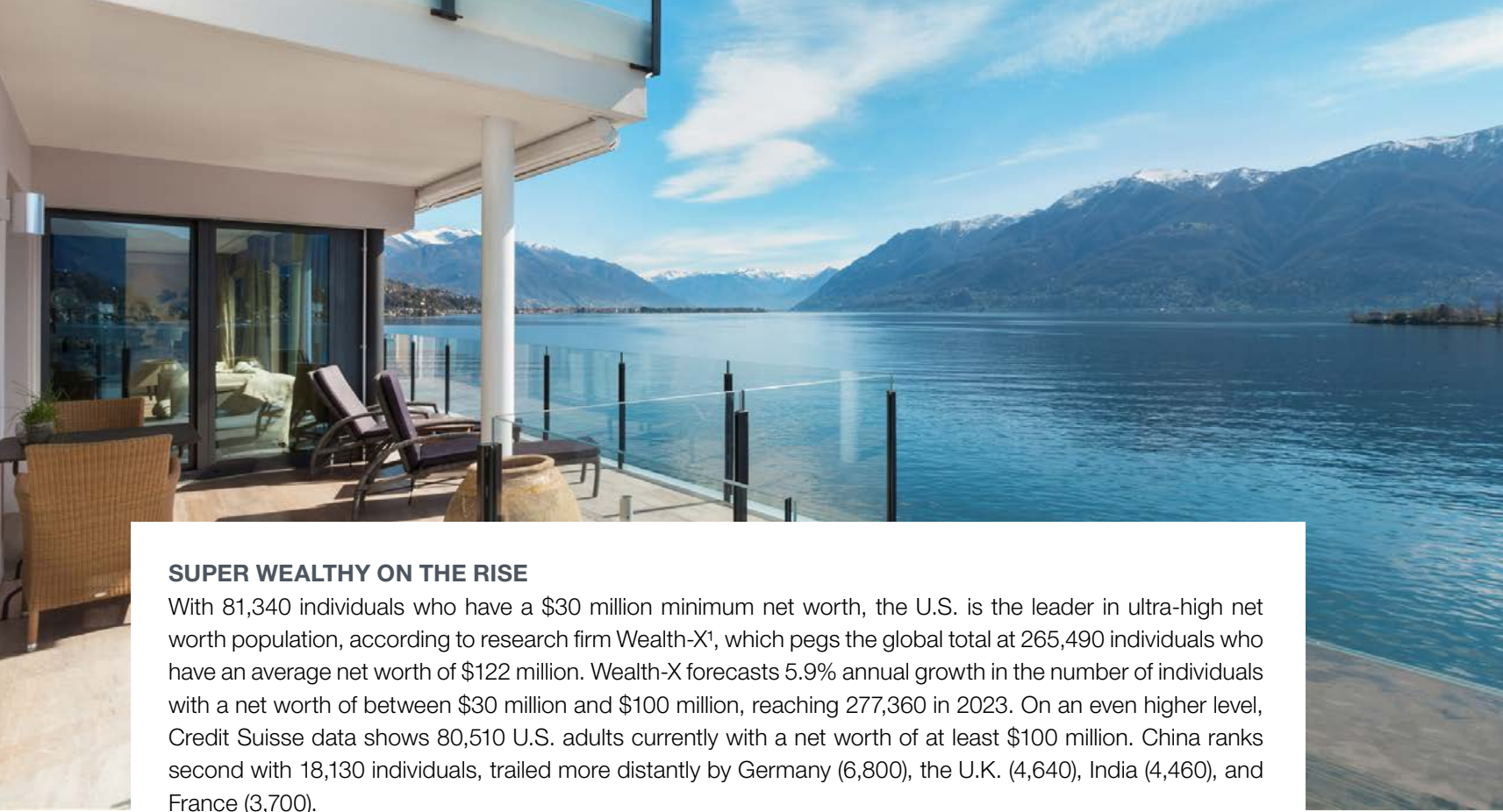
ULTRA- HIGH *net worth*

GLOBAL WEALTH GETS BACK ON TRACK

WORLD MARKETS FUEL GLOBAL WEALTH GAINS

Despite lingering recession fears and the potential for a protracted trade war, recent economic developments have turned out well for wealth creation in most of the world.

Following a contraction in 2018, total global wealth and the population of high net worth individuals around the world rebounded in 2019 as equity markets across the board rallied strongly and interest rates remained historically low. Wealthy households benefited from increases in the value of financial assets like stocks and bonds, as well as hard assets like real estate.

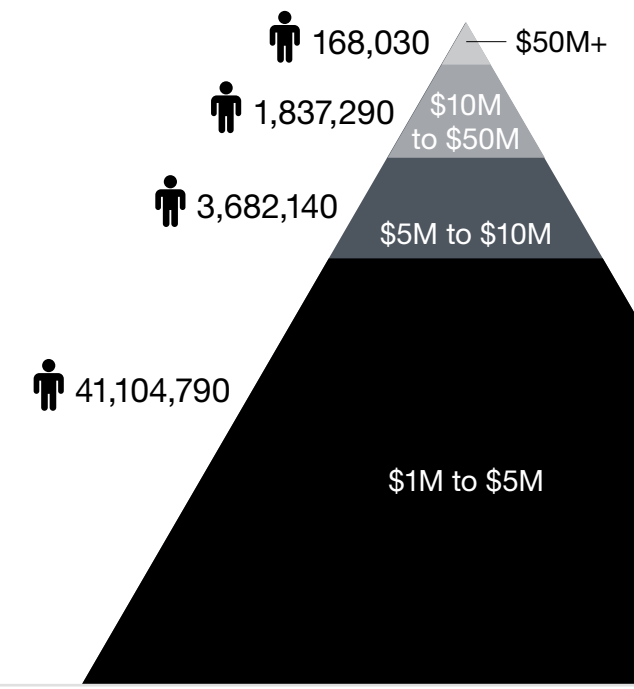


SUPER WEALTHY ON THE RISE

With 81,340 individuals who have a \$30 million minimum net worth, the U.S. is the leader in ultra-high net worth population, according to research firm Wealth-X¹, which pegs the global total at 265,490 individuals who have an average net worth of \$122 million. Wealth-X forecasts 5.9% annual growth in the number of individuals with a net worth of between \$30 million and \$100 million, reaching 277,360 in 2023. On an even higher level, Credit Suisse data shows 80,510 U.S. adults currently with a net worth of at least \$100 million. China ranks second with 18,130 individuals, trailed more distantly by Germany (6,800), the U.K. (4,640), India (4,460), and France (3,700).

U.S. LEADS REBOUND IN RANKS OF WEALTHY

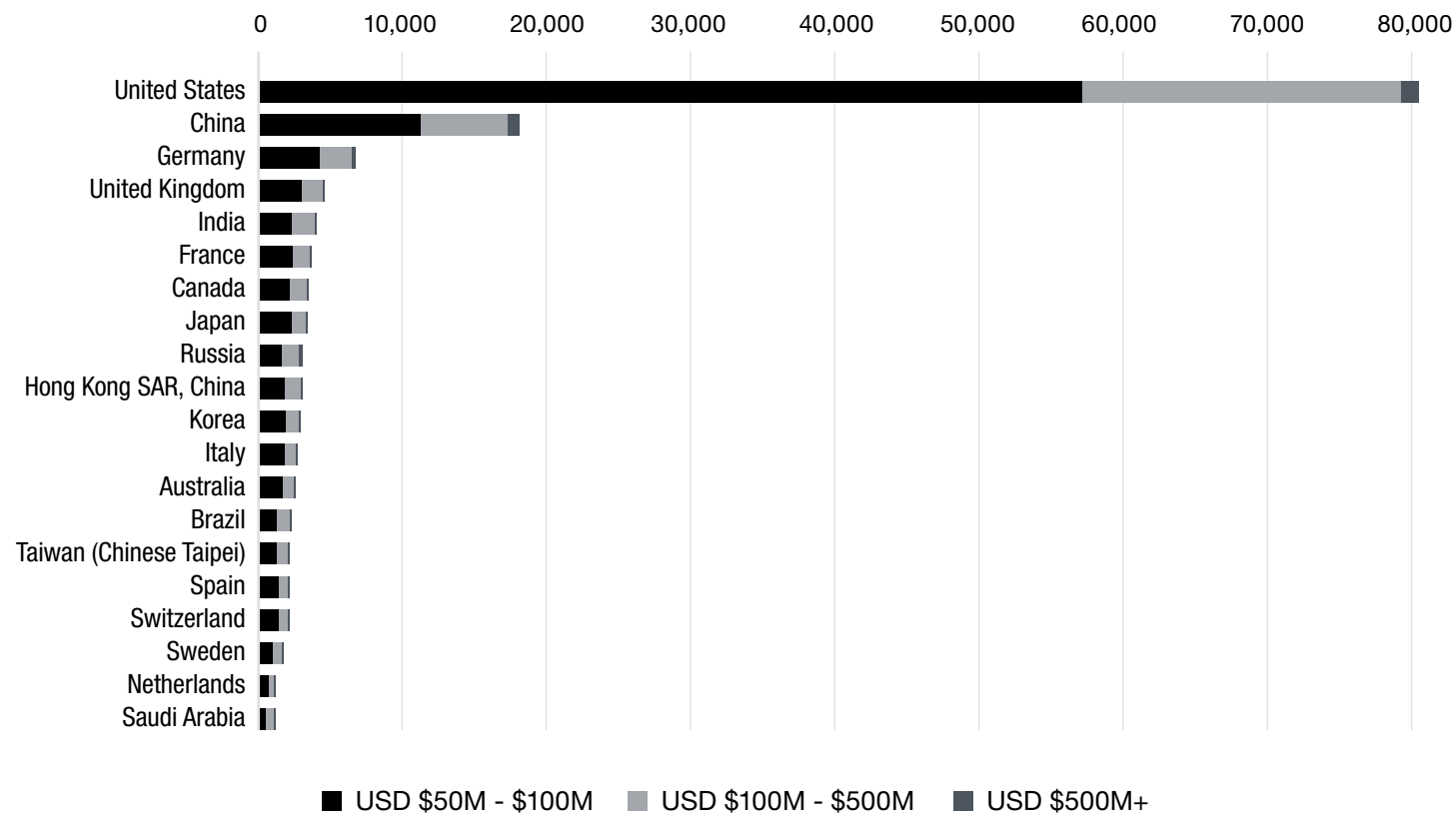
According to Credit Suisse's 2019 *Global Wealth Report*², aggregate global wealth grew 2.6% to \$360.6 trillion in the 12 months ended June 30, 2019, recovering from a retreat to \$345.4 trillion in 2018. Over the same period, the number of dollar millionaires rose 2.4% to 46.8 million people, more than half of whom were minted in the United States where 18.6 million citizens with fortunes of at least seven figures account for 40% of all millionaires in the world. Declines in the number of millionaires were rare but did occur in Australia, the United Kingdom, Turkey, Italy, Saudi Arabia, and Hong Kong.



Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, *Global Wealth databook 2019*

2019 ULTRA-HIGH NET WORTH INDIVIDUALS

TOP 20 COUNTRIES



■ USD \$50M - \$100M ■ USD \$100M - \$500M ■ USD \$500M+

Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, *Global Wealth databook 2019*



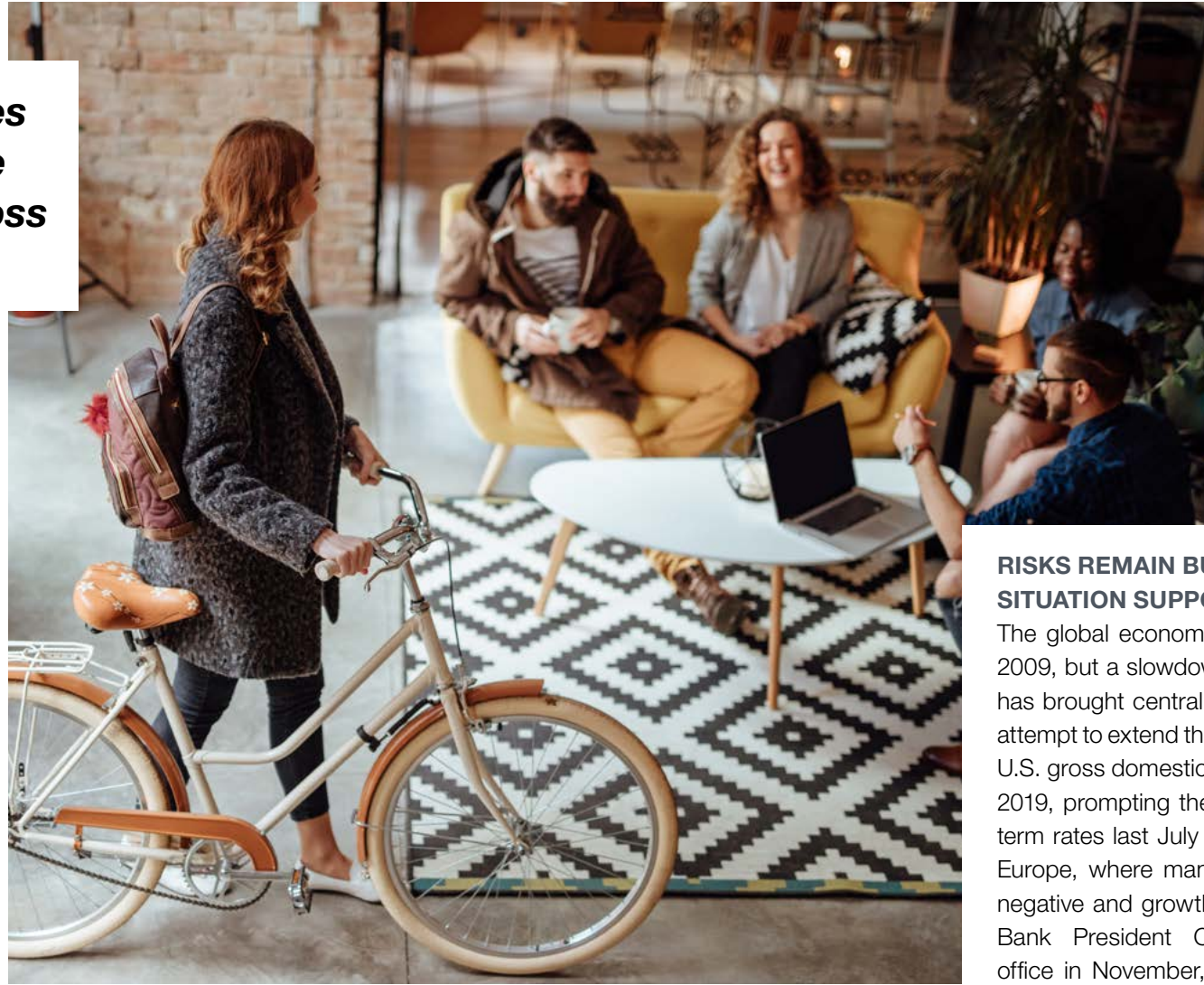
THE GREAT WEALTH TRANSFER

With more than 73 million members, the U.S. millennial generation born between 1982 and 1996 eclipsed the 72 million baby boomers this year to become the largest living demographic grouping by age. Be prepared for millennials to flex their economic muscle even more over the coming decades. Cerulli Associates projects that nearly 45 million U.S. households will transfer a total of \$68.4 trillion in wealth to heirs and charity over the course of the next 25 years³, as part of 'The Great Wealth Transfer.'

See pages 126-127 for a full list of resources.

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92% of millennial millionaires own an average real estate portfolio of \$1.37 million across three properties



RISKS REMAIN BUT CURRENT SITUATION SUPPORTIVE

The global economy has been in expansion since 2009, but a slowdown in growth over the past year has brought central banks off the sidelines as they attempt to extend the recovery with monetary policy. U.S. gross domestic product growth slowed in early 2019, prompting the Federal Reserve to cut short-term rates last July for the first time since 2008. In Europe, where many government bond yields are negative and growth is sluggish, European Central Bank President Christine Lagarde, who took office in November, signaled a willingness to take

bold actions to invigorate the euro zone economy, echoing policies of her predecessor, Mario Draghi.

A growing economy with low interest rates and friendly central banks provides a highly hospitable environment for financial markets, and slow but still positive economic growth in the U.S., Europe, and China support further gains in global wealth. Risks to such an outlook include an escalation of trade tensions, a rapid move higher in interest rates, and the unanticipated onset of the first recession since the global financial crisis more than a decade ago.

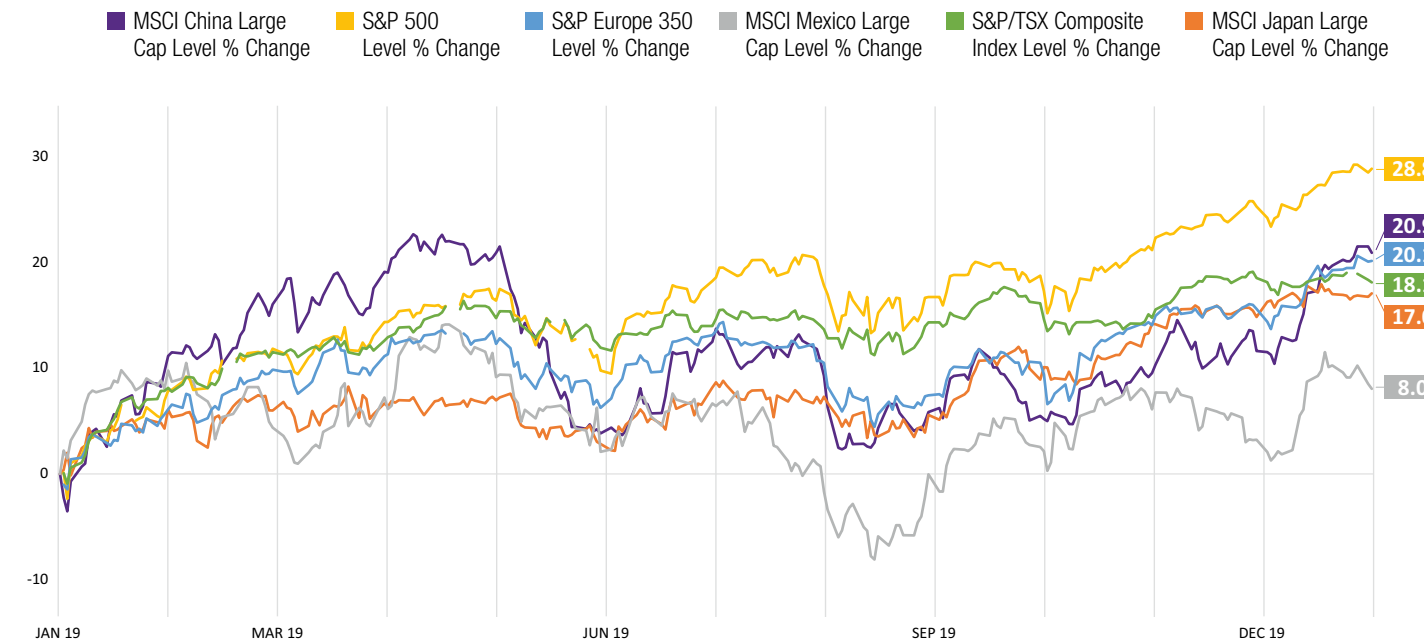
YOUNG AND INFLUENTIAL

Defying stereotypes, wealth and appetite for homeownership are both on the rise. According to WealthEngine, there are 618,000 millennial millionaires, making up 2% of the total U.S. millionaire population and 0.2% of the overall population. Among these millennial millionaires, 92% are homeowners with an average real estate portfolio of \$1.37 million across three properties².

Millennial millionaires are concentrated in California (44%) followed by New York, Florida, Massachusetts,

and Texas. Millennials tend to prefer markets that are more affordable, often in suburbs or second-tier cities with greater value. Millennial buyers are already making their impact felt in the rise of what are labeled “hipsturbias” by PwC and the Urban Land Institute in their Emerging Trends in Real Estate 2020 study³. The phenomenon of value-conscious culture seekers, best illustrated in the transformation of Williamsburg, Brooklyn, has taken root and blossomed in places as diverse as Yonkers and New Rochelle in the New York City metro, as well as lakeside locales like Traverse City, MI.

2019 STOCK MARKET INDEXES





BUYING TRENDS OF THE *affluent*

Shifts in buying trends can be important indicators for the future luxury housing marketplace. To identify current property buying trends, the **Coldwell Banker Global Luxury**® program conducted a survey of 22 elite Coldwell Banker Luxury Property Specialists around the world concerning changes in buyer demographics and the most desirable home features, styles, and property types.

SHIFTING BUYING POWER

In 2019, buying power shifted with international investors, millennials, and active seniors.

INTERNATIONAL BUYERS SWAP PLACES

Most of the U.S.-based respondents said they saw the same or fewer international buyers make purchases in 2019. It was a marked change from the international buying frenzy of a few years ago when high net worth buyers from China, Russia, the Middle East, and other countries flooded the American real estate market after the Great Recession. Remarked **Janice McGlashan** of Coldwell Banker Realty, La Cañada Flintridge, CA: “We’re seeing fewer global luxury buyers. Sellers need to adjust prices to match buyers’ perception of value.” Fewer international buyers in the market have meant more opportunities for domestic buyers. As **Danny Hertzberg** of Coldwell Banker Realty, Miami, FL found, “A notable trend in Miami is the increased presence of ultra high-net worth domestic buyers moving for tax purposes. These buyers are driving our luxury market and are coming from high income tax states such as New York, New Jersey, and California.”

Across the pond, the opposite is true. Luxury Property Specialists in Paris, Cyprus, and Istanbul reported more international buyers making real estate purchases in 2019. “Our market is growing, due to improving local and international economic conditions and our location, situated between

Europe, Asia, and Africa,” said **Aylin Pelin Onar** of Coldwell Banker Maximum in Cyprus. “We are receiving clients from Turkey, Russia, Scandinavia, the Middle East, England, Israel, and Australia.” In Paris, “American clients are becoming the number one international buyers,” according to **Vanda Demeure** of Coldwell Banker Demeure Prestige in France. “They are attracted by a favorable exchange rate that boosts their purchasing power in euros. The Paris market also benefits from historically low interest rates. Prices are already high and continue to increase; luxury properties are up 7% and are being sold at around €15,000 per square meter, on average.”



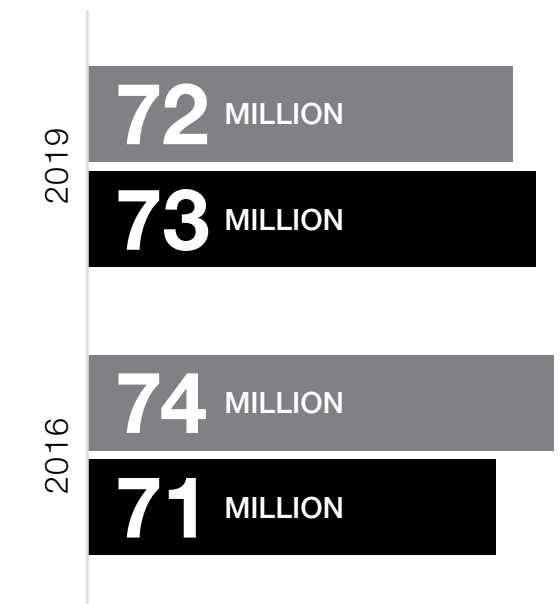
OK, BOOMERS (AND MILLENNIALS)

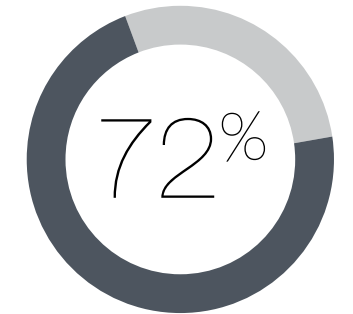
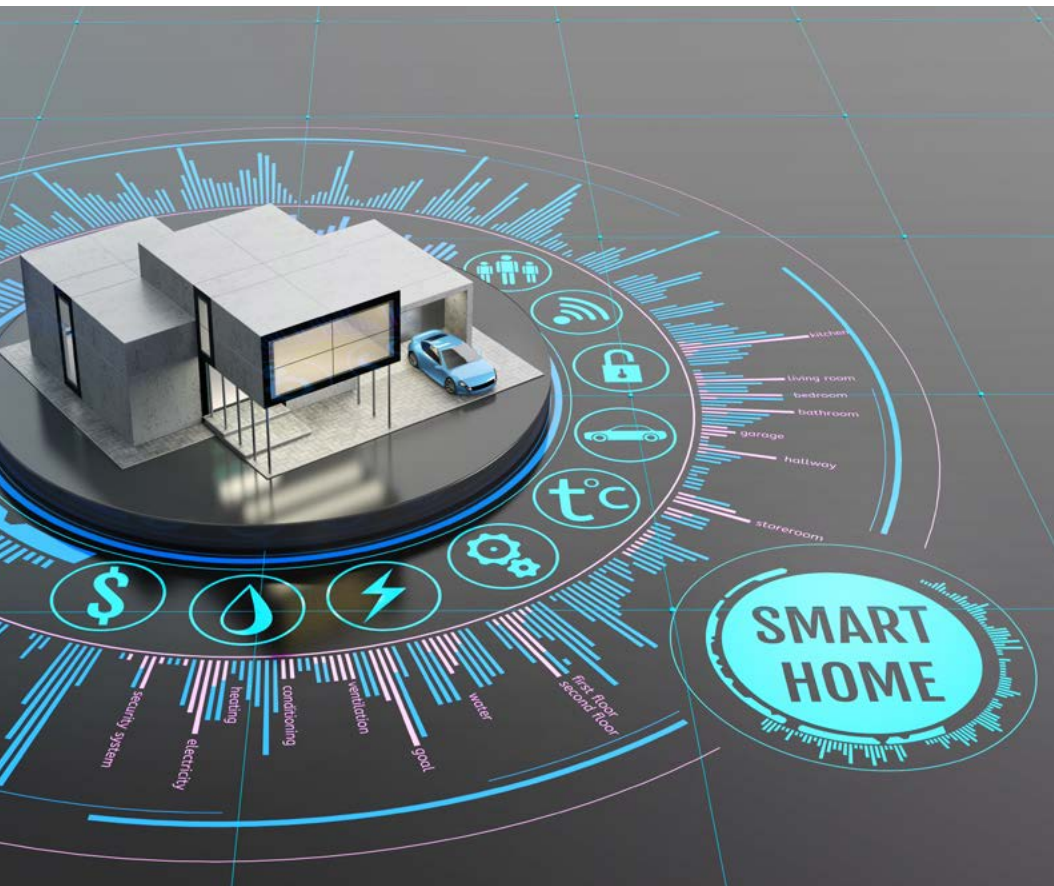
Two popular demographic groups — baby boomers and millennials — are also making waves in the high-end housing market. The majority of respondents reported increasing numbers of both millennials and empty nesters making purchases last year.

As both demographic groups reach milestones in their lives, more luxury properties will exchange hands. Millennials — often the children of baby boomers — are coming of age, getting married, starting families, and setting down roots either in cities or “hipsturbia” neighborhoods on the outskirts of cities. Meanwhile, aging boomers want to downsize or buy properties closer to children and grandchildren. While boomers are the largest living adult generation in America, millennials are projected to overtake that status this year. By 2030, it is estimated that millennials will hold five times as much wealth as they have today, giving them power in shaping future luxury real estate trends. (For more information on this influential group, read, “A Look at Wealth: Millennial Millionaires” from the Coldwell Banker Global Luxury program and WealthEngine.)

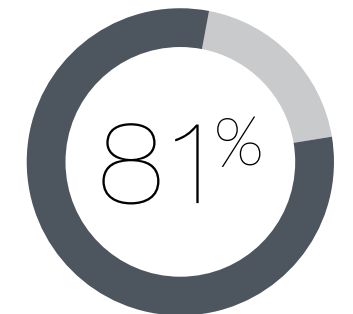
POPULATION CHANGE PROJECTIONS

■ Millennials ■ Baby Boomers

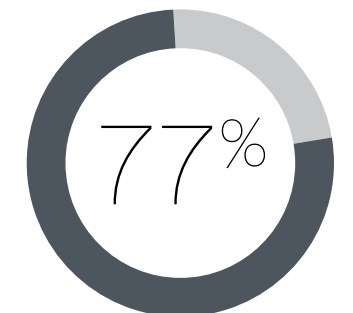




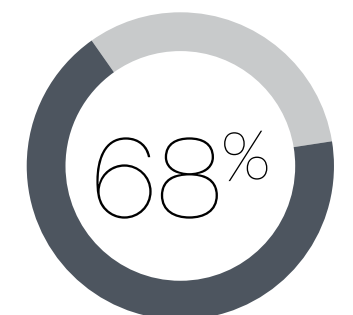
PREFER OUTDOOR LIVING SPACES



PREFER HOME AUTOMATION



PREFER OPEN CONCEPT FLOOR PLANS



PREFER NEW BUILDS

MOST WANTED HOME FEATURES

What are the new luxury must-haves in 2020? The answer, according to the majority of Coldwell Banker Luxury Property Specialists polled: outdoor living spaces.

OUTDOOR LIVING SPACES

Almost 72% of respondents said outdoor living spaces are a necessity for today's affluent homebuyers. Other most wanted home features include flex spaces/home offices, vehicle storage, home automation, eco-friendly features, and au pair suites. The popularity of outdoor living spaces reflects a growing movement toward indoor/outdoor living, as people not only want to be closer to nature but also to maximize their homes' useable space.

FLEX SPACES/HOME OFFICES

After outdoor living spaces, flex spaces or home

offices topped the list of must-haves — which comes as no surprise to **Tracy Allen** of Coldwell Banker Pacific Properties in Honolulu, HI. "I think we're seeing more of these multifunctional spaces because people want ease of living. With everyone working on laptops and being so mobile, I've found that many of my luxury listings must have a component that is multipurpose and multifunctional. Dining rooms can double as conference rooms; you can have a business meeting in the dining room, then put your laptop away and lunch is served."

HOME AUTOMATION

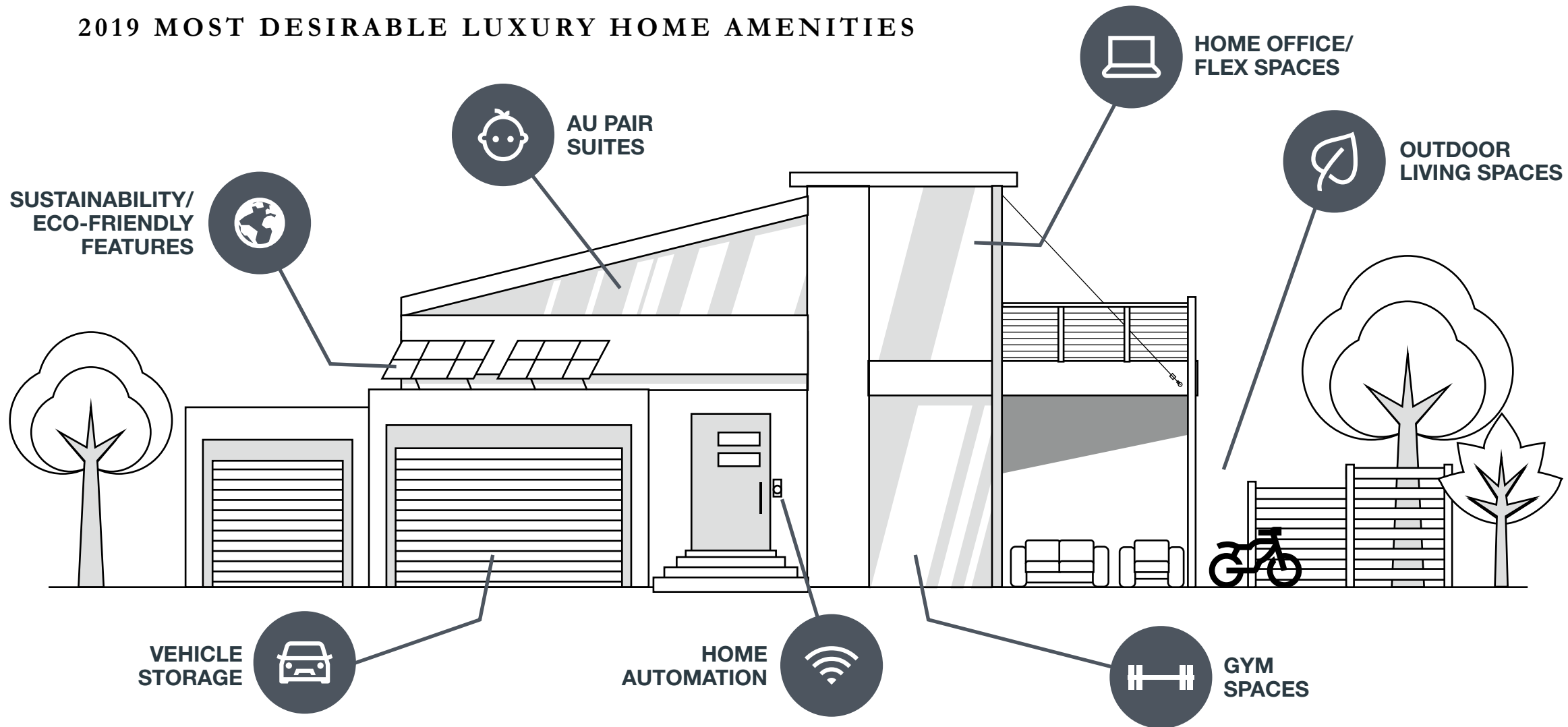
When it comes to smart-home technology, 81% of respondents said home automation is the most wanted feature. Smart security systems, wireless sound systems and electric car docking stations were also popular among buyers.

"If people buy a fully renovated turnkey home, part of that turnkey idea is to have smart-home technology that is voice activated and precisely integrated," said Hertzberg. "A true smart home in 2020 goes beyond automated lighting and smart temperature control. The smart-home focused consumer wants every aspect of living to be seamless, from wireless security to curated pre-programmed sound systems for every occasion. Electric charging stations for cars are important, and many buyers are looking forward to the expansion of smart roofs, which generate back up power storage. The evolution of smart home tech has gone from convenience-focused applications to experience-focused integration of all components for daily living and energy efficiency."

MODERN STYLE AND OPEN-CONCEPT

With more people living relaxed lifestyles, home styles have also shifted. Whereas Mediterranean or Tuscan styles were in vogue during the early 2000s, the last decade was all about modern. The majority of our respondents said that modern or contemporary were the most popular home styles among luxury buyers. About 77% said that luxury

2019 MOST DESIRABLE LUXURY HOME AMENITIES



“If people buy a turnkey home, part of that is to have smart-technology — the same way they want stainless-steel appliances and other features.”
 — Danny Hertzberg

buyers prefer open-concept floor plans and less formal layouts. “They want the perfect setting for their family and the ultimate setting for entertaining,” said **Diane Polland** of Coldwell Banker Residential Brokerage of Long Island, NY. “Informal, casual, and luxurious are the key words describing the home they are looking for.” Notes **Jade Mills** of Coldwell Banker Realty in Beverly Hills, CA, “They love the modern transitional style and want good quality, not a spec house.”

NEW OR MOVE-IN READY

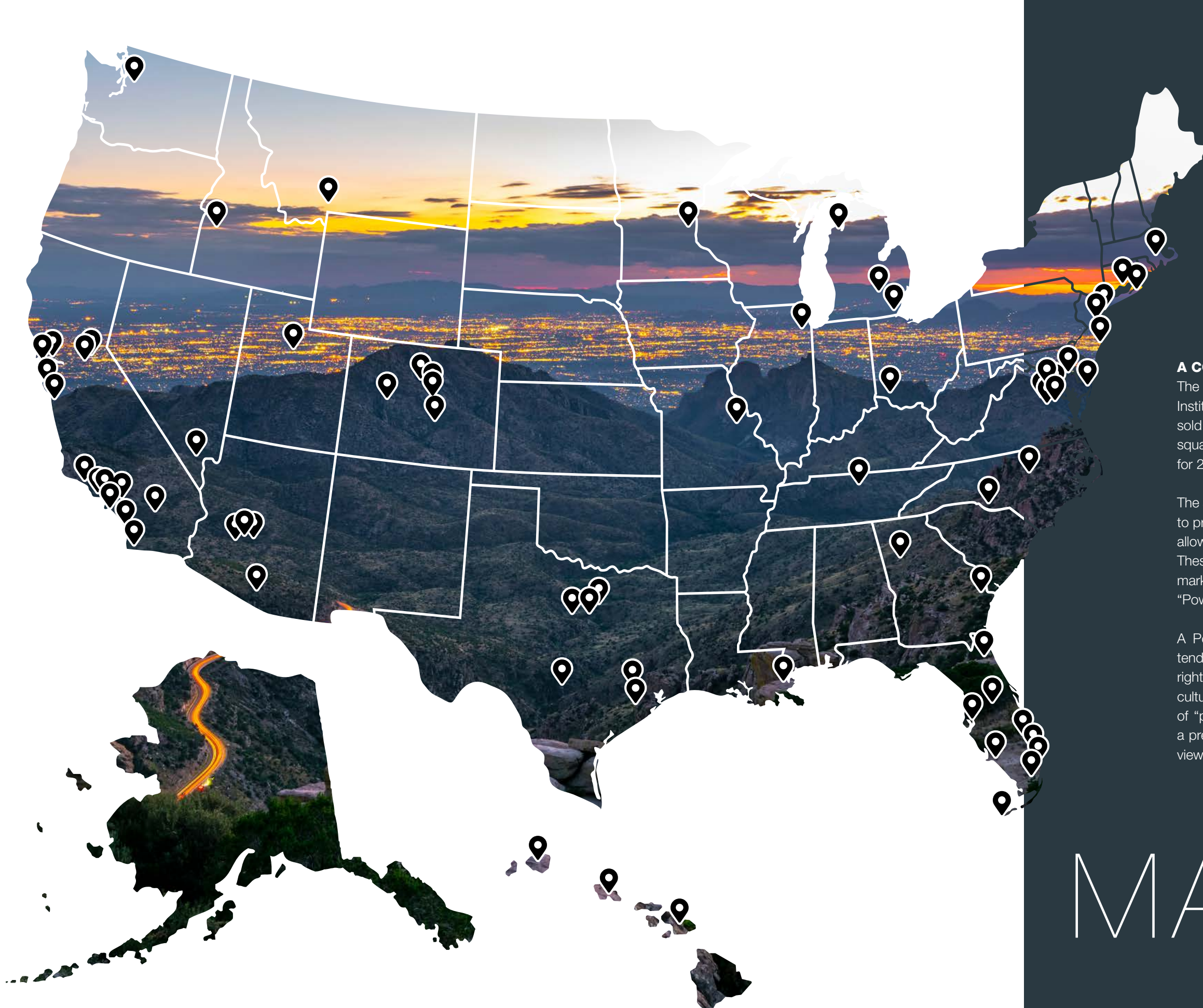
The condition of the home is also important to affluent buyers. “They are looking for turnkey properties where they can envision the luxurious

lifestyle they are seeking,” reported Polland. It’s the same for buyers on the West Coast. “Most of my buyers want a home in perfect move-in condition,” agrees Mills. Some are even taking their preference for a move-in ready home to the extreme. Said **Roger Pettingell** of Coldwell Banker Realty, Longboat Key, near Sarasota, FL, “They’re willing to pay up for brand new or newly renovated, and they will even give up a view if you have a new home requiring no work.” In fact, 68% of respondents said that a new build has become a more desirable property characteristic over the last year. “Buyers are into the finishes and something in the house that gives it a wow factor,” said **Anne DuBray** of Coldwell Banker Realty in Glenview, IL.

LEAST WANTED HOME FEATURES

As for the least-desirable home features, responses were more mixed. About 40% of respondents said that highly customized features were least in demand. About 36% said tennis courts and indoor pools were also going out of vogue with high-end home shoppers. One slowly emerging trend to watch is a preference for smaller homes. About

32% of respondents said that size is less desirable. DuBray observed, “Buyers are trending toward less square footage and more amenities.” Baby boomers and millennials may be driving this trend; boomers want to downsize, and millennials will sacrifice square footage for in-town locations near the action.



A COMPARISON OF LEADING U.S. LUXURY METROS

The Coldwell Banker Global Luxury® program partnered with The Institute for Luxury Home Marketing to analyze median list prices, median sold prices, median sales-price-to-list-price ratios, median price per square foot, median days on market, and the highest list and sold prices for 2019.

The average monthly inventory and average monthly solds were included to provide quantitative information on the sales ratio percentages, which allows for the determination of the individual status of each market. These parameters were included in the top 5% and 10% of the luxury markets for both single-family homes and condos, and are identified as “Power Markets.”

A Power Market is where the wealthiest and most powerful players tend to own property. Typically, these areas are destinations in their own right, offering high-net worth individuals a range of lifestyle opportunities, cultural experiences, and educational opportunities. Other key indicators of “power” status include airport accessibility, ease of doing business, a prestige brand presence, and a housing stock that prioritizes privacy, views, and exclusivity.

power
MARKETS

SINGLE-FAMILY HOMES

TOP
5%

SINGLE-FAMILY HOMES

TOP
10%

City	State	Median List Price	Median Sold Price	Median SP/LP Ratio	Median Price Per SqFt	Median Days on Market	Highest List Price	Highest Sold Price	Total Sold	Average Monthly Sold	Average Monthly Inventory	Sales Ratio	Status
Savannah	GA	\$896,500	\$780,512	95.40%	\$217	102	\$7,250,000	\$2,150,000	205	17	178	9.53%	Buyer's
Scottsdale	AZ	\$2,593,750	\$2,262,500	94.42%	\$421	131	\$32,000,000	\$9,300,000	318	27	425	6.35%	Buyer's
Seattle	WA	\$2,395,000	\$2,067,500	97.91%	\$564	19	\$15,000,000	\$13,750,000	392	33	135	24.38%	Seller's
Silicon Valley	CA	\$6,278,250	\$4,550,250	98.47%	\$1,403	26	\$49,990,000	\$25,000,000	416	35	142	24.73%	Seller's
St. Louis	MO	\$849,925	\$765,500	97.14%	\$233	54	\$10,900,000	\$4,450,000	340	28	157	17.86%	Balanced
St. Petersburg	FL	\$1,499,250	\$1,343,750	93.19%	\$398	68	\$8,000,000	\$5,285,000	234	20	123	16.21%	Balanced
Staten Island	NY	\$1,449,975	\$1,415,625	93.82%	\$331	100	\$6,500,000	\$4,500,000	69	6	116	5.16%	Buyer's
Talbot County	MD	\$2,330,000	\$1,950,000	88.04%	\$375	106	\$15,500,000	\$5,300,000	27	2	67	2.98%	Buyer's
Tampa	FL	\$952,450	\$861,863	97.54%	\$253	51	\$22,000,000	\$7,500,000	1,034	86	586	14.68%	Buyer's
The Hamptons	NY	\$3,796,000	\$3,302,500	93.76%	\$723	203	\$53,900,000	\$15,100,000	64	5	149	3.35%	Buyer's
The Woodlands & Spring	TX	\$1,151,250	\$898,488	96.23%	\$194	42	\$7,495,000	\$5,850,000	366	31	298	10.41%	Buyer's
Traverse City	MI	\$1,118,475	\$899,306	97.44%	\$256	110	\$4,200,000	\$2,805,000	56	5	28	17.60%	Balanced
Tucson	AZ	\$825,000	\$724,330	97.36%	\$211	44	\$9,900,000	\$6,212,019	783	65	576	11.29%	Buyer's
Vail	CO	\$7,656,250	\$7,650,000	94.49%	\$968	154	\$78,000,000	\$20,750,000	25	2	64	3.12%	Buyer's
Ventura County	CA	\$2,398,000	\$1,957,500	96.20%	\$497	65	\$85,000,000	\$35,000,000	313	26	245	10.63%	Buyer's
Washington	DC	\$3,493,750	\$2,614,375	96.94%	\$682	24	\$18,000,000	\$9,115,000	107	9	52	17.45%	Balanced
Worcester County	MD	\$1,199,000	\$937,500	94.50%	\$302	84	\$3,599,000	\$2,600,000	43	4	50	7.93%	Buyer's

City	State	Median List Price	Median Sold Price	Median SP/LP Ratio	Median Price Per SqFt	Median Days on Market	Highest List Price	Highest Sold Price	Total Sold	Average Monthly Sold	Average Monthly Inventory	Sales Ratio	Status
Arlington	VA	\$2,011,250	\$1,896,250	97.83%	\$463	24	\$28,750,000	\$4,477,139	106	9	35	25.71%	Seller's
Arlington, Alexandria, & Falls Church	VA	\$1,894,500	\$1,650,000	98.55%	\$435	27	\$38,000,000	\$4,600,000	272	23	105	21.84%	Seller's
Austin	TX	\$1,499,725	\$1,257,884	97.36%	\$368	30	\$37,500,000	\$8,442,500	1,135	95	405	23.47%	Seller's
Big Sky	MT	\$4,400,000	\$4,000,000	97.62%	\$793	330	\$25,000,000	\$4,500,000	4	0	7	0.00%	Buyer's
Boca Raton & Delray Beach	FL	\$2,397,944	\$1,922,500	92.78%	\$353	114	\$44,500,000	\$16,500,000	360	30	545	5.50%	Buyer's
Boise	ID	\$666,050	\$639,819	100.00%	\$208	18	\$7,750,000	\$3,450,000	1,681	140	474	29.53%	Seller's
Boston	MA	\$3,194,500	\$2,416,000	97.20%	\$567	37	\$69,000,000	\$11,275,000	356	30	143	21.00%	Balanced
Boulder	CO	\$1,999,975	\$1,730,750	97.45%	\$466	58	\$10,000,000	\$7,200,000	342	29	173	16.81%	Balanced
Bozeman	MT	\$1,212,500	\$1,106,000	97.26%	\$314	65	\$13,500,000	\$6,500,000	150	13	113	11.50%	Buyer's
Brooklyn	NY	\$1,885,000	\$1,655,000	92.95%	\$560	104	\$9,380,000	\$3,850,000	70	6	164	3.65%	Buyer's
Central CT	CT	\$537,675	\$500,000	98.02%	\$155	51	\$5,900,000	\$2,900,000	1,407	117	762	15.35%	Balanced
Charlotte	NC	\$1,049,225	\$950,000	97.77%	\$228	38	\$7,000,000	\$4,850,000	1,638	137	731	18.74%	Balanced
Chicago	IL	\$1,349,950	\$1,210,000	95.47%	\$292	82	\$45,000,000	\$6,200,000	2,106	176	1,598	11.02%	Buyer's
Cincinnati	OH	\$779,925	\$688,500	96.71%	\$225	42	\$5,000,000	\$2,450,000	222	19	96	19.86%	Balanced
Coastal CT	CT	\$1,675,000	\$1,432,688	94.25%	\$347	118	\$29,500,000	\$14,875,000	1,332	111	1,230	9.03%	Buyer's
Collin County	TX	\$738,669	\$680,075	97.58%	\$164	52	\$9,995,000	\$14,120,287	1,522	127	845	15.04%	Balanced
Colorado Springs	CO	\$669,725	\$640,000	99.23%	\$158	27	\$8,750,000	\$2,900,000	1,393	116	441	26.33%	Seller's
Dallas	TX	\$1,449,475	\$1,260,000	96.61%	\$285	55	\$38,500,000	\$10,000,000	818	68	550	12.36%	Buyer's
Denver	CO	\$1,157,500	\$960,000	98.45%	\$233	22	\$19,999,000	\$11,625,000	3,164	264	866	30.47%	Seller's
Detroit	MI	\$592,000	\$560,000	97.52%	\$181	34	\$29,901,900	\$4,950,000	4,299	358	1,739	20.58%	Balanced
Douglas County	CO	\$1,297,500	\$1,138,625	98.05%	\$203	36	\$12,900,000	\$4,595,032	643	54	288	18.78%	Balanced
Fairfax	VA	\$1,727,394	\$1,490,000	97.96%	\$343	45	\$38,000,000	\$8,575,000	781	65	485	13.40%	Buyer's
Ft. Lauderdale	FL	\$1,299,000	\$954,500	94.69%	\$299	87	\$36,250,000	\$17,360,000	1,524	127	1,615	7.86%	Buyer's
Ft. Worth	TX	\$743,100	\$646,375	97.77%	\$173	38	\$12,000,000	\$6,500,000	2,890	241	1,125	21.42%	Seller's
Greater Atlanta	GA	\$1,289,500	\$1,107,265	97.37%	\$251	39	\$21,000,000	\$11,350,000	1,621	135	1,106	12.20%	Buyer's
Hamilton County	IN	\$729,523	\$710,275	97.98%	\$123	39	\$3,995,000	\$3,500,000	671	56	291	19.28%	Balanced
Houston	TX	\$1,050,000	\$930,000	97.28%	\$286	38	\$29,999,999	\$15,680,000	2,210	184	1,498	12.29%	Buyer's
Jacksonville Beaches	FL	\$1,031,000	\$933,125	96.66%	\$276	78	\$12,750,000	\$7,700,000	543	45	421	10.68%	Buyer's
Kauai	HI	\$3,212,500	\$2,447,500	95.54%	\$1,157	151	\$33,000,000	\$6,500,000	43	4	101	3.96%	Buyer's
King County	WA	\$1,897,500	\$1,647,000	98.35%	\$483	19	\$45,000,000	\$37,500,000	2,839	237	820	28.89%	Seller's
Knox County	TN	\$679,975	\$575,000	97.98%	\$156	30	\$14,995,000	\$3,750,000	757	63	312	20.21%	Balanced
LA - Beach Cities*	CA	\$7,970,000	\$6,662,500	96.13%	\$1,499	48	\$125,000,000	\$100,000,000	151	13	208	6.26%	Buyer's
LA - City*	CA	\$5,499,750	\$4,257,500	96.48%	\$987	47	\$245,000,000	\$119,750,000	771	64	661	9.68%	Buyer's
LA - The Valley*	CA	\$2,443,750	\$2,089,750	97.38%	\$543	35	\$85,000,000	\$35,000,000	1,130	94	481	19.54%	Balanced
Las Vegas	NV	\$749,897	\$655,000	97.49%	\$202	42	\$34,500,000	\$7,000,000	2,929	244	1,589	15.36%	Balanced

SINGLE-FAMILY HOMES

TOP
10%

City	State	Median List Price	Median Sold Price	Median SP/LP Ratio	Median Price Per SqFt	Median Days on Market	Highest List Price	Highest Sold Price	Total Sold	Average Monthly Sold	Average Monthly Inventory	Sales Ratio	Status
Malibu	CA	\$13,495,000	\$12,995,000	97.91%	\$4,269	56	\$125,000,000	\$100,000,000	14	1	20	4.94%	Buyer's
Marin County	CA	\$4,447,500	\$3,421,250	96.84%	\$963	49	\$85,000,000	\$12,450,000	199	17	106	16.09%	Balanced
Maui	HI	\$3,500,000	\$2,562,500	95.73%	\$833	185	\$49,000,000	\$14,000,000	108	9	183	4.93%	Buyer's
McLean & Vienna	VA	\$2,795,000	\$2,398,248	96.88%	\$425	57	\$24,000,000	\$8,575,000	119	10	124	8.07%	Buyer's
Miami	FL	\$1,497,500	\$1,186,318	93.31%	\$401	148	\$44,500,000	\$27,750,000	809	67	1,285	5.22%	Buyer's
Minneapolis	MN	\$777,000	\$715,000	98.36%	\$189	34	\$14,295,000	\$5,750,000	3,488	291	1,354	21.50%	Seller's
Montgomery County	MD	\$1,798,475	\$1,519,500	97.81%	\$384	45	\$22,500,000	\$6,900,000	666	56	305	18.34%	Balanced
Napa Valley	CA	\$3,495,000	\$2,355,000	94.73%	\$801	94	\$29,800,000	\$13,500,000	112	9	126	7.14%	Buyer's
Naples	FL	\$3,296,250	\$2,981,000	93.93%	\$752	121	\$65,000,000	\$28,000,000	413	34	487	6.98%	Buyer's
Nashville	TN	\$1,294,500	\$1,079,500	98.44%	\$282	19	\$32,500,000	\$5,250,000	742	62	260	23.82%	Seller's
Northern ID	ID	\$889,375	\$770,000	97.71%	\$252	96	\$20,000,000	\$9,000,000	557	46	226	20.38%	Balanced
Oahu	HI	\$2,498,000	\$1,837,500	96.89%	\$608	39	\$30,000,000	\$17,900,000	385	32	352	9.08%	Buyer's
Oakland County	MI	\$756,944	\$662,500	97.00%	\$204	33	\$10,550,000	\$4,600,000	1,554	130	1,071	12.13%	Buyer's
Ocean County	NJ	\$899,000	\$820,000	96.28%	\$342	68	\$8,999,999	\$8,450,000	696	58	672	8.63%	Buyer's
Orange County	CA	\$2,992,500	\$2,487,500	96.04%	\$729	51	\$59,995,000	\$38,000,000	1,849	154	1,256	12.26%	Buyer's
Orlando	FL	\$809,500	\$717,500	96.83%	\$207	66	\$28,500,000	\$18,000,000	2,427	202	1,476	13.68%	Buyer's
Palm Beach Towns	FL	\$5,225,000	\$4,092,500	91.11%	\$783	158	\$137,500,000	\$61,700,000	155	13	273	4.76%	Buyer's
Palm Springs & Palm Desert	CA	\$2,237,000	\$1,829,150	94.63%	\$447	80	\$24,500,000	\$12,000,000	441	37	377	9.83%	Buyer's
Paradise Valley	AZ	\$5,761,250	\$5,500,000	94.72%	\$603	189	\$25,000,000	\$19,250,000	42	4	59	6.76%	Buyer's
Park City	UT	\$5,881,500	\$5,136,250	94.86%	\$633	188	\$25,000,000	\$23,750,000	53	4	110	3.64%	Buyer's
Philadelphia	PA	\$849,475	\$797,475	98.21%	\$238	21	\$5,499,000	\$4,625,000	331	28	107	26.11%	Seller's
Phoenix	AZ	\$794,725	\$689,750	97.59%	\$237	65	\$12,950,000	\$4,150,000	1,773	148	697	21.22%	Seller's
Pinellas County Coastal	FL	\$2,222,500	\$2,050,000	94.14%	\$534	99	\$7,450,000	\$6,015,000	66	6	52	11.52%	Buyer's
Placer County	CA	\$1,099,798	\$940,000	98.47%	\$282	29	\$7,990,000	\$3,700,000	565	47	220	21.36%	Seller's
Raleigh-Durham	NC	\$765,000	\$719,515	99.07%	\$183	3	\$9,950,000	\$4,530,000	2,035	170	808	21.05%	Seller's
Reno	NV	\$1,832,500	\$1,674,000	96.86%	\$364	121	\$14,999,000	\$4,500,000	104	9	69	12.98%	Buyer's
Richmond	VA	\$650,000	\$647,250	99.36%	\$180	25	\$4,390,000	\$3,475,000	2,004	167	647	25.82%	Seller's
Sacramento	CA	\$899,000	\$811,250	98.84%	\$269	25	\$9,400,000	\$3,900,000	2,008	167	577	28.95%	Seller's
San Diego County	CA	\$2,395,000	\$1,803,925	96.41%	\$558	40	\$39,000,000	\$23,250,000	2,243	187	1,140	16.40%	Balanced
San Francisco	CA	\$4,966,250	\$4,176,250	100.00%	\$1,286	15	\$45,000,000	\$27,000,000	246	21	49	43.00%	Seller's
Santa Barbara	CA	\$6,572,750	\$5,875,000	93.93%	\$1,298	88	\$85,000,000	\$28,000,000	115	10	136	7.34%	Buyer's

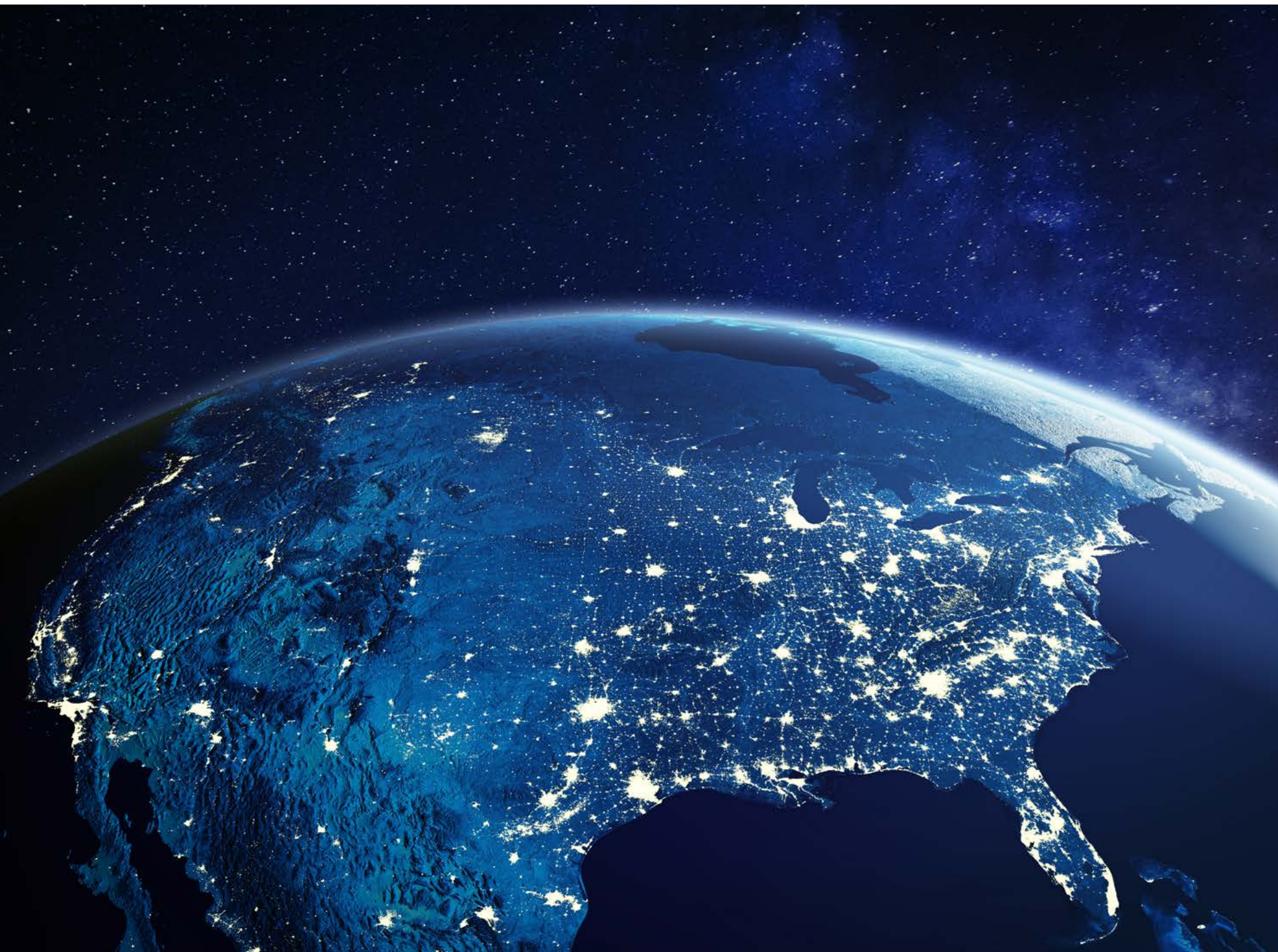
SINGLE-FAMILY HOMES

TOP
10%

City	State	Median List Price	Median Sold Price	Median SP/LP Ratio	Median Price Per SqFt	Median Days on Market	Highest List Price	Highest Sold Price	Total Sold	Average Monthly Sold	Average Monthly Inventory	Sales Ratio	Status
Sarasota & Beaches	FL	\$2,396,250	\$2,162,292	92.57%	\$641	105	\$22,500,000	\$11,400,000	228	19	345	5.51%	Buyer's
Savannah	GA	\$676,000	\$634,750	96.29%	\$180	94	\$7,250,000	\$2,150,000	417	35	295	11.87%	Buyer's
Scottsdale	AZ	\$1,993,750	\$1,687,500	95.53%	\$358	117	\$32,000,000	\$9,300,000	635	53	664	7.98%	Buyer's
Seattle	WA	\$1,998,250	\$1,685,000	98.32%	\$530	17	\$15,000,000	\$13,750,000	786	66	199	33.18%	Seller's
Silicon Valley	CA	\$4,847,500	\$3,608,750	100.00%	\$1,320	15	\$49,990,000	\$25,000,000	835	70	194	36.07%	Seller's
St. Louis	MO	\$699,900	\$603,875	97.94%	\$210	42	\$10,900,000	\$4,450,000	670	56	243	23.04%	Seller's
St. Petersburg	FL	\$1,136,250	\$965,000	96.22%	\$359	74	\$8,000,000	\$5,285,000	467	39	206	18.92%	Balanced
Staten Island	NY	\$1,249,750	\$1,121,250	94.29%	\$345	100	\$6,500,000	\$4,500,000	127	11	171	6.44%	Buyer's
Talbot County	MD	\$1,995,000	\$1,572,500	91.86%	\$351	117	\$15,500,000	\$5,300,000	55	5	93	5.40%	Buyer's
Tampa	FL	\$732,450	\$641,478	97.96%	\$213	45	\$22,000,000	\$7,500,000	2,062	172	916	18.78%	Balanced
The Hamptons	NY	\$2,999,000	\$2,406,250	92.53%	\$722	181	\$53,900,000	\$15,100,000	126	11	201	5.47%	Buyer's
The Woodlands & Spring	TX	\$857,225	\$733,100	96.79%	\$167	47	\$7,495,000	\$5,850,000	729	61	445	13.71%	Buyer's
Traverse City	MI	\$784,450	\$717,500	97.58%	\$210	81	\$4,200,000	\$2,805,000	118	10	50	19.83%	Balanced
Tucson	AZ	\$699,900	\$579,725	97.72%	\$197	33	\$9,900,000	\$6,212,019	1,558	130	824	15.78%	Balanced
Vail	CO	\$5,495,000	\$4,574,750	93.36%	\$725	140	\$78,000,000	\$20,750,000	48	4	100	3.99%	Buyer's
Ventura County	CA	\$1,880,000	\$1,500,625	97.32%	\$445	62	\$85,000,000	\$35,000,000	631	53	351	15.10%	Balanced
Washington	DC	\$2,861,250	\$2,190,625	97.50%	\$606	31	\$18,000,000	\$9,115,000	211	18	72	24.86%	Seller's
Worcester County	MD	\$843,450	\$685,000	96.18%	\$245	62	\$3,599,000	\$2,600,000	87	7	88	7.94%	Buyer's

Disclaimer: Data is based on closed and recorded transaction sides of homes sold in the top 10% of luxury markets between the periods of December 1, 2018 to December 31, 2019 as gathered by The Institute for Luxury Home Marketing from multiple sources including, but not limited to, various Multiple Listing Services, local Real Estate Boards, and Coldwell Banker cooperating brokerage firms.

*LA: Beach Cities includes all cities along the coast of the greater Los Angeles area. Cities include Santa Monica, Malibu, and Manhattan Beach. LA: City covers all of inland Los Angeles through the Westside with Ventura Boulevard as the border. Cities include Beverly Hills, West Hollywood, and Downtown. LA: The Valley begins at Ventura Boulevard and edges Ventura County. Cities includes Thousand Oaks, Calabasas, and Northridge.



Top performing LUXURY MARKETS

Coldwell Banker Global Luxury found that four powerhouse markets had an evenly distributed hold, in relation to other luxury markets in the Top 10%. Their median sales price, list to sale price ratio, and number of sales, when the Top 10% was split into four categories, made them top performers for this past year.

The coastal communities of Los Angeles, including Malibu, showed heavy demand from luxury buyers in 2019, specifically in the Top 1-2.5% category, even though the area is still recovering from devastating fires over the past two years. San Diego is also surging, with a sharp rise in sales in the Top 2.5-5% category, which is being fueled by its strong economy and low unemployment. Amazon® and a roster of tech companies are expanding in the booming Austin, TX area and driving sales in the Top 5-7.5% category, with heavy demand for downtown condos and spacious homes on lakes outside of Austin's city limits. In the Top 7.5-10% category, Arlington County, VA, sees the new headquarters for Amazon® providing additional fuel for the traditionally tight market just across the Potomac River from Washington, D.C.

malibu, california

Along 21 miles of breathtaking coastline due west of downtown Los Angeles, the steep and rugged Santa Monica Mountains meet the deep blue surf of the Pacific Ocean. The tranquil beauty belies the trauma of November 2018, when the Woolsey Fire blazed a deadly path of destruction down mountainsides and canyons, forcing the entire city of Malibu to evacuate.

Last year was one of recovery and rebuilding, but the real estate market showed that buyers remain drawn to Malibu's unique brand of beachside luxury.

"Since 1988, I've seen several different fires, but none have stopped the real estate boom, including this one," says **Irene Dazzan-Palmer** of Coldwell Banker Realty in Malibu.

Malibu's highest priced home sale in 2019 took place nine months after the fire in August, when one of the founders of WhatsApp® paid \$100 million¹ for a 14,000-sq. ft. home on three acres above Paradise Cove. In July, the Point Dume oceanfront compound, once owned by a famous late night talk show host, changed hands for more than \$40 million.²

"July and August were huge months, and they really showed the strength of the \$20 million-and-up market," says Dazzan-Palmer. "The market that was hit the hardest was \$2 million to \$5 million homes, off the beach in the western parts of Malibu, but we expect a big boom in a few years with all the new construction."





The elite of the entertainment industry have been buyers in Malibu since the 1920s, but Silicon Valley has become an increasingly important feeder market since Oracle founder Larry Ellison began purchasing properties³ on Carbon Beach in 2002.

"You see celebrities and billionaires all the time at places like Whole Foods®, but it's a very laid-back and friendly attitude here, so people are very respectful and don't make a big deal of it," says Dazzan-Palmer. The community, she says, has grown even stronger throughout the challenges of the past year. "When one door closes, another one opens, and nobody needs to live here; they want to be here."

"...I've seen several different fires, but none have stopped the real estate boom..."

— Irene Dazzan-Palmer



	SINGLE-FAMILY HOMES	CONDOS
 Median SP/LP% Ratio	97.9%	94.1%
 Median Sold Price	\$12,995,000	\$2,574,125
 Median Days on Market	56	43
 Average Monthly Inventory	20	3

san diego, california

Natural gifts that prominently include a temperate climate and a natural harbor have long made San Diego a desirable place to settle. Cool ocean breezes meet dry desert winds that sweep down from steep terrain in the east, creating a combination of low humidity and high temperatures that averaged 72 degrees last year.

The downtown waterfront is protected from the Pacific Ocean by Coronado across the bay, and Point Loma, which descends from the north. Naval Base San Diego is home port to 46 U.S. Navy ships of the Pacific Fleet docked along both sides of the harbor, while marinas full of sailboats and yachts dot the channel out to sea.

“It’s just a beautiful place, with breathtaking ocean views on one side and city lights on the other,” says **David Pettigrew** of Coldwell Banker Realty in Point Loma, where home prices frequently top \$2 million to \$3 million. “Aside from the beauty, the big attractions are large lot sizes and proximity to the freeway and downtown.”

Sales of homes priced above \$2 million are surging throughout the San Diego area, with 863 closings at prices between \$2 million and \$3 million in 2019, up 89% from 2015. Sales volume is up 21% in the \$3 million to \$5 million category, and higher by 19% for homes above \$5 million. Nearly half (49%) of all transactions above \$5 million last year took place in the coastal communities of La Jolla and Del Mar, while 19% were further inland in Rancho Santa Fe.





With unemployment at 2.8% and major employers like Qualcomm® thriving, the San Diego economy is one factor supporting a housing market that has seen median prices rise from \$270,000 in 2009 to \$572,000 in 2019. Another driving force has been the presence of global buyers, most notably from China.

“The world is coming here,” says **Charles Moore** of Coldwell Banker Realty in Carmel Valley. “We’re still a value compared to other west coast areas like Los Angeles, San Francisco, and Seattle, while the lifestyle, climate, and sensational scenery also appeal to buyers from all over the U.S. and the world.”

“It’s just a beautiful place, with breathtaking ocean views on one side and city lights on the other.”

— David Pettigrew



	SINGLE-FAMILY HOMES	CONDOS
★  Median SP/LP% Ratio	96.4%	97.3%
 Median Sold Price	\$1,803,925	\$992,500
 Median Days on Market	40	34
 Average Monthly Inventory	1,140	485

austin, texas

Deep in the heart of Texas, there is no shortage of demographic and economic reasons why Austin and surrounding communities are among the hottest luxury real estate markets in the United States. The annual pace of sales for homes in the area above \$2 million is up 45% since 2015, and the median price for the entire market has climbed 81% over the past decade to \$319,000⁴.

Spurred by job growth at local tech companies like Apple®, Facebook®, and Dell®, an influx of thousands of college educated and well paid workers contributed to a 20% increase in Austin’s population since 2010.⁵ New arrivals bolstered the status of “Silicon Hills” as a major hub in the tech economy and added to Austin’s already robust housing demand, anchored by the capital city’s more than 180,000 government workers and 50,000 students at the University of Texas.

Austin is a huge draw for live music and nightlife, as well as for outdoor recreation like stand-up paddling and bicycle riding in parks along the Colorado River. Construction is ubiquitous throughout the metropolitan area, but nowhere more visible than downtown, where new skyscraper condominiums and overhauls of existing housing stock are feeding feverish demand.

“The inventory of homes in the downtown area is down to half a month’s supply,” says **Daniel Foreman** of Coldwell Banker Realty in Austin. “On the first day, you’re typically in a multiple offer situation above asking price.”

Demand is strong outside Austin city limits for new luxury homes in Round Rock and Georgetown, also for lakefront properties west of town on Lake Travis and Lake Austin, both of which are part of the Colorado River, where it widens to allow for swimming and boating upstream from Austin.

“Lake Travis is one of our strongest markets, and in 2019 it had more than \$1 billion dollars in sales,” says Foreman. “It’s very popular for families and people who prefer suburban bliss over downtown bustle.”

“The inventory of homes in the downtown area is down to half a month’s supply.”

— **Daniel Foreman**



	SINGLE-FAMILY HOMES	CONDOS
Median SP/LP% Ratio	97.4%	98.4%
Median Sold Price	\$1,257,884	\$744,625
Median Days on Market	30	53
Average Monthly Inventory	405	149

arlington, virginia

Amazon's® announcement in November 2018 that it was establishing a second headquarters location in Northern Virginia stoked demand in a market that already had robust fundamentals driving it higher. Located directly across the Potomac River and connected by Metro rail service to Washington, D.C., the market for homes in Arlington County, VA., has enjoyed steady demand for several decades from buyers who make careers working in and around the nation's capital.

"Arlington has become a mecca for people who want proximity to Washington with top-notch schools and low taxes," says **Carol Temple** of Coldwell Banker Residential Brokerage in Arlington. "People come from all over the country and all over the world for school or a job, and while they may change jobs, they don't leave the area."

Temple has seen many of her clients start out purchasing condos or townhouses clustered around Metro stations extending from Rosslyn to Ballston. In a few years, they move up to more expensive homes with spacious yards as they start having kids.

"I'm seeing more families in Arlington than ever before and the houses being built are big, four- and five-bedroom homes that cater to families," says Temple. "Zoning requirements mean that new condo supply is limited, and new construction is usually a mixed-use development, or a teardown and rebuild of a single-family home."

Amazon® is planning ultimately to bring 25,000 jobs⁶ to facilities that include Pentagon City and Crystal





City on the eastern boundary of Arlington along the Metro's Blue Line to Reagan National Airport. Rental apartments are being built to accommodate new arrivals, and Amazon® has plans to develop a "National Landing" area around its headquarters, but the long-term economic impact of the move is up for debate.

"Because of the location along the Metro, people working there could just as easily live in Washington or Maryland instead of Virginia," says Temple. "The appreciation we've seen in Arlington has many factors, and Amazon® has yet to prove itself as being the real force in that, but it's hard to imagine that it will be a negative influence."

"Arlington has become a mecca for people who want proximity to Washington with top-notch schools and low taxes."

— Carol Temple



	SINGLE-FAMILY HOMES	CONDOS
 Median SP/LP% Ratio	97.8%	99.3%
 Median Sold Price	\$1,896,250	\$999,750
 Median Days on Market	24	12
 Average Monthly Inventory	35	26



Luxury MARKETS TO WATCH

For 2020, the trend is clear: affluent buyers are looking beyond the coastal luxury hotspots for better home values, a closer sense of community, and quality of lifestyle.

The Institute for Luxury Home Marketing identified five luxury housing markets that are seeing notable home sales and price growth. After analyzing economic factors such as job and population growth against annual metrics including sales-price-to-list-price ratios, days on market, median list price and inventory, it was determined that Boise, Charlotte, Colorado Springs, Cincinnati, and Fort Worth are among the strongest performing housing markets to watch in the year ahead.



colorado springs, colorado

COLORADO COMMUTER CITY GOES HIGH-END

Resting at the foot of the Rocky Mountains at 6,035 feet, Colorado Springs is a market on the rise.

“From 2016 to 2019, we saw a 1,300% increase in luxury sales here,” says **Baylee Carter** of Coldwell Banker Red Rock Realty. The reasons for growth? A strong economy, more tech companies, and out-of-area buyers desiring the Colorado lifestyle.

“Between 2017 and 2019, tech companies began to take over the commercial space,” says Carter. Apple®, Facebook®, Google®, and Lyft® are in Denver, and Amazon® opened a campus in Boulder, 27 miles away. These companies brought in a younger workforce with high salaries. “And Colorado Springs’ average sale price is about \$90,000 less than Denver’s. Younger buyers are purchasing properties in Colorado Springs and making the one-hour commute to Denver.”

At higher price points, Carter sees many California cash buyers, as well as buyers from Texas and China. “About 80% of our luxury buyers are from out of state,” she notes. Luxury neighborhoods include Cedar Heights (starting prices \$800,000+), Black Forest (starting prices \$950,000), Old North End (average sales price \$900,000), and Stratton Pines (average \$1.2 million). The standout properties are the million dollar custom builds nestled higher in the mountains, which come with multiple acres of land. “We see buyers who are looking for

uniqueness, privacy, or views,” adds Carter. “They also want exclusive areas with private water access. They want the ultimate Colorado outdoor lifestyle, and they will pay for it.”

Population growth has led to an urban building boom. The City of Champions, a sports and event center, has broken ground downtown and will include a \$35 million stadium and surrounding \$250 million mixed-use development, with an outdoor event

“About 80% of our luxury buyers are from out of state.”
— **Baylee Carter**



venue, restaurants, a public plaza, and apartments. Near downtown is the Old North End, with historic Colonials and Victorians. “This area is popular with college professors and people who want walkability, easy highway access, and the charm of tree-lined streets and homes with character.”

As long as the economy remains stable, Carter expects Colorado Springs’ upward trajectory to continue through 2020. “Buyers can get more for their dollar now in Colorado Springs than they can in Denver and Boulder.”

SINGLE-FAMILY HOMES

CONDOS

Median SP/LP% Ratio

99.2%

99.0%

Median Sold Price

\$640,000

\$469,342

Median Days on Market

27

57

Average Monthly Inventory

441

73

charlotte, north carolina

QUEEN CITY REIGNS WITH URBAN INFILL AND RENEWAL

“Everything is up” in Charlotte, says local real estate agent **Jennifer Barbin** of Coldwell Banker Residential Brokerage, South End/Dilworth. “Home prices and sales are up.” The population for North Carolina’s biggest city is up, too. Between 2017 and 2018, Charlotte added 13,151 residents, bringing its population to nearly 872,500 — making it the 16th largest city in the country, surpassing Indianapolis.

“More than 60 people a day move to Charlotte,” notes Barbin. “Honeywell® is relocating here, and Lending Tree® has decided to expand. It’s a major center for banking. SunTrust® and BB&T® are merging, and Trust Bank® is expected to bring many high-salaried jobs next year. All these factors have contributed to the luxury real estate sector.”

Growth is especially concentrated in the neighborhoods surrounding Uptown, where the tendency is not to preserve the old, but build new. Recent urban revitalization has brought an infusion of new restaurants, rooftop bars, galleries, museums, and brand-new sports complexes, including a minor league baseball stadium and the Bank of America Stadium (home of the NFL’s Carolina Panthers). An MLS soccer team is also coming to Charlotte. With land at a premium in town, residential urban infill has gone

vertical in many of the city’s historic neighborhoods, with old buildings being torn down to make room for chic lofts, condos, and brand new three-story bungalows. In Myers Park — one of the city’s most desirable areas — “you’d be hard-pressed to find anything under \$500,000,” says Barbin. More typically, homes are selling in the \$900,000s.

Homes in other neighborhoods close to city center — Eastover, Cotswold, South Park, Dilworth, and Plaza Midwood — are also highly sought after and tend to sell in the \$600,000s and above. South End is another popular place to land, as the trendy district is home to many craft breweries, foodie hotspots, hip galleries, and startups that have attracted a younger clientele. “These areas offer walkability, parks, good schools, and access to clubs and churches,” says Barbin. “That’s what people want.

Anything inside 485 Loop [the highway encircling Charlotte] has seen substantial growth over the last few years.”

Barbin does not expect the momentum to subside in 2020. “I was born and raised in the Charlotte area, and I don’t see it slowing down — not with the businesses coming in and all the people moving here.”

“More than 60 people a day move to Charlotte.”

— Jennifer Barbin



 SINGLE-FAMILY HOMES

 CONDOS

Median SP/LP% Ratio

97.8%

99.1%

Median Sold Price

\$950,000

\$588,886

Median Days on Market

38

44

Average Monthly Inventory

731

185

“We're seeing a lot of new luxury growth; the median sales price is up by a healthy 4.8%.”

— Lori Arnold



fort worth, texas

LUXURY SUBURB EMERGES FROM DALLAS' SHADOW

With a nickname like “Cowtown,” you’d think Fort Worth would be full of sprawling acreage and cattle. And it is. But it’s also full of global headquarters and bustling amenities. And that open land might belong to a world-famous celebrity or a top CEO. Today, the city that’s in Dallas’ shadow is establishing itself as a luxury outpost.

The Dallas Cowboys and Texas Rangers stadiums and the Kimbell Art Museum highlight a long list of local hotspots. Search for an upscale hotel or restaurant, though, and you’ll encounter favoritism. For example, Fodor’s recommendations for Dallas-Fort Worth offer 25 Dallas hotels to Fort Worth’s eight.

That favoritism may be changing, along with the city’s population. According to the U.S. Census, the city grew 20.2% since 2010, outpacing Texas’ 14.1% and becoming the country’s 13th most-populous city in 2018.

Fort Worth’s population uptick is largely driven by its business climate. “Texas has no state income taxes or capital gains and a low-regulation mindset,” says **Lori Arnold**, owner of Coldwell Banker Apex. “Fort Worth’s laid back atmosphere, convenience to DFW International Airport, and business-friendly environment make it attractive for companies. Stanley Black & Decker® has relocated here, Panoramic Doors® and Chip 1 Exchange® are moving their operations from California, and Charles Schwab® is moving its headquarters here.” American Airlines® and BNSF Railway® already call Fort Worth home.

According to the 2019 Texas Relocation Report, nearly half of Texas’ 500,000 annual newcomers head for Dallas-Fort Worth. Many are equity-rich and looking for hyper-luxury in enclaves like Colleyville and Westlake, where the average sales prices are over \$1 million. But there’s a lot of room under that high-end umbrella. “We’re seeing a lot of new luxury home growth; the median sales price is up by a healthy 4.8%.”

“It’s amazing what you can get for \$500,000, like a four-bedroom house with 4,500 square feet and a three-car garage on a sizable lot,” says Arnold. “There’s an influx of buyers from California and New York, and cost of living is much lower here. Clients say, ‘My gosh, we paid that for our starter home!’”



SINGLE-FAMILY HOMES



CONDOS

Median SP/LP% Ratio

97.8%

98.2%

Median Sold Price

\$646,375

\$463,454

Median Days on Market

38

69

Average Monthly Inventory

1,125

73

boise, idaho

A BUDDING METROPOLIS FOR AFFORDABLE LUXURY

The “City of Trees” is experiencing a growth spurt. In Realtor.com’s top markets to watch in 2020, Boise ranked No. 1, up from No. 8 last year. Its population has reached approximately 750,000 — making it a Tier 2 market, with the amenities of a small city, minus traffic and pollution. Redevelopment has brought hotels, live-work properties, restaurants, and luxury condos. Despite the expansion, city planners have kept dedicated green spaces by maximizing the Boise River Greenbelt with tree-dotted trails and parks hugging the river’s edge.

Driving the growth are new businesses seeking local tax incentives and out-of-state homebuyers seeking improved buying power. Micron Technology®, Paylocity®, and Hewlett Packard® continue to provide good job opportunities. With more entrepreneurs attracted by Boise’s lower operation costs, a startup vibe has materialized. Media coverage has also fueled interest in real estate investment opportunities.

“Entrepreneurs, second homeowners, and real estate investors are creating demand for higher end properties,” explains **Bob Van Allen** of Coldwell Banker Tomlinson Group in Boise. “People are moving away from big cities to enjoy the quality of

life and sense of community here. Californians are the biggest group moving here, but we also see transfers from the Pacific Northwest and Alaska. All market sectors have seen increases in values, and increasing demand has created a lack of entry-level homes.”

In highest demand are downtown condos and larger properties in the foothills. Van Allen: “It’s now common to see \$1 million+ sales in both sectors.”

Of the luxury condos being built downtown, “\$1 million sales are increasing, with demand from baby boomers seeking amenities.” In the single-family detached market, affluent buyers are purchasing homes with less square footage and remodeling them to fit modern lifestyles: energy efficiency, open concept floor plans with views, and more garage space for toys.

“Luxury buyers include those migrating here because they are now able to buy for cash, and ‘virtual workers’ who want to spend part of the year here,” says Van Allen. “As long as Boise keeps attracting new migration and opportunities for its growing youth population, it will continue to attract luxury homebuyers.”

“People are moving away from big cities to enjoy the quality of life and sense of community here.”

— **Bob Van Allen**



SINGLE-FAMILY HOMES

CONDOS

Median SP/LP% Ratio

100.0%

100.0%

Median Sold Price

\$639,819

\$537,500

Median Days on Market

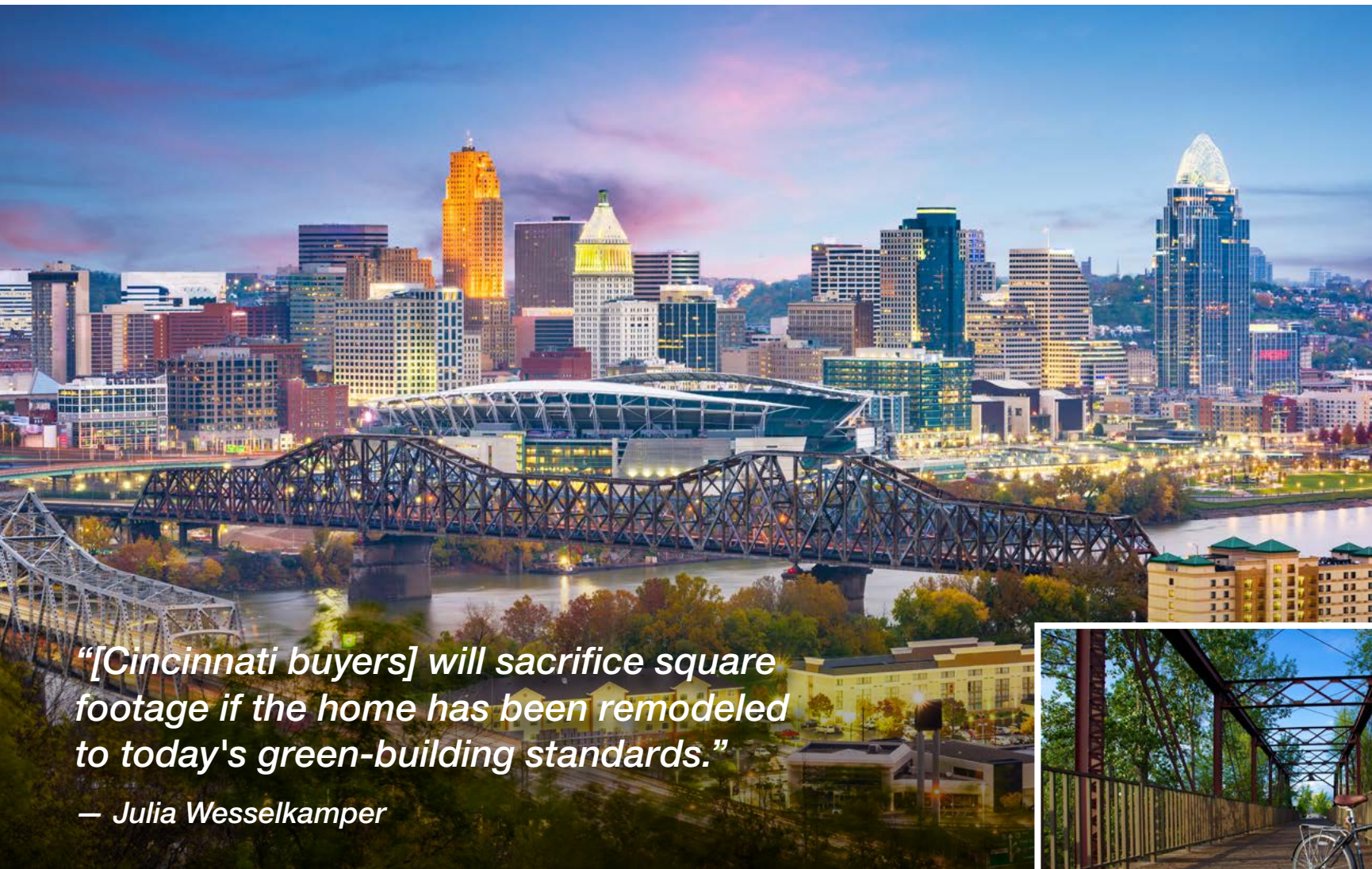
18

38

Average Monthly Inventory

474

29



“[Cincinnati buyers] will sacrifice square footage if the home has been remodeled to today's green-building standards.”

— Julia Wesselkamper

cincinnati, ohio

RIVER TOWN REVIVAL

Cincinnati, at the confluence of two rivers, is a city of connections and surprises. It is the link between the Northwest, Old South, Midwest, and Appalachia, known for its strong German Catholic heritage.

It surprises visitors with its sports, arts, culture, and depth of history and industry, one of the nation's early boomtowns with the largest National Historic District in the country.

Cincinnati is at a crossroads, riding a wave of expansion and revival. Ohio's third-largest city has bloomed to a Tier 2 market, with a population of 300,000+ and amenities such as major league sports teams, architectural landmarks,

museums and noted hospitals. It accounts for nearly 40% of Hamilton County's growth over nine years; the 2019 median sales price for luxury homes has increased over 2018's.

Medical and banking businesses continue to entice investment. Fortune 500 companies, including GE®, Procter & Gamble® and Macy's®, have attracted young professionals seeking a progressive, open-minded city. A growing LGBTQ community and immigrant population are putting down local roots.

Julia Wesselkamper, with Coldwell Banker West Shell, estimates that about half her buyers are from outside Ohio. “People are moving here because they are being recruited for jobs. Transferees focus on

our highly rated school districts and developments close to town.”

Demand is highest for renovated properties incorporating smart home tech and eco-friendly features. “Energy efficiency and refurbishment of existing materials are high priorities for Cincinnati buyers,” she says.

In the high end of the market at \$750,000+, “buyers want to upsize and have a ‘staycation’-type property that allows them to entertain friends and family,” says Wesselkamper. “Cincinnati buyers want turnkey, a move-in ready home, and will sacrifice square footage if the home has been remodeled to today's green-building standards.”

Luxury neighborhoods of Cincinnati range from large acreages in communities such as Indian Hills that start in the mid-\$800,000s to downtown's historic Over-the-Rhine district that has experienced a revival with restaurants, bars, and shops opening up in the last few years. The median luxury sales price has grown to \$670,045. Other upscale communities include Hyde Park, Mount Lookout, and Mount Adonis.

“Cincinnati is enjoying a revival and renaissance,” says Wesselkamper. “It's a beautiful place to call home, with a true luxury: history and culture. There is something for everyone!”



SINGLE-FAMILY HOMES

CONDOS

Median SP/LP% Ratio

96.7%

97.1%

Median Sold Price

\$688,500

\$590,000

Median Days on Market

42

63

Average Monthly Inventory

96

28



domestic SPOTLIGHT

DEFINING LUXURY DESIRABILITY IN THE U.S.

Many wealthy real estate investors in the United States have the opportunity to own a luxury property anywhere. When deciding where to purchase their next home, what are the important considerations, both emotionally and financially?

The Institute for Luxury Home Marketing took a closer look at 15 diverse locales across five key luxury market types—feeder, vertical, urban lifestyle, evolving, and tourism—to determine what really influences an affluent individual's decision to buy in a certain marketplace. Do lifestyle factors, such as activities or culture, ultimately drive their purchase decisions? Is it proximity to amenities like upscale shopping and restaurants? Or does it ultimately come down to geographical advantages like schools and business accessibility?

For a more statistical understanding of the 2019 trends for both single-family and attached homes in the top 10% of these 15 markets, the monthly inventory and sold totals were examined together with the median sold price.

While statistics show trends, it is the Coldwell Banker independent sales associates who provided the local insight, knowledge, and understanding of the nuances in each individual marketplace, revealing a more complete picture of the factors that are truly shaping purchase decisions among modern day luxury homebuyers.



“

NAPLES, FL

About 50-60% of our buyers come from out of state, often from locations with higher property taxes or harsh winters. We continue to see buyers from Connecticut, New Jersey, Chicago, Boston, and New York, with quite a few of them moving on a seasonal basis. Baby Boomers are still pretty active, so while not ready for full-time commitment, they still want to stick their toe in the water – or sand! Because of this, we’re seeing more luxury condos and vertically oriented row houses being developed downtown around Fifth Avenue. People want the ease of flying in for a long weekend and never having to utilize a car. The pleasant year-round weather in Naples means they can walk, bike, or boat to nearby shopping, restaurants, farmer’s markets, or even a trendy food truck park in the recently revitalized Bayshore Arts District. Fashionable hotspots like the arts district are representative of a younger demographic of affluent buyers relocating here. They’re excited to get their foothold in the market and make a lifestyle in sunny Florida.”

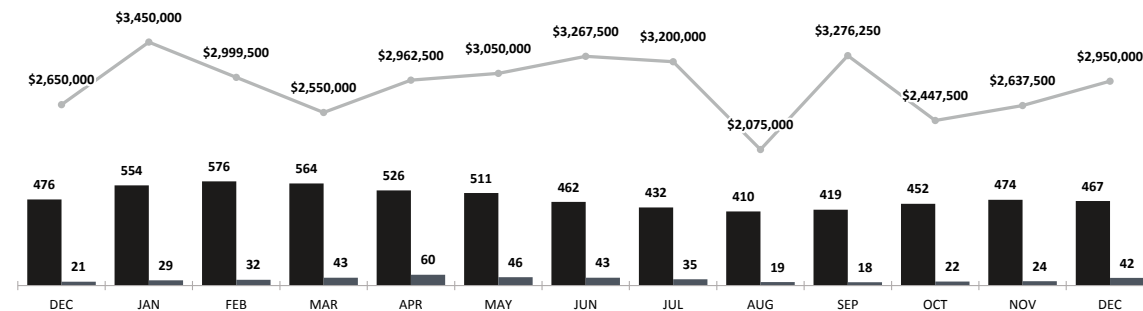
LORI FOWLER
Coldwell Banker Realty, Naples

FEEDER markets

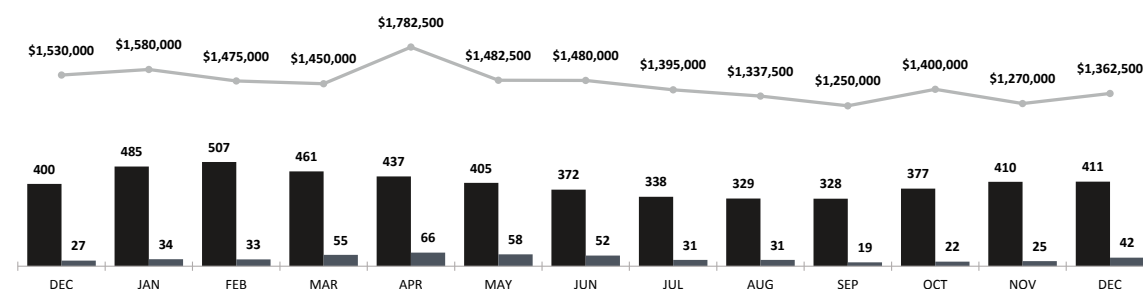


MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price

SINGLE-FAMILY HOMES



CONDOS



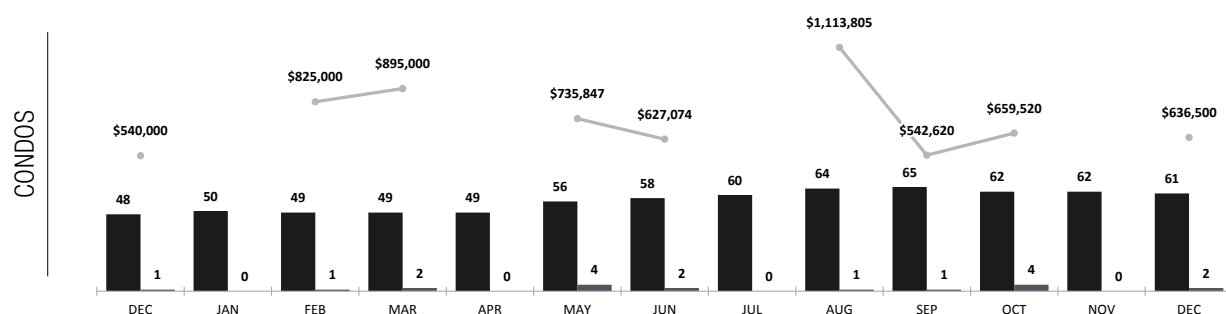
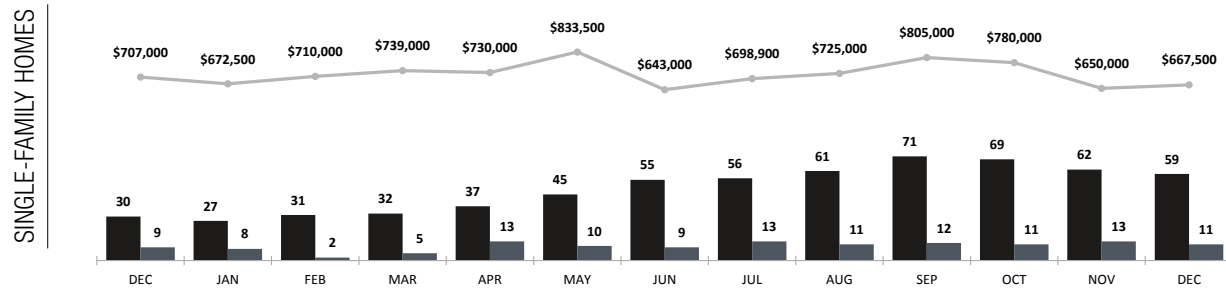


TRAVERSE CITY, MI

The luxury home market in the Traverse City area has remained strong and stable throughout 2019. While in past years, the typical luxury buyer came from Florida or the Midwest, we now regularly see purchasers selecting Traverse City from farther away areas such as Texas, California, Minnesota, Arizona, as well as Europe, the UK, and China. All ages are attracted to the incredible natural beauty of the area, the spectacular fresh water bounty of the Great Lakes, and the low-key atmosphere of the town. Conservation organizations and other non-profits have worked hard to create open green spaces and trail systems, as well as river and lake accesses so everyone can get out and enjoy the great outdoors. Community leaders and organizers are continuously engaging the citizens in events and volunteer opportunities that bring the town together and create a strong sense of community. Many luxury buyers also have fond memories of summers in Northern Michigan vacationing with family and friends and have recognized that Traverse City has 'grown up.' It offers exceptional shopping, dining, culture, fine arts, educational opportunities, and a highly rated healthcare system, as well as the natural beauty that they remember, creating a highly desirable area to invest and live in."

ANN PORTER
Coldwell Banker Schmidt REALTORS

MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price

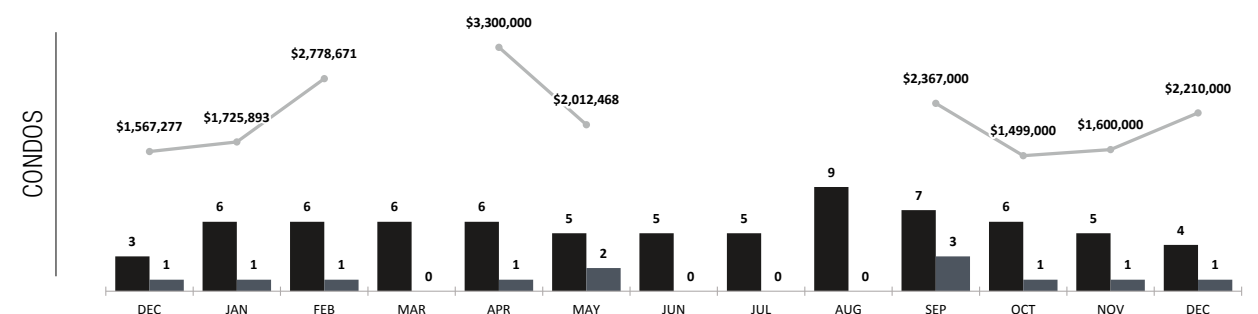
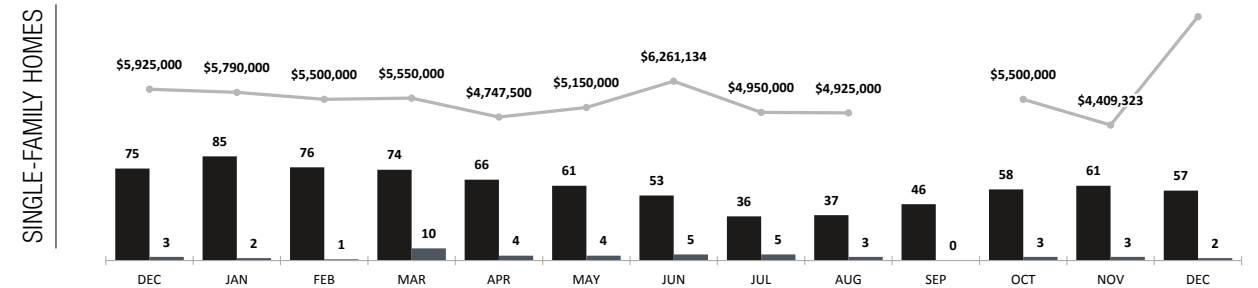


PARADISE VALLEY, AZ

The Scottsdale/Phoenix area boasts over 330 days of sunshine per year and has an average winter temperature of 72 degrees, making it a popular snowbird destination. However, the biggest draw over the last couple of years has been Arizona's low property taxes. Many buyers from high-cost cities like Los Angeles, San Francisco, and Chicago are looking for an alternative place to live that is more cost effective, especially for retirement. With average luxury sale prices at \$2.27 million in Paradise Valley and our average property taxes at about \$754 per year per \$100,000, the Scottsdale/Phoenix area is a bargain compared to Chicago and our neighboring state of California! Most buyers in today's market are looking for new or newer properties, single-level, with a view, and lots of natural light. Many want 'lock and leave style living' with amenities such as valet, full concierge services and a walkable lifestyle to shopping/restaurants. About half of our buyers are cash-out or investment buyers."

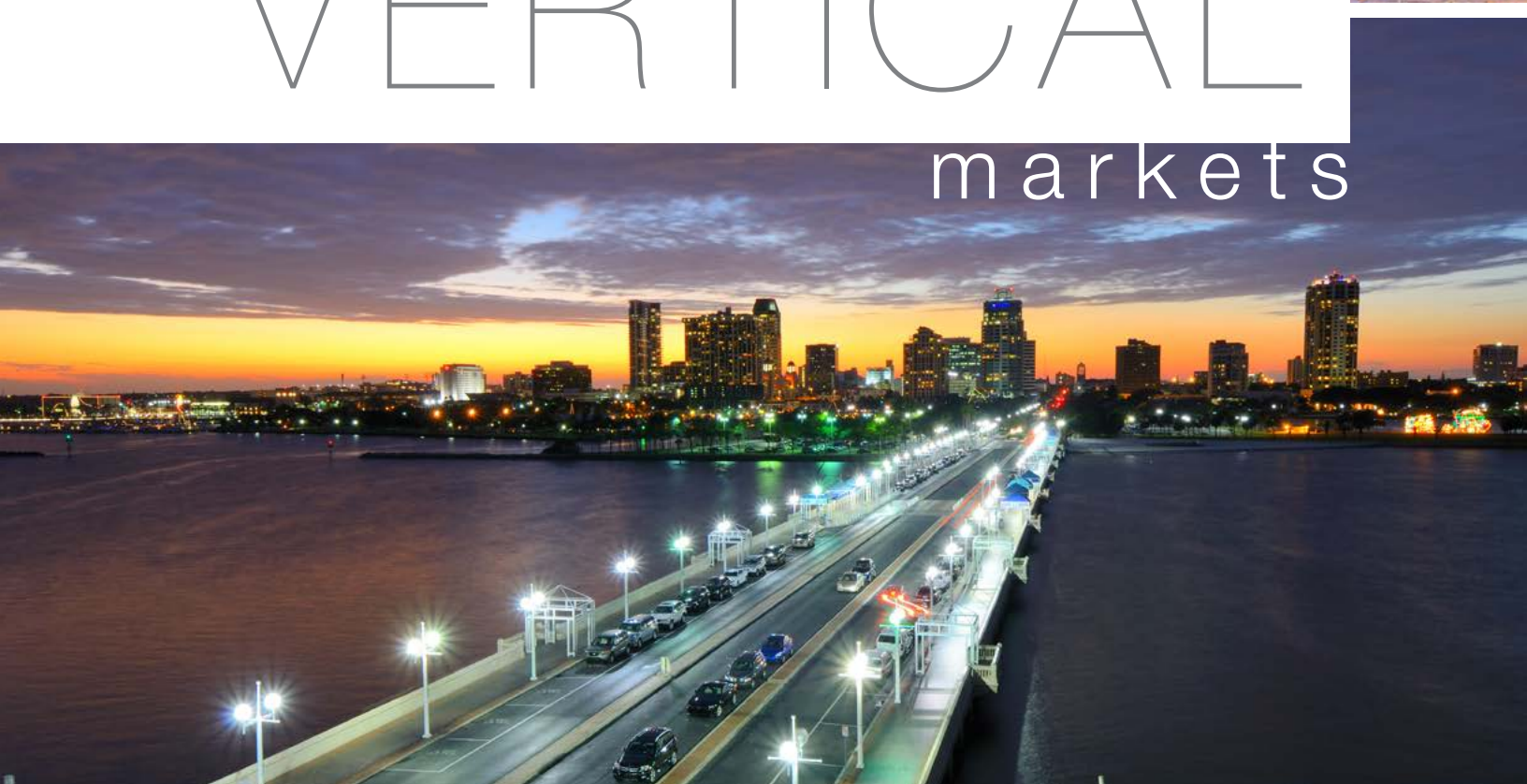
WENDY WALKER
Coldwell Banker Residential Brokerage, Scottsdale

MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price





VERTICAL markets



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ST. PETERSBURG, FL

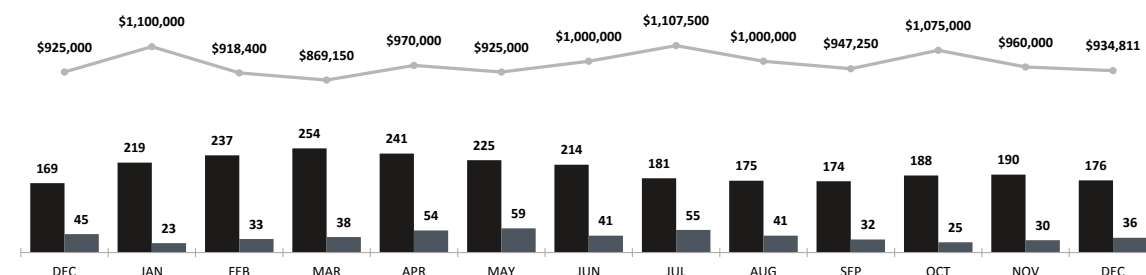
Downtown St. Petersburg has a small town feel with big city amenities and an artistic vibe. Seven miles of parks and sidewalks stretch up and down the bayfront, and there's vibrant nightlife and culture, with restaurants, bars, art galleries, and museums, including the only Salvador Dali museum in the United States. We're just a half-hour across the bay from Tampa International Airport, and if you have your own plane, there's a private airport on the bayfront.

The luxury high-rise boom began in the early 2000s after the redevelopment of the historic waterfront Vinoy Hotel and the opening of The Cloisters. Bigger buildings, like 400 Beach Drive, Ovation, Parkshore Plaza, and Signature Place, started to pop up all along Tampa Bay and the yacht basin, and most recently the tallest, the 41-story One St. Petersburg. Keeping with the pedestrian-friendly atmosphere, these buildings at street level feature retail, restaurants, and prominent displays of art.”

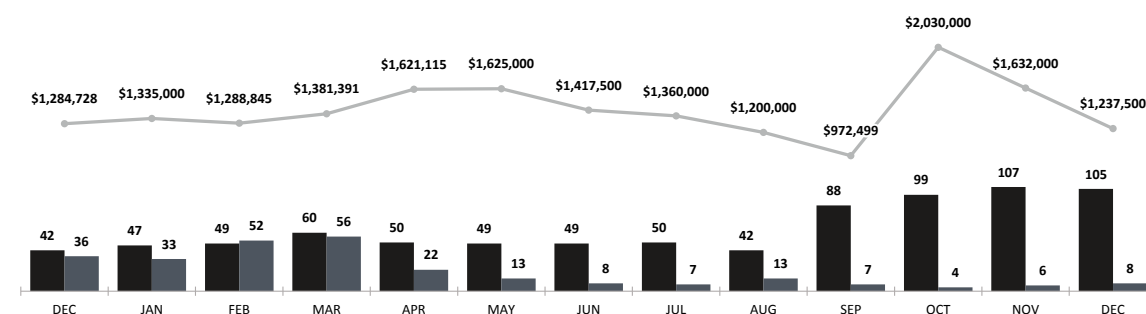
PRECELLA WALLACE
Coldwell Banker Realty, St. Petersburg

MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price

SINGLE-FAMILY HOMES



CONDOS





PHILADELPHIA, PA

Downtown Philadelphia has transformed over the last 10 years, and so has the demand to live in this now vibrant city. Three core groups are the pillars of this change. Graduates from our many colleges and teaching hospitals are not relocating to suburbs anymore; instead they are becoming highly invested in their downtown communities. Empty nesters are moving back to the city to enjoy the convenience of living in amenity filled condominiums and locales. Our 10 year abatement tax on remodeling and new builds has also created a strong incentive.

Lastly, new residents have been attracted by job opportunities with top tech companies such as Comcast®, as well as increasing numbers from New York and Washington looking to escape their property tax increases, but still maintain a manageable commute.”

PHILIP CAVALCANTO
Coldwell Banker Preferred



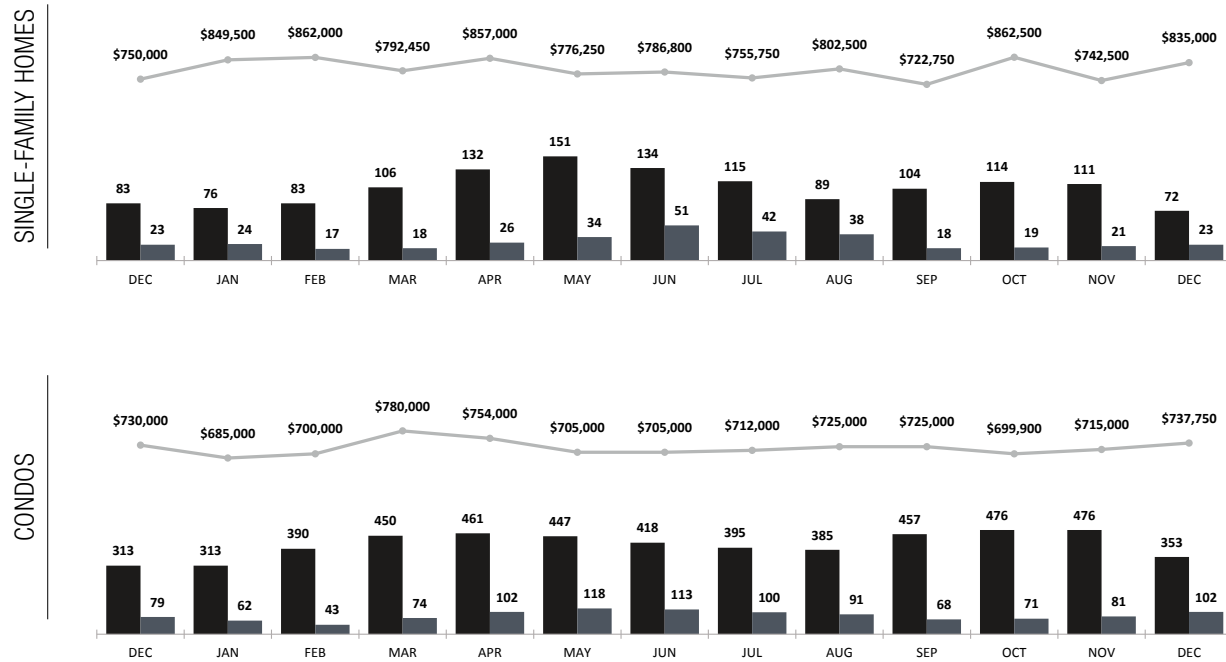
CHICAGO, IL

Chicago's rich architectural heritage lives on with several newer luxury condo buildings like the Trump International Hotel & Tower, the Pinnacle on Huron St., the Fordham on Superior St., Vista Tower, 9 W Walton, and even the historic Tribune Tower, which is being converted into condos. Buildings cannot just be ordinary. To get more than \$1,000 per sq. ft., you need unique amenities like floor-to-ceiling windows, amazing views, terraces or balconies, open floorplans, fireplaces, moldings, and high ceilings. Penthouses are always popular.

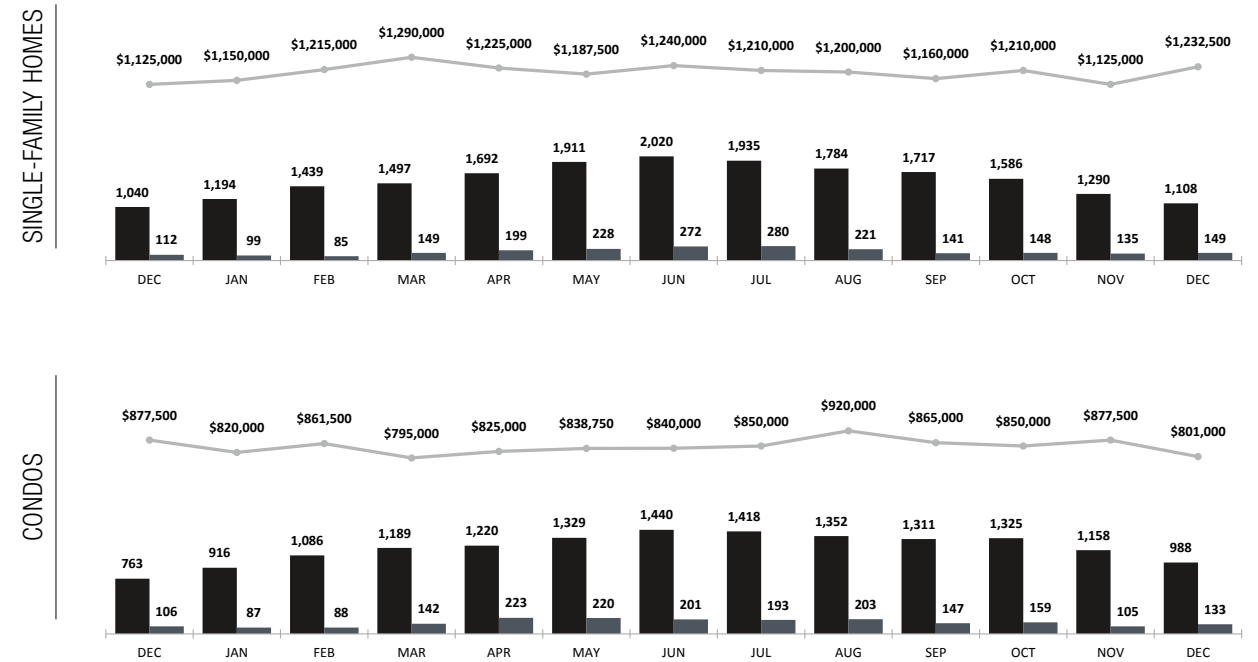
Chicago's high-end buyers move in from the suburbs — entrepreneurs, doctors, lawyers — people who have worked hard their entire life and now want to live in downtown Chicago in addition to a second home in a warmer climate. They want five-star amenities, a doorman, indoor swimming, a state-of-the-art fitness center, and the new thing is to have rooms for billiards and games, barbecues by the pool, and miniature golf.”

CHEZI RAFAELI
Coldwell Banker Realty, Chicago

MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price



MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price





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NASHVILLE, TN

Nightlife is a big part of the appeal of Nashville. It's a party city. That's the vibe downtown, especially in the SoBro neighborhood south of Broadway. Restaurants and honkytonks branded by country music artists with their names attract a steady stream of pub-crawling tourists on party buses, along with locals looking for a good time. Live music is everywhere, and there's a riverfront amphitheater for larger outdoor shows. The Predators play hockey downtown, and the Titans play football across the river just south of a new Topgolf.

Downtown is booming. The skyline in Nashville has changed significantly over the past decade, especially in the last three or four years with lots of new skyscrapers, including the tallest residential building in Tennessee, the 45-floor 505. The Nations, a neighborhood west of downtown, and Little Five Points in East Nashville, are becoming hip, artsy places for young professionals.”

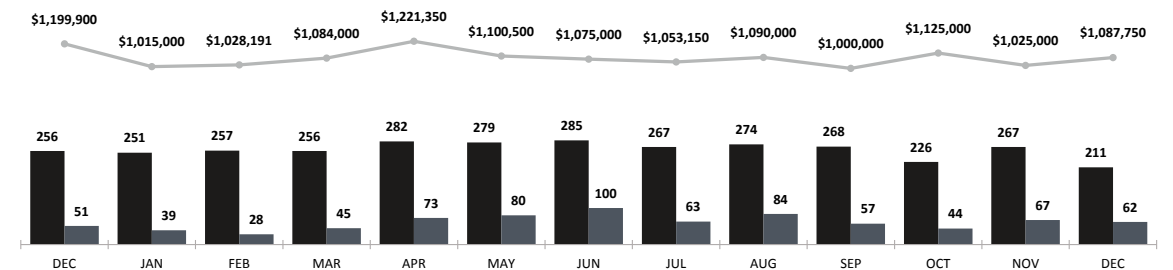
ASHLEY BOYKIN
Coldwell Banker Barnes

URBAN markets

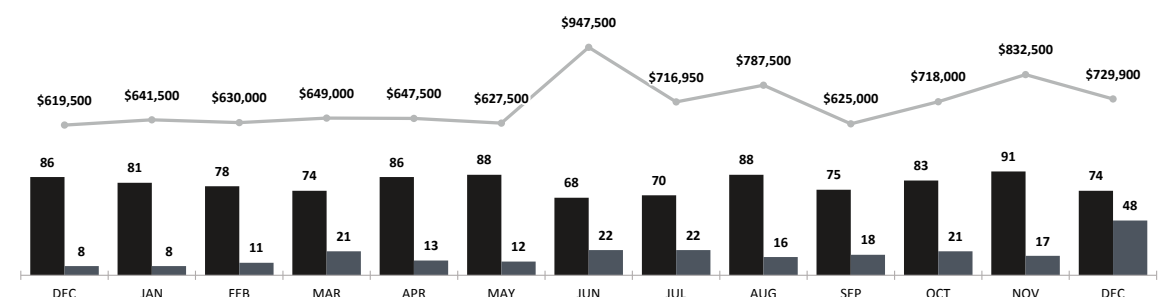


MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price

SINGLE-FAMILY HOMES



CONDOS





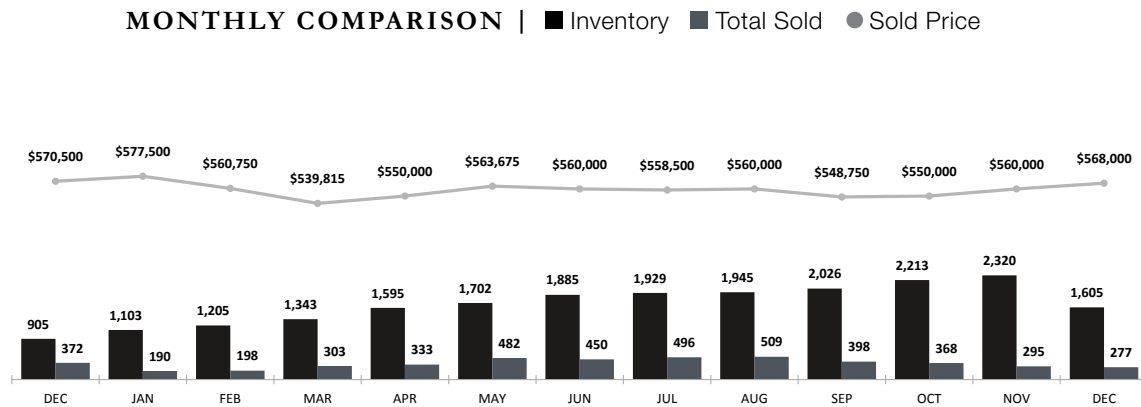
DETROIT, MI

A renaissance is underway in Detroit. Young college graduates are coming here to live, work, dine, and play. Restaurants are incredible. New American chefs who went to culinary school and honed their craft elsewhere have come to Detroit to open restaurants. All four of Detroit’s professional sports teams play in modern downtown venues, and new developments are sprouting up along the Riverwalk where the Joe Louis Arena was recently demolished.

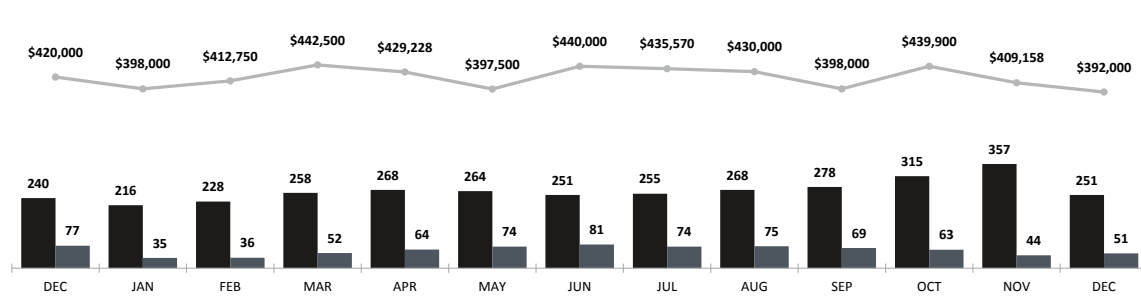
There’s a vitality that wasn’t here before. New condos and renovations are bringing in eager buyers who are waiting, in some cases, up to two years to move in. Between downtown and midtown, Brush Park has a rich stock of old Victorian homes that have been completely redone, along with stylistically consistent, newly built duplexes and flats. To the southwest, Corktown is hot. Ford® bought the Michigan Central train station and is investing a billion dollars in a new campus there.”

WILLIAM BRUNDAGE
Coldwell Banker Weir Manuel

SINGLE-FAMILY HOMES



CONDOS



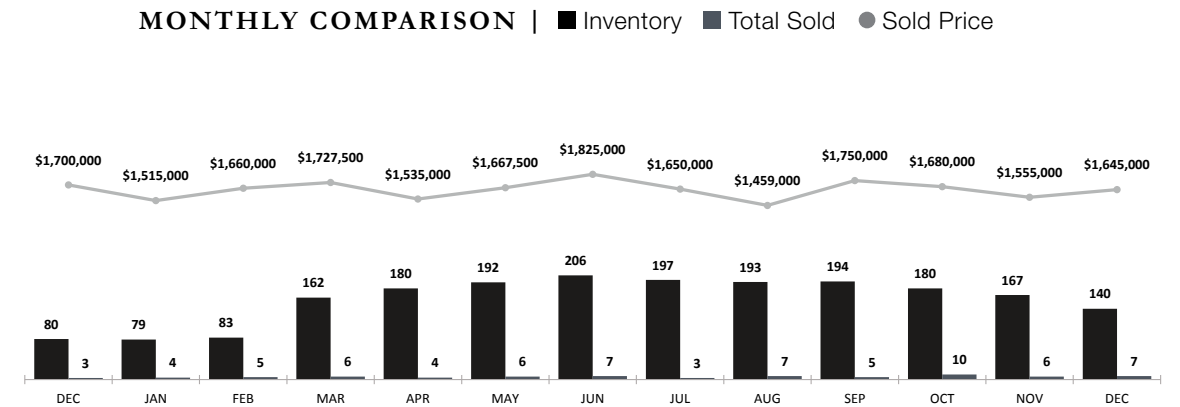
BROOKLYN, NY

With diverse culture and a community feel, Brooklyn has something for everyone: great parks, quiet streets, incredible dining, local coffee shops, amazing bar scenes, and live music. Luxury buyers have several options. With elegant brownstones on tree-lined blocks close to wine bars, brunch spots, and bookstores, Cobble Hill is one of the most expensive and desirable neighborhoods in the entire city. Buyers take pride in ownership, and the blocks are clean, with a laid-back feel and lively ‘stoop culture’ during warmer months.

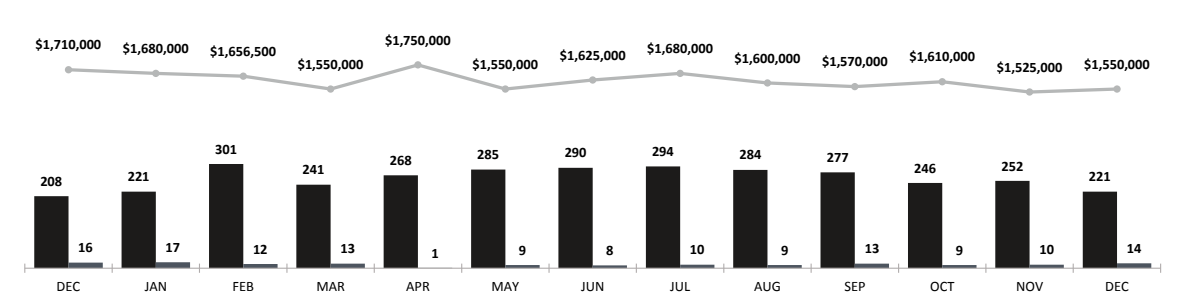
Brooklyn Heights has intimate charm with unbeatable subway access, with the waterfront Promenade offering postcard-worthy views of the Brooklyn Bridge and lower Manhattan skyline. Downtown Brooklyn has historically been a hub for civil service offices and court houses with a decidedly hectic vibe. Today it’s a rapidly expanding residential neighborhood featuring glassy apartment towers mixed in with mid-century office buildings less than 10 minutes by subway into Manhattan.”

CHRISTIAN FLOREZ
Coldwell Banker Reliable Real Estate

SINGLE-FAMILY HOMES



CONDOS





MINNEAPOLIS, MN

Minneapolis has evolved into a strong and steady city anchoring the Bold North. The local economy is flourishing, job growth is above the national average, and while both the demand and home prices have increased, it's at a healthy manageable rate. The regions' many Fortune 1,000 companies, coupled with great schools and a metro planned around lifestyle – whether its outdoor activities, art, theater, or urban fare – is a major draw. It is attracting entrepreneurs and executives as well as welcoming an increasing number of native Minnesotans back into the fold.

Statistics may show a slowing in sales for the luxury market, but in reality, inventory cannot keep up with demand in our more established communities, including Edina, Minnetonka, and Wayzata. Construction activity is focused on speculative remodeling throughout the metro and tear down/new builds in desirable locations around the City Lakes and the crown jewel, Lake Minnetonka.”

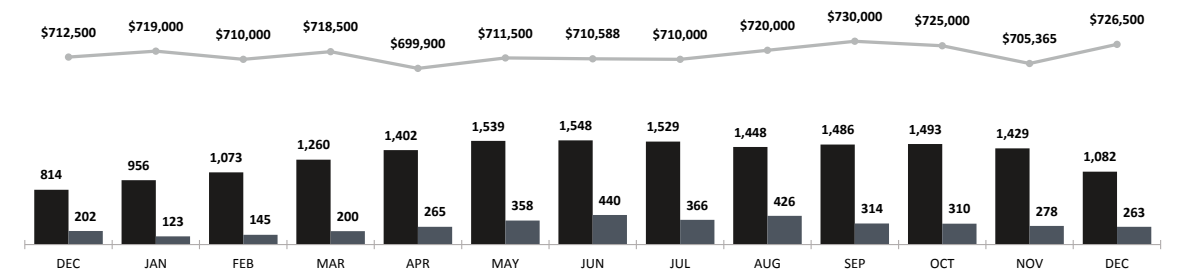
CHAD LARSEN
Coldwell Banker Realty, Minneapolis

EVOLVING markets

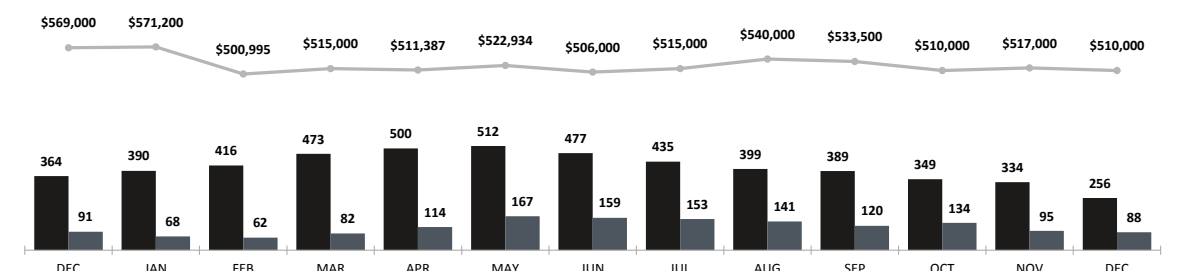


MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price

SINGLE-FAMILY HOMES



CONDOS





SAN FRANCISCO, CA

San Francisco is constantly reinventing itself. Every decade it feels like a new town, from a hot spot for beatniks and hippies to the tech hub of today. It has been a seller's market for quite some time thanks to the proximity of Silicon Valley. I started out selling \$100,000 condos in 1992; now I have \$35 million listings. Traditional luxury neighborhoods like Nob Hill, Russian Hill, and Pacific Heights remain popular, but high-end offerings have sprouted up in new places.

The biggest transformation is Mission Bay, near Oracle Park where the Giants play baseball. It started with biotech buildings, then condominiums, retail, and dozens of new restaurants. Jackson Square, one of the city's oldest areas, used to be a destination for antiques and art galleries, but now venture capitalists are setting up offices in beautiful loft buildings. Other historic areas like Presidio Heights are also seeing new luxury development."

JOEL GOODRICH
Coldwell Banker Realty, San Francisco



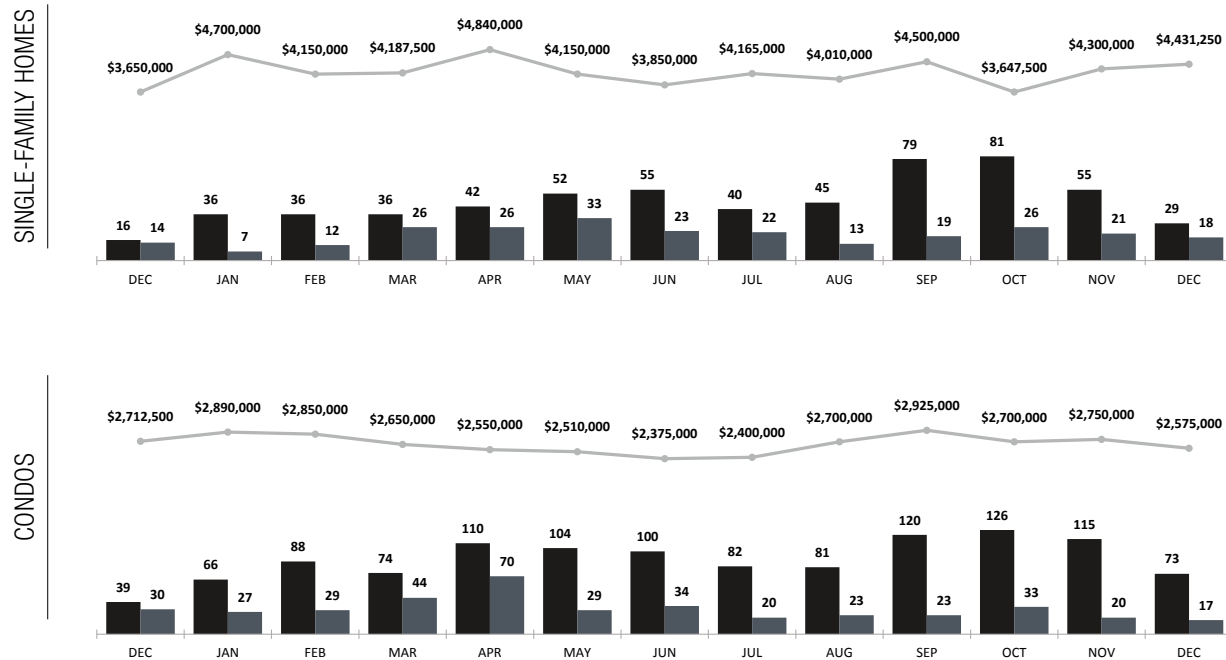
BOZEMAN, MT

Business is booming due to the influx of people moving to Bozeman, becoming quite the hotspot with over 100,000 inhabitants. A combination of small town charm, the draw of wide open spaces, and its numerous and various activities have been the catalyst. Buyers from California and Colorado are the major contributors of its expanding luxury real estate market.

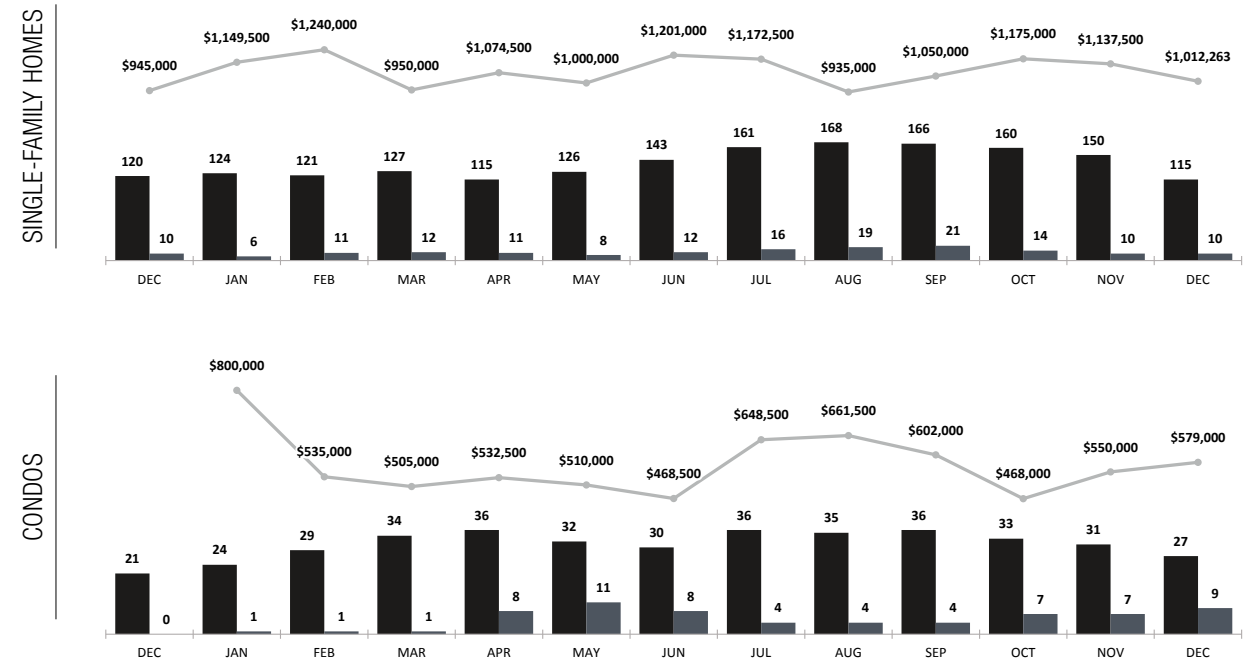
There is a definite 'cool factor' draw for young millennial entrepreneurs, a feeling of community and safety for families, and the opportunity to buy a luxury home outright for transplants from major metropolises. Craftsman homes are being remodeled to modern day standards, and developers are seizing the opportunity, as their luxury townhomes and condominiums are being snapped up."

TRECIE WHEAT HUGHES AND JACKIE WICKENS
Coldwell Banker Distinctive Properties

MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price



MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price





TOURISM markets



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SAVANNAH, GA

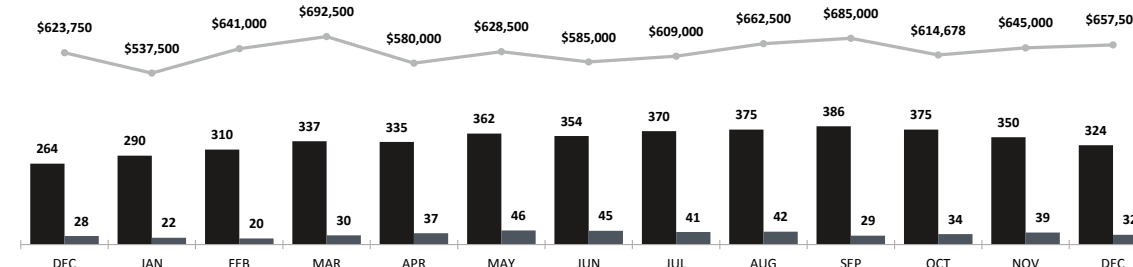
Globally, tourists appreciate this city’s graceful architecture, rich history, vibrant downtown, as well as its varied cache of culture, art, and festivals. This enticing combination has led to an upswing in luxury home purchases in the historic district. Buyers are purchasing investment, second, or vacation homes — further influenced by the upsurge of demand for short term rentals.

Savannah also attracts affluent buyers from the northeast who prefer our climate and more affordable price points, as well as doctors and executives for our renowned hospitals and local corporations respectively. The Savannah College of Art & Design has also helped to expose our city to the world. Many parents are purchasing homes for their student children, with a view to an investment property for the future.”

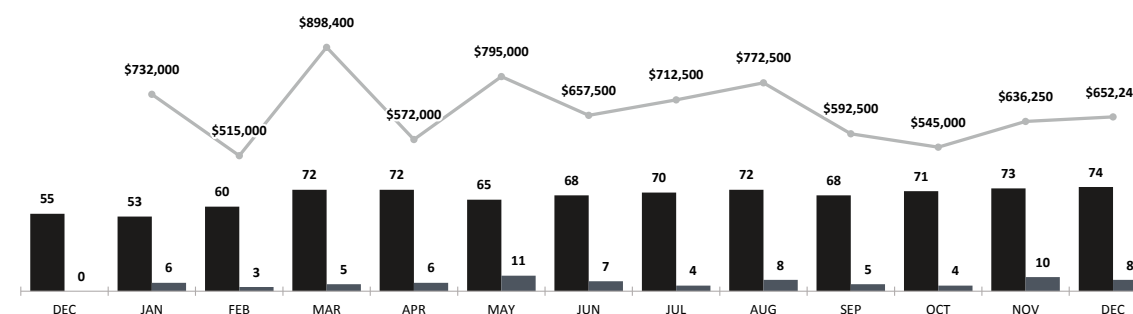
SUSAN DAILEY
Coldwell Banker Platinum Partners

MONTHLY COMPARISON | ■ Inventory ■ Total Sold ● Sold Price

SINGLE-FAMILY HOMES



CONDOS





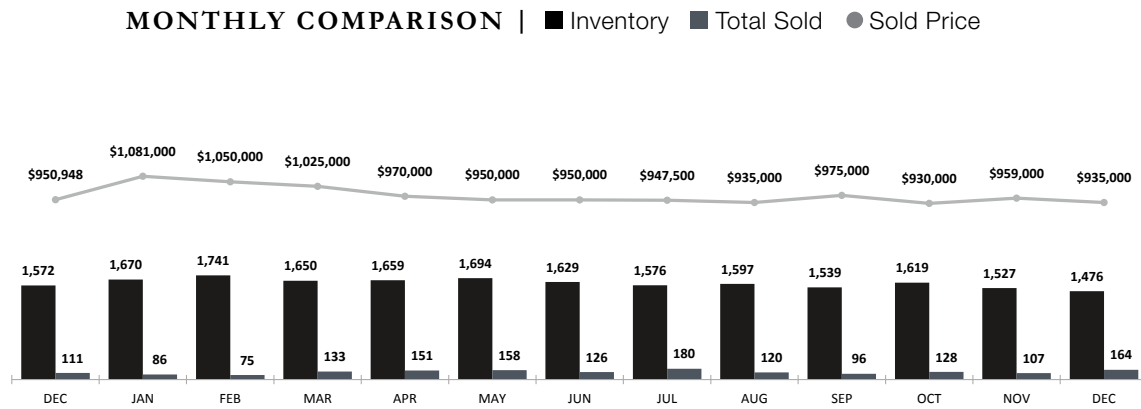
FT. LAUDERDALE, FL

Ft. Lauderdale is a hybrid of Palm Beach and Miami, with more of a year-round population than Palm Beach, and without the traffic issues of Miami. We have high-speed rail that connects to both. The city recently made huge infrastructure improvements like a new bandshell, parking garage, and yacht basin, and there has been major construction and residential renovation from downtown out to the beaches, and even north and west of town in Oakland Park and Wilton Manors.

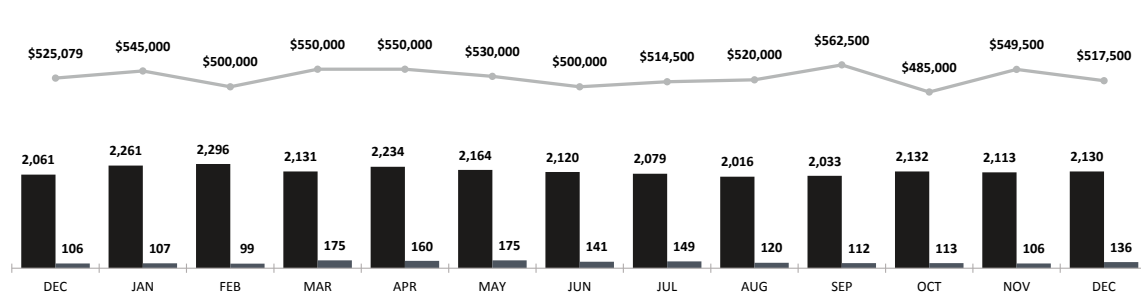
Flagler Village is a very walkable area downtown with lofts, outdoor restaurants, and nightlife, very popular with younger buyers. Across the Intracoastal Waterway, Auberge Beach Residences offers oceanfront condo living in a luxurious, modern building. Luxury buyers come from all over the world, especially Canada, Europe, Brazil, and Venezuela, as well as high tax areas in the northeast. We also have highly paid executives from companies like Citrix Systems®, Ultimate Software®, and AutoNation® headquartered here.”

TIMOTHY SINGER
Coldwell Banker Realty, Fort Lauderdale

SINGLE-FAMILY HOMES



CONDOS



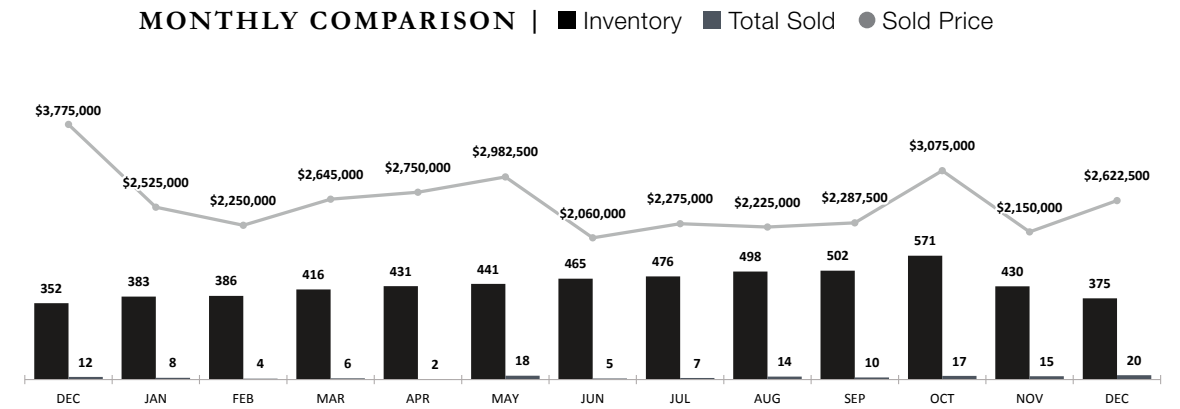
THE HAMPTONS, NY

Historically and globally, the communities from Westhampton to Montauk are known for being some of the most desirable and sought out destinations of discerning buyers from around the world; whether it is investment in year-round, seasonal, or vacation properties.

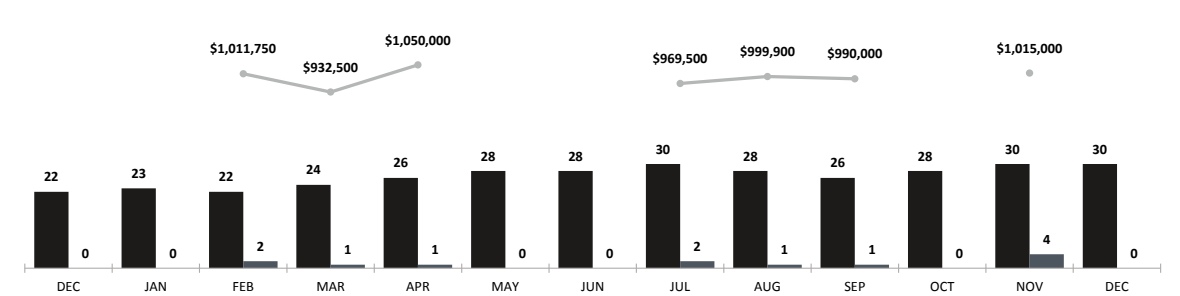
The Hamptons market saw a slow start to the year and even though sales volumes were down and the average sales price dropped in some categories in 2019, the last quarter started to see an upward trend in the overall market’s performance. The gradual decline in listing prices in the first half of the year created increased opportunities to sell and purchase, which by the latter half of the year attracted more foreign buyers, millennials, entrepreneurs, and parties that had been waiting for these adjustments. This interest was keenly reflected in the \$20 million-plus market which reported a significant increase in sales. As winter set in, activity continued to increase, and we anticipate a record-high year ahead. The Hamptons has always been considered prime real estate and will keep attracting the world’s elite.

BEAU THOMAS A. HULSE, PRESIDENT AND CEO
Coldwell Banker Beau Hulse Realty Group

SINGLE-FAMILY HOMES



CONDOS





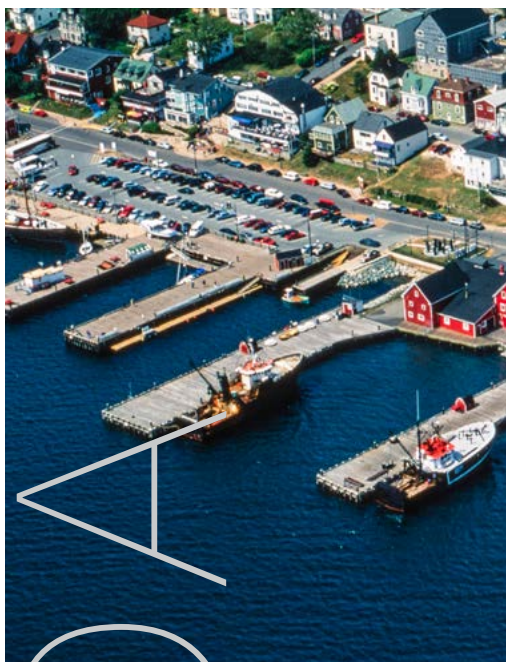
global SPOTLIGHT

PART ONE: CANADA AND MEXICO

During 2019, we saw a growing number of wealthy buyers make luxury home purchases in Canada and Mexico. Some were seeking another home for part-time use or investment, while others purchased a primary residence, attracted by a mix of geography, economics, and lifestyle.

From coastal resorts along the Caribbean Sea, the Gulf of Mexico, and the Pacific Ocean, to historical and culturally significant towns in the interior of the country, Mexico remains a source of attraction for those seeking out a hospitable climate and culture for vacation and retirement. However, our review of 2019 reveals that there is a new level of sophistication and security growing in the luxury real estate market.

In contrast, Canada, which has long been a haven for wealth from the rest of the world, has seen significant changes in recent years with regard to the international flow of people and capital. As we show in our report, new taxes and escalating home values in Canada's two major cities, Vancouver and Toronto, have prompted national and international buyers to seek out new destinations that are now becoming big draws for the affluent.



victoria, bc

SOPHISTICATED BLEND OF OLD AND NEW

The capital of British Columbia, Victoria, sits on the southern end of Vancouver Island. It might have become trendier and more sophisticated in recent years, but in pace and essence, Victoria remains comfortably old-fashioned. Iconic examples of Victorian architecture in the House of Parliament, Fairmont Hotel, and Craigdarroch Castle evoke its British heritage. Compared to the glassy skyscrapers of Vancouver 58 miles away, Victoria is more laid back and low-rise.

On balmy summer days, a distinct holiday atmosphere takes over as people pile off the ferries to escape the mayhem of the mainland and forget work. With abundant parkland, Victoria is known for outdoor activities, and it has more cycling routes than any other Canadian city. Driven by a younger crowd, the city has sprouted a collection of cool shops, authentic coffee bars and unique restaurants. The food culture embraces fusion, and the beer now leans toward craft brews.

“Victoria saw an upswing in popularity over the past decade as Vancouverites who had significant appreciation in their primary residence sold and bought here for half the price—they’re called ‘halvers,’” says **Mark Rice** of Coldwell Banker

Oceanside Real Estate. “Meanwhile, the region offers one of the mildest climates in Canada, where you can golf, hike, kayak, cycle, or do almost any outdoor activity year-round.”

Instead of old money, buyers of more expensive homes tend to be professionals 30-45 years of age employed in the booming technology sector or in emerging industries like cannabis and cryptocurrencies. Most sales are the result of residents moving up. With four post-secondary institutions and one International Baccalaureate Program in Victoria, schools and universities attract affluent international buyers and students from around the world.

“Generally, wealthy buyers who prefer urban areas, gravitate towards Oak Bay, Rockland, Fairfield and James Bay, because of their proximity to downtown and incredible views of the ocean and mountains,” says Rice. “For those looking for larger properties or private estate style homes their choices extend towards the Saanich Peninsular. Homeowners take advantage of the magnificent coast or the quieter countryside, enjoying opportunities such as the growing equestrian community, but are still within a 30 minute drive to downtown Victoria.”

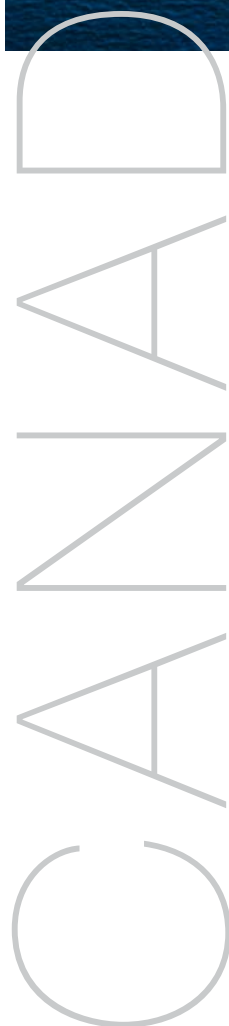
Canada is an expansive and panoramic country with scenery stretching more than 5,000 miles from the coast of Newfoundland on the Atlantic Ocean across vast plains, thousands of lakes, and rugged mountains to the shores of the Pacific Ocean in British Columbia. More than one-third (37%) of Canada’s total population of 35.1 million people live in the country’s 15 biggest cities, with 22% in the top five:¹ Toronto, Montréal, Calgary, Ottawa, and Edmonton. The Toronto metropolitan area alone is home to one-sixth of Canada’s population. Despite the concentration of population in urban centers, recent luxury home-buying patterns indicate a trend toward greater dispersion, with a rising number of purchases taking place in smaller cities beyond the bounds of a major metropolis.

One reason that high-end home buyers seek out smaller cities is the relative affordability compared to markets like Toronto and Vancouver, where home prices have soared over the past decade.

Tight inventory and steady demand in the Greater Toronto Area pushed the average selling price in 2019 up 4% to \$819,319² (Canadian). Even though down slightly from 2018, home prices in Vancouver averaged \$1,298,332 last year.³ High-income families who have owned homes in these markets for many years are likely to have built up substantial equity, which now affords them the opportunity to purchase vacation properties, or to move full-time to a more desirable location where they can buy more house for the money.

Adding fuel to the trend is the lifestyle appeal of smaller cities. The economic feasibility for mid-career millennials to find employment in local job markets is also a factor, as well as the increasingly decentralized nature of work in a growing number of professions that does not require commuting daily to an office. Here we present a handful of secondary cities in Canada where luxury home buyers have been especially active in the past year.

See pages 126-127 for a full list of resources.



penticton, bc

LAKESIDE LUXURY AND BOOMING BUSINESS

Located in the Okanagan Valley of south-central British Columbia, Penticton is a five-hour drive east from Vancouver and eight hours west of Calgary. It sits between Okanagan Lake and Skaha Lake, just south of the popular resort city of Kelowna. The name derives from a Salish word meaning “a place to stay forever,” which is what Penticton has become for a growing number of luxury buyers, mainly those from Vancouver looking to relocate or for a second home.

Penticton reflects a lifestyle choice for empty nesters and young families wanting to get away from busy city living and long commutes. Job opportunities are available nearby in health care and the growing cluster of aerospace companies, anchored by KF Aerospace®, the region’s largest private employer. Tech and tourism also contribute to the local economy.

Penticton launched a revitalization campaign in 2012, with downtown and waterfront the two strategic priorities. Neighborhoods are being revitalized as the charm of small-town life returns to downtown, while the growth of the local wine industry is rapidly turning

Penticton into a top destination for oenophiles. With all the change, Penticton at heart remains the same, a perfect place where parents and children together can relax on the beach, float down the river channel, or spend a day picking fruit at local orchards.

“Older couples are coming mainly for the weather, and developers have built communities both townhomes and condos to meet their demand with elevators, open floor plans, and high levels of walkability throughout town,” says **Lori Lancaster** of Coldwell Banker Okanagan Realty. “It also offers beaches right in town, a full-service hospital, plus outdoor markets, wineries, festivals, and award-winning restaurants.”

Developers in Penticton have been focusing on building luxury properties that offer smaller living spaces, but with larger storage spaces for toys like bicycles, boats, and motorcycles.

“Demand has changed from large houses to more practical properties that do not require large upkeep or maintenance—small and modern energy-efficient homes powered by technology to allow monitoring and remote management,” says Lancaster. “Condos or townhomes that offer luxurious living without the worry of maintenance are also in demand.”



hamilton, on

NATURAL BEAUTY AND INDUSTRIAL HERITAGE

Tucked in the western tip of Lake Ontario, Hamilton has been one of Canada’s leading industrial centers since rising to prominence through iron and steel production during the nineteenth century. Located along the Niagara Escarpment, Hamilton, although an industrial city at its core, showcases as a natural paradise with stunning scenery, beautiful landscapes, waterfalls, and nature trails.

House price appreciation in nearby Toronto has driven residents in search of other markets, leading them to Hamilton. Just west of Toronto, Hamilton offers a desirable community lifestyle full of arts, food, and nature. The restoration and redevelopment of the city’s century buildings plus its thriving art and food scene have helped transform the downtown core.

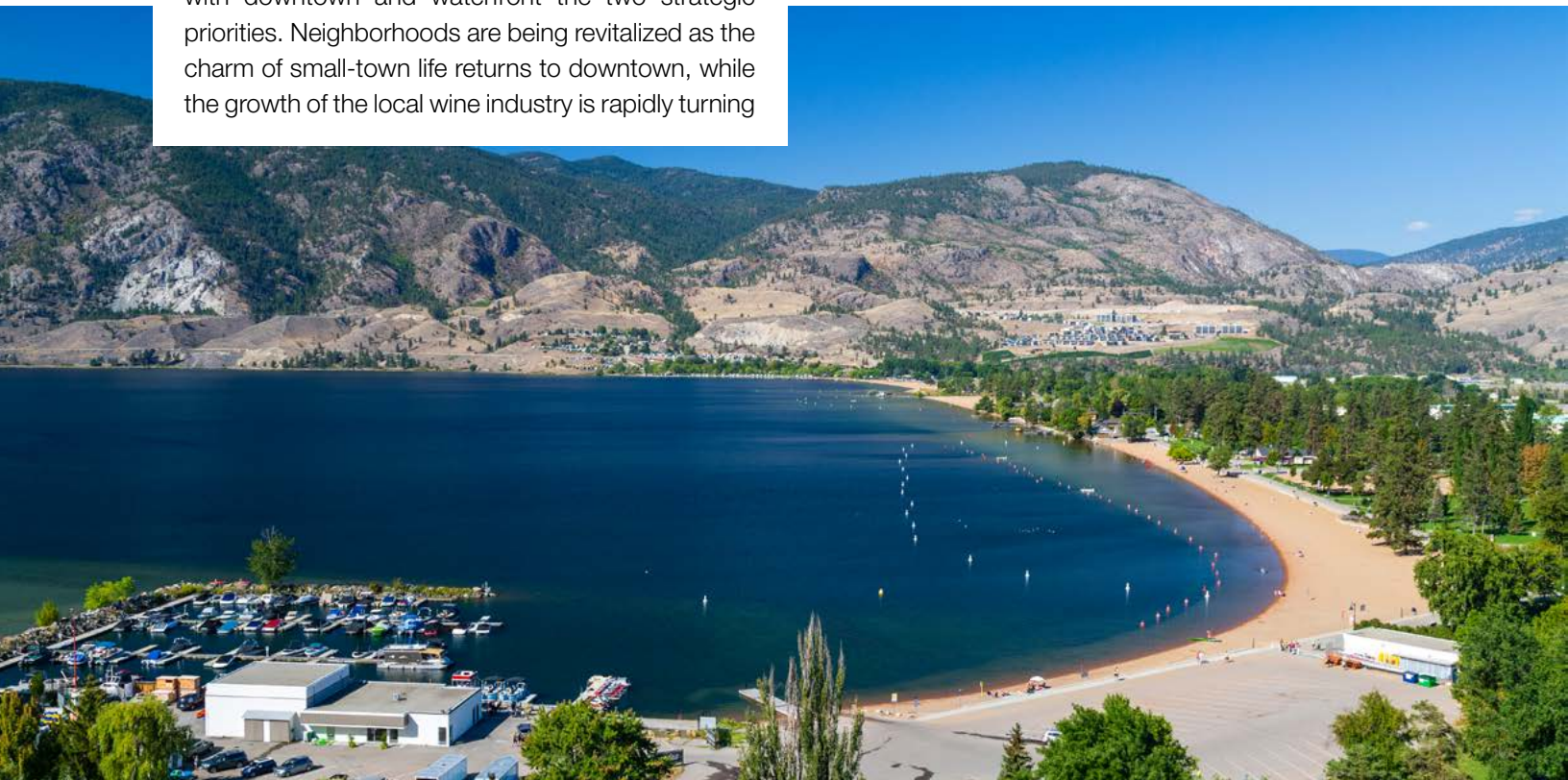
“The city is experiencing a major resurgence which is attracting residents, investors and businesses from Toronto and the GTA,” says **Nicolette Modi** of Coldwell Banker Community Professionals. “Torontonians are cashing in and heading west, seeking more value for their money and finding comfort in a big city with small town values.” As rail transportation and major highways connect the two cities, commuting is a viable option and lure for individuals to make the move.

Higher education is another part of the appeal of Hamilton, which has five colleges and universities, including top rated McMaster University and Mohawk College. As many students come from outside the city and require rental accommodation, investors have found a haven in the neighborhoods surrounding the schools and campuses.

Hamilton grew into a megacity in 2001, and now has more than 200 neighborhoods including several former towns. Some of the most desirable and luxury areas include Ancaster, Dundas, Waterdown, and West Hamilton.

Today, cranes can be seen throughout the downtown core, with new developments lining some of the city’s hottest streets. These neighborhoods, such as Durand, Kirkendall, and Westdale, are trendy among millennials and families, offering close proximity to shops, restaurants, cafes, greenspace and public transit.

“The waterfront is one of the city’s biggest assets, and until recently, has remained untouched and underdeveloped. We expect big changes for areas like the West Harbour,” says Modi. “It’s an investor’s dream, where the average selling price for a detached home is still well below \$600,000.”



huntsville, on

LUXURY HOTSPOT IN COTTAGE COUNTRY

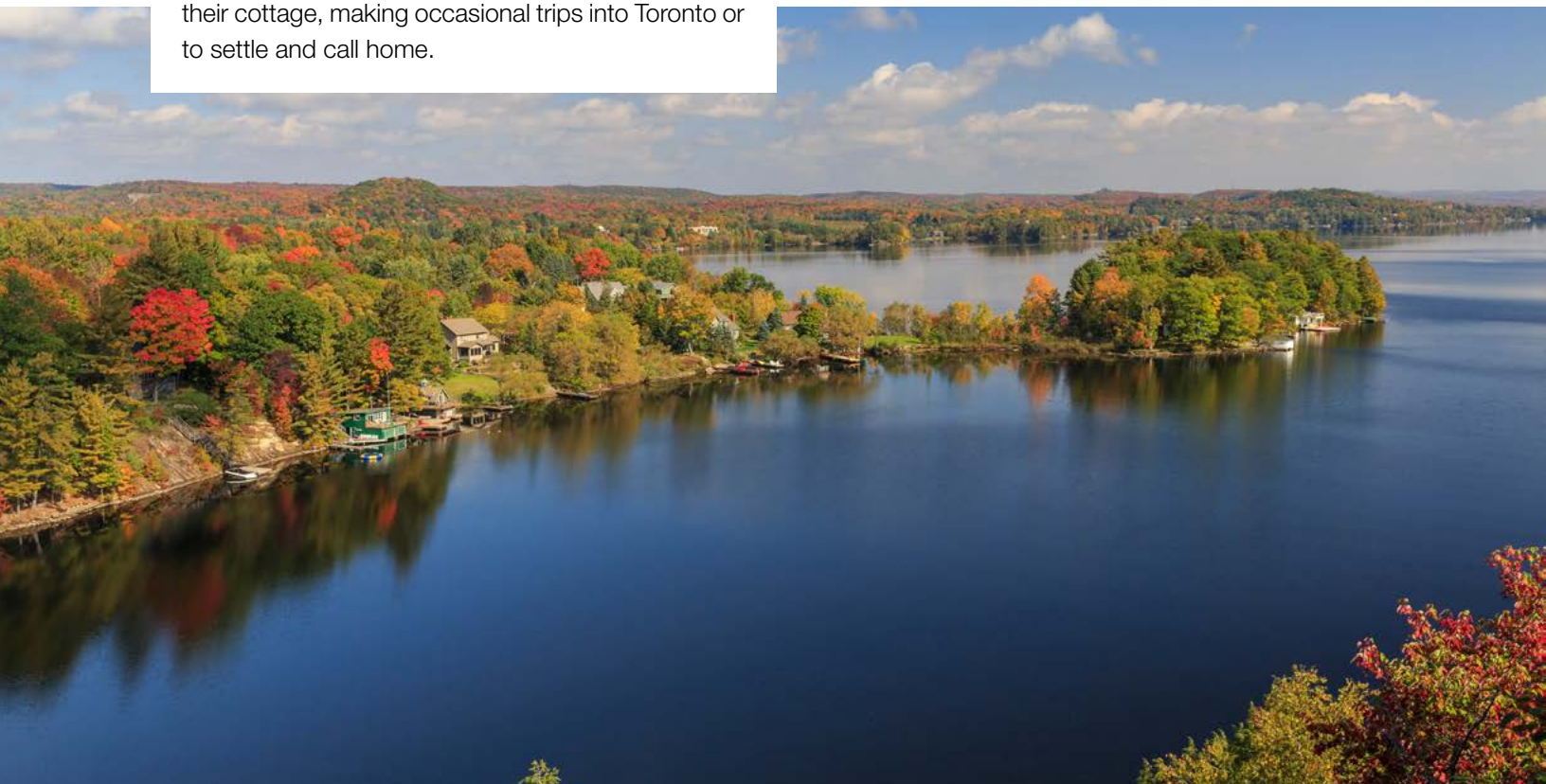
Two hours from Toronto in cottage country, Huntsville has traditionally been as a vacation destination, attracting seasonal residents and empty nesters, but it is on the cusp of a big change in demographics as young families continue to arrive. Its affordability and proximity to Toronto are making it a viable option for a new generation of affluent who are looking to build their dream home on large lots with amazing waterfronts, gain privacy and still enjoy the advantages of technology, allowing them to work from home for part of the week.

The key to Huntsville's popularity and ultimate increase in luxury homeowners are five large lakes: Lake of Bays, Peninsula Lake, Mary Lake, Lake Vernon, and Fairy Lake, as well as countless smaller lakes outside of town. Wealthy buyers are investing several million dollars to acquire large plots of lakefront land or to tear down old cottages along the shore. Professionals from tech, investment and other industries find Huntsville a convenient place for their cottage, making occasional trips into Toronto or to settle and call home.

"The luxury market here attracts affluent buyers who are looking to embrace the stunning scenery and active lifestyle," says **Kayley Spalding** of Coldwell Banker Thompson Real Estate Brokerage. "There is a private airport less than 40 minutes away, so this makes for easy accessibility by the very wealthy."

Huntsville is also a magnet for visual artists and sports enthusiasts. Many professional hockey players have a home or cottage here, and it is one of the three Canadian towns that hosts an annual Ironman® triathlon. Road cycling has become very popular on Huntsville scenic and quiet roads. Golf courses include Deerhurst Highlands, the Mark O'Meara Course at Grandview Golf Club, and Bigwin Island Golf Club. In the winter, Cottagers come up for long weekends to enjoy skiing and snowboarding, skating on the frozen lakes, ice fishing, or just escaping the city to enjoy snowy scenery.

"Sales have been especially strong among waterfront parcels with vast frontages, mostly purchased for the intention of building incredible waterfront dream homes," says Spalding, who notes that the new construction market is booming for homes/cottages that will eventually sell upwards of \$3 million.



saint john, nb

HISTORIC PORT CITY IN CANADA'S MARITIMES

Canada's Maritime Provinces of New Brunswick, Nova Scotia, and Prince Edward Island are proving to be popular with buyers from other parts of Canada. Taking advantage of equity gains in their primary residences the affluent are purchasing properties on the Atlantic Ocean and along the numerous bays, gulfs, basins, inlets, straits, rivers, and harbors. One market drawing buyers to its appealing blend of coastal living and exceptional value is the historic port city of Saint John.

"The draw of Saint John is its combination of affordability, good job opportunities, and quality lifestyle," says **Katherine Bacon** of Coldwell Banker Select Realty. "It has become a very desirable luxury market for transplants, many who come from cities, such as Toronto, where house prices are two to three times more expensive. The largest growth in the luxury market has been in waterfront homes for purchase prices ranging from \$500,000 to \$5 million."

Throughout its history, Saint John has been an important trans-Atlantic port, playing a prominent role in ship building during the nineteenth century,

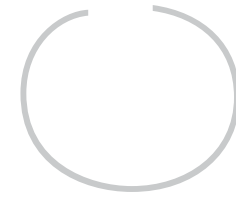
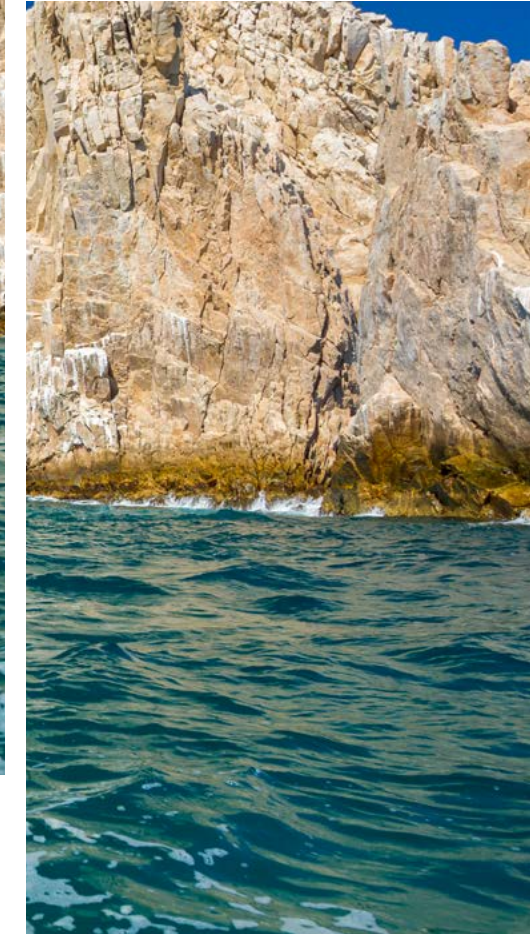
and developing into an oil refining hub and a major player in the pulp and paper industry during the twentieth century.

"Both of these industries are instrumental in relocating people here from all over the world, although the main source is Toronto," says Bacon.

Situated at the mouth of the Saint John River in New Brunswick across the Bay of Fundy from Nova Scotia, Saint John is the oldest of Canada's five charter cities, established by royal charter in 1785. Its British heritage and character are displayed throughout the historic downtown area at landmarks like King's Square, Queen's Square, and the Loyalist Burial Ground.

Nautically themed buildings attract tourists and locals to pubs, galleries, and restaurants, and there is a thriving local arts and culture scene, with abundant opportunities to see theater, opera, symphony, and ballet. The "reversing rapids" are an interesting natural phenomenon occurring where the Saint John River meets the Bay of Fundy, and the endless scenic waterways and rivers are a big draw.

"Boat and yacht enthusiasts also come here, both retirees and vacation homeowners who want to own a home with land, and most importantly, their own dock," shared Bacon.



A potent mix of economic, demographic, and cultural factors continue to propel a wave of interest by wealthy home buyers to purchase high-end real estate in Mexico—along both the Pacific and Caribbean coasts, as well as in the interior of the country.

One source of support for the luxury home market in Mexico is the continued strength of the U.S. real estate market, along with the beneficial effect it has had on household wealth of high-net worth Americans, particularly baby boomers looking for vacation and retirement homes in a warm climate easily accessible from most parts of the United States. Higher home prices in the U.S. also help to underscore the comparatively lower prices available for similar properties in Mexico.

Domestic demand within Mexico remains robust, despite a slowdown in growth in 2019, which was the first year of President Andrés Manuel López Obrador's six-year term.

“Historically, the first year has been the weakest in economic growth, so we should see an improvement based on new infrastructure spending and the fact that uncertainty over the new trade agreement with the U.S. and Canada has been resolved,” says **Phillip Hendrix**, CEO of Coldwell Banker Mexico. “In terms of luxury, we’re seeing significant growth in Cabo San Lucas and along the Riviera Maya, and the Puerto Vallarta market remains strong.”



puerto vallarta

ENDURING APPEAL OF PUERTO VALLARTA

Situated along Mexico's Pacific coast, Puerto Vallarta is a city of more than 200,000 people that has long been a popular tourist destination for its beautiful beaches and a host of entertainment and dining options along the half-mile Malecon boardwalk.¹ In Puerto Vallarta, high-end homes can fetch prices of \$10 million and higher, while 25 miles up the coast in the more exclusive village of Punta Mita, recent sales prices have tended to run much higher.

"The luxury condo market tops out around \$2.5 million, and then we see some pretty nice standalone properties ranging from \$1.2 million on up, depends on where you're talking about buying," says **Brock Squire** of Coldwell Banker La Costa. "In the city of Puerto Vallarta, there are more condos than villas, with a lot of new 20- to 40-unit boutique condo buildings."

Many newer luxury properties across Mexico, and

in several locations near Puerto Vallarta, have an affiliation with luxury hotel brands. The hotel branding confers a high level of luxury and allows buyers to generate income from their properties by making them available to the hotel when they're not there.

"In Punta Mita, a 1,700-acre master-planned community, there are 54 Four Seasons Private Villas, which have been sold out for several years, and they rent extremely well, and a bit further up the coast, the new Costa Canuva master-planned community features a Fairmont Hotel and a Ritz-Carlton Hotel, both with branded villas and residences," says Squire.

Ultra-luxury developments are appearing along the coast north of Punta Mita, and luxury projects are especially active near Rincon de Guyabitos, where another master-planned community, La Mandarina, opens this spring after successfully offering branded private villas from \$5 million to \$14 million.

cabo san lucas

LUXURY ON THE RISE IN CABO

Located on the southern tip of the Baja California peninsula, Cabo San Lucas consistently draws luxury buyers to its white sandy beaches and beautiful stretches of ocean that offer extensive opportunities for fishing, diving, and boating. The area was hit by Hurricane Odile² in September 2014, but Cabo has been booming for more than five years as the rebuilding effort and new luxury home offerings enticed additional buyers to establish a residence along the warm and scenic shores of Pacific Ocean.

Several new luxury developments have recently been completed, including Costa Palmas at the Four Seasons in La Ribera on the East Cape, as well as Rancho San Lucas on the western side along the Pacific Ocean. Buyer interest has been robust for the expanding selection of newly built luxury condos and villas coming to market.

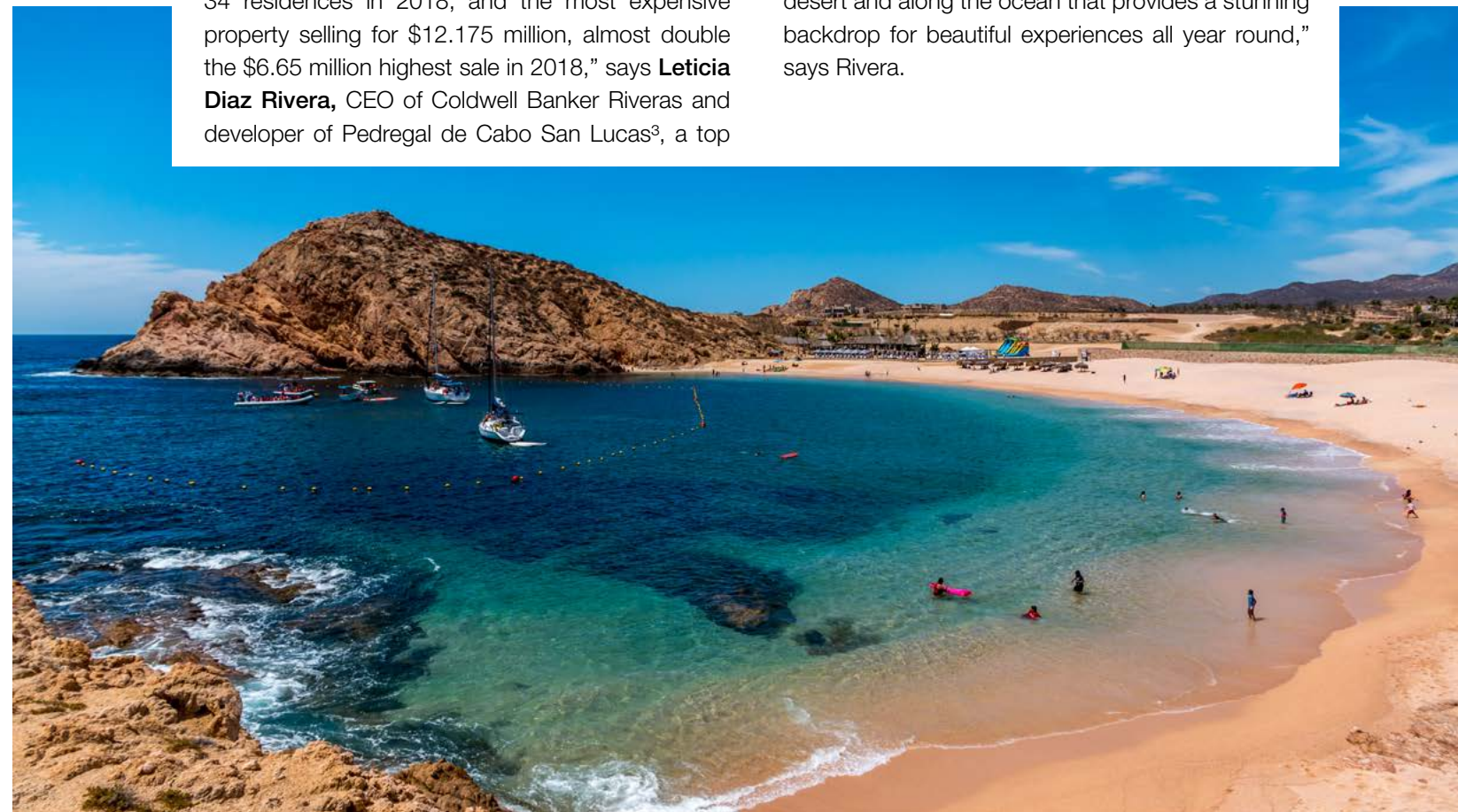
"2019 was a good year for Cabo's luxury market, with 46 closings valued above \$1 million, up from 34 residences in 2018, and the most expensive property selling for \$12.175 million, almost double the \$6.65 million highest sale in 2018," says **Leticia Diaz Rivera**, CEO of Coldwell Banker Riveras and developer of Pedregal de Cabo San Lucas³, a top

luxury residential community in Los Cabos. "This is only what was registered on MLS, but many luxury developments handle sales internally so total numbers are likely even higher."

The proximity via air of Cabo San Lucas to U.S. cities on the west coast and in the southern part of the country make the destination a popular one with Americans.

"More than 80% of our clients are from the U.S. and Canada, and we have an incremental representation of Mexicans coming from Mexico City," says Rivera, who sees luxury buyers looking more and more beyond the beaches that earned the area its reputation for being a popular resort destination.

"People are starting to discover the mountainous areas surrounding Los Cabos where you can find oak trees, pine trees, deer, and all kinds of wild life across unique geography and a variety of microclimates," she says. "We have a lot of natural beauty in the desert and along the ocean that provides a stunning backdrop for beautiful experiences all year round," says Rivera.



san miguel



HISTORY LIVES IN SAN MIGUEL

Not all luxury destinations in Mexico lie along the coastline. In fact, one of the cities with the most enduring appeal for both domestic buyers and American expatriates is the Spanish colonial town of San Miguel de Allende, located in the middle of Mexico in the Bajío mountains,⁴ 170 miles northwest of Mexico City. With a history dating back to 1542 when Mexico was a part of New Spain, San Miguel also played a role as a center of opposition to Spanish rule during the early nineteenth-century struggle for independence.

During the second half of the twentieth century, San Miguel blossomed as a place where expatriate Americans began to settle, drawn by numerous schools of art and the desire to immerse themselves in local culture. Over the next several decades, the cobblestone streets and non-commercial nature of the historic downtown attracted additional emigres from north of the border, as well as a significant amount of new arrivals from around Mexico.

“You really travel to a different world and to a different time when you’re walking around 300-

year old streets of San Miguel,” says **Daniel Ortiz** of Coldwell Banker SMART. “Things have become more cosmopolitan over the past five years, more high-end, even though we don’t have those name brand high-end stores like Louis Vuitton.”

Luxury living in the city center features historic villas and residences associated with hotels like the Rosewood and custom townhouses like La Noria. Limited space constrains new development, but north and west of the city, planned communities focused on vineyards are springing from the ground, offering new homes that salute the region’s winemaking heritage.

“Three vineyards have sold out their lots priced at \$400,000 and higher,” says Ortiz. “One of the newest vineyard developments is Viñedos San Francisco, which also features lavender cultivation and olive gardens, as well as polo fields, equestrian areas, hotel, spa and restaurant, plus lots in excess of 2.5 acres in size.” Condos like those at Villas Gran Reserva are smaller alternatives for oenophiles looking to live near vineyards.

riviera maya

RIVIERA MAYA REMAINS STRONG

Along the northern and eastern coasts of the Yucatan Peninsula along the Gulf of Mexico and the Caribbean Sea, new construction and a steady stream of buyers have established Riviera Maya as one of the premier markets in Mexico for luxury home purchases. The area is popular among wealthy buyers from the U.S., Canada, and other parts of Mexico who are attracted to the festive lifestyle and some of the most beautiful beaches in the world.

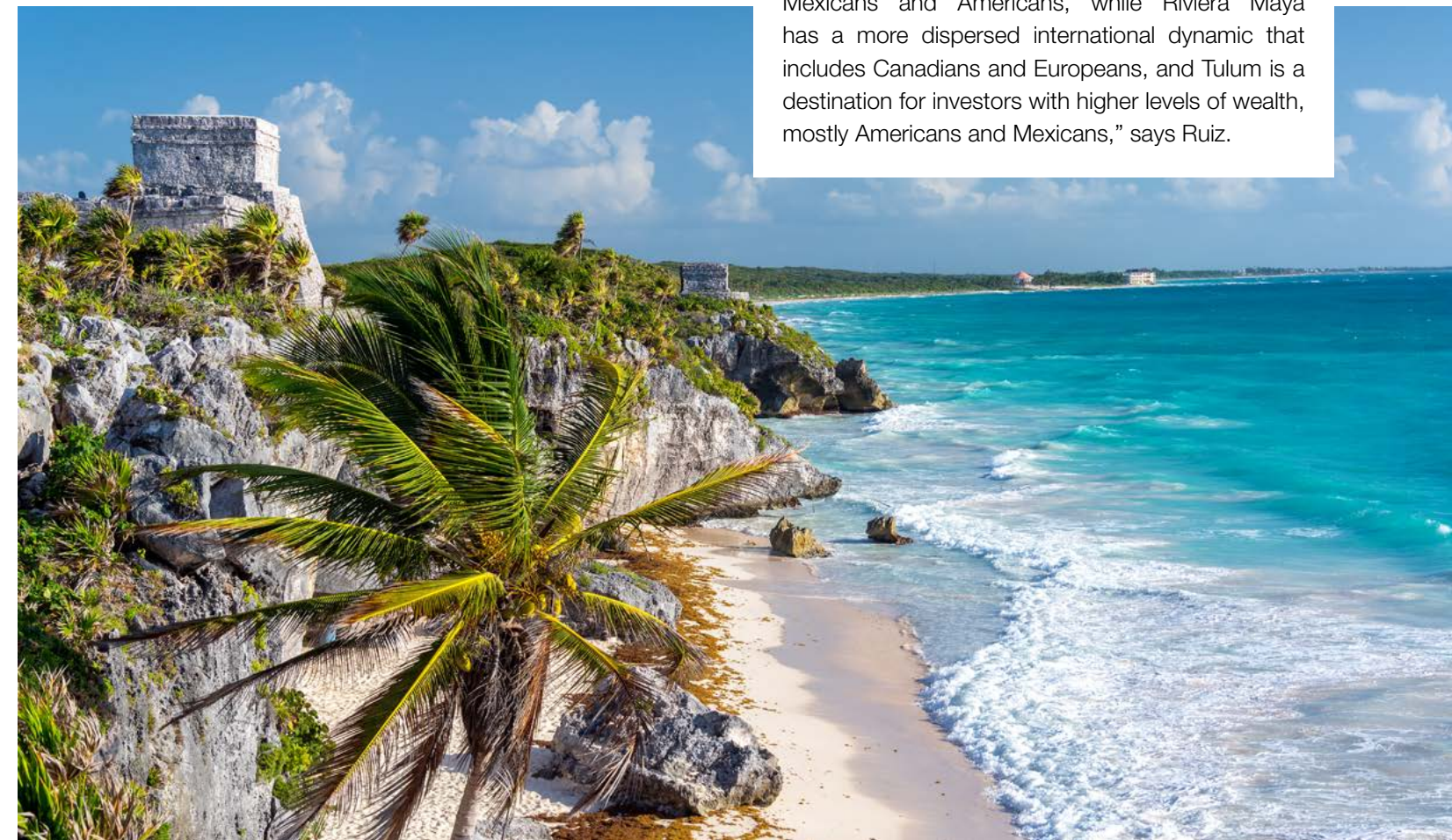
“The Cancun International Airport is the second busiest in Mexico, and it served more than 25 million⁵ passengers last year, which gives you a glimpse of the vast popularity of the Mexican Caribbean,” says **Frank Ruiz** of Coldwell Banker Sunny Homes in Playa del Carmen. “The ease of taking direct flights from all major cities in the United States, Canada, Europe, and other countries is a big factor influencing the decision to buy here.”

Along with easy access, the value of properties on the Mexican Caribbean relative to other warm-weather resort destinations such as Florida is also a very strong factor driving luxury purchases.

“You can buy dream homes here for less than you can in other world beach destinations,” says Ruiz, noting that prices rose 12% in 2019. “The value proposition makes a compelling case for buying when combined with all what we have to offer, including beautiful and hardworking people, pristine nature, world-class diving, award-winning beaches, PGA golf courses, and endless choices for international cuisine.”

The Mexican Caribbean attracts a younger crowd, with Ruiz estimating that more than 90% of buyers between the ages of 25 and 45. Sales trends have remained the same with a notable preference for different areas based on nationality of the buyer.

“Cancun, for example, is popular among rich Mexicans and Americans, while Riviera Maya has a more dispersed international dynamic that includes Canadians and Europeans, and Tulum is a destination for investors with higher levels of wealth, mostly Americans and Mexicans,” says Ruiz.





global SPOTLIGHT

PART TWO: EUROPE, CARIBBEAN, AND INDIA

THE DIVERSIFYING PORTFOLIO OF THE WEALTHY

Compared to other asset classes like stocks and bonds, high-end real estate is unique in that it provides not only an investment, but also security, comfort, and enjoyment in a place to live. Owning multiple luxury properties around the globe affords the world's ultra-wealthy an opportunity to diversify their wealth by mitigating political or currency risks associated with a single country while allowing them to live in some of the world's most desirable destinations.

Throughout Western Europe, the Caribbean, Middle East, and Southeast Asia, luxury home buyers are seeking out a wide range of exceptional residences, from bustling urban experiences to the tranquility of coastal and country living. Here are some of the places where ultra-wealthy buyers from all parts of the world are deciding to call home.



france

WEALTHY BUYERS CRAVE CONTINENTAL LUXURY IN EUROPE

Historically low interest rates, a strong U.S. dollar relative to the euro, and the lure of living in relative political stability have been major factors driving a surge in purchases by luxury homebuyers across the European continent.

High-end property markets in London softened in the wake of the 2016 United Kingdom vote to leave the European Union, but across the English Channel, France has been among the biggest beneficiaries of Brexit, as would-be London buyers opted instead for Paris. In addition, French companies have repatriated workers from Great Britain, spurring further demand in France.

In the aftermath of the financial crisis, countries like Portugal established “golden visa”¹ programs that

provide foreigners a path to citizenship in exchange for real estate purchases of at least €500,000. Residence permits have proven highly effective in wooing wealthy buyers from places like China, Russia, and the Middle East. Italy introduced similar programs² for investors in Italian businesses or government bonds.

Negative—or at least extremely low—interest rates have fed the boom in European luxury real estate by driving down borrowing costs and increasing buying power, enabling prices to rise with greater ease. Since 2014, the European Central Bank has targeted negative bond yields³ in order to stimulate the eurozone economy. Growth throughout most of Europe has been sluggish but positive in recent years, an environment that’s been very supportive of real estate.

Paris has been a commercial and cultural hub for more than 2,000 years, attracting a steady flow of artists, writers, and lovers from all over the world. “Paris was always worth it, and you received return for whatever you brought to it,” wrote Ernest Hemingway in *A Moveable Feast*, a memoir of expatriate experiences in 1920s lost-generation Paris. Returns are still good, and Paris is still worth it one century later as a growing number of luxury buyers find the lure of living in the French capital to be irresistible.

“Fans at Paris Saint-Germain soccer games chant ‘Paris, c’est magique,’ and it’s true that the city is magical in the way it captivates you,” says **Laurent Demeure**, President, CEO of Coldwell Banker France & Monaco. “The wealthy of the world want to buy here because Paris is stable and liquid.”

A big reason why wealthy buyers are flocking to France now is Brexit, which has forced foreigners desiring blue-chip residences within the

European Union to eschew the United Kingdom in favor of France.⁴

“Brexit is a big deal, creating uncertainty about things like taxation and travel, so the Paris market is having a Brexit boom,” says Demeure, noting that tax cuts under President Emmanuel Macron have also been a draw for new arrivals and returning French expatriates. “Everybody wants to buy property, but inventory is very limited, and regulation keeps a lid on construction, so prices are increasing.”

Fashionable areas like Montmartre and Avenue Montaigne are always popular, but many of Paris’ new arrivals are families, and the strongest demand is for larger homes away from the center of the city.

“They want real life, more shops in the street than tourist attractions,” says **Vanda Demeure** of Coldwell Banker Demeure Prestige. “Western suburbs are very popular.”

portugal

Jagged, rocky cliffs rise more than 400 feet⁵ above the pounding surf of the Atlantic Ocean at Cabo da Roca, mainland Europe's westernmost point. The spectacular scenery along a rugged stretch of Portugal's 1,114-mile coastline is 25 miles from Lisbon, where artistically tiled streets, terracotta rooftops, and extraordinary cuisine produce a distinctly Portuguese cosmopolitan experience in the capital city.

The potent combination of natural beauty with cultural charm has lured a growing number of high-profile buyers to Portugal in recent years, including prominent purchases by actress Scarlett Johansson,⁶ and designers Christian Louboutin⁷ and Philippe Starck.⁸ Madonna⁹ had been renting an eighteenth-century historic property in Lisbon.

"Portugal today is a luxury lifestyle destination sought after by affluent clients who value simplicity,

safety, and a country with genuinely unique people and places," says **Frederico Abecassis**, CEO of Coldwell Banker Portugal. "The arrival of celebrities has also acted as a positive trigger."

Renovations and new developments are underway throughout the country from Porto in the north to Faro on Portugal's southern coast. In Lisbon's fashionable Príncipe Real neighborhood, the historic Faria Palace is being converted into six luxury condo units according to plans by architect Souto Moura. The Legacy, in nearby Cascais, is a new five-star hotel and luxury condominium with 18 apartments.

South of Lisbon along the coast in Comporta, Portugal's richest family and one of the country's largest developers are in partnership to build hotels, villas and condominiums promoting the local ecology and embracing the concept of wellness.

"The luxury boom began after the financial crisis with tax benefits to increase foreign investment," says **Pedro Abecassis**, of Coldwell Banker Luxus. "Low interest rates and market consolidation are now sustaining the uptrend."



italy

Italy has no shortage of top-shelf real estate in destinations that appeal to wealthy buyers—from farmhouses in Tuscany, to luxurious living along the coasts, or cosmopolitan comfort in Rome, Milan, and Venice. A big bonus for potential purchasers of high-end properties is that bargains are available due to Italy's continued sluggish economy, five years following the return of positive growth¹⁰.

"Prices are at historical lows in top locations, but Italy's housing market is recovering gradually, with demand rising and residential construction increasing, despite the struggling economy," says **Cassiano Sabatini**¹¹, Vice President of Coldwell Banker Italy. "The luxury real estate market travels on a double track, as historical properties with outdated features are suffering price decreases, while the market for renovated luxury homes in highly desirable areas is on an uptrend."

The luxury market in Italy is largely a foreign affair, with 80% of buyers of properties priced above \$1

million coming from outside of Italy, according to Sabatini, and a "vast majority" of referral requests coming from the United States. Americans prefer seaside or lakeside single villas and farmhouses, and they tend to gravitate to regions like Lombardy and Tuscany, as well as Apulia, Sardinia, Sicily and the Amalfi Coast.

Foreign buyers enjoy a very favorable set of circumstances in the current market with the accessibility of Italian mortgages at ultra-low interest rates and the euro trading at historically low levels against the U.S. dollar.

"These factors, combined with tax credits for property renovations and a booming tourism rental market, create enticing opportunities to purchase property in Italy," says Sabatini. "The investment return is double, with an immediate increase in quality of life, and eventual property appreciation."eure. "Western suburbs are very popular."





CARIBBEAN



jamaica

The Caribbean Sea covers an area of more than 1 million square miles,¹ and encompasses thousands of individual islands, each with its own unique culture, geography, and history. The biggest of islands are the Greater Antilles of Cuba, Hispaniola, Jamaica, and Puerto Rico. More than a dozen islands make up the Lesser Antilles², which run south and east from the Virgin Islands in an arc that extends into the Atlantic Ocean down to Grenada. Aruba and Curaçao off the coast of Venezuela³ often grouped in as part of the chain.

Christopher Columbus's 1492 landing in the Bahamas initiated European exploration of the Caribbean which ultimately led to the establishment of colonial empires by major seafaring powers like Spain, England, France, and Holland. The Spanish-American War marked the end of the colonial era and the beginning of closer ties to the United States.

Economic and political connections grew deeper during the second half of the twentieth century as many Caribbean countries gained full independence after centuries of colonial rule from their respective mother countries. Over the past 50 years, the islands have become top vacation destinations for U.S. travelers, and popular places for American buyers to purchase high-end homes.

"Island life is hard to beat, with wonderful year-round climate, amazing blue waters of the Caribbean, and a relaxed lifestyle," says **Randy Chavers**, Managing Director at Coldwell Banker Island Affiliates, who works alongside agents from Bermuda and throughout the Caribbean Islands. "The islands also offer the upscale stores, restaurants, and services that wealthy clients expect to find in a luxury destination."

Despite a recent history rife with hurricanes, a glimpse into five of the top island markets indicates persistently strong demand for living in paradise.

JAMMING IN JAMAICA

Jamaica is the third largest island in the Caribbean, and with 2.8 million people,⁴ it's the fifth most populous. Located just south of Cuba, Jamaica features a mountainous interior with a 7,400-foot peak in the Blue Mountains that descends to 635 miles of coastline,⁵ and some of the most sought-after beaches in the world.

Columbus landed on Jamaica in 1494,⁶ and England seized control from Spain in 1655, setting up a plantation economy to cultivate sugar, cocoa, and coffee for export back to Britain. Jamaica served as the centerpiece of England's Caribbean empire for more than three centuries until the island nation gained independence from the U.K. in 1962, although it retains ready traces of British lineage.

The year after independence, Jamaica began a rapid transformation into a tourism-based economy under the leadership of Jamaica's first Director of Tourism, John Pringle.⁷ Several decades into the effort, tourism accounts for 20% of Jamaica's gross domestic product,⁸ and the total number of visitors arriving in Jamaica through airports and cruise ship terminals in 2019 was on pace to exceed 4 million

people through November.⁹

"Tourism started with United Fruit banana boats bringing British tourists to Jamaica in the 1900s, then hotels such as Round Hill started being built in the 1950s and 1960s, transforming places like Montego Bay, Discovery Bay, and Ocho Rios into major tourist destinations," says **Sandy Tatham** of Coldwell Banker Jamaica Realty, noting how the appeal of Jamaican culture, with a laid-back lifestyle and reggae made popular by Bob Marley, has helped endear the island to visitors.

Wealthy visitors often turn into homebuyers in Jamaica, and the current market provides numerous opportunities to buy highly desirable properties around the island. Near Ocho Rios along Oracabessa Bay, the new GoldenEye development is selling 21 luxury villas on the grounds of the iconic estate once owned by James Bond author Ian Fleming.

"All of the GoldenEye residences are either on the beachfront, a cliff, or a lagoon," says Tatham. "Sizes range from one to three bedrooms, and villas on the lagoon can be built out to four bedrooms."

turks & caicos

LUXURY LIVING IN TURKS & CAICOS

Situated south of the Bahamas and north of Haiti and the Dominican Republic, the Turks & Caicos Islands (TCI) are an archipelago of seven inhabited islands and 40 smaller islands and cays.¹⁰ Currently governed as an overseas territory of the U.K., the TCI has gone through periods over the past two centuries when it was administered as part of Jamaica, Bermuda, and most recently the Bahamas until 1973.¹¹

Although the capital is on Grand Turk, the economic and tourism heart of the TCI lies to the northwest in Providenciales, home to world famous Grace Bay Beach. Over the past 30 years, Provo and the entire TCI have emerged as a favored high-end tourist destination with iridescent blue waters, and an extensive coral reef system ideal for diving and snorkeling.

"We're ideal for families, and definitely not a spring break type of destination," says **Graham Canham** of Coldwell Banker Real Estate Turks & Caicos Islands. "The demographic is more affluent, with visitors seeking an authentic Caribbean experience."

Accommodations range from remote outposts on small islands to hotels from the highest echelons of luxury brands. In recent years, growing numbers of visitors have joined native "Belongers" and become island residents, many on a part-time basis by owning condominiums or their own private villa affiliated with a hotel.

"Around 2000 we started seeing an uptick in travel and awareness of what Turks & Caicos was all about, with more tourists coming, more airlines flying here, and the hotel-condo model took off," says Canham. "When the owners are not here, their properties are placed into a well-managed rental program, providing income to offset expenses."

The islands were hit twice in September 2017 by hurricanes Irma and Maria, but damage was limited and quickly repaired,¹² and it has not deterred new developments on Provo and outer islands.

"While we rarely experience a direct strike, we take hurricanes very seriously, and that's why things are built to a very high standard, plus most of our development is newer, so that's a benefit," says Canham.



st. croix

SPREADING OUT IN ST. CROIX

The U.S. Virgin Islands are just 40 miles southeast of Puerto Rico,¹³ with St. John and St. Thomas north of St. Croix, the largest of the three islands. The capital of Charlotte Amalie is located on St. Thomas. Formerly the Danish West Indies, Denmark owned the islands from 1733 until selling them to the United States in 1917 for \$25 million¹⁴ in gold. After a period of administration by the U.S. Navy, the islands became a U.S. territory, and tourism began to take hold after World War II, eventually attracting adventuresome Americans to put down roots in the blissful Caribbean.

"Because it's a bigger island, your money actually buys a lot more on St. Croix," says **Amy Land-de Wilde** of Coldwell Banker St. Croix Realty in Christiansted. "What people like about it is that it's quieter and spread out with more privacy, and it's easy to move around. Everyone remarks about what a friendly island we are!"

The residential property market spans several millions of dollars in terms of asking price, according to Land-de Wilde, with about 30 homes on the market for more than \$2 million. Homes like these are typically at least 3,000 sq ft. in size on an acre or more of land, depending on whether the property is on the waterfront.

"The interior square footage of our properties can understate the true size of the living space because we live outdoors, says Land-de Wilde. "Homes often have large outdoor areas with galleries, terraces, swimming pools, and auxiliary structures for caretakers or guests."

Like other islands, St. Croix felt an impact of Hurricane Maria in 2017, sustaining some damage from wind and water, but recovery began quickly.¹⁵





b.v.i.

WEALTH AND RESILIENCE IN THE BRITISH VIRGIN ISLANDS

Extending eastward from St. John in the U.S. Virgin Islands, the British Virgin Islands are a collection of more than 60 islands¹⁶ anchored by the big four of Tortola, Virgin Gorda, Anegada, and Jost Van Dyke. Like the Turks & Caicos, the BVI are a British overseas territory with a governor appointed by the British crown,¹⁷ but the official currency is the U.S. dollar.

Sailing has been a part of the heritage of the BVI for centuries, and the nautical lifestyle remains a powerful pull for the islands, which also plays a role in the offshore financial services industry. Over the past several years, the islands have earned a reputation for attracting some of the world's wealthiest individuals.

"We really do have a high number of billionaires per square mile on the northern end of Virgin Gorda off the North Sound," says **Chris Smith**, Managing Broker of Coldwell Banker Real Estate, BVI, referring to islands just offshore, including Necker, owned by Richard Branson, where the British billionaire lives and operates an exclusive resort, hosting the annual Necker Cup Tennis Pro-Am every year in the fall.

"Branson also owns nearby Mosquito Island and has split it into a number of lots that have been sold to several other high-net worth individuals who are investing upwards of \$30 million each, building quite breathtaking custom homes on the island," says Smith.

The major theme of the past two years across the BVI has been recovery in the wake of a direct hit by Category 5 Hurricane Irma in September 2017. The storm destroyed the island's sailboat charter fleet and left structures large and small in need of repair or rebuilding. Hotels such as Marriott's Scrub Island Resort, Spa & Marina, Autograph Collection began to reopen over the past 18 months, and the luxury property market is showing strong signs of strength.

"The reopening of the Rosewood Hotel in Little Dix Bay in January 2020 marked a big point in our comeback because of the historical significance of the property dating back to the Rockefellers," says Smith, noting that the newly redone property is seeing strong demand for its luxury villas.

grenada

GRENADA GETS GOING

Nicknamed the "Isle of Spice"¹⁸ for its cultivation of nutmeg and mace, Grenada is an island 21 miles long and 12 miles wide at the southernmost tip of the Lesser Antilles chain. In the middle of the island, the brilliantly green slopes of Mount Saint Catherine rise more than 2,750 feet above emerald waters ring Grenada's white beaches. The smaller islands of Carriacou and Petite Martinique are to the northeast of the main island, while the capital of St. George's in the southwestern part of Grenada provides a deep harbor to accommodate large ships with passengers and cargo.

Over its history, Grenada has been ruled by both the French and the British, and the names of its towns reflect the influence of the two countries. Grenada gained independence from Great Britain¹⁹ in 1974, and in 1983 the United States invaded the island to put down a coup against the government.

Today the island is a hotbed of activity for luxury hospitality and residential real estate, driven at least in part by Grenada's citizenship-by-investment program,²⁰ which allows foreigners to become citizens for investing at least \$325,000 in local real estate.

"Citizenship-by-Investment is certainly driving more international clients to buy here, and it's a major real estate market with condo and hotel development projects all over the island," says **Alex Seibert** of Coldwell Banker Realty in St. George's, noting that annual sales in Grenada doubled from 2013 to 2017.

"Some of the most expensive homes are on the southern part of the island in the neighborhoods of L'ance Aux Epines, Westerhall Point, and Fort Jeudy," says Seibert.

The potential tax benefits of living in Grenada are motivating a diverse mix of buyers to come to Grenada.

"The people driving sales in Grenada come from all over: Russia, China, London, Israel, and from as close as Trinidad and Tobago," says **Victoria Williams** of Coldwell Banker Realty in Grenada. Williams notes that upscale developments like Pointe at Petite Calivigny and the Port Louis Marina are proving popular among the new arrivals.





BANGALORE INDIA

Although China may garner more attention in the media for its rise to power over the past three decades, India enjoys a similarly bullish set of demographics and economic trends. With a population of 1.3 billion people,¹ India is almost as populous as China, with 1.38 billion,² and although its economy is smaller, India's 6.8% GDP growth in the final three months exceeded China's 6.6% rate.

Economic growth in India is producing a profusion of wealth and minting new millionaires. The number of dollar-millionaires grew an estimated 4.7% in 2019 to 769,000, and 4,460 ultra-high net worth individuals were worth more than \$100 million, according to Credit Suisse.³

Some of the most visible displays of new wealth are in the southern city of Bangalore, or Bengaluru as it has been known within India since 2006.⁴ Often referred to as the "Silicon Valley of India," Bangalore is a city of more than 8.5 million people⁵ and occupies a commanding role as a center of the global information technology and communications industries.



“Luxury skyscrapers account for 95% of the market, and villas are quite rare.”
— **Balaji Badrinath**

“Bangalore is the garden city of India, surrounded by hills with beautiful weather, and traditionally it was an army town and a university town with very educated people,” says **Ramnik Chopra**, Managing Director and Lead Investor of Coldwell Banker India. “Infosys, a pioneer in the tech outsourcing business, began the evolution of Bangalore about 30 years ago, and after the turn of the century all of the tech companies like Microsoft®, IBM®, Oracle®, and others were here, along with dozens of start ups.”

As business boomed in Bangalore, the luxury home market took root and grew to meet rising demand from IT company executives and entrepreneurs. “Luxury skyscrapers account for 95% of the market, and villas are quite rare,” says **Balaji Badrinath**, of Coldwell Banker Value Add Realty. Popular high-end areas, according to Badrinath, include Sarjapur, Hoodi, Kanakapura Road, and Mysore Road.

Luxury developments are also expanding rapidly to the east of Bangalore in Whitefield. “Growing

infrastructure development like a new rail line and construction of additional office parks will continue to increase demand for luxury residential real estate in Whitefield,” says **Shaukeen Pathak**, Chief Operation Officer of Coldwell Banker Brad Realty.

Despite good financial fundamentals, the Indian real estate industry is undergoing major changes that have temporarily slowed the pace of sales. “It was a very opaque business, so the government established new national regulations that will make the market more transparent and efficient, but which have produced some softening during the transition period,” says Chopra.



GLOBAL LUXURY

LUXURY BY THE *numbers* 2019

The **Coldwell Banker®** brand has a global reach with offices in **44** countries and territories, including the United States and Canada. There are approximately **3,000** Coldwell Banker offices and over **90,000** Independent Contractor Sales Associates/Representatives worldwide.

COLDWELL BANKER® AFFILIATED AGENTS AND TEAMS:

Sell

\$144.4 million

in million+ homes each day*

Handled

27,595 transaction sides

of \$1 million+ homes, with an average sales price of

\$1.9 million*

ColdwellBankerLuxury.com is a global destination for luxury real estate with visitors from more than **188 countries**, led by Canada, Italy, Mexico, UK, India, France, Spain, Germany, and Netherlands.**

The Coldwell Banker social media accounts generated over **13 million impressions** to brand content resulting in over **328,000 social engagements**.***

*Average daily sales. Data based on closed and recorded transaction sides of homes sold for more than \$1 million (USD\$) or more as reported by the U.S. Coldwell Banker® franchise system for the calendar year 2019. **Google Analytics 2019. ***Facebook Insights 2019, Twitter Analytics 2019, Later Analytics 2019



GLOBAL
LUXURY

significant
SALES
2019

Coldwell Banker Global Luxury reported sales numbering **27,595 luxury homes** in 2019. The following represent some of the most significant of these property sales.

LISTED AT
\$195
Million

CHARTWELL MANSION / Los Angeles, CA

*Represented by Joyce Rey, Jade Mills, and Alexandra Allen
Coldwell Banker Realty, Beverly Hills*

LISTED AT
\$160
Million

THE MANOR / Los Angeles, CA

*Represented by Jade Mills
Coldwell Banker Realty, Beverly Hills*

LISTED AT
\$45
Million

281 BENTLEY CIRCLE / Los Angeles, CA

*Represented by Florence Mattar
Coldwell Banker Realty, Beverly Hills*

LISTED AT
\$35
Million

1813 E BAY AVENUE / Newport Beach, CA

*Represented by Timothy Smith
Coldwell Banker Realty*



2000 Grandview Drive - Napa, CA
 Represented by Cyd Greer, Coldwell Banker Brokers of the Valley



GLOBAL LUXURY

significant
SALES
 2019

LISTED AT
\$35
 Million

8845 OVERLAKE DRIVE W / Medina, WA

*Represented by Terry Allen
 Coldwell Banker Bain*

LISTED AT
\$35
 Million

1006 LAUREL WAY / Beverly Hills, CA

*Represented by Jade Mills
 Coldwell Banker Realty, Beverly Hills*

LISTED AT
\$22
 Million

THE J.M. DIXON HOUSE / Aspen, CO

*Represented by Carrie Wells
 Coldwell Banker Mason Morse*

LISTED AT
\$18
 Million

2000 GRANDVIEW DRIVE / Napa, CA

*Represented by Cyd Greer
 Coldwell Banker Brokers of the Valley*

LISTED AT
\$11
 Million

VILLA MONTMARTRE / Montmartre, France

*Represented by Vanda Demeure
 Coldwell Banker Demeure Prestige*

DISCLAIMERS

METHODOLOGY FOR DATA REPORTING

Top 10% is defined as homes with sold prices (or in terms of inventory, list prices), matching or exceeding the 90th percentile sold price for homes sold in 2019 in the specified city. Top 5% is defined as homes with sold prices (or in terms of inventory, list prices), matching or exceeding the 95th percentile sold price for homes sold in 2019 in the specified city.

Data is calculated monthly from various sources to attain the most accurate set of information pertaining to parameters, as seen throughout this report, such as closed sales, active listings, sold prices, sold-price-to-list-price percentages, days on market, and sales ratios. Data is then represented both monthly and yearly throughout the report, using medians, averages, totals, percentages, and ratios. However, unless otherwise specified, statistics typically presented in this report represent both the monthly median and the median of monthly medians of the respective data.

The median was calculated by arranging the data in sequential order and selecting the middle number of the set, whether that number be a price, volume, number, percentage, or ratio. To determine the median of the monthly median, monthly medians are totaled and the same method applied as for the monthly figure.

Unless otherwise specified, all statistics are based on property sold. Inventory statistics are based on property available at the end of each month. Average Monthly Inventory and Average Monthly Sold statistics are based on the average of monthly property totals for each month. Sales Ratio is based on the ratio of Average Monthly Sold to Average Monthly Inventory.

Market Status is an analysis of Sales Ratio and represents market speed and market type: Buyer's = less than 15%; Balanced = 15% to less than 21%; Seller's = 21% or greater. If greater than 100%, MLS® data reported previous month's sales exceeded remaining inventory pulled at the end of the month.

DATA ON ULTRA-HIGH NET WORTH INDIVIDUALS (UHNWIs)

Wealth-X's team of researchers and analysts has access to an unrivaled proprietary database of global UHNWIs that is the largest in existence. UHNWIs are defined as having a net worth of \$30M and above. Wealth-X's database highlights their financial profiles, passions and interests, known associates, affiliations, family members, biographies, news, and more. Wealth-X uses a proprietary valuation model to assess all asset holdings including privately and publicly held businesses and investable assets to develop its net worth valuation model.

GLOBAL LUXURY RESIDENTIAL PROPERTY INDEX METHODOLOGY

The Global Luxury Residential Property Index focuses exclusively on the top 10% of the residential property market with regards to sales price. It is based on the median selling price of luxury properties across a broad range of the world's top destinations, including not only cities, but mountain resorts, seafont, and countryside properties, to reflect the full nature of the wealthy's real estate holdings. The Index is based on property sales data from Barnes and Perchwell as well as publicly available data for locations including London and Singapore.

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The statistical information showcased through The Report for **Coldwell Banker Global Luxury®** has been compiled from various sources, including but not limited to Coldwell Banker's Independent Sales Associates, Brokers, Brokerages, and Affiliates, The Institute for Luxury Home Marketing, Wealth-X Pte. Ltd, Wealth Engine, Reuters, local MLS boards, local tax records, private and public sources, and Realtor.com. Data may not include private sales, as these transactions are not always reported through the above sources.

The Institute for Luxury Home Marketing publishes the Luxury Market Report on a monthly basis to measure market conditions for luxury real estate around the country and is prepared using statistical representation of the Median Price for each of the markets represented in its report. Information contained herein has been computed by The Institute for Luxury Home Marketing's data research partner and shared with **Coldwell Banker Global Luxury®** and based on information attained both privately and publicly.

The data for this report is based on closed and recorded sides of homes sold during 2019. However, statistical information has been calculated using closed sales activity reported over a 13-month period from December 1, 2018, through December 31, 2019. Closed sales reported significantly later than this analysis period will not be included. All active status listing records were downloaded and processed to the same standards, at the end of each calendar month, from December 2018 through December 2019. Property-specific active and sales records were standardized, inaccurate list and sale prices were corrected when necessary, and all duplicate records were manually excluded. As a result, statistics available via the source data providers may not correlate to this analysis.

Although we believe that high standards have been used in the preparation of the information, analysis and views presented, we take no responsibility or liability whatsoever for the contents. As not all private real estate activity is actively reported within its primary marketplaces, it is believed that not all property transfer data is included in this analysis. All the information is provided "as is," and we make no express, implied, statutory, or other warranty of any kind or guarantee as to the accuracy, timeliness, completeness, efficacy, merchantability, and fitness for any particular purpose of any of the contents.

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