



GLOBAL AFFLUENCE

THE EMERGING LUXURY CONSUMER

Sotheby's
INTERNATIONAL REALTY

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The luxury residential real estate market is ever evolving. As a global leader in this arena, the Sotheby's International Realty® brand is dedicated to staying ahead of the curve and has commissioned this research survey to unveil emerging trends with luxury residential real estate consumers around the world. Our focus is to keep a pulse on the state of the real estate market and the homebuyers of tomorrow.

Global Affluence: The Emerging Luxury

Consumer surveyed high-earning individuals, who are well on their way to achieving wealth status, from five different countries to discover trends among the emerging luxury consumer.

We hope the important information presented in this report offers insight into the emerging luxury consumer and an understanding of the changes shaping our industry.

A handwritten signature in black ink that reads "Philip White".

Philip White

President & Chief Executive Officer
Sotheby's International Realty Affiliates LLC



The luxury market has been redefined in recent years due in large part to the impact of the new emerging luxury consumer. This group's influence on modern consumerism is highlighted by their sensibility and affinity for exclusive brands, proving that luxury transcends income levels – it is about quality, uniqueness, and ultimately achieving a certain lifestyle. The *Sotheby's International Realty* brand has its eye on the future and is perfectly positioned to unite these extraordinary lives with extraordinary lifestyles.

A handwritten signature in dark ink, appearing to read 'Kevin Thompson'. The signature is stylized with fluid, connected letters and a long, sweeping horizontal line extending to the right.

Kevin Thompson

Chief Marketing Officer
Sotheby's International Realty Affiliates LLC

CONSUMER CONFIDENCE

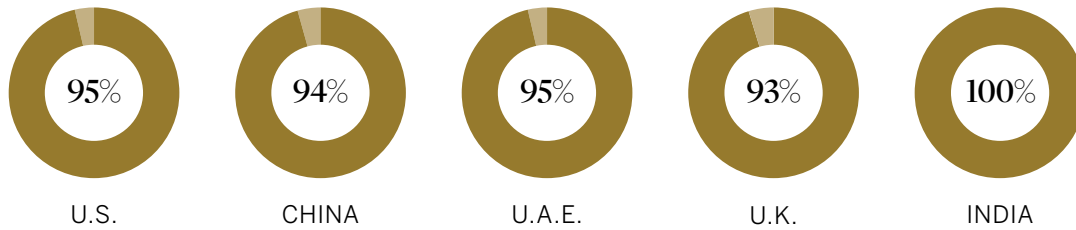
Emerging luxury consumers are defined as those with \$250K USD - \$1M USD in investable assets; they are on the cusp of attaining traditional wealth status. The Sotheby's International Realty Global Affluence: The Emerging Luxury Consumer report surveyed this select group of people in the United States (U.S.), United Kingdom (U.K.), India, United Arab Emirates (U.A.E.) and China and found that the majority in all five countries expressed confidence in their country's current economy, their personal economic status, and in the housing market.



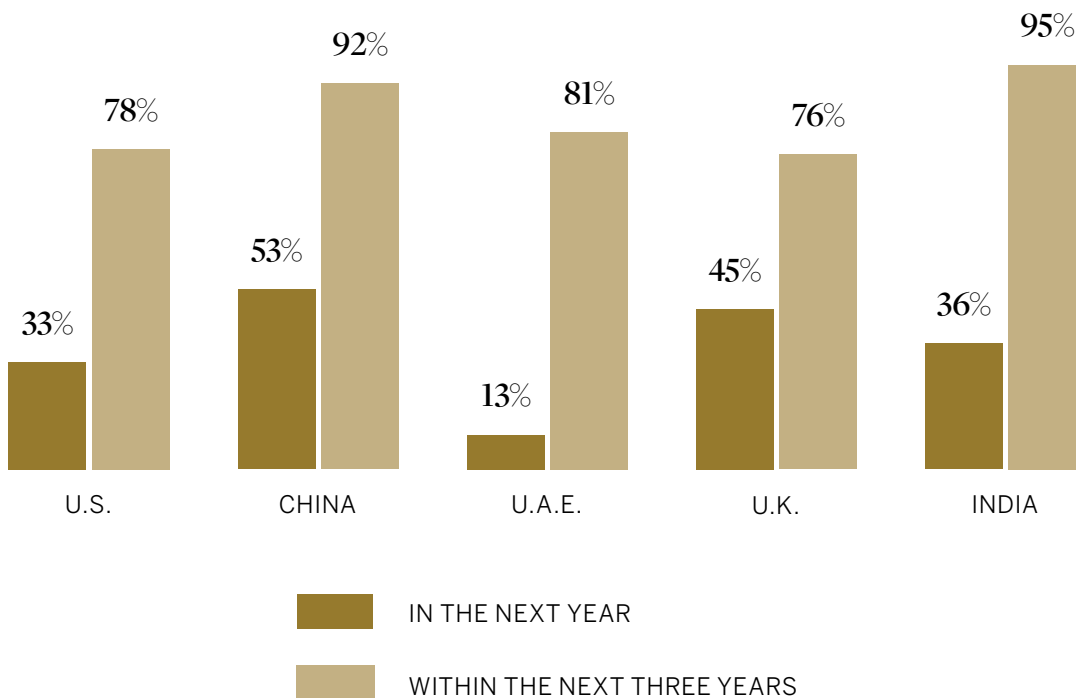
Emerging luxury consumers around the world feel that their respective national economies are strong and headed in the right direction.

CONSUMER CONFIDENCE

Emerging luxury consumers have high confidence in their personal economic situations. Most feel that the current environment allows them to get the jobs they want rather than settling for one to make ends meet.



Emerging luxury consumers around the world feel that they are able to afford all the things they need as well as most of the things they want.



*Emerging luxury consumers are equally confident in the housing market and **are ready to buy a home.***

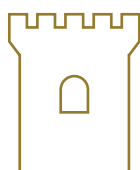
CONSUMER CONFIDENCE

KEY MOTIVATORS driving home purchasing decisions of emerging luxury consumers:



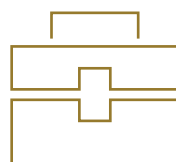
I am at the right stage in my life for this type of purchase.

U.S.
U.K.
INDIA



I want a home to fit a particular lifestyle.

U.S.
CHINA
U.K.
INDIA



I am doing well in my job currently.

U.S.
U.A.E.



I want to make a purchase like this for the benefit of my family.

CHINA



The current housing market is ideal for making a purchase like this.

U.K.
INDIA



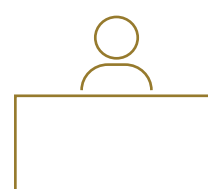
I want to diversify my asset portfolio.

U.A.E.



I expect to make a high return on this kind of investment.

CHINA
INDIA

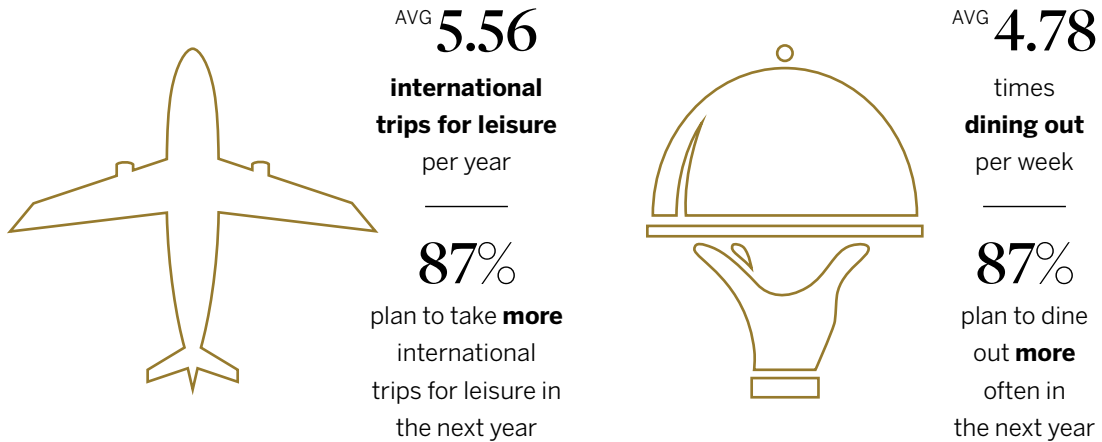


I expect to receive a raise or promotion in my job soon.

U.A.E.

LUXURY LIFESTYLE

The spending patterns of the emerging luxury consumer illustrates their confidence in the current and future economy. They are traveling regularly and eating at restaurants often and plan to increase the amount they travel and dine out in the next year.



DID YOU KNOW?

The top brands for emerging luxury consumers surveyed currently are the following:



VEHICLES

BMW and AUDI



WATCHES

Rolex, Omega and Cartier

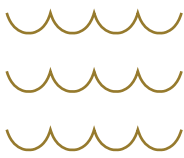


HANDBAGS

Gucci and Chanel

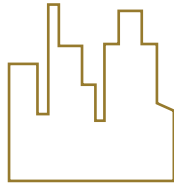
LUXURY LIFESTYLE

Emerging luxury consumers have their sights set on these property lifestyles for their luxury home purchase:



31%

WATERFRONT



31%

URBAN



23%

SUSTAINABLE OR
ECO-FRIENDLY



22%

HISTORIC



20%

GOLF



19%

SKI



18%

FARM OR
RANCH



15%

VINEYARD OR
WINERY

LIFESTYLE AT A GLANCE

THE EMERGING LUXURY CONSUMER DESIRES
A HOME TO FIT THEIR LIFESTYLE INTERESTS
FROM WATERFRONT, TO METROPOLITAN, TO
HISTORIC. HERE IS HOW CURRENT CONSUMERS
AROUND THE WORLD ARE SEARCHING FOR
THESE LIFESTYLES ON SOTHEBYSREALTY.COM.



LIFESTYLE AT A GLANCE WATERFRONT

EUROPE is seeing an increase in searches for this lifestyle.

3 TRENDING WATERFRONT locations are:



United Kingdom

London, England
PROPERTY ID: PMFDWT



Italy

Salerno, Italy
PROPERTY ID: EJTHMF



Germany

Berlin, Germany
PROPERTY ID: B43779

When it comes to waterfront living, these locations **MAINTAIN A TOP TRENDING POSITION YEAR-OVER-YEAR:**



Turks & Caicos

Parrot Cay, Turks & Caicos
PROPERTY ID: 9NLTLY



Australia

Sydney, Australia
PROPERTY ID: RG2DF4



Malibu

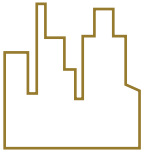
Malibu, California
PROPERTY ID: H6NQ2Z

The waterfront location with the **HIGHEST YEAR-OVER-YEAR INCREASE** in search:



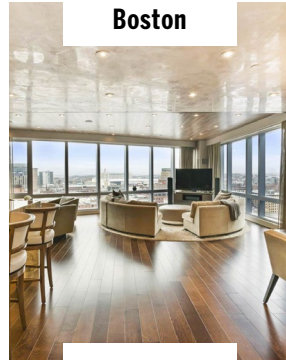
New Hampshire

Bedford, New Hampshire
PROPERTY ID: DEZ7RZ

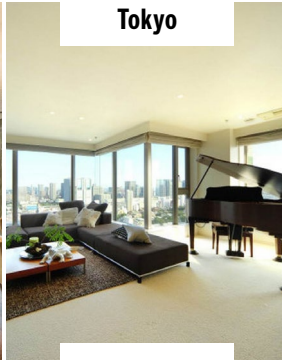


LIFESTYLE AT A GLANCE METROPOLITAN

4 TRENDING METROPOLITAN locations are:



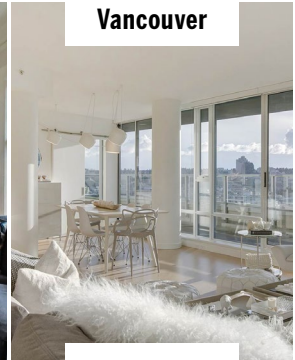
Boston
Boston, Massachusetts
PROPERTY ID: LN3LLW



Tokyo
Tokyo, Japan
PROPERTY ID: M7ZNFT



Portland
Portland, Oregon
PROPERTY ID: E7ZVJ5



Vancouver
Vancouver, Canada
PROPERTY ID: NQD9DC

NEW YORK CITY is consistently one of the most popular metropolitan searches.

2 TRENDING NEIGHBORHOODS in Manhattan are:

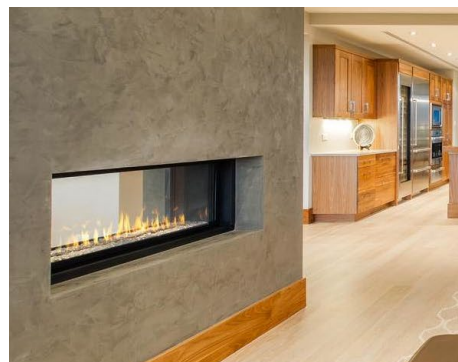


SoHo
New York, New York
PROPERTY ID: PPSG3R



Upper East Side
New York, New York
PROPERTY ID: B3SHLS

The metropolitan location with the **HIGHEST YEAR-OVER-YEAR INCREASE** in search:



Denver
Denver, Colorado
PROPERTY ID: GCKZ6X





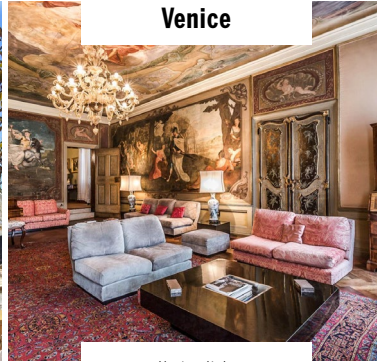
LIFESTYLE AT A GLANCE HISTORIC

5 TRENDING HISTORIC home locations:



New Orleans

New Orleans, Louisiana
PROPERTY ID: R4ET4W



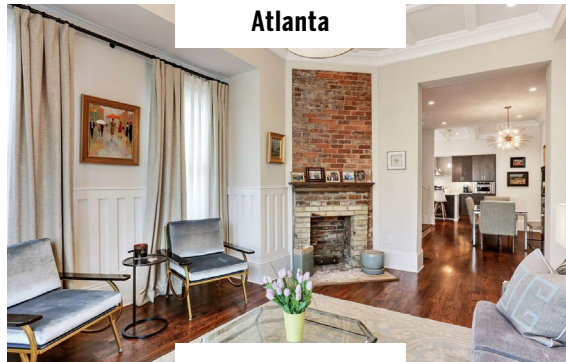
Venice

Venice, Italy
PROPERTY ID: F4HGLC



India

New Delhi, India
PROPERTY ID: ZHFFJ6



Atlanta

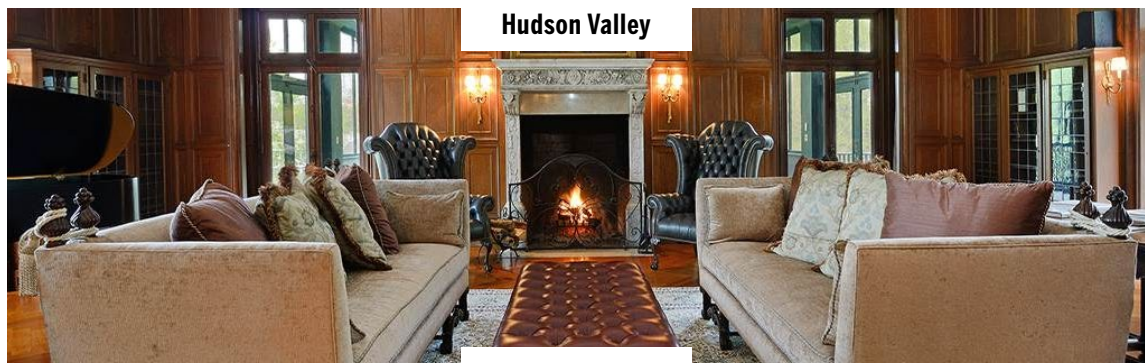
Atlanta, Georgia
PROPERTY ID: T42589



Portugal

Porto, Portugal
PROPERTY ID: YQHM3E

The location for historic homes with the **HIGHEST YEAR-OVER-YEAR INCREASE** in search is the Hudson Valley, located in New York State.



Hudson Valley

Nyack, New York
PROPERTY ID: H9YRFP

Sotheby's

INTERNATIONAL REALTY

Methodology: The Sotheby's International Realty Affiliates LLC Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 200 US emerging luxury consumers, and 100 emerging luxury consumers in the UK, China, U.A.E. and India, between November 17th and December 15th, 2016, using an email invitation and an online survey.

The margin of error for this study is +/- 6.9 percentage points in the US, and +/- 9.8 percentage points in the UK, China, U.A.E. and India at the 95% confidence level.

Data from sothebysrealty.com: Google Website Analytics, sothebysrealty.com, April – December 2015 vs. April – December 2016

FEATURED ON COVER

Key Biscayne, Florida | Property ID: QLQK89

New York, New York | Property ID: DZM9C4

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