

BARNES GLOBAL PROPERTY HANDBOOK

A REVIEW OF THE LUXURY HOUSING MARKET 2018



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- ZURICH, SWITZERLAND
- BRUSSELS, BELGIUM
- LISBON, PORTUGAL
- MONACO



- BIARRITZ, FRANCE
- PORTO-VECCHIO, FRANCE
- HO CHI MINH CITY, VIETNAM
- MEXICO CITY, MEXICO
- MARRAKESH, MOROCCO
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FOREWORD

By 2021, the HNWI population is expected to have increased by more than 30%, to almost 300,000 individuals with a cumulative wealth totaling some 36,000 billion dollars. The luxury property market is therefore set to experience exponential growth in the coming years, accompanied by a number of profound transformations.*

In this context, BARNES offer his clients and partners a deeper understanding into the motivations, expectations and aspirations of affluent families in order to better anticipate the major economic changes and future trends influencing this demographic. Against the backdrop of a complex world in a perpetual state of change, we are delighted to present you with this report for the third consecutive year, its objective, to provide insights allowing you to better invest and more efficiently protect and grow your interests.

When purchasing premium property, HNWI have always been highly selective in their acquisitions. Furthermore, recent trends reveal that there has been a marked shift in their motivations. In realizing their real estate dreams, lifestyle and experience driven aspirations are transcending traditional considerations such as wealth preservation and generation. The high end property market has now become a truly singular sector within the luxury industry. With this in mind we tirelessly the globe to reveal the emerging opportunities amongst new destinations selecting properties for their rarity, exceptional locations, and long-term financial viability. Sharing our extensive international experience, profound knowledge of local contexts and understanding of the needs of our HNWI clients', we would like to offer you a clearer vision of the trends and opportunities as well as global luxury property market and its intricacies.

This review draws on a variety of studies compiled by renowned agencies, as well as a range of investigations carried out throughout 2017 with the clients, employees, and partners of BARNES like WARBURG in New York. Outlining the deciding factors behind the property purchases of affluent wealthy families, it also presents an analysis of the cities and vacation spots most popular with this privileged category of the global population. This overview will offer you a window into the sound investments and "rising stars" among the world's most sought-after and up and coming markets, introducing you to our guide of those to watch for the future.

** Ultra-High-Net-Worth Individuals: individuals or families with a net worth of at least 30 million U.S. dollars.*
*** High-Net-Worth Individuals: individuals or families with a net worth of between 1 million and 30 million U.S. dollars.*

Thibault de Saint Vincent

*Thibault de Saint Vincent,
President of BARNES*

Heidi Barnes

*Heidi Barnes,
Founder of BARNES*

LUXURY PROPERTY: A SECTOR IN A LEAGUE OF ITS OWN

*In a changing world, high-end real estate
has adopted the codes of the luxury sector*

INVESTING WITH THE HEAD AND THE HEART, OVER AND OVER AGAIN

Now, more than ever, in our increasingly globalised world the acquisition of luxury property fulfills a practical, emotional, and financial need.

Inherently practical, UHNWIs – businesspeople for the most part – prefer residing within easy access of their places of work, choosing cities easily connected to other major hubs by a vast array of transport links. As expected, other major criteria included ensuring the safety of their families as well as access to prime educational opportunities.

In an interesting development, thanks to advances in digital communications and the proliferation of private air travel, remote working is becoming a practical reality. With more HNWI telecommuting, the head and the heart are drawing ever closer, blurring the lines between the practical needs of conducting business and more emotional lifestyle considerations.

Emotion is the second factor, the heart and desire being the sparks igniting the acquisition and criteria such as size, history, style, construction quality, and the view, all decisive. Properties located in the center of a city steeped in history, near a beautiful beach or a majestic mountain, or in the heart of a national park, inevitably stir up enthusiasm. Historically, proximity to luxury boutiques preceded and validated the choices made by these buyers.

UHNWIs buyers today are redefining the meaning of luxury within real estate. The world's wealthiest purchasers are increasingly driven by their desire for lifestyle and experience, preferring more diverse offerings inevitably in choice locations more in harmony with their environments. Affluent buyers in resort markets are shifting their focus towards atmospherics and luxury lifestyle amenities with one of a kind experiences paramount.

*“These people’s primary residence
is literally their castle”*

FREDERICK PETERS,
CEO OF WARBURG

Finally, the financial aspect is the third factor shaping the buying and selling decisions of affluent individuals’ decisions. Luxury property remains a low-risk investment, a safe bet in times of crisis, and a profitable opportunity in periods of growth. Undoubtedly, a major influence in terms of wealth creation, financial pressures on the other hand weigh tend to weigh less heavily on the patterns of this privileged demographic than investment and lifestyle.

*“For UHNWIs, the world is made up of a
multitude of opportunities. They see property
as a way to preserve the value of their assets.”*

OUTI DE FALBAIRE, DIRECTOR OF BARNES MAURITIUS



ACQUIRING A PREMIUM PROPERTY: LIVING LUXURY ON A DAILY BASIS

For affluent individuals, investing in premium real estate means making a world of luxury part of their day-to-day. In choosing an exceptional setting in which to live – acquiring a primary or secondary residence in the world’s most beautiful locations and vacation spots – HNWI’s are looking to experience something unique.

Premium property has become a luxury item in a league of its own.

“Luxury should be the most intense in private residences, because property is the meeting point between the combined uniqueness of a person and their home”

STANISLAS DE QUERCIZE, EX CEO CARTIER

Real estate embodies all the qualities of the luxury world. Widespread consumer products are disposable, whereas luxury goods stand the test of time. If necessary an object of exceptional quality can also be resold, often for a higher price. Above all, a buyer will only accept a higher price if it corresponds to an irreproachable, bespoke service.

In the same way as a triple Michelin-starred chef heading up several restaurants across the world, each with its own personality but identical quality, international luxury real estate agencies must adopt the same similar codes and guarantee consistency in each country. Whether Miami, Geneva, Paris, New York, Shanghai, or London, their clients should find products or services that, while naturally very diverse, all offer the same, remarkable quality.

Budget is not a consideration in the luxury world.

Property, as in all areas of the luxury world, is defined by a quest that constantly draws us one higher. In fact, the house or apartment in which we live, relax, work on personal projects, listen to music, and receive friends and family. It is not a neutral space. It is in actual fact the place where we should be the most demanding, both with ourselves and with those who advise us.

INCREASINGLY PERSONAL EXPERIENCES

In both Europe and North America, luxury has been a notable shift in direction from materialism towards something more experiential. While yachts and private jets are of course still popular, the ultra-wealthy are increasingly turning to more personal experiences. This trend is taking the form of culinary, cultural, and artistic discoveries taking place in home thanks to renowned professionals. Interior design, often the work of famous figures in the field, is also contributing to this phenomenon. This is a form of luxury drawn from the outside and reappropriated at the heart of an intimate, personal setting – at home.

“EVERYONE BASES THEIR
IDEA OF LUXURY
ON THEIR OWN
EXPERIENCES.”

THIBAUT DE SAINT VINCENT,
PRESIDENT OF BARNES

LUXURY CODES

The high-end property sector has gradually adopted the codes of the luxury world, which are generally founded on ten criteria:

01

Superior quality

02

God is in the details

06

*High prices justified
by quality of service*

07

*Gratifying or surprising
client experience*

03

Recognizable and reassuring

08

*Storytelling and
the creation of emotion*

04

Exclusive membership

05

*Loyalty to clients
and long-term trust*

09

*Proud clients, word-of-
mouth, recommendations*

10

*Constantly attractive
and reinvented creativity*

THE NEED FOR TAILOR-MADE SERVICES

The HNWIs and UHNWIs of this world are accustomed to tailor-made services at every moment throughout their lives. As time is often their most precious commodity, throughout their real estate search they look for personalized solutions for achieving their goals in the most expeditious manner. Just as their real estate needs evolve and become more diverse so do their expectations.

Selecting the ideal house or apartment is just one part of the process experience of acquiring a luxury property. As a result, the bespoke guidance given to the client is essential, and should be provided with the highest industry standards and based on a relationship of mutual trust. Wealthy individuals expect genuine advice on the choice of location, property type, appropriate legal arrangements, adapted financing, interior design, and/or the future management of the property.

“Our priority is to adapt to the profile of each client by integrating all the criteria that will lead them to prefer a particular property. These factors include the client’s cultural background, profession, education, and hobbies. UHNWIs do not make up a uniform group; they differ in age, country, and sector of activity, which are all elements that have a direct influence on their property expectations.”

JEAN-CHRISTOPHE THOUAIT, DIRECTOR OF BARNES INVESTMENT CONSULTING

Furthermore, in order to meet the demands of complex markets, International luxury property specialists must commit to providing the necessary guidance and support to their clients for the long-term. In maintaining these trusted relationships is also imperative

that they evolve to fulfill the more specific individual requirements of increasingly knowledgeable and demanding clients with regard to all facets of the property world, from portfolio creation strategies, investments, and management, to interior design and information on local schools.

Offering experience rather than process, advice and solutions are more valuable when tailor made, based on a specific understanding of individual needs. Similarly, as digital communication and media platforms play such an integral part in today’s globalized world it is essential that they are underpinned by personal contact in order to retain their bespoke nature.

Apartment buildings should employ a concierge who speaks several languages, as in a five-star hotel. In New York, Miami, London, most other major cities international cities, the building manager should is never expected to be far away. Twenty-four-hour security is essential in both communal areas and partments themselves. The building’s gym must be state of the art and come complete with professional trainers. Kitchens should be semi-professional and capable of accommodating a prestigious chef.

“Even if I ensure a consistent signature throughout my work, especially in terms of attention to detail, I always keep in mind that each project is unique. My profession consists of meeting individuals who have desires and ideas, but who do not know how to implement them. It is my responsibility to create the world that corresponds to their personality.”

JEAN-MICHEL WILMOTTE, ARCHITECT

In architectural terms, luxury is generally created by a combination of space and height. However, each individual defines their own personal vision of luxury concerning a house or an apartment, with a notion of well-being at the heart of each layout.

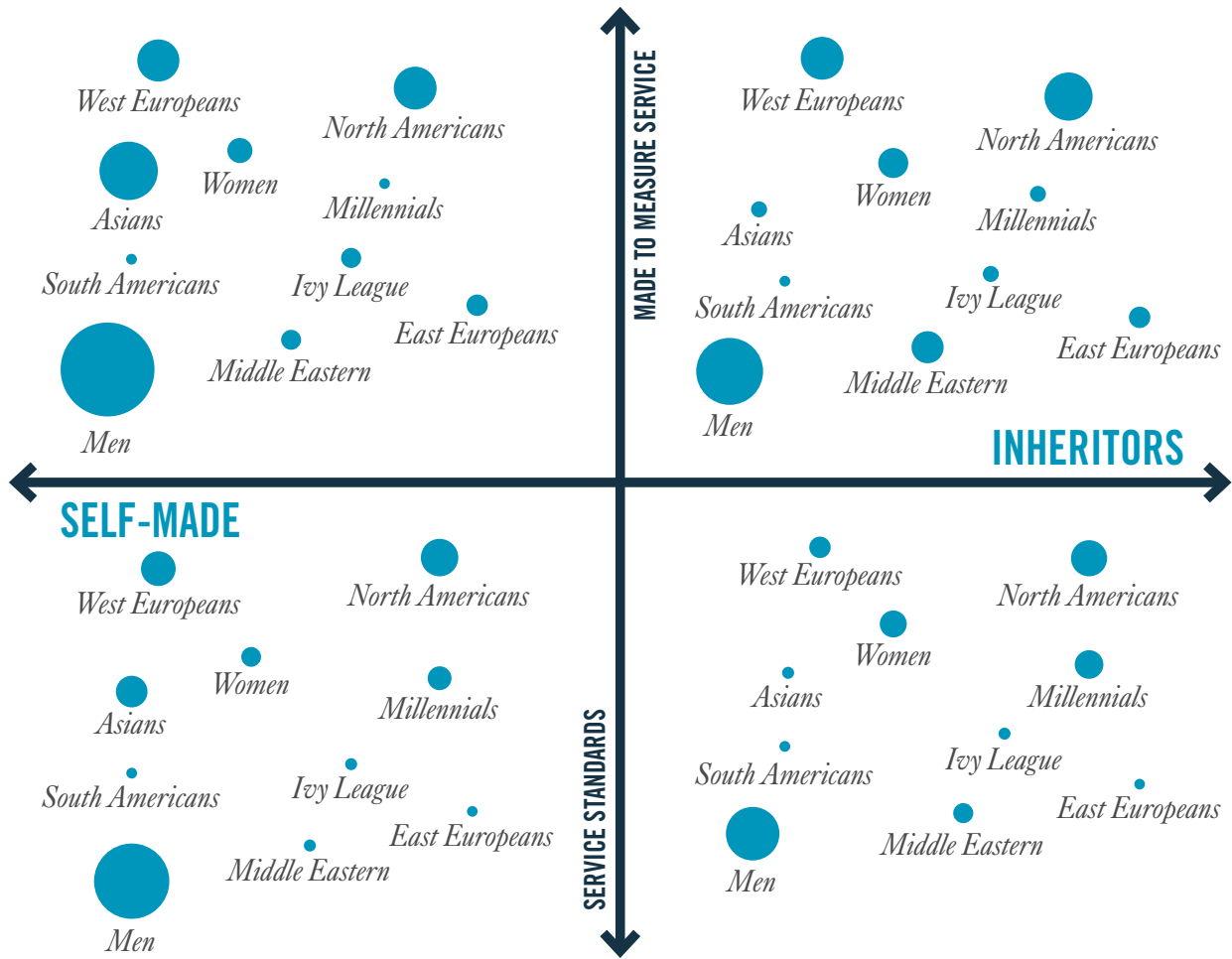
EXAMPLES OF A BESPOKE APPROACH:
In Megève, the BARNES team headed up by David Pretot, a former member of the French ski team, organized a series of ski days with qualified instructors for realtors and a selection of their international clients.

In Paris, BARNES organized a private tour of the Louvre museum for a Chinese buyer and his team, after having taken them on a unique trip to discover the Bordeaux region, with visits to two exceptional vineyards and a meeting with one of today’s most prestigious watchmakers.

In Corsica, during summer 2017, BARNES opened a pop-up art gallery in the former sailing center in the port of Bonifacio, conveniently located just a few meters from the moored yachts to ensure potential clients didn’t waste a single minute of their vacations.

“The notion of service is more than ever at the heart of all forms of luxury.”

NICOLAS TARNAUD, DIRECTOR OF THE INTERNATIONAL REAL ESTATE MBA AND RESEARCHER AT THE LAREFI CENTER AT BORDEAUX IV UNIVERSITY



The UHNWI population can be broken down into three main categories – inheritors, self-made, and inheritors/self-made – with each of these divided into some 20 sub-groups such as men, women, millennials, Asians, Middle Easterners, North Americans, South Americans, West Europeans, East Europeans, and graduates of Ivy League and other top institutions. Each category and sub-group requiring a different, tailor-made approach reflecting the culture, lifestyle, and habits of each individual.

“Whether travel, real estate, insurance, or financial advice, the Internet offers an increasing range of choice, and can give the impression that we can buy whatever product we want in a click. But in the luxury world, clients know that time is their most precious commodity. This is why they need experts who can guide them directly to the very best option based on their desires and budget.”

MELISSA BIGGS BRADLEY, FOUNDER INDAGARE TRAVEL, SPECIALIST IN LUXURY BESPOKE TRAVEL

TECHNOLOGY AT THE SERVICE OF OUR CLIENTS

There is no doubt about the integral role that technology plays today. We can all recount vividly, in the days before internet, buying two newspapers and three magazines, scouring the adverts for apartment for sale in Paris, a house in London, or a penthouse in New York. Not to mention alpine chalets or beach villas, which required several, often time-consuming trips, just to glean an idea of the market. In today's globalized world, the real estate market as gone digital. But what about the future? What increasing influence will technology have on the services provided by international luxury property networks?

“Technology will allow real estate professionals to further enrich their level of service, and offer increasingly adapted, precise property searches. And those who do not provide an expert, tailor-made service will be left behind...”

CLELIA WARBURG PETERS,
PRESIDENT OF WARBURG

Technology will continue to shape our habits when it comes to searching for a property. Digital tools will eventually eradicate the need for buyers to make several visits, instead, simply and quickly selecting their favorite properties at the click of a button. However, ironically, in order to be most effective, these tools must be managed by luxury property professionals, maintaining a personal element.

A NEW REALITY

It is undeniable that the digital revolution has profoundly transformed our habits. Whether it's geo-positioning, augmented reality layouts, virtual visits, drones or online home staging, old-fashioned adverts have been given a modern makeover.

The initial phase of the revolution began in the 2000s when the Internet enabled us to present an offer alongside several photos, giving buyers a precise vision of the property's condition and its environment. At the time this was considered to be groundbreaking, however fast forward and here we are now in the era of 3D, and virtual and augmented reality (the former plunges the spectator in an artificial world crafted using 3D technology, while the latter adds elements from the real world such as landscapes or furniture). Many operators have specialized in this segment, and now using realistic 3D depictions to reveal the potential of an empty property or one in need of renovation.

The same can be said for the new property sector; clients can now enjoy a totally immersive experience in their future ocean-side villa or apartment overlooking Central Park or the River Seine.

REFINED MARKET KNOWLEDGE

The real estate market today benefits from wide ranging innovations in software that continually deliver more sophisticated programs designed to do anything from analyzing transaction prices and volumes in real time, to creating databases to better identify clients' needs and expectations. However, this technological boom reveals an interesting paradox: realtors have in fact returned to their initial role, working more in the field and with closer more trusted relationship with their clients.

Whilst there are obvious benefits to these advance, not least in terms of access and convenience

Rather than de personalizing service within the luxury real estate sector, technological developments have on the contrary, effectively driven demand for personal communication, interactions and relationships, cementing their importance

to HNWIs. Likewise, the more affluent the client, the greater their perceived need for more personalized guidance in the management of their holdings,* particularly for those with complex asset structures and demands concerning for the transmission of their wealth.

In essence a realtor can offer HNWIs the benefits of such innovations combined with reassurance in terms of savings, investments, and legal and tax matters in a rapidly changing regulatory environment. However, this can only realized where a trusted relationship has already been established by the broker and is subsequently managed effectively in a bespoke manner. Similarly, concerns are growing amongst the ultra-wealthy regarding the security and confidentiality of their data.

Nevertheless, many aspects of the asset management sector are still highly vulnerable to digital disruption due to the continuous innovation of algorithmic software, growing competition from independent fintech companies, and the constant increase in the numbers of UHNWIs looking for convenience and speed in the services they use. The role of a luxury realtor is therefore, now closer to that of high-level asset manager, offering market knowledge and specific investment information, whilst at the same time maintaining an intrinsically personal contact.

“The digital marketing tools we have at our disposal allow us to further refine our market knowledge, offering sellers increasingly precise price estimations and providing buyers with properties even more in line with their demands.”

HEIDI BARNES, FOUNDER OF BARNES

IN THE UNITED STATES IN 1981*



22% of buyers used a print newspaper to find their properties



8% relied on their friends for information



70% turned to specialist realtors

IN THE UNITED STATES, TODAY*

Today, the ubiquity of the digital world has no doubt changed individuals' approach to property however has not destroyed the previous model based on the skills of a realtor.



78% the initial step taken by almost all buyers was to search online



88% chose to turn to a realtor (despite 92% being under 36 and most comfortable with online purchases!)

Interestingly, almost seven out of ten buyers only approached one realtor whilst more than 88% responded that not only they would reuse their services in the future but furthermore, they would actually recommend them to a friend. Whilst there are obvious benefits not least in terms of access and convenience the Internet is therefore a powerful tool in the property market, however, the professionalism of realtors remains at the core of all successful transactions.

*source: National Association of Realtors (NAR) and the Home Buyer and Seller Generational Trends 2017 study by the NAR

TRUST IN OUR EXPERTISE: A KEY PRIORITY

Jean-Pierre Orsenat, President of the Union of French Auctioneers and a world specialist of the Napoleonic era, believes the digitalization of luxury property is entirely similar to the transformations experienced by the art world. “Our clients are now less present in the auction room, but increasingly so online. Thanks to the Internet and online sales in real time, 70% of the items we sell are now sent abroad. Our priority is therefore more than ever boosting trust in the auction house and its experts.”

In the same way we can rent an apartment online for a week's vacation without having really visited it, we can buy a piece of art online for a few dozen or several hundred dollars without taking any real risk. “Things get more serious when buying an apartment in the center of a major world capital, or a sword than once belonged to Napoleon I!” says the specialist. Luxury property experts, just like art dealers and auctioneers, are indispensable from the moment a professional opinion becomes necessary. Internationalization also means the sector is becoming concentrated around a selection of renowned brands and networks.

TRENDS & opportunities

Demand in the international luxury property market has remained very high on a global level since the end of the 2008-2009 financial crisis. The general trend is a regular increase in the number of transactions and in prices for almost 20 years. Context, political and economic shocks, and changes in tax policy have contributed to regulating and/or slowing this phenomenon during precise periods in certain of the world's countries and regions. Investing in international

luxury property is still a safe bet in the long-term however, in the short- and mid-term, timing is paramount. For example, tax hikes and Brexit put an end to rising prices and signaled the start of a period of correction in London. The socialist digression in France was accompanied by a 30% drop in prices over the period, meanwhile the demands for independence in Catalonia led to a massive withdrawal of investors from the Barcelona region and from Spain as a whole.

EUROPE: A CONTINENT OF CONTRASTS

THE UNITED KINGDOM: WAITING FOR BREXIT

The most immediate impact of the U.K.'s Brexit vote in June 2016 was a drop in the value of the pound sterling, which fell to its lowest level against the U.S. dollar in 31 years and its lowest ever level against the euro since the currency was created in 1999. The International Monetary Fund also revised the U.K.'s growth provisions down to 1.7% for 2017, while the same figures for Italy, France, and Germany were bolstered.

“Despite everything, London is still one of the world’s most attractive major capitals. The crisis in the U.K. has created real estate opportunities the likes of which are only seen once every two or three generations!”

ALEX NEWALL, DIRECTOR OF BARNES PRIVATE OFFICE, LONDON

The uncertainty around Brexit was accompanied by a steep rise in Stamp Duty. Property sales in London dropped by almost 50% in 2016, and the market remained sluggish in 2017. In euros, the decrease in prices in London has been estimated at more than 35% over these last two years. Brexit has also had an indirect effect on the real estate market, with many British citizens selling their secondary residences in the Eurozone (including in France, where the phenomenon is taking hold in Provence) to take advantage of the resulting pay-off in a strong currency.

SPAIN AND THE CATALAN UNCERTAINTY

Catalonia is another example of the contrasting situations observed across the continent. The Spanish province declared its independence on October 1, 2017, following a referendum condemned as illegal by the central government in Madrid. A second, official referendum was therefore organized for December 21, 2017, which saw the independentists win the absolute majority in the regional parliament with 70 seats out of 135. It now remains to be seen how Spain will deal with this unique new crisis, as the country found itself facing a question mark at the beginning of 2018. The question is an important one, as Catalonia is the richest autonomous region in Spain and one of the most influential in Europe. And is made all the more crucial as a region-wide demand for independence suggests similar nationalistic trends may start appearing across the continent.

This political and economic uncertainty affects both the ultra-wealthy and modest savers. The real estate consequences have been immediate, with non-Catalan Spanish owners selling their properties in the region to bring their assets back into the rest of the country.”

EMMANUEL VIRGOULAY,
MANAGING PARTNER OF BARNES BARCELONA

In late 2017, many property sales were concluded between 20% and 30% of the asking price in Catalonia,

particularly in Barcelona. This context offers an opportunity for foreign buyers with sufficient liquidity, as Catalonia boasts solid, long-term advantages such as tourist and golfing sectors that are highly popular with European, American, and Asian clients.

THE MACRON EFFECT IN FRANCE

The financial community breathed a sigh of relief when Emmanuel Macron was elected president of France. He took over from the highly unpopular François Hollande, a self-proclaimed “enemy of finance.”

Emmanuel Macron is a 39-year-old former banker with perfect spoken English, who reassured investors and international clients with his first economic measures, which were also applauded by the markets. The French real estate market has since seen a revival in both the new and established property sectors. However, the effects of the replacement of the former Impôt sur la fortune (“wealth tax”) by the new *Impôt sur la fortune immobilière* (“real estate wealth tax”) remain to be seen. This legislation is certainly less restrictive for private portfolios, while retaining real estate assets as a base for calculating the new tax.

The property market picked up again in 2015, defined by a return of French investors to France. Since 2015, prices in Paris have increased by 20%, while transactions grew more than 25% in 2017 compared with 2016.

USA: DISRUPTED GROWTH

WHAT ARE THE RESULTS OF DONALD TRUMP’S TAX REFORM?

American president Donald Trump authorized a tax cut for companies and households on Friday, December 22, 2017, honoring one of his campaign promises. This reform’s main objective is to make the United States more appealing for businesses, which will see taxes on income drop from 35% to 21%. Other similar measures, such as the removal of the tax on profits made by U.S. companies, the elimination of the minimum 20% tax on effective profit, and discouraging the shift of profits overseas should, according to the Trump administration, give the American economy a shot in the arm. This gamble is being looked upon with caution by analysts, as financing through debt always presents a risk in times of crisis due to unexpected events.

Taxes for households were also reviewed. The seven tax brackets from 10% to 37% were readjusted alongside a collection of other measures such as the doubling of tax credits per child and the abolishment of inheritance tax over ten million dollars.

Infrastructure is the subject of the next major reform announced by President Trump, including the transport sector such as trains, bridges, and roads. The United States has clearly fallen behind in this area, and while it offers great potential for employment, the battle with the Democrats in Congress is set to be bloody.

THE REAL OR SUPPOSED CONSEQUENCES OF GLOBAL WARMING

California: After several years of historically severe drought, California has endured a series of giant wildfires including the latest, Thomas, which killed two people and destroyed more than 270,000 acres in Ventura County – an area the size of Los Angeles – just before Christmas. California Governor Jerry Brown sees these repeated fires as proof of the threats linked to climate change. “The most important thing to remember is that these fires are going to become very frequent. With a bit of luck, that will wake up people who are currently too complacent. We have to invest in the management of our vegetation and our forests, and reconsider the way we live. Ours is a wonderful place, but its heating up.”

Florida: The inhabitants of the Keys and those on the southern point of the state will never forget Hurricane Irma in September 2017. Although it was downgraded after devastating several Caribbean islands, the images of the Miami streets flooded by the sudden rising water were seen around the world. This event occurred just one year after the catastrophic floods that hit Louisiana in the summer of 2016.

One of the results of these events is a major disagreement between Europe and the United States as to the direct link between the weather phenomena and global warming. This is set to be one of the biggest questions of the next 20 years, especially that the Asian heavyweights India and China are currently revising their stance.



Los Angeles, US

THE REST OF THE WORLD: A CONTRASTING SITUATION*

JAPAN: HOT AND COLD

Japanese wealth had plummeted 6.1% in mid-2017, but due only to the depreciation of the exchange rate. This downward revision of the yen saw Japan fall to third place in global rankings of overall wealth, putting it behind both the U.S.A. and China. On average, Japanese wealth is only 18% higher than in 2000, in US terms, and just 15% higher when measured in yen. Neither the prices of financial assets nor the prices of property have really increased in Japan however; the country has preserved one particular characteristic – a more equal distribution of wealth than in any other major country. At the turn of the 20th century, Japan was in second place just behind the United States in the rankings of the world's biggest fortunes. It has retained its position, but the gap between the two countries has widened considerably.

INDIA: UNEVEN GROWTH

The year-on-year growth in per-adult wealth in rupees was around 7% from

2010 to 2017. After tumbling 26% in 2008, the average wealth in USD bounced back, overall from 2,010 USD in 2000 to 5,050 USD in 2010. However, the depreciation of the rupee meant it has only increased by 18% since with the average per-adult wealth estimated at 5,980 USD by mid-2017. While wealth has increased in India, not everyone has benefited from this growth. There remains a huge disparity of wealth and widespread poverty, with 92% of the population owning assets totaling less than 10,000 USD. At the other end of the spectrum, a tiny fraction of the population (0.5% of adults) hold net assets worth more than 100,000 USD. However, due to the high population of India, this figure represents 4.2 million people! The country is home to 340,000 adults in the top 1% of personal wealth across the world. According to the estimates by *Crédit Suisse*, 1,820 Indians have assets worth more than 50 million dollars, including 760 whose asset top 100 million USD.

RUSSIA: MIXED RESULTS

The wealth of Russian households shot up in the first years of the 20th century, driven by the cost of raw materials such as oil and gas. Between 2000 and 2007, the country's per-adult wealth multiplied by eight. However, growth has been slow and uneven since 2007, up 73% in rubles but down 28% in USD due to the depreciation of the Russian currency.

While average per-adult wealth went from 2,940 USD in 2000 to 16,770 USD in 2017, these latest figures are barely higher than in 2006. According to *Crédit Suisse*, the upper ten percent own 77% of all households' wealth in Russia. This high level is similar to that the United States – where the distribution of wealth is one of the most concentrated of all advanced countries. The high concentration of wealth in Russia is also reflected in the fact the country has 69 billionaires in USD.

In the luxury property sector, Russians remained prominent on the international scene, being more likely



Moscow, Russia



Sydney, Australia



Cape Town, South Africa



Rio de Janeiro, Brazil

to sell than to buy in Europe since 2013/2014.

AUSTRALIA: SHARING THE WEALTH

The wealth of Australian households rapidly grew between 2000 and 2012, with the exception of a brief interruption in 2008. The growth rate for annual per-adult wealth was around 12%, with half of this increase due to the appreciation of the exchange rate against the American dollar. The effect of the exchange rate was then reversed for three years after 2012. What's more, just like other resource-rich countries, Australia was severely affected by the decrease in raw material prices. Despite this slowdown, the per-adult wealth in Australia was 402,600 USD in 2017 – the highest in the world after Switzerland. With 1,728,000 people

in the top 1% of global wealth holders, Australia represents 3.5% of this upper bracket.

SOUTH AFRICA: CONTINUOUS PROGRESS

The wealth of households in South Africa boomed before the global crisis of 2008, rising from 8,300 USD in 2000 to 25,500 USD in 2007 however, since 2007, progress has been slower. Personal wealth is mainly consists of financial assets that make up 64% of households' portfolios, and property prices are relatively low. Along with Brazil and Indonesia, South Africa has a distribution of wealth similar to the world average, but *Crédit Suisse* estimates that 84,000 South Africans make up part of the 1% of global wealth holders and that 58,000 of them are millionaires in USD.

BRAZIL: HARD TIMES

Weakened by repeated political and economic crises, Brazil has been through some extreme difficulties in recent years. Per-adult wealth in USD has dropped by 35% since 2011. Inflation was low in 2017, but employment remains high and GDP should increase by 0.5% within a year. Brazilians traditionally have a particular attachment to property, particularly plots of land, which are seen as a shield against inflation. Inequality is still relatively high, and *Crédit Suisse* estimates that 1% of Brazilians own 44% of the country's wealth. This relatively high level of inequality remains a source of persistent division between the economy's "formal" and "informal" sectors.

*Source: *Global Wealth Report 2017 – Crédit Suisse*



Tokyo, Japan



New Delhi, India

A WORD FROM THE EXPERTS

A Conversation with BARNES & WARBURG

Is high-end real estate following the trend of the luxury industry, which continued to grow in 2017? We sat down with Heidi Barnes (Founder of BARNES), Thibault de Saint Vincent (President of BARNES), Clelia Warburg Peters (President of WARBURG Realty) and Frederick Warburg Peters (CEO of WARBURG Realty), who presented the current state of affairs while analyzing the perspectives of the international luxury property market.



“International luxury real estate now has a rightful place in the luxury industry as the clients who invest in high-end property also collect contemporary art, love vintage cars, and prefer leading luxury brands.”

THIBAUT DE SAINT VINCENT

What differences do you see in the ways UHNWI clients search for real estate? How do you adapt to or accommodate those differences?

CLELIA WARBURG PETERS: The level of service we offer remains the same for all our clients, regardless of their level of personal wealth. They want us to provide them with a fast, efficient service that will allow them to focus on other priorities. It should also be noted that UHNWI are not as sensitive to market fluctuations as other, less wealthy clients, and they expect us to deliver immediate answers and tailor-made guidance.

THIBAUT DE SAINT VINCENT: When it comes to a local client looking to change their primary residence, we try to meet them at home to fully understand their lifestyle, preferences, and expectations in terms of real estate. When working with an international client, it is essential to provide a detailed rundown of the local market and the client-type per sector, as well as guiding them with accompanying services inherent to real estate acquisition such as legal and tax advice, financing, and any renovation work or interior design. It is

also important that the person in direct contact with the client speaks their native language and corresponds to their cultural and social background.

What does service mean in the context of working with UHNWI clients on their real estate search?

HEIDI BARNES: When it comes to luxury real estate, every client is different. Even if the quality of service is the same for all, it is essential that we provide each client with a tailor-made service to allow them to make the right decisions with total peace of mind. Today's increasingly international luxury real estate market requires local expertise more than ever.

FREDERICK WARBURG PETERS : Real estate is indeed an intrinsically local sector. Our relationship with our clients starts in the places they live, and continues to develop based on the same foundations and working methods from one country to another. BARNES and WARBURG are two quite comparable structures, and we share the same values. Our respective clients trust our expertise. That is what underpins our relationship with them.



HEIDI BARNES

Does luxury real estate require a new global approach?

HB: In today's world, clients can no longer imagine working with real estate professionals who are not part of a perfectly integrated international network. It is essential to work together with our clients on both sides of the Atlantic advising and guiding them, while offering tailored advice for all of their luxury property investment decisions. In this context, it is imperative to have quality local partners.

FWP: In the globalized world in which we live, it is essential that we build partnerships with solid local experts in order to ensure consistent tailored support for all our clients, where ever they may be at any given time . In this way we are able to guarantee that our expertise is never far away, with local professionals poised to welcome, assist and advise.

In an environment where information is more broadly accessible, why would clients choose to work with a realtor?

FWP-: The role of realtors has changed enormously. While in the past we were the guardians of market information, we must now act as service providers. Bypassing a realtor is the same as bypassing a travel agent. Anyone can buy

a plane ticket between two cities online. But tailor-made trips and vacations require complex organization best left to experienced professionals. The same applies to real estate.

HB: We do not sell properties; we serve a prestigious, wealthy, and demanding clientele on a daily basis. Sellers approach us to access our marketing know-how and international presence. Buyers are aware that service and guidance are the two leading guarantees of a successful purchase. Every professional in the real estate sector can access every property, but it is of the utmost importance to rely on those who provide an exceptional service.

Does that mean that property has become a key part of the luxury market?

TSV: International luxury real estate now has a rightful place in the luxury industry as the clients who invest in high-end property also collect contemporary art, love vintage cars, and prefer leading luxury brands. This is why the forerunning real estate professionals have long since adopted the codes of the luxury world. They understood how important it was for their clients to live a unique experience while acquiring their primary or secondary residences.

CWP: All our clients need tailor-made services. And ultimate luxury can be found in this notion of service. Having a professional devoted to your needs, who understands you and who can conclude a transaction as fast as possible – that's the characteristic shared by every sector in the luxury world.

New York, Paris, and London remain on top of our 2017 City Index. Do you think they will remain in these positions?

FWP: These cities are best placed to meet the three criteria governing the acquisition of property – the practical, emotional, and financial aspects that act as magnets for clients the world over. Their culture, their past, and their longstanding status – without forgetting the quality of their infrastructure – raise them above the rest year after year.

But Asia is coming up fast, and it is entirely possible that an Asian city will soon make its way into this golden trio of the world's most popular cities.

TSV: These three cities will remain in the Top 5 of the BARNES City Index as long as they satisfy the key acquisition needs of UHNWIs. New York went through a gentle consolidation in 2017, while Brexit sparked a crisis in London which many believe to be temporary. Paris is currently enjoying a unique period of explosive energy, as if liberated after so many years of sluggish growth. The history of each of these cities is driven by human decisions, but the often-passionate attachment felt by New Yorkers, Londoners, and Parisians for their cities, as well as the unique qualities of their housing stock, protects them from any major crisis.



FREDERICK WARBURG PETERS

UHNWIs are becoming increasingly geographically mobile. Does the concept of primary and secondary residences still apply to these individuals?

TSV: Globalization has made families increasingly international, and UHNWIs generally own a number of residences in the world's leading cities and most attractive holiday destinations by the sea, in the countryside, and in the mountains. While their children are in school, the model of owning one primary residence and a number of secondary residences remains unchanged. There is however a shift as the children become older.

CWP: There is a large group of citizens of the world who feel at home in a number of different places. They can split their time between different houses, or operate according to a hub model by basing themselves in a single location and traveling for business or pleasure. That being said, I think most people continue to consider one place, or one house, as their primary residence. It acts as the center of their lives, and is the place they refer to when talking about home.

There has been a recent period of relatively significant political change across the world. How do you see this impacting the property market both locally and globally?

HB: The succession of crises over the last 30 years or so has helped reinforce the status of luxury real estate as a safe investment. Most UHNWIs believe it is essential to diversify their assets by investing in luxury real estate, precisely to cope hedge against crises that can have a considerable impact on the value of their financial assets. Wars, elections, and economic and tax policies all temporarily affect transaction price and volume. Luxury real estate therefore goes through cycles just like other economic sectors. It is subject to short corrective periods, but remains a robust market on the long-term, as proven by the last 40 years.

CWP: Provided investments are made in the right places, property has been one of the best opportunities of the last 40 years.



“Provided investments are made in the right places, property has been one of the best opportunities of the last 40 years.”

CLELIA WARBURG PETERS

And it always will be. Political decisions can affect property prices, but only on the short-term. Wealthy people invest where they want to be – in the cities whose appeal goes beyond economic context. However, unexpected developments such as the vote for Brexit in the UK and the election of Donald Trump in the United States are often accompanied by attentive observation periods before investors return to the market.

There still remains a lot of uncertainty surrounding the consequences of Brexit. What are the initial signs of apprehension or concern you have noticed on both sides of the Atlantic?

TSV: We should remember that Brexit occurred during a period in which transactions slowed and prices dropped in London alongside the increase in Stamp Duty Tax. The effect in this context was instant. The accumulative slump in both the pound sterling and demand has led to a decrease in prices in euros and dollars of around 30% over the last two years. What's more, many multinational companies have already decided to move their bases to other European capitals.

There is also a fear the downturn will continue into 2018 with uncertainty around post-Brexit agreements. However, numerous analysts are hoping the U.K. will retain a form of E.U. membership, thereby relaunching the market in the mid-term. It should also be noted that despite the recent decline, prices in London are still double that of Paris and 1.5 times that of New York.

CWP: Here in the United States, we have observed the situation in the UK with great interest, but we are also somewhat removed from it. Brexit has a less immediate economic impact on us, as our real estate markets are historically very independent from those in Europe. Some are inclined to draw parallels between certain populist and nationalist sentiment present in America and the UK. But I think an important distinction should be made between the political aspect of events in the United States and the more systemic and long-term nature of Brexit.

THE TOP 50 CITIES FOR HIGH-NET-WORTH INDIVIDUALS

BARNES CITY INDEX

Owning luxury real estate is an enticing prospect for HNWIs. However, given the myriad of destination options, and the uncertainty surrounding geo political and economic developments, choosing the place in which to acquire a property can be difficult.

Our Top 50 Cities Index aims to guide HNWIs in their decision to acquire a luxury property. This unique tool can be used to compare the best investment opportunities available to affluent clientele according to their desires. Every destination features a list of opportunities and advantages, and an overall grade enables a clear comparison between each entry.

After consolidating several lists according to various indicators, these general rankings comprise 50 of the leading international cities for HNWIs.

The indicators encompass several key criteria such as cultural experience, education options, ease of doing business, links to other destinations, real estate taxes, and the city's green commitments.

These rankings rely on the methodology used for the Alpha Cities Index compiled by Wealth-X for BARNES and Warburg in January 2017. Compiling a list of the most popular cities therefore consists of combining the different rankings produced by each, previously analyzed indicator. These new rankings reveal a handful of impressive returns to form, new arrivals, and a few departures featured at the end.

LIST OF INDICATORS



PRACTICAL FACTORS

Access to the best universities

Mobility/accessibility

Personal safety

Ecological footprint



EMOTIONAL/SENTIMENTAL FACTORS

Concentration of the UHNWI population

Cultural offering

Luxury shopping

Experience and lifestyle



FINANCIAL FACTORS

Presence of businesses

Value for money in real estate

Property tax competitiveness

Safe investment

BARNES CITIES INDEX 2017:

Top 50 cities index: based on practical, emotional, & financial factors

RANKING	CITIES	RANKING	CITIES
1	New York (2)*	26	Hamburg
2	Paris (5)*	27	Atlanta
3	London (1)*	28	Montreal (New)
4	Los Angeles (13)*	29	Seattle
5	Hong Kong (11)*	30	Vienna (New)
6	Toronto	31	Geneva
7	San Francisco	32	Budapest (New)
8	Sydney	33	Roma
9	Chicago	34	Shanghai
10	Berlin	35	Prague
11	Tokyo	36	Dublin
12	Munich	37	Copenhagen
13	Washington	38	Basel
14	Stockholm	39	Zurich
15	Madrid	40	Quebec (New)
16	Lisbon	41	Guangzhou
17	San Diego	42	Cape Town
18	Boston	43	Beijing
19	Singapore	44	Oslo
20	Vancouver	45	Dubai
21	Osaka	46	Moscow
22	Miami	47	Warsaw (New)
23	Houston	48	Shenzhen
24	Mexico City	49	Sao Paulo
25	Dallas	50	Ho Chi Minh City (New)

THE NEW ARRIVALS AND THE DEPARTURES

THE NEW ARRIVALS

A handful of new cities have won over the world's HNWI. Montreal, Vienna and Budapest have joined the rankings at the 28th, 30th, and 32nd places respectively. The arrival of Quebec City and Warsaw also confirms the international clientele's growing appetite for Canada and Eastern Europe. Another Asian city has also joined the Top 50, and it is little surprise that the newcomer is the capital of Vietnam, driven by a dynamic, flourishing economy.

AND THE DEPARTURES...

The last year saw certain gulf cities leave the rankings, including Abu Dhabi and Kuwait City largely due to a combination of unrest in the region, and the drop in the price of oil. Other departures included Mumbai and also Johannesburg whose misfortunes in the wake of economic problems and high crime rates were Cape Town's gain with buyers migrating south. Economic crisis in Brazil saw Sao Paulo fall down the rankings and though it did manage to hang on at 49th position, Rio de Janeiro was not so fortunate, forfeiting its' place altogether.

* 2016 ranking

TOP 5 CITIES NEW YORK TAKES TOP PLACE

The Top 5 cities for HNWI: New York takes top place to arrive ahead of Paris, which went up three places, and London which has dropped from first to third. Los Angeles and Hong Kong feature in the Top 5 for the first time ever, replacing Tokyo and Sydney.



New York ~ US



Paris ~ France



London ~ UK



Los Angeles ~ US



Hong Kong ~ China

NEW YORK

Historically, New York has long been positioned behind London on lists of the most appealing cities for the world's wealthy elite, however, it is now leading in the BARNES rankings for the first time in ten years. Its victory has been fuelled by the increasing influence of emotional influences, and New York is now the city with the highest number of HNWIs in the world. While its luxury boutiques are a considerable draw, it also boasts an inimitable cultural offering with a record-breaking selection of high-end hotels, gourmet restaurants, live shows, museums, and galleries.

New York also appears in the top three due to its educational offering and accessibility thanks to a formidable air transport network. No one can doubt its dynamism and energy, and its first-place position most likely explains the high property prices.



NEW YORK AT THE TOP



New York ~ US

New York reigns as the premier destination in the US for those seeking a luxury lifestyle that combines culture, commerce, and finance. With around 60 million tourists passing through each year, New York is the most visited city in the world, and the borough of Manhattan continues to serve as its cultural and financial heart. While many people aspire to own property in Manhattan, that ultimate symbol of luxury and success is a possibility for only a few. High prices and constrained supply on the island have continued to increase the demand for luxury property in the city’s other four boroughs.

TYPES OF LUXURY PROPERTY IN DEMAND

Spacious floor-through apartments and townhouses are the most sought-after properties for families, with a preference for proximity to the best schools, restaurants, shops, and cultural institutions. Affluent single people and young couples seek homes with one or two bedrooms, with extensive inclusive amenities and views of the city. These ultra-luxury homes (above US\$8m) range from condos in modern high-rise buildings to pre-war full-floor cooperatives and gracious townhouses. Wealthy buyers often seek

out ‘super-amenitized’ buildings that provide services beyond the standard 24/7 doorman and fitness center. In the city that never sleeps, it’s always been possible to get anything at any time, and many buildings are adapting to make that even easier for the wealthy elite.

AREAS IN DEMAND

While owning a home anywhere in Manhattan is a mark of prestige, there are a few neighborhoods that carry additional cachet and allure. Historically, the Upper East Side has been the most sought-after neighborhood, highlighted by Park Avenue and Fifth Avenue. The areas immediately surrounding Central Park still contain the highest concentration of properties for UHNWIs, with ‘Billionaires’ Row’ (West 57th Street) at the southern end of the park being particularly notable for its supertall ultra-luxury buildings, containing some of the most expensive residences in the world. For affluent families looking for more open loft-like layouts, Tribeca (often considered New York’s most expensive zip code) remains one of the more popular options. Other strong markets outside Manhattan include Prospect Heights and Park Slope in Brooklyn and Long Island City. Emerging hot spots include the waterfront neighborhood of Astoria (Queens) and southern portions of the Grand Concourse (the Bronx) with many of its beautiful Art Deco apartment buildings being revitalized and renovated.

CLIENTELE

Although the clientele varies by property price, type, and area, the most active international buyers are from Asia, particularly China, and from South America and Australia. There is a steady stream of European buyers although this has recently slowed, partly as a result of the appreciation of the US dollar. Changing immigration policies may also

affect the number of international buyers, many of whom purchase homes for their children studying in the city. Conversely, the economic uncertainty caused by Brexit and shifting political dynamics in other countries may make New York more appealing to foreign buyers. New York is also unique in that while buyers come from all over the world, many wealthy Americans have a pied-à-terre in the city. This is a significant market in New York, unlike other major cities; even in the UK, for example, there is not a substantial number of people from outside London purchasing second homes in the city.

THE MARKET FOR LUXURY REAL ESTATE

In the past year, the new administration may have resulted in some uncertainty over US policy, economic developments, and most recently, a revised tax plan, but there’s no question that New York will remain a premier location for luxury property. In 2017, the UHNW population of New York’s metropolitan area grew by 9% to 8,350 individuals, and with a strong stock market and high employment, the luxury real estate market has remained strong. Prices are still among the highest in the world at more than US\$3,000 per square foot for ultra-luxury real estate, and of the last 5 years, 2016 and 2017 had the highest peak median sale prices for the top 10% of the market. 2017 also saw the construction and completion of a number of new exciting luxury developments, including three in Tribeca (70 Vestry Street, 443 Greenwich Street, and 30 Park Place), The Greenwich Lane (West Village), 520 Park Avenue (Upper East Side), and 220 Central Park South (Midtown). Developers and investors also continue to focus on rapidly growing markets in the outer boroughs, particularly in Queens and the Bronx.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	TREND	BARNES SALES VOLUME
Central Park South	US \$1,995	US \$5,346	- 15%	+4%
Flatiron	US \$2,023	US \$4,211	+ 50%	+14%
West Village	US \$2,263	US \$4,324	+ 15%	+6%
Financial District	US \$1,322	US \$1,826	- 3%	+11%
West Brooklyn	US \$1,122	US \$1,574	- 8%	+34%
Upper East Side	US \$1,579	US \$3,219	+ 7%	+18%

WHAT WILL 1 MILLION DOLLARS BUY?

Central Park South	506 sq ft
Flatiron	495 sq ft
West Village	441 sq ft
Financial District	453 sq ft
West Brooklyn	893 sq ft
Upper East Side	635 sq ft

Source: BARNES

PARIS

The French capital is on a roll. Paris is internationally renowned for its culture, art, architecture, and French art de vivre, drawing in more than thirty million visitors every year – remaining Europe's most visited city today. The banks of the River Seine are home to the finest examples of Haussmannian buildings, Notre-Dame Cathedral, and the famous Eiffel Tower.

The capital is also acclaimed for its architectural consistency, its parks and gardens, and of course the most beautiful avenue in the world. And that's without forgetting its 1,800 listed buildings. Exuding elegance and fine living Paris a showcase for the luxury world, is home to its biggest, most prestigious brands. With new international universities founded every year educational opportunities are on the upturn too.



PARIS, COMES IN SECOND



Paris ~ France

A RAPIDLY GROWING MARKET

Paris has entered an upturn in terms of prices and transaction volume. The international city and future host of the Olympic Games has benefited from the recent Brexit vote in the UK, with prices rising to record levels in 2017/2018. The average price per m² in the French capital reached €9,200, and has increased annually by more than 10% for the last two years. There were more than 10,000 transactions carried out within the city, up 7%. Luxury real estate is also part of this trend, and BARNES posted an average increase of almost 30%, with prices ranging between €11,000 and €25,000 per m² depending on the neighborhood.

TYPES OF LUXURY PROPERTY IN DEMAND

In the city of light it's the views that reign supreme with international buyer. There is also constant demand for Haussmannien apartments in exclusive avenues, boasting impeccable period features.

There are very few new developments in central Paris however; in a recent trend 'Turn Key' apartments impeccably furnished by renowned designers and located in prestigious areas are highly popular.

In the upper echelons of the market the prized jewels are impeccable 'Hotel particulars', or Private Mansions, which are more often than not reserved as 'off market' fare.

AREAS IN DEMAND

Each of the 20 arrondissements in Paris has its own history, particular characteristics, typical inhabitants, and therefore an inherent architecture – particularly luxury real estate.

The west of Paris is popular with affluent families looking for vast apartments, houses, and mansions near to good schools and green spaces. The 7th, 8th, 16th, and 17th arrondissements boasting all these characteristics, are home to the famous Parc Monceau, Chaillot, and Champ-de-Mars. The adjacent towns of Neuilly-sur-Seine, Boulogne, and Saint-Cloud are also sought-after for their immediate proximity to the city and slightly lower prices for families looking for larger properties.

Young, wealthy couples are more likely to turn to more dynamic arrondissements. These areas are found in the center and the east of Paris (1st, 2nd, 3rd, 4th, 5th, 6th, 9th, 11th, 12th, 18th). The Louvre, the Place Vendôme, and the Place des Vosges and its surrounding streets are highly popular with international clients in search of a prestigious location. Montmartre and Abbesses have also become choice neighborhoods.

The east is experiencing a major revamp. The 10th arrondissement is enjoying renewed appeal. The average price per m² is slightly over €10,000. Bastille, République, and Daumesnil are neighborhoods both close to the popular Marais quarter and the Bois de Vincennes Park, and so attract families of executives with children.

In general, the two most sought-after neighborhoods of Paris are still Saint-Germain-des-Prés and the Marais, where average prices per m² can quickly climb

higher than €20,000.

The 16th arrondissement is experiencing appeal to a from a new clientele drawn to the high quality of its architecture, its living environment, and the availability of many shops, restaurants, and the best Parisian schools.

CLIENTELE

Positive economic perspectives combined with government policies favorable to entrepreneurship, the development of the Greater Paris region, the 2024 Olympic Games, the return of expats from London, the relocation of the European Banking Authority to Paris, and continuously low interest rates have all re-galvanized the Parisian market, and international clients have been quick to react. Clients from the U.S.A., South America, Asia, Eastern Europe, the Middle East, Western Europe, and Switzerland are investing in exceptional mansions, apartments, and pied-à-terre.

CLIENT EXPECTATIONS

UHNWI clients are looking for real estate with international standards with "premium" features. Security is a crucial factor (caretaker, surveillance system, etc.), as are concierge services allowing clients to manage their properties remotely, and the availability of "turnkey" real estate. However, the city still has some catching up to do. The most sought-after neighborhoods are quite precise, and include the Avenue Montaigne (8th), Villa Montmorency (16th), Saint-Germain-des-Prés (6th), and Invalides (7th).

THE MARKET FOR LUXURY REAL ESTATE

While the French capital is still behind New York and London in terms of prices for traditional real estate, prices continue to climb driven by demand that outstrips supply for premium, flawless properties. The increase in prices should continue in 2018.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	TREND	BARNES SALES VOLUME
Paris XVI ^e	€1,022	€1,580	+ 10%	+ 19%
Paris VIII-XVII ^e	€1,300	€2,155	+ 10%	+ 29%
Paris IX-X-XVIII ^e	€1,022	€1,672	+ 13%	+ 15%
Marais II-III-IV ^e	€1,347	€2,415	+ 13%	+ 18%
Rive Gauche VI ^e -VII ^e	€1,486	€2,973	+ 12%	+ 12%
Neuilly-sur-Seine	€1,208	€1,672	+ 10%	+ 27%

WHAT WILL 1 MILLION EUROS BUY?

Paris XVI ^e	968 sq ft
Paris VIII-XVII ^e	753 sq ft
Paris IX-X-XVIII ^e	968 sq ft
Marais II-III-IV ^e	732 sq ft
Rive Gauche VI ^e -VII ^e	667 sq ft
Neuilly-sur-Seine	829 sq ft

“The price of exceptional real estate has now realigned with global levels. In Paris, these properties are bought and sold at prices comparable to other major Western capitals such as London and New York – € 2,000 or € 3,000 per sq ft.”

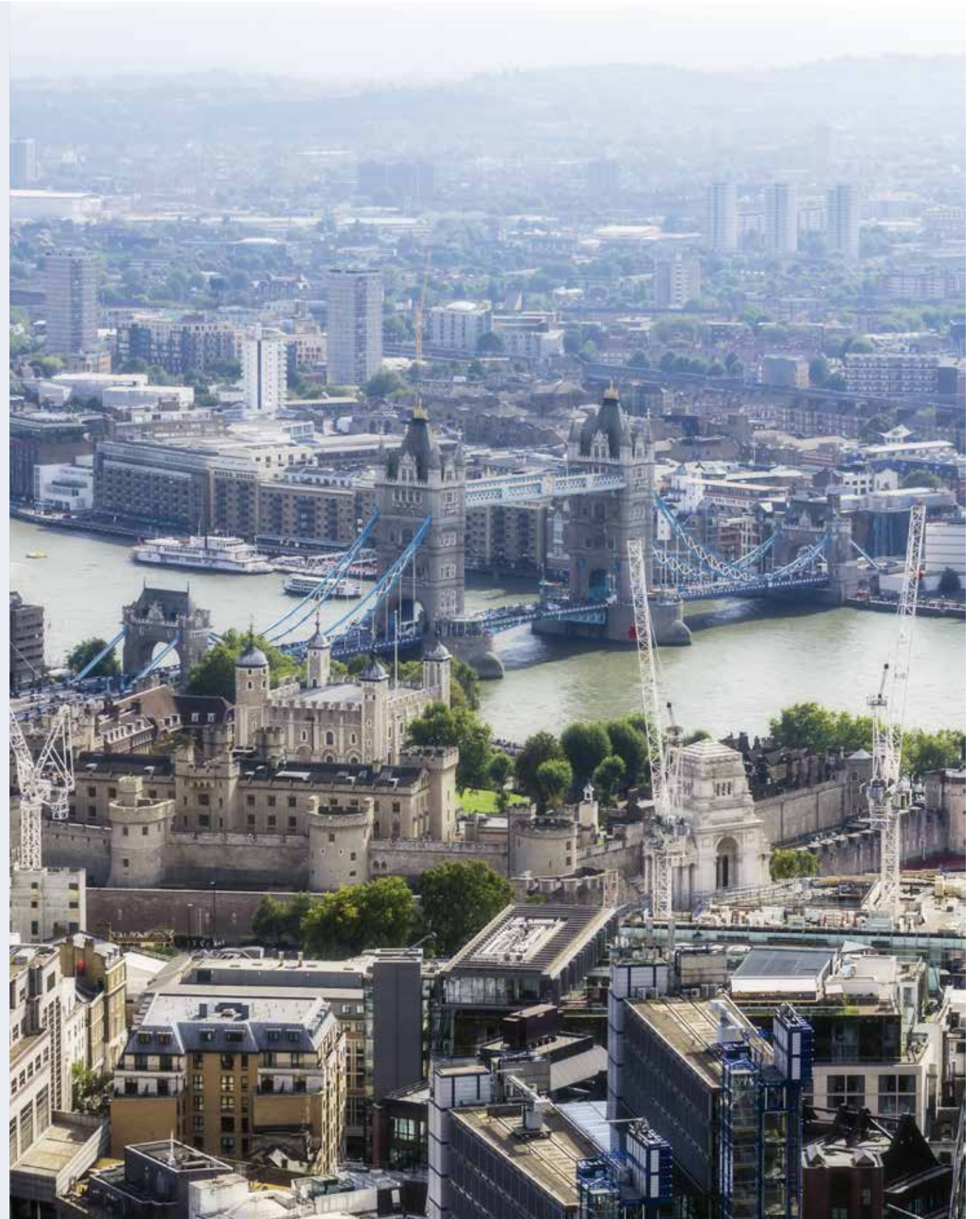
RICHARD TZIPINE,
CEO OF BARNES

Source: BARNES

LONDON

The dizzying heights of prices, the increase in certain property taxes, and the trauma of Brexit have all led to London relinquishing its long-held place at the apex of the rankings. However, it has retained a solid third place, which is largely down to its history as well status as a major hub. London remains an enduring favorite amongst HNWI's, with more than 50% of properties in prime central London (PCL) acquired by international clients over the last ten years.

The city's culture, entertainment, accessibility, financial market, shopping options, and exceptional education offerings make it one of the world's most sought after cities. London therefore, keeps its spot in the top three, despite the challenges it is currently enduring. The British are hoping for a "soft" Brexit, and appear to be confident for the future.



LONDON

THE TRADITIONAL FIRST PLACE, FALLS TO THIRD



London ~ UK

LONDON AND THE UK

As large investors tell us having completed multi-million pound purchases of some of London’s key assets; including Hong Kong’s CC Land £1.15 billion purchase of the ‘Cheesegrater’ (The Leadenhall Building, 122 Leadenhall Street) in the City of London and a private family’s purchase of a £90m penthouse at 199 Knightsbridge - ‘London is still London’. Many see this truly global city as a ‘must own’ location for any balanced investment fund or family trust, whether that be at the one million pound price tag or the one billion pound price tag. It is no different for families or corporates and investors continue to look at where is the next to invest, and most importantly when?

TYPES OF LUXURY PROPERTY IN DEMAND

Country estates with cottages and farmland remain in popular demand, especially for those private clients considering the next generation and who want to take advantage of 100% Inheritance Tax relief on most farm land.

AREAS IN DEMAND

Having risen quickly, ‘outer prime’ the fringe area around Prime Central London (Mayfair, Knightsbridge,

Kensington and Chelsea) is no longer the hot investment choice as global investors either stick to Prime Central London (‘PCL’) or jump to the commuter belt for greater value for money. With a 1 year price growth of 14.1% the borough of Runnymede is the hot investment choice for 2018. Here’s why - with more house sales over £1M, than any other location outside of London, the villages of Virginia Water (home to the Wentworth Estate) and Englefield Green rival any London postcode in terms of market liquidity, exclusivity, connectivity and quality of life. Whilst the data shows PCL’s growth has at best slowed to 1.1% in 2017, but in real terms fallen from the 2014 peak. However the word on the street is that PCL has reached the bottom and already in 2018 we have seen investors back in the market, picking up discounted properties in great locations.

CLIENTELE

Middle Eastern, Indian, Russian and UK capital continues to invest looking for location, yield and strength of covenant of tenants, or the ideal location for family life.

THE MARKET FOR LUXURY REAL ESTATE

Timing for foreign investors is key – when to buy in, and when cash out – that is the question. As GBP continues to strengthen to 1.36 to the USD (as at 1st/1/18) / 1.12 to the EUR, and as talk of PCL having reached the bottom, is now the time to be buying in the UK? Whilst stamp duty in London, as well as other global cities such as Hong Kong and Singapore is higher than it once was, there are opportunities to acquire properties at lower rates. When acquiring a mixed portfolio or more than six residential properties at one time

(for example a small block of flats or a country estate), a far lower rate of stamp duty is applied.

There are a number of development projects in London. However, given the overall demand – which is still particularly high – and the housing shortage across the city estimated at around one million units, development perspectives in the overall real estate sector are rare. That being said, while demand is much higher than supply for general property, there are an abundance of luxury offerings. Most new programs appeal to the apex of the market, and are aimed at international investors. The market should therefore develop with the gradually increase in availability of more affordable properties that correspond more to a local clientele. For now, high prices are pushing Londoners away from the city, the subsequent effect of which is a greater dynamic in the capital’s outskirts.

“As the Brexit situation becomes clearer we believe 2018 represents an opportunity to buy good properties for value for money on a medium term basis, with potential for the GBP to strengthen.”

ALEX NEWALL, MANAGING DIRECTOR,
BARNES PRIVATE OFFICE LONDON

PRICES

END OF 2016 TO END OF 2017

	Price per sq.ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Chelsea	£1,635	£1,728	+ 1%	+ 2%
Knightsbridge	£2,313	£2,044	+ 1%	+ 4%
Mayfair	£1,970	£2,276	- 4%	Stable
South Kensington	£1,635	£1,756	- 4%	Stable
Kensington	£1,468	£1,700	- 1%	Stable

WHAT WILL 1 MILLION POUNDS BUY?

Chelsea	602 sq.ft
Knightsbridge	430 sq.ft
Mayfair	484 sq.ft
South Kensington	602 sq.ft
Kensington	678 sq.ft

"Despite the slowing down of the market, London consolidates its position as an international capital"

BÉATRICE CABOCHE,
DIRECTOR OF BARNES LONDON

Source: BARNES

LOS ANGELES

Aiming for fifty million tourists in 2020, the City of Angels was visited by more than forty six million people in 2016 – including seven million international visitors – and is decidedly back on track. Its air transport infrastructure has been significantly improved in recent years, with much better accessibility for people from Asia, Canada, Australia, and Europe.

Los Angeles is the second largest city in the United States, and is brimming with projects to attract more tourists. The cultural scene is particularly intense, a range of investments have been made in the city's transport systems, and the hotel offering is vast. Los Angeles is also the American city with the highest number of museums and cultural institutions, and a new 12-gate terminal will be delivered at LAX airport in 2019. After recently being named host city for the 2028 Olympic Games, The city of angels ascends into the world's Top 5 cities for HNWIs.



LOS ANGELES REACHES ITS FULL POTENTIAL



Los Angeles ~ US

As the entertainment capital of the world, Los Angeles has long held appeal for the wealthy elite. The prestige and glamour surrounding the film, television and music industries have made Los Angeles one of the most alluring locations for affluent buyers. Los Angeles is the second largest metropolis in the country, a diverse city with numerous businesses and cultural institutions. With an average of 284 sunny days per year, Los Angeles has one of the best temperate climates in the country and wonderful opportunities for outdoor recreation including surfing and hiking. However, the City of Angels is perhaps best known for its highly affluent enclaves and the luxurious lifestyle of those who reside there.

TYPES OF LUXURY PROPERTY IN DEMAND

Wealthy buyers look for a range of residences in the Los Angeles area. Sales of traditional large single-family homes in upscale suburban neighborhoods continue to drive the luxury market, as well as beachfront properties in coastal towns such as Malibu and Santa Monica. Views of either the city skyline or the Pacific Ocean are requisite. Wealthy buyers seek substantial outdoor space for entertaining

that may include gardens, pools, and outdoor kitchens and fireplaces; a separate guesthouse for visitors and family is also desirable. There has also been a notable uptick in luxury condos, a relatively recent commodity in the city; many wealthy singles and young couples are choosing to live in modern high-rise buildings with numerous amenities and proximity to downtown.

AREAS IN DEMAND

The traditionally upscale neighborhoods of Beverly Hills and Bel Air still lead the luxury and ultra-luxury market, with many multimillion-dollar homes available. The Venice-Mar Vista area has recently become a trendy area, as multiple tech companies have opened offices along the waterfront, including Google. Many luxury properties have been rebuilt along the canal, but in so-called ‘Silicon Beach,’ the sudden job boom has led to a shortage of inventory, resulting in properties that are highly coveted, expensive, and rare. Other in-demand areas include West Hollywood, Santa Monica, Malibu, Brentwood, and the Pacific Palisades. Downtown Los Angeles is a particularly notable emerging hotspot, with many luxury developments completed or under construction. The area has become hip and modern as a result of its young, educated, upscale residents; there’s a vibrant social scene and nightlife, with numerous restaurants, cafes, clubs, and shops.

CLIENTELE

The wealthy clientele in Los Angeles reflect the diversity of the city, with buyers from all over the world. Los Angeles, along with New York, Miami, and San Francisco, is one of the four primary markets for wealthy foreign buyers purchasing their first US home. There has been an increase of American buyers as well; for example, there is a

trend of all-cash purchases from Texans acquiring second homes. As one might expect, a number of buyers are involved in the entertainment industry, but as more tech companies move in, Los Angeles is becoming increasingly attractive to those wealthy industry leaders as well.

THE MARKET FOR LUXURY REAL ESTATE

Overall, the real estate investment market in Los Angeles has picked up in recent years, due to a variety of factors. Developers are building and renovating luxury projects all over the city; more international buyers are choosing Los Angeles as a base residence; and rising rents have created a strong market for buyers wishing to purchase and rent out homes. The luxury market in Los Angeles is on the rise; there are plenty of opportunities to buy upscale homes with large lots in prime locations. For residences with 5,000 square feet of living space and a small lot, the prices range from US\$3m to US\$5m. On the very high end, a new or renovated 10,000-square-foot house on half an acre of land in Beverly Hills or Bel Air will carry a price tag between US\$10m and US\$30m. The median price of both luxury single-family homes and high-end condos increased in 2017, making Los Angeles one of the few major US cities where the luxury market surpassed the rest of the market. With California’s current economic boom, the ongoing success of the entertainment industry, and the increase of new businesses and high-end developments, the luxury market in Los Angeles will continue to attract highly affluent buyers from all of the world.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	TREND	BARNES SALES VOLUME
West Hollywood	US\$697	US\$836	Stable	Stable
Santa Monica	US\$882	US\$1,068	+ 8%	+ 4%
Malibu	US\$836	US\$1,068	Stable	Stable
Beverly Hills	US\$1,022	US\$1,486	+ 2%	Stable
Centre (Downtown)	US\$650	US\$845	+ 4%	+ 4%

WHAT WILL 1 MILLION DOLLARS BUY?

West Hollywood	1400 sq ft
Santa Monica	1130 sq ft
Malibu	1184 sq ft
Beverly Hills	968 sq ft
Centre (Downtown)	1507 sq ft

“The luxury market in Los Angeles is on the rise with a number of opportunities to acquire high end properties with larges grounds and gardens situated in exclusive neighbourhoods.”

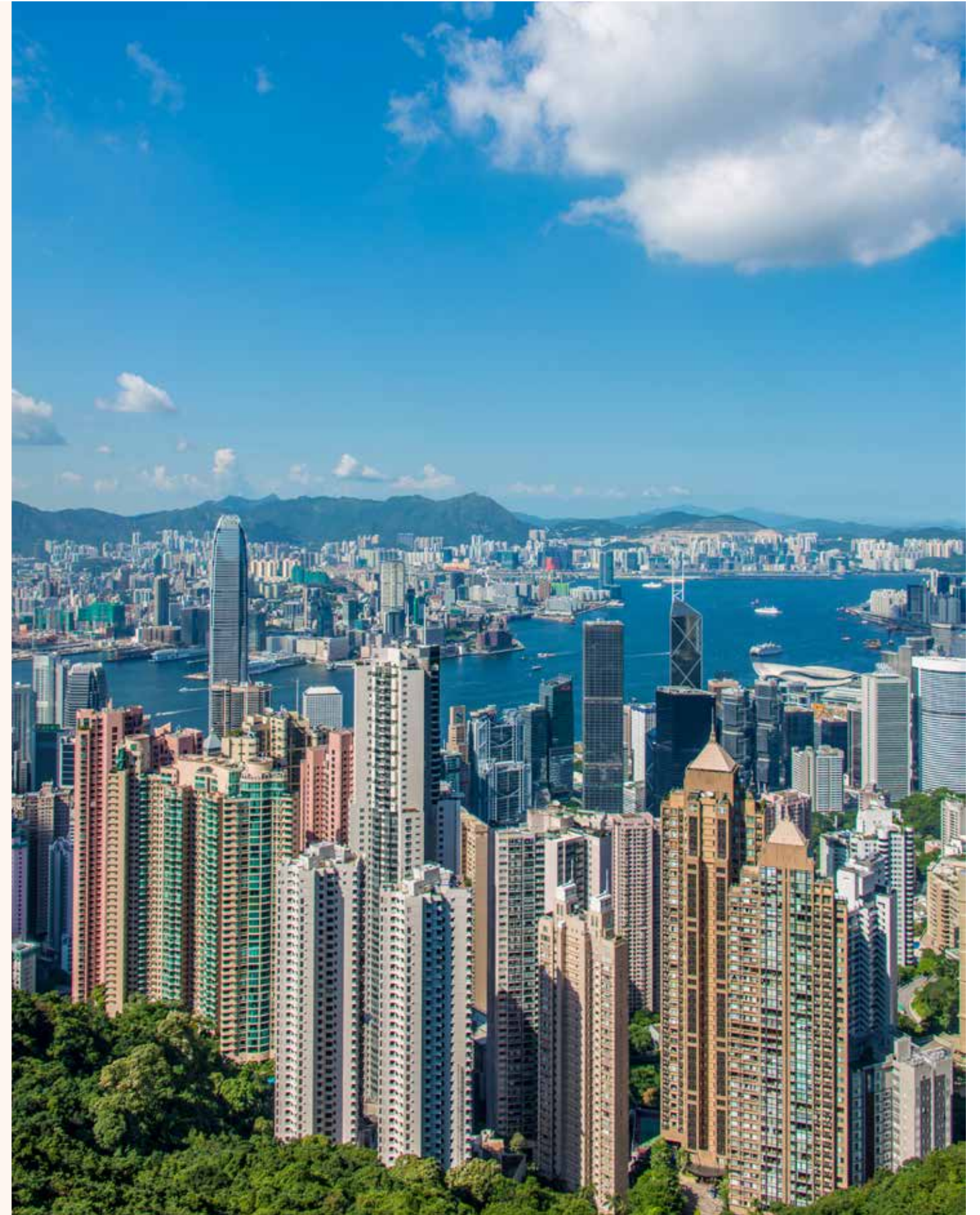
DANIEL AZOURI,
DIRECTOR OF BARNES LOS ANGELES

Source: BARNES

HONG KONG

Hong Kong has remained the most visited city by an international clientele, with more than twenty six million international arrivals in 2016 and sixty million visitors every year for 7.2 million inhabitants. Hong Kong has also preserved its status as Asia's most appealing city for businesspeople from all over the world – and particularly China.

It enjoys the most developed air and sea transport network in Asia, and is in second place based on the luxury boutique indicator. Hong Kong is also one of the leading international financial hubs, and is home to a high concentration of HNWLs.



HONG KONG CONTINUING GROWTH



Hong Kong ~ China

Hong Kong, one of Asia's real economic powerhouses has been posting positive growth figures for years, consistently topping annual lists of the world's most expensive housing markets. In 2016 it grew once again, by 2.16%. Causeway Bay, the main shopping area sought after by leading luxury brands, has become the most expensive district in the world. Despite recent government efforts to rein them in, prices are back at all-time highs with record breaking sales demonstrating the enduring appeal this economic hub continues to hold for UHNWIs.

A landmark skyscraper in Mount Nicholson, Victoria Peak sold for a record sum of more than 2.5 billion euros in spring 2017. Setting a new per square feet price record of HK\$132,000 per square foot it revealed the real estate frenzy that has gripped the city.

These high profile sales are synonymous with both the luxury and greater mass markets in Hong Kong, fuelled by a cocktail of high demand and scarce supply and remaining seemingly undeterred by substantial tax increases.

AREAS IN DEMAND

Happy Valley, a residential sector that appeals to expats; the Sheung Wan

neighborhood, which is currently being gentrified; and the vast residences in the Mid-Levels area, at the top of the world's highest escalator.

The Peak is the most prestigious address for luxury homes, with its unparalleled views across the city and Harbour.

CLIENTELE

Luxury properties in Hong Kong continue to experience high demand from international and ultra wealthy mainland Chinese buyers, local residents are searching for prestigious primary residences in the most exclusive enclaves.

The majority of top-end buyers are from Mainland Chinese who consider the island a safe haven investment and entry into the dollar zone.

Many have businesses based in Hong Kong and are acquiring properties for their families. Many members of the "establishment" in Beijing and Shanghai, as well as the country's biggest CEOs, own a property in the city.

Wealthy local residents also make up a large part of the market seeking both luxury primary residences in historically exclusive neighborhoods as well as new highly coveted prestigious developments.

REQUIREMENTS

Signature developments, sea views, apartments located on high floors with parking spaces, full luxury services, high quality finishes, concierge and staff accommodation. Attention to detail is paramount as it is considered to directly reflect the success of the owner.

THE MARKET FOR LUXURY REAL ESTATE

Whilst Hong Kong's luxury property prices may be amongst the most

expensive in the world, with prices continue to soar, demand to remains high with the surge predicted to continue into 2018. Whilst average residential values are anticipated to see a 10 % increase in 2018, projections suggest that they may well surpass that, achieving as much as 20% if we are to believe JLL's Year-end Property Market Review and Forecast.

Despite government's efforts to cool the market by way of a stamp duty increase to 15 % for residents as well as non-residents, increasing interest rates as well as restrictions on lending, both prices are back at all-time highs. Record-breaking prices reflecting the strong demand.

There are no doubt that this financial hub will remain popular with mainland buyers who are spurring both demand attracted to a 'dollar zone' investment. With the growth of the Chinese HNW population set to continue due to local factors such as potential Yuan devaluations, the anticipation of additional restrictive measures in big Chinese cities as well as further restrictions on investments guarantee that the sky may not actually be the limit.

Amidst this price frenzy one area for astute buyers to watch out for is Kowloon Station. With the completion of the Express Rail Link, which will connect Hong Kong to Beijing via Guangzhou and Shenzhen, it is sure to attract more mainland buyers and therefore should represent a good investment opportunity.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution
	LUXURY	HAUT DE GAMME	TREND
Mid Levels	US \$4,180	US \$5,110	5%
Happy Valley	US \$3,344	US \$3,948	4%
Kowloon	US \$2,415	US \$3,066	2%

WHAT WILL 1 MILLION DOLLARS BUY?

Mid Levels	237 sq ft
Happy Valley	290 sq ft
Kowloon	409 sq ft

Source: BARNES

THE DESTINATIONS IN VOGUE FOR SECOND HOMES

A previously shown, one of the main drivers for growth in the luxury property sector is the high mobility of HNWIs, who increasingly invest in second homes in the most beautiful international holiday destinations. Improvements in air transport, the boom in the private jet market since the 2000s, as well as the globalization of business have all boosted demand for second homes, which now represent a solid investment in terms of profession, family, education, and leisure.

And in the last few years, investing in a second home has even become a profitable opportunity thanks to the holiday rental sector, which also facilitates the property's upkeep.

According to BARNES, the Top 5 oceanfront destinations for second homes are the Côte d'Azur in France, the Balearic Islands in Spain, Palm Beach and the Hamptons in the United States and Porto Cervo in Italy.



01

TOP 5 OCEANFRONT DESTINATIONS



02



03



04



05

- 01 **FRENCH RIVIERA**
(Cannes, Saint-Tropez)
- 02 **THE BALEARIC ISLANDS**
(Ibiza, Palma)
- 03 **PALM BEACH**
- 04 **THE HAMPTONS**
- 05 **PORTO CERVO**

TOP 5 OCEANFRONT

1. CANNES

Cannes a flagship city on the Côte d’Azur, is also its economic, tourist, and cultural capital. Numerous festivals set the tempo throughout the seasons, and the city enjoys international renown thanks to these events. Cannes also boasts exceptional railway, road, and air transport links (Nice is just 17 miles away), and half of all cruise ships stop by the French destination.



MOST DESIRABLE LOCATIONS

La Californie and Super Cannes, for the views and the exposure.

MOST DESIRABLE PROPERTIES

The properties with sea views on the hills around Cannes and Cap d’Antibes are still incredibly desirable, even though there are fewer international clients. Apartments – penthouses in particular those situated in the prestigious La Croisette district with their incredible views– sell quickly. Pied-à-terre properties are popular with investors looking to rent to tourists. Also large luxury villas behind Cannes: Mougins, Valbonne to Saint-Paul-de-Vence.

REQUIREMENTS

The highly international clientele is incredibly demanding when it comes to the quality of the property and the accompanying services such as a concierge. Most acquisitions are for second homes.

CLIENTELE

The clients are international (the Americans have returned, and the Northern Europeans enjoy a solid presence) and have assets of between 5 million and 15 million euros.

PROSPECTS

There are excellent opportunities in the making for unique mansions in the inland areas, as prices in these zones have dropped to more reasonable levels. After seven years of consecutive decreases that ran up until late 2016, the market is back on form.

WHAT WILL 1 MILLION EUROS BUY?

An apartment spanning 1184 sq ft.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Cannes	€1,858	€2,787	+ 2%	+ 58%

Source: BARNES

TOP 5 OCEANFRONT

1. SAINT-TROPEZ

Saint-Tropez needs no introduction as an internationally famed destination frequented by the European and American jet set in search of Provençal authenticity. The town is still as enchanting as ever, and is a must-visit spot for celebrities, art and history enthusiasts, heritage buffs, and those who love the Mediterranean.



MOST DESIRABLE LOCATIONS

While the Place des Lices and the Vieux Port are highly frequented, the whole village center is desirable with everything is accessible by foot.

MOST DESIRABLE PROPERTIES

Those at walking distance from the village, with sea views while offering shelter from prying eyes. Properties situated in the centre of the village and luxury villas with gardens offering privacy and views of the bay. Similarly exclusive properties set amongst secure domains are at premium.

REQUIREMENTS

For both buyers and renters alike, the clientele require the highest quality in terms of real estate and the services offered – such as concierge services that allow clients to have “whatever they want, whenever they want”. Clients are particularly fond of properties that offer total privacy.

CLIENTELE

This is a decidedly international group (the Americans are back, and there are more and more Eastern Europeans), and extremely wealthy. They own luxury villas whose prices vary between 10 million and 15 million euros.

PROSPECTS

After a drop in prices of more than 50% between 2007 and 2016, and a final downward correction during 2017, prices have stabilized at reasonable levels. Despite cooling activity in recent years, with prices dropping more than 50% between 2007 and 2016, followed by a correction in 2017 this iconic enclave is again experiencing a return to favour with both affluent French and international buyers alike. However, despite the renewed interest buyers are looking for value propositions, remaining price sensitive. Whilst no doubt still high, prices are certainly at more attractive levels, providing excellent opportunities to enter the market, upgrade, or indeed as a long investment.

WHAT WILL 1 MILLION EUROS BUY?

An apartment between 861 sq ft and 1076 sq ft, in a choice location in the heart of Saint-Tropez.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Saint-Tropez	€1,858	€3,716	+ 15%	+ 50%

Source: BARNES

TOP 5 OCEANFRONT

2. THE BALEARIC ISLANDS

Renowned for being the summer destination of the Spanish royal family, Majorca features superb luxury villas and a vast array of water-based activities, all against the backdrop of a unique landscape and favorable climate. Wealthy individuals see this island as an oasis for their yachts. Famously, a jet set hotspot, this sleepless little island also has a long established second home market. It is once again experiencing a renaissance with the return of with affluent buyers searching for luxury hideaways.



MOST DESIRABLE LOCATIONS

Majorca: The old town is home to spectacular period mansions; the Poniente district (south west of the town) is brimming with apartments and panoramic terraces with sea views; the Son Vida neighborhood boasts imposing luxury villas.

Ibiza : Historically, the exclusive south west of the island has been highly sought after however now recent trends show many affluent families searching for the more relaxed lifestyle offered in the north of the island. This area is also understandably, attracting investors. The famous beaches of Talamanga, Figueretas, Playa d’En Bossa, and Roca Llisca are of course always a draw card ensuring the enduring popularity of these areas.

MOST DESIRABLE PROPERTIES

Majorca/Ibiza: Contemporary custom-built apartments and villas with high quality finishes, full service amenities and 24-hour security. Vast beachside villas and oceanfront penthouses. Traditional Ibiza farmhouses and Mediterranean Villas in the North with far-reaching sea views.

REQUIREMENTS

Majorca/Ibiza: Flawless real estate with exceptional facilities, a swimming pool, walled gardens ensuring total privacy, and sea views.

CLIENTELE

There has been a strong constant stream of demand from affluent European buyers, primarily from the UK for up market second homes and lifestyle acquisitions. These have also been popular with investors from the Netherlands, France and Italy. Though Traditionally, demand has been primarily Northern European. US, Asia and the Middle East are leading the way.

PROSPECTS

The luxury market in the Balearic’s, particularly in Ibiza seems to have weathered the various storms elsewhere in Spain relatively well. Both prices and demand are on the upward turn and not just in the infamous areas. Indications are that this positive trend will continue, especially considering the surge of interest surrounding the new ‘Super Port’ development and consequent proliferation of luxury boutiques, chic restaurants such as Nobu as well as 5 star hotels. International demand for new luxury developments is at highest point in recent years, particularly from the US, Asia and the Middle East. Watching this trend are astute investors, also aware that prices currently remain low on the White Isle, anticipating the wealth creation opportunities this presents for the future. Thanks to exemplary political stability, the return of growth to Spain, high-performance air transport and boat links, an appealing lifestyle, and an ideal climate, the Balearic Islands offer healthy development prospects. The protection afforded to natural sites also ensures an excellent quality of life.

WHAT WILL 1 MILLION EUROS BUY?

A duplex apartment spanning 1937 sq ft and a 796 sq ft terrace with sea views in the center of Palma in Majorca. A luxury 979 sq ft apartment with a terrace located in the prestigious Las Boas condo complex designed by Jean Nouvel in Ibiza.

PRICES

END OF 2016
TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	APARTMENTS	HOUSES
The Balearic Islands	€418	€465	+ 20%	+ 10%

Source: BARNES

TOP 5 OCEANFRONT

3. PALM BEACH

The island of Palm Beach stretches for more than 15 miles, and has been an immensely fashionable destination since the heyday of the Rockefeller family. Today, it enjoys a long-standing reputation as a sunny, superb setting frequented by affluent influential figures. With more than 30 billionaires owning a property on the island, Palm Beach certainly lives up to its reputation. This immaculate town – whose historic elegance has been preserved thanks to the efforts of its Foundation – is famed for its architecture dating back to America’s Gilded Age, world-class monuments, luxury boutiques, art galleries, cultural attractions and picturesque beaches. The island’s motto “The Best of Everything,” becomes quite obvious when seeing the unique combination of incredibly high living standards and small-town charm, which is what makes Palm Beach one of the world’s most desirable destinations.



MOST DESIRABLE LOCATIONS

Billionaire’s Row is located in the South Ocean Boulevard district just south of President Donald Trump’s Mar-a-Lago resort, and is home to impressive real estate spanning more than 19,000 sq ft with immense gardens. The prices vary between 20 million and 150 million dollars. Wealthy buyers looking for a livelier neighborhood will head to the center of Palm Beach, with the luxury boutiques on Worth Avenue and the Michelin-starred restaurants at the Everglades Golf Club. The west of Palm Beach is currently undergoing a major rejuvenation. Not so long ago the neighborhood on the other side of the bridge was out of fashion, but is now welcoming a growing number of gourmet restaurants, exciting bars, festivals, theaters, and boutiques.

MOST DESIRABLE PROPERTIES

The most desirable properties for the super wealthy are those found on the oceanfront featuring luxury pools, vast reception rooms, and grounds with lush vegetation landscaped to ensure maximum privacy. Modern, luxury condos stretching up to the sky and offering ocean views are also very popular, as are the mansions located in the town center.

REQUIREMENTS

Ocean views, proximity to Worth Avenue, and membership at the Bath & Tennis Club (or any of the islands other highly select clubs) are some of the priorities for wealthy buyers. First and foremost for the wealthiest and most famous is security and privacy whilst for those with yachts, access to the port with a mooring or anchorage permit is essential.

CLIENTELE

Palm Beach is home to a year-round population of around 11,000 individuals, and a seasonal population of almost 30,000. The majority ultra-wealthy with primary and holiday residences are American citizens in search of sunny weather and a lively social scene. However, there are now increasing numbers of Europeans and Canadians looking to acquire primary residences or second homes in Palm Beach.

PROSPECTS

While the sale of all types of residences has sky-rocketed in Palm Beach, the luxury market has enjoyed the best performances. The average price for luxury real estate has increased by 57% since 2016, reaching 1,470 dollars per square foot in the second quarter of 2017.

WHAT WILL 1 MILLION DOLLARS BUY?

Modern three bedroom apartment of around 1507 sq ft in West Palm Beach.

PRICES

END OF 2016
TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Palm Beach Billionaire’s Row	US\$ 883	US\$1,440	+ 3%	+ 7%
West Palm Beach	US\$446	US\$836	+ 5%	+ 2%

Source: BARNES

TOP 5 OCEANFRONT

4. THE HAMPTONS

The Hamptons is the most desirable vacation spot for rich New Yorkers, especially those from the incredibly chic Upper East Side, home to the heirs to old fortunes and Wall Street traders. Southampton is the “capital” of this destination, and can be reach in two hours by car, in 45 minutes by seaplane, and in even less time by helicopter. Thanks to the exceptional light on the Atlantic Ocean many artists and painters – particularly the surrealists – have moved to the area, with countless celebrities having acquired a vast villas. East Hampton – the region’s second town – is very popular with wealthy young individuals, who come in search of its bars and restaurants. Montauk, a former fishing village, has become particularly fashionable. Polo is the area’s most played sport, which served as an inspiration for designer Ralph Lauren, one of the residents.



MOST DESIRABLE LOCATIONS

Sagaponack, the village said to be the most expensive in the United States, and Meadow Lane, nicknamed “Billionaire’s Lane” in Southampton. In East Hampton, Georgica Pond and Further Lane are highly desirable, as is Sag Harbor, where many luxury yachts are moored.

MOST DESIRABLE PROPERTIES

New England-style manor houses, surrounded by beech trees, Japanese maples, and swimming pools, just 50 meters from the ocean in Southampton. Ultra-contemporary, beachfront villas with ocean views are also popular.

REQUIREMENTS

Clients expect real estate surrounded by a garden with a pool. Large spaces and many bedrooms are also priorities, as owners in the beachfront destination enjoy receiving guests.

CLIENTELE

American, and generally from New York. The Hamptons are mostly frequented during the spring and summer.

PROSPECTS

As New York continues to grow, along with the ultra-wealthy population, the Hamptons are following the trend. Property prices are going up, as is the number of annual transactions. The long, wild beaches of white sand, the subtle blend of relaxation and elegance, the proximity to the city, the numerous summer events, and of course the chance to be “among one’s own” are all factors attracting more and more wealthy individuals. As there are few hotels, and almost nobody rents their residence, those hoping to stay in the Hamptons are advised to become property owners.

WHAT WILL 1 MILLION DOLLARS BUY?

A cottage with three bedrooms in the countryside just south of Southampton.

PRICES

END OF 2016
TO END OF 2017

	Price per sq ft		Evolution
	LUXURY	HAUT DE GAMME	TREND
East Hampton	US \$1,393	US \$1,672	+ 24%
Southampton	US \$1,765	US \$1,997	+ 9%

Source: BARNES

TOP 5 OCEANFRONT

5. PORTO CERVO

This charming, ultra-chic port town located in the north of Sardinia was built during the 1960s under the instruction of Prince Karim Aga Khan IV, who’s vision was to create a place exclusively devoted to hosting a wealthy, jet set clientele. The marina is home to the biggest private yachts with the yacht club playing host to several high-profile regattas each year. Renowned as a billionaire’s playground, unsurprisingly it also has one of the largest private jet terminals in Europe. There is a constant demand for luxury in this prestigious, tiny enclave.



MOST DESIRABLE LOCATIONS

The promenade on the port just a stone’s throw from the Piazzetta, facing the sea. The edges of the Pervero golf club, and any of the seafront villas located next to the magnificent beaches of Porto Rotondo.

MOST DESIRABLE PROPERTIES

Luxury villas with swimming pools with sea and marina views.

REQUIREMENTS

Peace and quiet. The resort is home to less than 200 year round residents. Affluent buyers value the luxury of walking straight from the villa to their boat in a calm atmosphere, or strolling through the peaceful little streets filled with luxury boutiques. There are those who prefer the convenience of the centre of the village where everything is accessible by foot. Others prefer the villas high above the bay offering privacy and seclusion as well as incredible views.

CLIENTELE

The international clientele is mainly from Europe, and comprises a majority of Anglophones forming a select club of millionaires and billionaires from a variety of backgrounds, whether titans of industry, athletes, politicians, or artists. Rolls Royce organizes its summer workshops here, and jet setters all meet for the famous “white parties” on their yachts.

PROSPECTS

The luxury property market in Porto Cervo has been on the upturn with growing demand from affluent buyers for whom the acquisition equally fulfills lifestyle aspirations. The development of luxury yachting entices lures international yacht owners and the global elite.

WHAT WILL 1 MILLION EUROS BUY?

An apartment spanning 861 sq ft with ocean views.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Porto Cervo	€929	€1,208	+ 8%	+ 12%

Source: BARNES



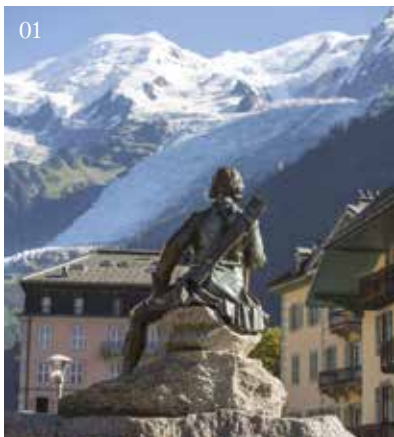
TOP 5 HIGH-ALTITUDE DESTINATIONS

- 01 **THE FRENCH ALPS**
(Megève, Chamonix, Courchevel, Méribel)
- 02 **THE SWISS ALPS**
(Gstaad, Verbier, Crans-Montana)
- 03 **THE AUSTRIAN ALPS**
(Lech Zürs, Kitzbühel)
- 04 **ASPEN**
- 05 **JACKSON HOLE**

TOP 5 HIGH-ALTITUDE

1. THE FRENCH ALPS

Authentic Megève, sporty Chamonix, precious Méribel... It goes without saying the French Alps are adored by both a national and international clientele, who all enjoy indulging in traditional mountain living.



01. Chamonix
02. Megève
03. Méribel
04. Courchevel



ADVANTAGES

Megève: an authentic village, luxury brands, quality of life, Michelin-starred restaurants, ski-in ski-out chalets, concierge services.

Chamonix: international mountaineering capital, located at the foot of Mont Blanc, vast apartments in the town center, sophisticated architecture.

Méribel/Courchevel: located in the heart of the 3 Valleys with more than 350 miles of slopes, charming villages, an international reputation, Michelin-starred restaurants.

REAL ESTATE MARKET

Megève: 70% French clientele, increase in vacation rentals, stable, Mont-d'Arbois desirable neighborhood

Chamonix: international, mostly Anglophone clientele, stable prices, year-long active market, Place Balmat and Village des Bois desirable neighborhoods

Méribel/Courchevel: international clientele, luxury chalets, prices up 8 %.

THE MOST DESIRABLE PROPERTIES

Large Chalets and appartements renovated in contemporary style within walking distance of the ski slopes. Concierge service are also highly in demand. Contemporary design with impeccable Interior design. Concierge services are highly sought after.

CLIENT EXPECTATIONS

Pristinely renovated properties in the centre of the village or within easy access of the main ski areas, ideally with parking.

CLIENTELE

The majority of clients in Megève are French. Méribel and Courcheval by contrast are more international. Chamonix, which enjoys a reputation for being more sports orientated, is more popular with those from the US and the UK.

OPPORTUNITIES AND PERSPECTIVES

Today the French Alps are revered equally for their exclusive après ski as they are for their the world class skiing. Modern facilities and ever expanding variety of winter recreational activities continue to attract wealthy individuals. Catering to the desire for rest, relaxation and well being they also boast also a myriad of gastronomic offerings. Due to the quality of their mountain environment the resorts of the French Alps are popular year round, with numerous cultural activities also during the summer months.

PRICES

END OF 2016 TO END OF 2017

	Price per sq.ft		Evolution	
	APARTMENTS	CHALETs	TREND	BARNES SALES VOLUME
Méribel/Courchevel	€1,765	€1,580	+ 8%	Stable
Chamonix	€1,115	€1,115	Stable	Stable
Megève	€1,486	€1,580	Stable	Stable

WHAT WILL 1 MILLION EUROS BUY?

Méribel/Courchevel	700 sq.ft
Chamonix	1076 sq.ft
Megève	829 sq.ft

Source: BARNES

TOP 5 HIGH-ALTITUDE

2. THE SWISS ALPS, GSTAAD

Gstaad is renowned across the globe for its chic charm, discreet luxury, privileged affluent community and appealing region. This highly sought-after mountain village is nestled in a valley that remains lively all year round, and is popular for its authenticity, local life, activities and events, and the international profile of its residents. Gstaad is also an oasis of calm for celebrities from all over the world.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The pedestrian promenade and the edge of the ski pistes with ski-in ski-out access.

THE MOST DESIRABLE PROPERTIES

Finely-crafted chalets and apartments offering unobstructed views, wooden finishes, surface areas over 100 m², and contemporary interiors.

CLIENT EXPECTATIONS

The clientele has high standards when it comes to the quality of real estate and the services offered such as a concierge. Most properties purchased are second homes.

CLIENTELE

International, mostly European and ultra-wealthy looking to investments the solid Swiss franc.

OPPORTUNITIES AND PERSPECTIVES

After price adjustments in recent years there are great opportunities to purchase authentic mansions in the countryside, with prices at more reasonable levels. The market is growing, posting a 2% increase over a year, yet prices remain appropriate making this safe haven once again an attractive proposition with its relatively limited exposure to world events.

WHAT WILL 1 MILLION SWISS FRANCS BUY?

An apartment spanning 430 sq ft.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Apartments	CHF 2,230	CHF 2,973	Stable	Stable
Chalets	CHF 2,787	CHF 4,645	Stable	Stable

Source: BARNES

TOP 5 HIGH-ALTITUDE

2. THE SWISS ALPS, VERBIER

Verbier is a dream come true for freeriding in winter and mountain biking in summer, and is linked to the 4 Valleys – the biggest ski area in the Swiss Alps. Verbier also owes its reputation to the fact it has preserved its original, charming, mountain village atmosphere.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Sonalon and Les Esserts, the first for its views over the valley and its vast, beautiful luxury chalets, and the second for its intimate, little-village atmosphere and direct access onto the pistes.

THE MOST DESIRABLE PROPERTIES

Recent chalets with wellness spaces, central locations, and views overlooking the valley.

CLIENT EXPECTATIONS

Discreet, authentic luxury with a vast range of bespoke services.

CLIENTELE

International and British for the most part. These clients have considerable assets and are among the world's wealthiest individuals.

OPPORTUNITIES AND PERSPECTIVES

After adjustments in recent years there are great Verbier has confirmed its position as a green village by focusing on regulated urban planning and working to develop clean local transport.

WHAT WILL 1 MILLION SWISS FRANCS BUY?

An apartment spanning 861 sq ft.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Apartments	CHF 1,858	CHF 2,787	Stable	Stable
Chalets	CHF 2,322	CHF 3,250	Stable	Stable

Source: BARNES

TOP 5 HIGH-ALTITUDE

2. THE SWISS ALPS, CRANS-MONTANA

Perched at 1,500 meters of altitude in the midst of lakes, vines, and beautiful forests, Crans-Montana draws the world’s most renowned figures with its urban lifestyle in the mountains. The resort is home to gourmet establishments, Michelin-starred restaurants, and luxury boutiques including Hermès and Louis Vuitton – which are not available anywhere else in the Valais canton. Everything here is designed for relaxation and entertainment. Crans-Montana is also a desirable alpine resort thanks to its highly diverse range of activities and facilities (skiing, golf, hiking, luxury boutiques, cinemas, shopping, transport), and its exceptional real estate.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The center of Crans-Montana, and the Tsarbouye and Plans-Mayens neighborhoods.

THE MOST DESIRABLE PROPERTIES

Apartments and chalets in the center, or very close by, with views over the mountains or the valley. Properties with ski-in ski-out access are also very desirable.

CLIENT EXPECTATIONS

Discretion and services such as transport, easy access, luxury boutiques, spas and well-being facilities.

CLIENTELE

Mostly Swiss and French, with a portion of Belgians and Italians. Most are owners.

OPPORTUNITIES AND PERSPECTIVES

The resort of Crans-Montana has made, and is continuing to make, considerable efforts in terms of its infrastructure, with new cable cars, an ultra-modern ice-skating rink, a road network, and building renovation. A new international school, the Regent College, was also opened two years ago, and a major five-star hotel and residence project is underway. The new establishment – the Six Senses Residences – is located at the foot of the Cry d’Err cable car, and will offer a hotel featuring 47 suites, along with 17 luxury apartments available for sale as second homes and open to international investors. Other global hotel chains are also interested in investing in the Haut-Plateau region.

WHAT WILL 1 MILLION SWISS FRANCS BUY?

A two-bedroom apartment in the town.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Apartments	CHF 1,300	CHF 2,415	Stable	Stable
Chalets	CHF 1,393	CHF 2,787	Stable	Stable

Source: BARNES

TOP 5 HIGH-ALTITUDE

3. THE AUSTRIAN ALPS, KITZBÜHEL

Kitzbühel is a sporty, high-society, and internationally renowned tourist resort in the Tyrol region, enjoying the same status as Gstaad and St. Moritz. Its medieval town center and elegant boutiques have seen it become probably the most beautiful ski resort in Europe, and it attracts a sporty, sophisticated clientele. The town's energy can be felt in the skiing, of course, but also in other sports such as snow polo, triathlons, and tennis tournaments. The magnificent landscapes, friendly ambiance, proximity to Munich, and its international reputation make it a sound investment.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The sunny areas of Kitzbühel such as Sonnberg, Lehenberg, Kochau, and Lutzenberg are considered most desirable.

THE MOST DESIRABLE PROPERTIES

Large chalets on the pistes and villas with mountain views.

CLIENT EXPECTATIONS

The clientele is extremely demanding in terms of real estate quality, and services such as a concierge. Most properties acquired are second homes.

CLIENTELE

Wealthy Austrians, the new millionaires from Munich and other parts of Germany, and an international clientele mostly from Eastern Europe.

OPPORTUNITIES AND PERSPECTIVES

The most prestigious districts represent sound investments with enduring price appreciation due to the constant demand from affluent investors and the limited availability of buildable land. Global warming could have an impact on winter tourism as the resort is only at 762 meters of altitude, although the legendary international downhill piste, the Streif, is located higher.

WHAT WILL 1 MILLION EUROS BUY?

A three-bedroom apartment in a chalet.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Apartments	€1,486	€2,044	+ 2%	+ 2%
Chalets	€1,858	€2,787	+ 2%	+ 2%

Source: BARNES

TOP 5 HIGH-ALTITUDE

3. THE AUSTRIAN ALPS, LECH ZÜRS AM ARLBERG

This resort is made up of the two villages of Lech and Zürs, and is one of the select group of destinations voted the “Best of the Alps.” This is the only place in Austria where heliskiing is possible, and Lech Zürs is part of the biggest ski area in Austria. But as well as skiing and other winter sports activities – loved by thrill seekers who come for the 125 miles of off-piste runs – the resort is also renowned for its many gourmet restaurants. Lech Zürs is home to the highest concentration of establishments with a Gault & Millau “Toque” award in the world.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

All of them! The villages of Lech and Zürs have stayed true to tradition, and are located directly on the pistes. The center and its little streets are just a stone’s throw from the slopes.

THE MOST DESIRABLE PROPERTIES

Vast chalets with traditional exteriors, and renovated by architects to create inviting, contemporary interiors. A well-being space is also a plus, as are mountain views.

CLIENT EXPECTATIONS

A concierge service is a must, along with transfers from Munich and Innsbruck airports, and the option of being dropped at the top of the pistes by helicopter.

CLIENTELE

European royal families, celebrities, professional athletes and many other stars are regulars in Lech Zürs. This is down to the resort’s prestige, its beautiful villages, and the luxury accommodation that offer it a high-society appeal.

OPPORTUNITIES AND PERSPECTIVES

The two villages have deliberately limited real estate developments to preserve a friendly, approachable atmosphere and the typical architecture from the Vorarlberg region. Thanks to its high-quality cultural events, Lech Zürs am Arlberg enjoys a world-class reputation for art and music. The surrounding natural environment is also strictly protected, which has led to the creation of popular, internationally acclaimed summer hiking routes. Preserving the authenticity and status of a luxury resort are the two factors that underpin the very regulated real estate development market and ensure consistent price growth.

WHAT WILL 1 MILLION EUROS BUY?

An apartment spanning 700 sq ft with two bedrooms.

PRICES

END OF 2016
TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Apartments	€1,486	€2,044	+ 2%	+ 2%
Chalets	€1,858	€2,787	+ 2%	+ 2%

Source: BARNES

TOP 5 HIGH-ALTITUDE

4. ASPEN

Originally established as a village for silver miners in the 1880s, Aspen shot to fame by becoming a leading alpine resort during the 1950s, and has since set itself apart as one of the most fashionable vacation spots for the wealthy elite. As well as its world-class ski resorts and luxury residences, Aspen boasts a truly impressive cultural and intellectual community via institutions such as the Wheeler Opera House and the Aspen Art Museum, both of which host the world’s musicians and artists. Unlike most ski resorts, it is possible to live in Aspen throughout the year, as the town is also home to sophisticated boutiques and restaurants, excellent public and private schools, and premium medical facilities and community centers.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The Red Mountain neighborhood, also known as “billionaire’s mountain,” is one of the most prestigious residential areas, offering breathtaking views over the mountains just a stone’s throw from the town center. This neighborhood is divided into upper and lower sections, and contains a concentration of premium real estate whose prices vary between 15 million and 40 million dollars. The historical quarter in the west of the town is also highly desirable. The tree-lined streets of this elegant district are home to both Victorian houses and modern, top-end homes, all just a few minutes from the dynamic center of Aspen.

THE MOST DESIRABLE PROPERTIES

The wealthiest buyers generally look for expansive, modern mansions with surface areas reaching up to 1,800m², at least seven bedrooms, floor-to-ceiling windows, immense wooden terraces, and a substantial outdoor space. Renovated Victorian houses with French-style gardens are also desirable for those looking to live year-round in Aspen.

CLIENT EXPECTATIONS

The natural beauty of the Rocky Mountains – visible from almost every point in the town – explains wealthy buyers’ desire for a view over the peaks and the picturesque landscape. Access to the ski resorts and a vast reception room are also imperative. As for the more urban residences, proximity to cultural institutions, boutiques, restaurants, and nightlife are at the top of the list of priorities.

CLIENTELE

Most buyers are from the United States, but Aspen is starting to attract more and more clients from all over the world. Aside from year-round houses, Aspen is a popular destination for temporary residences and buyers looking for second homes.

OPPORTUNITIES AND PERSPECTIVES

After a tumble during the first quarter of 2016, the real estate market was entered a period of consolidation at the start of 2017, and the most sought-after neighborhoods in Aspen are now enjoying record sales. Average prices are usually subject to increases, particularly for mansions and condos.

WHAT WILL 1 MILLION DOLLARS BUY?

An apartment spanning 700 sq ft with two bedrooms.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Aspen	USD 1,997	USD 3,902	+ 5%	+ 4%

Source: BARNES

TOP 5 HIGH-ALTITUDE

5. JACKSON HOLE

Once a community of trappers and ranchers, Jackson Hole has come the leading destination for ski buffs since the Jackson Hole Mountain Resort opened in the 1960s. Over the last few decades, Jackson Hole has positioned itself as far more than a simple ski resort. The entire valley is set against the spectacular backdrop of the Teton mountain range, and is now one of the most prestigious luxury destinations in America offering activities throughout the year for the wealthy, adventurous elite.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Teton Village, at the foot of the Jackson Hole Resort, is renowned for being close to the mountain, as well as for its Shooting Star Golf Club and events such as the Grand Teton Music Festival held in the summer. Granite Ridge is also particularly sought-after for its modern, spacious residences. Jackson is the business hub of the area, and also offers easy access to the Snow King Mountain Resort. The historical town center is home to some of the best local restaurants, as well as some of the most prestigious art galleries and theaters. Finally, Wilson and its surrounding area offer isolated luxury residences with views over the Teton mountains and access to mountain biking trails and more secluded ski pistes.

THE MOST DESIRABLE PROPERTIES

Wealthy winter sports enthusiasts will opt for properties with direct access to the slopes and with heated wooden terraces overlooking the slopes. Buyers in search of vast surface areas will head to neighborhoods where renovated ranches blend rustic American style and luxury living with floor-to-ceiling windows offering incredible views over the mountains.

CLIENT EXPECTATIONS

The proximity to the mountains and the views over the wild environment with its fauna and flora are essential to buyers in Jackson Hole. Access to private luxury clubs such as the Shooting Star – especially during the summer – is a plus.

CLIENTELE

Members of the wealthy elite in search of adventure go to Jackson Hole for its unique blend of luxury and thrills. The valley is just as popular in the summer as in the winter. Visitors and residents alike can take to the ski slopes, go white water rafting, and indulge in the wonderful spas at the Amangani Resort and the Four Seasons. Wyoming is a particularly wealthy-friendly state, with no income tax for individuals or corporations, no inheritance tax, and the lowest property and sales taxes in America. These policies tend to attract wealthy buyers from all over the country, as well as individuals from across the world looking to purchase a second home.

OPPORTUNITIES AND PERSPECTIVES

Just 3% of the Teton County is private. The remaining 97% belong to the government, which explains why parcels are so desirable and ensures a regular increase in property values. In the luxury property sector, the most common method consists of acquiring an empty plot (if possible) and crafting the perfect residence in a combination of Western lifestyle and elegant aesthetic.

WHAT WILL 1 MILLION DOLLARS BUY?

An apartment spanning 1400 sq ft.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	CHALETs	APARTMENTS	CHALETs
Jackson Hole	USD 715	USD 1,217	+ 8%	+ 10%

Source: BARNES

DESTINATIONS TO WATCH

The luxury real estate sector exists in a perpetual state of evolution, shaped by economic and political world events as well as the desires of a prestigious clientele accustomed to increasing levels of excellence. Whether capital cities, the hottest vacations spots, or untouched slices of paradise, here is our selection of the destinations of tomorrow – which we recommend looking into today!

- 01 _ BUDAPEST, HUNGARY
- 02 _ ATHENS, GREECE
- 03 _ BERLIN, GERMANY
- 04 _ MONTREAL, QUEBEC
- 05 _ VIENNA, AUSTRIA
- 06 _ GENEVA, SWITZERLAND
- 07 _ ZURICH, SWITZERLAND
- 08 _ BRUSSELS, BELGIUM
- 09 _ LISBON, PORTUGAL
- 10 _ MONACO
- 11 _ BIARRITZ, FRANCE
- 12 _ PORTO-VECCHIO, FRANCE
- 13 _ HO CHI MINH CITY, VIETNAM
- 14 _ MEXICO CITY, MEXICO
- 15 _ MARRAKECH, MOROCCO
- 16 _ MAURITIUS
- 17 _ TORONTO, CANADA
- 18 _ MIAMI, UNITED STATES
- 19 _ PUNTA DEL ESTE, URUGUAY
- 20 _ CAPE TOWN, SOUTH AFRICA



- 01. *Mexico City, Mexico*
- 02. *Porto-Vecchio, France*
- 03. *Mauritius*
- 04. *Toronto, Canada*
- 05. *Berlin, Germany*
- 06. *Cape Town, South Africa*



1. BUDAPEST, HUNGARY

Founded in 1873, Budapest was the second capital of the Austro-Hungarian Empire, and is home to an exceptional inventory of property. Its natural layout around the River Danube, and the Buda Hills with their breathtaking views make Budapest one of the most beautiful cities in Europe.

Like Lisbon, Barcelona and Madrid in their time Budapest has entered a period of very strong growth due to its dynamic economic and a geographcal situation right in the middle of Europe. Incredible architecture and favorable tax laws combine to make it one of the most attractive cities in Europe.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The neighborhoods bordering the Danube, such as the 5th district, where many fully-renovated buildings have seen prices shoot up 35% in the last two years. The old buildings and apartments in need of renovation in the 6th, 7th, and 9th districts offer fantastic potential, and are without doubt the current priority amongst astute investors. Andrassy Avenue is also a desirable location, and the hub for the city’s luxury boutiques.

THE MOST DESIRABLE PROPERTIES

Renovated apartments between 1,076 sq ft and 2,150 sq ft in the above mentioned neighborhoods, as well as in the 2nd, 3rd, and 12th districts. Older properties are enjoying huge success, made attractive by relatively inexpensive renovation work (around 186 euros per square foot). In terms of wealth creation opportunities they represent excellent investments whose returns are set to be far superior to those in Western Europe (around 6%). Apartments for renovation in sought-after areas such as those around opera can be found from 279 euros per square foot. Properties in perfect condition are also highly in demand and can be negotiated from around 557 euros per square foot.

CLIENT EXPECTATIONS

This clientele has similar expectations to those in Western Europe. However, the new wealthy class of Hungarians – whose numbers are growing steadily – prefer comprehensive assistance to guide them in their investments outside of Hungary.

CLIENTELE

Approximately 30 % of residential buyers are international, with American and Middle-Eastern buyers notably well represented. Many European HNWIs are also taking advantage of the opportunities that abound, with Austrian and German buyers leading, followed by substantial French interest.

OPPORTUNITIES AND PERSPECTIVES

There are more than two million square meters of residential space being built and renovated in Budapest. Hungary grew 3.4% in 2017, and the country’s budget is the only one in Europe to be in surplus. What’s more, unemployment rates had dropped to 6.3% in the third quarter of 2017. For clients in search of a very safe city and a favorable tax environment (9% on dividends, 13% on income, and no double imposition with most Western European countries), Budapest is an extremely appealing destination. With prices currently on the rise and predicted to continue to soar, this city is definitely ripe for high return on investment yields. Prices are substantially lower compared to neighbouring capitals offering great value.

WHAT WILL 1 MILLION EUROS BUY?

Beautifully renovated apartments on St. Stephen’s Square facing the basilica, on a high floor, spanning between 1722 sq ft. and 1152 sq ft.

PRICES

END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Budapest	€ 511	€ 743	+ 24%	+ 22%

Source: BARNES

2. ATHENS, GREECE

Famed for its extensive cultural offering and prestigious past, Athens offers exceptionally diverse settings and a myriad of lifestyle opportunities highly coveted by NWIs. With fine dining possibilities, theatres and museums one can also be swimming at a beautiful beach overlooking the sunset, or within half an hour be hiking in one of the traditional mountain resorts. The city has excellent links to all European destinations, as well as to Eastern Europe and the Middle East. Furthermore, the ease private air travel has made accessibility to major hubs more convenient than ever for those wishing to be within easy commute of business and a luxury secondary getaway.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The centre of Athens, most notably the districts of Anaktora, Kolonaki, Acropolis and the city’s historic center, are now more affordable than ever. The Greek islands have attracted foreign players looking for vacation homes though recently these buyers are also looking toward Athens itself and it’s prestigious Northern suburbs. These exclusive neighborhoods are home to embassies, private schools and luxury boutiques. Also extremely popular are luxury properties in the southern suburbs (Athenean riviera) which have incredible sea views and also those with easy access to the private yachts in the marinas. Recently, the surrounding nearby islands have seen strong interest developing.

THE MOST DESIRABLE PROPERTIES

In the center of Athens, penthouses offering breathtaking views over the Acropolis and the Mount Lycabettus. High-end luxury apartments and contemporary luxury villas in the south of with views of the Aegean Sea represent attractive propositions for families looking for large luxury homes. In the northern suburbs larger private properties with gardens are regaining favour though they are in need of modernisation. In an interesting trend affluent international families are driving the demand for secluded getaways in the lesser-known surrounding islands that can be reached within 15 minutes by helicopter

CLIENT EXPECTATIONS

Clients are looking for real estate of exceptional quality, finely crafted architecture, and excellent value for money. This discerning clientele are also looking for discretion, privacy and security combined with diverse experiences and luxury lifestyle within easy reach of major hubs.

CLIENTELE

This group has a truly local and international flavour, comprising many affluent Greek nationals, although the majority of players are from other European states as well international destinations. Local clientele are mainly wealthy businessmen or ship-owners or those who have been living abroad. Many international families from the Middle East and China are attracted to Athens by the Golden visa. Notably large numbers of Turkish investors consider the islands stable political environment.

OPPORTUNITIES AND PERSPECTIVES

The economic situation is improving, and the fear of a withdrawal from the Eurozone is fading away – two positive points reassuring investors. Following recession of 2011, which saw prices drop over 40 per cent, luxury properties in and around Athens are once again experiencing an upward demand. In any such market cycle astute buyers are never far behind sensing opportunity and anticipating further increases. With prices on the rise the first time 7 years, there is a prevailing sense of prolonged optimism. The forecast is looking positive in Greece. More and more affluent international buyers are being seduced not only by attractive price, but also greater lifestyle considerations poised to take advantage of the myriad of well-priced luxury and are poised opportunities. This increase in interest in the market mirrors the wider global trend amongst HNWI’s towards experience and lifestyle acquisitions that also satisfy investment needs.

Opportunities for returns on investments abound. There are the older sizable properties in the exclusive Northern suburbs, which represent great value propositions for savvy investors. Consider as well the dream prospect of owning a private luxury home on one of the small islands. These beautiful properties, some with private beaches, are still very competitively priced between 2-3 million euro. They represent great value appurtenant investments with the added benefits of privacy, safety and security-all highly prized by UNHWI’s. For those an eye on the future any choice would seem to be a good choice at this opportune time.

WHAT WILL 1 MILLION EUROS BUY?

A penthouse spanning 2153 sq ft in Kolonaki.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Athens	€167	€186	+ 7%	+ 8%

Source: BARNES

3. BERLIN, GERMANY

Berlin is the capital of the most economically solid country in Europe, and offers exceptional quality of life and excellent investment opportunities. Buoyed by a highly favorable demographic, a fast-growing local economy, a buzzing cultural scene, an architectural environment undergoing major renewal, green spaces making up 40% of the city, and very affordable property prices, Berlin is on the up!



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The areas of Charlottenburg, Grunewald, Dahlem, Mitte, Kreuzberg, and Prenzlauer Berg.

THE MOST DESIRABLE PROPERTIES

Top-floor luxury apartments with a terrace.

CLIENT EXPECTATIONS

For affluent clientele in this city there is no compromise when it comes to premium location, facilities, and real estate quality. Clients expect flawless luxury properties that go beyond a good price.

CLIENTELE

International and made up of titans of industry, as many companies have relocated their headquarters to Berlin. The city is also home to a number of figures from the culture and art worlds. Buyers with high purchasing power are continuing to come to the city from other countries such as Russia, China, and Switzerland.

OPPORTUNITIES AND PERSPECTIVES

Overall trends have remained the same, with growing demand and a chronic lack of new properties on the market. The city is in the midst of a major renewal with many new programs being built, in the surrounding districts in particular, and is welcoming between 30,000 and 40,000 new inhabitants every year. More peripheral but residential neighborhoods such as Alt-Treptow, Köpenick, and Öberschöneweide are also developing thanks to their excellent transport links.

WHAT WILL 1 MILLION EUROS BUY?

An apartment spanning 915 sq ft in Mitte.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Apartments	€ 743	€ 1,393	+ 4%	+ 4%
Houses	€ 743	€ 1,858	+ 4%	+ 4%

Source: BARNES
The price per sq ft of houses may vary widely depending on the size of the land and its location.

4. MONTREAL, QUEBEC

Unlike Toronto and Vancouver, the Quebecer market has enjoyed a period of prosperity without over saturation. There is therefore no 15% tax imposed on international investors for property purchases, as is the case in other provinces. The economy is healthy, unemployment is low (5.6%), the Canadian dollar is weak, the political climate is stable, and there is no feeling of insecurity. These factors all combine to make Montreal a great place to invest.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Griffintown, Plateau-Mont-Royal, Outremont, Mount Royal, and Old Montreal.

THE MOST DESIRABLE PROPERTIES

In Westmount, Mount Royal, and Outremont, where opulent villas are purchased as primary residences. In other sectors, desirable real estate takes the form of apartments in condos with services and 24/7 security.

CLIENT EXPECTATIONS

Immediate proximity to renowned schools, a large plot of land, a garage, a calm atmosphere, discretion, and privacy.

CLIENTELE

The number of international investors has spiked by 62% in a year, mainly driven by the Chinese. The Montreal property market has also enjoyed a knock-on effect following the new tax introduced in Vancouver. The Laurentides region and the city of Mont-Tremblant are home to a major clientele of renters who enjoy winter sports and golf, just one hour from Montreal.

OPPORTUNITIES AND PERSPECTIVES

The economic perspectives are excellent, in part because there will be 750,000 qualified job vacancies by 2020. The doors to Montreal will therefore open to welcome qualified international workers able to fill these positions. Companies from all over the world invested a record sum of 1.35 billion dollars in the city last year, according to the Montreal International organization. Instability caused by Brexit and the change in power in the U.S.A. have worked to the advantage of Montreal. Thanks to its relatively low cost of living, high-performance university network, festive character, and political stability, the metropolis has a bright future ahead.

WHAT WILL 1 MILLION DOLLARS BUY?

A magnificent residence in Westmount, Mount Royal, and Outremont, or a beautiful penthouse in the city center.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Montreal	USD 882	USD 715	+ 5%	+ 2%

Source: BARNES

5. VIENNA, AUSTRIA

Vienna is the baroque capital of Austria nestled on the banks of the Danube, and exudes imperial splendor, elegance, sophistication, and art. The city is also a historical capital of music, offering an array of grandiose meticulously preserved architecture, 100 museums, and countless cultural offerings. Highly desirable amongst expats Vienna is widely regarded for its exceptional quality of life, consistently leading top cities lists. It was awarded first place in the Mercer Quality of Living City Rankings. Vienna is also renowned for being an extremely safe, politically stable city with excellent educational offerings as well as recreational facilities including large parks and conservation areas. Vienna’s central location between Eastern and Western Europe, as well as excellent road and air transport links to all other capitals. Many multinationals have chosen to establish their headquarters or major offices in the Austrian city which is also a major centre for the United Nations.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The city centers district 1 and it's t Golden Quarter, with their impressive architecture are the cities most expensive area. Residential parts of the 13th, 18th, and 19th districts are also sought after. French buyers prefer the 9th district, where a French high school and renowned hospitals are located. Other desirable neighborhoods include Freyung with its baroque palaces and prestigious streets and buildings.

THE MOST DESIRABLE PROPERTIES

Luxury top-floor apartments and flawlessly renovated mansions.

CLIENT EXPECTATIONS

The wealthy clientele is reluctant to compromise on premium location, facilities, and real estate quality. Clients expect flawless luxury properties that go beyond a good price.

CLIENTELE

Comprised of international titans of industry with major links to Eastern Europe, as well as a large number of diplomats and wealthy Austrians. Stong demand from followed by german and and Saudi Arabia investors.

OPPORTUNITIES AND PERSPECTIVES

The more recent 21st and 22nd districts located on the other side of the Danube are developing fast, and a number of less crowded, prestigious residential buildings are found on the riverbanks.

WHAT WILL 1 MILLION EUROS BUY?

A luxury apartment spanning 1076 sq ft, or a 538 sq ft ultra-luxury apartment.

PRICES END OF 2016 TO END OF 2017

	Price per sq.ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Apartments	€1,161	€2,044	+ 2,5%	+ 2,5%
Houses	€1,393	€2,090	+ 2,5%	+ 2,5%

Source: BARNES
The price per sq.f of houses may vary widely depending on the size of the land and its location.

6. GENEVA, SWITZERLAND

Geneva is a world-renowned crossroads in the center of Europe, and one of the world’s most desirable cities. Many international organizations, banks, and multinationals have established headquarters here, and the city offers an inimitable quality of life just a stone’s throw from the Alps.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The areas of Cologny, Conches, and the center of Geneva such as the Old Town, the Les Quais, and the Tranchées neighborhoods.

THE MOST DESIRABLE PROPERTIES

Those with beautiful views located in a calm sector, no more than 15 minutes from the city center. Lakeside real estate with a private jetty, properties with lake views, and apartments and houses located in the very center of Geneva.

CLIENT EXPECTATIONS

Perfectly renovated real estate of exceptional quality, located in the city center. Parking spaces are a real plus.

CLIENTELE

Up to two million euros, the clientele is Swiss. Above these prices, most buyers are international investors granted a license, including bankers, traders, wealthy expats, and international individuals with a lump-sum tax arrangement.

OPPORTUNITIES AND PERSPECTIVES

Pâquis, Plainpalais and La Jonction are up-and-coming areas undergoing a modern revamp becoming “boho” hotspots. Buyers are also drawn to apartments located in developing areas as these are extremely attractive value proposition, priced well below market levels. However, it is important to note that resale prices for properties sold within ten years after purchase are regulated by the government. These opportunities therefore, whilst very promising are very much a long term investment. In late 2019, the delivery of the Cornavin–Eaux-Vives–Annemasse (CEVA) railway will connect Geneva to the Swiss border, is expected to have a major impact on the real estate market. Another much-awaited development is the PAV project (Praille-Acacias-Vernets), which will transform the biggest industrial zone in Geneva into a vibrant, lively neighborhood in which to live and work.

WHAT WILL 1 MILLION SWISS FRANCS BUY?

An apartment spanning 1292 sq ft.

PRICES

END OF 2016
TO END OF 2017

	Price per sq.ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Apartments	CHF 12,500	CHF 22,000	Stable	Stable
Houses	CHF 15,000	CHF 22,500	Stable	Stable

Source: BARNES
The price per sq.ft of houses may vary widely depending on the size of the land and its location.

7. ZURICH, SWITZERLAND

Zurich is largest city in Switzerland and the capital of the canton of the same name. Thanks to its excellent social and economic conditions in the fields of healthcare, education and housing, its environmental policy, superb lake, numerous rivers, and nearby ski resorts, Zurich is often named one of the world’s top cities for quality of life. For all of these reasons, Zurich is a destination to watch for luxury real estate.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Around Lake Zurich, particularly in the gold coast (Goldküste) areas from Zollikon to Feldmeilen, as the region enjoys long hours of sunshine and very low tax rates. Residences in Zurich city center are also very desirable.

THE MOST DESIRABLE PROPERTIES

Desirable properties in the canton of Zurich should be centrally located or close to the city, offering lake views and good public transport links (trains, buses, and tramways). There must also be high-quality infrastructure nearby such as schools and shopping options.

CLIENT EXPECTATIONS

On the outskirts of the city, houses with gardens are popular. In the city center, buyers are drawn to spacious, renovated apartments.

CLIENTELE

Wealthy and divided between single buyers, couples and families.

OPPORTUNITIES AND PERSPECTIVES

Market prices are gradually returning to normal, bringing with them new opportunities. The calculation for borrowing capacity is being made increasingly simple by banks.

WHAT WILL 1 MILLION SWISS FRANCS BUY?

In the city of Zurich, a small apartment (645 sq ft-753 sq ft) or a larger space in a bigger condo. In the canton of Zurich (outside the city), buyers can acquire apartments with 4 or 5 bedrooms.

PRICES END OF 2016 TO END OF 2017

	Price per sq.ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Apartments	CHF 1,672	CHF 2,230	Stable	Stable
Houses	CHF 2,332	CHF 2,787	Stable	Stable

Source: BARNES
The price per sq.ft of houses may vary widely depending on the size of the land and its location.

8. BRUSSELS, BELGIUM

Brussels is not only the capital of Europe, but also the continent’s diplomatic center on a global scale, mainly due to the presence of core European institutions. The city makes up 20% of national GDP – making it economic hub of Belgium – and its inhabitants have some of the highest GDP figures in the country. The Brussels economy tends to remain calm in the face of positive and negative world events, offering the city a stability that inspires enduring investor confidence in real estate in this capital.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Six districts cover 95% of the transaction market and 85% of the rental market in the luxury property sector – Uccle, Ixelles, Woluwe-Saint-Pierre, Bruxelles-Ville, Tervueren, and Rhode-Saint-Genèse. Square du Bois and part of the Avenue Molière are also desirable locations.

THE MOST DESIRABLE PROPERTIES

Renovated and new real estate with vast spaces, a parental suite with a dressing room, and underground parking in the city center. The whole building should be premium (and not exclusively the penthouse) with top-end services, a prestigious entrance hall, and a renowned location.

CLIENT EXPECTATIONS

The “typical” property should feature three bedrooms and a modular office space. And any self-respecting parental bedroom must now come with a (large) en-suite bathroom and (vast) private dressing room. They should therefore span between 323 sq ft and 538 sq ft and the same goes for the other bedrooms. Multiple parking spaces are a plus.

CLIENTELE

Almost half of buyers and renters are French. The English are also drawn to the city, possibly as a knock-on effect of Brexit.

OPPORTUNITIES AND PERSPECTIVES

The luxury rental market is growing. There is a major rental demand for luxury real estate, and clients are prepared to pay between 4,000 and 5,000 euros per month in rent if the property meets their expectations. The city is also developing transport links to facilitate travel between the center and the outskirts.

WHAT WILL 1 MILLION EUROS BUY?

An apartment spanning 1022 sq ft on the Place Brugmann.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Brussels	€ 427	€ 502	Stable	+ 1%

Source: BARNES

9. LISBON, PORTUGAL

Lisbon is now considered the European city with the best quality of life, thanks to its sunny climate, combined beach and riverfront location, friendly inhabitants, excellent cuisine, low cost of living and safety. Also one of Europe’s fastest growing markets, the city offers Many businesspeople are selecting Lisbon to develop their companies, while retirees are flocking to the city to enjoy the major tax benefits granted by the country to those who move there.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

City center – Chiado, Príncipe Real, Avenida da Liberdade, and the historic quarters of Alfama, Graça and Santos. Cascais, Sintra, and Estoril are desirable seafront areas.

THE MOST DESIRABLE PROPERTIES

French clients are drawn to traditional apartments with period features, whilst Brazilians prefer contemporary, fully renovated real estate. Affluent Chinese buyers wishing obtain the Golden Visa, search for apartments first and foremost above 500,000 euros, the minimum investment required. They also desire those on high floors with elevators.

CLIENT EXPECTATIONS

Well located Properties with premium finishes. Most investors are affluent international families primarily interested in apartments with three bedrooms and a vast lounges, or a houses with gardens.

CLIENTELE

French investors make up the majority of the market, followed by the English. Due to the Golden Visa programme the city is particularly attractive with wealthy Brazilian, South Africans Chinese and Chinese investors.

OPPORTUNITIES AND PERSPECTIVES

One of Europe's fastest growing property markets this European capital offers excellent value propositions for astute investors. Furthermore, with a steady stream of demand fuelled by visa opportunities, the relaxed lifestyle, social stability and low crime rates prices will inevitably continue to rise in the long term. Especially for properties above the 500 000 euro visa threshold. Areas to watch include the neighborhoods on the banks of the river Tagus. These are undergoing major renovation work and becoming very appealing. Alcantara, Marvila, and Beato are clearly the future “places to be.” There are many new constructions though these are sold relatively quickly, most within less than a year.

WHAT WILL 1 MILLION EUROS BUY?

A beautiful apartment spanning between 120m² and 180m², with two or three bedrooms, in Lisbon or Cascais. This budget also allows for a house by the sea in Troia or Comporta, or a small farm near the beach one hour from Lisbon.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Lisbon	€ 697	€ 511	+ 15%	+ 150%

Source: BARNES

10. MONACO

This exclusive enclave has been a longstanding favorite with HNWIs from around the globe. Offering its privileged residents an enticing cocktail of glamour, lifestyle, and an appealing climate, it is of course renowned as a safe haven, not just fiscally but also in terms of security. The Principality offers a unique living environment defined by economy buoyancy, security, infrastructure inimitable political stability, and long sunny periods. Located less than thirty minutes from Nice airport (the second-biggest international airport in France), Monaco is just two hours from most European capitals. The tiny Principality is also undertaking efforts to increase its real estate opportunities with major land extension projects.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Carré d’Or and its Casino views is an eternally desirable location with premium residences. The area around Larvotto beach, which is also close to the center, is a popular district, while Fontvieille and its marina offer green spaces and privacy. The up-and-coming neighborhoods are La Tour Odéon, renowned for its prestigious features, the One Monte-Carlo program next to the Casino, which will offer luxury apartments for rent only, and 26 Carré Or and its premium facilities and services.

THE MOST DESIRABLE PROPERTIES

Small apartments (studios and 1-bedroom) appeal to investors, while larger apartments (2- and 3-bedroom) attract families living in Monaco. New developments, given their rarity are snapped up regardless of price with large modern properties being the jewel in the crown.

CLIENT EXPECTATIONS

The principality is a chosen for its political and economic stability. Clients expect tailor-made offers that reflect their investment, with beautiful real estate featuring sea views and underground parking. Atypical properties such as penthouses and mansions (rare finds in Monaco) are highly desirable.

CLIENTELE

A wide variety of international foreign players, no fewer than 120 nationalities, make up most luxury transactions in the principality. Notable new interest has come from Middle Eastern and Chinese buyers as well as the gradual Russian of buyers.

OPPORTUNITIES AND PERSPECTIVES

Inventory is scarce and primarily made up of apartments, with villas highly sought after rarities. Therefore, an alternative option, if you can find one is to acquire an older property. These usually need considerable work reach the sophisticated standards expected by the ultra wealthy looking to call Monaco home. However, for savvy buyers looking to get into

the market they do represent a slight window of opportunity in what is ultimately a market constrained purely by supply. Not surprisingly, there are no real ‘value’ options when it comes to Monaco, that said, what the principality does offer HNWIs is an one of the most secure and stable markets in which to guard their funds. Transactions are extremely low in this elite micro market with most prime properties traded very much ‘off market’ and the limited number of new developments there are, sell fast. Most are already to be pre sold, all at unsurprisingly high prices however, these properties do represent good returns on investment whether for the long term or for resale on completion. Since its announcement there has been huge demand for the Anse du Portier project, with 26 Carré d’Or and One Monte–Carlo residences also experiencing strong interest. The growth of the HNWIs population will continue to fuel demand for prime real estate in the principality. There is no doubt therefore that Monaco is a sure investment. With constant demand outpacing a very limited supply of both property and land, the only issue is actually securing a piece of this prime market.

WHAT WILL 1 MILLION EUROS BUY?

An apartment of 251 sq ft.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Monaco	€ 5,574	€ 8,361	+ 5%	+ 8%

Source: BARNES

11. BIARRITZ, FRANCE

The geographical profile of the Basque Coast between the Pyrenees and the Atlantic Ocean offers both rural, charming countryside and seaside resorts renowned for surfing spots and golf clubs. The authenticity of this can be found right down to the regulated urban planning developing in respect of local traditions. After several years of stability, the property market has enjoyed a period of renewed vigor with shorter transaction times while preserving its reasonable prices.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Miramar, the Avenue Edouard-VII with panoramic views over the beach, and around the Church of Saint Eugénie with views over the fishing port. Further south, the areas of Marbella and La Milady, without forgetting Chibert – the most desirable residential area on the Basque Coast after the Biarritz beachfront.

THE MOST DESIRABLE PROPERTIES

Seafront villas and apartments, and impeccably renovated real estate in the very center of the city offering access to everything on foot.

CLIENT EXPECTATIONS

Real estate has to be perfectly located, in the city center, by the sea, or in the mountains. Property should be tastefully renovated, immediately livable, and beautifully made, whether in the traditional blue and red, or a contemporary style. Real estate with old-fashioned, dated interior design with no views is unsuccessful on the market.

CLIENTELE

The clientele is both French and international, although mainly European, and acquires second homes to take advantage of the regular one-hour flights between Biarritz and Paris. Clients particularly enjoy the combination of mountains, sea and golf.

OPPORTUNITIES AND PERSPECTIVES

The 2019 delivery of the two tram-bus lines – linking Biarritz to the city centers of Bayonne, Tarnos, and Anglet – will launch new growth in the region, while fluidifying traffic and creating a new jobs sector.

WHAT WILL 1 MILLION EUROS BUY?

An apartment spanning 840 sq ft in Miramar with sea views.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Biarritz	€1,393	€ 929	+ 10%	+ 40%

Source: BARNES

12. PORTO-VECCHIO, FRANCE

The “Isle of Beauty” is now the third most appealing French region, a status created by positive investment conditions in exceptional locations, singularly easy living, and an overall feeling of safety, calm, and authenticity. The southernmost point of Corsica from Sainte-Lucie-de-Porto-Vecchio to Bonifacio, as well as the southern coast of Ajaccio are becoming the luxury destinations of Corsica. Beachfront properties with sea views are the most desirable, preferably located on private, gated estates.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Private estates such as Sperone, Cala Rossa, Punta d’Oro, Cala d’Oro and Punta d’Araso.

THE MOST DESIRABLE PROPERTIES

A recent, contemporary villa with premium facilities, a landscaped garden with a pool, sea views, and walking distance to the beach. A buildable plot of land close to the beach with sea views. A beachfront house in need of renovation. Some 30% of demand is investment in rental property.

CLIENT EXPECTATIONS

This clientele are seeking peace and relaxation, in luxury residences tucked away from prying eyes, amongst private gated grounds. As buyers are predominantly foreign investors most rely on the expertise and services of professional real estate investment consultants who have exhaustive knowledge of the local market as well as it’s most hidden gems. Invaluable in facilitating the smooth progression of the acquisition, they also attend meetings with local administrations and service providers.

CLIENTELE

Mainly French European, looking for second and holiday homes. The vast majority of owners also have a boat.

OPPORTUNITIES AND PERSPECTIVES

The towns in the southernmost tip are currently undergoing developed, and the ports of de Bonifacio, Santa-Manza and Porto-Vecchio have been expanded. The urban spaces are being enhanced with paved centers, beltways, new roads, improved parking and pedestrian walkways.

WHAT WILL 1 MILLION EUROS BUY?

In the older established property sector: a house spanning around 1 722 sq ft in need of renovation, with sea views, walking distance from the beach, 16 146 of gardens on a private estate. Alternatively, more recent houses, around 3 229 sq ft, swimming pool, 21 528 sq ft of garden. A 21 528 sq ft plot of land, sea views, walking distance from the beach, on a private estate. In the new property sector: a contemporary house spanning 1 614 sq ft, with a swimming pool and round 10 764 sq ft of gardens. A penthouse spanning 1 614 sq ft with a 1 076 sq ft terrace boasting panoramic views in the city center.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Porto-Vecchio	€ 573	€ 929	+ 0,5%	+ 30%

Source: BARNES

13. HO CHI MINH CITY, VIETNAM

The economic capital of Vietnam, Ho Chi Minh City (formerly Saigon) is an insatiable, intense, dynamic, business-minded, tropical city. The luxury apartment sector is enjoying solid growth, and average occupancy rates are at 90%.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Thao Dien, the chic sector for wealthy expats, including many French people. Phu My Hung, a residential zone located in the 7th district in the south of the city, and home to the renowned Australian RMIT University campus and the lake. The modern An Phu neighborhood is also very appealing.

THE MOST DESIRABLE PROPERTIES

One- and two-bedroom apartments in the center of Ho Chi Minh City are desirable options, while two- and three-bedroom apartments in the new 2nd and 7th districts attract couples with children. Houses with a garden in the Thao Dien neighborhood are also popular.

CLIENT EXPECTATIONS

Peace and tranquility, far from the constant noise of the city. Modern, extremely well-equipped properties with air-conditioning. Houses should feature gated gardens, and a private swimming pool is a bonus.

CLIENTELE

International with a majority of French and Chinese. Expat executives are common profiles.

OPPORTUNITIES AND PERSPECTIVES

With the development of the Vietnamese economy, particular via foreign direct investment (up 37.4% over the first ten months of 2017), the year 2018 should see a boom in the jobs market. The Asian Development Bank revised up its 2018 growth forecast for Vietnam to 6.7%. According to employers, the three industries set to grow the most over this year are manufacturing, wholesale, and engineering (more specifically in construction). What's more, the urban zone in the Northwest region spread across 22,000 acres in the Cu Chi and Hoc Mon districts is currently calling on Vietnamese and international businesses (from Malaysia, among others) to invest in infrastructure and housing development.

WHAT WILL 1 MILLION EUROS BUY?

A house spanning 3 229 sq ft.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Ho Chi Minh City	€ 278	€ 371	+ 8%	+ 10%

Source: BARNES

14. MEXICO CITY, MEXICO

With a new international airport under construction, Mexico City is investing in the future. Mexico City is an urban megalopolis of more than 20 million inhabitants, and has to manage its rapid urbanization while welcoming more than 30,000 new inhabitants every month. The city has made design one of the key drivers of its economic, social, and cultural development, and has even been named 2018 World Design Capital. Alongside these efforts, the Mexican capital is beginning to redefine its car-centric urban model to instead foster clean transport, tackle pollution, pedestrianize the city and showcase its many green spaces.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The west of the city is home to the “chic” neighborhoods. For example, Polanco offers the privilege of admiring the city from above, while the exclusive residential area Jardines en la Montaña features villas and beautiful mansions. And the wealthy peripheral areas around Santa Fe and north of Ciudad Satélite towards Atizapán and Lomas de Chapultepec are also desirable.

THE MOST DESIRABLE PROPERTIES

Penthouses overlooking the city, and immense villas with a swimming pool. Infallible, constant safety and security for people and possessions is a must.

CLIENT EXPECTATIONS

Extremely high-quality, vastly spacious properties with air-conditioning, parking, and staff quarters. Luxury condos. Gardens must be walled and protected. The rental market is also very active, with a focus on large villas (at least 2150 sq ft) with a swimming pool.

CLIENTELE

Mostly from South America, although there are also many Europeans expats relocated by their companies.

OPPORTUNITIES AND PERSPECTIVES

The megalopolis is growing constantly with new urban developments springing up all the time. The Insurgentes avenue (from La Condesa to Pedregal) features high prices per square meter and many premium new programs. While traditionally characterized by individual houses and small apartment blocks, due to a lack of space the city is now seeing the arrival of many high-rise condos built in line with the latest anti-earthquake standards.

WHAT WILL 1 MILLION DOLLARS BUY?

A 3 229 sq ft apartment with a terrace or a small garden.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Mexico City	USD 195	USD 229	+ 5%	+ 5%

Source: BARNES

15. MARRAKECH, MAROCCO

Marrakech is still a favorite destination for Europeans and the French, thanks to its international airport with links to most European capitals and just a three-hour flight from Paris. The city offers guaranteed sunshine, an excellent quality of life, a wide range of upmarket villas on plots spanning more than 2.5 acres, and some 12 golf clubs, while many prestigious hotel resorts such as the Mamounia, the Royal Mansour, and the Four Seasons add to its appeal. Buyers will also find local artisans, artists, and designers to decorate their properties.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The golf resorts, Palmeraie and the south of Marrakech no more than 10 miles away, as well as the town center of Guéliz and the Hivernage area for apartments. The riads in the Medina, especially those near the Jemaa el-Fnaa Square, are particularly in demand.

THE MOST DESIRABLE PROPERTIES

Modern villas with a Moroccan touch, for budgets of around one million euros. Apartments in premium residences with a terrace and a pool are also desirable.

CLIENT EXPECTATIONS

There major demand for exceptional property ranging from 6 million to 30 million euros, particularly in the Palmeraie district. This real estate is located on at least 5 acres of land, offering between 21,527 sq ft and 53,820 sq ft of living space constructed using prestigious materials and fined with high end precision.

CLIENTELE

Some 70% of clients are Francophone, while 10% are from the rest of Europe, 10% are from the Middle East, and 10% are local.

OPPORTUNITIES AND PERSPECTIVES

The city and its infrastructures have been developing for around 15 years. A new airport terminal was recently built, along with six new golf clubs over the last five years. There is also a future project to develop the existing ski resort, and another to create a selection of villas at the Polo Club in collaboration with the Ritz Carlton.

WHAT WILL 1 MILLION EUROS BUY?

A 6 459 sq ft beautiful villa on a 2.5-acre parcel less than 10 miles from Marrakech.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Marrakech	€ 186	€ 232	+ 2%	+ 5%

Source: BARNES

16. MAURITIUS

Mauritius offers a unique setting in the heart of the Mascarene Islands, with an exceptional climate, excellent quality of life, and attractive tax status. Property investments have been growing steadily since the market was opened to international buyers in 2002, and the island enjoys unparalleled political, social, and economic stability and security. This staunchly global island conducts its affairs in both French and English, and offers a major business hub thanks to its position in a similar time zone to Europe.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Single-story and duplex apartments near town centers and tourist areas such as Grand-Baie in the north – the most renowned and popular oceanfront tourist resort and residential area on the island. Return on investment through vacation rental is the highest in this district. Tamarin and Rivière Noire are also developing solidly on the west coast.

THE MOST DESIRABLE PROPERTIES

Luxury villas in premium resorts with golf clubs, a marina, gymnastics classes, well-being spaces, and more. And ultra-contemporary villas with private pools located in oceanfront resorts.

CLIENT EXPECTATIONS

Favorable tax arrangements, quality of life, security, and services. The island attracts the world’s major wealth holders in search of new properties (fourth or fifth residences).

CLIENTELE

International, with a majority from France and South Africa, and significant percentages from the U.K. the United Arab Emirates, Luxemburg, Russia, and Switzerland.

OPPORTUNITIES AND PERSPECTIVES

The absence of wealth, capital gains, and inheritance taxes, as well as the Property Development Scheme enabling international investors to obtain a residency permit, are all contributing to the island’s development. As a result, a number of ultra-luxury programs have been built, such as the Signature villas by Jean-Michel Wilmotte in the Anahita resort.

WHAT WILL 1 MILLION EUROS BUY?

2 691 sq ft in Tamarin or 861 sq ft in Grand-Baie.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	TREND	BARNES SALES VOLUME
Mauritius	€ 1,115	€ 1,582	Stable	Stable
Tamarin	€ 350	€ 465	Stable	Stable

Source: BARNES

17. TORONTO, CANADA

Toronto is a leading international city and one of the world’s biggest financial centers, with many Canadian businesses headquartered there. Toronto is also one of the most cosmopolitan cities globally; some 49% of its residents were born outside of Canada, which makes the metropolis one of the world’s immigration hubs. The city is ranked as one of the top cities for quality of life by the Economist Intelligence Unit and Mercer indices, and it also boasts a renowned university.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

York Mills-Windfields is the city’s most upmarket neighborhood, alongside Forest Hill South & UCC for the prestigious Upper Canada College. The Annex is a residential area mainly comprised of tree-lined streets, with houses and mansions in a Victorian or Edwardian style. Lawrence Park North is a quiet district, and Bridle Path is also a desirable location.

THE MOST DESIRABLE PROPERTIES

Family manors, mansions, and more recently modern and brand-new prestigious condos.

CLIENT EXPECTATIONS

Ultra-modern comforts, vast spaces, garages or parking spaces, no renovation required.

CLIENTELE

This international group of investors is seeing the arrival of many new members. What’s more, following the market’s period of overheating the government introduced a 15% property tax for international investors, which has regulated the sector. Many affluent Toronto-based seniors are selling their mansions and accompanying maintenance responsibilities, and buying large apartments in prestigious, modern condos.

OPPORTUNITIES AND PERSPECTIVES

Prices have returned to reasonable levels and many buyers are now returning since the halt of the markets runaway spike in April 2017. Sales of homes over four million Canadian dollars (2.65 million euros) have risen 150% compared with the same period last year. The city is constantly expanding, and six new subway stations have just “opened up” the north-west neighborhoods. What’s more, an upcoming project for a Hyperloop train should enable travelers to get from Toronto to Montreal in 35 minutes.

WHAT WILL 1 MILLION DOLLARS BUY?

A sprawling three-bedroom apartment in a recent condo.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	LUXURY	HAUT DE GAMME
Toronto	USD 882	USD 1,217	+ 5%	+ 8%

Source: BARNES

18. MIAMI, UNITED STATES

This international metropolis at the crossroads between the two Americas is also open to Europe, the Middle East, and Asia. The booming business sectors include a cargo and cruise port, healthcare, aviation, and new technology, and are accompanied by year-round sunshine. This environment attracts wealthy individuals in search of prestigious events such as yacht shows and contemporary art and design exhibits (such as Art Basel Miami Beach). The equivalent of Art Basel for classic cars has also announced its new international event in the city in 2019.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Recent areas and those whose rental potential has been proven: Brickell, Edgewater, Downtown, and Miami Beach. Those looking for primary residences and second homes will head to the edge of the bay (villas) and the oceanfront (apartments) across the zone stretching from Sunny Isles to the north to South Point below Miami Beach. Other desirable areas include Venetian Islands, the private and gated communities (La Gorce Island, Bay Point, Sunset Islands), as well as Coconut Grove and Key Biscayne.

THE MOST DESIRABLE PROPERTIES

Those boasting breathtaking, unobstructed views over the bay, the city, the ocean, the beach, or all at once! Buildings with prestigious “brand names” are highly desirable, including 1000 Museum, Porsche Tower, L’Atelier, Surfclub (Richard Meier), and Fendi Château. Penthouses are rare, and therefore appreciated, and many investors also opt for ultra-contemporary villas capable of resisting hurricanes and floods.

CLIENT EXPECTATIONS

Exceptional location (view, neighborhood, living environment), building quality, and bespoke services such as property management, maintenance, and a concierge. With a choice of new developments buyers are increasingly selective, demanding the highest of standards.

CLIENTELE

Investors looking to diversify their assets are found alongside businesspeople from all over the world, as both groups enjoy the services and facilities in ultra-modern condos and

architect-designed houses overlooking the bay. The rental market is also in excellent health, and there is a high demand for vacation rentals between October and February. US buyers, especially New Yorkers who traditionally bought vacation properties are now relocating to Miami with this trend is expected to continue.

OPPORTUNITIES AND PERSPECTIVES

The redevelopment of Downtown Miami is in full swing, with the Miami World Center, the revival of Flagler Street, a station for the new Miami-Orlando train line, and the completion of iconic buildings such as the 1000 Museum residential high-rise by Zaha Hadid. These are accompanied by other projects underway in the Wynwood and Little Haiti neighborhoods. Miami represents an attractive investment for Europeans with the Euro at record heights of 1.20 USD, not seen since 2014 combined with a buyer’s market. The large inventory of new developments on the market means there are many opportunities for investors to earn value for their dollar.

WHAT WILL 1 MILLION DOLLARS BUY?

A renovated three-bedroom house spanning 2 691 sq ft in Coconut Grove. An apartment of around 1 292 sq ft in Miami Beach, featuring two bedrooms with ocean or bay views in a luxury condo.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	LUXURY	HAUT DE GAMME	TREND	BARNES SALES VOLUME
Miami Beach (south)	USD 1,022	USD 1,997	Stable	Stable
Miami Beach (north)	USD 697	USD 1,672	Stable	Stable
Brickell	USD 910	USD 1,393	- 5%	Stable
Coral Gables	USD 882	USD 1,347	Stable	Stable
Downtown	USD 697	USD 1,300	+ 6%	+ 2%
Coconut Grove	USD 725	USD 1,254	- 3%	Stable
Key Biscayne	USD 855	USD 2,183	- 5%	- 10%

Source: BARNES

19. PUNTA DEL ESTE, URUGUAY

Described by many as the Saint Tropez of Latin America, the natural beauty of Punta del Este’s magnificent beaches and countryside is perhaps only rivaled by that of its glamorous residents. This exclusive Uruguayan beach side haven is popular with celebrities, the jet set and wealthy international purchasers as well as those from South America. Prime beach locations and beautiful countryside provide an incredible diversity of landscapes and activities appealing to the increasingly lifestyle and experience driven ultra wealthy luxury individual.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

The hills next to Casa Pueblo facing the sea, the Las Garzas (Hérons) district.

THE MOST DESIRABLE PROPERTIES

Penthouses on the port with west facing terraces for the sunset and the dominating villas by the ocean. Contemporary luxury beachfront homes and expansive traditional ranches upgraded with all the latest amenities, gated communities and resort developments.

CLIENT EXPECTATIONS

Ocean front ultra luxury or the expansive tranquillity of the chacras ranches. Numerous ultra contemporary villas are under construction in private resorts, bordering on the Atlantic Ocean. Peace and tranquility, large lifestyle properties.

CLIENTELE

Traditionally demand for investment and vacation homes came primarily from wealthy buyers from Argentina, Brazil and Venezuela purchasing investment and vacation homes. The last 10-15 years have seen interest from affluent US and European buyers increasingly investing in high-end properties and second homes for retirement. In a more recent trend UHNW families have been acquiring luxury lifestyle properties as primary residences, telecommuting allowing business to be conducted more easily from further afield.

OPPORTUNITIES AND PERSPECTIVES

The region continues to develop "extra muros" as Punta is overflowing with 4X4, racing cars, yachts and private jets. Lots of 26 910 sq ft occupied by villas with private swimming pools. Despite some of the highest property prices in Latin America, Punta del Este remains one of the most attractive luxury second home destinations with affluent buyers. In addition to beautiful beaches and lifestyle Punta del Este offers, strict banking privacy laws with no restrictions for foreign buyers purchasing real estate and relative local political stability. Combine this with the limited supply of luxury offerings and the prognosis looks very optimistic indeed.

WHAT WILL 1 MILLION EUROS BUY?

A 2 153 sq ft house.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	APARTMENTS	HOUSES
Punta del Este	€ 418	€ 465	+ 8%	+ 10%

Source: BARNES

20. CAPE TOWN, SOUTH AFRICA

The ocean, sublime beaches, mountains, nature, gardens, a cosmopolitan city, and cultural diversity are just a selection of the features drawing countless buyers and investors to Cape Town. This port city par excellence has always used its geographical location as a crossroads between the Americas, Africa, and Asia to its advantage and enjoys the fruits of major mining and farming exports.



THE MOST SOUGHT-AFTER NEIGHBORHOODS

Fresnaye, a neighborhood sheltered from the wind offering breathtaking ocean views. Table Bay and Robben Island are also highly popular. Camps Bay is an exclusive, sunny spot filled with luxury villas, Bantry Bay is the city’s upmarket quarter with ocean views, and Clifton is home to incomparable white sandy beaches. Luxury Estate living remains a priority due to it’s obvious lifestyle and security advantages.

THE MOST DESIRABLE PROPERTIES

Sunny and sheltered from the wind. Property must feature sea and/or mountain views from the terrace or the garden with a swimming pool. Security is essential.

CLIENT EXPECTATIONS

Contemporary and modern properties with elegant interiors created by designers. Parking spaces are a must, buildings should have a private lift, and a high level of security is a priority.

CLIENTELE

There is growing demand from affluent buyers from elsewhere in the country, led by those from Johannesburg. International buyers are from China, Brazil, and Northern Europe. Investor profiles include CEOs, expats from major companies, and now a large number of start-uppers specialized in new technology, and owners of vast wineries.

OPPORTUNITIES AND PERSPECTIVES

South Africa is the most visited African country, and the rainbow nation welcomed 11,000 multimillionaires last year. Cape town is the most desirable destination in South Africa for wealthy individuals, and should see a marked increase in the number of wealthy Africans in the coming years. The city also is very popular with Indian businessmen.

WHAT WILL 1 MILLION EUROS BUY?

A four-bedroom apartment in Bantry Bay.

PRICES END OF 2016 TO END OF 2017

	Price per sq ft		Evolution	
	APARTMENTS	HOUSES	APARTMENTS	HOUSES
Cape Town	€ 725	€ 1,115	+ 6 %	+ 4 %

Source: BARNES

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