



LUXURY LIFESTYLE REPORT

A STUDY OF HIGH NET WORTH REAL ESTATE CONSUMERS

Sotheby's
INTERNATIONAL REALTY

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Forward



The landscape of the luxury real estate market is ever-evolving, as the motivations, needs and desires of consumers in this sector continue to change and develop.

The Sotheby's International Realty® Luxury Lifestyle Report aims to define the purchasing behaviors of the wealthy. We surveyed affluent consumers in the United States, United Kingdom, Brazil and China and found that the majority are more likely to purchase a lifestyle property now than they were five years ago.

Our study also showed that compared with five years ago, a majority of affluent consumers are more confident in the strength of the

housing market in their country of primary residence. These insights are important because we have seen the luxury sector lead the way for the overall real estate recovery. High-net worth consumers are recognizing the critical role real estate plays in building wealth...and they are investing in it.

We also tapped into our own arsenal of data gathered from sothebysrealty.com, where we took a deep look into what lifestyles and amenities are trending right now.

We hope the information uncovered in this report offers insight and inspiration for your next real estate purchase.

A handwritten signature in blue ink that reads "Philip White". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Philip White

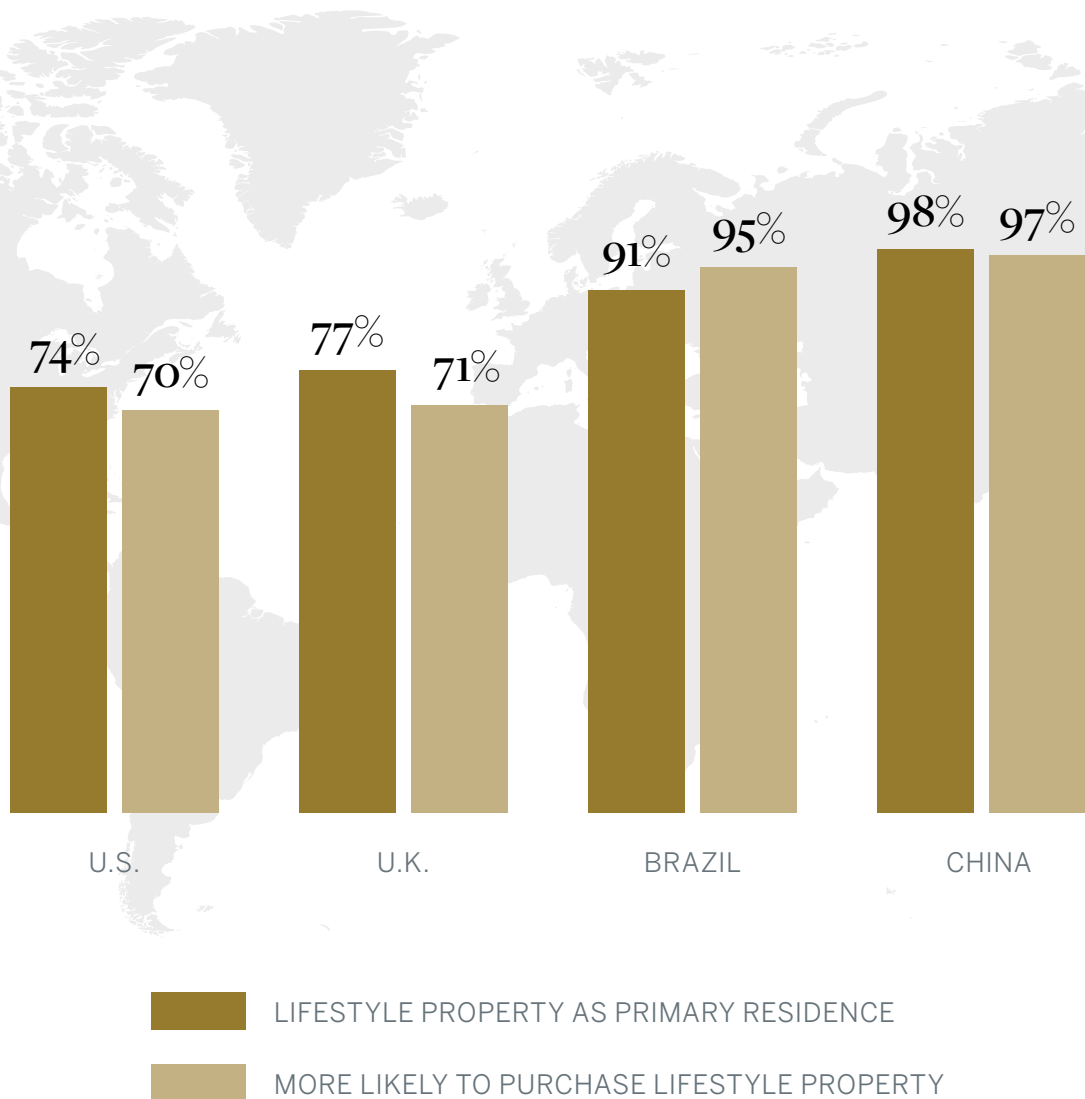
President & Chief Executive Officer
Sotheby's International Realty Affiliates LLC



OVERVIEW

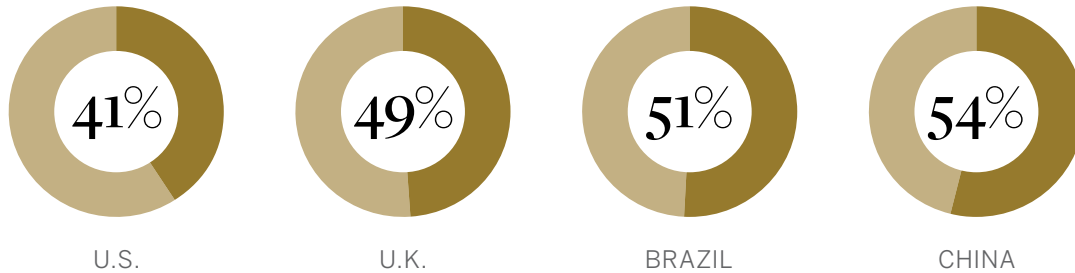
CONFIDENCE INCREASING

The Sotheby's International Realty® Luxury Lifestyle Report surveyed affluent consumers in the United States, United Kingdom, Brazil and China, and found that the majority in all 4 countries are more likely to purchase a **LIFESTYLE** property now than they were 5 years ago, and to make a lifestyle property their primary residence.



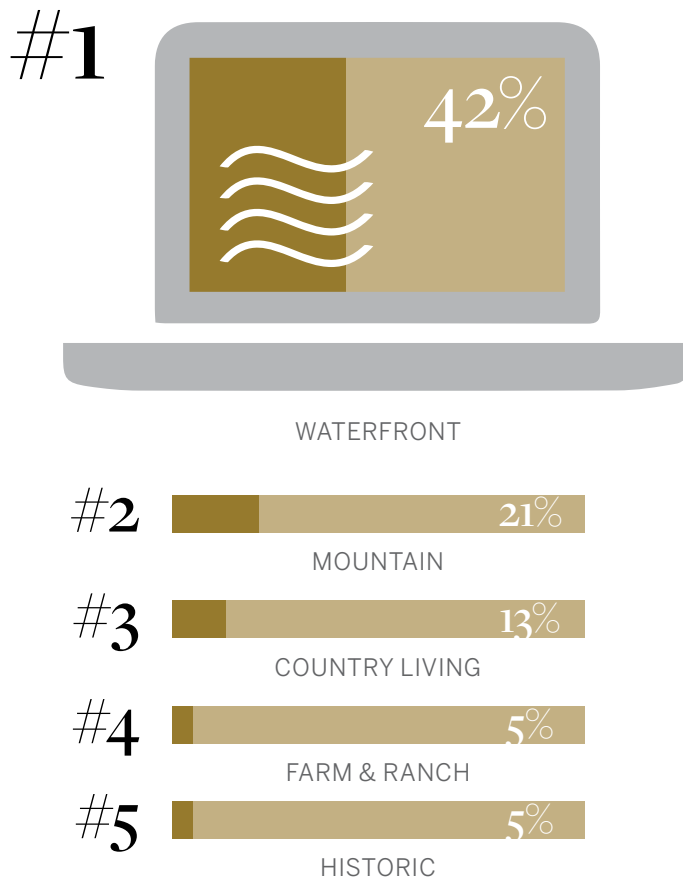
LIFESTYLE HOMES: A GLOBAL DEMAND

A **WATERFRONT PROPERTY** was the top choice for what affluent consumers would consider purchasing next.



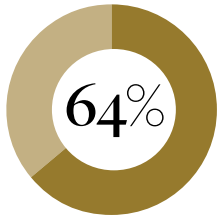
LIFESTYLE AT A GLANCE

TOP 5 lifestyle searches on sothebysrealty.com

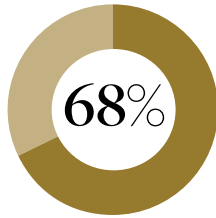


ALL IN THE FAMILY

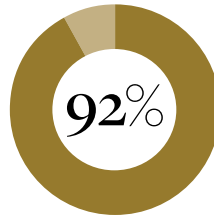
The majority of affluent consumers in the United States, United Kingdom, Brazil and China also were likely to make a **LEGACY HOME PURCHASE**, which is a property intended to remain in the family or be gifted to children.



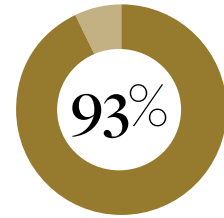
U.S.



U.K.



BRAZIL



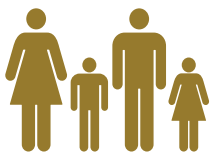
CHINA

A survey of *Sotheby's International Realty* network members revealed that more than half of respondents are seeing their clients who are in the market for a legacy home **SPEND BETWEEN \$1 AND \$3 MILLION ON THAT PURCHASE.**



PURCHASING MOTIVATIONS AT A GLANCE

A survey of *Sotheby's International Realty* network members revealed the following factors influenced a real estate purchase:



39%

FAMILY NEEDS



36%

LOCATION



34%

RETURN ON
INVESTMENT



32%

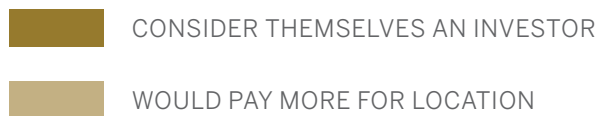
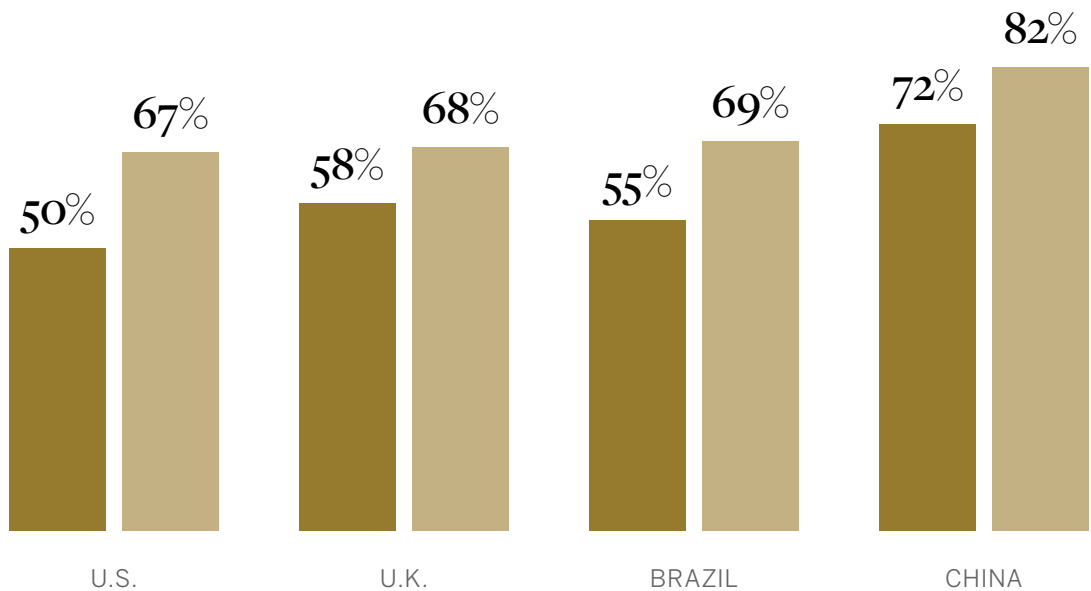
LIFESTYLE

PORTRAIT OF AN AFFLUENT CONSUMER

Most affluent consumers in all four countries think **“AN INVESTOR”** is the top choice to describe themselves. They also purchased an average of 2 properties in the last 3 years, and proved the old adage–“location, location, location”–is still true.

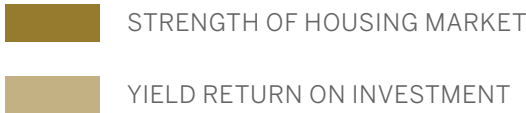
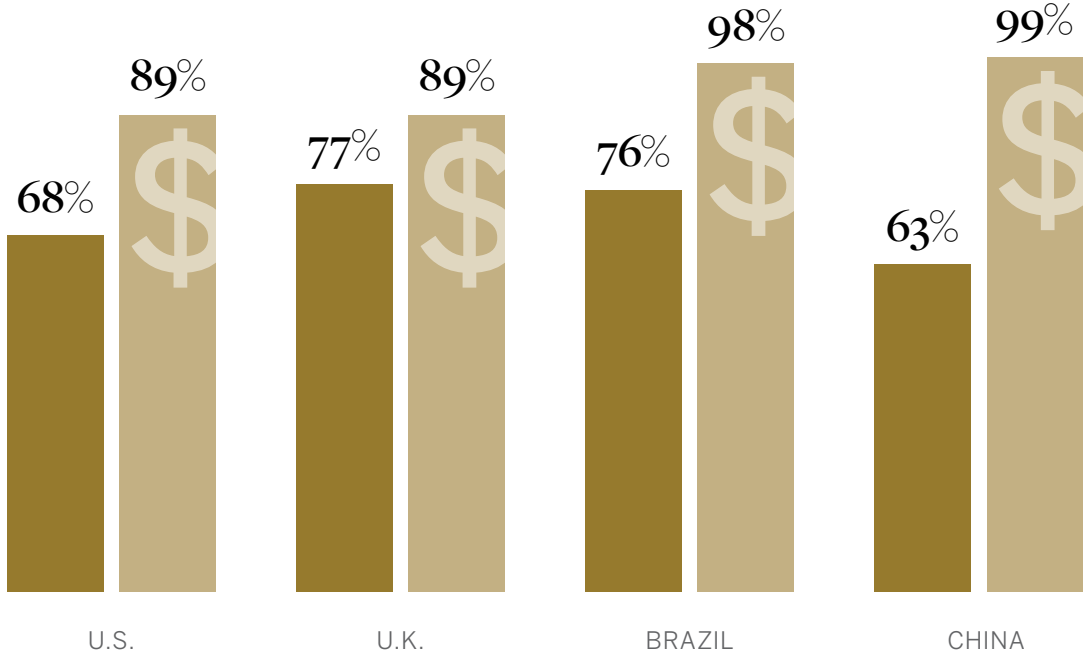


71% 
OF THOSE SURVEYED SAY THEY
WOULD **PAY MORE FOR LOCATION.**



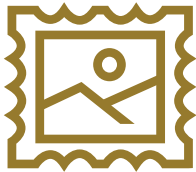
GROWING WEALTH

Yielding a **RETURN ON INVESTMENT** was a key driver in the purchase of a property for affluent consumers. Compared to 5 years ago, a majority are more confident in the strength of the housing market in their country of primary residence.



LUXURY AMENITIES

What's trending in home luxury among affluent consumers? It centers on cars, water and art.



SPACE TO DISPLAY
ART COLLECTION

51% China
27% UK
22% US
11% Brazil



DEEP WATER DOCK

37% Brazil
32% UK
23% US
19% China




MULTI-CAR
COLLECTOR'S GARAGE

32% UK
28% US
20% Brazil
18% China



HELIPAD

15% Brazil
13% China
8% UK
7% US

65% 

OF SOTHEBY'S
INTERNATIONAL
REALTY NETWORK
MEMBERS SAID
THE NUMBER
OF CLIENTS
SEEKING A HOME
WITH "SMART"
AMENITIES HAS
INCREASED OVER
THE LAST 2 YEARS.



THE UNITED STATES

PORTRAIT OF AN AFFLUENT AMERICAN CONSUMER

Many affluent American consumers, defined as those with \$2 million or more in investable assets, own **MULTIPLE PROPERTIES**. On average, affluent consumers in the U.S. currently own 3 homes.

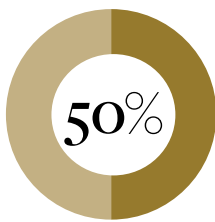


54%

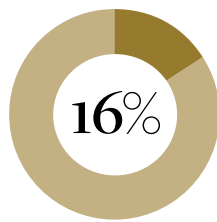


HAVE PURCHASED A PROPERTY
WITHIN THE **PAST 3 YEARS.**

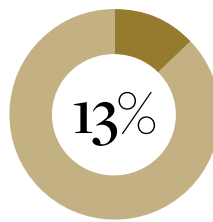
Affluent American consumers are not only investing in property—they consider themselves part of the investor class. When asked what best described them, a majority said “**AN INVESTOR.**”



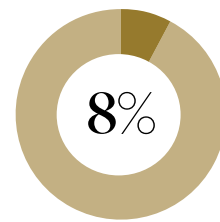
INVESTOR



INNOVATOR



TRENDSETTER



PHILANTHROPIST

LOCATION IS KING

The top home feature affluent American consumers are willing to pay more for is location, followed by size, historical significance and famous former owners, such as a celebrity. **LOCATION, LOCATION, LOCATION** – still rings true.

67% 
LOCATION



39%
SIZE



22%
HISTORIC
SIGNIFICANCE



18%
FAMOUS FORMER
OWNERS

“

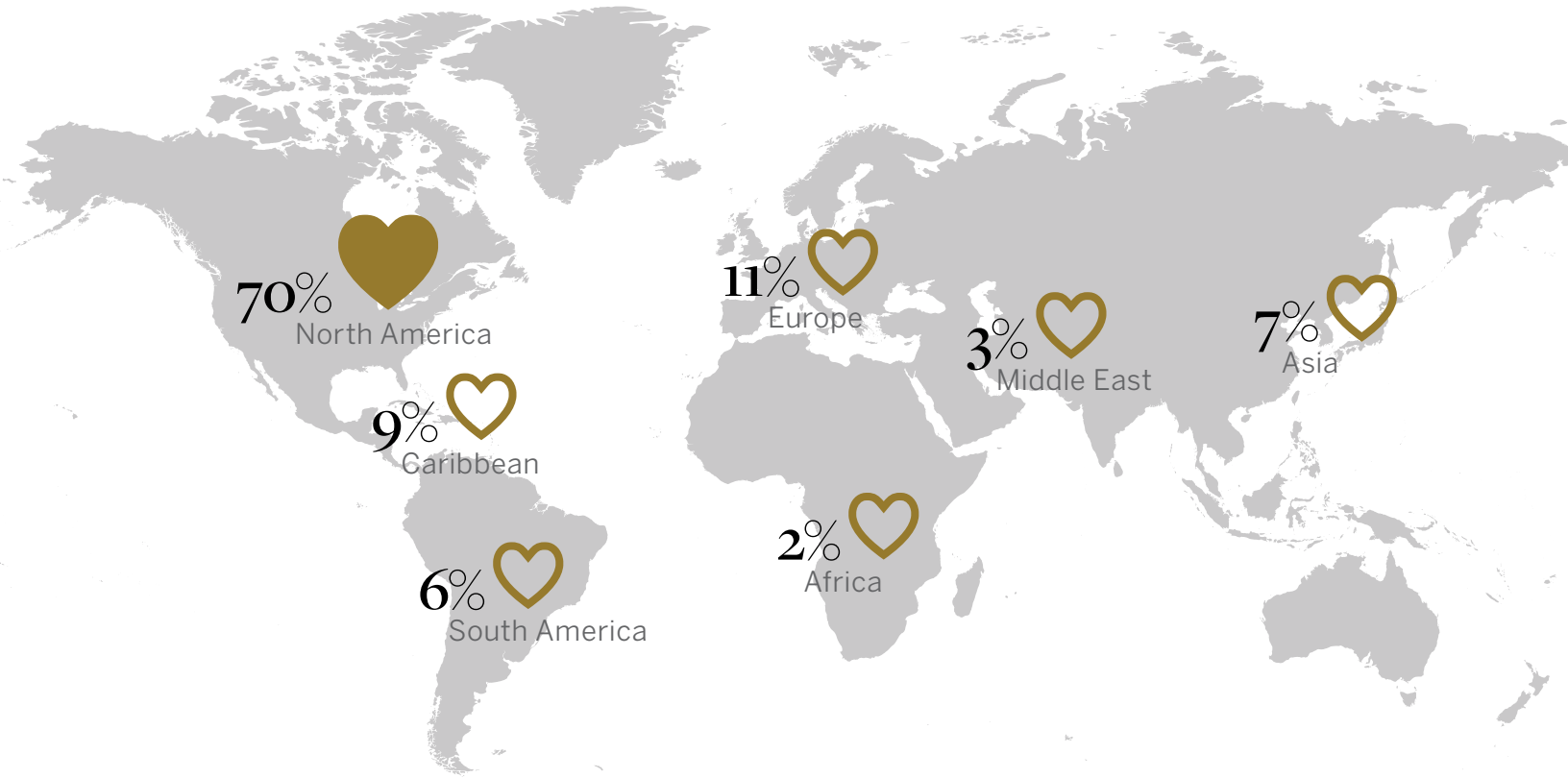


Today, location most definitely still is king. We live on Long Island, which is connected to the world's most famous island, Manhattan. Our miles of wooded coastline and pristine sandy beaches draw an affluent consumer seeking a sophisticated country estate with close proximity of the cultural and financial capital of the world.

Patricia J. Petersen, President and CEO
Daniel Gale Sotheby's International Realty in New York

HOME IS WHERE THE HEART IS

When affluent American consumers were asked where they plan to purchase their next property, a majority said **NORTH AMERICA**.



HOUSE-PROUD

Affluent consumers take a sense of pride in their property investments – and affluent American consumers want to double as **THEIR OWN ARCHITECT**.



32%
SELF
DESIGNED



21%
ECO-FRIENDLY



20%
HISTORIC
SIGNIFICANCE



18%
SMART HOME



10%
FAMOUS FORMER
OWNERS

HOTTEST “LIFESTYLE” PROPERTY TRENDS

When asked what they would consider purchasing next, the top choice for those in the United States was a **WATERFRONT PROPERTY**.



41%

WATERFRONT



26%

FARM &
RANCH



24%

HISTORIC



22%

GOLF ACCESS



18%

VINEYARD OR
WINERY



14%

SKI ACCESS

“”

The primary purchasing motivation is lifestyle—whether it’s a Wall Street executive purchasing waterfront in the Hamptons or the Hollywood set looking for a weekend retreat in Santa Barbara—lifestyle is completely influencing where high net worth individuals choose to invest in real estate.

Kathy Korte, President and CEO

Sotheby’s International Realty’s company-owned brokerages

LUXURY AMENITIES

In the U.S. the top desired luxury amenity was a **MULTI-CAR COLLECTOR’S GARAGE**.

28%



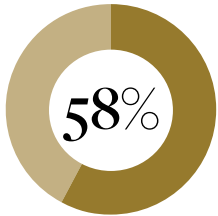
MULTI-CAR COLLECTOR'S GARAGE

A dark, stylized map of the United Kingdom is the background. The map is rendered in a dark grey or black color, showing the outline of the country and its islands. Overlaid on the map is the text "THE UNITED KINGDOM" in a white, serif font. Below the text is a horizontal gold-colored line.

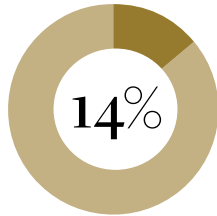
THE UNITED KINGDOM

PORTRAIT OF AN AFFLUENT U.K. CONSUMER

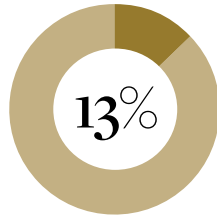
When asked what best describes them,
a majority said **"AN INVESTOR."**



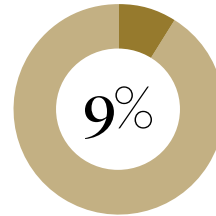
INVESTOR



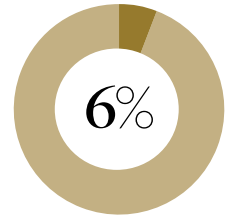
TRENDSETTER



INNOVATOR



PHILANTHROPIST



COMMUNITY
LEADER

LOCATION IS KING

The top home feature affluent U.K. consumers are
willing to pay more for is **LOCATION.**



60%
SIZE



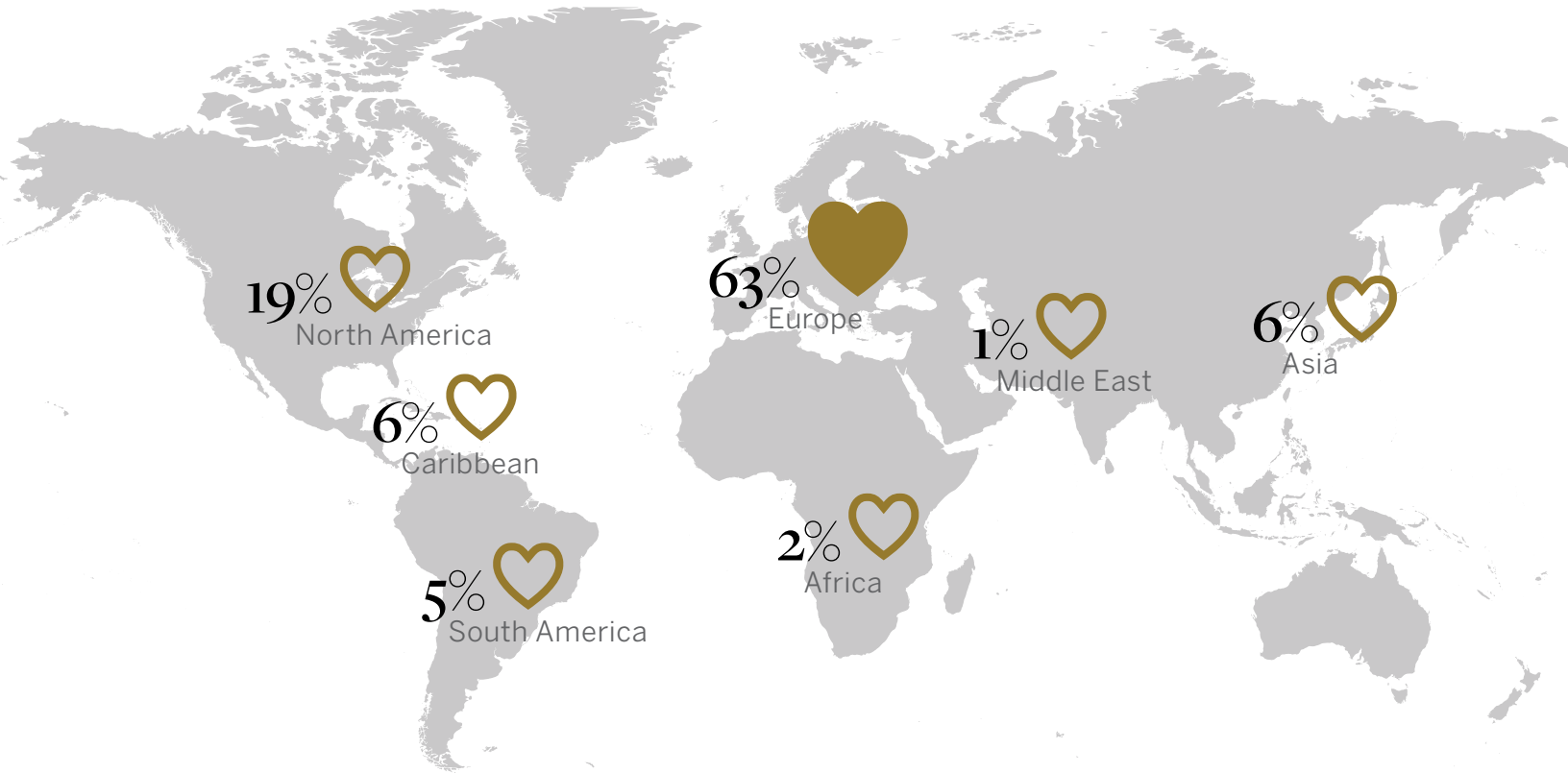
35%
HISTORIC
SIGNIFICANCE



12%
FAMOUS FORMER
OWNERS

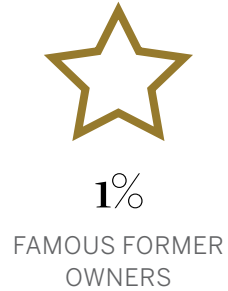
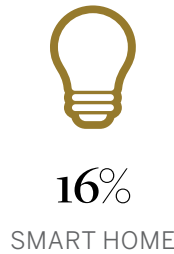
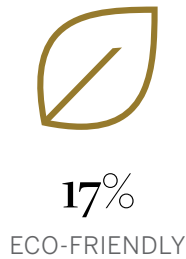
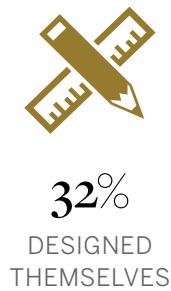
EURO-CENTRIC

When affluent U.K. consumers were asked where they plan to purchase their next property, a majority said **EUROPE**.



HISTORICALLY HOUSE-PROUD

When asked what they would be most proud to own the top pick among wealthy U.K. consumers was a home with **HISTORIC SIGNIFICANCE**.



“

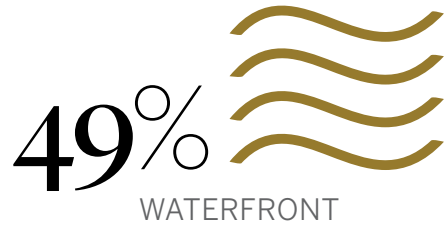
The United Kingdom has a long history when it comes to architecture and in nearly all our cities and towns historical houses survive even some from Medieval times. The interest and desire to buy a ‘piece of history’ is still as strong as ever and in many cases classic historical examples of architecture or houses associated with historical figures attract a premium level of interest and quite often a premium price.

Chris Moorhouse, Head of Sales
United Kingdom Sotheby’s International Realty

UNITED KINGDOM

HOTTEST “LIFESTYLE” PROPERTY TRENDS

When asked what they would consider purchasing next, the top choice for those in the U.K. was a **WATERFRONT PROPERTY**.



36%
HISTORIC



20%
FARM &
RANCH



19%
GOLF ACCESS



18%
VINEYARD OR
WINERY



14%
SKI ACCESS

LUXURY AMENITIES

In the U.K. the top desired luxury amenity was a **MULTI-CAR COLLECTOR'S GARAGE**.

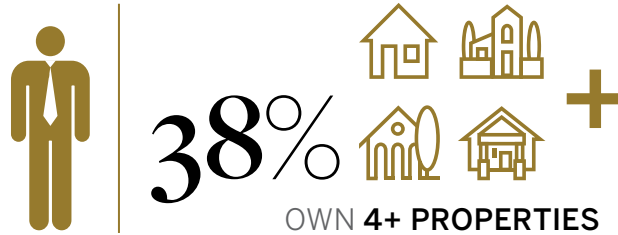


A dark, stylized map of South America is centered on the page. The map is rendered in shades of black and dark grey, with the word 'BRAZIL' written in a white, serif font across the middle of the continent. A thin, horizontal gold line is positioned directly beneath the text.

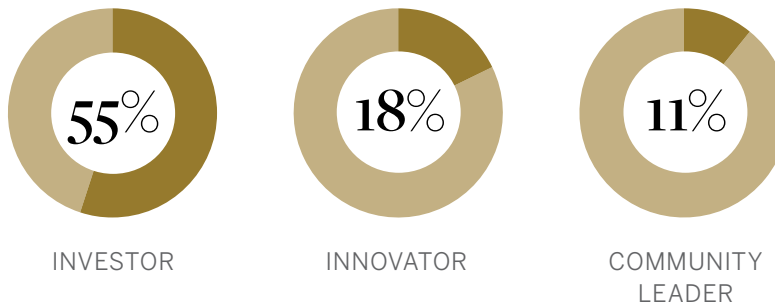
BRAZIL

PORTRAIT OF AN AFFLUENT BRAZILIAN CONSUMER

On average, Brazilians who are affluent **OWN 4 PROPERTIES**, with more than 1 in 3 owning 4+ properties.



They also consider themselves part of the **INVESTOR CLASS**.



LOCATION IS KING

The top home feature affluent Brazilian consumers are willing to pay more for is – **LOCATION**.



49%
SIZE



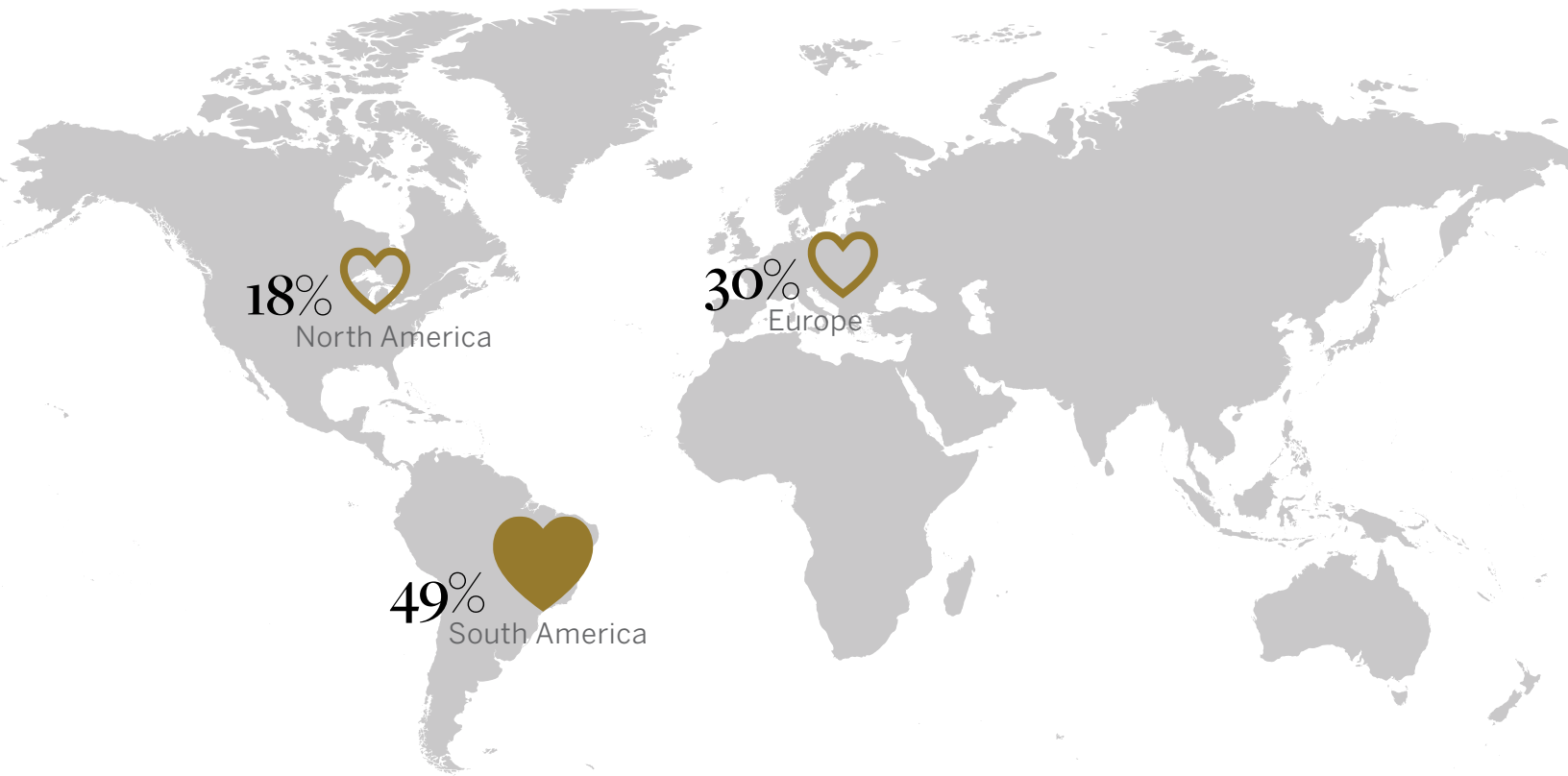
24%
HISTORIC
SIGNIFICANCE



10%
FAMOUS FORMER
OWNERS

HOME IS WHERE THE HEART IS

When affluent Brazilians were asked where they most want to purchase their next property a majority said **SOUTH AMERICA**.



HOUSE-SMART

A majority would be most proud to own a **"SMART" HOME**.



BEACH PEOPLE

When asked what they would consider purchasing next, the top choice for affluent Brazilians was a **WATERFRONT PROPERTY**.



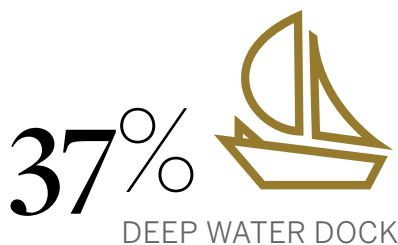
“

“We have seen a surge in buyers from Brazil with our general real estate sales and even more so with the sales of our new developments such as One Thousand Museum. Miami offers Brazilians the international flair that they are searching for at prices that are well below that of other major metropolitan cities. We are a growing economy and with that comes a thriving culture that is attracting a great deal of international buyers, specifically Brazilians.”

Daniel de la Vega, President
ONE Sotheby's International Realty in Miami, Florida

LUXURY AMENITIES

In Brazil, the top desired luxury amenity was a **DEEP WATER DOCK**.





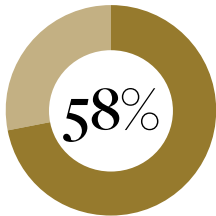
CHINA

PORTRAIT OF AN AFFLUENT CHINESE CONSUMER

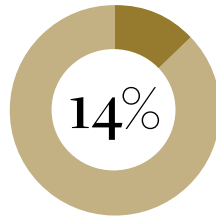
96% have purchased a property within the past 3 years.



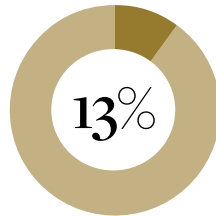
Wealthy Chinese are not only investing in property – they consider themselves part of the **INVESTOR CLASS.**



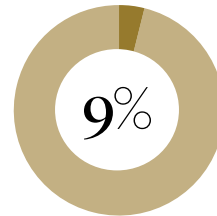
INVESTOR



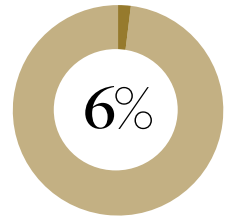
INNOVATOR



TRENDSETTER



COMMUNITY LEADER



PHILANTHROPIST

“



We observe China as the soon-to-be largest economy and a wealth engine with a high propensity for its nationals to seek financial safe harbor and education overseas. Asian demographics are the fastest-growing segment in Washington State with the greatest number stemming from China.

Dean Jones, Principal & Owner
Realogics Sotheby's International Realty
in Seattle, Washington



WASHINGTON

LOCATION IS KING

The top home feature affluent Chinese consumers are willing to pay more for is **LOCATION**.



82%

LOCATION



46%

SIZE



39%

HISTORIC
SIGNIFICANCE



26%

FAMOUS FORMER
OWNERS

HOME IS WHERE THE HEART IS

When affluent Chinese consumers are asked which region of the world they plan to purchase their next property, 37% picked **ASIA**.

25% 
North America

28% 
Europe

37% 
Asia

GREEN HOUSE-PROUD

Nearly half would be most proud to own an **ECO-FRIENDLY** home.



48%

ECO-FRIENDLY



32%

DESIGNED
THEMSELVES



16%

SMART HOME

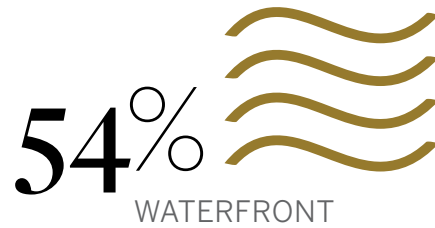


17%

HISTORICAL
SIGNIFICANCE

HOTTEST “LIFESTYLE” PROPERTY TRENDS

When asked what they would consider purchasing next, the top choice was a **WATERFRONT PROPERTY**.



43%
FARM &
RANCH



37%
VINEYARD OR
WINERY



36%
HISTORIC



31%
GOLF ACCESS



27%
SKI ACCESS



China is the largest country in Asia and Australia has strong links with China in trade. Sydney in particular has a large Chinese population whose contribution to the community and economy has been vital to its growth. Over the last five years the Chinese interest has grown and we expect this to continue in years to come as the Chinese middle class grows, which will lead to further foreign investment from China.

Michael Pallier, Managing Director
Sydney Sotheby's International Realty in Australia

LUXURY AMENITIES

In China, the top desired luxury amenity is **SPACE TO DISPLAY AN ART COLLECTION**.



INSIGHTS FROM sothebysrealty.com

With affluent consumers desiring multi-car garages to house their car collections, space to display their artwork and deep water docks, here is how consumers around the world are searching for those amenities on sothebysrealty.com


TOP 10 COUNTRIES THAT SEARCHED FOR:

MULTI-CAR COLLECTOR'S GARAGES



Gainesville, Georgia | Property ID L4TSWY

- | | | | |
|----|----------------|-----|---------|
| #1 | United States | #6 | France |
| #2 | Canada | #7 | Peru |
| #3 | Finland | #8 | Romania |
| #4 | Germany | #9 | Spain |
| #5 | United Kingdom | #10 | Ireland |

29% 

of all multi-car garage amenity searches outside the U.S. were by consumers from **CANADA**

TOP 10 COUNTRIES THAT SEARCHED FOR:

DEEP WATER DOCKS



Key Biscayne, Florida | Property ID H45GGBS



- | | | | |
|----|----------------|-----|----------------|
| #1 | United States | #6 | Germany |
| #2 | United Kingdom | #7 | Canada |
| #3 | Hungary | #8 | Peru |
| #4 | Colombia | #9 | Switzerland |
| #5 | Norway | #10 | Czech Republic |

TOP 10 COUNTRIES THAT SEARCHED FOR:

ARTIST STUDIOS



Yarmouth Port, Massachusetts | Property ID T8DMV6

- | | | | |
|----|---------------|-----|----------------|
| #1 | United States | #6 | Germany |
| #2 | Peru | #7 | Romania |
| #3 | France | #8 | South Africa |
| #4 | Canada | #9 | United Kingdom |
| #5 | Portugal | #10 | Norway |

41% 

of all artist studio amenity searches outside the U.S. were by consumers from **PERU**

THE WORLD AT A GLANCE

NORTH AMERICA



Cherry Hills Village, Colorado | Property ID: 82X5CV

UNITED STATES



49% of all lifestyle searches conducted in the U.S. are for **WATERFRONT** properties



17% of all lifestyle searches conducted in the U.S. are for **MOUNTAIN** properties

CANADA



57% of all lifestyle searches conducted in Canada are for **WATERFRONT** properties



9% of all **TENNIS** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Canada



8% of all **RESORT** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Canada

THE WORLD AT A GLANCE

EUROPE



Florence, Italy | Property ID: VHM CBW

EUROPE



48% of all lifestyle searches conducted in Europe are for **WATERFRONT** properties



35% of all **AQUATIC** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Europe



19% of all **HISTORIC** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Europe



15% of all **GREEN LIVING** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Europe

THE WORLD AT A GLANCE

EUROPE

FRANCE



46% of all lifestyle searches conducted in France are for **WATERFRONT** properties



8% of all lifestyle searches conducted in France are for **HISTORIC** properties



6% of all **PRIVATE ISLAND** lifestyle searches conducted on sir.com outside the U.S. were by consumers from France

GERMANY



46% of all lifestyle searches conducted in Germany are for **WATERFRONT** properties



9% of all lifestyle searches conducted in Germany are for **COUNTRY LIVING** properties



9% of all lifestyle searches conducted in Germany are for **HISTORIC** properties

ITALY



45% of all lifestyle searches conducted in Italy are for **WATERFRONT** properties



12% of all lifestyle searches conducted in Italy are for **COUNTRY LIVING** properties



10% of all lifestyle searches conducted in Italy are for **HISTORIC** properties



9% of all **PRIVATE ISLAND** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Italy

THE WORLD AT A GLANCE

EUROPE

SPAIN



31% of all lifestyle searches conducted in Spain are for **MOUNTAIN** properties



30% of all lifestyle searches conducted in Spain are for **WATERFRONT** properties



13% of all **SUBURBAN** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Spain

SWEDEN



41% of all lifestyle searches conducted in Sweden are for **WATERFRONT** properties



12% of all lifestyle searches conducted in Sweden are for **HISTORIC** properties



10% of all lifestyle searches conducted in Sweden are for **SKI** properties

SWITZERLAND



56% of all lifestyle searches conducted in Switzerland are for **WATERFRONT** properties

UNITED KINGDOM



52% of all lifestyle searches conducted in the U.K. are for **WATERFRONT** properties



21% of all lifestyle searches conducted in the U.K. are for **COUNTRY LIVING** properties

THE WORLD AT A GLANCE

LATIN AMERICA & CARIBBEAN



St. Lucia | Property ID PZD89C

SOUTH AMERICA



36% of all lifestyle searches conducted in South America are for **WATERFRONT** properties



19% of all lifestyle searches conducted in South America are for **MOUNTAIN** properties



11% of all **SUBURBAN** lifestyle searches conducted on sir.com outside the U.S. were by consumers from South America



10% of all **TENNIS** lifestyle searches conducted on sir.com outside the U.S. were by consumers from South America

THE WORLD AT A GLANCE

LATIN AMERICA & CARIBBEAN

VENEZUELA



64% of all lifestyle searches conducted in Venezuela are for **MOUNTAIN** properties



10% of all lifestyle searches conducted in Venezuela are for **PRIVATE ISLAND** properties



12% of all **PRIVATE ISLAND** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Venezuela

BRAZIL



35% of all lifestyle searches conducted in Brazil are for **WATERFRONT** properties



10% of all lifestyle searches conducted in Brazil are for **HISTORIC** properties



11% of all **FLY-IN COMMUNITY** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Brazil

CARIBBEAN



42% of all lifestyle searches conducted in the Caribbean are for **WATERFRONT** properties



13% of all lifestyle searches conducted in the Caribbean are for **MOUNTAIN** properties

THE WORLD AT A GLANCE

LATIN AMERICA & CARIBBEAN

CENTRAL AMERICA



38% of all lifestyle searches conducted in Central America are for **WATERFRONT** properties



18% of all lifestyle searches conducted in Central America are for **MOUNTAIN** properties

MEXICO



58% of all lifestyle searches conducted in Mexico are for **MOUNTAIN** properties



18% all lifestyle searches conducted in Mexico are for **WATERFRONT** properties



11% of all **GREEN LIVING** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Mexico



9% of all **MOUNTAIN** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Mexico

THE WORLD AT A GLANCE

ASIA



Phuket, Thailand | Property ID Y72BJ2

ASIA



46% of all lifestyle searches conducted in Asia on sir.com are for **WATERFRONT** properties



10% of all lifestyle searches conducted in Asia on sir.com are for **MOUNTAIN** properties



9% of all lifestyle searches conducted in Asia on sir.com are for **COUNTRY LIVING** properties



13% of all **RESORT** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Asia

HONG KONG



68% of all lifestyle searches conducted in Hong Kong are for **WATERFRONT** properties

THE WORLD AT A GLANCE

ASIA

JAPAN



46% of all lifestyle searches conducted in Japan are for **WATERFRONT** properties



11% of all lifestyle searches conducted in Japan are for **PRIVACY** properties



9% of all lifestyle searches conducted in Japan are for **MOUNTAIN** properties



7% of all **RESORT** lifestyle searches conducted on sir.com outside the U.S. were by consumers from JAPAN

THAILAND



29% of all lifestyle searches conducted in Thailand are for **WATERFRONT** properties



22% of all lifestyle searches conducted in Thailand are for **MOUNTAIN** properties

CHINA



33% of all lifestyle searches conducted in China are for **WATERFRONT** properties



23% of all lifestyle searches conducted in China are for **RETIREMENT** properties



11% of all lifestyle searches conducted in China are for **MOUNTAIN** properties



35% of all **RETIREMENT** lifestyle searches conducted on sir.com outside the U.S. were by consumers from China

THE WORLD AT A GLANCE

AUSTRALIA & NEW ZEALAND



Melbourne, Australia | Property ID: 6573VL

AUSTRALIA



39% of all lifestyle searches conducted in Australia are for **WATERFRONT** properties



11% of all lifestyle searches conducted in Australia are for **COUNTRY LIVING** properties

NEW ZEALAND



45% of all lifestyle searches conducted in New Zealand are for **WATERFRONT** properties



20% of all lifestyle searches conducted in New Zealand are for **COUNTRY LIVING** properties



10% of all lifestyle searches conducted in New Zealand are for **MOUNTAIN** properties

THE WORLD AT A GLANCE

RUSSIA



Moscow, Russia

RUSSIA



83% of all lifestyle searches conducted in Russia are for **COUNTRY LIVING** properties



27% of all **COUNTRY LIVING** lifestyle searches conducted on sir.com outside the U.S. were by consumers from Russia

Sotheby's

INTERNATIONAL REALTY

METHODOLOGICAL NOTES: The Sotheby's International Realty Survey was conducted by Wakefield Research among affluent consumers ages 25 and older with 401 interviews conducted in the U.S., and 100 interviews conducted in the UK, 101 interviews conducted in Brazil, and 102 interviews conducted in China, between January 28 and February 18, 2014, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.9 percentage points for the U.S. sample, and 9.8 percentage points in the UK and Brazil sample and 9.7 among the China sample, from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

Data from sothebysrealty.com: Google Website Analytics, sothebysrealty.com, January 1, 2013 – January 1, 2014

FEATURED ON COVER: Water Mill, New York | Property ID BNY5DM