



LUXURY MARKET REPORT | **FALL 2013**

TABLE OF CONTENTS

03	Foreword
04	Previews® 2013 Luxury Consumer Survey
07	The Previews Top 20: ZIP Codes and Cities for Luxury Sales and Listings
12	Domestic Spotlight: Aspen
14	Domestic Spotlight: New York
17	International Spotlight: Italy
19	Previews by the Numbers
21	Disclaimers





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At **Coldwell Banker Previews International®** we are seeing tremendous energy for luxury real estate, both in the United States and abroad. New seller's markets and buyer's markets have emerged in several affluent strongholds, while other cities have begun to exhibit balanced luxury market fundamentals. Recent feedback from affluent consumers also indicates that there is a positive outlook on real estate. **Previews®**, now celebrating our 80th year as a leader in marketing exceptional homes, is proud to examine all of these dynamics in our latest Luxury Market Report.

Affluent consumer confidence first comes into focus with our 2013 Luxury Consumer Survey, done in partnership with the Luxury® Institute LLC. According to this survey of Americans with a minimum gross annual household income of \$250,000, the majority of respondents report that they own at least one home and express confidence in the value of owning real estate. The survey also reveals a significant cultural shift among the affluent: while location is still the most important deciding factor in a home purchase, 24% say that they are not limited by geography and have the freedom to purchase an ideal property that truly fits their lifestyle. It appears more affluent consumers are basing their home purchase decisions on how they want to live as opposed to where their workplace is located—a reminder to us all that the options are virtually limitless for this increasingly mobile group! Perhaps this trend is playing out in Aspen, where an influx of high-net-worth individuals are choosing the Rocky Mountain town as a permanent residence. Their movement here has helped Aspen mature from a seasonal destination to a year-round cultural haven, an evolution we cover in more depth on Page 12.

Elsewhere, the luxury market has gained momentum in established metropolitan areas such as Chicago, Washington D.C., Boston and Atlanta this year. As shown in our newly expanded coverage of the top 20 U.S. cities and ZIP codes, these cities have high numbers of active listings priced \$1 million and up, suggesting that seller confidence has spread beyond the expected affluent hotspots of New York, Los Angeles and San Francisco (and their vibrant job markets). However, New York proves that it is still very much the luxury real estate epicenter, as the No. 1 city for both active luxury listings and closed sales in the \$1 million and up, \$5 million and up and \$10 million and up categories. (The findings are further supported in our New York Spotlight on Page 14). Moving across the proverbial pond, we also look at what's happening in Italy and explore the question of whether it is the time to buy on Page 17.

As always, the Luxury Market Report reveals some interesting trends driving the high-end housing sector. Previews is honored to bring them to the attention of our agents and clients so they can make more informed decisions. It speaks to our long history of serving the world of fine real estate.

BUDGE HUSKEY

BETTY GRAHAM

PREVIEWS®
2013

**LUXURY
CONSUMER
SURVEY**

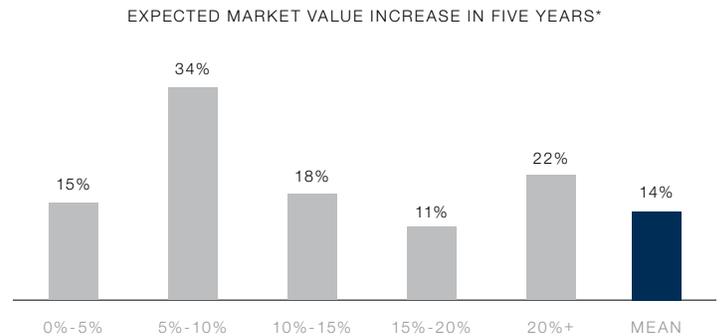


“OVERALL, 59% OF ALL WEALTHY CONSUMERS INDICATE THAT NAME RECOGNITION OF A FIRM IS IMPORTANT WHEN CHOOSING A REAL ESTATE AGENT.”

AS THE U.S. REAL ESTATE MARKET continues gaining strength this year, how do affluent consumers view their real estate investments now and in the future? A survey conducted by **Coldwell Banker Previews International®** and the **Luxury® Institute LLC** finds that most affluent consumers today have confidence in the long-term stability of U.S. real estate.

Growing Optimism

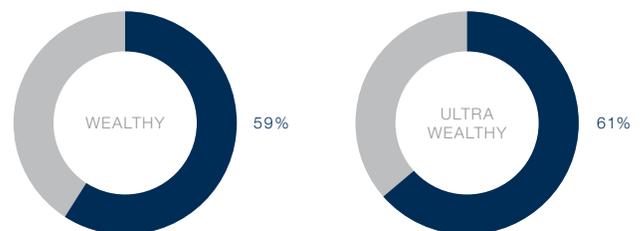
One-third of those surveyed indicate that they are considering the purchase of a residential property in the next 12 months. On average, those who are in the market for a residential property also expect that their home purchase will increase in value by about 14% in the next five years. Lower interest rates, location-based moves and the investment potential of real estate are the main motivations for consumers who plan to buy a home in the next year.



Experience Matters

When selecting a real estate agent, those surveyed who are at higher household income levels place importance on real estate agents with luxury housing market credentials and access to special marketing programs. Overall, 59% of all wealthy consumers and 61% of ultra wealthy consumers indicate that name recognition of a firm is important during the real estate agent selection process.

CONSUMERS INDICATING NAME RECOGNITION OF FIRM IS IMPORTANT DURING REAL ESTATE AGENT SELECTION PROCESS*



CONTINUED

Amenities...The Generation Gap

When it comes to property amenities, a generation gap begins to emerge. Among younger generations, open floor plans and fully automated, wired homes are rising in popularity. In Miami and Los Angeles, wealthy millennials are snapping up residences with open spaces for entertaining and are primed for technology.

“Full home automation is one amenity that is hot right now,” said Danny Hertzberg, a **Previews®** Property Specialist with Coldwell Banker Residential Real Estate in Miami. “I have seen at least a 50% spike in buyers asking for it. They want to be able to adjust music and lighting, or control the temperature of their house with their iPhones or iPads.”

The survey also finds that pools, outdoor kitchens and home gyms are appealing to younger consumers, while less importance is placed on tennis/sports courts, staff quarters and separate catering kitchens. Jade Mills, a Previews Property Specialist with Coldwell Banker Residential Brokerage in Beverly Hills, points out that amenities like tennis courts are losing their luster. Many “clients will see a court and say, ‘we will take out the court and have beautiful grounds.’ And as for pools? ‘It is difficult to sell a home without a pool.’”

In Miami, outdoor kitchens have become critical for young affluent buyers. “In the same way that the kitchen has now become an additional room for entertaining, the outdoor kitchen is the gathering point for pool parties and outdoor events,” said Hertzberg.

Movement to Mobile

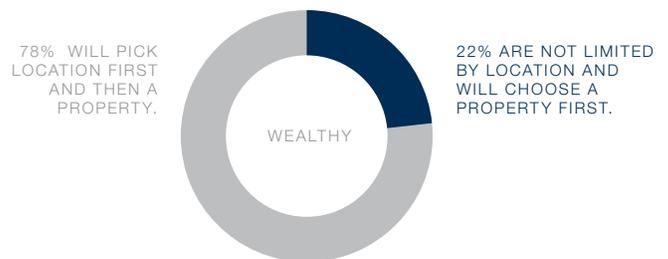
While many wealthy consumers rely on traditional real estate marketing sources such as print advertising and word of mouth, not surprisingly, many respondents increasingly rely on mobile technology for search. In fact, 43% of affluent consumers report that they use a tablet and 34% search on a smartphone when looking for a residential property. Additionally, online consumer reviews and social media are beginning to have influence for younger affluents.



Freedom to Live Anywhere

While location is cited as the most important factor in choosing a luxury residence, a growing number of affluents are less geography-bound. According to the survey, one in five affluent consumers and one in four of ultra affluent consumers say that when searching for their next primary home, they are not limited by location and have the freedom to purchase an ideal property that truly fits their lifestyle.

CONSUMERS SEARCHING FOR NEXT PRIMARY HOME*



AMENITY PREFERENCES FOR WEALTHY CONSUMERS*

Amenities	Under Age 55	Age 55+
Open floor plan	38%	39%
Fully automated/wired	36%	27%
Pool	38%	16%
Outdoor kitchen	28%	16%
Home gym	25%	13%
Home theatre	23%	14%
Green or LEED certified	23%	11%
Wine cellar or wine room	20%	11%
Separate guest house	13%	11%
Four or more garages	15%	7%
Safe room	9%	5%
Separate catering kitchen	8%	1%
Tennis/sports court	8%	-
Staff quarters	3%	-

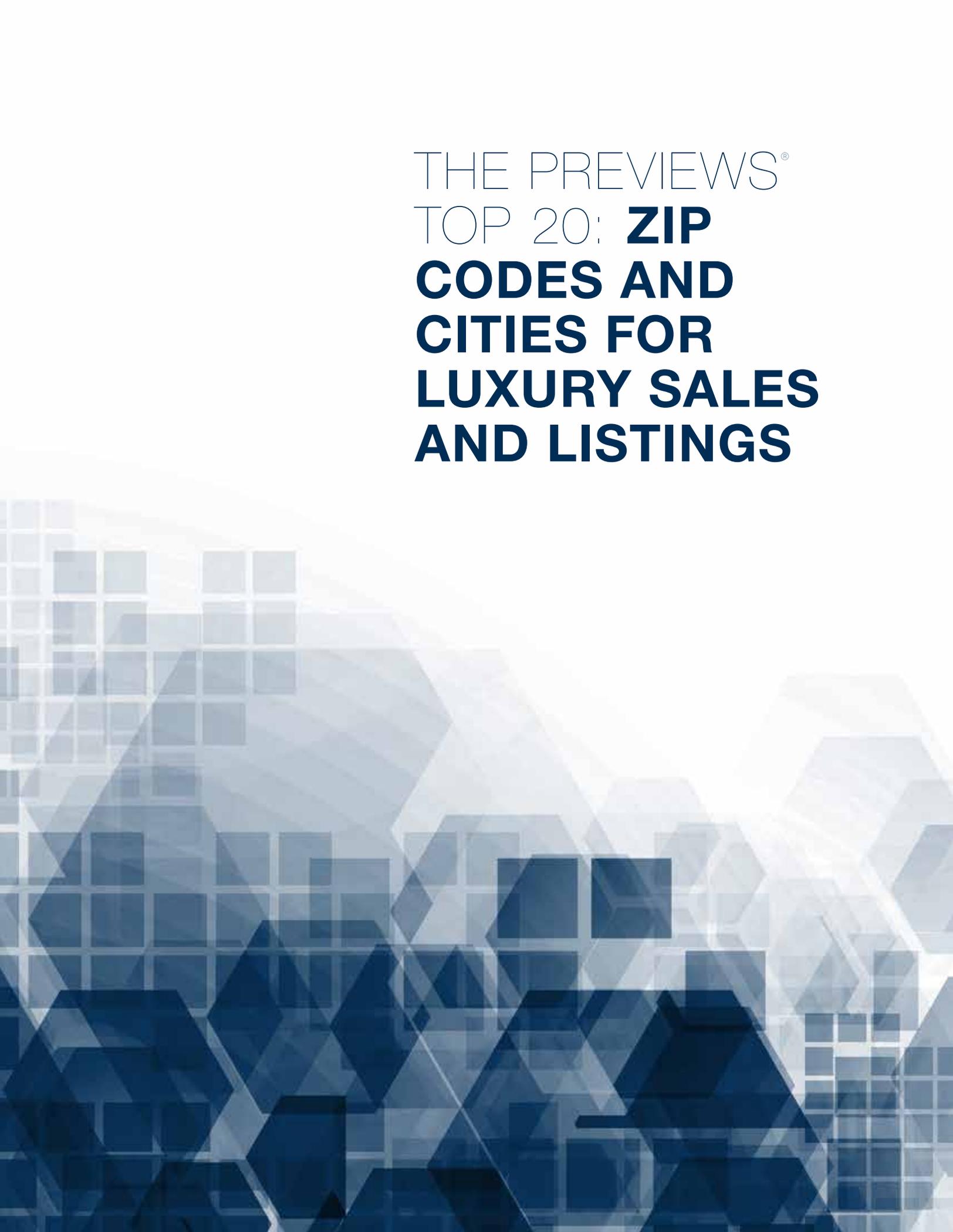
Final Outlook

“Luxury homes are for more than successful and retired empty nesters,” says Milton Pedraza, CEO of the Luxury Institute. “Today’s luxury buyer is both dynamic and diverse, and it’s reflected in the homes and products they’re buying.” From the mobile movement to generational preferences, the Previews® 2013 Luxury Consumer Survey not only reflects changes in the demands of the affluent marketplace today, but confidence about the future direction of their real estate investments.

The complete survey methodology and weighted variables are available at www.PreviewsInsideOut.com/2013LCSurvey.

Methodology: The Luxury Institute, in partnership with Coldwell Banker Previews International®, conducted research on the topic of real estate during the third quarter of 2013. This in-depth survey includes responses from 300 affluent male and female consumers in the United States. Respondents were recruited and screened to only include those age 21 or older with a minimum annual household income of \$250,000.

THE PREVIEWS®
TOP 20: **ZIP
CODES AND
CITIES FOR
LUXURY SALES
AND LISTINGS**



THE PREVIEWS® TOP 20 REPORT

Coldwell Banker Previews International® presents a newly expanded list of America's top cities and ZIP codes for luxury home listings and sales in three distinct price points: \$1,000,000+, \$5,000,000+ and \$10,000,000+.

U.S. ZIP Codes with the highest number of luxury home sales*

\$1,000,000+			
ZIP Code	City	State	Number of Sales
92037	La Jolla	CA	368
90266	Manhattan Beach	CA	355
10024	New York	NY	342
92660	Newport Beach	CA	340
90049	Brentwood	CA	339
10011	New York	NY	333
95070	Saratoga	CA	331
92651	Laguna Beach	CA	319
10023	New York	NY	318
90272	Pacific Palisades	CA	300
10013	New York	NY	292
90210	Beverly Hills	CA	292
94025	Menlo Park	CA	292
10022	New York	NY	283
10021	New York	NY	277
95014	Cupertino	CA	269
33139	Miami Beach	FL	267
10019	New York	NY	250
94024	Los Altos	CA	249
06880	Westport	CT	248

\$5,000,000+			
ZIP Code	City	State	Number of Sales
90210	Beverly Hills	CA	80
10013	New York	NY	45
81611	Aspen	CO	44
33139	Miami Beach	FL	42
10023	New York	NY	42
10021	New York	NY	39
93108	Montecito / Santa Barbara	CA	38
10011	New York	NY	38
90049	Brentwood	CA	35
90265	Malibu	CA	34
10065	New York	NY	34
10014	New York	NY	34
90272	Pacific Palisades	CA	33
92657	Newport Coast	CA	31
10019	New York	NY	30
92651	Laguna Beach	CA	28
34102	Naples	FL	28
33480	Palm Beach	FL	28
10024	New York	NY	28
06830	Greenwich	CT	28

\$10,000,000+			
ZIP Code	City	State	Number of Sales
90210	Beverly Hills	CA	18
10023	New York	NY	17
10021	New York	NY	16
81611	Aspen	CO	16
90077	Bel Air	CA	12
33139	Miami Beach	FL	11
10014	New York	NY	10
10028	New York	NY	10
90265	Malibu	CA	10
90049	Brentwood	CA	8
10022	New York	NY	7
34102	Naples	FL	7
92651	Laguna Beach	CA	7
93108	Montecito / Santa Barbara	CA	7
10013	New York	NY	6
10065	New York	NY	6
33480	Palm Beach	FL	6
94027	Atherton	CA	6
33140	Miami Beach	FL	5
90272	Pacific Palisades	CA	5

*June 2012 - June 2013

THE PREVIEWS® TOP 20 REPORT

Top U.S. ZIP codes with the most luxury home listings and sales in three distinct price points: \$1,000,000+, \$5,000,000+ and \$10,000,000+.

U.S. ZIP codes with the highest number of luxury home listings*

\$1,000,000+			
ZIP Code	City	State	Number of Listings
81611	Aspen	CO	304
06880	Westport	CT	244
90265	Malibu	CA	227
92037	La Jolla	CA	223
33139	Miami Beach	FL	222
10022	New York	NY	219
85253	Paradise Valley	AZ	208
06831	Greenwich	CT	201
92651	Laguna Beach	CA	195
34102	Naples	FL	186
06830	Greenwich	CT	182
10021	New York	NY	160
10065	New York	NY	158
60611	Chicago	IL	157
10019	New York	NY	154
10011	New York	NY	148
90210	Beverly Hills	CA	144
60614	Chicago	IL	140
10023	New York	NY	139
33480	Palm Beach	FL	134

\$5,000,000+			
ZIP Code	City	State	Number of Listings
81611	Aspen	CO	143
90265	Malibu	CA	97
06831	Greenwich	CT	74
33139	Miami Beach	FL	71
90210	Beverly Hills	CA	68
10065	New York	NY	67
10021	New York	NY	65
10013	New York	NY	61
10011	New York	NY	54
10023	New York	NY	54
10022	New York	NY	52
10019	New York	NY	50
34102	Naples	FL	49
06830	Greenwich	CT	48
92037	La Jolla	CA	47
92651	Laguna Beach	CA	44
93108	Montecito	CA	40
10024	New York	NY	38
10014	New York	NY	33
10028	New York	NY	32

\$10,000,000+			
ZIP Code	City	State	Number of Listings
81611	Aspen	CO	56
90265	Malibu	CA	43
10065	New York	NY	37
90210	Beverly Hills	CA	29
10021	New York	NY	26
10023	New York	NY	26
33139	Miami Beach	FL	25
10019	New York	NY	24
06831	Greenwich	CT	23
10013	New York	NY	23
10022	New York	NY	20
10011	New York	NY	19
10028	New York	NY	19
92651	Laguna Beach	CA	19
93108	Montecito / Santa Barbara	CA	19
92037	La Jolla	CA	17
10024	New York	NY	16
10003	New York	NY	15
10075	New York	NY	15
33480	Palm Beach	FL	15

*June 2012 - June 2013

THE PREVIEWS® TOP 20 REPORT

Top U.S. cities with the most luxury home listings and sales in three distinct price points: \$1,000,000+, \$5,000,000+ and \$10,000,000+.

U.S. cities with the highest number of luxury home sales*

\$1,000,000+		
City	State	Number of Sales
New York	NY	4,557
Los Angeles	CA	1,608
San Francisco	CA	1,588
Chicago	IL	767
Brooklyn	NY	732
Naples	FL	695
Washington	DC	664
Houston	TX	655
San Jose	CA	635
San Diego	CA	575
Newport Beach	CA	574
Boston	MA	549
Atlanta	GA	534
Honolulu	HI	519
Dallas	TX	518
Miami Beach	FL	508
Palo Alto	CA	470
Scottsdale	AZ	457
Park City	UT	404
Los Altos	CA	382

\$5,000,000+		
City	State	Number of Sales
New York	NY	422
Los Angeles	CA	82
Beverly Hills	CA	78
Miami Beach	FL	72
Greenwich	CT	59
San Francisco	CA	49
Aspen	CO	44
Malibu	CA	40
Naples	FL	31
Montecito	CA	30
Pacific Palisades	CA	29
Atherton	CA	22
Newport Coast	CA	22
Boca Raton	FL	21
Laguna Beach	CA	19
Park City	UT	19
Newport Beach	CA	18
Palm Beach	FL	18
Rancho Santa Fe	CA	16
Santa Barbara	CA	15

\$10,000,000+		
City	State	Number of Sales
New York	NY	95
Los Angeles	CA	23
Beverly Hills	CA	20
Aspen	CO	16
Miami Beach	FL	14
Greenwich	CT	10
Malibu	CA	9
San Francisco	CA	8
Atherton	CA	7
Montecito	CA	6
Laguna Beach	CA	5
Naples	FL	5
Santa Barbara	CA	5
Coral Gables	FL	4
Wellington	FL	4
Boston	MA	3
Glenbrook	NV	3
Key Biscayne	FL	3
Newport Beach	CA	3
Newport Coast	CA	3

*June 2012 - June 2013

THE PREVIEWS® TOP 20 REPORT

Top U.S. cities with the most luxury home listings and sales in three distinct price points: \$1,000,000+, \$5,000,000+ and \$10,000,000+.

U.S. cities with the highest number of luxury home listings*

\$1,000,000+		
City	State	Number of Listings
New York	NY	2,530
Miami	FL	1,951
Los Angeles	CA	934
Scottsdale	AZ	754
Naples	FL	728
Chicago	IL	685
Atlanta	GA	612
Brooklyn	NY	532
Houston	TX	506
Park City	UT	479
Dallas	TX	434
Austin	TX	432
San Diego	CA	420
Greenwich	CT	383
Santa Barbara	CA	366
Honolulu	HI	343
Aspen	CO	304
Newport Beach	CA	285
Seattle	WA	262
Washington	DC	251

\$5,000,000+		
City	State	Number of Listings
New York	NY	749
Aspen	CO	143
Greenwich	CT	122
Los Angeles	CA	118
Malibu	CA	97
Beverly Hills	CA	78
Naples	FL	73
Miami Beach	FL	71
San Francisco	CA	49
La Jolla	CA	47
Laguna Beach	CA	44
Montecito	CA	40
Palm Beach	FL	32
Atherton	CA	31
Pacific Palisades	CA	29
Chicago	IL	28
Newport Coast	CA	28
Brooklyn	NY	22
Boca Raton	FL	21
Park City	UT	19

\$10,000,000+		
City	State	Number of Listings
New York	NY	308
Miami	FL	101
Miami Beach	FL	63
Aspen	CO	56
Malibu	CA	43
Greenwich	CT	34
Los Angeles	CA	34
Beverly Hills	CA	29
Santa Barbara	CA	29
Palm Beach	FL	25
Laguna Beach	CA	23
Montecito	CA	20
La Jolla	CA	17
Naples	FL	15
Newport Beach	CA	14
Indian Creek Village	FL	13
Vail	CO	13
Newport Coast	CA	12
Coral Gables	FL	11
Wellington	FL	11

*June 2012 - June 2013

DOMESTIC SPOTLIGHT: **ASPEN**

PATRICK VELING

INDUSTRY ANALYST & CONSULTANT
REAL DATA STRATEGIES INC.



“RESIDENTS CHOOSE ASPEN FOR ITS MIX OF CULTURE AND OPEN ATTITUDE ABOUT THE ARTS AND SCIENCES.”

FOR DECADES, ASPEN HAS BEEN KNOWN AS A SEASONAL

DESTINATION, beckoning visitors with its signature slopes, five-star restaurants and posh resorts. However, the Rocky Mountain town has recently grown into a year-round home for affluent buyers seeking its unique lifestyle.

“The skiing and outdoor activities are tremendous, but do not set Aspen apart from other Colorado resort towns. Residents choose Aspen for its mix of culture and an open attitude toward learning about the arts and sciences,” says Carrie Wells, an associate broker with Coldwell Banker Mason Morse.

The genesis of Aspen as a cultural and creative hub began in 1945, when Chicago businessman Walter Paepcke first visited the town and was inspired by its strikingly beautiful scenery. Later, Paepcke went on to establish the Aspen Institute—known for attracting the world’s greatest minds each summer during the annual Aspen Ideas Festival.

Thanks to this consistent influx of creative thinkers and high-net-worth individuals, the Aspen real estate market has also matured. In fact, the city of Aspen ranked No. 4 in the U.S. for closed units over \$10 million from June 2012 to June 2013.

In the most upscale regions of Aspen, the marketplace has seen significant sales activity in the past nine quarters. In the second quarter of this year, buyers spending \$5 million or more were able to negotiate sellers down from their final listing prices by 13.8%. But the average sale price during the same period was actually below that of a year earlier by about \$1.4 million. Statistically however, that suggests a change in the mix of available inventory and not any significant downward pressure on values.

Location options within Aspen come down to in-town living, with easy walking access to shops and restaurants and excellent public transportation options, or out-of-town homes, which provide more open space and privacy.

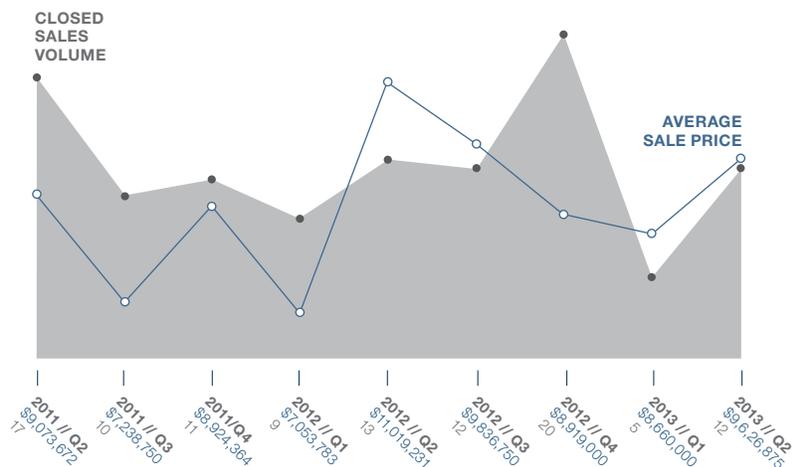
“The choice is really about lifestyle,” says Wells. “For example, an in-town penthouse with 3,350-square-foot and big views recently sold for \$8.4 million. I have another property in-town listed now for \$8.495 million. But both are in the heart of the commercial core. It’s easy to spend \$10 million or more for a larger home with land out of town, which is where many year-round families prefer to live.”

Going two miles outside of the city, she says, will typically get you acreage or river frontage. The communities of Red Mountain, Castle Creek Valley and Maroon Creek Valley all come with trees, views and plenty of privacy.

Affluent buyers in these areas tend to gravitate towards what Wells calls “mountain modern” architecture—“often larger homes that have very clean lines with warmer finishes and an emphasis on texture.” However, Wells has recently seen demand for “comfort” spaces and the “Hamptons” style, featuring reclaimed wood and breezier home designs. Homes in the classic Victorian style—which Wells credits for much of the town’s historical charm—are still very popular as well. “Aspen property values are driven by a recognition of the town’s mining history and a concerted effort on the part of city leaders to maintain and conserve the significant architecture of its older homes,” said Wells.

Despite its elevated real estate, Aspen still retains much of its historic character and cultural depth. Concludes Wells: “People come here from all over the world to escape, and they end up staying for the quality of the lifestyle.”

ASPEN QUARTERLY CLOSED SALES VOLUME AND AVERAGE SALE PRICE AT \$5 MILLION+*



*Source: Real Data Strategies

DOMESTIC SPOTLIGHT: **NEW YORK**

PATRICK VELING

INDUSTRY ANALYST & CONSULTANT
REAL DATA STRATEGIES INC.



“AFFLUENT SELLERS WHO WANT TO BRING THEIR RESIDENTIAL PROPERTIES TO MARKET IN THE COMING MONTHS MAY FIND MORE FAVORABLE CONDITIONS THAN IN YEARS PAST.”

THE MANHATTAN MARKETPLACE CONTINUES TO BE BULLISH, according to a study of closed property transactions reported by the Real Estate Board of New York (REBNY). The findings reveal robust sales activity, price increases and a shift in the balance of market power to sellers.

“Manhattan luxury real estate represents one of the most complex markets, yet has historically proven resilient when compared to many other high-end cities around the country,” says Budge Huskey, president and chief executive officer of Coldwell Banker Real Estate LLC. “Beyond the stories of limited inventory we have been hearing for much of the past year, there are other factors coming into play in Manhattan, including the impact of international buyers who still consider Manhattan a great value in relation to other global destinations.”

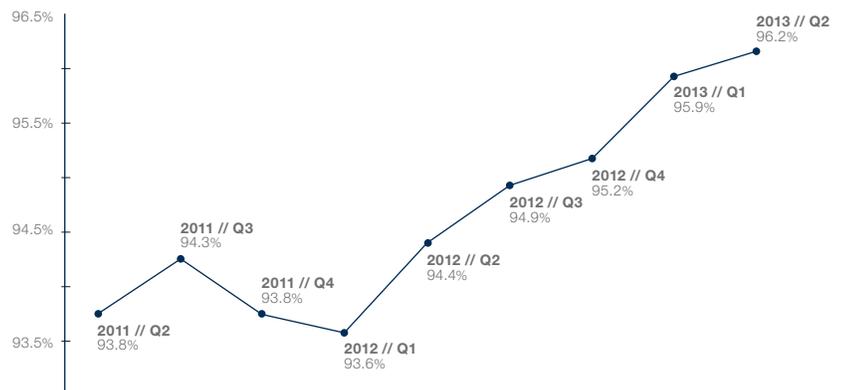
Power Shifts to Sellers

In a comprehensive review of a nine-quarter sales history of thousands of closed transaction records available via StreetEasy.com, the numbers of sales in each quarter have remained consistent with seasonal expectations, as prices have continued their recent climb. However, buyers are finding sellers less motivated to negotiate from their final list price.

When it comes to prices, the Manhattan market again reveals a strengthening position for sellers. In the calendar quarter ending June 30, 2013, Manhattan sellers of all properties priced at \$1 million or higher commanded an incredible 96.24% of the listing price at the time the offer was accepted. This compares to 94.35% during the same quarter of 2012, and only 93.76% in the same quarter two years earlier. For buyers, the economic reality of these simple statistics is highlighted in this example: a \$2.5 million “entry level” luxury condo purchased two years ago would cost \$52,000 more in the second quarter of 2013 as a result of this loss in negotiating power.

As the power pendulum has swung yet again, affluent sellers who want to bring their residential properties to market in the coming months may find more favorable conditions than in years past.

SALE-TO-LIST PRICE RATIO BY QUARTER FOR \$1 MILLION+ CLOSED SALES*



*Source: Real Data Strategies

CONTINUED

DOMESTIC SPOTLIGHT: NEW YORK

Closer Look: Manhattan's Most Expensive ZIP Code

Set on the tony Upper East Side, 10065 boasts the greatest number of available homes priced at \$10 million or more and was named America's most expensive ZIP code by Forbes. The "old New York" enclave is a bastion of luxury, bordering the southern end of Central Park just to the west and across Fifth Avenue, while East River and FDR Drive define its eastern boundary. Along its tree-lined streets, historic multi-million dollar townhomes blend with the city's finest boutiques, restaurants, medical and professional services, and educational opportunities at Rockefeller University, in a nod to its pedigree.

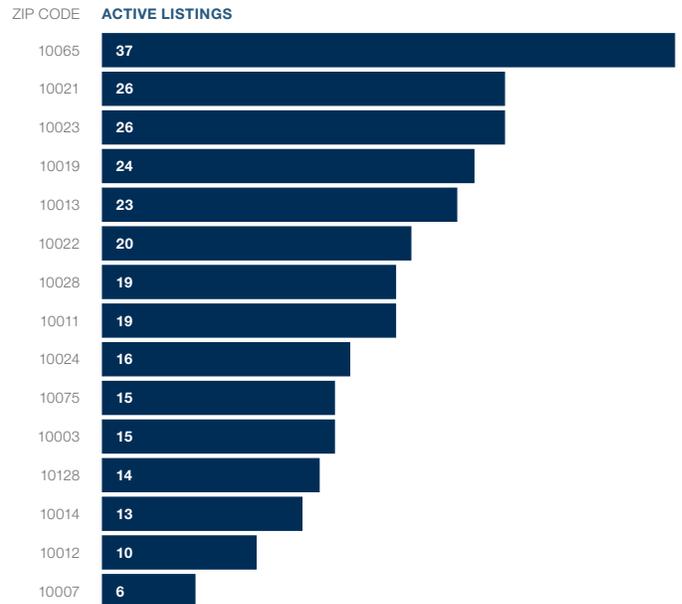
"The Upper East Side has, for centuries, been a destination for the most affluent and influential people in the world," says Neil J. Binder, Founder Coldwell Banker Bellmarc Group. "Having an address here is the ultimate symbol of affluence and success. It commands an absolute premium, as seen by the sheer number of ultra luxury homes for sale."

A look at the 2010 census data further illuminates the air of prestige surrounding 10065. Approximately 32,270 residents lived within its borders, occupying 18,544 households. The 1,242 businesses located in this ZIP code pay their workers almost \$1.5 billion in annual payroll. The median age of residents is 40.4 years old.

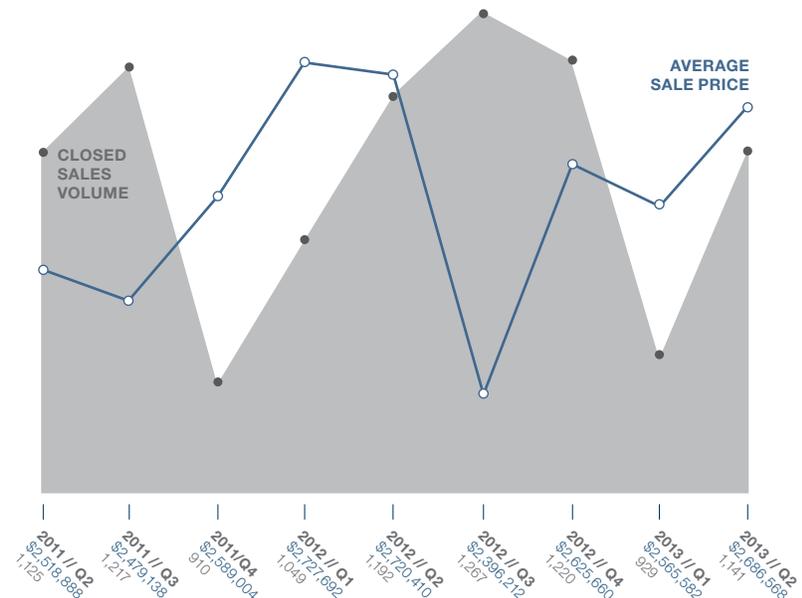
Marketplace Prospects

Since Manhattan is home to some of the country's most prestigious real estate, the housing market tends to be less sensitive to the economic variables that drive most American real estate submarkets. Buyers are typically less dependent on mortgages and, therefore, less impacted by increases in rates, which we have recently seen. The most significant factor that could impact the short-term trajectory of Manhattan sales activity and prices will be the number of homes coming onto the market. Recent inventory shortages appear to have eased somewhat, so the short-term prospect for values is likely to be slightly below the appreciation rate we have seen in the past few quarters. Of course, the attitudes and economic confidence of Manhattan sellers will ultimately determine inventory levels. There are no signs that sellers in large numbers plan to leave. But then, why would they?

\$10 MILLION+ ACTIVE LISTINGS BY MANHATTAN ZIP CODE ON AUGUST 24, 2013*



QUARTERLY CLOSED SALES VOLUME AND AVERAGE SALE PRICE AT \$1 MILLION+*



*Source: Real Data Strategies

INTERNATIONAL SPOTLIGHT: **ITALY**

ALYSON PITARRE
CONTRIBUTOR



“WHERE ELSE IN THE WORLD CAN YOU FIND ART, HISTORY, FOOD, WINE AND THE PROMISE OF *LA VITA BELLA* IN ONE PLACE?”

HOME PRICES IN ITALY HAVE DECREASED by 3% year over year, but the contraction has slowed compared to the first half of 2013, according to a real estate study by Immobiliare.it. Lower prices, combined with what appears to be the start of a gradual price correction, have created a window of opportunity for affluent international buyers.

“This is a wonderful moment to buy in Italy before prices start rising again,” says Roberto Gigio, president of Coldwell Banker Immobiliare Italy. “Demand for Italian luxury homes is moving upwards. Those from Russia, Germany, France and England continue to recognize not just the beauty of the Italian lifestyle, but the opportunity for real estate investment. For many, it’s a long-term dream to own property in Italy.”

The country’s allure as a luxury real estate destination has endured despite recent political uncertainty, both in Italy and worldwide. After all, where else in the world can you find art, history, food, wine and the promise of *la vita bella* in one place?

Prices have contracted less in large business-centric capital cities such as Rome and Milan, compared to those in smaller capital cities like Perugia and Florence. Gigio says demand is generally concentrated around “apartments with splendid views in urban centers—or agricultural estates in Tuscany and Umbria.” International buyers especially tend to gravitate towards established areas.

“Clients still tend to be cautious toward properties with a so-called prestigious ‘potential’ purchase,” says Gigio. “Penthouses in new tower blocks in big cities, new construction in exclusive areas in Italian cities, or renovations of noble houses in destinations are less popular among international élites.”

Luxury homes in Italy are generally worth \$1 million USD and up, he notes. “However, the definition of true ‘luxury’ can significantly vary across Italy, depending on additional factors other than the value of luxury homes, such as location, distinctive features and overall appearance—all of which must be unique and impressive, conveying the idea of an exclusive ‘art of living,’” he adds.

Potential buyers from different European countries typically flock to different regions. For instance, German buyers are traditionally more interested in destinations within an “easy reach” (essentially the Adriatic coast and the lakes in the north), but have now extended their outlook and moved towards Tuscany and Apulia. French clients concentrate in the area between Liguria, Tuscany and Rome. Russians, who seemed in the past not to have any interest outside of Sardinia, are gradually showing an interest in Rome, Tuscany and the Amalfi Coast. British clients, who have by now created a true English community in Chianti, have considerably increased their demand for luxury homes in Italy; most of them still prefer the Tuscan hills, though some of them have also moved to Venice and Rome. And lastly, the Conero and Salento regions are the new areas gradually becoming popular among homebuyers.



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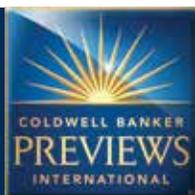
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Our achievements include:

- **Coldwell Banker** agents participated in more than 16,400 transaction sides of homes priced at \$1 million or more in 2012.
- On average, Coldwell Banker handles \$86.1 million in luxury home sales every day.*
- The average sale price for a Coldwell Banker home is \$1.93 million.
- 155 Agents & Teams listed among "The Thousand."

Significant Sales			
City	State	Price	Represented by
Beverly Hills	CA	\$53,000,000**	Stacy Gottula and Joyce Rey
Aspen	CO	\$41,000,000	Brian Hazen
Malibu	CA	\$41,000,000	Christopher Cortazzo and Jan Horn
Beverly Hills	CA	\$31,000,000**	Bobby Syed
Miami Beach	FL	\$30,000,000	Jill Eber and Jill Hertzberg
Woody Creek	CO	\$27,000,000	Chris Souki
Beverly Hills	CA	\$24,000,000	Connie Blankenship and Michelle Oliver
Beverly Hills	CA	\$23,000,000	Linda May
Westport	CT	\$19,000,000	Darlene Letersky
Pacific Palisades	CA	\$17,500,000	Ginger Glass
Golden Beach	FL	\$17,250,000	Jill Eber and Jill Hertzberg
Newport Beach	CA	\$16,500,000	Georgina Jacobson and Tim Smith
Winnetka	IL	\$12,250,000	Julie Deutsch and Maureen Mohling
Kalua	HI	\$12,000,000	Anne Oliver

*Data based on closed and recorded transaction sides of homes sold for \$1 million or more as reported by the U.S. Coldwell Banker franchise system for the calendar year 2012. USD\$
**List price (final sales price is confidential).



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