



COLDWELL BANKER PREVIEWS INTERNATIONAL®
LUXURY MARKET REPORT
SPRING 2016



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A comprehensive look
at luxury real estate.

FOREWORD



*MANY OF THE FINDINGS FROM THE
REPORT POINT TO A MORE STABLE PACE
OF GROWTH THIS YEAR*

What is the current state of the high-end residential real estate sector? What's impacting buying trends in major luxury epicenters? The first Luxury Market Report of 2016 offers a big-picture view, city by city and trend by trend:

- America's top cities and ZIP codes for luxury home listings and sales
- Hot markets based on average-list-price to average-sale-price ratio (ALP/ASP)
- Trends in high-end vertical living
- Market activity in Greenwich, New York and London

Many of the findings from the report — like the list of Top 20 U.S. Cities for Luxury Home Listings and Sales — point to a more stable pace of growth this year. Signs of change, for example, are originating from highly heated markets like Miami and San Francisco and emerging luxury hotspots like Austin. A new component to our data this year — average-list-price to average-sale-price ratio (ALP/ASP) — drills more deeply into identifying cities that may be hot sellers or buyers markets. Not surprisingly, tech centers like San Francisco, San Jose and Seattle scored the highest ALP/ASP ratings in the \$1 million+ category, suggesting sellers still have the upper hand in these sought-after cities. In contrast, affluent bedroom community Greenwich recorded less than half of its \$10 million+ sales from 2014, dropping off the list for the first time as it faces an oversupply of single-family luxury homes. Still, the Southwestern Connecticut town scored a high ALP/ASP rating of 92%, indicating that sellers are holding steady to list prices, even if it means a longer time on market.

Across the Atlantic, London is following the trajectory of other great global metropolises, as buyers look beyond the city's prime addresses for more space and value, according to our International Spotlight. Of course, price is not the only motivating factor for high-net-worth individuals.

Views are just the price of admission for the new luxury high-rise buildings catering to the extremely wealthy in New York, Miami and Chicago as well. To compete, developers are becoming more creative with their amenity and lifestyle offerings. (Think sky garages, drone landing pads and pet wellness centers.)

Many of these discoveries reinforce the overall strength of the luxury real estate market. What remains to be seen, however, is whether the market's unprecedented expansion over the last few years is settling down to a more sustainable level of growth. As always, we will continue to keep close watch.

BUDGE HUSKEY

PRESIDENT & CHIEF EXECUTIVE OFFICER
COLDWELL BANKER REAL ESTATE LLC®



PREVIEWS TREND WATCH

VERTICAL TRENDS ON THE RISE IN KEY LUXURY MARKETS

Cranes dot the skylines of nearly every major U.S. city, as developers of luxury high-rise buildings race to meet the voracious demand of ultra-wealthy homebuyers willing to pay tall premiums to live high in the sky. In New York City, 40 skyscraper luxury units sold at prices above \$20 million last year, and one buyer has reportedly committed to buy multiple penthouses at 220 Central Park South for \$200 million. Prices are also hitting new highs in Chicago, with a 65th-floor penthouse selling for \$18.75 million last May. Miami has more than a dozen apartments on the market for more than \$20 million. Los Angeles saw high-rise sales jump 21% in 2015, with a 42nd-floor penthouse selling for \$22.5 million.

DEVELOPERS RACE TO MEET THE DEMAND
IN LUXURY HIGH-RISE BUILDINGS



LOS ANGELES
42ND-FLOOR PENTHOUSE
SOLD \$22.5M



NEW YORK CITY
40 LUXURY UNITS
SOLD \$20M+



CHICAGO
65TH-FLOOR PENTHOUSE
SOLD \$18.75M



MIAMI
12+ APARTMENTS
SOLD \$20M+

Sweeping views are just the price of admission to this rarefied market, so developers compete by offering a slew of amenities and features to make their properties more appealing to billionaires and other well-heeled buyers. Features common among newly built high-rise luxury buildings include those seen in the application of technology to more comfortable living, like fully automated and networked homes, as well as uses of space that reflect lifestyles of potential buyers. Perks also frequently come in the form of spas, athletic facilities, and entertainment, as well as concierge services for residents, from pet sitting to personal shopping. Other extras have more niche appeal, like the first-ever “drone landing pad” at the 25-story Ten50 condo tower in downtown Los Angeles, or elevators that bring cars directly up to private garages adjoining owners’ units.

TAKING PARKING TO ANOTHER LEVEL

The 60-story Porsche Design Tower is scheduled for completion later this year in Sunny Isles Beach, Florida. On the Atlantic Ocean, a short drive north from Miami Beach, just eight of the piston-shaped high-rise’s 132 units remained unsold as of early March, including a four-level, 17,000-square-foot penthouse offered at \$32.5 million.

Aside from the German luxury automaker’s first use of its branding on developer Gil Dezer’s project, the private “sky garages” attached to each unit are another perk helping to attract a reported 22 billionaire

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buyers to Porsche Design Tower. From a street-level entrance, residents drive into one of three elevators for a quick ride up to their own garage. Standard-sized units have storage capacity for up to nine cars at once.

Sky garages are also a big part of the appeal in New York City at 200 Eleventh Avenue, the only building in the city that offers such an amenity. All but one of the 15 units in the 19-story building designed by Selldorf Architects with panoramic Hudson River views are equipped with private garages and elevator service that allow them to step into their cars in the privacy of their unit and to drive out onto 24th Street — a feature that's convenient for celebrity residents like Keith Urban and wife Nicole Kidman.

LIFESTYLE NEEDS DRIVE DEVELOPMENT

Sky garages may seem like an over-the-top building amenity, but they provide a good example of an overall trend in high-rise luxury living: to create spaces that more closely resemble the size and features of traditional single-family homes, which sometimes includes having an attached garage.

"More families, with and without kids, are choosing an urban lifestyle for the quality of life," says David Wolf, development marketing president and senior vice president of the Chicago Region at Coldwell Banker. "Buyers who can afford it want to recreate the sanctuary experience traditionally associated with a home in the suburbs, but instead, they're doing it in a high-rise in the city."

Some of the attributes of living in single-family homes that wealthy buyers are increasingly seeking out in high-rise urban havens are privacy, security, space for entertaining and easy access to recreation and entertainment. They also want technology that enhances the living experience in their homes.

"Technology just continues to get better," says Manhattan Corcoran agent David Dubin. "Most of the newer buildings have the 'brains' of a smart home built into them that allow you to control your shades, light, climate and music, and you can do it from your tablet or iPhone."

Technology is also used to enhance privacy and security with individual elevator service that requires biometric identification to operate.

The urge to entertain is accommodated by developers providing large terraces, as well as catering kitchens where private chefs can prepare meals like those in separate areas of units at Ian Schrager's 160 Leroy Street condominiums in Greenwich Village on the Hudson River.

"Buyers who can afford it want to recreate the sanctuary experience traditionally associated with a home in the suburbs, but instead, they're doing it in a high-rise in the city."

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BUILDINGS FOR FAMILY LIVING

Another feature in high demand from wealthy buyers is an environment that's friendly for children and pets, and developers have been eager to respond. The twin 50-story towers of the Estates at Acqualina in Sunny Isles Beach feature a bowling alley, a movie theater, an ice-skating rink, six pools and a basketball court. The Paramount Worldcenter breaking ground in Miami will offer a ninth-floor recreational deck featuring tennis courts and a soccer field.

New developments from coast to coast usually come equipped with dog runs and other pet-oriented features. The Trump Tower in Chicago has an outdoor dog park on the grounds, and several newer River North and West Loop developments boast indoor dog runs to keep pets and their owners comfortable on cold Chicago mornings. In a warmer climate, the Ritz Carlton Residences in Miami Beach will offer a leash-free dog park, along with a pet spa that will provide health services such as grooming and dental care. In Midtown Manhattan, the MiMa provides dog owners with members-only access to "Dog City," a 1,000-square-foot club devoted to dogs, as well as a dog-bone-shaped pool for canine swimming. Dogs can even indulge in yoga classes and sessions on a treadmill.



HOME IN A HIGH-RISE

With all of the new luxury high-rise developments recently completed and scheduled to hit the market in coming years, competition for sales is likely to intensify, meaning that developers will continue to sweeten their appeal through a growing package of amenities reflecting the needs and preferences of potential buyers. Although investment attractiveness is a big driver of demand from international buyers, high-rises are also places where wealthy families are seeking out a place to call home, which should drive the trend toward providing features that enhance the comfort of the occupants.



LUXURY LISTINGS BY CITY

U.S. CITIES WITH THE HIGHEST NUMBER OF ACTIVE LUXURY HOME LISTINGS¹

The **Coldwell Banker Previews International®** program presents America's top cities for luxury home listings in three distinct price points: \$1,000,000+, \$5,000,000+ and \$10,000,000+.

\$1,000,000+

City	State	Number of Listings
New York	NY	3,662
Miami	FL	1,654
Miami Beach	FL	1,473
Naples	FL	1,146
Park City	UT	1,037
Los Angeles	CA	985
Atlanta	GA	982
Scottsdale	AZ	951
Fort Lauderdale	FL	878
North Miami Beach	FL	810
Chicago	IL	735
Houston	TX	696
Boca Raton	FL	662
Greenwich	CT	535
Honolulu	HI	501
San Diego	CA	471
Austin	TX	460
Sarasota	FL	455
Dallas	TX	420
Santa Barbara	CA	387

\$5,000,000+

City	State	Number of Listings
New York	NY	1,047
Miami Beach	FL	365
Greenwich	CT	168
Aspen	CO	151
Park City	UT	147
Naples	FL	120
Miami	FL	106
Santa Barbara	CA	100
Los Angeles	CA	97
Beverly Hills	CA	92
North Miami Beach	FL	91
Boca Raton	FL	87
Palm Beach	FL	81
Malibu	CA	80
Fort Lauderdale	FL	75
Rancho Santa Fe	CA	59
Scottsdale	AZ	53
Key Biscayne	FL	52
La Jolla	CA	52
Honolulu	HI	49

\$10,000,000+

City	State	Number of Listings
New York	NY	425
Miami Beach	FL	152
Aspen	CO	67
Greenwich	CT	50
Beverly Hills	CA	47
Santa Barbara	CA	43
Los Angeles	CA	41
Malibu	CA	39
Naples	FL	33
Palm Beach	FL	33
Laguna Beach	CA	25
Park City	UT	24
Miami	FL	24
North Miami Beach	FL	22
Honolulu	HI	19
Wellington	FL	19
Boca Raton	FL	18
Key Biscayne	FL	18
Fort Lauderdale	FL	18
West Hollywood	CA	17

¹ As of February 2016



LUXURY SALES BY CITY

U.S. CITIES WITH THE HIGHEST NUMBER OF CLOSED LUXURY HOME SALES¹

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New this year – average-list-price to average-sales-price ratio (ALP/ASP). A high percentage number indicates buyers are paying close to or at list price, suggesting a high-demand market.

high-demand market

\$1,000,000+

City, State	Number of Sales	ALP/ASP
New York, NY	7,445	98
Los Angeles, CA	2,776	97
San Francisco, CA	2,432	107
San Jose, CA	1,437	103
San Diego, CA	1,165	96
Chicago, IL	1,149	95
Atlanta, GA	1,140	94
Naples, FL	1,135	93
Houston, TX	1,035	96
Miami, FL	1,007	92
Seattle, WA	979	99
Washington, DC	925	97
Dallas, TX	848	96
Fort Lauderdale, FL	789	90
Santa Barbara, CA	744	95
Austin, TX	694	95
Newport Beach, CA	678	95
Miami Beach, FL	650	92
Scottsdale, AZ	631	93
Boston, MA	620	97

↑ MARKETS TO WATCH

These markets fell outside of the top 20, but are on the rise.

\$1,000,000+

San Mateo, CA
Denver, CO
Pasadena, CA

\$5,000,000+

Boston, MA
Redwood City, CA
Dallas, TX

\$10,000,000+

Hobe Sound, FL
Boston, MA
Dana Point, CA

\$5,000,000+

City, State	Number of Sales	ALP/ASP
New York, NY	929	96
Beverly Hills, CA	113	92
Los Angeles, CA	111	90
Miami Beach, FL	95	91
Naples, FL	87	92
Aspen, CO	86	88
San Francisco, CA	66	98
Santa Barbara, CA	65	91
Greenwich, CT	52	94
Pacific Palisades, CA	46	96
Malibu, CA	45	91
Palm Beach, FL	43	89
Miami, FL	43	89
Newport Beach, CA	43	92
Atherton, CA	40	96
Burlingame, CA	39	97
Newport Coast, CA	33	88
Boca Raton, FL	33	88
Los Altos, CA	31	98
La Jolla, CA	28	90

\$10,000,000+

City, State	Number of Sales	ALP/ASP
New York, NY	211	95
Beverly Hills, CA	38	89
Los Angeles, CA	32	85
Aspen, CO	32	84
Miami Beach, FL	25	90
Santa Barbara, CA	21	89
Malibu, CA	16	89
Naples, FL	16	89
Atherton, CA	15	94
Palm Beach, FL	13	87
Miami, FL	13	87
Newport Coast, CA	11	83
San Francisco, CA	11	92
Laguna Beach, CA	10	90
Pacific Palisades, CA	10	95
La Jolla, CA	8	88
Delray Beach, FL	7	90
Vail, CO	7	87
Wellington, FL	7	76
Lake Worth, FL	6	89

¹ January 1 - December 31, 2015



LUXURY LISTINGS BY ZIP CODE

U.S. ZIP CODES WITH THE HIGHEST NUMBER OF ACTIVE LUXURY HOME LISTINGS¹

The **Coldwell Banker Previews International®** program presents America's top ZIP codes for luxury home listings in three distinct price points: \$1,000,000+, \$5,000,000+ and \$10,000,000+.

\$1,000,000+

ZIP Code	City	State	Number of Listings
33160	North Miami Beach	FL	810
84060	Park City	UT	645
33139	Miami Beach	FL	575
84098	Park City	UT	390
33140	Miami Beach	FL	370
85253	Paradise Valley	AZ	361
10022	New York	NY	341
85255	Scottsdale	AZ	329
10019	New York	NY	327
92253	La Quinta	CA	295
85262	Scottsdale	AZ	294
81611	Aspen	CO	281
30327	Atlanta	GA	279
34102	Naples	FL	270
06831	Greenwich	CT	268
06830	Greenwich	CT	267
96761	Lahaina	HI	258
92037	La Jolla	CA	253
06840	New Canaan	CT	243
33154	Miami Beach	FL	239

\$5,000,000+

ZIP Code	City	State	Number of Listings
81611	Aspen	CO	151
33139	Miami Beach	FL	148
84060	Park City	UT	124
10019	New York	NY	103
10013	New York	NY	102
06831	Greenwich	CT	96
90210	Beverly Hills	CA	92
33160	North Miami Beach	FL	91
10022	New York	NY	82
33480	Palm Beach	FL	81
90265	Malibu	CA	80
10023	New York	NY	79
33140	Miami Beach	FL	78
93108	Santa Barbara	CA	76
34102	Naples	FL	73
06830	Greenwich	CT	72
10021	New York	NY	67
33154	Miami Beach	FL	65
10011	New York	NY	65
10065	New York	NY	62

\$10,000,000+

ZIP Code	City	State	Number of Listings
33139	Miami Beach	FL	67
81611	Aspen	CO	67
10019	New York	NY	54
90210	Beverly Hills	CA	47
90265	Malibu	CA	39
10022	New York	NY	39
10023	New York	NY	36
33140	Miami Beach	FL	36
10021	New York	NY	35
33480	Palm Beach	FL	33
06831	Greenwich	CT	31
10013	New York	NY	31
93108	Santa Barbara	CA	30
34102	Naples	FL	26
10065	New York	NY	26
92651	Laguna Beach	CA	25
10014	New York	NY	24
33109	Miami Beach	FL	23
33160	North Miami Beach	FL	22
10011	New York	NY	22

¹ As of February 2016



LUXURY SALES BY ZIP CODE

U.S. ZIP CODES WITH THE HIGHEST NUMBER OF CLOSED LUXURY HOME SALES¹

The **Coldwell Banker Previews International®** program presents America's top ZIP codes for luxury home sales in three distinct price points: \$1,000,000+, \$5,000,000+ and \$10,000,000+.

New this year – average-list-price to average-sales-price ratio (ALP/ASP). A high percentage number indicates buyers are paying close to or at list price, suggesting a high-demand market.

 high-demand market

\$1,000,000+

ZIP Code	City, State	Number of Sales	ALP/ASP
10019	New York, NY	568	97
10011	New York, NY	549	99 
10023	New York, NY	503	98 
92037	La Jolla, CA	452	94
94539	Fremont, CA	426	101 
10022	New York, NY	423	97
10016	New York, NY	397	98 
92660	Newport Beach, CA	382	95
10021	New York, NY	381	97
10065	New York, NY	379	97
10128	New York, NY	376	98 
10024	New York, NY	369	100 
10003	New York, NY	368	98 
90266	Manhattan Beach, CA	363	99 
10025	New York, NY	348	99 
92651	Laguna Beach, CA	345	94
95070	Saratoga, CA	343	102 
94010	Burlingame, CA	320	103 
90274	Palos Verdes Peninsula, CA	320	97
95120	San Jose, CA	320	102 

\$5,000,000+

ZIP Code	City, State	Number of Sales	ALP/ASP
90210	Beverly Hills, CA	113	92
81611	Aspen, CO	86	88
10011	New York, NY	86	99 
10019	New York, NY	84	95
10013	New York, NY	84	97
10065	New York, NY	81	96
10021	New York, NY	78	96
10023	New York, NY	65	96
10024	New York, NY	54	99 
10012	New York, NY	51	95
10014	New York, NY	50	96
34102	Naples, FL	49	92
93108	Santa Barbara, CA	48	92
33139	Miami Beach, FL	46	89
10128	New York, NY	46	97
90272	Pacific Palisades, CA	46	96
90265	Malibu, CA	45	91
33480	Palm Beach, FL	43	89
94027	Atherton, CA	40	96
94010	Burlingame, CA	39	97

\$10,000,000+

ZIP Code	City, State	Number of Sales	ALP/ASP
90210	Beverly Hills, CA	38	89
10019	New York, NY	32	95
81611	Aspen, CO	32	84
10023	New York, NY	24	95
10012	New York, NY	21	95
10011	New York, NY	19	100 
10065	New York, NY	18	93
93108	Santa Barbara, CA	17	91
90265	Malibu, CA	16	89
10021	New York, NY	15	93
94027	Atherton, CA	15	94
34102	Naples, FL	15	90
90077	Los Angeles, CA	13	81
33480	Palm Beach, FL	13	87
92657	Newport Coast, CA	11	83
90049	Los Angeles, CA	11	93
10014	New York, NY	11	97
10003	New York, NY	10	96
10013	New York, NY	10	95
92651	Laguna Beach, CA	10	90

¹ January 1 - December 31, 2015



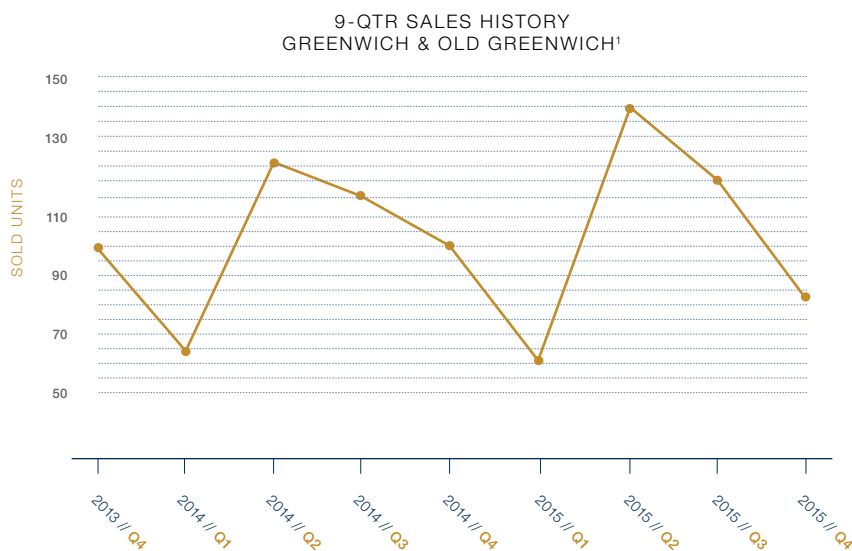
DOMESTIC OVERVIEW: GREENWICH

BLUE-CHIP VALUE IN GREENWICH

With roots dating back to the farms of the first colonial settlers in the 1640s, Greenwich, Connecticut, is one of the oldest towns in America, and nearly four centuries later, with average family income of \$316,000 per year, it's also one of the nation's wealthiest. Prices of homes sold in the southwestern Connecticut town averaged more than \$2.5 million in the final three months of 2015, and many properties routinely change hands for more than \$10 million, especially those with waterfront lots along Long Island Sound and exquisite mansions situated on large pastoral lands north of town.

"Among the wealthy, Greenwich is probably one of the top five most sought-after communities in the country, right up there with Palm Beach or Beverly Hills," says Joseph Valvano, president of Coldwell Banker Residential Brokerage in Connecticut and Westchester County, New York. "It's on the water, the services and schools are highly regarded and affluent people seem to have always wanted to live here."

The good news for homebuyers who want to live in Greenwich is that average prices have cooled off over the past two years, down 18% in the final quarter of 2015 compared to 2014, and down 26% from the last three months of 2013. Keep in mind that a few sales above \$20 million can have a big impact on average selling prices in a market like Greenwich, with prices that can stretch well into eight figures.



¹Data provided by Real Data Strategies, Inc.

POPULAR RETREAT FOR NEW YORK ELITE

Less than one hour by train from Grand Central Terminal, Greenwich has long been popular among New York's elite as a vacation getaway and, eventually, a place to live, a trend that gained traction when the railroad first connected the town with Manhattan in 1848. Luminaries from politics, the arts and

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finance have called Greenwich home over the years, including Tammany Hall's William "Boss" Tweed, who named a nearby island after himself in the 1860s, and Senator Prescott Bush, father and grandfather, respectively, of the 41st and 43rd U.S. presidents. Current U. S. Senator Richard Blumenthal and former Governor Lowell Weicker are both from Greenwich, and actor Mel Gibson once owned a 15,862-square-foot house on 75.7 acres that's currently on the market for \$26 million.

TIGHT TIES WITH FINANCIAL SECTOR

Over the past three decades, Greenwich has developed into a financial hub that rivals lower Manhattan, with many former commuters who traded for Wall Street firms setting up their own hedge funds close to home. With highly paid traders, analysts and support staff, the financial services industry became a primary driver of the luxury real estate market.

"Hedge funds and financial firms have gravitated here, so luxury home sales tend to track the performance of the financial markets and the bonuses that come with good times, and dry up during tough times in the markets," says Valvano, who notes that sales at the very high-end above \$10 million spiked in 2014 when stocks produced double-digit returns. Collapsing commodity markets and lower stock prices in 2015 and early 2016 cooled the feverish buying as big bonuses became more scarce.

"Whenever you're looking at any high-ticket items, consumer confidence comes into play," says Valvano. "When people are confident about their situation, they're going to upgrade and spend money, but if they're not, they stay where they are for a year or two."

GREENWICH HEDGE FUND CLUSTER



POCKETS OF STRENGTH IN COS COB, RIVERSIDE

The Greenwich market is broken down into the four separate communities of Greenwich, Old Greenwich, and the waterfront areas of Cos Cob and Riverside. Buyers are finding value in Cos Cob, where average prices of \$2.1 million are 19% below the \$2.6 million for Greenwich and Old Greenwich, but 46% higher over the past year. Sellers held firm on price, with average selling prices as a percentage of list prices

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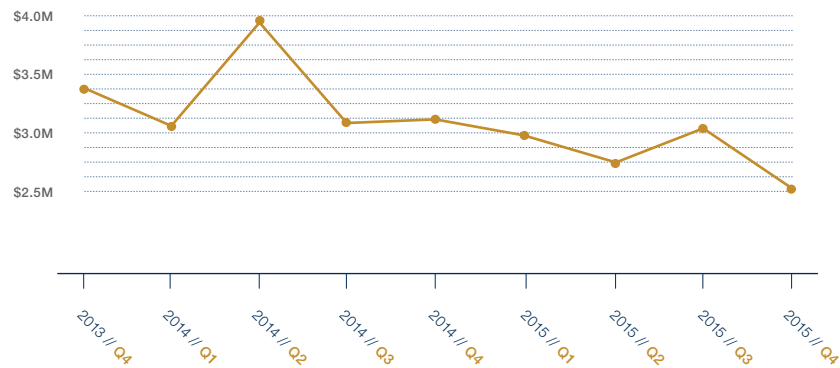
rising from 94.8% to 95.2%. Sales in the \$2 million to \$5 million range have been especially brisk in Riverside, where prices averaged \$2.36 million at the end of 2015.

“The beauty of Greenwich is that we have small, unique neighborhoods within the town,” says Valvano. “In the case of Riverside and Old Greenwich, they have their own train station, but it depends on the feel that you want; others prefer to be closer to neighbors and shops.”

WHAT'S AHEAD FOR THE GREENWICH MARKET?

Greenwich has enjoyed perennial appeal as a place to live for some of America's wealthiest families, from the time when it was a beachside resort with bucolic beauty further inland that lured the city's elite to its present-day status as the hometown of billionaires. A disciplined pace of development keeps a lid on new supply, which is likely to support prices in the Greenwich market, although the demand side of the equation is the big variable. Certainly, the fortune of hedge funds that call Greenwich home will have an impact on high-end sales, so a rebound in stock and commodity markets could make many of today's bargains for buyers only temporary.

9-QTR HISTORY OF AVG. OF SALE PRICES
GREENWICH & OLD GREENWICH¹



¹Data provided by Real Data Strategies, Inc.



DOMESTIC OVERVIEW: NEW YORK

BIG MONEY FOR BEAUTIFUL VIEWS IN MANHATTAN

Strong desire for Central Park views has helped to drive selling prices to stratospheric levels for luxury skyscrapers near the park, like the 85-story 432 Park, and the 90-story One57, where a penthouse unit sold for \$100.47 million two years ago. As prices of Central Park view residences have increased sharply over the past several years, high-end buyers are increasingly attracted to luxury residences with great views of other New York City parks, or other protected views like those of the Hudson and East rivers.

PARKS PIQUE INTEREST OF LUXURY BUYERS

Central Park is, by far, Manhattan's largest, but it's only one of more than 30 protected parks in the borough, many of which are attracting luxury buyers to new developments.

"The parks are vibrant, safe and clean, and they've improved very much from where they were 20 years ago," says Deborah Grubman, an agent at Corcoran in Manhattan, citing the resurgence of green spaces like Bryant Park, situated on 9.6 acres behind the main branch of the New York Public Library along Sixth Avenue between 40th Street and 42nd Street. Tables and chairs under shady trees give the park a Parisian appearance and adjoin a great lawn popular for free movies on summer nights and ice skating in winter. Nearing completion is the first-ever residential condominium built on the park, The Bryant, a 34-story, 57-unit luxury building with asking prices ranging from \$2 million for one-bedroom lower-floor apartments to penthouses priced up to \$17 million.

FROM BLIGHT TO BOOM AT MADISON SQUARE PARK

An even more dramatic transformation has taken place farther downtown in the Flatiron District at Madison Square Park. The 6.2-acre space had suffered from years of neglect before beautification over the past two decades turned the former eyesore into a destination for culture, recreation and food, including chef Danny Meyer's original Shake Shack, which attracts throngs of diners who don't mind waiting in long lines for burgers and fries.

Luxury buyers have also shown a hearty appetite for new and renovated developments along the perimeter of the park, including The Whitman at 21 East 26th Street, where Chelsea Clinton and Jennifer Lopez both purchased in the past year, as well as the 50-floor One Madison on 23rd Street, where Rupert Murdoch paid \$57.5 for a penthouse in 2014.

"We have done a number of transactions in the historic Toy Building on the western edge of Madison Square Park," says Corcoran agent Cathy Franklin. "Closings are just happening now, and most sales have been in the \$4 million to \$8 million range, with a penthouse selling for more than \$30 million."

Just a few blocks away, Gramercy Park has also drawn in elite buyers like Houston Rockets' owner Leslie Alexander, who purchased a \$42 million penthouse at 18 Gramercy Park, originally a hotel but redesigned as a luxury residence in 2012 by Robert A.M. Stern Architects.

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RIVER VIEWS FLOWING WITH LUXURY

Along with parks, wealthy buyers seeking spectacular vistas are also drawn to homes with unobstructed water views. On the Upper East Side, another Stern design at 20 East End Avenue offers sweeping views of the East River and Gracie Mansion in Carl Schurz Park just to the north. “Units have sold in the high teens, and the penthouses are priced from \$27 million to \$35 million,” says Franklin.



New luxury condominiums along the Hudson River on the West Side of Manhattan have been particularly in demand. Last December, a six-bedroom penthouse on the 33rd floor at One Riverside Park between 62nd Street and 63rd Street sold for \$19.6 million. In January, a 3,629-square-foot five-bedroom unit at 150 Charles Street in the West Village sold for \$16.8 million. In Chelsea, celebrity buyers like actress Nicole Kidman and designers Domenico Dolce and Stefano Gabbana have flocked to the sensational views at 200 Eleventh Avenue, just across the West Side Highway from the Hudson River.

BEAUTIFUL VIEWS BRING IN BUYERS

Unobstructed and protected views of parks and rivers are rare commodities in New York real estate, and their limited supply provides properties that have them with the ability to command premium prices.

“The market in Manhattan has changed,” says Grubman. “People looking for a luxury residence used to confine their search to a single neighborhood, but they are more flexible now and willing to go where they can find the best views.”



INTERNATIONAL SPOTLIGHT: LONDON LUXURY

On the surface, London's residential real estate market appears robust, but the upward trajectory in average home prices is more subdued at the highest end of the London market, while price gains and the pace of transactions in the less-costly outer boroughs have been far greater by comparison.

GLOBAL DEMAND REMAINS STRONG

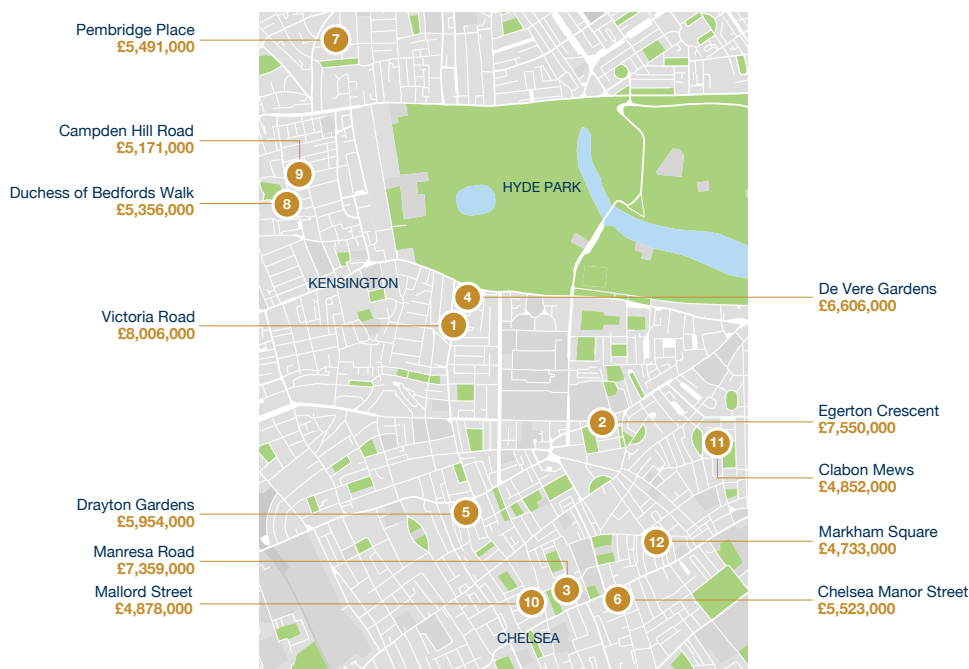
London real estate prices staged a spectacular rebound from the depths of the Great Recession and now stand nearly 50% higher than the January 2008 peak prior to the financial crisis and economic downturn. A limited supply of homes and intense demand fueled the surge.

"There are 3.3 million households in London and a well-documented shortfall in housing supply, and this led to the creation of prime and super-prime (£10 million-plus) areas around the capital, where luxurious and otherwise desirable properties continue to produce record valuations and selling prices," says Stuart White, director of Coldwell Banker U.K.

Like other global metropolises, including New York, San Francisco, Miami and Paris, luxury property prices in London shot skyward due to strong demand from international buyers, most notably those from Russia, China and the Middle East. Each of these constituencies now faces major economic headwinds, as China wrestles with a grinding slowdown, and the Middle East and Russia both suffer from the collapse in oil prices. Would-be buyers from Russia are also encountering more stringent economic sanctions that impede capital flows and make international home purchases more difficult.

LIVING LARGE - LONDON'S MOST EXPENSIVE NEIGHBORHOOD

The borough of Kensington and Chelsea contains 12 of the 20 most expensive streets in London, ranging from £4,733,000 to £8,006,000

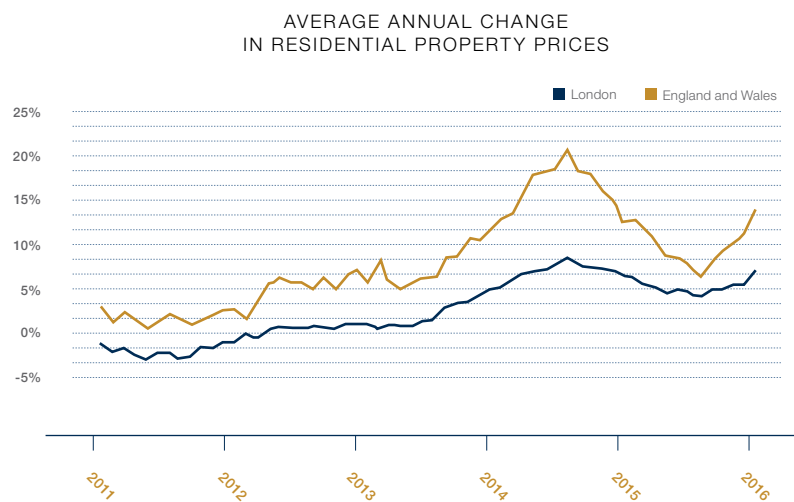


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“London has always been and will continue to be one of the leading locations for luxury property sales and investments,” says White, noting that global economic turbulence only serves to highlight the desirability of owning property in London. “The stability of the United Kingdom from an economic and currency perspective combines well with property laws to make the United Kingdom a safe haven, and the capital city a highly desirable location in which to live and invest.”

SUBURBS HEAT UP, PRIME CENTRAL LONDON COOLS OFF

The United Kingdom’s Land Registry House Price Index for London posted a year-over-year rise of 13.9% in January 2016, nearly double the 7.1% average gain for all of England and Wales, and the highest growth for any region in the United Kingdom. London also maintained its distinction as the United Kingdom’s priciest property market. The average price of homes in London hit a record high of £530,409 (\$750,580) in January, 177% higher than the £191,812 average for all of England and Wales.



¹Data provided by U.K. Land Registry

These gains show vigor in the property market, but it has been the outer boroughs of London that have pulled up the averages, like the westernmost borough of Hillingdon, home to Heathrow Airport, where prices rose 15.5% year-over-year in January to an average of £383,960. The wealthier borough of Lewisham in South East London saw prices rise 15% to an average of £447,291.

Prices rose just at a more moderate 5.7% annual pace in London’s most expensive borough, Kensington and Chelsea, a central location with an average home price of £1.38 million in January. In the City of Westminster, where homes average £1.05 million, annual appreciation of 6.9% was less than half the pace for the overall London market. Camden, Hammersmith and Fulham, and Kensington and Chelsea all posted price gains far below than those in outer boroughs, according to Land Registry data.

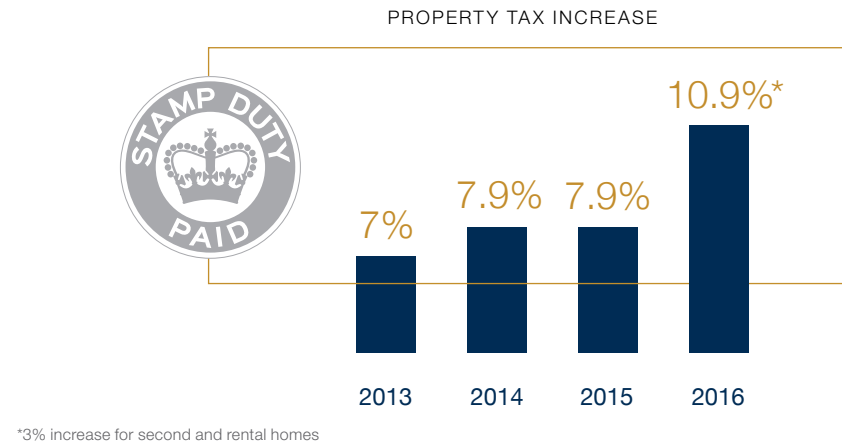
PAYING THE TAX MAN

Another factor contributing to slowing sales at the top end of the market was a December 2014 change in how the stamp duty on real estate transactions is calculated, resulting in a higher tax for properties selling for above £937,500. At the highest bracket of selling prices, the stamp duty rose from an effective rate

CONTINUED

of 7% to 7.9%, an increase of £18,750 on a £2.1 million transaction. Higher transaction costs prompted buyers to expect sellers to lower their asking prices accordingly, while would-be sellers in move-up situations had been reluctant to sell because of the higher duty they would have to pay on their next purchase.

"Momentum is returning to the market as price changes have been absorbed and the standoff between buyers and sellers seems to be resolved," says White. "Buyers and sellers became tired of the inaction, so asking prices reached a more realistic level, and buyers accepted those valuations."



LOOKING AHEAD AT THE LONDON LUXURY MARKET

An increase in the pace of sales during the last two months of 2015, along with many properties for sale featuring "stamp duty paid" signs, confirms that buyers and sellers may have begun coming to terms with the higher duties on home purchases. This will likely spur transaction volume and allow prices to reflect underlying supply and demand dynamics, which remain highly conducive to appreciation.

One factor that could boost sales in the first quarter of 2016 is an additional 3% surcharge levied on rental properties and second homes that takes effect in April. Buyers may rush to close on their purchases before the tax makes them more expensive.

The global economy is another factor that will continue to exert a strong influence on high-end London real estate. If oil prices rise and China's economy shows new spark, London's luxury property market stands to benefit. In addition, the lifting of sanctions on Iran may open the floodgates for wealthy Iranians looking to invest in London real estate, both in the city center as well as in the booming suburbs.



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25,171

TRANSACTION SIDES OF \$1
MILLION-PLUS HOMES

\$133.5

MILLION

IN LUXURY SALES EACH DAY

\$1.94

MILLION

AVERAGE SALES PRICE IN 2015

\$8.8

BILLION

TOTAL IN SALES VOLUME

200+

COUNTRIES

WEBSITE REPRESENTED VISITORS

COLDWELL BANKER NETWORK HANDLED MORE THAN

25,171 TRANSACTION SIDES OF \$1 MILLION-PLUS

HOMES EQUATING TO **\$133.5 MILLION** IN LUXURY

SALES EACH DAY. THE AVERAGE SALES PRICE IN 2015

IN THIS CATEGORY WAS **\$1.94 MILLION**.

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¹Data 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 2015. USD\$;

²REAL Trends/The Wall Street Journal – June 2015.



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