



CHRISTIE'S INTERNATIONAL
REAL ESTATE & CHESTNUT PARK:
GLOBAL PARTNERS



OUR GLOBAL PARTNER

OUR EXCLUSIVE AFFILIATION

Chestnut Park's position as a luxury leader locally has attracted attention and garnered respect globally. Our affiliation with Christie's International Real Estate is an exclusive relationship afforded to our agents and their clients, allowing them access to international reach through the premium marketing programs of this global luxury leader. With Christie's elite global presence and reach, Chestnut Park properties are marketed to discerning buyers through a vast sales network that reaches around the world. Our exclusive connection to this long established luxury brand gives Chestnut Park a crucial competitive edge in today's high end marketplace.

GLOBAL BRAND RECOGNITION

The influential Christie's name evokes confidence and assures clients of impeccable service, integrity and discretion. Dedicated specifically to the marketing of luxury properties, Christie's International comprises of brokers who demonstrate consistent success in luxury home sales and excellence in customer service.

GLOBAL MARKETING REACH

By being featured on the Christie's International Real Estate website, the numerous international syndicated websites and their magazine is a way to present our finest properties to the world. This magazine is a complete collection of the world's most unique and luxurious properties.

2015 AFFILIATE OF THE YEAR

In 2016, Chestnut Park was awarded the prestigious large market Affiliate of the Year Award from Christie's International Real Estate, selected from the total breadth of 138 Christie's International Real Estate affiliates throughout 46 countries.

This award recognizes our excellence in marketing luxury residential properties as well as the contribution Chestnut Park has made to the Christie's International Real Estate network globally. Among the criteria are market leadership, passion to succeed in the international marketplace and utilizing the Christie's International Real Estate brand within our own branding and marketing.

“Our association with Christie's differentiates Chestnut Park in the Ontario luxury real estate market place. Chestnut Park clients are drawn to the global platform we are able to provide through our relationship with Christie's. The International Referral Network afforded to us with our exclusive connection to this long established luxury brand and access to the best real estate agents in the world gives us a crucial competitive edge in today's luxury marketplace.”

—CHRIS KAPCHES
CHIEF EXECUTIVE OFFICER AND PRESIDENT
CHESTNUT PARK REAL ESTATE

List Local. Market Global.



CHRISTIE'S
INTERNATIONAL REAL ESTATE

CHESTNUTPARK.COM

CHESTNUT PARK REAL ESTATE LIMITED, BROKERAGE



EXTRAORDINARY ART. EXCLUSIVE HOMES.

WHY CHRISTIE'S?

No other luxury real estate business shares common ownership with a fine art auction house. Christie's International Real Estate has the unique ability to extend to buyers and sellers of real estate the expert service that Christie's art clients have trusted for centuries. Through this powerful connection, we open the door to an extraordinary global audience of high-net-worth individuals.

Supported by Christie's art auction house, Christie's International Real Estate is a global network offering exclusive home and luxury real estate services to buyers and sellers worldwide. The Christie's brand is instantly recognizable to clients and distinguishes your property from others. They focus exclusively on luxury residential real estate and understand how to reach and serve a discerning clientele. Along with this expertise, they offer you the tailored, trusted service that their clients have depended on for 250 years, collaboration with their auction house colleagues, and referrals from their network of the world's top real estate brokers.

AT A GLANCE: CHRISTIE'S INTERNATIONAL REAL ESTATE

- An invitation-only real estate network composed of the leading luxury real estate brokerages in their local markets
- Specializing in luxury properties valued at US \$1 million and above
- Network achieved US \$500 billion in sales over the last 5 years
- Corporate offices in New York, London, Hong Kong, Los Angeles, Palm Beach, and Moscow

Christie's International Real Estate built its reputation on the rigorous selection of local brokerages. Their affiliates are selected for their success in luxury property sales and their ability to meet strict standards of excellence. When awarded Affiliate Status, they gain access to Christie's marketing programs, a worldwide network of 136 affiliates and more than 32,000 agents in 45 countries, and the expertise of the Christie's International Real Estate regional management teams.

2017 SALES HIGHLIGHTS

Girasol Estate

US \$67 million
Saint Barthelemy
Sibarth Real Estate

Elaise Gardens

AU \$71 million
Point Piper, Australia
Ken Jacobs

Triplex Penthouse in Golden Square

US \$61 million
Monte Carlo, Monaco
Hammer Draft Great Properties

CHRISTIE'S AUCTION HOUSE

- Founded in 1766 by James Christie
- Approximately 350 sales annually in 80 categories
- Achieved global art sales of £4.5 billion (US\$5.4 billion) in 2017
- The first international fine art auction house to operate independently in mainland China, now with offices opened in Shanghai and Beijing

by the NUMBERS

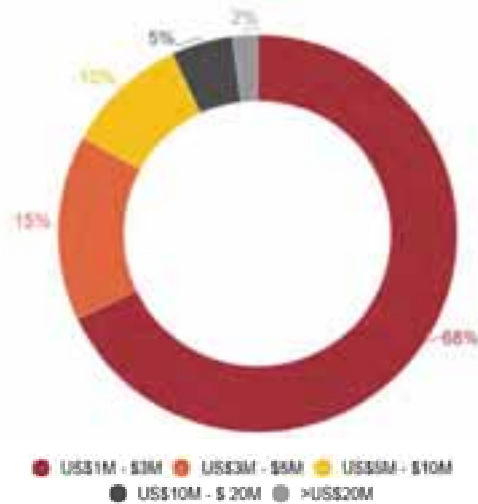
CURATED NETWORK OF REAL ESTATE SPECIALISTS REPRESENTING

~14,000
*Number of Luxury
Properties Worldwide*

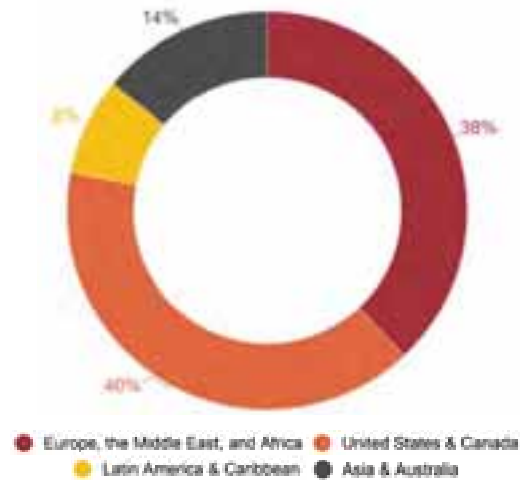
US\$56B
*Value of Luxury
Properties Worldwide*

US\$500B
*Real Estate Sales Over
the Last Five Years*

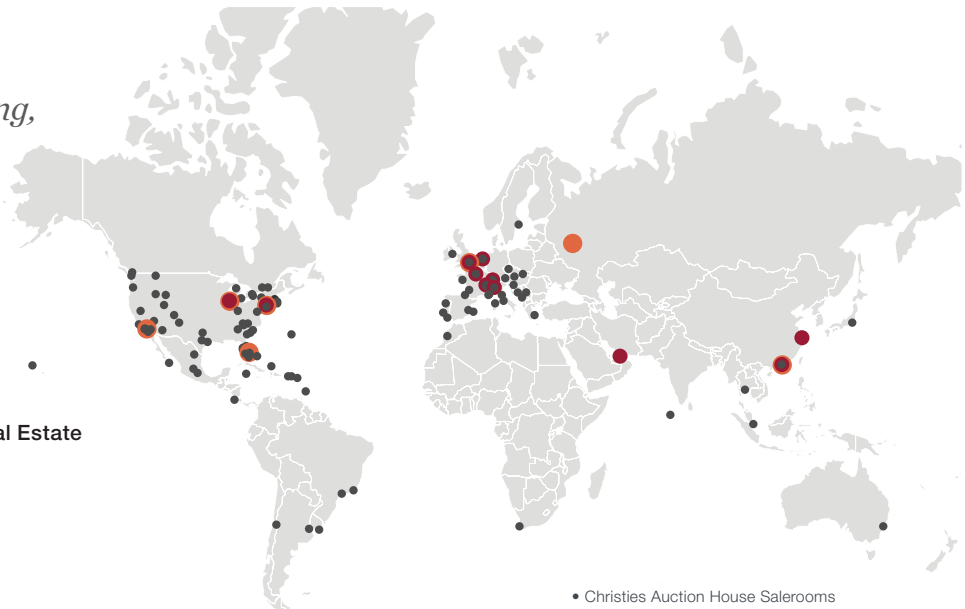
Properties by price (number of properties)



Properties by region (value of properties)



*Corporate offices
in New York,
London, Hong Kong,
Los Angeles,
Chicago,
Palm Beach,
& Moscow*



Christie's International Real Estate

940 offices
49 countries

Christie's Auction House

10 salerooms
46 countries

All data as of September 30, 2018

- Christie's Auction House Salerooms
- Christie's International Real Estate Office Locations
- Christie's International Real Estate Affiliate Location

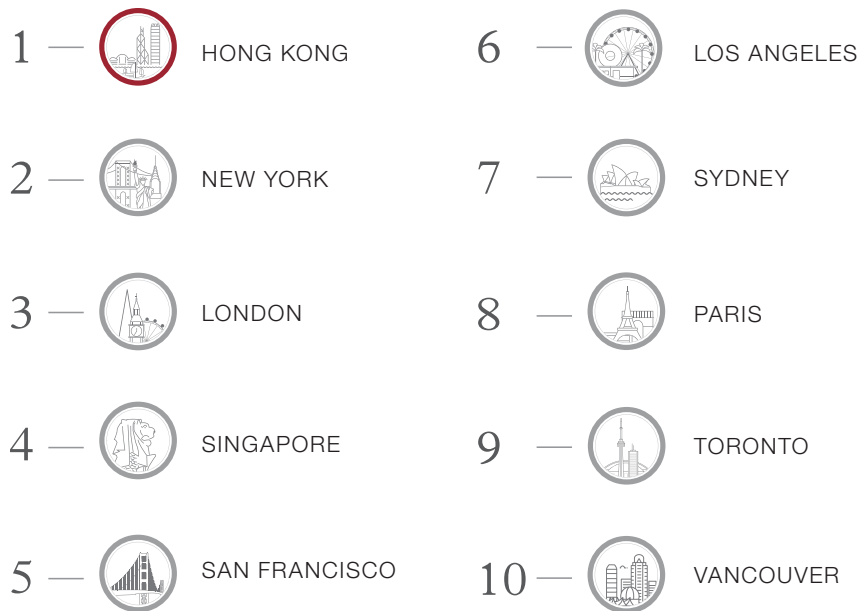


THE WORLD OF LUXURY REAL ESTATE

Luxury Index:

Most Luxurious Global Cities for Prime Property
With two residential sales above \$100 million and the highest price per square foot of any urban area, Hong Kong ranks as the 'most luxurious' major housing market worldwide for the second consecutive year. Five of the top 10 markets recorded year-on-year growth in luxury home sales of ten percent or higher.

Top 10 most luxurious cities for luxury real estate, 2017



Luxury Thermometer:

Hottest Primary Markets

The Canadian city of Victoria, BC, topped this year's list of hottest primary housing markets, with significant year-on-year increases in both luxury sales volumes and prices.

- 1) Victoria, British Columbia
- 2) San Diego, California
- 3) Orange County, California
- 4) Washington, DC
- 5) Paris, France

Top 5 hottest primary markets for luxury real estate, 2017



Luxury Thermometer:

Hottest Second-Home Markets

Showing strong year-on-year performance in million-dollar-plus home sales, the historic city of Santa Fe tops our list of hottest second-home markets, followed by Toronto's 'weekender' market of Muskoka.

- 1) Santa Fe, New Mexico
- 2) Muskoka, Ontario, Canada
- 3) Sarasota, Florida
- 4) Sun Valley, Idaho
- 5) Bahamas

Top 5 hottest second-home resort markets for luxury real estate, 2017



Source: *Luxury Defined 2018*, Christie's International Real Estate. The report covers the period January 1, 2017 through December 31, 2017 and data is presented in US dollars. Although the starting price for a luxury property varies by market, the report defines "luxury real estate" as homes priced at US\$1M and above.

our MARKETING SERVICES



PRINT MEDIA

Advertising and Editorials

Targeted placement in world-leading publications, including *The New York Times*, *The Wall Street Journal*, *Robb Report*, *Country Life*, and *Financial Times*.

Property Brochures

Professionally produced and distributed to Christie's salerooms and Affiliate brokerage offices across the globe.

Christie's International Real Estate Magazine

- Industry-leading quarterly publication with distribution of approximately 45,000
- Available at Christie's salerooms, five-star hotels, departure lounges, private member clubs, exclusive spas and salons, luxury apartments, and Affiliate offices across the world
- Digital version available on christiesrealestate.com and Luxury Defined blog
- 3,000 fully translated Chinese language magazines distributed to high-net-worth individuals in Mainland China, Hong Kong, Thailand, Taiwan, and Singapore

The Luxury Edition

Produced annually, The Luxury Edition is a curated collection of the world's finest properties. Each edition is a tour inside some of the world's most desirable homes through more than 100 pages of stunning photography and fascinating stories.

Luxury Defined White Paper

Powerful annual thought-leadership report on the global prime property market, generating international press and influencer exposure.

DIGITAL MEDIA

christiesrealestate.com

Showcases the world's finest US\$1 million+ property listings, many valued at more than US\$10 million, in 19 languages. Millions of qualified visitors, 60% of whom are non-U.S., are reached annually through sophisticated search engine marketing and inbound marketing campaigns. The site showcases properties through SEO-optimized content, virtual and 3D tours, and high-definition videos.

christies.com

Promotes select global network property listings prominently, driving auction house clients to christiesrealestate.com.

Website Syndication (English and Chinese language)

To high-profile publications, including *Financial Times*, *The New York Times*, *The Wall Street Journal*, *Mansion Global*, *PropGoLuxury*, and *Zaobao*, as well as global Affiliate websites.

Luxury Defined Blog

Editorial-style features highlight select properties from our global network alongside elegant editorial.

Social Media

Engages a global community of followers on Facebook, Twitter, Instagram, LinkedIn, and Pinterest. We have the most Facebook followers of any luxury real estate network and the most engaged Instagram account.

Digital Advertising

Targets investors and luxury lifestyle connoisseurs through the real estate and business sections of premium publications, and on the Google Display Network.

Email Marketing Campaigns

Selectively target our extensive database of opted-in subscribers to our website and luxury lifestyle blog.





THE WALL STREET JOURNAL

A 'Serene' Loft in Manhattan's West Village

May 10, 2018 10:00 a.m. ET

Location: Manhattan, NY Price: \$3,750,000

Restaurateurs transformed raw space into a peaceful retreat, complete with a bonsai maple tree on the terrace. It is now listed for \$3.75 million.



TOWN&COUNTRY

You Can Buy Billy Joel's Fully Furnished Florida Home

It even comes with the Piano Man's own piano.



EVENTS

Promotions that leverage the natural overlay of fine art and luxury real estate, on prominent display at many of Christie's sales and other luxury lifestyle events, reaching high-net-worth individuals, many of whom are discerning potential buyers.

- Events at Christie's major art sales in London, Geneva, Moscow, Dubai, Shanghai, and Hong Kong
- Auction house banners and lobby displays, during important sales and year-round
- Placement in Christie's catalogue advertisements
- Luxury lifestyle events such as the Concours d'Elegance
- Christie's client communications opportunities, such as monthly real estate newsletter, inclusion in Christie's global

client newsletter and Chinese language client newsletter, and dedicated property emails to targeted Christie's clients

- Wine tastings, jewelry appraisals, and fine art sale previews hosted at residences offered for sale

PUBLIC RELATIONS

Press strategies designed to maximize exposure for Affiliates and properties in acclaimed news outlets and drive traffic to listings on christiesrealestate.com.

- Press releases for select high-profile listings for promotion in local and targeted regions and additional press opportunities
- Property features in influential publications and the news media as the subject of editorial features, lifestyle pieces, property roundups, travelogues, and business reports

GLOBAL AUTHORITY IN LUXURY REAL ESTATE

Christie's International Real Estate, wholly owned by Christie's, is the only global real estate company owned by a fine art auction house. We focus exclusively on luxury residential properties. Our unique perspective on the worlds of art and high-end homes, combined with our leading network of real estate brokers, make Christie's International Real Estate the global authority in the marketing and selling of distinctive properties.



CHRISTIE'S 2019 CO-OP ADVERTISING SCHEDULE

	Cost	Publication Date	Submission Date
January			
Financial Times	\$300	26-Jan	14-Jan
New York Times (Sunday Real Estate; NY/Tri-State Region)	\$225	27-Jan	11-Jan
February			
Wall Street Journal (Northeast)	\$200	22-Feb	9-Feb
March			
New York Times (Sunday Real Estate; NY/Tri-State Region)	\$225	10-Mar	25-Feb
Wall Street Journal (Northeast)	\$200	15-Mar	1-Mar
Financial Times	\$300	23-Mar	10-Mar
April			
Wall Street Journal (Northeast)	\$200	26-Apr	12-Apr
Wall Street Journal (Central Region)	\$125	26-Apr	12-Apr
Wall Street Journal (Southeast Region)	\$150	26-Apr	12-Apr
Wall Street Journal (Western Region)	\$150	26-Apr	12-Apr
May			
New York Times (Sunday Real Estate; NY/Tri-State Region)	\$200	12-May	28-Apr
Financial Times	\$300	18-May	4-May
Wall Street Journal (Northeast)	\$200	24-May	8-May
June			
Wall Street Journal (Northeast)	\$200	7-Jun	24-May
Wall Street Journal (Central Region)	\$125	7-Jun	24-May
Wall Street Journal (Southeast Region)	\$150	7-Jun	24-May
Wall Street Journal (Western Region)	\$150	7-Jun	25-May
July			
Financial Times	\$300	13-Jul	1-Jul
Wall Street Journal (Northeast)	\$200	19-Jul	1-Jul
New York Times (Sunday Real Estate; NY/Tri-State Region)	\$225	21-Jul	29-Jun
August			
Wall Street Journal (Northeast)	\$200	23-Aug	9-Aug
Wall Street Journal (Central Region)	\$125	23-Aug	9-Aug
Wall Street Journal (Southeast Region)	\$150	23-Aug	9-Aug
Wall Street Journal (Western Region)	\$150	23-Aug	9-Aug
September			
New York Times (Sunday Real Estate; NY/Tri-State Region)	\$225	8-Sep	25-Aug
Wall Street Journal (Northeast)	\$200	6-Sep	23-Aug
Financial Times	\$300	14-Sep	30-Aug
October			
Wall Street Journal (Northeast)	\$200	4-Oct	20-Sep
Wall Street Journal (Central Region)	\$125	4-Oct	20-Sep
Wall Street Journal (Southeast Region)	\$150	4-Oct	20-Sep
Wall Street Journal (Western Region)	\$150	4-Oct	20-Sep
November			
New York Times (Sunday Real Estate; NY/Tri-State Region)	\$225	3-Nov	20-Oct
Financial Times	\$300	16-Nov	2-Nov
December			
Wall Street Journal (Northeast)	\$200	6-Dec	22-Nov



PHOTOGRAPH BY JEAN PHILIPPE PITER

THE BESPOKE MARKETING PROGRAM

Reserved for trophy estates in the top 10 percent of a market, properties enrolled in the Bespoke Marketing Program benefit from a special range of marketing opportunities that reach Christie's clients and salerooms around the world. With marketing tailored to each property, the Bespoke Marketing Program tells a unique story for each property in a way that is original, effective, and broadly appealing.

THE SIGNATURE PROGRAM

The Signature Program is a world-class marketing showcase for distinctive properties worldwide. Designed to assist with the marketing of highly competitive listings under the Christie's International Real Estate brand, the program offers unparalleled access to a sophisticated international audience of art connoisseurs and high-net-worth individuals. From prominent placement of properties on the Christie's International Real Estate homepage to Affiliate-wide networks blasts to advertisement in Christie's International Real Estate magazine, the Signature Program's exclusive promotions and proprietary services ensure unrivaled global visibility for important real estate.

DEVELOPMENT PROJECT MARKETING

Development Project Marketing is designed to launch and market important resort and urban developments. These programs achieve success in marketing and selling distinctive properties by combining the Christie's global market platform with the deep local connections of our Affiliates. Development Project Marketing services include strategy and planning, branding supervision, marketing programs, and sales. Additionally, in certain cases, strategy and branding are supplemented with art sales and events hosted by Christie's. These elements assure a successful execution and sale.

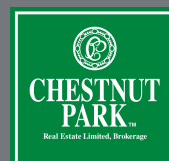




luxurydefined

18

*an insight into the luxury
residential market*



CHRISTIE'S
INTERNATIONAL REAL ESTATE

8

**Toronto
2017**

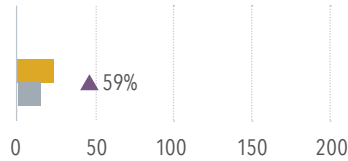
Christie's Luxury
Housing Rankings

▲
#9 in 2016



\$1,156

Average price per square foot for
luxury homes in Toronto, Canada.
US\$, December 2017



- Average days on market for luxury homes, December 31, 2017
- Average days on market for luxury homes, December 31, 2016
- ▲ Annual change in time to sell a luxury home



18%
Annual increase
in luxury sales

Muskoka, Ontario, Canada

Despite record low inventory, Ontario's 'weekender' market of the Muskokas ranks second on the list, buoyed by an influx of 'lifestyle arbitrage' baby boomer buyers from Toronto. "Inventory for the recreational marketplace as a whole has declined by almost 50 percent in two years," says Chris Kapches of Chestnut Park Real Estate. "It is not surprising that declining inventories lead to declining sales, and concomitantly to rising average sale prices. Reduced inventory levels continue to put pressure on buyers, as they are being forced to pay for more desirable recreational properties."

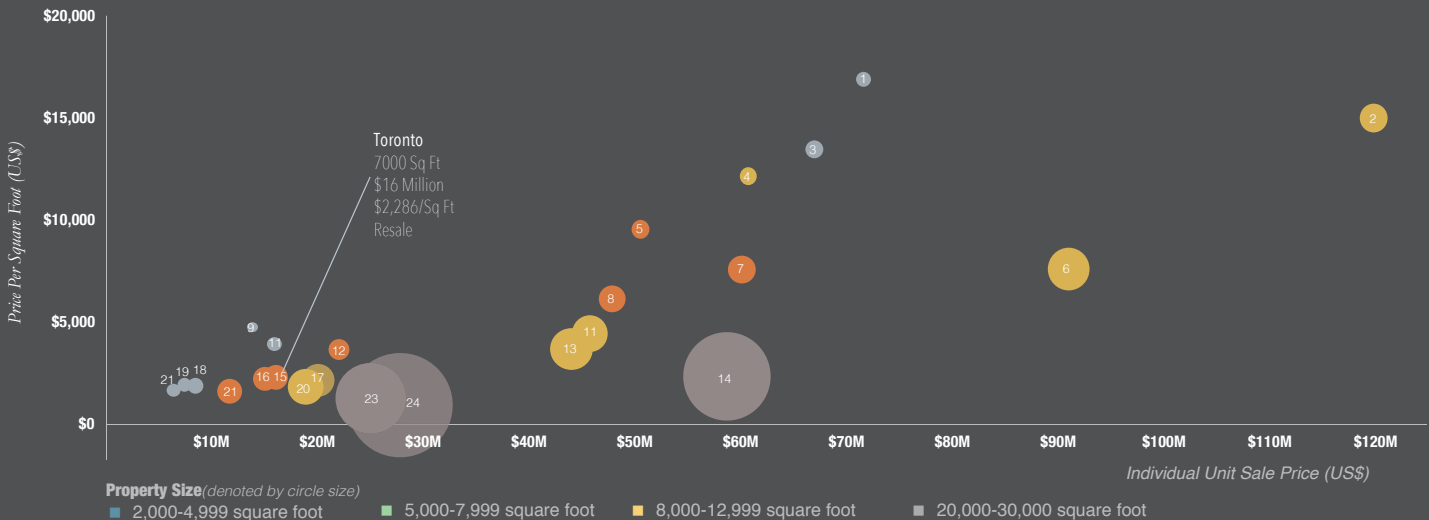
Residential Real Estate Prices



* Only average sales price data available

Record-Breaking and Notable International Penthouses Sales in 2017

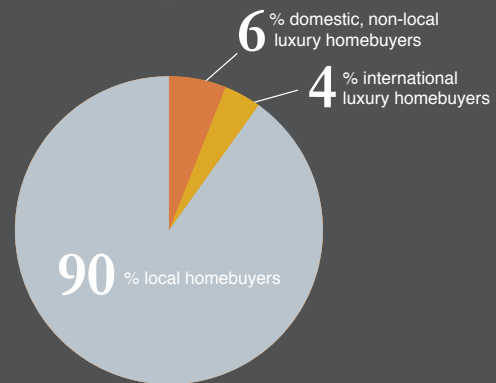
Individual Unit Sales Prices (US\$), Square Foot Sale Prices (center point of the circle), and Property Size in Square Feet (represented by the size of the circle)



The Politicization of Property Ownership

Residential real estate ownership, particularly in the luxury sector, is increasingly treated as a topical political issue in many markets across the globe. Property purchases by ultra-high net-worth residents and affluent foreigners are creating— or perhaps more accurately are perceived by governments and media to be creating— major waves in local urban housing markets. Governments across the globe have seized on this trend, implementing new restrictions and taxes as part of efforts to curb house price speculation, raise much needed funds, and address housing shortage and affordability issues. Additionally, others have proposed legislation that penalizes affluent and foreign buyers to appease populist concerns.

As stories of wealthy international buyers led the headlines in recent years, mor governments introduced measures in 2017—most notably in Ontario, Canada and across Australia. Although transactions slowed in both Toronto and Sydney in 2018, the long-term effects remain unclear as both markets remain relatively stable. One thing remains certain; incread government scrutiny and intervention is here to stay across prime property markets worldwide.



Snapshot of Notable Recently Introduced Taxes and Foreign Buyer Restrictions

Details of Measure	Foreign Buyers	Luxury Buyers	2nd Home Buyers	2nd Home Owners	Year	Location	New or Increase
20% foreign buyers stamp duty; expanded to more areas of BC	●				2018	British Columbia	Increase
5% transfer tax for C\$3M+ homes; expanded to more areas of BC		●			2018	British Columbia	Increase
Tax on "empty homes" (1% of assessed value)				●	2018	Melbourne, Australia	New
Ban on foreigners buying existing homes	●				2018	New Zealand	Proposed
Tax on "empty homes" doubled to 100% of council tax				●	2017	United Kingdom	Increase
Tax on "empty homes" of A\$5,000 annually				●	2017	Australia	Increase
8% foreign buyers stamp duty; 2% foreign buyers annual land tax	●				2017	NSW, Australia	Increase
15% foreign buyers stamp duty	●				2017	Toronto	New
1.5% foreign buyers annual land tax	●				2017	Victoria, Australia	Increase
Tax on "empty homes" (1% of assessed value)				●	2017	Vancouver	New
15% double stamp duty for all purchases		●			2016	Hong Kong	New
4% foreign buyers stamp duty	●				2016	NSW, Australia	New
3% foreign buyers stamp duty	●				2016	QLD, Australia	New
15% foreign buyers stamp duty	●				2016	Vancouver	New
7% foreign buyers stamp duty	●				2016	Victoria, Australia	Increase
3% stamp duty on 2nd home purchases			●		2016	United Kingdom	Increase
Tax on "empty homes" – 20% premium on the annual taxe d'habitation				●	2015	Paris	New
12% stamp duty land tax for £1.5M+ homes		●			2014	United Kingdom	Increase
8.5% stamp duty for HK\$2M+ purchases		●			2013	Hong Kong	Increase
15% foreign buyers stamp duty	●				2013	Singapore	Increase
Transfer fee doubled from 2% to 4%		●			2013	UAE	Increase
7% tax on second home purchases			●		2013	Singapore	New
Special stamp duty of up to 20% for properties resold within 3 years		●			2012	Hong Kong	Increase
15% foreign buyers stamp duty	●				2012	Hong Kong	New
7% stamp duty for £2M+ home sales, 5% for £1-2M home sales		●			2012	United Kingdom	Increase
10% foreign buyers stamp duty	●				2011	Hong Kong	New
10% foreign buyers stamp duty	●				2011	Singapore	New
3% tax on 2nd home purchases (residents) and 3rd+ home purchases (locals)			●		2011	Singapore	New
Special stamp duty of up to 20% for properties resold within 2 years		●			2010	Hong Kong	New

In Toronto, 2017 began in the most frenzied fashion possible. In January, February, March and April, sale prices were increasing in an unsustainable fashion, topping out at 33 percent on a year-on-year basis in March. On April 20th, everything changed. The government announced the Ontario Fair Housing Plan. Amongst other measures, it imposed a 15 percent tax on residential purchases by foreign buyers. Technically this measure should have had an insignificant effect on the market - after all only 4 percent of all homes were purchased by foreigners. But the implementation of the tax acted as a psychological wake up call, causing buyers to stop, look at the amounts they were paying for properties, and wait to see what the impact of the tax would be on sales and sale prices. By May sales of residential properties had declined by more than 20 percent.

Chris Kapches, Chesnut Park Real Estate, Toronto

At a Glance: Luxury Defined

A look at the world of luxury real estate in 2018 reveals a robust marketplace following despite regional pockets of slowing growth. Synthesizing data from more than 80 luxury housing markets, this year's *Luxury Defined* report uncovers the reasons behind

the uptick in sales, strong performance of vacation home markets, and shifting sentiment of affluent home buyers and sellers across the globe.

Luxury Index: Most Luxurious Global Cities for Prime Property

With three residential sales above \$100 million and the highest price per square foot of any urban area, Hong Kong ranks as the 'most luxurious' major housing market worldwide for the second consecutive year.

Top 10 most luxurious cities for luxury real estate, 2017



Luxury Thermometer: Hottest Primary Markets

The Canadian city of Victoria, BC topped this year's list of hottest primary housing markets, with significant year-on-year increases in both luxury sales volumes and prices.

- 1) **Victoria, British Columbia**
- 2) San Diego, California
- 3) Orange County, California
- 4) Washington D.C.
- 5) Paris, France

Top 5 hottest primary markets for luxury real estate, 2017



Luxury Thermometer: Hottest Second Home Markets

Showing strong year-on-year performance in million-dollar-plus home sales, the historic city of Santa Fe tops our list of hottest second home markets, followed by Toronto's 'weekender' market of the Muskokas.

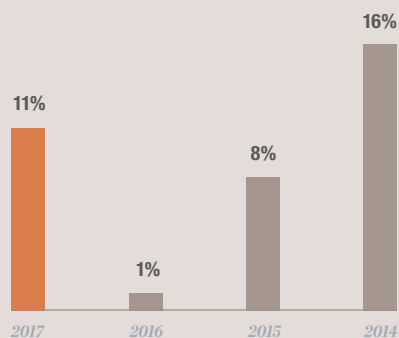
- 1) **Santa Fe, New Mexico**
- 2) Muskokas, Ontario, Canada
- 3) Sarasota, Florida
- 4) Sun Valley, Idaho
- 5) Bahamas

Top 5 hottest second home resort markets for luxury real estate, 2017



Global Luxury Property Sales Growth

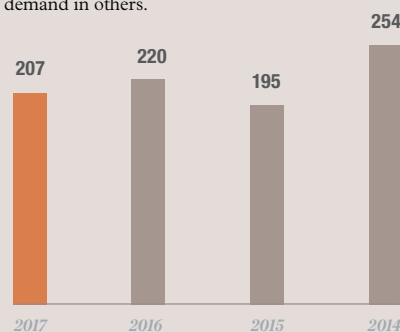
After a year of tepid growth, sales of international luxury homes rebounded in 2017, posting the best annual growth rate in four years.



Annual change in US\$1M+ residential unit sales across international luxury housing markets where sales data was available.

Average Days On Market For Luxury Homes

Million-dollar-plus homes took less time to sell in 2017 than in 2016, indicating more realistic pricing in some markets and higher demand in others.



Average days on market for \$1M+ homes across studied luxury markets worldwide.

Starting Price for Luxury Homes

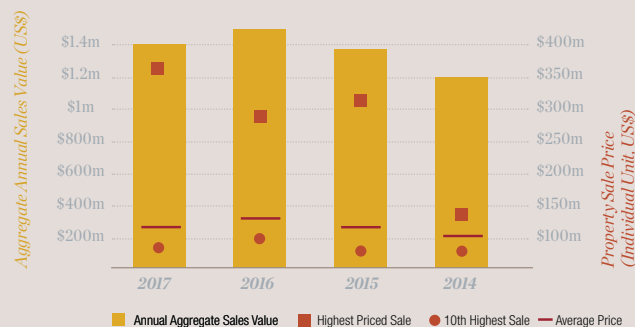
Worldwide, the average starting price of a luxury home differs significantly by region and market type—from under \$1 million in Ottawa, Canada to above \$10 million in Monaco.

Worldwide average	\$2.4M
Monaco	\$10M+
St. Barth's	\$8M+
Zurich	\$5M+
London	\$4M+
Cannes	\$4M+
Telluride, Colorado	\$4M+
Hong Kong	\$3M+
Palm Beach, Florida	\$3M+
Honolulu, Hawaii	\$2M+
Paris	\$2M+
Santiago, Chile	\$2M+
Vancouver	\$2M+
Sao Paolo	\$1M+
Tokyo	\$1M+
Buenos Aires	\$1M+
Lake Annency, France	\$1M+
Algarve, Portugal	\$750M+
Mexico City	\$750K+
Ottawa, Canada	\$750K+
Valencia, Spain	\$750M+

Average starting price for luxury homes, US\$, December 2017

Trophy Home Tracker: Top 10 Sales Worldwide

The world's 10 highest-priced home sales in 2017 were lower in aggregate sales volume than in 2016, even though the year's \$360 million top sale is the most expensive residential transaction on record.



10 highest-priced publicly reported individual residential unit sales worldwide in each year, US\$





Luxury Homes Sell Faster in 2017

Limited luxury housing stock and high demand is evidenced by the decline in the time needed to sell a prime property. With the exception of markets affected by newly introduced cooling measures (Toronto, Vancouver) and markets with an influx of new inventory (New York, Miami), primary markets across the globe witnessed declines in the average time needed to sell a luxury home. The average days on market for luxury homes in primary housing

market was 146 days at year-end 2017, compared to 160 days the year prior.

Second home resort markets also saw a drop in the average time to sell luxury homes. A typical luxury home in vacation and resort markets took 250 days to sell in 2017, down from 305 days in 2016. This trend is exemplified in Bordeaux: “Having held back in the run-up to the recent presidential election, prospective château buyers — especially those with dollars — are now inquiring at a good

lick and sales volumes are beginning to increase,” says Michael Baynes of Maxwell-Baynes.

In Palm Beach, Florida, low inventory and strong demand is causing a decline in days on market. Affluent buyers typically shop for property during the area’s peak December-February season and purchase mid-year, “but this year, they are making decisions earlier because they don’t want to miss out,” says Jim McCann of Premier Estate Properties. “The property they want may be gone.”

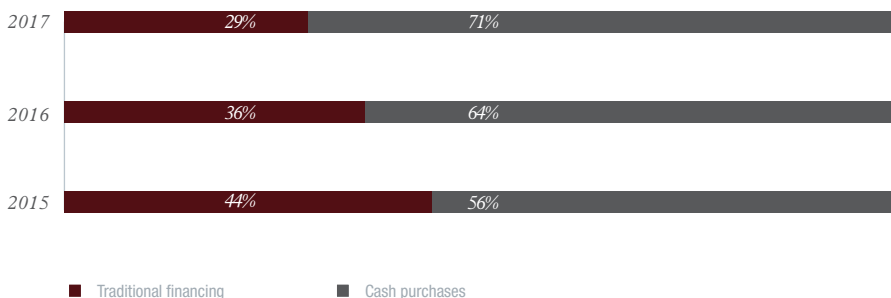
Interestingly, some second-home markets with robust year-on-year sales growth saw increases in the time to sell a luxury property—in Telluride for example, luxury sales increased 38 percent but homes took 430 days to sell compared to 380 in 2016. This anomaly can be attributed to a host of “dinosaur” listings finally selling. As sellers adjusted pricing expectations, once-overpriced homes that had lingered on the market were reduced in price and eventually sold, in turn increasing the overall average days on market.

Cash Buyers Decline—Again

Luxury home purchases with cash or non-traditional financing are not as prevalent as they were just a few years ago. Across our surveyed housing markets, on average only 29 percent of million-dollar-plus homes were purchased with cash in 2017, a notable drop from 36 percent in 2016 and an even more significant decline from the 44 percent reported in 2015. Despite several rate increases in many markets, rates remain at relatively low levels and may be contributing to this trend. “While interest rates continue to rise, the increases are pacing slowly and will not have a huge effect on mortgage payments for luxury home buyers,” says Drew Grossklaus of William Means Real Estate in Charleston, South Carolina.

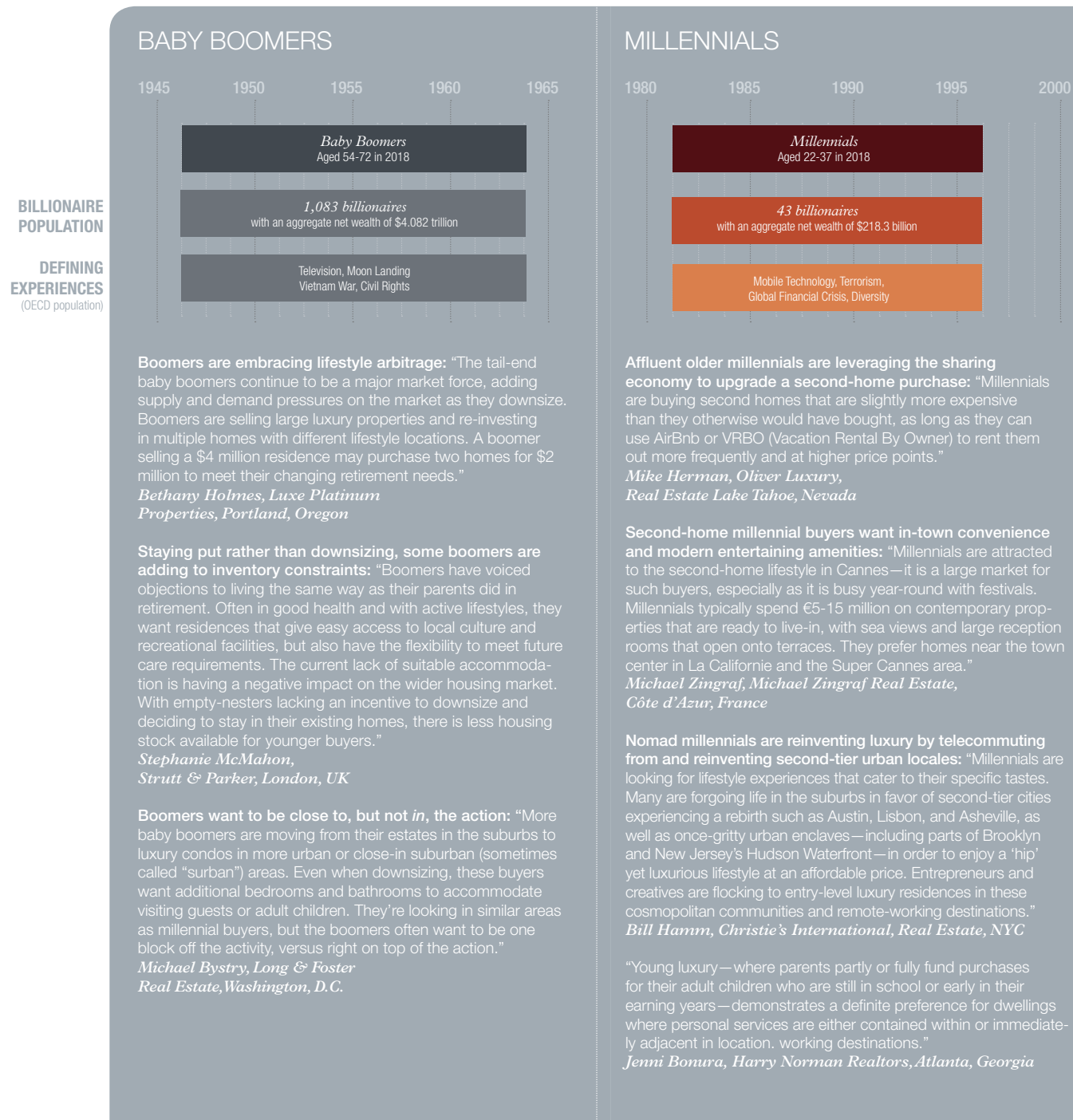
Cash Buyers for Luxury Home Sales on the Decline

Financing of US\$1M+ home sales across studied international luxury housing markets, 2015-2017



Understanding the Luxury Home Buyers Driving Sales

After years of media coverage around millennials not entering the housing market, the affluent cohort of these buyers is finally becoming a major force in the luxury housing market. But these buyers are faced with challenges including low inventory in many markets, and competition for high-end homes with affluent buyers who are downsizing into urban areas. We asked our experts across the world, what are the two largest demographic cohorts of affluent homebuyers looking for and how are their preferences shaping the luxury market?



Snapshot of Notable Recently Introduced Taxes and Foreign Buyer Restrictions

Details of Measure	MEASURES IMPACT				Year	Location	New or Increase
	Foreign Buyers	Luxury Buyers	2nd Home Buyers	2nd Home Owners			
20% foreign buyers stamp duty; expanded to more areas of BC	●				2018	British Columbia	Increase
5% transfer tax for C\$3M+ homes; expanded to more areas of BC		●			2018	British Columbia	Increase
Tax on "empty homes" (1% of assessed value)				●	2018	Melbourne, Australia	New
Ban on foreigners buying existing homes	●				2018	New Zealand	Proposed
Tax on "empty homes" doubled to 100% of council tax				●	2017	United Kingdom	Increase
Tax on "empty homes" of A\$5,000 annually				●	2017	Australia	Increase
8% foreign buyers stamp duty; 2% foreign buyers annual land tax	●				2017	NSW, Australia	Increase
15% foreign buyers stamp duty	●				2017	Toronto	New
1.5% foreign buyers annual land tax	●				2017	Victoria, Australia	Increase
Tax on "empty homes" (1% of assessed value)				●	2017	Vancouver	New
15% double stamp duty for all purchases		●			2016	Hong Kong	New
4% foreign buyers stamp duty	●				2016	NSW, Australia	New
3% foreign buyers stamp duty	●				2016	QLD, Australia	New
15% foreign buyers stamp duty	●				2016	Vancouver	New
7% foreign buyers stamp duty	●				2016	Victoria, Australia	Increase
3% stamp duty on 2nd home purchases			●		2016	United Kingdom	Increase
Tax on "empty homes" — 20% premium on the annual taxe d'habitation				●	2015	Paris	New
12% stamp duty land tax for £1.5M+ homes		●			2014	United Kingdom	Increase
8.5% stamp duty for HK\$2M+ purchases		●			2013	Hong Kong	Increase
15% foreign buyers stamp duty	●				2013	Singapore	Increase
Transfer fee doubled from 2% to 4%		●			2013	UAE	Increase
7% tax on second home purchases			●		2013	Singapore	New
Special stamp duty of up to 20% for properties resold within 3 years		●			2012	Hong Kong	Increase
15% foreign buyers stamp duty	●				2012	Hong Kong	New
7% stamp duty for £2M+ home sales, 5% for £1-2M home sales		●			2012	United Kingdom	Increase
10% foreign buyers stamp duty	●				2011	Hong Kong	New
10% foreign buyers stamp duty	●				2011	Singapore	New
3% tax on 2nd home purchases (residents) and 3rd+ home purchases (locals)			●		2011	Singapore	New
Special stamp duty of up to 20% for properties resold within 2 years		●			2010	Hong Kong	New

Vancouver's luxury market has already slowed since the introduction of various cooling market measures in late 2016 and may continue to do so if additional proposed legislation is introduced in 2018. The proposed foreign buyer ban is not likely to proceed, but we expect to see higher taxes for luxury home buyers and owners.

Faith Wilson, Faith Wilson Group, Vancouver, Canada



As more countries impose similar taxes, those in Singapore and Hong Kong who are interested in buying overseas property have simply factored that into their overall transaction cost. When considering a purchase in Singapore, clients compare it with the cost of a purchase in London, Tokyo, Los Angeles, New York, or Sydney, rather than to the cost of another property in Singapore.

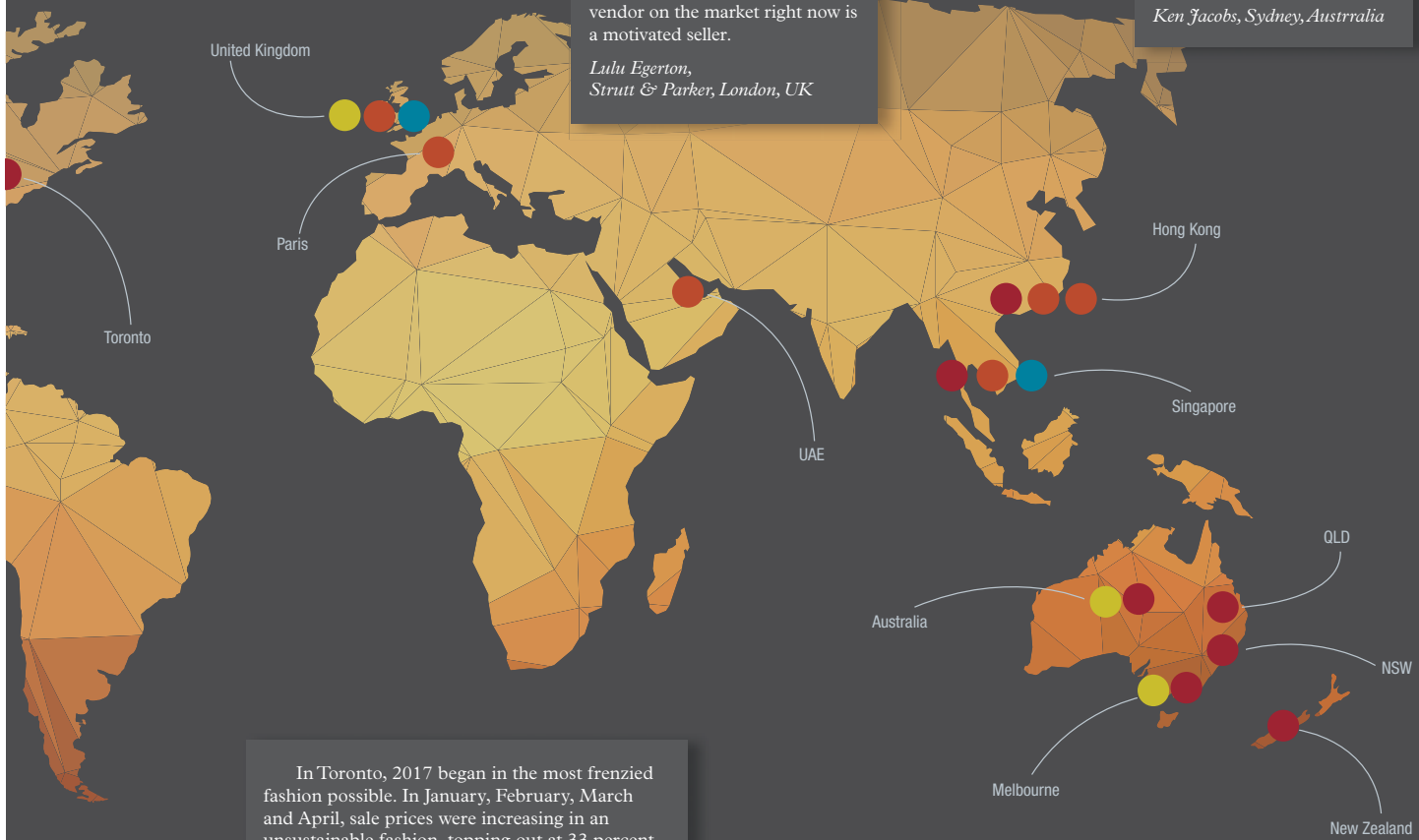
*Dave Loo, Singapore
Christie's International
Real Estate, Singapore*

The uncertainty around the UK's long term prosperity after Brexit and the increased stamp duty land tax resulted in London house prices falling by an average of 15%. It was very difficult for agents to set asking prices and for Vendors to accept the falling market. Added to which, purchasers have been reluctant to commit to property, preferring to wait and see for the general economic picture to become clearer. There is good news as we start 2018. First, luxury properties in the UK are now attractively priced to absorb the stamp duty rise. Second, any vendor on the market right now is a motivated seller.

*Lulu Egerton,
Strutt & Parker, London, UK*

We have seen a change in the number of buyers purchasing from China due to their government tightening on funds being transferred out of the country, as well as the restrictions imposed by the Australian Foreign Investment Review Board. Australia's most expensive home sold in 2017 was a Sydney estate that went to a local Australian buyer for A\$71 million (US\$53.6 million). Had it sold to a foreign buyer, he or she would have had to pay more than A\$10 million (US\$7.52 million) in stamp duty as a result of the increased levies, plus an additional A\$1.9 million in land taxes.

Ken Jacobs, Sydney, Australia



In Toronto, 2017 began in the most frenzied fashion possible. In January, February, March and April, sale prices were increasing in an unsustainable fashion, topping out at 33 percent on a year-on-year basis in March. On April 20th, everything changed. The government announced the Ontario Fair Housing Plan. Amongst other measures, it imposed a 15 percent tax on residential purchases by foreign buyers. Technically this measure should have had an insignificant effect on the market – after all only 4 percent of all homes were purchased by foreigners. But the implementation of the tax acted as a psychological wake up call, causing buyers to stop, look at the amounts they were paying for properties, and wait to see what the impact of the tax would be on sales and sale prices. By May sales of residential properties had declined by more than 20 percent.

*Chris Kapches,
Chestnut Park Real Estate, Toronto, Canada*

- Foreign buyer restrictions and taxes
- Taxes on luxury property buyers
- Taxes on second-home buyers
- Second-home owners

A Comparison of Trophy Asset Prices and Performance

How do luxury home sales compare to other luxury good acquisitions across other collector categories? We ask our Christie's colleagues for their insights on trends in trophy acquisitions in some of the top collecting categories.



\$450m

Top 2017 Fine Art Sale
*Leonardo da Vinci's "Salvator Mundi,"
painted circa 1500*



\$360m

Top 2017 Real Estate Sale
*Pollock's Path Estate
in The Peak, Hong Kong*



\$71m

Top 2017 Jewellery Sale*
*The 59.60-carat CTF Pink
Star Diamond*



\$17.8m

2017 Top Watch Sale*
*"Paul Newman" Rolex
Daytona Ref. 6239*



\$379k

Top 2017 Handbag Sale*
*Hermès White Himalaya
Crocodile Diamond Birkin*



\$262k

Top 2017 Wine Sale*
*12-bottle Case of Domaine de la
Romanée-Conti's Romanee-Conti 1988*

Leonardo da Vinci's *Salvator Mundi*—which sold at Christie's in November 2017 for \$450 million—not only became the most expensive work of art in history, but more than doubled the previous auction record. It was, said Christie's CEO Guillaume Cerutti, “a great moment for Christie's and a great moment for the art market.”

* Highest-priced sale at auction



Baldrige House, Fort Worth, Texas

Relative Values

A global comparison of prime property markets by square foot prices

Just as average and top sales prices reveal a remarkable price variation worldwide, luxury property prices as ranked by prices per square foot not surprisingly reveal similarly vast ranges across our studied luxury property markets.

In the world's primary housing markets, the average price per square foot for luxury sales at the end of 2017 ranged from \$185 in Mexico City to \$4,900 in Hong Kong. The most expensive cities based on square foot prices were Hong Kong, London (\$2,574), and New York (\$2,065). Hong Kong also achieved the highest record square foot price in 2017, with an

eye-popping \$17,000 price per square foot for a prime residence in The Peak.

Across second-home resort markets, the highest prices per square foot for luxury homes were in Monaco, where prime property sales average \$5,027 per square foot. Luxury ski enclave Gstaad and prized Florida destination Naples also command high prices per square foot for luxury homes, averaging \$2,780 and \$2,235 respectively. For second-home buyers looking for the greatest value, Bordeaux vineyards offer significant appeal. Luxury properties in this premier French wine destination average \$314.

Average prices per square foot (ppsf) for luxury homes in select primary housing markets
US\$, Year-end 2017



London

Typical property around the average luxury ppsf (\$2,436)
Prince Edward Mansions is a sought after Victorian mansion block in Notting Hill.
Asking Price: £7.9 million



Miami

Typical property around the average luxury ppsf (\$640)
Showcase Mediterranean villa on historic Espanola Drive minutes to downtown.
Asking Price: \$2.9 million



New York

Typical property around the average luxury ppsf (\$1,544)
Perfectly situated with an incredible and unobstructed Hudson River view.
Asking Price: \$1.2 million



Santiago, Chile

Typical property around the average luxury ppsf (\$390)
Great Mediterranean house in luxury condominium, only a few steps from Colegio Monte Tabor.
Asking Price: \$1 million



Atlanta, Georgia

Typical property around the average luxury ppsf (\$640)
Pristinely maintained, stately brick home, on Moores Mill Road in a lovely neighborhood.
Asking Price: \$2.9 million

Hong Kong \$4,900



New York \$2,574



Rome \$1,571



Paris \$1,362



Toronto \$1,156



Stockholm \$1,086



Vancouver \$958



Zurich \$948



Los Angeles \$914



Miami \$693



Lisbon \$628



San Diego \$572



Buenos Aires \$465



Valencia, Spain \$403



Detroit area \$400



Chicago \$377



Austin, Texas \$369



Houston \$345



Charlotte, North Carolina \$279



Fort Worth, Texas \$265



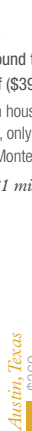
Saddle River, New Jersey \$240



Cape Town \$84



Mexico City \$185



Gstaad, Switzerland \$2,780



Naples, Florida \$2,235



Costa Smeralda, Italy \$1,362



Telluride, Colorado \$775



Juniper Island, Florida \$763



Cannes \$733



Park City, Utah \$646



Florida Keys \$639



Jackson Hole, Wyoming \$624



Palm Beach County, Florida \$616



Sarasota, Florida \$558



Valencia, Spain \$515



Bahamas \$500



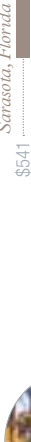
The Hamptons, New York \$500



Charleston, South Carolina \$471



Santa Fe, New Mexico \$450



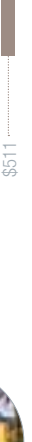
Big Sky, Montana \$432



Los Cabos, Mexico \$405



San Juan, Puerto Rico \$350



Bordeaux Wine Regions \$341



Monaco \$5,027



Monaco

Typical property around the average luxury ppsf (\$5,200)
Elegant apartment located in the prestigious "Parc Saint Roman."
Asking Price: \$13.4 million

Sun Valley, Idaho

Typical property around the average luxury ppsf (\$642)
A French Country Home with a nearby lake and hiking trails.
Asking Price: \$4.5 million

Palm Beach Gardens, Florida

Typical property around the average luxury ppsf (\$483)
A stunning waterfront oasis surrounds this extraordinary, top-of-the-line custom estate.
Asking Price: \$2.9 million

Reno, Nevada

Typical property around the average luxury ppsf (\$540)
A magnificent estate home on Montreux Golf and Country Club.
Asking Price: \$2.9 million

Paradise Valley, Arizona

Typical property around the average luxury ppsf (\$350)
A beautiful family home with space for outdoor entertaining.
Asking Price: \$1.9 million

Average prices per square foot (ppsf) for luxury homes in select second-home destinations
US\$, December 2017



CHRISTIE'S
INTERNATIONAL REAL ESTATE