

THE STATE OF THE INTERNATIONAL LUXURY REAL ESTATE MARKET

September 2011



A Compendium of Research and Commentary from the World's
Leading Network of Luxury Real Estate Specialists

CHRISTIE'S
INTERNATIONAL REAL ESTATE

Introduction by Neil Palmer, Chief Executive Officer

The luxury real estate market continues to capture the imagination of the buying public and to intrigue journalists worldwide. As the recognized authority in the high-end housing market, we are frequently asked questions such as: How are the international markets performing? Which markets are performing above expectations, and what are the primary drivers?

An even more important question to ask is this: How is inventory selling at specific price levels? At the very top of the market—above US\$10 million in some markets and above US\$5 million in others—these are primarily cash transactions. A largely discretionary buy of a second, third or even tenth home, these purchases are driven by a unique dynamic. Location, lifestyle, and sentiment are equally important as value, and in some cases, even more so.



Properties priced at US\$1–5 million are largely purchased as a primary residence by those still in the workforce. These buyers typically require some financing. Lending remains challenging in many traditional markets with aversion to risk continuing to dominate the headlines. Consequently, this lengthens the amount of time it takes to sell these homes.

There are, however, high-performing geographies in luxury housing. Prime markets in Asia, Brazil, Switzerland, Canada, France, and central London continue to see robust demand with adequate funding availability. If there is a challenge in these markets, it is a lack of quality housing inventory.

The 129 brokerages in the Christie's International Real Estate network were asked to complete a survey on the State of the Luxury Market. Select respondents were then contacted by phone to expand on the survey findings. This report captures the collective wisdom, experiences, and insights of the leaders of our network, the Affiliate Principals and management of Christie's International Real Estate. The luxury real estate specialists you will hear from in this report are the most qualified leaders in their local high-end market as well as recognized authorities on the world stage.

Overview

This is a truism of real estate: There is no such thing as a good market or a bad market, only *the* market. Sellers worldwide are adapting to the new reality in luxury housing and slowly accepting that their residence is not going to command the same price that it might have in 2007. As a result, market activity is up, and optimism is slowly increasing among buyers, though the recent volatility in global economies has tempered slightly the enthusiasm initially reported in the first half of the year.

SOUND BITE: FLORIDA

At least one home valued at US\$1 million or above has sold every 24 hours for the past 130 days.

*- Ronald Shuffield,
President, Esslinger-Wooten-
Maxwell Realtors, Miami,*

A majority of the network—62.5 percent—report that sellers are still unrealistic about pricing, but considerably less so than in 2010. Cash is the most popular means of payment in the high end. In the small percentage of luxury deals that do not close, the primary reason cited was market volatility. This not only negatively impacts perception of personal net worth but also overall confidence in the market.

Real estate portfolios of ultra-high-net-worth individuals include multiple residences, which is not surprising. Of late, however, they seem more inclined to downsize and simplify. “They can easily afford to still carry multiple properties,” says Francisco Prospero dos Santos of IN’S Brazil Luxury Real Estate. “There is an emerging conservative attitude. Increasingly the very wealthy seem to be asking themselves, ‘Do I really need all this?’”

Confidentiality and discretion are more important now than in the past. The typical age of the international luxury buyer is between 55 and 60, but is skewing younger.

The Global Luxury Landscape

All told, 67.5 percent of respondents to the Christie’s International Real Estate State of the Market Survey reported an increase in buyer activity for the first eight months of 2011, as compared to the same period last year. The largest upticks were reported in international “glamour” destinations worldwide, such as London, New York, Beverly Hills, Hong Kong, and Paris. The French capital was a top performer in Europe, with values for prime real estate climbing more than 22 percent. “The high-end residential market in Paris is a scarcity market,” says Charles-Marie Jottras of Daniel Féau Conseil Immobilier, “with overseas buyers competing for limited supply. Above US\$5 million, the property market is dominated by the international clientele. For both French and global buyers, luxury residential real estate appears to be the best way to protect financial assets.”

SOUND BITE: BEVERLY HILLS

The network’s top sale was the US\$85 million purchase of the Spelling Mansion by 22-year-old Petra Ecclestone from the U.K. Hilton & Hyland Real Estate represented both the buy and sell side in the transaction. “Buyers are coming here from all over the world to pay top dollar for a place they might use two or three weeks out of the year,” says Jeffrey Hyland. Hilton & Hyland sold 11 of the area’s 22 homes priced at US\$10 million and above last year.

One surprise is the continuing strong recovery of Florida. At the end of May, Brown Harris Stevens of Palm Beach listed the US\$59 million La Casa Sin Nombre, the former estate of John Kluge, once the world’s richest man. Despite going into the “slow season,” the property has been shown to four highly-qualified potential buyers with three more lined up, waiting for storm shutters from Hurricane Irene to come down and the clients to arrive back in town from their other vacation homes. Brown Harris Stevens of Palm Beach also has experienced a flurry of activity, including offers—and contracts—on houses that have been on the market for years.

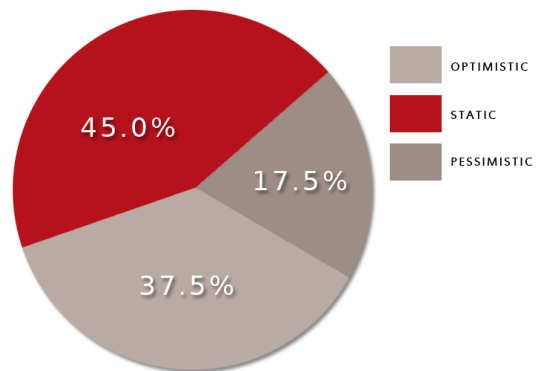
“Our market is edging close to normalcy,” says Michael Saunders of Michael Saunders & Company in Sarasota, Florida. “Ours was among the first to feel the downturn, the first to take the corrective

measure of lowering prices, and now is among the first to enjoy a sustained recovery. Buyers who arrive today expecting to find a glut of properties to choose from will be shocked to discover a growing shortage of well-priced, well-maintained properties that are in move-in condition.”

Other U.S. markets posted year-over-year gains. “We have seen nearly double the number of US\$2 million and above transactions year-to-date over this period in 2010,” says Melanie Delman of Lila Delman Real Estate in Newport, Rhode Island. “However, sale prices are generally lower, reflecting an adjustment in sellers’ expectations and a positive corresponding response from buyers. There remain numerous opportunities to transact with high-end buyers in a climate of reasonable value for current market conditions.”

In New York City, the residential real estate market remains strong for well-priced properties. “Sales activity is highest where sellers are realistic and responsive to the pressures of the marketplace,” says Hall Willkie of Brown Harris Stevens in Manhattan. “Yet economic uncertainty continues and buyers are very price sensitive. They understandably seek justification for the price they are asked to pay. It is a matter of confidence. I believe New York City residential real estate will continue to appreciate in the long term. The fundamentals of our market—inventory, supply and demand, and very importantly, equity—are solid.”

HOW WOULD YOU CATEGORIZE THE OVERALL MOOD OF BUYERS?



A key second home destination for affluent New Yorkers, Nantucket's real estate market started to stabilize in the fall of 2009. “Typically the island real estate market revives faster than other areas and we are seeing that again,” says Edward Sanford of Great Point Properties in Nantucket, Massachusetts. “Numbers rebounded significantly last year and are holding firm for the first six months of 2011. Ultimately, Nantucket's appeal remains unchecked, even if buyer demand is tempered by the pressing economic issues of a poor economy.”

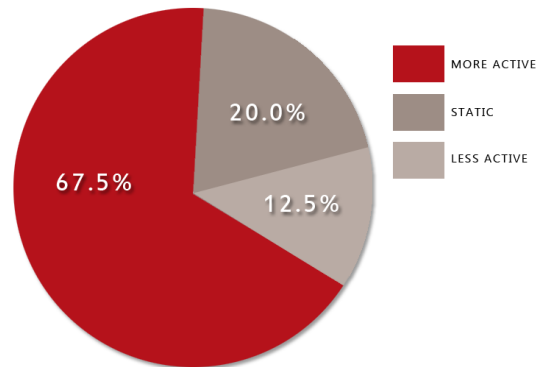
The robust economies of Canada, Brazil, and Switzerland fueled standout results in real estate sales. “Our market is booming,” says Ueli Schnorf of Wetag Consulting in Lugano and Ticino, “but there is no sign of a risk or bubble. CHF per square meter can go as high as 20'000 CHF. Most major European cities see prices twice that.”

A strong economy—fueled by an abundance of natural resources such as gas, oil, and water—combined with the Canada’s conservative fiscal policies, and accessibility to responsible financing, have resulted in sustained and keen interest in the country’s real estate. The country also encourages foreign investment with tax incentives.

“There are no bargains in Montreal,” says Louise Remillard of Profusion Realty. “Our market has been performing steadily, increasing 5 percent every year. Toronto and British Columbia are posting double-digit gains. Our problem until recently has been a lack of inventory.”

In Brazil, a growing middle class, rich natural resources, and no credit crisis—ingredients for success in any global economy—will be further fueled by two upcoming international mega-sporting events: the 2014 Soccer World Cup and the 2016 Olympics. “Credit is still a small percentage of Gross Domestic Product,” says Fredrico Judice Araujo of Judice & Araujo Imóveis in Rio de Janeiro. “There are also no restrictions for foreigners to buy in Brazil, with the exception of large tracts of land. Our buyer activity has increased considerably, and our company’s sales are up 157 percent versus this same time a year ago.”

HOW WOULD YOU DESCRIBE BUYER ACTIVITY IN 2011 AS COMPARED TO 2010?



More than 67 percent of Affiliates said their markets were more active through the first seven months of the year, with many acknowledging that the increases were modest. Only 12.5 percent reported less activity in a year-on-year comparison. The latter were primarily from countries with troubled economies, such as Ireland and Greece. “Price deflation is in excess of 55 percent nationwide and 60 percent in Dublin,” says Marian Finnegan, Chief Economist for the Sherry FitzGerald Group. “This number is far greater than anyone could have forecast at the beginning of the downturn. Overall consumer confidence in the economy at large and the property market in particular remain challenging.”

“Our real estate market is worrying and the situation has been such over the past three years,” says Maurizio Pezzetta of La Commerciale Srl in Rome, Italy. “On a positive note, the enduring passion for real estate is still appreciated.”

World events have impacted consumer confidence and therefore real estate buying in Mexico. “Headlines about the violence in Mexico have cut deeply, with less Americans purchasing homes here,” says Alexis Burwell of La Punta Realty, where Lady Gaga recently vacationed. “It is a well-documented fact that the violence is contained to only a handful of districts in Mexico and they are located far from us. Interesting, now, is the jump in purchases by Mexicans who appreciate how safe La Punta is. Canadians continue to buy here as well.”

SOUND BITE: SPAIN

Whilst bank funding, property demand, and prices have been decreasing, cash buyers have been taking advantage of their situation to purchase luxury property, trophy assets in certain parts of Spain. It is only a matter of time until the new economic and fiscal policies which are set to be applied by the new government after next November's elections, will start reshaping the strength of our great country.

- José Ribes Bas of Rimontgó in Valencia, Spain

Quality assets in a desirable location will usually sell if they are priced correctly. This is still true even in those economies that are considered challenged.

The Art of the Deal

Cash continues to be king when it comes to purchasing a luxury home according to 87 percent of the Affiliate network. “The higher the price,” says Ron Shuffield of Esslinger-Wooten-Maxwell in Miami, “the larger the percentage of cash in the deal.”

“At the peak of the market in 2007,” says Julie Faupel of Jackson Hole Real Estate Associates in Wyoming, “25 percent of our buyers paid cash and the rest financed their home purchase because financing was so inexpensive. Today, 60–70 percent of our clients are cash buyers and most are from the U.S. Like many international buyers, High-Net-Worth Individuals in the United States are also pulling their money out of the stock markets and investing in real estate as a long-term safe haven.”

When asked whether sellers’ pricing expectations were realistic or unrealistic, 62.5 percent of the Affiliates answered the latter. “Sellers who are realistic about pricing and understand the market we are in generally get their homes sold,” says John Turpin of Turpin Realtors in Far Hills, New Jersey.

When asked about the mood of buyers, 45 percent of the network respondents found it to be the same as it was for the first half of 2010. Of the remaining 55 percent, 37.5 percent reported that buyers were more optimistic the first half of this year. “I honestly don’t know how an international buyer in Florida can’t be optimistic,” says Mr. Shuffield. “Prices are the lowest they’ve been in four years; then, on top of that, they are essentially being awarded an extra 30 percent-off coupon with the currency exchange rate.”

SOUND BITE: SAN FRANCISCO

“With all the IPO activity in social media,” says Mark McLaughlin of Pacific Union International in San Francisco, “I seem to have some clients who can purchase significant real estate but can’t order a drink at a restaurant.”

SOUND BITE: GREECE

“The economic crisis in Greece has captured headlines worldwide,” says Yannis Ploumis of Ploumis Sotiropoulos Real Estate. “Yet luxury real estate is once again selling. Buyers have decided that it is worth the risk to have a beautiful home overlooking the Mediterranean at an unimaginably low price that will be enjoyed much more than a stock certificate sitting in a vault.”

Michael Baynes of Maxwell-Storrie-Baynes in France agrees: “A hectare of Bordeaux Supérieur vineyard trades for around 20,000 Euros. This is as low as we have seen the price of vineyards for over 15 years. A Bordeaux vineyard, and all the stunning lifestyle that comes with it, has never been a better value. Liquidity and demand is discernibly up year on year, and we believe the market has now passed its lowest point.”

Only 17.5 percent of the network reported that buyers were more pessimistic, but most suggested that the term “cautious” would be a better gauge of their mood. “These are the buyers who, 60 days earlier, went into contract because they thought they were getting a good deal,” says Chris Richardson of Richardson Properties in San Luis Obispo, California. “Then the market volatility starts up again and has them wondering if this is the right time to deploy.”

“The majority of the buyers in my market aren’t under pressure to buy,” adds Mr. Turpin. “When there is a hiccup in the economy, they are likely to retreat to the sidelines and wait. I would say our buyers are not only cautious but extremely patient.”

“In reality, the vast majority of consumers will only regain confidence in the Irish property market when they read headlines to suggest that prices are rising,” adds Ms. Finnegan. “By then, of course, they will have missed the mysterious trough of the cycle and the opportunity to buy before the recovery is well underway.”

“We are also coming up on a Presidential election year in the United States,” says Mary Anne Fitch of Maui Estates International. “That usually puts buyers on guard.”

TOP 10 HIGHEST-PRICED SALES FROM THE NETWORK FOR 2011 <i>(list price, unless noted)</i>		
US\$85,000,000 <i>(sale price)</i>	Holmby Hills, California, USA	Hilton & Hyland Real Estate
US\$59,500,000	Atherton, California, USA	Christie’s International Real Estate
US\$55,000,000	Rancho Mirage, California, USA	Hilton & Hyland Real Estate
CHF30,000,000	Lugano, Switzerland	Wetag Consulting
US\$26,000,000	Millbrook, New York, USA	Houlihan Lawrence
US\$25,900,000	Washington, D.C., USA	Long & Foster Real Estate
€19,700,000	Paris, France	Daniel Féau Conseil Immobiliare
US\$25,000,000	Greenwich, Connecticut, USA	David Ogilvy & Associates
US\$22,500,000	Bermuda	Sinclair Realty

The Luxury Buyer

The majority of brokerages, 62 percent, said their top clients own two to four residences worldwide, though the highest number posted in the survey was 12.

When purchasing luxury real estate, value is a driving motivator. “High-net-worth buyers are savvy spenders and, simply put, they see value in international real estate,” says Cesar Herrera of Provaltur International in the Dominican Republic. “It would be almost impossible to re-build and replicate the top estates at the prices being paid to acquire them today.”

While most respondents would agree, Lori Fanning Smith of Pine Acres Realty in Chatham, Massachusetts, offers this example of a transaction where passion and sentiment carried the day. A US\$6.5 million sale closed this summer for asking price and after only two days on the market. “The buyer had been quietly watching and waiting for years for this particular residence to come on the market,” Ms. Smith says. “And when it did, the buyer acted quickly and decisively.”

SOUND BITE: CANADA

Canada is seeing buyers from Hong Kong, China, India, and other parts of Asia. “The strength of the Canadian dollar, however, is causing Americans and Europeans to adapt more of a wait-and-see attitude,” says Justine Deluce, Vice President of Operations, Chestnut Park Real Estate in Toronto.

SOUND BITE: ST. BARTHÉLEMY

“My clients are under no pressure to sell, so inventory on the island is low,” says Christian Wattiau of Sibarth Real Estate. “We have no real estate taxes and a robust holiday market where homes can bring in \$750,000 in annual rental income. That more than covers any maintenance and staff costs.”

“My clients are looking for turnkey,” says Barbara Cleary of Barbara Cleary’s Realty Guild in New Canaan, Connecticut. “They want houses in move-in condition. Renovating is not popular in my market.”

Eighty-two percent of the network reported that discretion and protecting their clients from the media is more important than ever. “You don’t flaunt your success by publicizing high-value purchases when so many are challenged,” says Mr. Hyland, “and when some of those people are your friends.”

Of the remaining 18 percent, respondents indicated that discretion has always been of paramount importance. “It’s long been a part of the culture in Northern California,” says Mark McLaughlin of Pacific Union International in San Francisco, California. “The wealthy have always been quite humble.”

To protect privacy, respondents noted that purchasing through an LLC is increasing in popularity, especially in the larger urban markets.

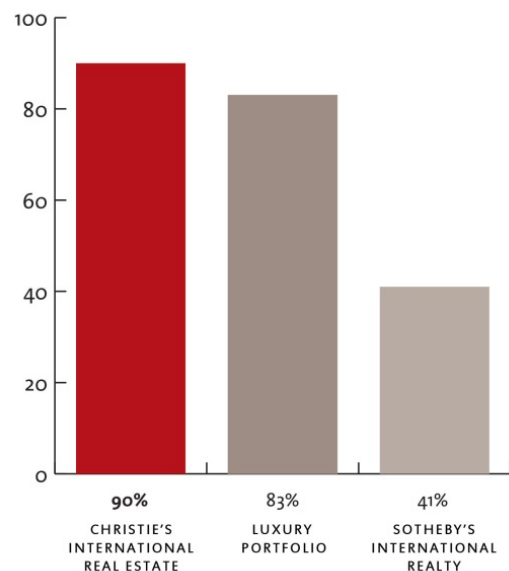
Luxury Real Estate Specialists Worldwide

Spanning more than 40 countries with a combined estimated annual sales volume of US\$100 billion, our network’s focus is on properties valued above US\$1 million. Our Web site, www.christiesrealestate.com, is dedicated to this market segment as well.

Christie’s International Real Estate provides a gallery-quality platform for fine real estate. High-value sellers are assured that their important residences will be displayed alongside only the world’s finest property offerings.

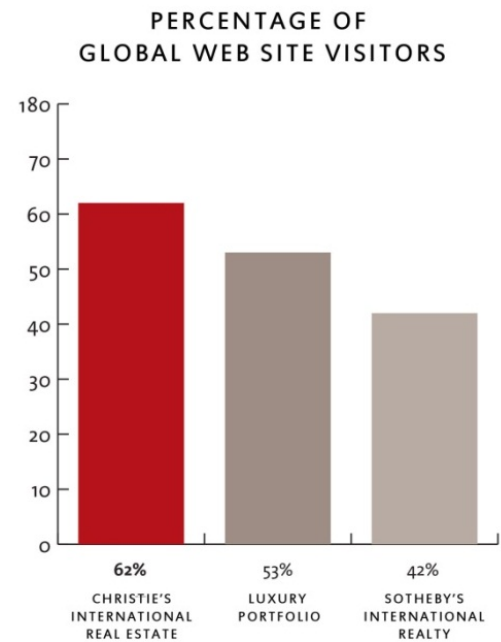
Our Web site also leads the competition in attracting international visitors, an all-important audience when selling high-value residences.

PERCENTAGE OF PROPERTIES PRICED ABOVE US\$1 MILLION



We are the only real estate network wholly owned by a fine art auction house, Christie's, the world's leading art business. Only after a rigorous approval process are brokers admitted to our network and permitted to display the world-renowned Christie's brand. Our Affiliates are carefully chosen for their proven commitment to integrity, command of the local market, expertise in representing top real estate, all while demonstrating the highest standards of client service.

"At the end of the day," says Rick Hilton of Hilton & Hyland Real Estate in Beverly Hills, "in our business, exceptional service remains the greatest luxury available."



* Percentage of non U.S. web site visitors via alexa.com as of September 1, 2011

By the Numbers: Highlights from Affiliates around the Globe

Asia Pacific

- **Hong Kong:** This summer, Christie's International Real Estate opened its Hong Kong office, shortly after the market achieved its record sale on 10 Pollocks Path. The 8,302-square-foot estate recently sold for HK\$96,000 (US\$12,327.73; £7,709.70; €8,627.33) per square foot, also achieving what is believed to be the highest per-square-foot price ever in the world.
- **Tokyo, Japan:** Memories of Japan's March 11 earthquake and devastation are seeing high-end buyers searching for accessibility and safety, with demand for new condominiums returning in June, reported Mitsubishi Real Estate Services. The Real Estate Economic Institute Co. reported that the number of new condominium units put on the market grew 3.6 percent on the year in May to 3,914 units in metro Tokyo, up for the first time in three months. Of those condominiums, 79.2 percent of purchase contracts were signed.
- **New Zealand:** Bayleys Real Estate has recorded a groundswell of interest from buyers out of Southeast Asia and China this year, with close to NZ\$300 million worth of property under contract or negotiation to these buyers.

Europe

- **London, United Kingdom:** Giles Hannah Director of Sales for Europe says, the London super prime residential market can be classed as flats or houses worth more than £15,000,000. "They tend to be located in Holland Park, Kensington, Belgravia, Knightsbridge, Chelsea,

Mayfair, St James's, Regent's Park, St John's Wood and Hampstead. Some properties can trade in excess of £7,000 per square foot making London the most exclusive and valuable market in Europe. Indeed, this is twice the price of the finest properties in Paris or Geneva."

- **Paris, France:** In 2011, Daniel Féau Conseil Immobilier recorded a 31 percent increase in the sale of their luxury properties priced at over \$3m compared to last year. One of their sales highlights was a 18th Century château with 100 hectares of land and forest in the northwest suburb of Paris for €20 million.
- **Lugano, Switzerland:** Prices in the Lugano area are slowly but steadily rising, Wetag Consulting reports. A prime location in Lugano easily commands 10-15'000 CHF per-square-meter and can climb as high as 20'000 CHF. Most European main cities record average prices twice that.
- **Geneva, Switzerland:** The market for high-end luxury property is very active in Switzerland. There is particularly high demand for lakefront properties in Lausanne, as well as for Lakeview properties in Cologny, Geneva's most luxurious area. Société Privée de Gérance reports that they had less volume of sales when compared to last year, but their sales this year commanded higher prices.
- **Salzburg, Austria:** Stiller & Hohla Immobilien has recorded an almost 20 percent price increase in the last two years. The Vienna market has been relatively stable and the markets in the Alpine Regions and the Lake District even more so. The demand for historic properties, houses, and land is still very strong.
- **Stockholm, Sweden:** Per Bjerkén of Residence Fastighetsmäklari says, "Our sales volume for the period of January – August 2010 has been exactly the same as in 2011. We have seen a 10 percent increase in sale volume and a slight increase in prices in the uppermost market over US\$2.5 million."

South Africa

- **Cape Town:** Boutique agency and new affiliate Greeff Properties posted a 23 percent increase in luxury property sales of US\$1 million or more. Record sales in two of Cape Town's most upscale suburbs have driven these excellent results and made August 2011 Greeff Properties best sales turnover month since inception nearly 11 years ago.
- **Johannesburg:** "In 2010 the top end of the market in the Johannesburg/Sandton area was noticeably quiet with a number of well-known luxury properties taking longer than one year to sell," reports Ronald Ennik of Ennik Estates. "However during the first six months of 2011, many of these properties were sold, with a surprising a new record price achieved in the upmarket area of Westcliff of R35million (US\$7 million)."

Canada

- **Toronto, Ontario:** Chestnut Park Real Estate stands alone as the local market leader in sales volume for properties valued above US\$1 million, outpacing the nearest competitor by 5.3 percent, widening the gap to 11.4 percent for properties above US\$2 million, and posting an astounding 60 percent lead for properties valued at US\$5 million and above.

United States

Northeastern United States

- **Westchester County, New York:** Overlook in Millbrook, sold this spring by Houlihan-Lawrence, is a major equestrian property that went into contract within six weeks after coming on the market. Listed at US\$26,000,000, the transaction represents the area's highest sale to date in 2011 and the highest sale ever reported in Dutchess County.
- **The Hamptons:** High-end activity has resumed in the Hamptons after a three-plus year lull, reports Brown Harris Stevens of the Hamptons. To this point, a Southampton Village home on the market for approximately four years, originally listed at just over US \$14 million, reduced early in 2010 to US\$12 million and a few months later to US\$11.5 million, was sold in 2011 by Brown Harris Stevens of the Hamptons for US \$10.5 million.
- **Boston, Massachusetts:** "Buyers are moving from static to optimistic based upon who (what market segment) is purchasing," says Kevin J. Ahearn, President of Otis & Ahearn. "Average and Median prices are on the rise, eight percent and six percent respectively YTD and at record values as the high end is holding value and there is solid sales activity."
- **Newport, Rhode Island:** Year-to-date Lila Delman Real Estate had the top sale in Rhode Island, with a pending sale that will take the state's top spot when it closes later this month. Also, year-to-date there have been nine sales in Rhode Island over US\$3,000,000. Lila Delman Real Estate has participated in six of these.
- **Washington, D.C.:** Long & Foster Real Estate sold the historic estate Evermay this summer, commanding a price, though undisclosed, that ranks among the highest ever achieved in Georgetown. Evermay, 220 years old and a year younger than the capital itself, was offered at US\$25.9 million.
- **Nantucket, Massachusetts:** Great Point Properties sold 31 acres on Nantucket Harbor for US\$8,000,000. The property had been listed with another brokerage for about four years with an original asking price of US\$17,500,000.

- **Far Hills, New Jersey:** Turpin Realtors reports that over 60 percent of its listings valued above US\$3 million were purchased by clients in the finance industry, including Wall Street or hedge funds.
- **New Canaan, Connecticut:** Barbara Cleary's Realty Guild reports year-to-date sales of houses increased 24 percent from 2010 and 118 percent above 2009 levels.
- **Maine:** A magnificent 4.5-acre estate in Maine's Northeast Harbor was sold in July by LandVest Inc., for US\$12.25 million, the highest price ever achieved for a residential property in the state.

Southeastern United States

- **Miami, Florida:** The number of properties sold in Miami-Dade and Broward Counties priced in excess of US\$5,000,000 has increased 29 percent year-to-year for the first seven months of 2011, driven by international buyers, most notably Brazil. The number of properties currently selling in excess of \$1,000,000 is the highest since 2007 and up 23 percent in Miami-Dade and Broward over last year.
- **Palm Beach, Florida:** In the traditionally slow months of July and August, sales of Palm Beach single-family homes doubled over the same period last year. The trend expands year-to-date as well. Sales of single-family homes are up 55 percent January through August, compared with the same period last year. The median price is virtually unchanged (\$2.615 million). Sales of mid-town Palm Beach condos and co-ops are up 30 percent but the median sale price slipped 36 percent to US\$640,000.

Western United States

- **San Francisco, California:** The number of condominiums sold in the first half of 2011 versus 2010 increased significantly, even as median sales price trended modestly downward, according to Pacific Union International. The condo market for properties above US\$2 million posted substantial increases in both volume (69 percent increase) and units sold (65 percent increase).
- **Jackson Hole, Wyoming:** Jackson Hole Real Estate Associates now represents five of the most historic and significant ranches in the area: Crescent H Ranch: \$16.5 million, Forbes Ranch: \$11.8 million, Jenkins Ranch: \$21 million, River Bend Ranch: \$24.25 million, Brunk Ranch: \$16 million.
- **Napa Valley, California:** Sales volume has increased dramatically—by 68 percent year-over-year in the market over US\$1 million for the first half of 2011, reports Pacific Union International. The median sale price in this sector of the market also posted a modest increase of two percent.

- **Maui, Hawaii:** Maui Estates International participated in three of the four highest priced residential sales on West Maui in 2011. The company represented the seller of an oceanfront property closed in June 2011 for US\$6,800,000. Another oceanfront property closed in May 2011 for US\$7,000,000, and yet another two-acre oceanview estate closed in May 2011 for US\$9,600,000. The three all-cash transactions represent new momentum in the high-end Maui market.

Islands

- **Puerto Rico:** Over the past ten months, new home sales on the island have surged 80 percent and sales of existing homes are up 24 percent from the year prior. There is significantly more buyer confidence, notes Trillion Realty Group, as a result of an aggressive government stimulus program and price adjustments by sellers. One of the incentive program's popular provisions offers qualified buyers down-payment assistance for homes purchased with a mortgage, as well as a second mortgage of as much as US\$25,000 that can be used to make down payments and pay closing costs.
- **Bermuda:** London, New York City, and Toronto are the main source of international buyers in the island. Although 2011 has seen economic volatility in these feeder markets, there have been significant sales in the top end of the market, including a US\$22.5 million sale and a US\$15 million sale, reports Sinclair Realty.

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