



LUXURY MARKET REPORT | **2014 EDITION 1**

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BUDGE HUSKEY, PRESIDENT & CHIEF EXECUTIVE OFFICER
COLDWELL BANKER® REAL ESTATE LLC



GINETTE WRIGHT, VICE PRESIDENT
PREVIEWS® NRT

“The luxury real estate business has become a global business, creating a need for better analysis and understanding of the market’s increasing complexity.”

These words appeared in our inaugural Luxury Market Report in 2012—and they still ring true today. As a luxury leader for over 80 years, **Coldwell Banker Previews International®** has made it our mission to shine a light on luxury and give affluent consumers the information they need to make educated decisions about their future. The Spring 2014 Luxury Market Report continues this tradition.

This year, we are proud to debut our Luxury Market Index—the first of its kind for the industry. The index compares the real estate performance of luxury markets across the United States, using measurements such as annualized sales in units, volume, average and median sale price and others. By calculating and weighting these variables into index results, we can give consumers a better, more objective understanding of the luxury real estate marketplace. For example, Silicon Valley’s Woodside, Calif. earned the highest index rating—possibly due to low inventory levels driving up prices and demand. Seventy percent of markets in the index were also located near a body of water—supporting our long-held belief that marketplaces offering water views are always in demand.

Speaking of water, Honolulu has seen increased wealth coming into the marketplace and is in the midst of an ultra-luxury renaissance—which we examine in our Domestic Spotlight on pg. 12. Likewise, Istanbul is growing into its own as an affluent mecca—an interesting development worthy of exploration in our International Spotlight on pg. 18.

As always, the Luxury Market Report shows the depth and maturity of many affluent communities around the globe. With each edition, we strive to deliver the highest level of insight available in the industry. We will continue to evolve our reporting so this information most benefits our customers today and those we hope to greet in the future.

BUDGE HUSKEY

GINETTE WRIGHT

PREVIEWS®
LUXURY MARKET
INDEX

The background of the page is an abstract composition of overlapping, semi-transparent blue geometric shapes, primarily triangles and polygons, creating a sense of depth and movement. The colors range from light, airy blues to deeper, more saturated blues, with some areas appearing as bright white highlights where the shapes overlap or meet. The overall effect is modern and sophisticated, typical of a corporate or financial report cover.

PREVIEWS LUXURY MARKET INDEX

611

Woodside
California

600

Bal Harbour
Florida

573

Portola Valley
California

567

Hillsborough
California

565

Thousand Oaks
California

555

Glenbrook
Nevada

550

Arcadia
California

544

Southport
Connecticut

540

Incline Village
Nevada

538

Atherton
California

536

Kailua Kona
Hawaii

531

Hobe Sound
Florida

528

Falmouth
Massachusetts

527

Palm Beach
Florida

524

Dana Point
California

504

Newport Coast
California

499

Los Altos Hills
California

499

Pacific Palisades
California

497

New York
New York

496

Wailea
Hawaii

VISIT PREVIEWSLMR.COM/2014/LMI
TO VIEW THE FULL INDEX RANKING

WHICH LUXURY HOUSING MARKETS ARE PERFORMING BEST

OVERALL? A simple question without a simple answer. While the real estate industry is not lacking for data (available through public records and nearly 800 separate cooperative Multiple Listing Services nationwide), quality analysis of the luxury real estate sector is rare and often not comparative.

Coldwell Banker Previews International® is seeking to bring this level of knowledge to the luxury real estate sector with its first Luxury Market Index (LMI). The LMI compares activity in 50 luxury real estate markets across the United States.

“The LMI includes a number of measurements—such as annualized sales in units, volume, average and median sale price and others—which are then calculated and weighted into the index results,” explains Patrick Veling, president of Real Data Strategies, Inc., the firm that collaborated with **Coldwell Banker®** to create the index. “These variables drive the resulting LMI numerical value. The LMI values are then used to rank markets against one another, to give consumers and the real estate industry an objective understanding of how U.S. luxury markets compare to one another.”

The 2014 LMI reveals a number of interesting trends:

Booming Industry

One market performing particularly well is the prestigious Silicon Valley enclave of Woodside, Calif., which had the highest index rating. The affluent equestrian community has continued to rank among the highest for million-dollar home sales, and made headlines earlier last year when a mansion sold for a reported \$117.5 million.

“It’s a seller’s market with high prices driving opportunities,” says Mike James, president of Coldwell Banker Residential Brokerage San Francisco Bay Area. “Inventory is almost nil. Sellers just aren’t coming to the market fast enough to meet this incredible buyer demand.”

Considered the “Bel Air of Silicon Valley,” Woodside has remained attractive to wealthy venture capitalists and international entrepreneurs, largely due to its secluded location in the hills, large parcels of land and privacy from the street. “The uber-wealthy tend to be drawn to Woodside for its anonymity and pastoral setting,” says James.

Woodside leads three other Silicon Valley suburbs in the LMI—Portola Valley (No. 3), Hillsborough (No. 4) and Atherton (No.10)—leaving little doubt about the tech boom’s lasting effects on the region. “You’re in the center of the universe when it comes to tech,” adds James.

Asian Influx

International buyers are playing a key role in several active markets on the index—even in lesser-known cities such as California’s Arcadia (No. 7). Located in San Gabriel Valley, Arcadia lies approximately 13 miles northeast of downtown Los Angeles and less than five miles from one of the region’s most affluent neighborhoods, San Marino. This proximity to a higher-priced enclave, coupled with Arcadia’s affordable luxury housing stock and highly rated schools, have made it an attractive destination for wealthy Chinese buyers.

“Chinese consumers are driving most of the demand in Arcadia right now,” says Bob Foster, president of Coldwell Banker Residential Brokerage in Los Angeles. “They are buying any and all available older properties with a decent lot size, and tearing them down to build new mansions worth millions. The buyers of these homes are mostly Asian and make purchases with cash.”

Proximity

Adjacency to higher-priced communities has played a role in other index rankings—like Southport, Conn., which earned the No. 8 position. Luxury buyers searching for homes in neighboring Greenwich and Westport are overflowing to Southport, theorizes Cathleen Smith, president of Coldwell Banker Residential Brokerage in Connecticut and Westchester, N.Y.

“The reason we are seeing a healthier Southport is because Greenwich and Westport have rebounded so much,” she says. “Low inventory in these communities is also driving demand in Southport, which is about 50 miles north of New York City. Of course, so much of this marketplace is driven by wealthy Manhattanites who want the Connecticut lifestyle—the schools, the space, the community feel. Southport is a beautiful, quaint and very exclusive waterfront community—and while it might mean a slightly longer train commute to the city, you’re going to get more value for your dollar and still live in what we call the ‘Gold Coast.’”

The Value of Water

Luxury markets near the water are also exhibiting strength. Nearly 70% of the markets at the top of the index are located near a body of water, whether it be an ocean, lake or river. “This tells us that luxury consumers tend to seek out properties in prime locations where they can enjoy water views,” notes Ginette Wright, vice president of Previews NRT.

THE LUXURY MARKET INDEX SHOWS THAT TODAY’S AFFLUENT MARKETPLACE IS NOT ONLY RICHLY DIVERSE, BUT RICHLY COMPLEX.

One such waterfront destination—Florida’s Bal Harbour—ranked No. 2 on the index. Ideally set on the northern tip of Miami Beach, the small yet upscale village has attracted well-established affluents with its high-rise luxury condos and gorgeous beaches.

“Bal Harbour is interesting because we’re seeing a lot of Russians coming into the area,” says Clark W. Toole III, president of Coldwell Banker Residential Real Estate in Florida. “There is a tremendous amount of wealth coming from that part of the world, and Bal Harbour offers them so much—wonderful high-end Bal Harbour shops and condominiums with scenic views of the Atlantic. Also, when you look at the prices, we are seeing some double-digit appreciation—while prices are still not where they were at the peak. All of those things were working in Bal Harbour’s favor last year.”

Closing

The Luxury Market Index shows that today’s affluent marketplace is not only richly diverse, but richly complex. Notes Veling: “While no single piece of analysis can provide the unique understanding of a qualified real estate agent, the index gives consumers a top-line view of the most active luxury markets in United States and the trends that drive buyer demand.”

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

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THE PREVIEWS® TOP 20 REPORT

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

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

\$1,000,000+			
ZIP Code	City	State	Number of Sales
90266	Manhattan Beach	CA	396
92037	La Jolla	CA	384
91011	La Cañada Flintridge	CA	366
90049	Los Angeles	CA	351
92660	Newport Beach	CA	336
90272	Pacific Palisades	CA	330
90210	Beverly Hills	CA	325
92651	Laguna Beach	CA	325
95070	Saratoga	CA	319
33480	Palm Beach	FL	318
94539	Fremont	CA	306
94025	Menlo Park	CA	300
92253	La Quinta	CA	297
06880	Westport	CT	290
95014	Cupertino	CA	284
94087	Sunnyvale	CA	276
90265	Malibu	CA	276
84060	Park City	UT	270
92130	San Diego	CA	263
90275	Rancho Palos Verdes	CA	260

\$5,000,000+			
ZIP Code	City	State	Number of Sales
90210	Beverly Hills	CA	99
33480	Palm Beach	FL	57
81611	Aspen	CO	42
90265	Malibu	CA	37
33139	Miami Beach	FL	32
06830	Greenwich	CT	32
92651	Laguna Beach	CA	32
90049	Los Angeles	CA	31
92657	Newport Coast	CA	30
33432	Boca Raton	FL	30
94027	Atherton	CA	29
10021	New York	NY	28
90272	Pacific Palisades	CA	27
90077	Los Angeles	CA	26
90069	Los Angeles	CA	26
34102	Naples	FL	26
10013	New York	NY	22
94010	Hillsborough	CA	22
93108	Montecito	CA	22
96740	Kailua Kona	HI	19

\$10,000,000+			
ZIP Code	City	State	Number of Sales
90210	Beverly Hills	CA	26
90077	Los Angeles	CA	13
33480	Palm Beach	FL	12
81611	Aspen	CO	12
90265	Malibu	CA	11
10021	New York	NY	11
33139	Miami Beach	FL	9
90049	Los Angeles	CA	7
94027	Atherton	CA	6
06831	Greenwich	CT	6
92651	Laguna Beach	CA	6
93108	Montecito	CA	6
33140	Miami Beach	FL	5
93108	Santa Barbara	CA	5
34102	Naples	FL	5
10013	New York	NY	5
92037	La Jolla	CA	5
92657	Newport Coast	CA	4
10023	New York	NY	4
10022	New York	NY	4

* As of February 2014

THE PREVIEWS® TOP 20 REPORT

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

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

\$1,000,000+			
ZIP Code	City	State	Number of Listings
33139	Miami Beach	FL	364
85253	Paradise Valley	AZ	303
10022	New York	NY	299
84060	Park City	UT	289
85255	Scottsdale	AZ	286
33140	Miami Beach	FL	284
33160	Sunny Isles Beach	FL	282
85262	Scottsdale	AZ	254
06880	Westport	CT	243
92253	La Quinta	CA	238
10021	New York	NY	234
81611	Aspen	CO	229
34102	Naples	FL	228
33432	Boca Raton	FL	223
33480	Palm Beach	FL	222
10019	New York	NY	217
10065	New York	NY	216
10011	New York	NY	212
10023	New York	NY	199
34145	Marco Island	FL	195

\$5,000,000+			
ZIP Code	City	State	Number of Listings
81611	Aspen	CO	108
33139	Miami Beach	FL	104
10021	New York	NY	100
10065	New York	NY	95
10023	New York	NY	88
10011	New York	NY	84
90265	Malibu	CA	83
10022	New York	NY	82
10013	New York	NY	79
06831	Greenwich	CT	74
34102	Naples	FL	68
84060	Park City	UT	66
33140	Miami Beach	FL	65
10019	New York	NY	64
90210	Beverly Hills	CA	63
10075	New York	NY	61
33480	Palm Beach	FL	61
10128	New York	NY	53
06830	Greenwich	CT	52
33154	Bal Harbour	FL	51

\$10,000,000+			
ZIP Code	City	State	Number of Listings
10023	New York	NY	57
10021	New York	NY	51
10065	New York	NY	46
81611	Aspen	CO	43
90265	Malibu	CA	38
33139	Miami Beach	FL	37
10075	New York	NY	30
10013	New York	NY	29
10019	New York	NY	28
10022	New York	NY	28
90210	Beverly Hills	CA	28
06831	Greenwich	CT	26
34102	Naples	FL	24
33480	Palm Beach	FL	23
10011	New York	NY	23
10028	New York	NY	22
33140	Miami Beach	FL	21
84060	Park City	UT	21
92651	Laguna Beach	CA	20
93108	Montecito	CA	19

* As of February 2014

THE PREVIEWS® TOP 20 REPORT

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

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

\$1,000,000+		
City	State	Number of Sales
San Francisco	CA	2,294
Los Angeles	CA	2,220
New York	NY	2,076
San Jose	CA	963
Chicago	IL	900
Houston	TX	873
San Diego	CA	843
Washington	DC	839
Naples	FL	806
Atlanta	GA	718
Dallas	TX	681
Boston	MA	655
Newport Beach	CA	592
Miami Beach	FL	581
Seattle	WA	566
Honolulu	HI	560
Scottsdale	AZ	545
Miami	FL	513
Pasadena	CA	501
Santa Barbara	CA	495

\$5,000,000+		
City	State	Number of Sales
New York	NY	163
Beverly Hills	CA	99
Los Angeles	CA	98
San Francisco	CA	62
Miami Beach	FL	59
Palm Beach	FL	57
Greenwich	CT	50
Aspen	CO	42
Naples	FL	42
Malibu	CA	37
Laguna Beach	CA	32
Newport Coast	CA	30
Boca Raton	FL	30
Atherton	CA	29
Pacific Palisades	CA	27
Boston	MA	23
Montecito	CA	22
Hillsborough	CA	22
Santa Barbara	CA	19
Kailua Kona	HI	19

\$10,000,000+		
City	State	Number of Sales
New York	NY	43
Los Angeles	CA	27
Beverly Hills	CA	26
Miami Beach	FL	16
Aspen	CO	12
Palm Beach	FL	12
Malibu	CA	11
Greenwich	CT	8
San Francisco	CA	8
Atherton	CA	6
Montecito	CA	6
Laguna Beach	CA	6
Honolulu	HI	6
Santa Barbara	CA	5
Naples	FL	5
La Jolla	CA	5
Newport Beach	CA	4
Pacific Palisades	CA	4
Wellington	FL	4
Newport Coast	CA	4

* As of February 2014

THE PREVIEWS® TOP 20 REPORT

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

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

\$1,000,000+		
City	State	Number of Listings
New York	NY	3,538
Naples	FL	931
Scottsdale	AZ	826
Miami Beach	FL	825
Miami	FL	735
Los Angeles	CA	666
Fort Lauderdale	FL	562
Chicago	IL	558
Boca Raton	FL	546
Atlanta	GA	520
Park City	UT	451
Honolulu	HI	418
Houston	TX	411
Greenwich	CT	351
Dallas	TX	338
Sarasota	FL	338
San Diego	CA	322
Paradise Valley	AZ	303
Sunny Isles Beach	FL	282
Austin	TX	270

\$5,000,000+		
City	State	Number of Listings
New York	NY	1,041
Miami Beach	FL	196
Greenwich	CT	126
Naples	FL	108
Aspen	CO	108
Los Angeles	CA	105
Malibu	CA	83
Park City	UT	73
Boca Raton	FL	73
Fort Lauderdale	FL	68
Beverly Hills	CA	63
Palm Beach	FL	61
Bal Harbour	FL	51
Miami	FL	49
Laguna Beach	CA	48
Coral Gables	FL	47
Rancho Santa Fe	CA	47
Scottsdale	AZ	47
Wellington	FL	44
Honolulu	HI	43

\$10,000,000+		
City	State	Number of Listings
New York	NY	440
Miami Beach	FL	67
Aspen	CO	43
Greenwich	CT	39
Malibu	CA	38
Los Angeles	CA	29
Beverly Hills	CA	28
Naples	FL	26
Palm Beach	FL	23
Park City	UT	21
Fort Lauderdale	FL	21
Laguna Beach	CA	20
Montecito	CA	19
Boca Raton	FL	19
Wellington	FL	19
Key Biscayne	FL	18
Bal Harbour	FL	17
Honolulu	HI	15
Miami	FL	14
Coral Gables	FL	14

* As of February 2014

DOMESTIC SPOTLIGHT: **HONOLULU**

PATRICK VELING

INDUSTRY ANALYST & CONSULTANT
REAL DATA STRATEGIES INC.

“HONOLULU IS GOING TO SEE LUXURY SALES NUMBERS NEVER SEEN BEFORE.”

PRISTINE BEACHES, BLUE WATERS AND SLOW-PACED ISLAND LIFE

have long made Honolulu one of the world’s most sought-after vacation paradises. But the city is more than just a temporary escape. It is also Hawaii’s largest city and state capital, known as the “Gateway to the Pacific” with a thriving culture of international business, military and as of late, luxury real estate.

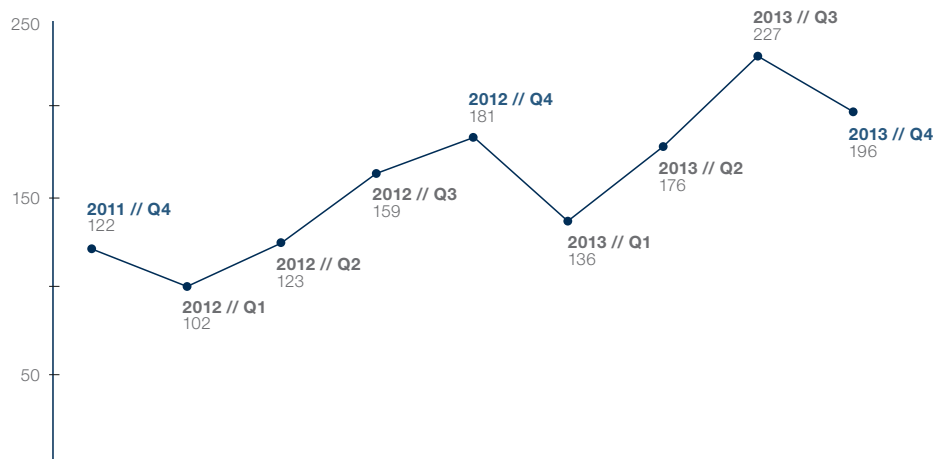
“In the last few years, we have seen a broadening and diversification of luxury demographics with more wealth coming into the marketplace,” says Anne Hogan Perry, a sales associate with Coldwell Banker Pacific Properties. “Affluent homebuyers from the U.S. mainland, Canada, Pacific Basin and Asia are all coming here, for our year-round tropical climate, natural beauty, lifestyle and depth of city resources, such as world class shopping, flourishing arts, cuisine and medical care. People from other countries are also looking to invest here because they view U.S. real estate as a safe haven. Honolulu is a dynamic cosmopolitan city, a melting pot of so many different cultures.”

Those who do view Honolulu as a safe haven continue to leave their footprints on the high-end marketplace. For instance, in the fourth quarter of

2013, sales activity for both single-family detached homes and condos in the \$1 million and up range was 8.3% above the same quarter last year and 61% above the same quarter two years ago. As the pace of sales appears to be moderating after a robust recovery in that price segment, so too is the average luxury sale price in the last quarter of 2013. This is not what it seems, however, and is more likely a result of more properties selling at prices closer to \$1 million, when they would have sold for less than that benchmark two years ago. In essence, a million dollars does not buy what it used to. Hogan Perry agrees: “You might be able to get a fixer single-family detached home or a modest condo for \$1 million, but to own a true ‘luxury’ property in our marketplace, you’re looking at closer to \$2 million to start.”

“Looking at the annual numbers, the sweet spot for Honolulu remains the \$1 million to \$2 million price range,” notes Patti Nakagawa, senior vice president broker-in-charge, Coldwell Banker Pacific Properties. “We have seen a lot of strength in this price range, as it appeals to all buyer segments: local, U.S. mainland and international buyers. In the higher price ranges, particularly \$4 million and higher, the buyer profile changes to a stronger share of buyers from the U.S. mainland and abroad.”

9-QUARTER HISTORY OF HONOLULU COUNTY SALES WITH LIST PRICES OF \$1 MILLION+*



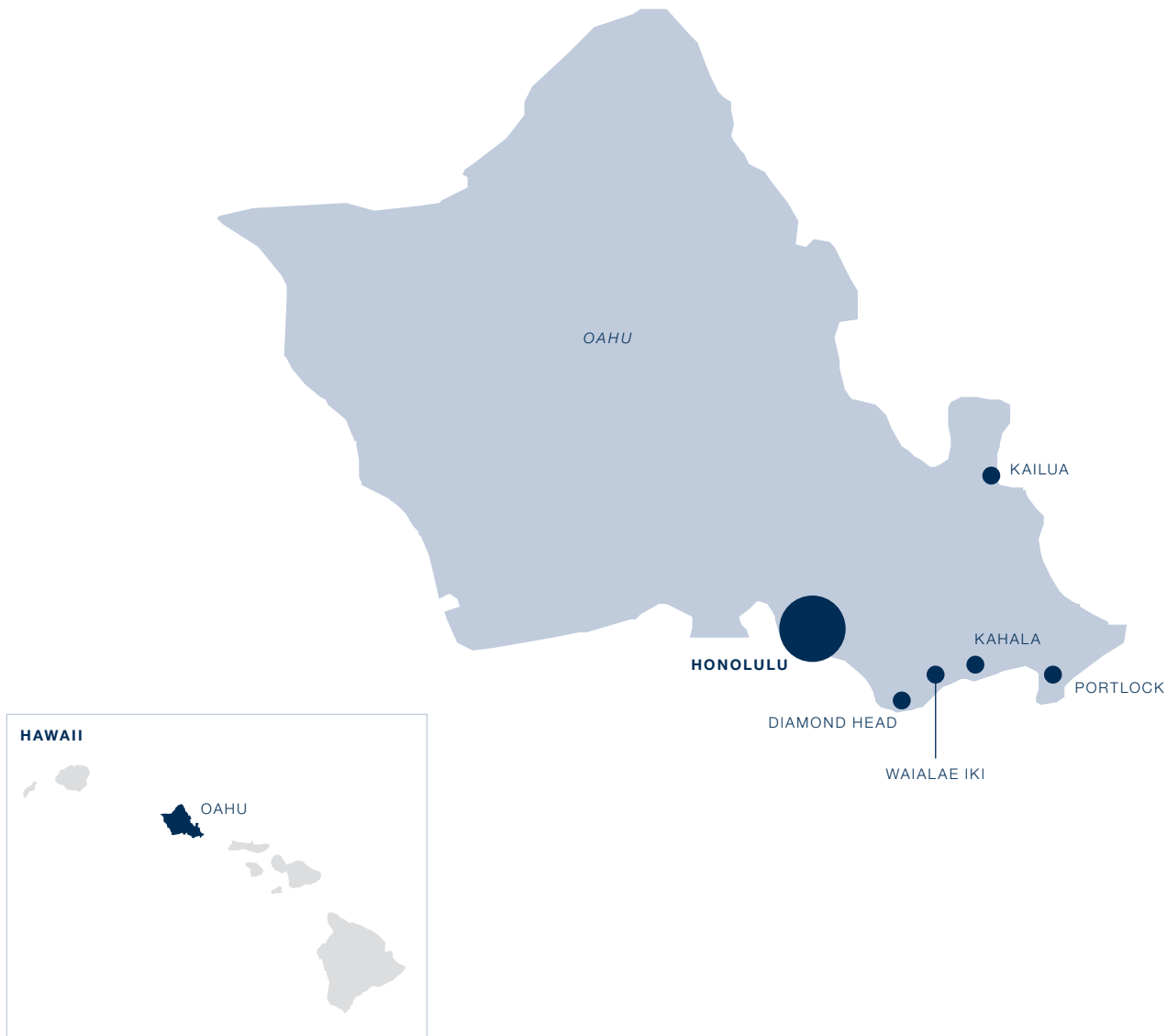
* Data Source: Real Data Strategies

DOMESTIC SPOTLIGHT: HONOLULU

Honolulu continues to face a lack of inventory—or as Hogan Perry qualifies, “a lack of *good* inventory.” Properties that are turn-key—and on the ocean—naturally remain in highest demand—especially in Honolulu’s most sought-after neighborhoods such as Kahala, Diamond Head, Portlock, Kailua, Waialae Iki and Hawaii Loa Ridge.

Affluent buyers in these areas tend to seek out single-family homes that offer an indoor/outdoor lifestyle—large lanais and walls opening to pools, gardens or ocean views. Square footage and lot size (not always in abundance on the islands) are also highly desirable amenities. These driving forces could create an interesting dynamic in Kahala—one of Hawaii’s most prestigious ZIP codes. Kahala Avenue, a famed stretch of road that has been called the “Beverly Hills of Oahu,” is in the midst of a renaissance as efforts are underway to sell several valuable parcels of Kahala land once owned by a Japanese billionaire that had previously fallen into disrepair.

“Honolulu is going to see luxury sales numbers like we’ve never seen before,” says Tracy Allen, who, along with Hogan Perry and Beth Chang of Coldwell Banker Pacific Properties, is listing several of the properties. “We have watched high-net-worth buyers who demanded ultra-luxury new beachfront estates purchase secondary options on the islands of Kauai, Maui, the Big Island of Hawaii and even Lanai, the island Larry Ellison purchased. With Kahala having lost its position amongst the luxury elite homes due to the disrepair, buyers on Oahu were left with little options for large luxury estates. Now we’re going to see those buyers come back.”



DOMESTIC SPOTLIGHT: **MANHATTAN**

PATRICK VELING

INDUSTRY ANALYST & CONSULTANT
REAL DATA STRATEGIES INC.

“BUYER DEMAND HAS NOT WANED. WE HAVE A LOW INTEREST RATE ENVIRONMENT AND THE ECONOMY IS IMPROVING.”

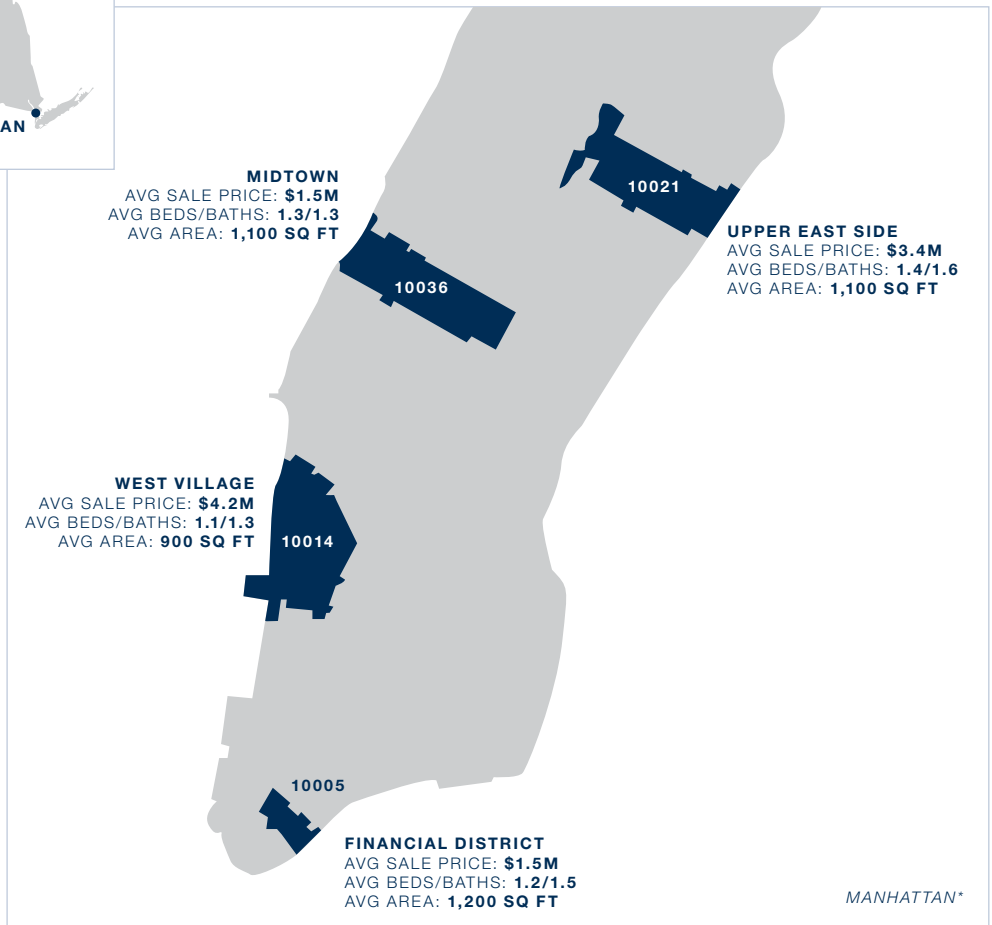
THE MANHATTAN REAL ESTATE MARKET continues to show signs of price strength and unbridled buyer interest. As demand continues climbing, buyers feel the tinge of a seller’s market and the old adage “less is more.” How much less (or more, for that matter) you get for your dollar, of course, depends on your taste in ZIP codes.

Defining Affordable

Two ZIP codes—10005 and 10036—exhibit both strength and promise as affordable opportunities for luxury ownership.

Set in the lower Manhattan/Financial District area and with Wall Street as its hub, 10005 serves as the economic heartbeat of the city. Buyers spending \$1 million or more in this densely built-out neighborhood in 2013 paid an average of \$1.5 million for an attached unit having one or two small bedrooms and one or two small bathrooms, squeezed into about 1,200 square feet of living space. These units are often favored by financial professionals who appreciate an easy walk to work during the week, but spend their weekends at homes outside the city.

“The buildings in the Financial District come with a lot of character and amenities,” says Larry Friedman, principal and cofounder of New York-based Coldwell Banker Bellmarc Group. “Some of the high rises in the area even have river views in the upper units. From a transportation standpoint, you’re located at the bottom of the island, so you can reach other parts of the city easier. In that respect, a real estate purchase in the Financial District is a good value.”



* Data Source: Real Data Strategies

CONTINUED

DOMESTIC SPOTLIGHT: MANHATTAN

Another of Manhattan's most affordable ZIP codes is 10036, also with a 2013 average sale price of about \$1.5 million. Buyers in this west Midtown neighborhood may get a little more for their money in the form of two bedrooms and two bathrooms, but a little less when it comes to square footage. Perhaps its central location is the reason: the Lincoln Tunnel, Fifth Avenue, Times Square and the New York Public Library are all within proximity. Adds Friedman: "There has been a lot of recent development on the far West Side, with some really nice amenity-rich buildings and views of the river."

The Ultimate Address

It's impossible to know if those who bought Manhattan's most affordable properties years ago are the same ones buying the least affordable properties today, but many buyers in 2013 showed their purchasing clout in ZIP codes 10021 and 10014.

In the tony Upper East Side neighborhood of 10021, the average 2013 sale price was about \$3.4 million. That price got them an address on Park Avenue or a "70s" Street, within walking distance to the famous boathouse in Central Park, the Whitney Museum of American Art and a host of New York's finest boutiques and restaurants. Amenities around the average price in this well-established luxury haven range from as few as two bedrooms and two baths in 1,650+ square feet to four bedrooms and four baths in 2,000 square feet.

10021 tied with another ZIP code, 10014, for the greatest number of property sales exceeding \$10 million during the calendar year. Clearly, there are diverse residential opportunities in these two enclaves. Those homes offering a view of Central Park or the pedigree of a higher profile full-service building command the highest values.

Looking more closely at ZIP code 10014, the average sale price was \$4.2 million—placing this West Village enclave among the city's priciest neighborhoods. Buyers paying the average sale price here found similar amenities to those on the Upper East Side—but with a far more eclectic neighborhood experience. Since this ZIP code includes a significant portion of SoHo, residents enjoy some of the finest restaurants and boutiques in the city and a neighborhood architecturally famous for its diverse collection of more than 200 cast iron buildings. They might even run into a celebrity or two, who are drawn to its beautiful brownstones and cool downtown vibe.

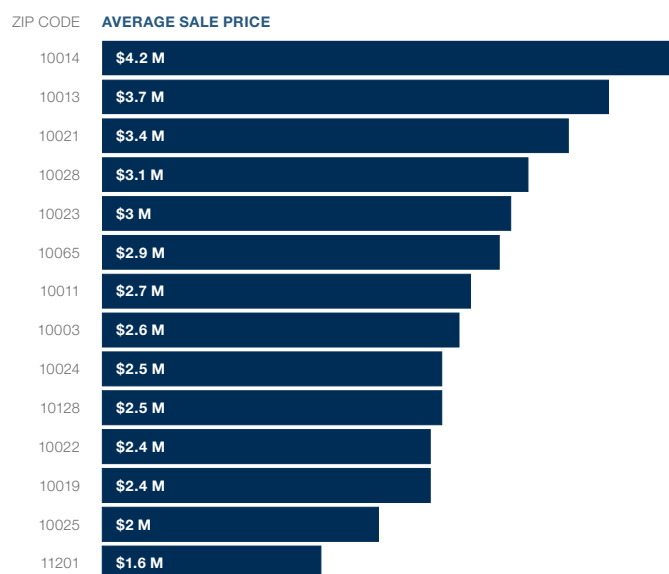
Buyers Undeterred

Manhattan offers a wide variety of neighborhoods and tastes between these two extremes, of course. But no matter where you are looking to purchase—whether it's in the Financial District or the Upper East Side—one thing is clear: the average sale price won't buy you as much as it would in other luxury strongholds like Beverly Hills, Greenwich or the Hamptons.

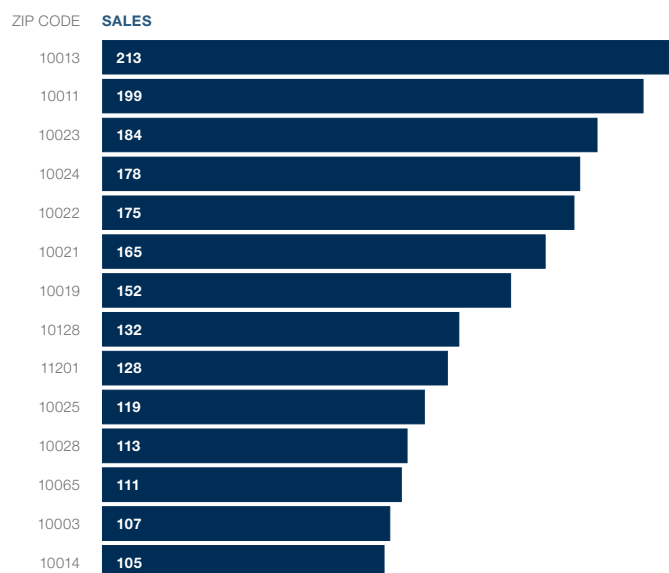
"We are facing a similar situation that we faced in 2013: tight inventory," says Friedman. "Buyer demand has just not waned. We have a low interest rate environment and the economy is improving. People want to own homes—especially in New York, the gateway of the world."

Is less really more? In Manhattan, it certainly is.

\$1 MILLION+ AVERAGE SALE PRICE IN 2013
MANHATTAN'S LEADING ZIP CODES*



\$1 MILLION+ SALES IN 2013 - MANHATTAN'S LEADING ZIP CODES*



* Data Source: Real Data Strategies

INTERNATIONAL SPOTLIGHT: **TURKEY**

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CONTRIBUTOR



THE CULTURAL METROPOLIS HAS LONG THRIVED AS A CITY OF CONTRASTS AND CONNECTIONS.

INCREASING FOREIGN INVESTMENT and an influx of international luxury consumers have helped Turkey become one of the fastest-growing affluent markets in the world. The transcontinental country saw luxury consumption increase by 15% every year in a five-year period, according to Boston Consulting Group.

With Istanbul as the country's pearl, Turkey is growing into its own as an affluent mecca. Istanbul rests at the crossroads between Europe and Asia, with the city's Bosphorus Strait acting as a geographical link between the Black Sea and the Sea of Marmara, and eventually the Aegean and Mediterranean Seas. The cultural metropolis has long thrived as a city of contrasts and connections—between East and West, tradition and modernity, past and present. Now, Istanbul rests at a new crossroads as it accounts for 80% of the country's luxury market.

"We are seeing a growing upper class and more affluents coming from the Middle East, the Russian Commonwealth of Independent States and Central Asia, who come to enjoy the city's art, culture, pleasant weather and natural beauty," says Birgül Dalgakıran, operations leader for Coldwell Banker Turkey. "The 'Arab Spring' also brought wealthy consumers from Tunisia, Egypt and Syria."

J. Peter Turtzo, vice president of global operations for **Coldwell Banker® Real Estate LLC**, notes: "The demand from Russian, Azerbaijani and Middle Eastern investors has started to rapidly grow with the help of the recently approved Law of Reciprocity. This demand, plus Turkey's EU candidacy, will contribute toward a more global audience and attract additional savvy investors from the Americas and Europe."

These shifting demographics have led to the city's luxury market maturation, as a wider variety of luxury experiences, ranging from shopping at Prada and Hermes to fine dining and five-star hotels, has cropped up in Istanbul. The presence of this "new money" has also fueled interest in high-end real estate. Luxury apartments in Istanbul range from \$1 million to \$10 million, with many exceptional detached residences and villas priced from \$50 to \$60 million. Boutique new home projects featuring views, as well as waterside mansions and villas with Bosphorus

views, remain the most sought-after real estate offerings. The most desirable areas for luxury home purchases are Bebek and Nişantaşı on the European side and Başdat Street on the Asian side.

"Younger consumers of luxury real estate prefer new vertical living projects in the city, which can be priced up to \$10 million," she says. "In general, international consumers tend to buy in Nişantaşı, Galata, Kandilli and especially the detached luxury residences with a Bosphorus view."

Waterside mansions in Bosphorus command the highest values. In fact, "a good water view can cost nearly four times as much per square meter in Bebek and Nişantaşı," notes Dalgakıran. Residents in these areas are typically "senior executives, CEOs and wealthy families, especially from Anatolian origin, who invested wisely in land many generations ago." Supply remains tight since these areas are older and more established. However, demand has also been on the decline in response to the country's slowing economy recently. Prices for waterside mansions have not necessarily decreased; rather they've increased, according to Dalgakıran, especially as international buyers have begun to flood the market.

"We witnessed some unexpected properties selling at what we see as unjustifiably record high prices," she says. "This was the cause for increasing prices of other similar properties in the vicinity."

Istanbul's growth in the luxury sector has drawn comparisons to Dubai, the crown jewel of the Middle East. But Dalgakıran says Dubai is more comparable to Istanbul's emerging areas like Ümraniye and Çekmeköy than to the city as a whole.

"With Istanbul's Bosphorus Strait, historic buildings, museums, palaces and, of course, weather, it would be unfair to compare Istanbul with Dubai," she says. "This is like comparing a natural beauty with an artificial beauty."



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With **Coldwell Banker Previews International®** and our **Previews®** specialists leading the way, the luxury real estate market experienced an impressive surge in 2013. Major growth in buyer interest along with the sheer volume of high-end sales set the stage for the year's growth, and Previews' numbers in particular demonstrated the depth of our contribution to the luxury space.

Our achievements include:

- Coldwell Banker Previews International Property Specialists participated in more than 20,000 transaction sides of homes priced at \$1 million or more in 2013.
- On average, Coldwell Banker Previews International Property Specialists handle \$102.7 million in luxury home sales every day.*
- In 2013, Coldwell Banker Previews International Property Specialists listed nearly 10,000 homes valued at more than \$2 million.

Significant Sales			
City	State	List Price**	Represented by
Malibu	CA	\$42,500,000	Chris Cortazzo
Miami Beach	FL	\$38,000,000	Jill Eber & Jill Hertzberg
Beverly Hills	CA	\$37,500,000	Stacy Gottula & Joyce Rey
Miami Beach	FL	\$37,000,000	Jill Eber & Jill Hertzberg
Greenwich	CT	\$26,500,000	Douglas Stevens
Westport	CT	\$19,900,000	Darlene Letersky
Greenwich	CT	\$19,495,000	Tamar Lurie
Montecito	CA	\$17,900,000	Susan Burns & Dana Zertuche
Honolulu	HI	\$16,500,000	Anne Oliver
Indian Wells	CA	\$12,900,000	Susan Canavan & Deirdre Coit

*Data based on closed and recorded transaction sides of homes sold for \$1 million or more as reported by the U.S. Coldwell Banker franchise system for the calendar year 2013. USD\$
**List price (final sales price is confidential).

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All other data has been gathered from the Multiple Listing Service (MLS) databases known or believed to be the primary real estate broker cooperative resources for each market referenced in the report. All closed sales activity reported is for the annual period January 1, 2013 through December 31, 2013. Closed sales reported to the MLS significantly later than this analysis period will not be included. All active status listing records were downloaded and processed to the same standards, and on various dates, during the months of January and February, 2014. Property-specific listing and sales records were standardized to USPS address city and ZIP code, inaccurate list and sale prices were corrected when necessary, and all duplicate records were manually excluded. As a result, statistics available via the source data providers may not correlate to this analysis. While all results are believed to be highly accurate, MLS systems do not report all real estate activity in their primary marketplace, and there may have been property transfers not included in this analysis. Copyright © 2014, Real Data Strategies, Inc. all rights reserved. Licensed for the exclusive use of Coldwell Banker Real Estate LLC.