

HIGHLIGHTS

NEWS & INFORMATION FOR **SOTHEBY'S INTERNATIONAL REALTY**® PROFESSIONALS | DECEMBER 15, 2014



THE MINDSET OF THE LUXURY REAL ESTATE BUYER

A STUDY BY THE WALL STREET JOURNAL

Thanks to the Sotheby's International Realty® brand's relationship with *The Wall Street Journal*, we have special access to the paper's custom research. "The Mindset of the Luxury Real Estate Buyer" is a study commissioned by *The Wall Street Journal* among their print and digital subscribers.

The goal of the study, which was conducted in August, was to understand the drivers behind their home purchase decision-making process and their impressions of the real estate marketplace.

Many of the insights gathered in the study confirm the findings of the *Sotheby's International Realty* Luxury Lifestyle Report, which was issued earlier this year. The importance of lifestyle as a factor in a real estate purchase, as well as the value of real estate as an investment were key themes in both.

For more information:

- The complete “The Mindset of the Luxury Real Estate Buyer Report”
- Complete information on the Sotheby's International Realty Luxury Lifestyle Report, issued earlier this year

Learn more on the next Insights call:

Luke Bahrenburg of *The Wall Street Journal* will provide an overview of the study and answer any questions during the next Insights call, scheduled for **December 18** at 10 am and again at 4 pm. **Please look out for the call invite, which will be coming soon.**

Suggestions for utilizing the report in your local market:

- **Media Relations:** Select some of the key findings to share with your local media, offering current listings as examples to support the data. Also be sure to offer an interview with your key executives to discuss the data and how it relates to your local market. You also can quote specific insights in your normal interactions with the media to support the points you are making.
- **Client Communications:** Pull out your favorite insights and add them to your next newsletter. Be sure to credit *The Wall Street Journal* “The Mindset of the Luxury Real Estate Buyer” study.
- **Social Media:** Bring the insights to life in your local market by sharing on social media and showcasing current listings along with the data. You also can use this information for an insightful blog post relevant to your market.

AT-A-GLANCE: KEY FINDINGS**Outlook is Bright:**

- Worldwide growth of high net-worth individuals in 2014 accelerates at fastest rate since 2000
- Record high: 14 million, a 15% increase year-over-year
- Million-dollar homes selling at two times the historical average, an 8% increase year-over-year
- Cash purchases at an all-time high at 45%; up from 30% in 2012



Ownership: 91% own their own homes and estimate the value of their principle home increased almost 10% in two years



Spreading their Wealth: Two-thirds agree that “real estate investments help me diversify my portfolio”



Vacation/Secondary Homes: Nearly one-third own vacation/secondary homes, the average number of homes owned is 2.3



More Money, More Homes: Respondents with household assets of more than 5 million own an average of three homes



Optimism is High: Optimism is high among all key U.S. markets: the national average is 80% agreeing that the “residential market will improve over the next 12 months.” This is up 16% versus 2012



Cash is King: 50% of total respondents plan to pay in cash for their next home purchase, and 72% of high net-worth respondents



Outside the U.S.: 48% considering a purchase outside the continental United States



Luxury Buyers Want to Live Globally: Alaska, South Pacific and Europe top in growth, Caribbean/Mexico and Hawaii in volume

Coming soon...

The *Sotheby's International Realty* brand's first research report with Wealth-X is coming after the new year, so stay tuned!