

COMMERCE

2014 was the year of the trophy property: report

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Richard Meier Penthouse at 165 Charles, New York, NY

By JOE MCCARTHY

More properties above \$100 million were listed in 2014 than ever before, according to a new study released by Christie's International Real Estate.

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Luxury Daily

As the number of wealthy individuals rises, inventory in coveted markets is dwindling and extravagance is spreading to new areas. A thriving real estate market tends to have a cascading effect across the luxury sector, with consumers turning to other categories after a property is secured.

"In 2014 we saw a real growth in resort and weekend markets around the world," said Micheal Sherman, vice president of corporate communications at Christie's, New York. "This segment really exploded.

"Cities are still performing strongly, not at the levels we saw in 2014, but we expect 2015 to see sustained, healthy growth from major economic hubs and we expect the resort markets to continue to do well this year, especially in countries that have struggled a bit and still have room to grow, such as Italy, Spain and Greece."

"**Luxury Defined**" is the third annual edition of the research paper. The report examines

the world's top 10 cities for prime property and 70 additional regional markets considered important.

New boundaries

The traditional luxury market has often been pegged at \$1 million and higher, according to Christie's. The ultra-affluent, however, regularly escalate the benchmark.

London and Beverly Hills, CA have the highest entry-points with luxury homes starting at \$6 and \$8 million, respectively.

Christie's believes that \$100 million is now the benchmark for this ultra-exclusive category, as more consumers move to collect "trophy" properties.



Dar Olfa, Marrakech, Morocco

Overall, homes priced at \$1 million or more rose 16 percent in the 80 markets studied.

Toronto was the hottest luxury market in the study, with a 37 percent increase in luxury sales from the year-ago period.

Major luxury cities such as Paris and New York saw a return to normalcy. In New York, in particular, there has been acute disparity between demand and inventory. Consequently, prices have skyrocketed and luxury zones have branched out.

High-value urban market sales rose 15 percent from the year-ago period, largely because of millennials growing up and baby boomers transitioning into new phases of life, according to Christie's.



Home by San Francisco firm Gast Architects.

"Second-home" markets such as Côte d'Azur, France, St. Barths, Cayman Islands, Telluride, CO and Turks & Caicos Islands saw a 28 percent year-on-year increase. Below-market peak prices, confidence in the economy and attractive investment opportunities led to this growth.

Côte d'Azur clocked the highest price per square foot for a property at \$22,577.

Dubai, United Arab Emirates, ranked the most popular city for second-home purchases. Top global cities such as London and Miami retained their allure, as 44 percent of sales in London and 40 percent in Miami came from international buyers.

The report also provides numerous snapshots and deep dives of particular markets.

Also, Christie's provides a modern definition of luxury based on the preferences of affluent homebuyers.

"Much like beauty, luxury is in the eye of the beholder," said Dan Conn, chief executive officer of Christie's International Real Estate. "It means different things to different people."

Return to growth

As the global affluent continue to thrive, markets everywhere will rejuvenate.

Douglas Elliman real estate broker Chris Leavitt has seen Miami grow from a place where investors parked money to a culturally resonant city with global appeal.

In addition to the thriving market, Mr. Leavitt has benefited from his spot on the Bravo television show "Million Dollar Listing Miami." The show's popularity has spurred many buyers and sellers looking for a trustworthy agent to contact him, impressed by his demeanor and knowledge ([see story](#)).

"Attractive loan rates, realistic pricing, and eased buying regulations are all providing exceptional opportunities for discerning buyers," said Niki van Eijk of Michaël Zingraf

Real Estate, Nice, France.

"Wealthy international buyers are increasingly interested in modern properties—those with no works needed," she said.

Final Take

Joe McCarthy, staff reporter on Luxury Daily, New York

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