



Sotheby's
INTERNATIONAL REALTY

UHNW LUXURY REAL
ESTATE REPORT:
HOMES AS OPPORTUNITY GATEWAYS



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A NOTE TO OUR READERS



We at Wealth-X are pleased to present the *UHNW Luxury Real Estate Report: Homes As Opportunity Gateways*, our third joint report in 2015 with the Sotheby's International Realty® brand as part of the ongoing knowledge partnership between our two organizations.

This study examines the trends, key drivers and motivations that are fuelling the rise in the number of ultra high net worth (UHNW) individuals (defined as those with at least US\$30 million in assets) who are buying luxury residential properties outside their home countries.

The report examines numerous key real estate markets – Sydney, Australia; the Canadian city of Vancouver; the island nation of Malta in the Mediterranean; the Bahamas; and the Brazilian city of Sao Paulo – which all offer great appeal and opportunities for ultra wealthy individuals who are seeking to purchase luxury residences overseas.

The UHNW Residential Real Estate index, tracked by Wealth-X, rose to 115.2 in Q2 2015, an 8.3% rise year-on-year, and the sixth consecutive quarter in which the index has risen. This continued rise in the index highlights the continued strength of real estate as an investment for the global ultra wealthy population, which accounts for 10 percent of all UHNW holdings, equal to nearly US\$3 trillion.

This third collaboration between Wealth-X and the Sotheby's International Realty® brand provides a definitive overview of macro and micro trends for luxury residential real estate, and highlights the exciting prospects available to UHNW investors.

We hope you will find this study a valuable tool in understanding the home-buying behaviors and motivations of the world's ultra wealthy.



Mykolas D. Rambus
Chief Executive Officer
Wealth-X



David S. Friedman
President
Wealth-X

A NOTE TO OUR READERS



We are pleased to present the third Wealth-X and Sotheby's International Realty® report, which focuses on *Homes as Opportunity Gateways*. Our goal is to provide you with valuable insights into the trends driving the buying decisions of ultra-high net worth individuals around the world, their motivations and destinations of interest.

This report reveals that home-buying trends of the ultra-high net worth are fueled by various motivations, be it safe investment diversification or to gain citizenship. This research can help guide real estate investments that contribute to long-term wealth and further underscores the important role real estate plays in a larger strategy to build a valuable asset portfolio.

This report provides powerful insight on the global lifestyle of the UHNW consumer and I encourage you to seek out a *Sotheby's International Realty* professional to provide their local market expertise and serve your real estate needs.

A handwritten signature in black ink that reads "Philip White". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Philip A. White, Jr.
President and Chief Executive Officer
Sotheby's International Realty Affiliates LLC

TABLE OF CONTENTS

KEY FINDINGS	I
INTRODUCTION	2
UHNW RESIDENTIAL REAL ESTATE INDEX	4
HOMES AS STABILIZING INVESTMENT	6
REGIONAL PROFILE: SYDNEY	9
REGIONAL PROFILE: VANCOUVER	11
HOMEOWNERSHIP AS CITIZENSHIP OPPORTUNITY	13
REGIONAL PROFILE: MALTA	15
REGIONAL PROFILE: THE BAHAMAS	17
REGIONAL PROFILE: SÃO PAULO	19
METHODOLOGY.....	21

KEY FINDINGS

- The ultra high net worth (UHNW) Luxury Residential Real Estate Index rose to 115.2 in Q2 2015, an 8.3% rise year over year, and the sixth consecutive quarter in which the Index has risen.
- 12% of second homes purchased by emerging market ultra high net worth (UHNW) individuals (those who reside in BRICS nations) are located outside their country of residence.
- Recent fluctuations in emerging market nations are leading a new generation of UHNW investors to consider investing in luxury residential real estate in Western markets.
- Chinese individuals now make up the third largest share of foreign UHNW homeowners in the United States, behind only Canada and the United Kingdom.
- Many of these target Western markets, including Sydney and Vancouver, have rising property values that are still three to five times less expensive than London and New York.
- 20 nations in Europe and the Americas now offer citizenship or residency programs to individuals willing to invest in domestic residential real estate. And several more, including St. Lucia, are considering such programs.
- Real estate investment for many of these nations' residency and citizenship programs begins at US\$250,000.
- Many residential real estate markets with such programs – including São Paulo, Malta, and the Bahamas – offer good long-term investment opportunities.



Damianos Sotheby's International Realty

INTRODUCTION

Buying a second or third home is a popular activity for ultra high net worth (UHNW) individuals – 79% own at least two homes, and 53% own three or more. For many UHNW individuals, these decisions are motivated by familiar considerations: lifestyle fit (for example, owning an oceanfront home or lodge near a ski resort), as well as short-term and long-term investment potential.

Increasingly, however, some UHNW individuals are buying homes for reasons that go beyond these traditional motivations or which take familiar motivations in new directions. For these buyers, homes are seen as ‘opportunity gateways’ and buying decisions are made based on what opportunities will become available as a result of owning the home.

This report will examine two emerging trends within this new field of UHNW home buying. The first is international home buying by UHNW individuals from emerging market nations seeking a safe investment diversification. In the past year, market volatility in a number of nations, and particularly in China, has led buyers to seek homes in economically and politically stable locations in the West as a hedge against market uncertainty at home.

Whilst most homeowners focus on the value of the home itself as well as its potential for capital appreciation, UHNW individuals may have non-traditional motivations such as the stability/diversification benefits of real estate as well as potential citizenship advantages of purchasing properties in certain countries.

Homes have often served as investment vehicles for UHNW buyers, either for short-term gain or as a part of a longer-term strategy, but most of these home purchases are made domestically. A large majority of all UHNW second homes are located within the buyer's country of residence.

The past quarter has seen a surge of interest in international home buying for diversification purposes; in markets where property values are likely to see a steady rise, and, more crucially, where property values are not subject to the same economic forces that affect a large percentage of the buyer's domestic holdings.

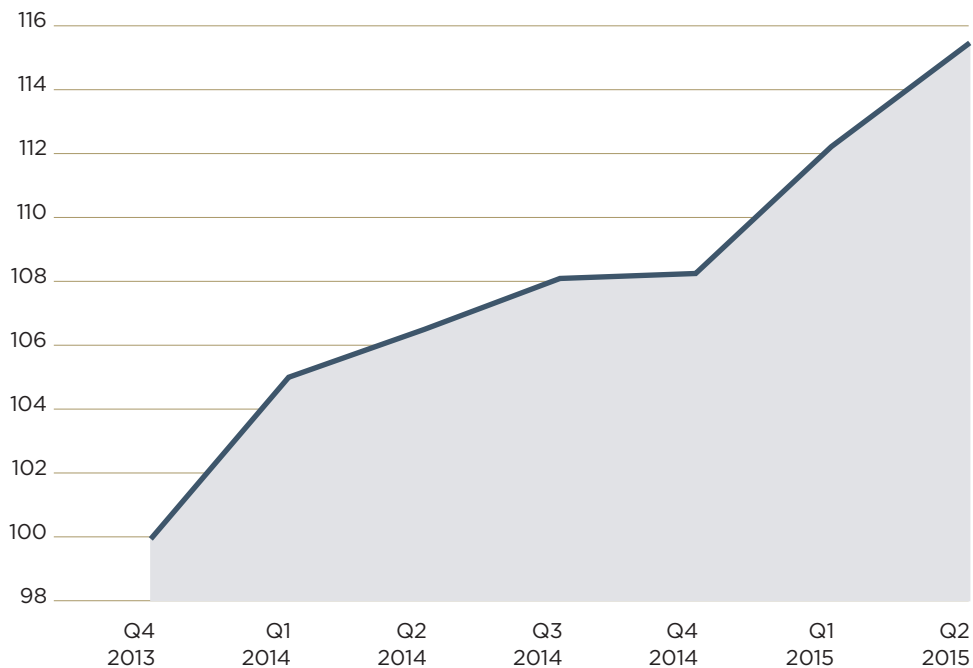
Examining target locations, we look at two cities that present excellent opportunities for such investors: Sydney and Vancouver. These cities each have growing UHNW populations, offer economic and political stability, and present attractive investment opportunities.

The second trend among UHNW real estate investors is home buying as part of a program to gain citizenship or residency status in foreign nations. In the past decade, several Caribbean and European nations have begun offering programs through which individuals can gain citizenship status by making a sizable investment in the local economy. The required investments range from US\$200,000 to over US\$1million and in most cases involve the purchase of real estate.

Among the various hotspots that have proven to be popular destinations for UHNW individuals interested in citizenship or residency by investment programs, we examine three: Malta, the Bahamas and São Paulo.

UHNW RESIDENTIAL REAL ESTATE INDEX

UHNW LUXURY RESIDENTIAL REAL ESTATE INDEX



In Q2 2015, the UHNW Residential Real Estate Index rose to 115.2, surpassing its previous high in Q1 2015 of 112.1. The index is up 8.2% year-on-year, and 2.7% from Q1 2015. Since falling slightly in Q4 2013, it has now risen for six consecutive quarters. The index, which represents real estate on a global basis, indicates the strength of the market generally, and allows for direct comparisons with previous Sotheby's International Realty® and Wealth-X reports. The transnational nature of many UHNW individuals, many of whom own homes all over the world, means that they are impacted as much by global events as they are by regional events. The index also provides a framework for evaluating changes specific to individual regions. The continued rise in the index represents the confidence of UHNW individuals to invest in luxury residential real estate.

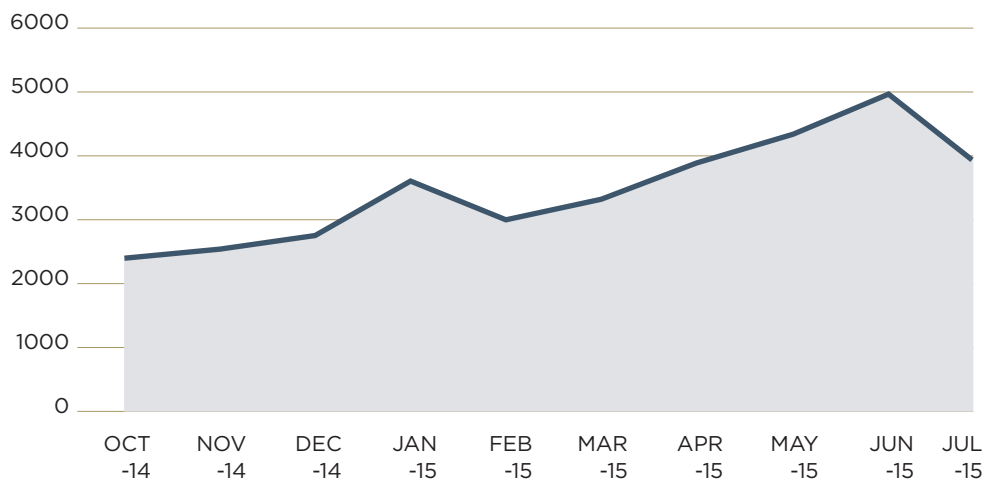
The UHNW Residential Real Estate Index is comprehensive, incorporating data for New York, Hong Kong, London, Singapore, Dallas, Mumbai, Los Angeles, Paris, San Francisco and Washington DC, as well as Palm Beach, Monaco and a composite index for countryside properties around the world. The index, therefore, goes further than merely providing information on the UHNW real estate market in the main global financial hubs: it takes into account the full range of luxury residential properties that are exclusively owned by the world's wealthiest individuals.

HOMES AS STABILIZING INVESTMENT

For many UHNW individuals in emerging market regions, owning a home in a major Western urban center is an excellent investment diversification strategy, which can provide a needed measure of economic stability. 12% of second homes purchased by emerging market UHNW individuals (those who reside in BRICS nations) are located outside their country of residence, a number that is likely to rise in coming years.

In recent months, Chinese equities markets have experienced significant turmoil.

SHANGHAI COMPOSITE INDEX



Though up 91.8% year-on-year, the Shanghai Index has fallen 21.4% over the past month.¹ Despite numerous measures taken by the Chinese government to prop up domestic equities markets, including preventing shareholders holding with more than a 5% stake in a given company from selling shares, and restricting short selling, many investors fear that domestic market turbulence is far from over.

¹ Market data as of July 13, 2015

However, the overall market has seen an incredible rise over the past year. While some Chinese UHNW individuals have seen a decline in their net wealth in recent market downturns, Wealth-X estimates that the Chinese billionaire population has already increased by 17 individuals in 2015. Rather than fleeing these markets for good, many potential luxury real estate buyers are pursuing Western luxury real estate as a long-term rebalancing strategy.

Many UHNW individuals who have invested heavily in Chinese equities markets have reacted to this economic fluctuation by investing in luxury real estate in Western cities. Reflecting this trend, Chinese individuals now make up the third largest share of foreign UHNW homeowners in the United States, behind only Canada and the United Kingdom.

UHNW individuals from Brazil, Russia, India, and South Africa are also pursuing opportunities for stable residential real estate investment growth in major urban hubs abroad. Their decisions are driven by a largely similar set of concerns: market fluctuations, business considerations, and political upheaval.

While equities markets are up in Russia and India over the past year, gains have cooled recently. MICEX is up 10% year-on-year, it has flattened in the past month, falling 1.6%. India's NIFTY is up 10.7% year-on-year, but only 5.6% in the past month. Brazil's markets have performed worse, falling over the past year and continuing their slide into the summer. IBOV is down 5.4% year-on-year, and off 0.4% in the past month. By comparison, the S&P 500 is up 6.1% year-on-year. UHNW investors in each nation face uncertain prospects over the next several quarters and beyond.



Looking abroad, such investors will find luxury residential property markets in major hubs like New York and London have been red-hot. London residential real estate prices in central neighborhoods have risen 42% from June 2010 to June 2015. Price increases have slowed considerably in 2015, up only 2% year-on-year, but the outlook remains positive.

New York has also seen dramatic rises in property values over the past 5 years. Growth has been particularly prominent at the top end of the market – property listings of over US\$30 million. There were 73 such homes listed for sale in June 2014 and by June 2015 there were 114.

While property values in these cities are unlikely to stagnate any time soon, buyers have also begun looking into alternative markets outside the global hubs that offer similar advantages: long-term growth potential, luxury lifestyle opportunities and amenities.

Beyond New York and London, UHNW investors looking abroad have primarily targeted major Pacific Rim cities including Sydney and Vancouver. Each of these cities presents a unique market opportunity.

Many of these target Western markets, including Sydney and Vancouver, have rising property values that are still three to five times less expensive than London and New York.

Homes in these regions have grown in value significantly over the past five years, if not quite as rapidly as London or New York. Over the past year, their value has begun to increase considerably, as home-buyers have begun showing greater interest in these markets. Sydney home values rose 15.1% year-on-year. Vancouver home values rose 12.3% year-on-year.

For real estate investors seeking opportunities outside their domestic markets, luxury real estate in each of these cities is an economically stable, politically safe, and portfolio diversifying investment. Each of the cities profiled below presents a further attraction of offering lower prices than major global UHNW hubs. Furthermore, real estate holdings in these cities are likely to continue rising in value in the coming years.

REGIONAL PROFILE: SYDNEY

Situated on Australia's east coast, Sydney is the nation's largest and wealthiest city. Driven by strength in finance, manufacturing, and tourism, the city is home to growing markets and is one of leading financial hubs in the Pacific. It is also the regional headquarters of many large multi-national corporations. Sydney's skyline, views, beaches and active lifestyle have all proven immensely popular and have made it the most populous city in Oceania.

Homes in neighborhoods with views of the famous harbor and opera house and easy access to Bondi and Coogee Beaches have drawn UHNW residents for years. Many of the downtown buildings in these areas have been designed by world famous architects including Frank Gehry and Richard Rogers. In addition, suburban neighborhood and harbor side residence Point Piper has many extraordinary homes, and is often considered one of the most prestigious suburbs anywhere in the world.

"THE LARGEST SINGLE GROUP REPRESENTED WITHIN THE FOREIGN BUYER CATEGORY FOR LUXURY RESIDENTIAL PROPERTY PURCHASERS IN THE SYDNEY MARKET IS UNDOUBTEDLY MAINLAND CHINESE BUYERS. AUSTRALIA, AND MORE IMPORTANTLY SYDNEY, IS GEOGRAPHICALLY PROXIMATE TO ASIA AND REPRESENTS A STABLE DEMOCRACY AND FINANCIAL SAFE-HAVEN FOR CHINESE FUNDS. SYDNEY IS TRULY AN INTERNATIONAL CITY WITH A STUNNING HARBOR AND OUTDOOR LIFESTYLE THAT MAKES IT A MAGNET FOR ASPIRATIONAL CHINESE BUYERS."

MICHAEL PALLIER, DIRECTOR SYDNEY SOTHEBY'S INTERNATIONAL REALTY

SYDNEY

1,470
UHNW POPULATION

14
NUMBER OF BILLIONAIRES

US\$6.6 MILLION
AVERAGE LIST PRICE (FOR HOMES OVER US\$1 M)

US\$1,468
AVERAGE PRICE PER SQUARE FOOT

5
AVERAGE NUMBER OF BEDROOMS

62
AVERAGE AGE

**FINANCE, BANKING &
INVESTMENT**
TOP INDUSTRY

4, US\$1.9 BILLION
SOCIAL GRAPH*

75%
PERCENT SELF-MADE

US\$188 MILLION
AVERAGE NET WORTH

SPORTS
TOP HOBBIES

UNITED KINGDOM
TOP COUNTRY FOR FOREIGN OWNERS

*SOCIAL GRAPH REFERS TO THE TOTAL NET WORTH OF UHNW INDIVIDUALS' CONNECTIONS TO OTHER UHNW INDIVIDUALS - IT IS A MEASURE OF THE VALUE OF THEIR NETWORK AND HOW EXTENSIVELY CONNECTED THEY ARE.

REGIONAL PROFILE: VANCOUVER

Vancouver, British Columbia sits at the confluence of North American, Pacific, and Asian commerce and travel. As such it is a truly diverse and international city. This diversity is reflected in the city's ethnic makeup as well as its economy – technology, banking, and biotech have all driven growth in the area. Vancouver is situated between a beautiful mountain range and the Pacific, and sits next to Vancouver Island, providing an endless stream of activities for the outdoor enthusiast. The city regularly appears at the top of lists of most livable cities in the world.

Downtown Vancouver features several attractive luxury developments. Condominiums in West End and Coal Harbor along the waterfront near Stanley Park are highly sought after, as both have commanding views of the mountain and the island. Such properties have proved an attractive option for Chinese UHNW individuals seeking safe haven investments, which has helped to fuel the market. Shaughnessy and Arbutus Ridge also feature luxuriously restored heritage homes dating back to before WWII.

“LUXURY HOME BUYERS OF INTERNATIONAL ORIGIN ARE MOTIVATED BY BOTH FINANCIAL AND FAMILY SECURITY. CANADIAN REAL ESTATE IS REGARDED AS A SAFE AND SECURE FINANCIAL INVESTMENT. AT THE SAME TIME, MANY OF THESE BUYERS WANT THEIR FAMILIES AND CHILDREN TO LIVE IN A CITY THAT IS RENOWNED FOR ITS LIVABILITY, IN NEIGHBORHOODS THAT ARE SAFER, HEALTHIER, GREENER AND OFFER BETTER EDUCATIONAL EXPERIENCES THAN IN THEIR COUNTRIES OF ORIGIN.”

SOTHEBY'S INTERNATIONAL REALTY CANADA (VANCOUVER)

VANCOUVER

975

UHNW POPULATION

8

NUMBER OF BILLIONAIRES

US\$3.3 MILLION

AVERAGE LIST PRICE (FOR HOMES OVER US\$1 M)

US\$1,063

AVERAGE PRICE PER SQUARE FOOT

3.4

AVERAGE NUMBER OF BEDROOMS

61

AVERAGE AGE

METALS & MINING

TOP INDUSTRY

3, US\$1.7 BILLION

SOCIAL GRAPH

79%

PERCENT SELF-MADE

US\$165 MILLION

AVERAGE NET WORTH

OUTDOORS

TOP HOBBIES

UNITED STATES

TOP COUNTRY FOR FOREIGN OWNERS

*SOCIAL GRAPH REFERS TO THE TOTAL NET WORTH OF UHNW INDIVIDUALS' CONNECTIONS TO OTHER UHNW INDIVIDUALS - IT IS A MEASURE OF THE VALUE OF THEIR NETWORK AND HOW EXTENSIVELY CONNECTED THEY ARE.

HOMEOWNERSHIP AS CITIZENSHIP OPPORTUNITY

“Global citizenship” is becoming an increasingly popular tool for the world’s ultra wealthy. There are many different reasons why a UHNW individual might seek a second citizenship including, but not limited to: greater stability and security, tax efficiency, ease of travel, higher standard of living, increased options for children’s education, and investment opportunities that may not otherwise be available. Location still remains an important factor for UHNW individuals, but on a country level rather than a street level. For many, the passport is becoming as important as the neighborhood.

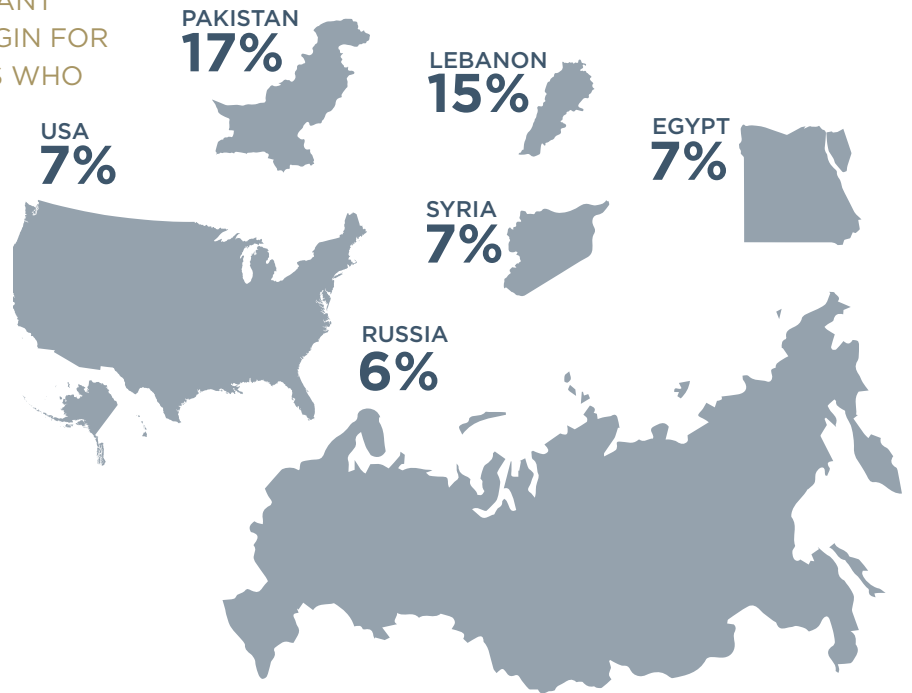
For UHNW individuals seeking citizenship or visa status in a foreign country, buying a home is often the best route. An increasing number of nations offer citizenship by investment programs, by which individuals can gain residency to a country following a significant investment.

The centerpiece of many of these programs is property investment. Financial requirements range widely – from a US\$200,000 minimum real estate investment in Dominica to a US\$700,000 minimum real estate investment in Spain and Cyprus. In return, investors gain residency or citizenship status after a multi-year waiting period.

Such programs are divided into Immigrant Investor Programs (IIPs), and Citizenship by Investment Programs (CIPs); IIPs require a residence permit as a condition for receiving citizenship, while CIPs do not.

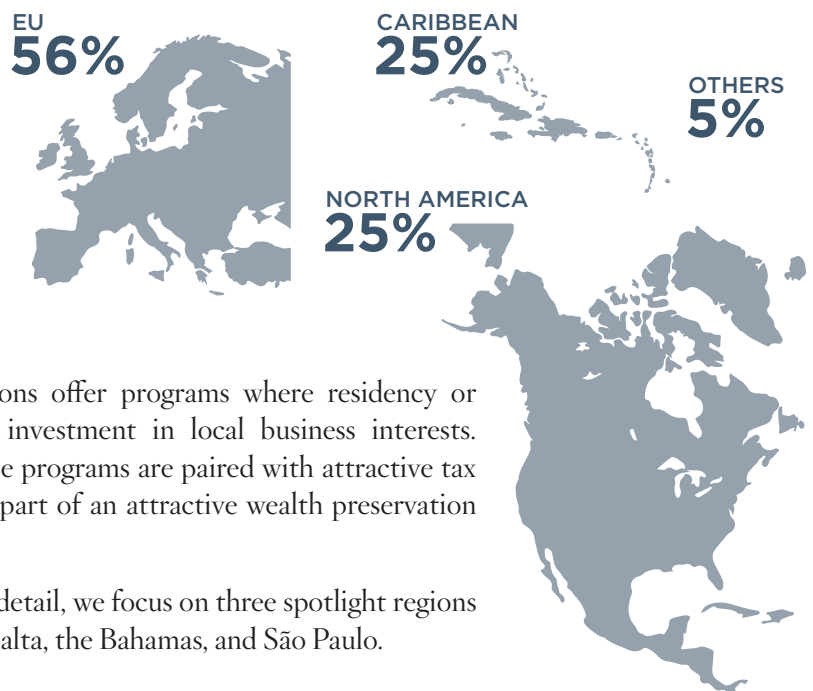
Interest in such programs comes from individuals in a wide range of nations, but much of it arises from the Middle East, as shown on the next page.

THE MOST SIGNIFICANT COUNTRIES OF ORIGIN FOR UHNW INDIVIDUALS WHO HAVE A **SECOND CITIZENSHIP**



As of 2015, over 20 nations offered citizenship by investment programs and as the graphic below shows, most nations offering citizenship by investment programs are located in Europe and the Caribbean.

THE MOST SIGNIFICANT REGIONS OF **CITIZENSHIP APPLICATION**



In addition, a number of nations offer programs where residency or citizenship can be gained via investment in local business interests. Especially in nations where these programs are paired with attractive tax regimes, buying a home can be part of an attractive wealth preservation plan.

Examining this trend in greater detail, we focus on three spotlight regions in Europe and the Caribbean: Malta, the Bahamas, and São Paulo.

REGIONAL PROFILE: MALTA

Malta – which means ‘refuge’ or ‘haven’ – is among the world’s smallest nations, but its rich history and culture have long been a draw for UHNW residents. The country boasts a warm subtropical climate, stunning cliff views of the Mediterranean, and numerous UNESCO world heritage sites. Malta features a rich tapestry of cultures and traditions, formed by its many historical rulers and influences.

Classical and modern villas and apartments are scattered throughout the island. Several new seafront complexes offer the range of modern luxury amenities, while many older homes are prized for their unique architectural detail.

Foreign nationals are allowed to buy one property anywhere in Malta, though in specially designated regions they may purchase additional properties. Especially attractive properties are located in Sliema, on the east coast, which features several new penthouse developments, and the Three Villages, which are home to a variety of exclusive resort homes.

“MALTA CURRENTLY ENJOYS THE HIGHEST ECONOMIC GROWTH RATE ACROSS ALL 28 EUROPEAN UNION MEMBER STATES AND ITS CITIZENSHIP PROGRAM SUPPORTS MALTA’S ECONOMIC DEVELOPMENT THROUGH FOREIGN INVESTMENT, ALLOWING ALL THE BENEFITS ATTACHED TO BEING A MALTA CITIZEN TO FOREIGN INDIVIDUALS AND THEIR FAMILIES WHO CONTRIBUTE TO MALTA’S ECONOMY. IN ADDITION, THE MEDITERRANEAN ISLAND OFFERS A HIGHLY ADVANTAGEOUS FISCAL POLICY WITH A FLAT TAX RATE, HAS A DIVERSE REAL ESTATE MARKET, AND A HOSPITABLE LOCAL POPULATION.”

MICHAEL J. ZAMMIT, JOINT OWNER AND DIRECTOR, MALTA SOTHEBY’S INTERNATIONAL REALTY

MALTA



35
UHNW POPULATION

2
NUMBER OF BILLIONAIRES

US\$2.5 MILLION
AVERAGE LISTED PRICE (FOR HOMES OVER \$1 M)

US\$678
AVERAGE PRICE PER SQUARE FOOT

4.2
AVERAGE NUMBER OF BEDROOMS

59
AVERAGE AGE

FINANCE, BANKING & INVESTMENT
TOP INDUSTRY

77%
PERCENT SELF-MADE

US\$160 MILLION
AVERAGE NET WORTH

SPORTS
TOP HOBBIES

FRANCE, GERMANY & UNITED STATES
TOP COUNTRY FOR FOREIGN OWNERS

*SOCIAL GRAPH REFERS TO THE TOTAL NET WORTH OF UHNW INDIVIDUALS' CONNECTIONS TO OTHER UHNW INDIVIDUALS - IT IS A MEASURE OF THE VALUE OF THEIR NETWORK AND HOW EXTENSIVELY CONNECTED THEY ARE.

REGIONAL PROFILE: BAHAMAS

The Bahamas has a long-standing and well-deserved reputation as the ideal island getaway. The country is actually made up of over 3,000 islands and cays, with Paradise Island, Lyford Cay, Eluthera and Abaco Islands among the most desirable places to call home.

Paradise Island is located near the capital of Nassau. Gated resort communities and elegant properties offer access to amazing ocean views by day and high-end casinos by night. Lyford Cay is a very private island near New Providence that has drawn international jet setters since the 1950's and features its own world-class golf course, and yacht club.

Eluthera is a paradise of dramatic cliffs, rolling hills and sandy beaches, and many of its properties feature deep-water docks. The Abaco Islands are among the world's greatest boating and sailing destinations, and home to amazing fishing and diving.

"THE BAHAMAS ARE LOCATED ONLY 60 MILES OFF THE COAST OF FLORIDA. THERE IS NO INHERITANCE TAX, CAPITAL GAINS TAX, CORPORATE TAX, OR AN INCOME TAX IN BAHAMAS. NON-BAHAMIAN INVESTORS WHO PURCHASE RESIDENCES VALUED IN EXCESS OF US\$500,000 MAY APPLY FOR A PERMANENT RESIDENCY CERTIFICATE IN THE BAHAMAS, MAKING INVESTING IN BAHAMAS REAL ESTATE RELATIVELY EASY FOR THOSE LOOKING TO PURCHASE PRIMARILY AS AN INVESTMENT FOR A PERMANENT RESIDENCY WITH TAX ADVANTAGES."

GEORGE DAMIANOS, PRESIDENT, DAMIANOS SOTHEBY'S INTERNATIONAL REALTY

BAHAMAS



45

UHNW POPULATION

3

NUMBER OF BILLIONAIRES

US\$2.7 MILLION

AVERAGE LISTED PRICE (FOR HOMES OVER \$1 M)

US\$795

AVERAGE PRICE PER SQUARE FOOT

4.5

AVERAGE NUMBER OF BEDROOMS

62

AVERAGE AGE

**HOTELS, RESTAURANTS &
LEISURE**

TOP INDUSTRY

7, US\$2.1 BILLION

SOCIAL GRAPH

74%

PERCENT SELF-MADE

US\$205 MILLION

AVERAGE NET WORTH

SPORTS

TOP HOBBIES

UNITED KINGDOM

TOP COUNTRY FOR FOREIGN OWNERS

*SOCIAL GRAPH REFERS TO THE TOTAL NET WORTH OF UHNW INDIVIDUALS' CONNECTIONS TO OTHER UHNW INDIVIDUALS - IT IS A MEASURE OF THE VALUE OF THEIR NETWORK AND HOW EXTENSIVELY CONNECTED THEY ARE.

REGIONAL PROFILE: SÃO PAULO

Though Brazil's citizenship by investment program requires direct investment in a business rather than a real estate purchase to qualify, it offers lower personal income and corporate tax rates than nearly all developed nations. So buying a home in Brazil can be part of an attractive long-term investment strategy.

With over 19 million people, São Paulo is both Brazil's largest city and one of the world's most populous. It is also the economic hub of a nation of over 200 million. São Paulo is deeply cosmopolitan and always alive with energy, offering a wide range of cultural activities to UHNW buyers from any background. The Jardim district features high-end shopping and auto enthusiasts can take in a race at Interlagos, São Paulo's Formula 1 track.

UHNW buyers seeking luxury houses or apartments have a variety of neighborhoods to choose from. Morumbi is a classically luxurious neighborhood of stately villa and new penthouse apartments. Located near the airport and Ibirapuera Park, Moema offers easy access to numerous activities. Villa Nova Conceicao is a newer ultra-luxury development featuring apartments with spas, gyms, and cinemas.

Looking to the countryside, considering a radius of 100 miles of the city, one can choose from hilly areas with a European atmosphere and savor the winter time to other destinations close to lakes or exclusive condos with easy access to golfing, polo and other sports. Some of these destinations have amazing luxury condominiums like Quinta da Baronesa, Fazenda Boa Vista, Helvetia Club and many others present in the regions of Itu, Indaiatuba, Ibiúna, Cotia and Bragança Paulista, small cities in the state of São Paulo.

"SÃO PAULO HAS ATTRACTED IMMIGRANTS FROM MANY DIFFERENT COUNTRIES, BECOMING ONE OF THE MOST ETHNICALLY DIVERSE CITIES IN THE WORLD. LIVING IN SÃO PAULO MEANS ENJOYING A VIBRANT LIFESTYLE, WITH PLENTY OF NIGHTLIFE ACTIVITIES AND AN UNLIMITED VARIETY OF CULINARY OPTIONS. THESE FACETS COMBINED WITH LOWER PERSONAL INCOME AND CORPORATE TAX RATES THAN OTHER DEVELOPED NATIONS MAKES SÃO PAULO ATTRACTIVE AS A LONG-TERM INVESTMENT STRATEGY."

LUCIANO AMADO, PRESIDENT, BOSSA NOVA SOTHEBY'S INTERNATIONAL REALTY

SÃO PAULO

1,885
UHNW POPULATION

27
NUMBER OF BILLIONAIRES

US\$2.5 MILLION
AVERAGE LISTED PRICE (FOR HOMES OVER \$1 M)

US\$785
AVERAGE PRICE PER SQUARE FOOT

4.1
AVERAGE NUMBER OF BEDROOMS

59
AVERAGE AGE

FINANCE, BANKING & INVESTMENT
TOP INDUSTRY

5, US\$3.7 BILLION
SOCIAL GRAPH

33%
PERCENT SELF-MADE

US\$180 MILLION
AVERAGE NET WORTH

SPORTS
TOP HOBBIES

UNITED STATES
TOP COUNTRY FOR FOREIGN OWNERS

*SOCIAL GRAPH REFERS TO THE TOTAL NET WORTH OF UHNW INDIVIDUALS' CONNECTIONS TO OTHER UHNW INDIVIDUALS - IT IS A MEASURE OF THE VALUE OF THEIR NETWORK AND HOW EXTENSIVELY CONNECTED THEY ARE.

METHODOLOGY

Wealth-X uses a proprietary valuation model to assess all asset holdings including privately and publicly held businesses and investible assets to develop our Net Worth Valuation.

Our team of researchers and analysts has access to an unrivaled, proprietary database of global ultra high net worth (UHNW) individuals that is the largest in existence. Our database highlights their financial profiles, passions and interests, known associates, affiliations, family members, biographies, news and much more.

Wealth-X uses the primary business address as the determinant of an individual's location.

The UHNW Residential Real Estate Index was constructed using a combination of average price per square foot in the most popular UHNW neighborhoods of each location and average price of sold properties within these areas, as well as across countryside in ten countries. The index uses quarterly or monthly data. Weights were based on the number of residences in each location.

ABOUT SOTHEBY'S INTERNATIONAL REALTY[®]

Founded in 1976 to provide independent brokerages with a powerful marketing and referral program for luxury listings, the *Sotheby's International Realty* network was designed to connect the finest independent real estate companies to the most prestigious clientele in the world. *Sotheby's International Realty* Affiliates LLC is a subsidiary of Realogy Holdings Corp. (NYSE: RLGY), a global leader in real estate franchising and provider of real estate brokerage, relocation and settlement services. In February 2004, Realogy entered into a long-term strategic alliance with Sotheby's, the operator of the auction house. The agreement provided for the licensing of the *Sotheby's International Realty* name and the development of a full franchise system. Affiliations in the system are granted only to brokerages and individuals meeting strict qualifications. *Sotheby's International Realty* Affiliates LLC supports its affiliates with a host of operational, marketing, recruiting, educational and business development resources. Franchise affiliates also benefit from an association with the venerable Sotheby's auction house, established in 1744.

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