

Luxury Institute WealthSurvey™

Real Estate and Lifestyles



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Table of Contents

Topic	Slide #
▪ Research Overview	3
▪ Summary of Key Findings	5
▪ Property Ownership	10
▪ Most Recent Property Purchase	19
▪ Real Estate Purchasing Experience	32
▪ Future Real Estate Purchasing and Selling	40
▪ Lifestyles and Attitudes of Wealthy Consumers	50
▪ Appendix I: Respondent Profile	64
▪ Appendix II: Survey Questionnaire	72
▪ Attributions and Contact Information	79

Research Notes

- This survey was conducted in cooperation with The Institute for Luxury Home Marketing who contributed to the survey questionnaire.
- The Luxury Institute conducted research among wealthy consumers with a minimum annual income of \$150,000 about their property ownership, real estate purchasing and selling and lifestyle behaviors.
- These results are intended to provide important insights that can guide decision-making and best practices implementation for companies and brands that cater to wealthy consumers.
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Research Methodology: Sampling

- In May 2011, a national sample of 800 wealthy consumers were surveyed in-depth online about their property ownership, real estate purchasing and selling and lifestyle behaviors. The full survey questionnaire appears in Appendix II of this report.
- Respondents were recruited and screened to only include those age 21 or older with a minimum gross annual income of \$150,000. No minimum was set for net worth, but the data was captured.
- According to the latest (2007) Federal Reserve Board Survey of Consumer Finances (SCF), this criteria represents the top 10.6 million (9.1%) of U.S. households.
- The survey data have been weighted with respect to gender, age and income to match the SCF profile of these households.

Sample Profile	2007 SCF Benchmark	Survey Data (unweighted)	Survey Data (weighted)
Gender ratio (M:F)	n/a	50%:50%	50%:50%
Age 21 to 44	28%	24%	28%
Age 45 to 54	32%	33%	32%
Age 55 to 64	26%	29%	26%
Age 65 or older	14%	15%	14%
Median age	51 years	53 years	52 years
\$150k-\$199k	40%	54%	40%
\$200k-\$299k	30%	32%	30%
\$300k-\$499k	14%	9%	14%
\$500k or more	16%	5%	16%
Mean income	\$421k	\$274k	\$387k
Median income	\$221k	\$195k	\$233k
Mean net worth	\$3.5 mil.	\$3.0 mil.	\$4.7 mil.
Median net worth	\$1.2 mil.	\$1.2 mil.	\$1.5 mil.

Summary of Key Findings

Property Ownership:

- More than 90% of wealthy consumers surveyed own at least one personal residence. Thirty percent own two or more properties used as personal residences or vacation homes.
 - On average, wealthy consumers owning at least one personal residence estimate their total property value to be \$1.8 million. Of these owners, 37% value their house(s) at \$1 million or higher.
 - Eleven percent of wealthy residential property owners own a personal residence or vacation home outside of the United States.
- One-quarter (24%) of wealthy consumers own investment property, including 10% who own two or more investment properties.
 - On average, investment property owners own 2.4 different properties.
 - On average, wealthy consumers who own investment property estimate the value of these assets to be \$3.2 million.
 - Half of these investors own property worth at least \$1 million.

Summary of Key Findings

Most Recent Property Purchase:

- One-quarter (24%) of wealthy consumers have purchased a residential property since 2008.
- The majority (74%) of wealthy consumers purchased a primary residence the last time they made a residential purchase. Another 20% bought a secondary residence or vacation home.
 - Purchases of a secondary residence or vacation home rises to 38% of wealthy consumers who made their most recent purchase since the beginning of 2008.
- On average, the last property purchased by wealthy consumers cost nearly \$1 million, although most consumers paid less than \$500,000.
 - Predictably, consumers who made their last purchase since 2005 paid a lot more than those whose last purchase was made before 2005.
- It is most common for wealthy consumers to buy properties within 100 miles of their previous residence, especially when purchasing a primary residence.
 - Nearly half of wealthy consumers who most recently purchased a secondary residence or vacation home purchased a property 500 or more miles away.
- Of the most recently purchased properties by wealthy consumers, 83% are single family homes and 67% are located in suburban neighborhoods.

Summary of Key Findings

Real Estate Purchase Experience:

- Two-thirds of wealthy consumers (67%) report that the real estate purchase process took six months or less from the time they started looking until they closed on the property. On average, the process took 5.5 months to complete.
- Seven out of ten (70%) wealthy consumers used a real estate agent to help with their property purchase.
 - Nearly four out of five (78%) wealthy consumers who used a real estate for their most recent property purchase indicate that they are satisfied with the agent.
 - Two-thirds (65%) of wealthy consumers are likely to work again with the same real estate agent.
 - Eleven percent of wealthy consumers using an agent changed real estate agents during the process of their last property purchase.
- “Internet property listings with photos” and “friends or acquaintances” were the most important resources used when searching for their most recently purchased residential property.
 - As income increases, a local brokerage company website becomes more important and local newspaper classifieds become less important.
 - Luxury home magazine ads, the *Wall Street Journal* and the *New York Times* were more important to consumers with higher income and/or net worth.

Summary of Key Findings

Future Real Estate Purchasing and Selling:

- Seventeen percent of wealthy consumers are considering a purchase of residential real estate in 2011.
 - The leading barriers to considering real estate purchases are uncertainty about the state of the economy, a desire to remain liquid, the relative strength of other investment categories and the need to sell current property first at a low price.
 - Conversely, the leading motivations for considering real estate purchases are low prices, lots of inventory to choose from, perceptions of real estate as a good investment and low interest rates. Over one-third of wealthy consumers considering a real estate purchase in 2011 indicate they would make an all cash purchase.
- Wealthy consumers judge the most important characteristics in a real estate agent as “knowledge about the buying and selling process” and “resale home product knowledge.”
 - Nearly half (48%) place importance on a luxury housing market designation and 43% place importance on expertise in the luxury home market.
- The most essential tools for selling a luxury home according to wealthy consumers are Internet listings with numerous photographs, listings in the MLS, a special open house for local agents who work in the luxury home market and full-color printed brochures.

Summary of Key Findings

- Lifestyles of Wealthy Consumers and/or their Spouses in Past 12 Months:
 - Four out of five (81%) wealthy consumers have traveled on vacation in the U.S. Forty-one percent have traveled abroad and 24% have traveled in first class by air.
 - Wine or champagne by the case and single jewelry items priced above \$1,000 are the top two types of luxury purchases made by wealthy consumers.
 - Nearly three out of ten wealthy consumers have played golf in the last 12 months.
 - At least half of wealthy consumers have attended museums and concerts in the last 12 months. Forty-two percent attended theatre, ballet or opera events.
 - More than two out of five (44%) wealthy consumers and/or their spouses participated in volunteering or fund raising for charity in the last 12 months.
 - Over half of wealthy consumers indicate that they enjoy gardening and nearly half enjoy gourmet restaurant dining.
- Attitudes of Wealthy Consumers:
 - A majority of wealthy consumers agree that “I prefer a low-key lifestyle” (72%) and that “I deserve the luxuries I enjoy, I’ve earned them” (56%).
 - Nearly half agree that “my home is a reflection of my success” (46%) and “I find that my lifestyle has shifted from buying things to spending on experiences” (45%).
 - A slightly greater share of wealthy consumers consider themselves to have an “old money attitude” (17%) rather than a “new money attitude” (11%). Most consumers responded do not identify with either of these.

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Property Ownership



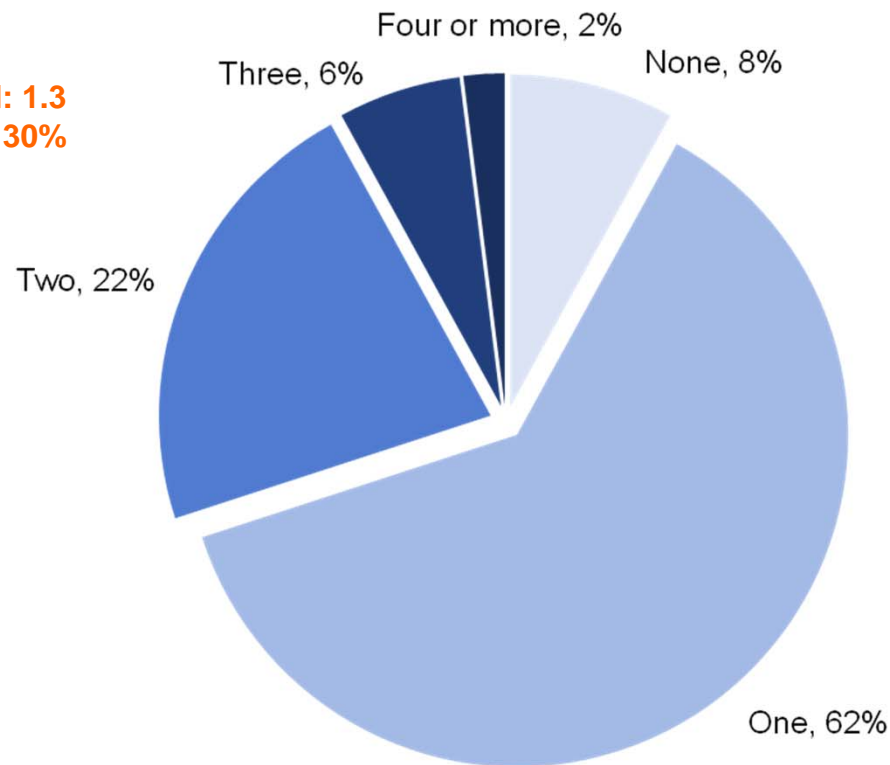
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Ownership of Personal Residences

- More than 90% of wealthy consumers surveyed own at least one personal residence.
- Thirty percent own two or more properties used as personal residences or vacation homes.

How many personal residences/vacation homes do you own?

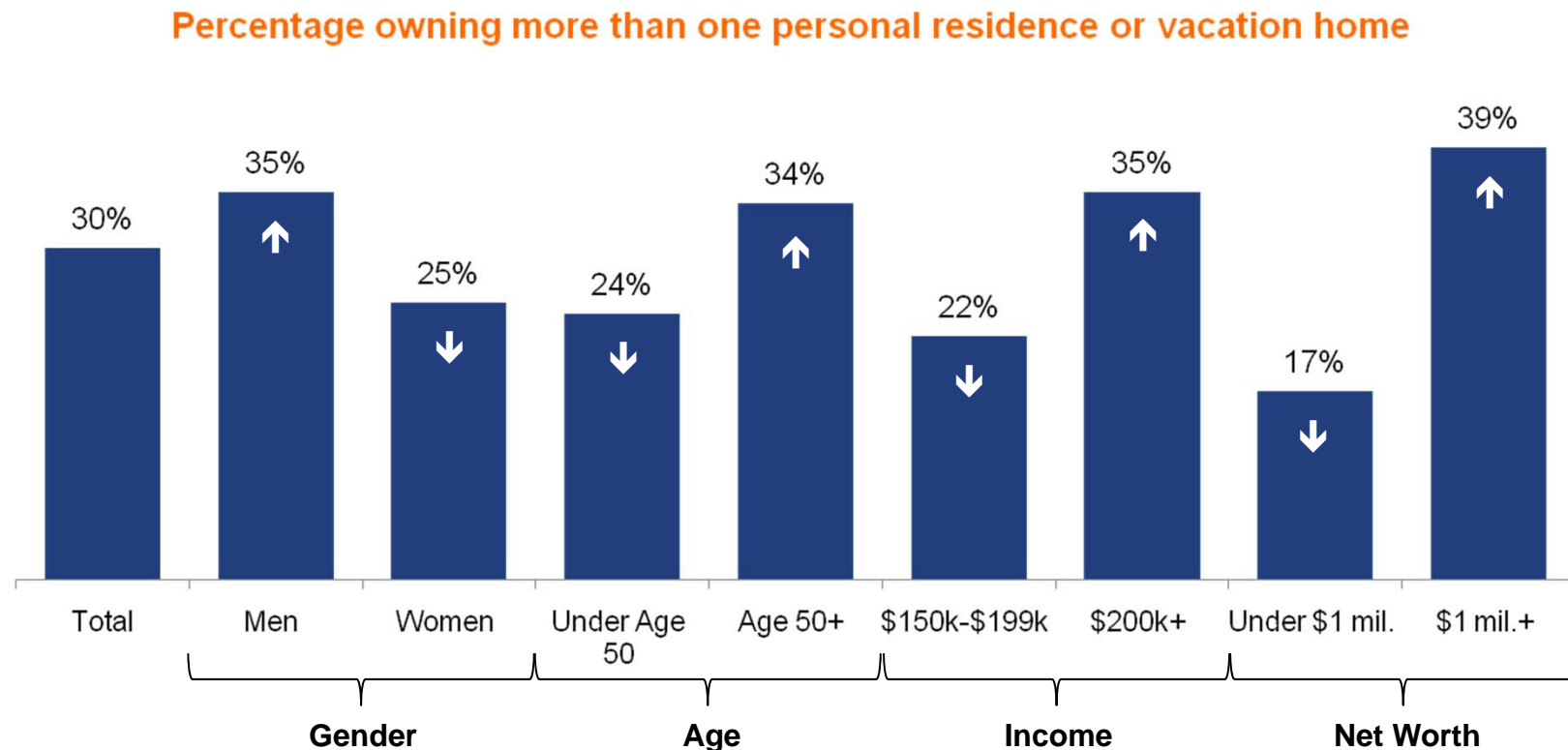
Mean number owned: 1.3
Own more than one: 30%



Q: First, how many homes do you currently own and use as personal residences or vacation homes? (n=800 wealthy consumers)

Ownership of Multiple Personal Residences

- Ownership of multiple personal residences rises with increasing age, income and net worth. Men are more likely than women to report owning more than one personal residence.

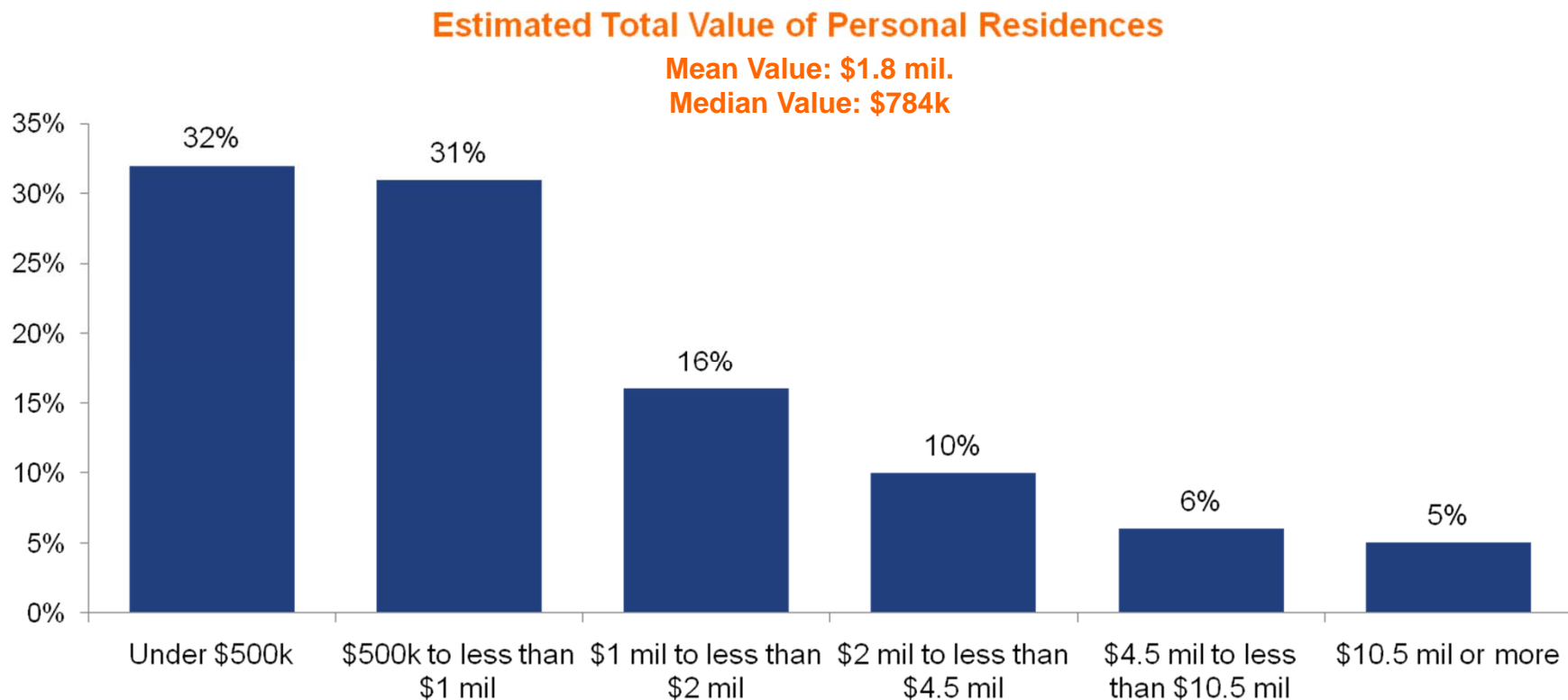


Q: First, how many homes do you currently own and use as personal residences or vacation homes? (n=800 wealthy consumers)

Arrows indicate statistically significant differences between demographic groups with 90% confidence.

Total Value of Personal Residences

- On average, wealthy consumers owning at least one personal residence estimate their total property value to be \$1.8 million. Of these owners, 37% value their house(s) at \$1 million or higher.

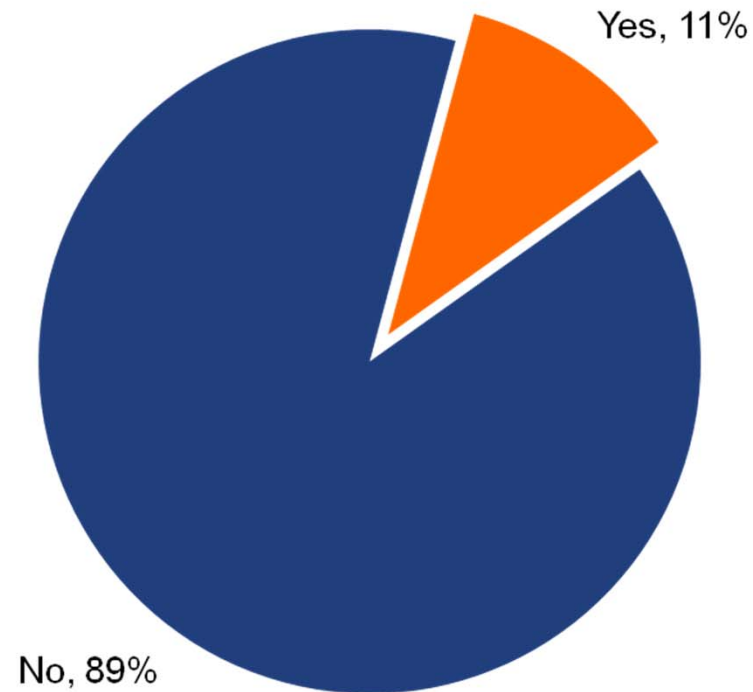


Q: What is the estimated cumulative value of these residences?
(n=747 wealthy consumers who own at least one personal residence)

Personal Residences Outside the U.S.

- Eleven percent of wealthy residential property owners own a personal residence or vacation home outside of the United States.

Are any of your personal residences outside the United States?

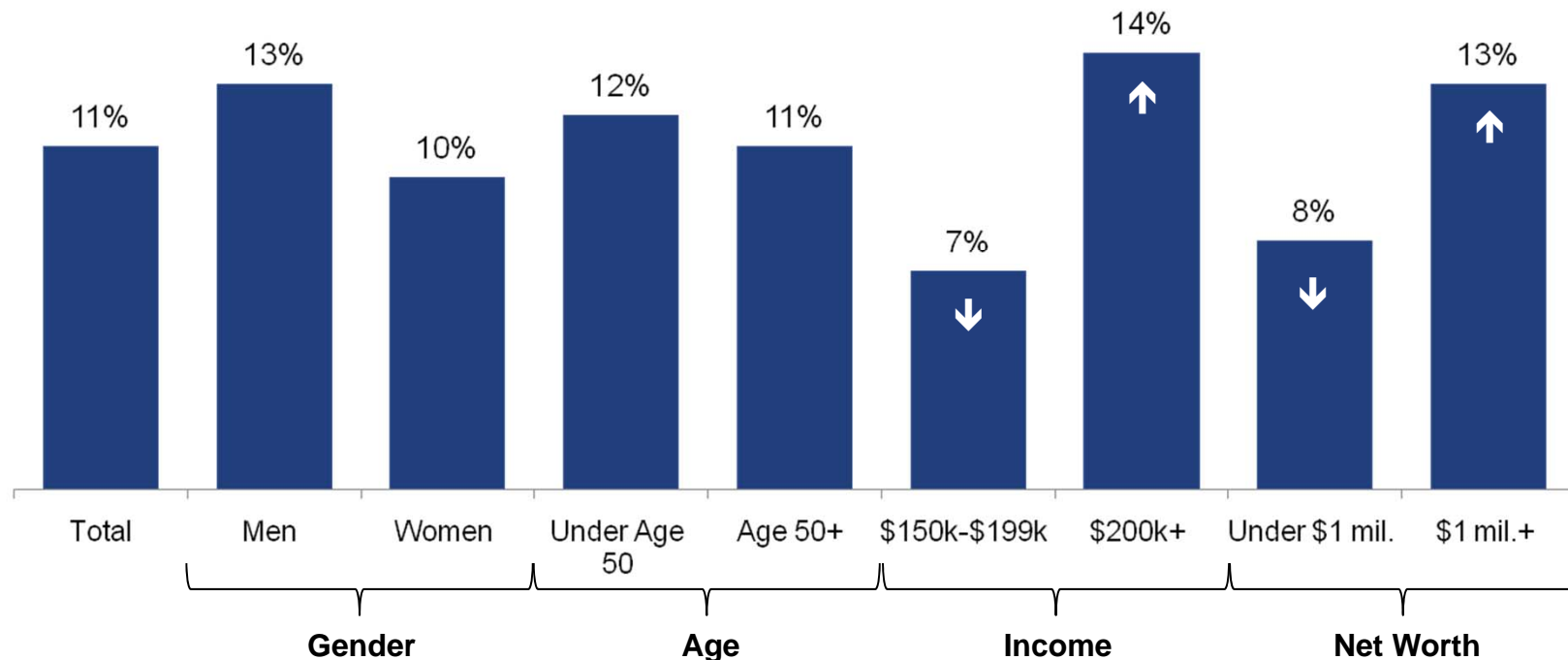


Q: Are any of these residences outside the U.S.? (n=747 wealthy consumers who own at least one personal residence)

Personal Residences Outside the U.S.

- Higher income and net worth are associated with ownership of personal residences outside of the United States.

Percentage owning personal residences outside the U.S.



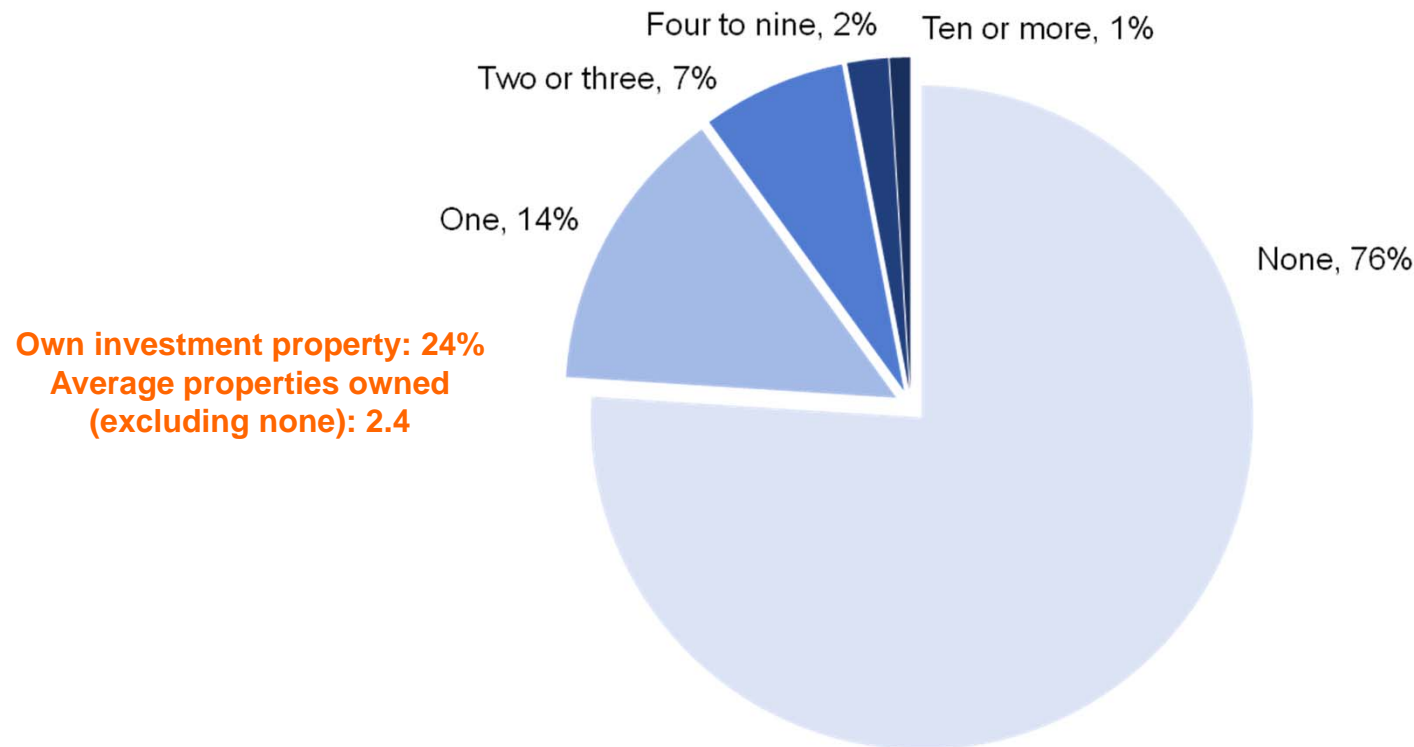
Q: Are any of these residences outside the U.S.? (n=747 wealthy consumers who own at least one personal residence)

Arrows indicate statistically significant differences between demographic groups with 90% confidence.

Ownership of Investment Properties

- One-quarter (24%) of wealthy consumers own investment property, including 10% who own two or more investment properties.
- On average, investment property owners own 2.4 different properties.

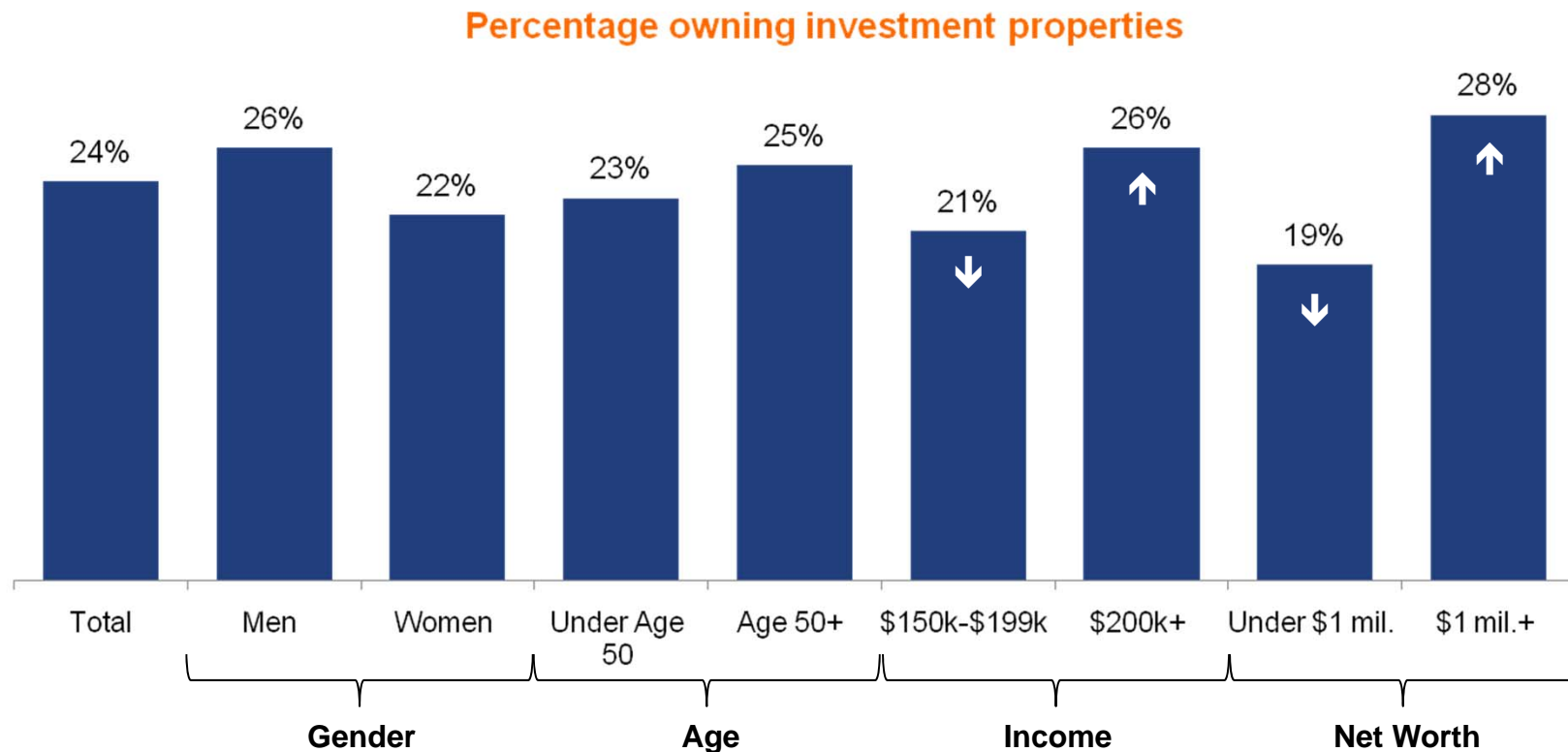
How many investment properties do you own?



Q: How many other homes or properties do you own as investments? (n=800 wealthy consumers)

Ownership of Investment Properties

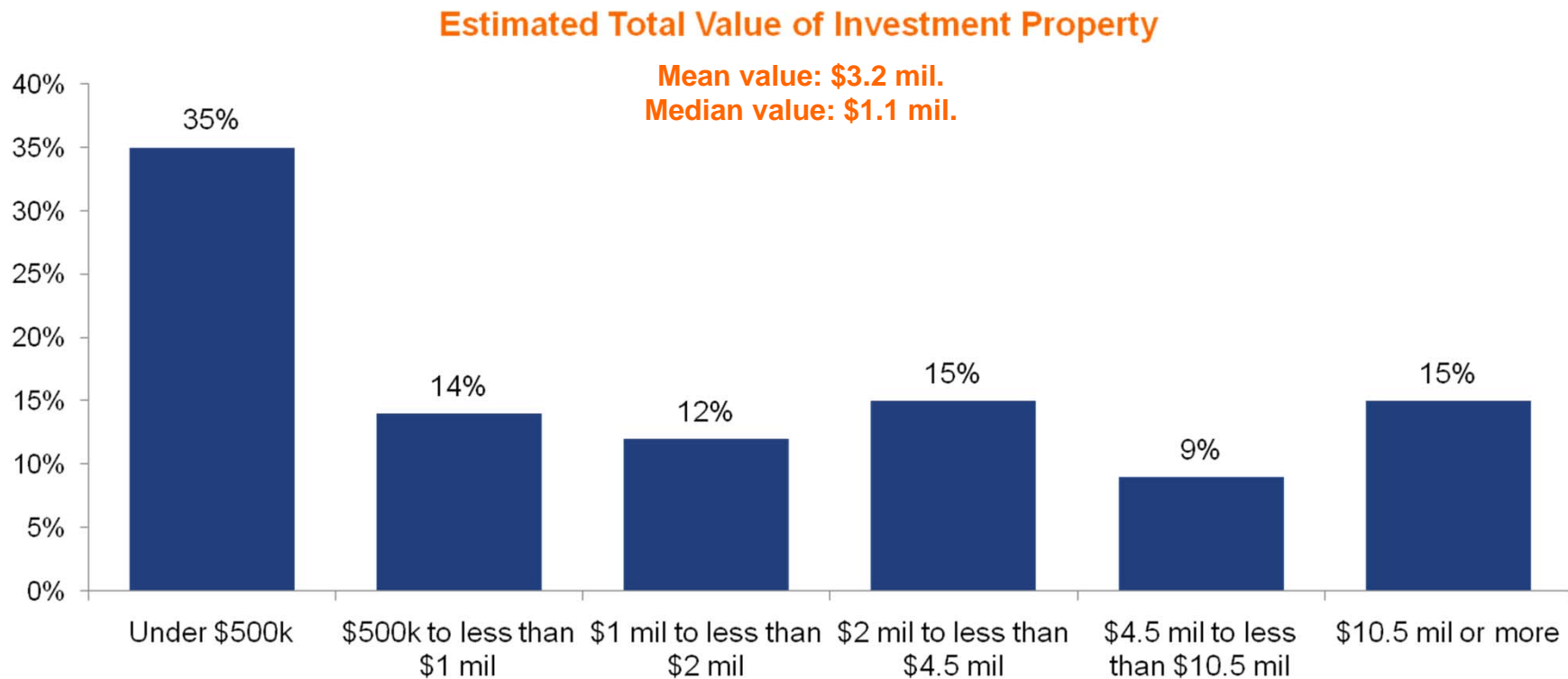
- Ownership of investment properties increases with increasing income and net worth.



Q: How many other homes or properties do you own as investments? (n=800 wealthy consumers)
Arrows indicate statistically significant differences between demographic groups with 90% confidence.

Total Value of Investment Property

- On average, wealthy consumers who own investment property estimate the value of these assets to be \$3.2 million.
- Half of these investors own property worth at least \$1 million.



Q: What is the estimated cumulative value of these investment homes and properties? (n=181 wealthy consumers who own investment property)

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Most Recent Property Purchase

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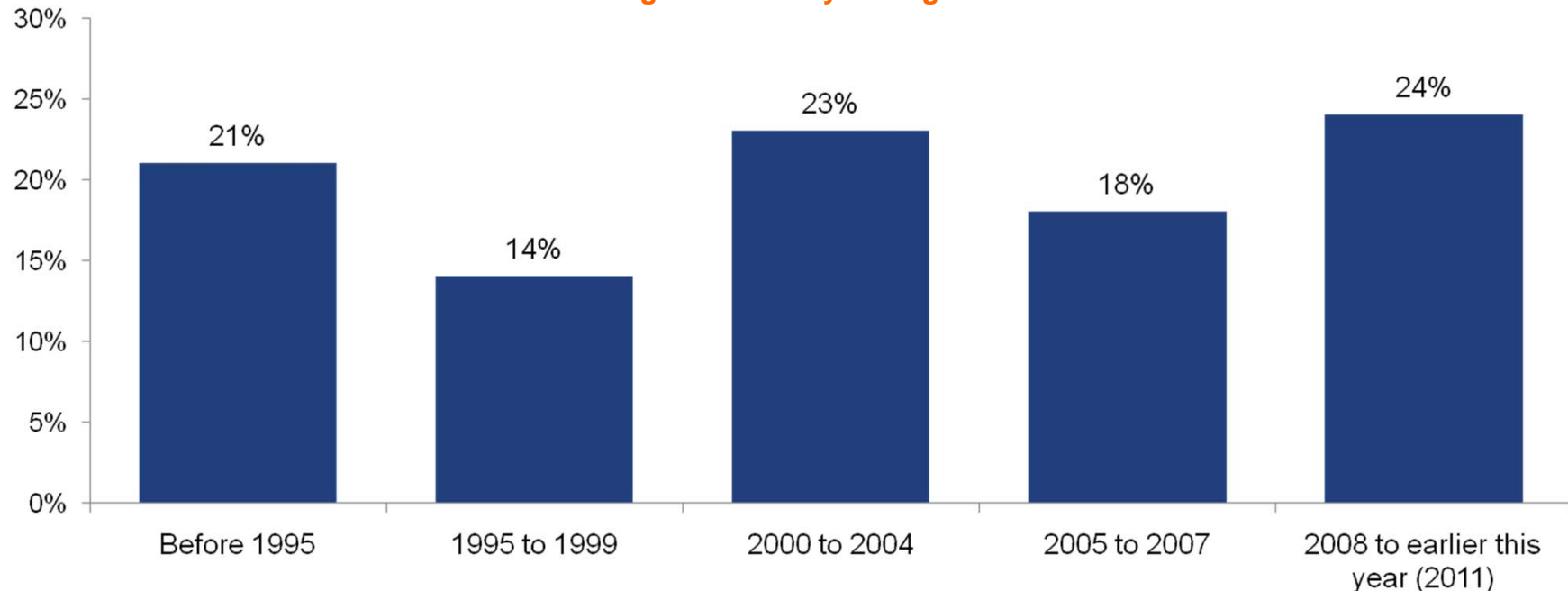
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Timing of Most Recent Property Purchase

- One-quarter (24%) of wealthy consumers have purchased a residential property since 2008.

Most recent residential purchase occurred...

Avg. number of years ago: 9.6

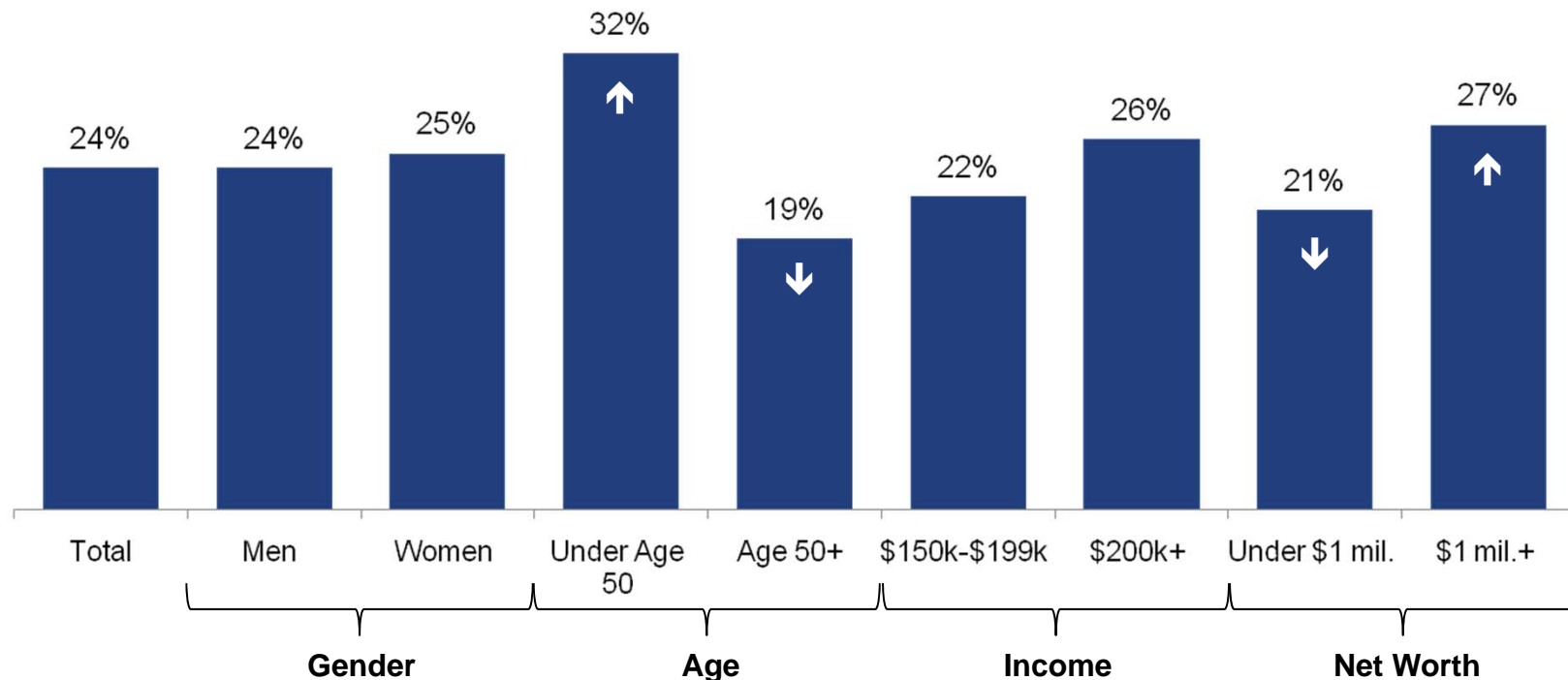


Q: When did you purchase this property? (n=747 wealthy consumers who own at least one personal residence)

Purchased Property Since 2008

- Nearly one-third (32%) of wealthy consumers under age 50 have purchased a residential property since 2008.

Percentage who have purchased property since 2008



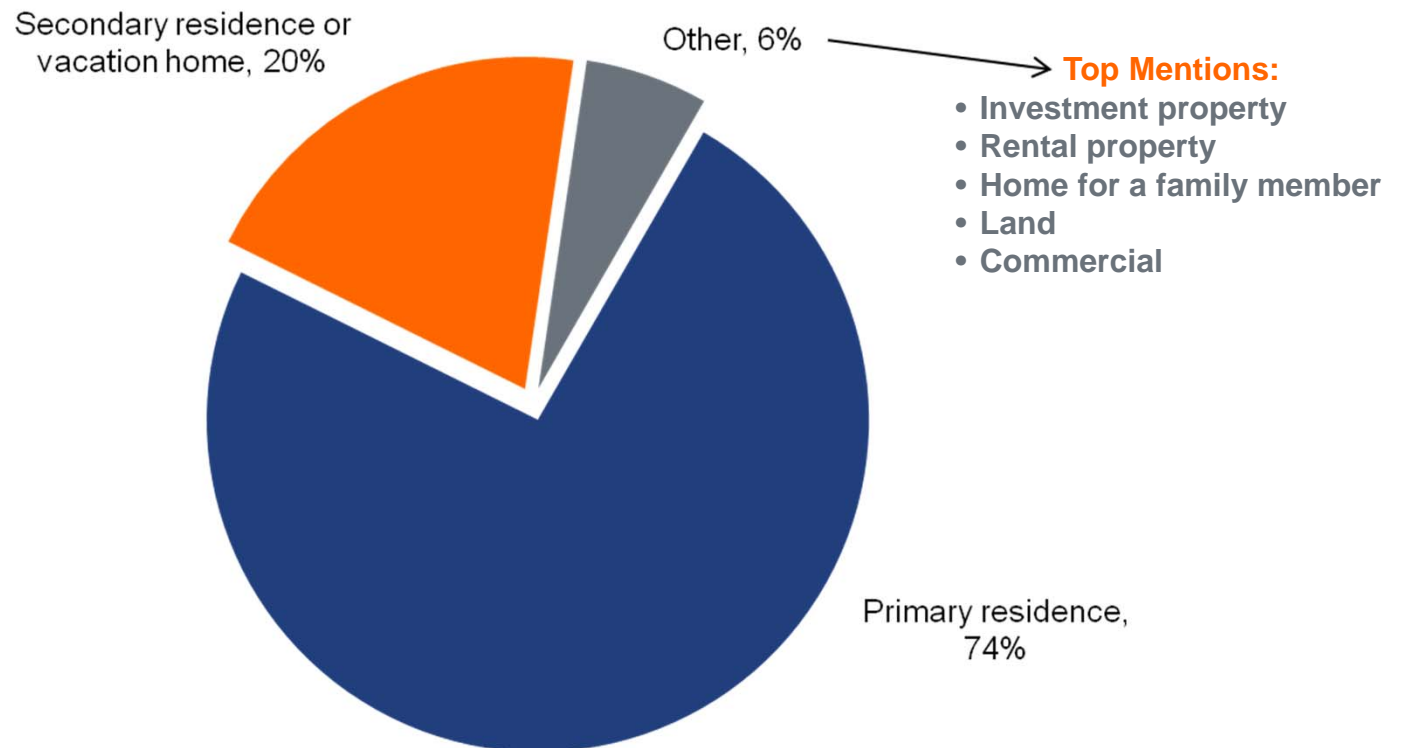
Q: When did you purchase this property? (n=747 wealthy consumers who own at least one personal residence)

Arrows indicate statistically significant differences between demographic groups with 90% confidence.

Type of Residence Most Recently Purchased

- The majority (74%) of wealthy consumers purchased a primary residence the last time they made a house purchase. Another 20% bought a secondary or vacation home.

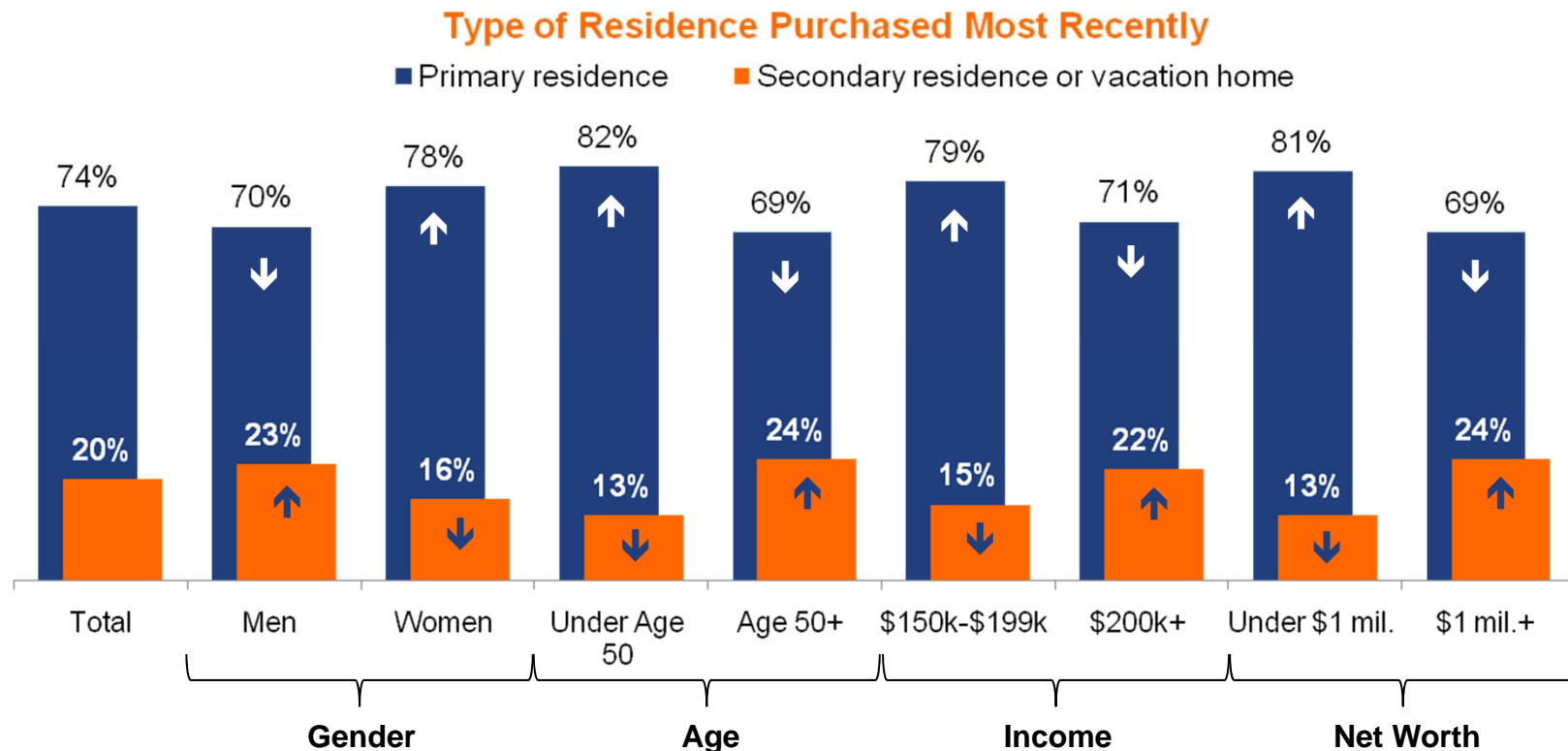
Your most recently purchased residential property is a...



Q: Thinking about the residential property you most recently purchased, is it a...? (n=747 wealthy consumers who own at least one personal residence)

Type of Residence Purchased

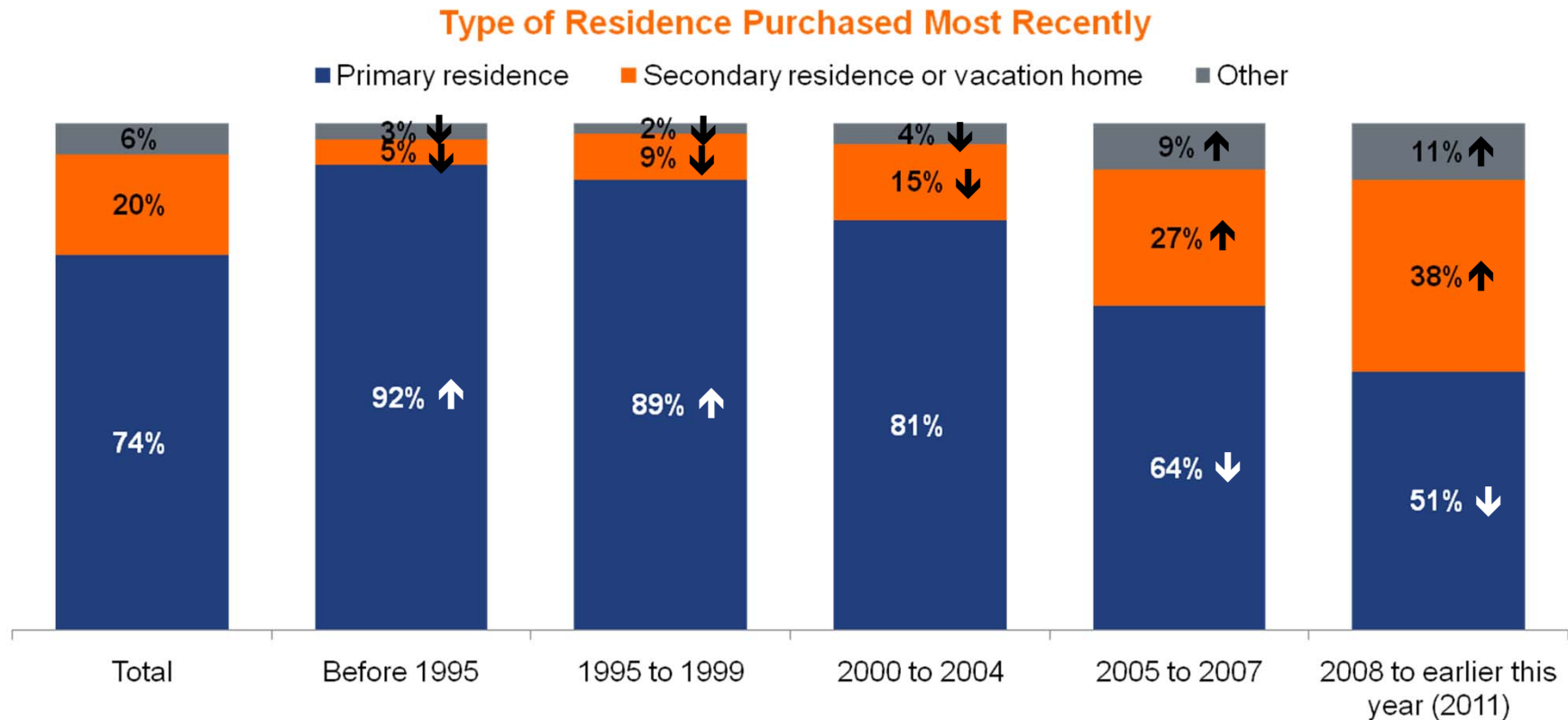
- Purchases of secondary or vacation homes are significantly higher among men, wealthy consumers age 50 or older and those in higher income and net worth brackets.



Q: Thinking about the residential property you most recently purchased, is it a...? (n=747 wealthy consumers who own at least one personal residence)
 Arrows indicate statistically significant differences between demographic groups with 90% confidence.

Type of Residence by Timing of Purchase

- Among wealthy consumers who have made their most recent residential purchase since the beginning of 2008, 38% have purchased a secondary residence or vacation home.

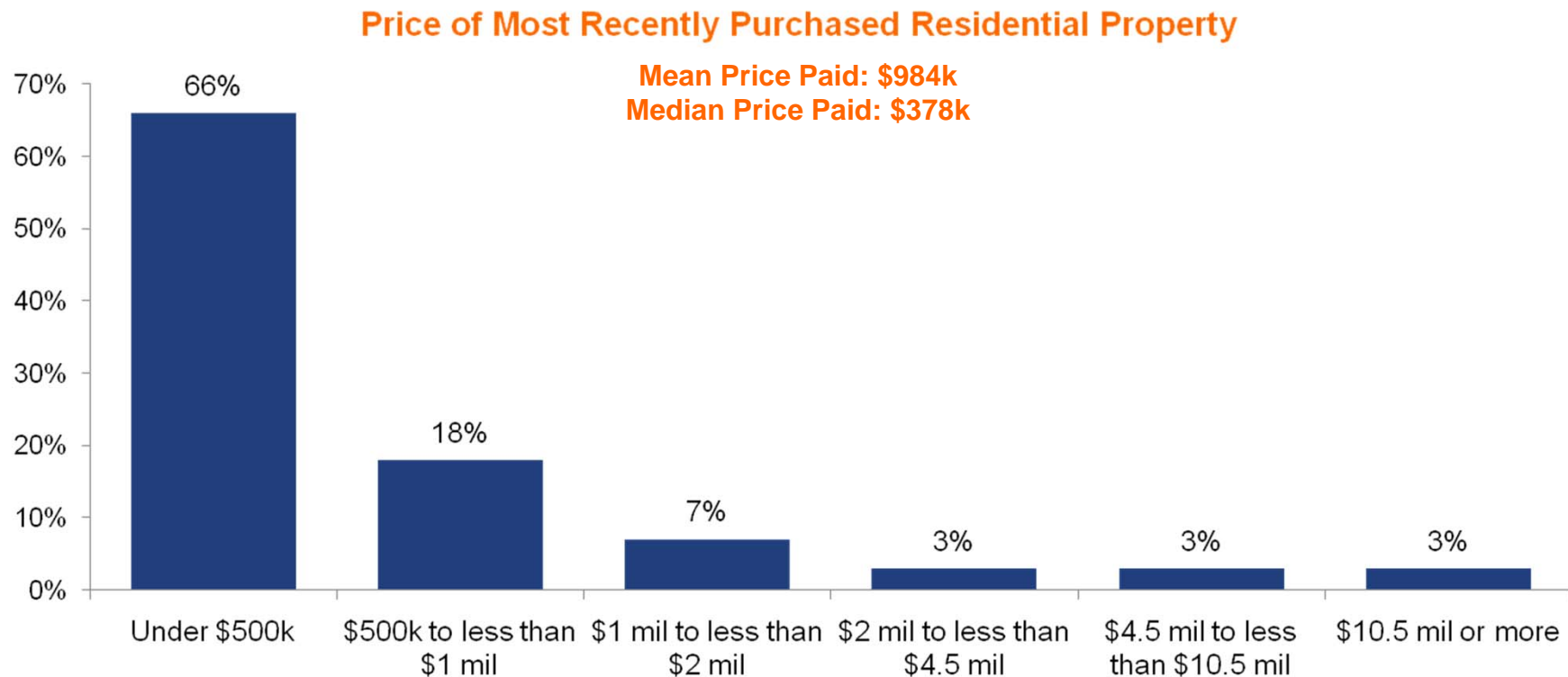


Q: Thinking about the residential property you most recently purchased, is it a...? (n=747 wealthy consumers who own at least one personal residence)

Arrows indicate statistically significant differences relative to the total with 90% confidence.

Price of Most Recent Property Purchase

- On average, the last property purchased by wealthy consumers cost nearly \$1 million, although most consumers paid less than \$500,000.

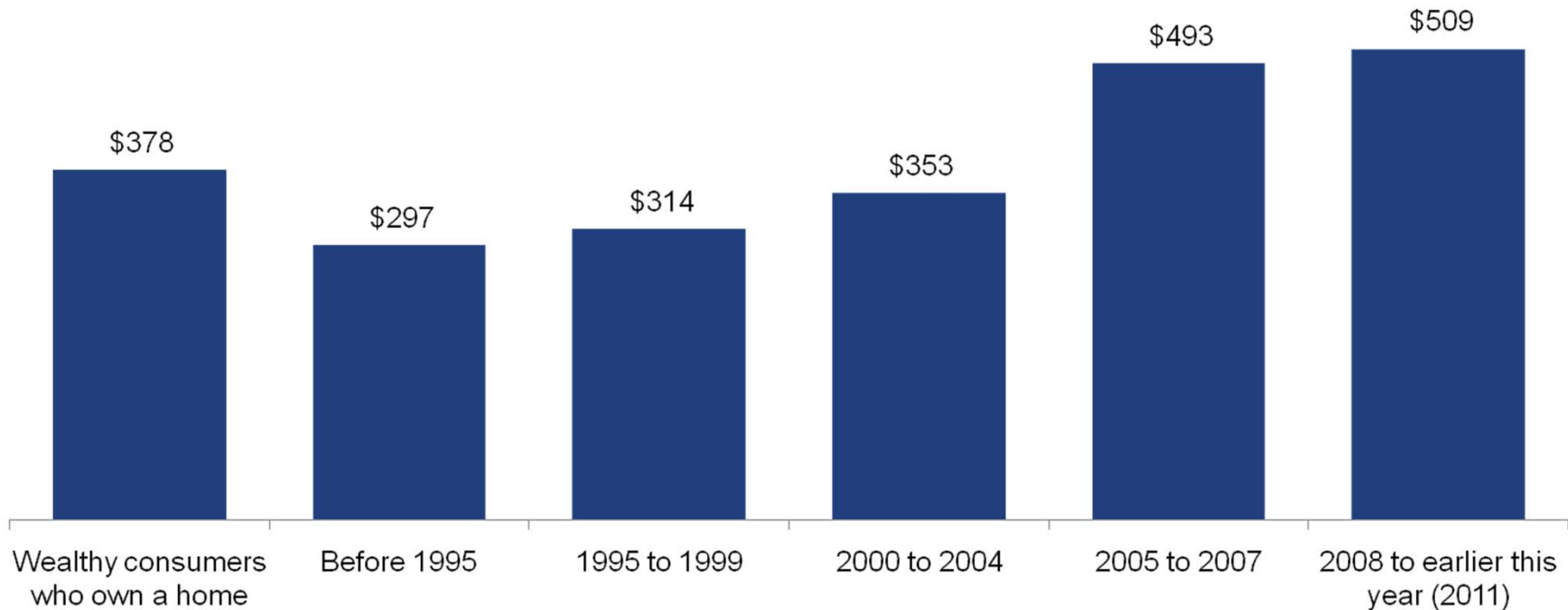


Q: Approximately how much did you pay for the most recent residential property you purchased? (n=747 wealthy consumers who own at least one personal residence)

Price Paid by Timing of Purchase

- Predictably, consumers who made their last purchase since 2005 paid a lot more than those whose last purchase was made before 2005.

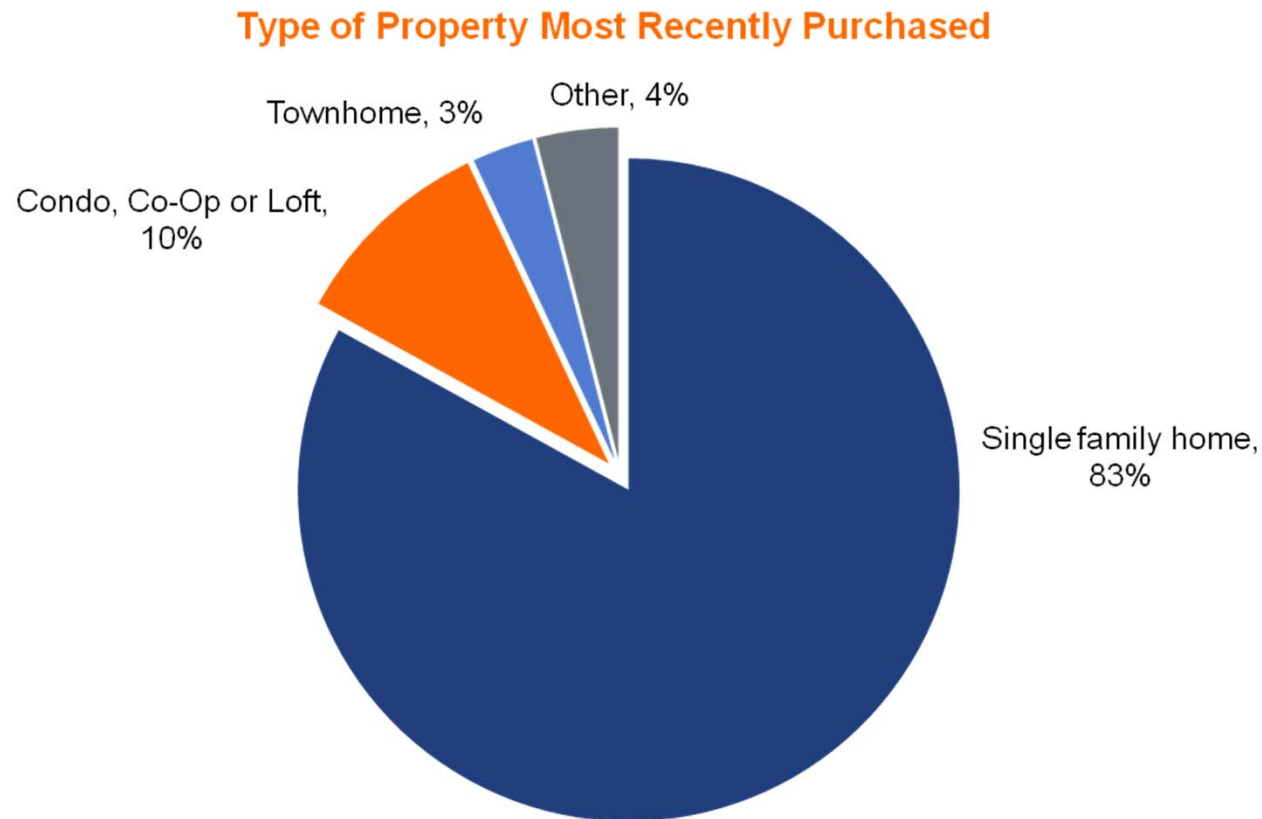
Median Price Paid for Residence Purchased Most Recently (U.S.\$ thousands)



Q: Approximately how much did you pay for the most recent residential property you purchased? Median price shown (US\$ thousands)
(n=747 wealthy consumers who own at least one personal residence)

Type of Property Most Recently Purchased

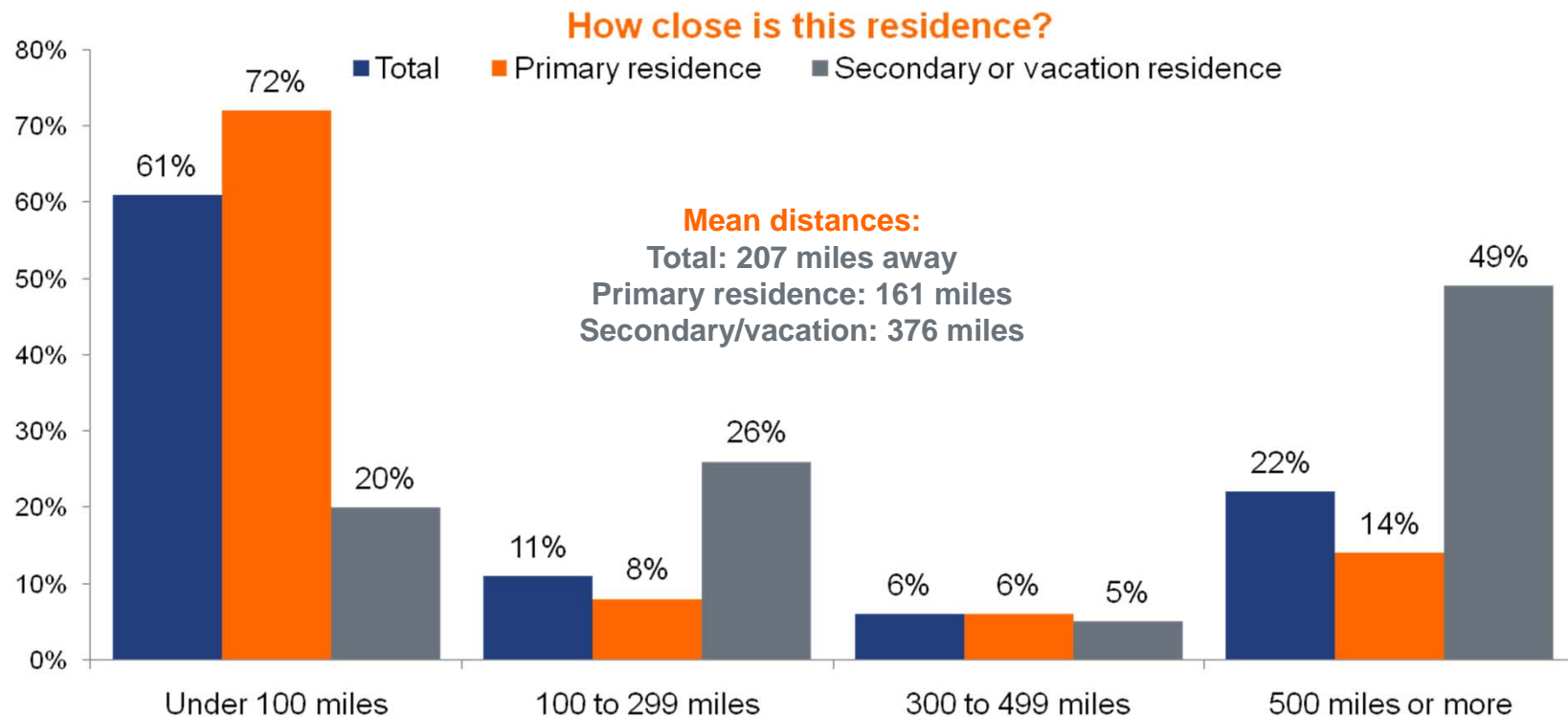
- A majority (83%) of the properties purchased by wealthy consumers are single family homes.



Q: What type of property is this? (n=747 wealthy consumers who own at least one personal residence)

Proximity of Most Recently Purchased Property

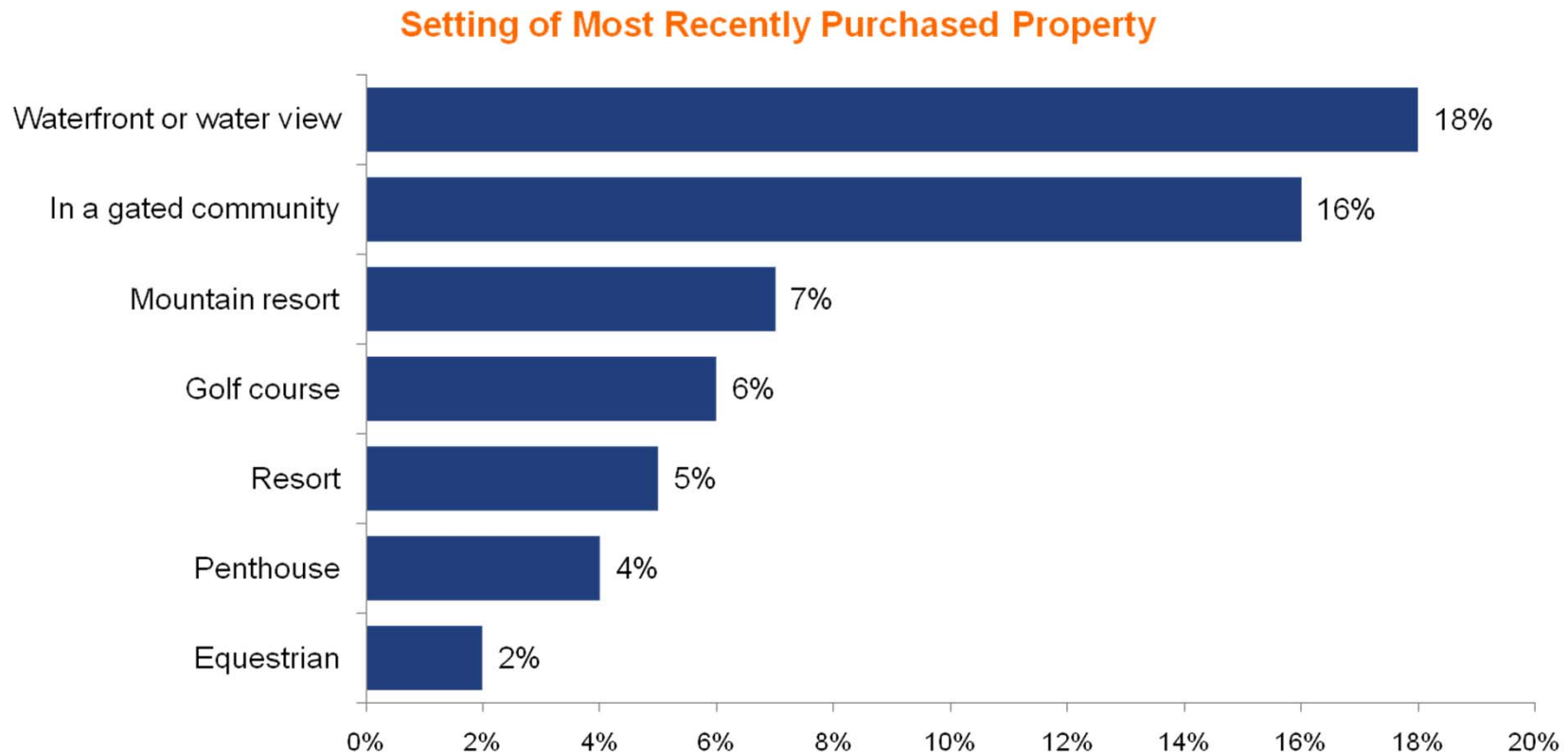
- It is most common for wealthy consumers to buy properties within 100 miles of their previous residence or closest other residence, especially when purchasing a primary residence.
- Nearly half of wealthy consumers who most recently purchased a secondary residence or vacation home purchased a property 500 or more miles away.



Q: How far is this residence from your closest other residence (or previous residence)? (n=747 wealthy consumers who own at least one personal residence)

Setting of Most Recently Purchased Property

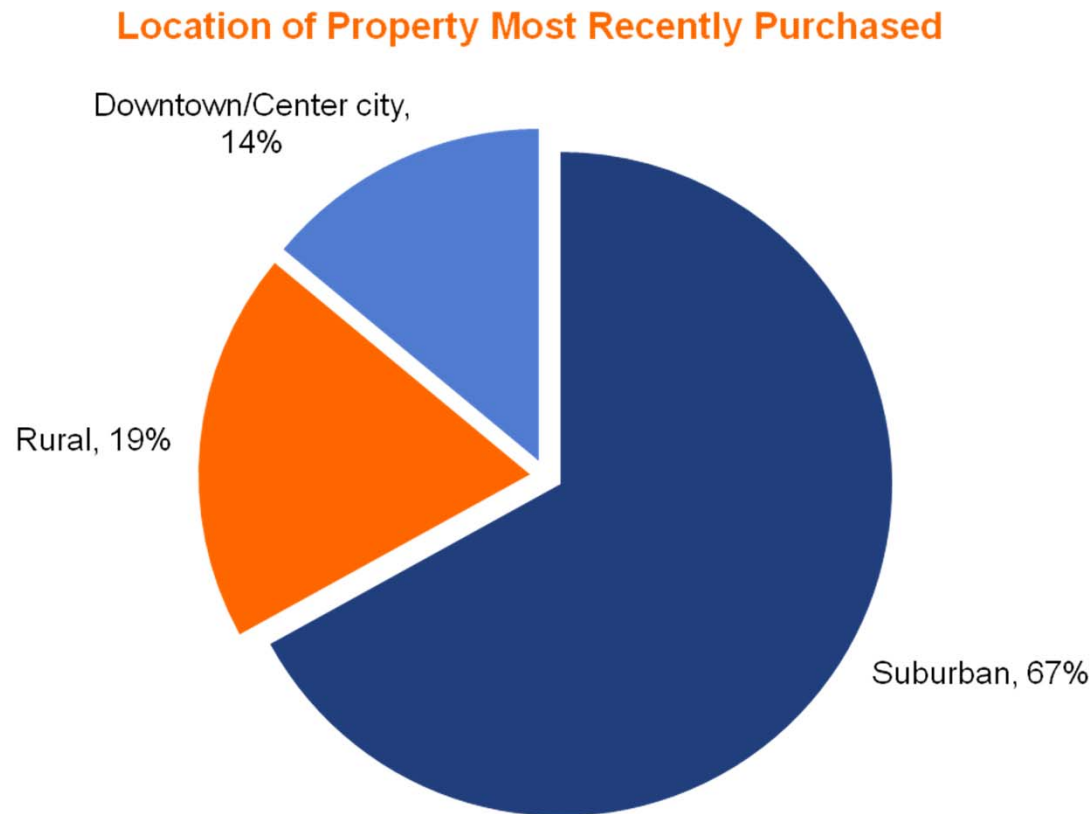
- Nearly one out of five (18%) wealthy consumers bought a waterfront or water view property most recently. Sixteen percent bought in a gated community.



Q: How would you describe this property? (n=747 wealthy consumers who own at least one personal residence)

Location of Most Recently Purchased Property

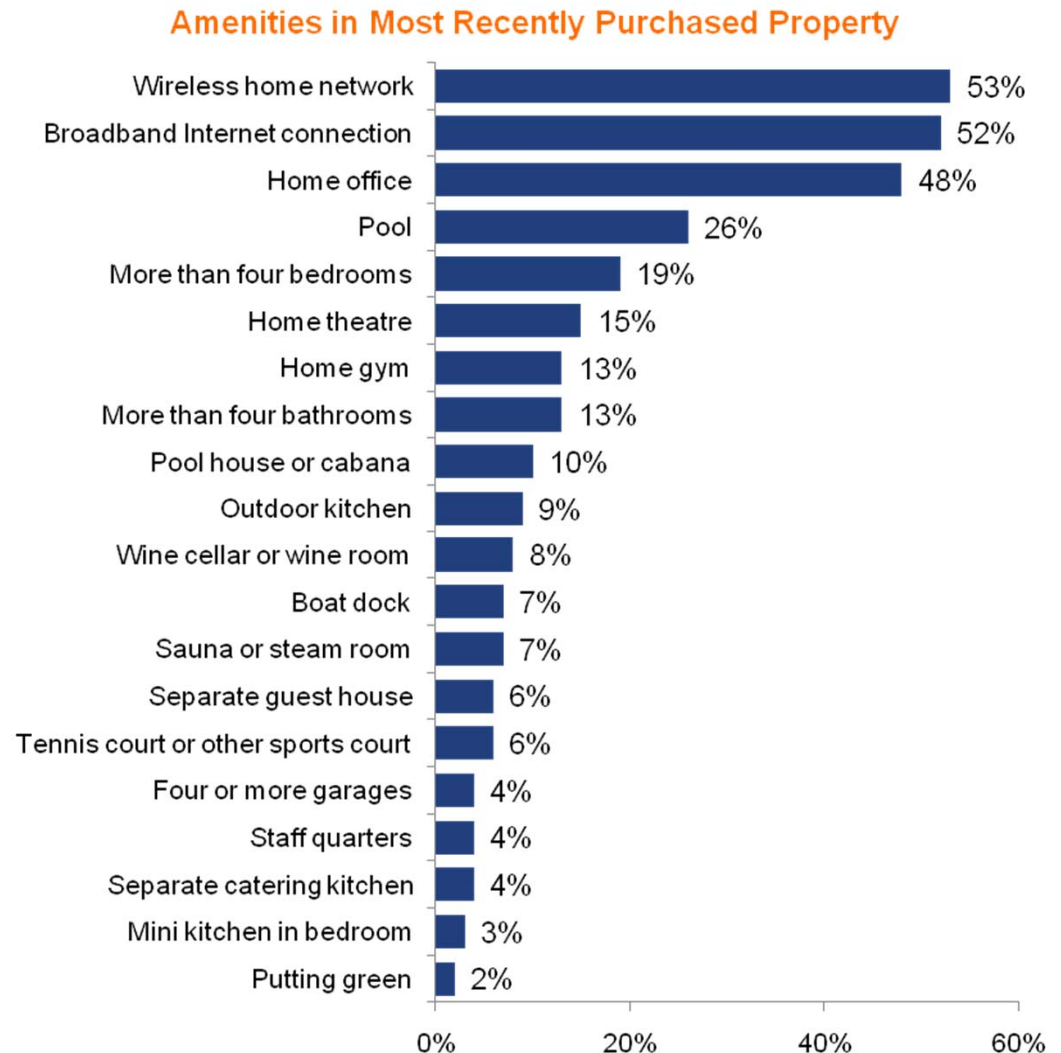
- A majority (67%) of the properties purchased most recently by wealthy consumers are located in suburban neighborhoods.



Q: What type of neighborhood is this property located in? (n=747 wealthy consumers who own at least one personal residence)

Amenities of Most Recently Purchased Property

- About half of the properties purchased most recently by wealthy consumers have a wireless home network (53%), broadband Internet connection (52%) and home office (48%).
- One-quarter (26%) have a pool.



Q: Which of the following amenities do you have in your most recently purchased home? (n=747 wealthy consumers who own at least one personal residence)

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Real Estate Purchase Experience

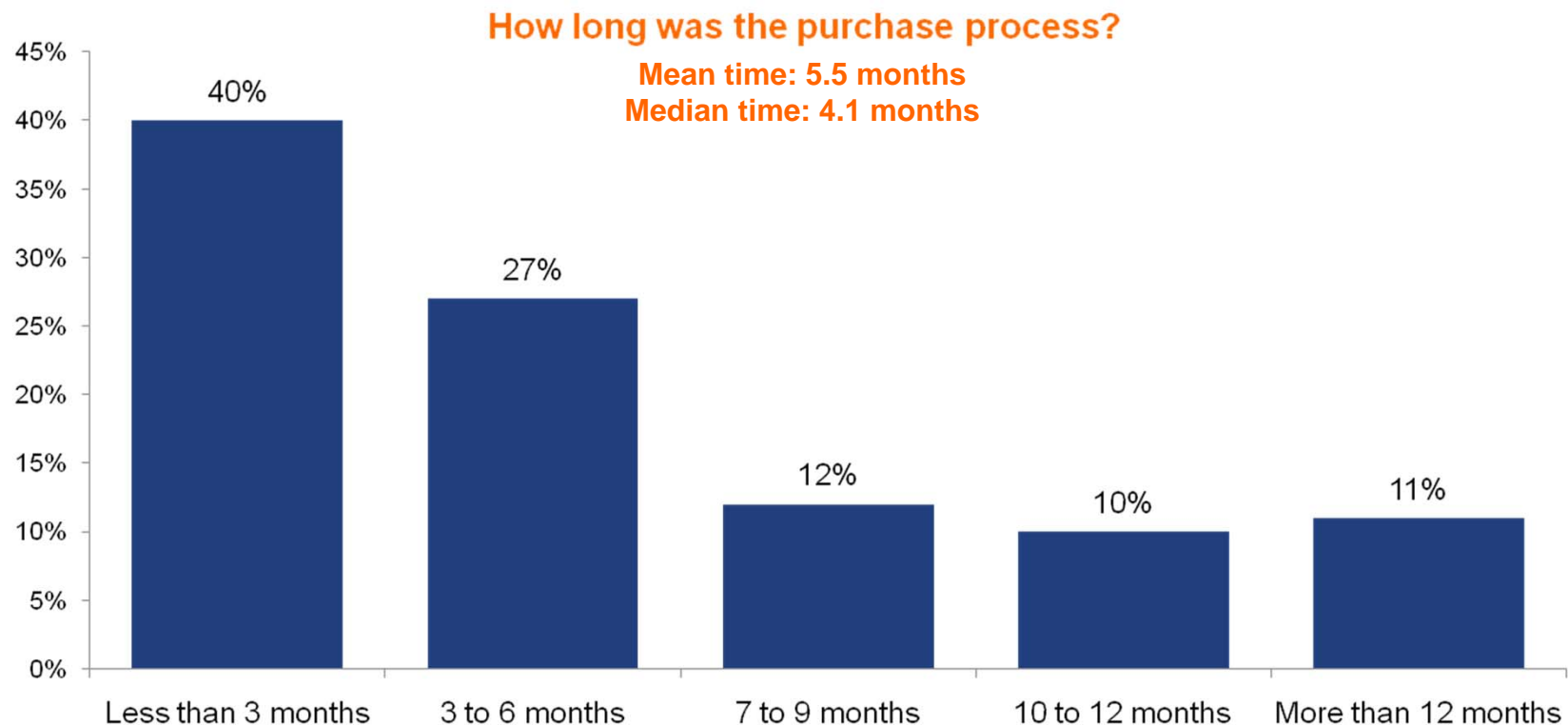
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Length of Purchase Process

- Two-thirds of wealthy consumers (67%) report that the real estate purchase process took six months or less from the time they started looking until they closed on the property.
- On average, the process took 5.5 months to complete.

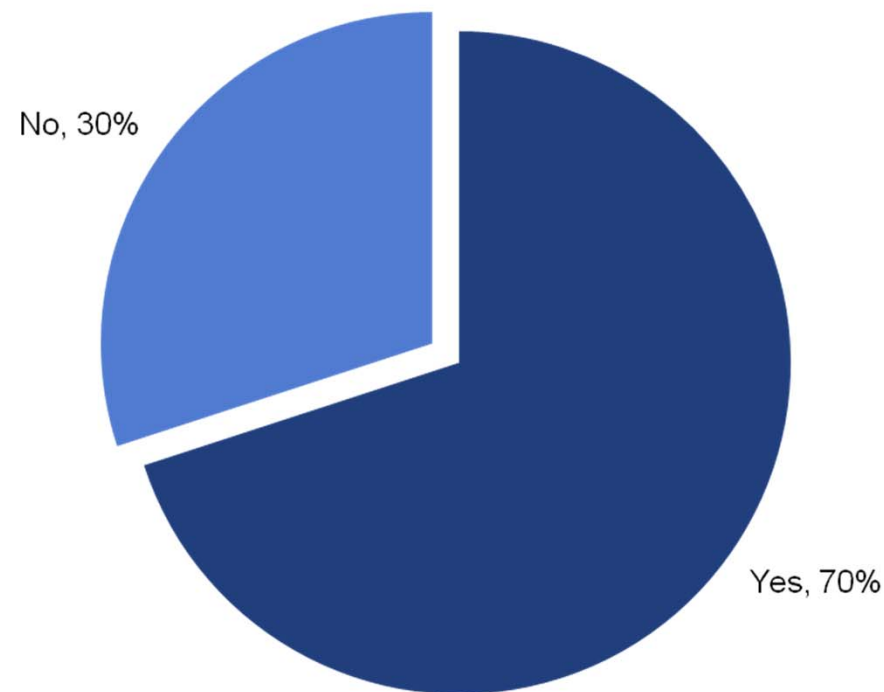


Q:How long did it take from the time you started looking until you closed on the property? (n=747 wealthy consumers who own at least one personal residence)

Use of Real Estate Agent

- Seven out of ten (70%) wealthy consumers used a real estate agent to help with their property purchase.

Did you use a real estate agent?

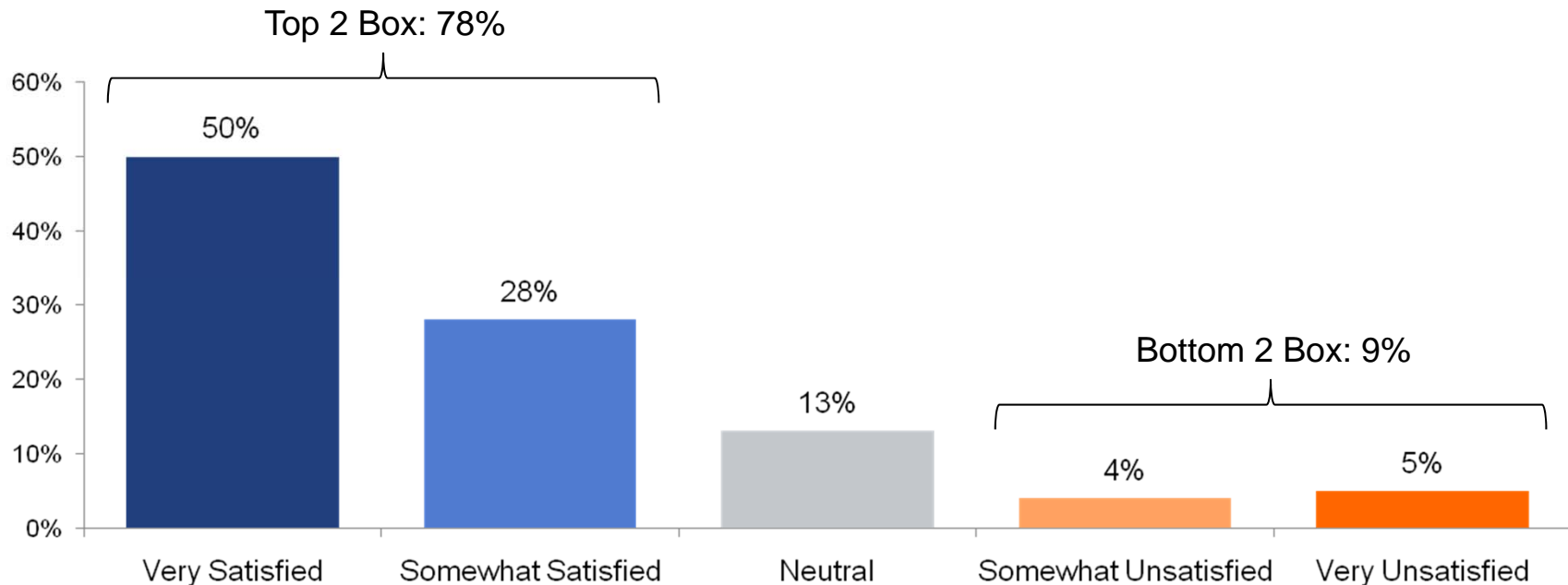


Q: Did you buy with the assistance of a real estate agent? (n=747 wealthy consumers who own at least one personal residence)

Satisfaction with Real Estate Agent

- Nearly four out of five (78%) wealthy consumers who used a real estate for their most recent property purchase indicate that they are satisfied with the agent.

Satisfaction with Real Estate Agent

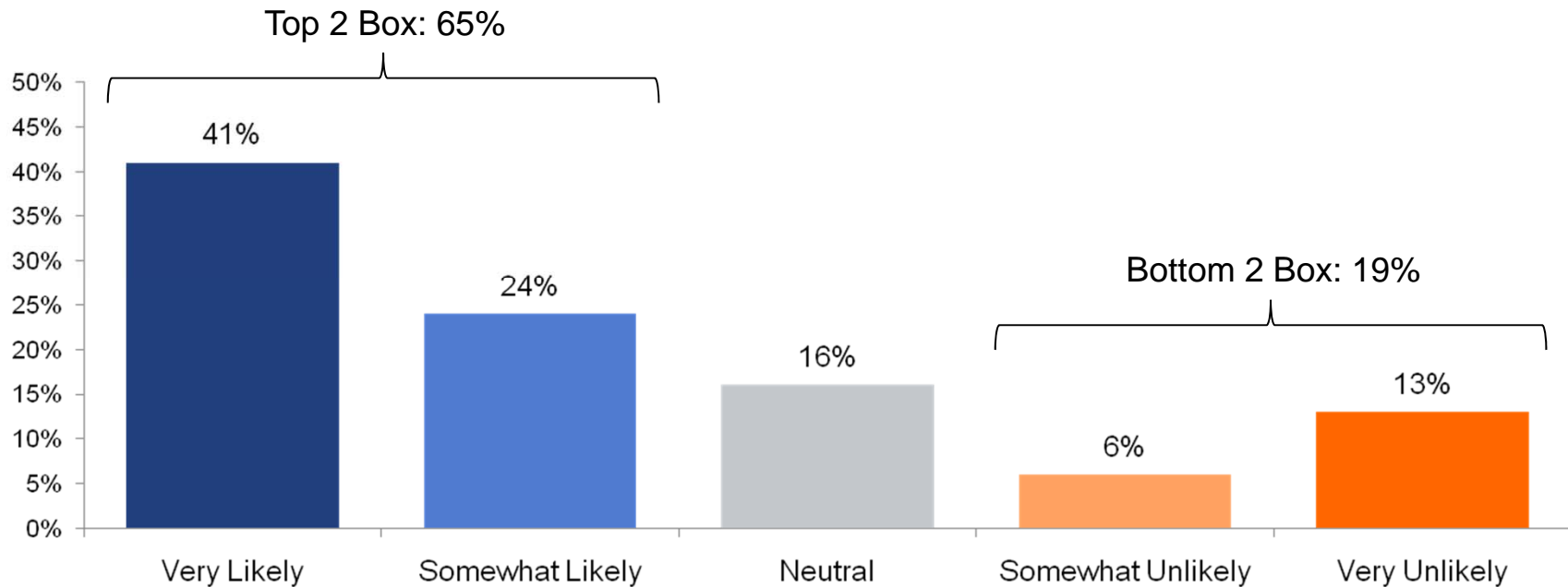


Q: How would you rate your satisfaction with the agent who assisted you with this purchase? (n=525 wealthy consumers who used a real estate agent)

Likely to Work with Real Estate Agent Again

- Two-thirds (65%) of wealthy consumers are likely to work again with the same real estate agent.

Likelihood of Working with Real Estate Agent Again

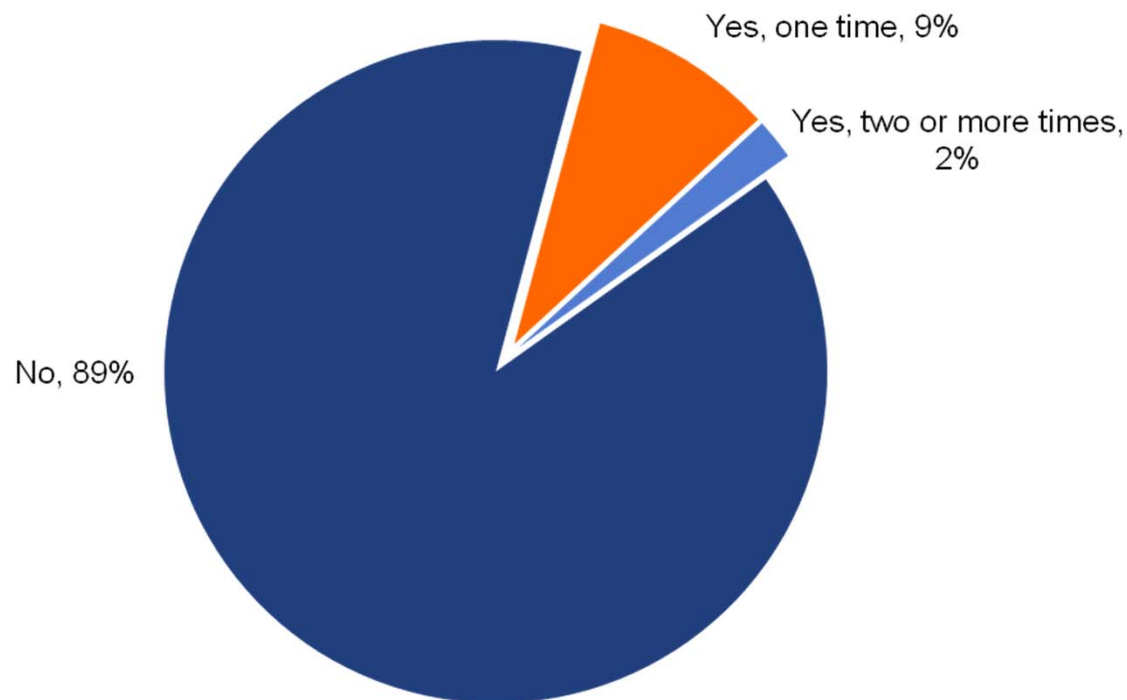


Q: How likely is it that you would choose to work with this agent again? (n=525 wealthy consumers who used a real estate agent)

Changed Real Estate Agent During Process

- Eleven percent of wealthy consumers changed real estate agents during the process of their last property purchase, including 2% who changed agents two or more times.

Did you change real estate agents during your search for this property?

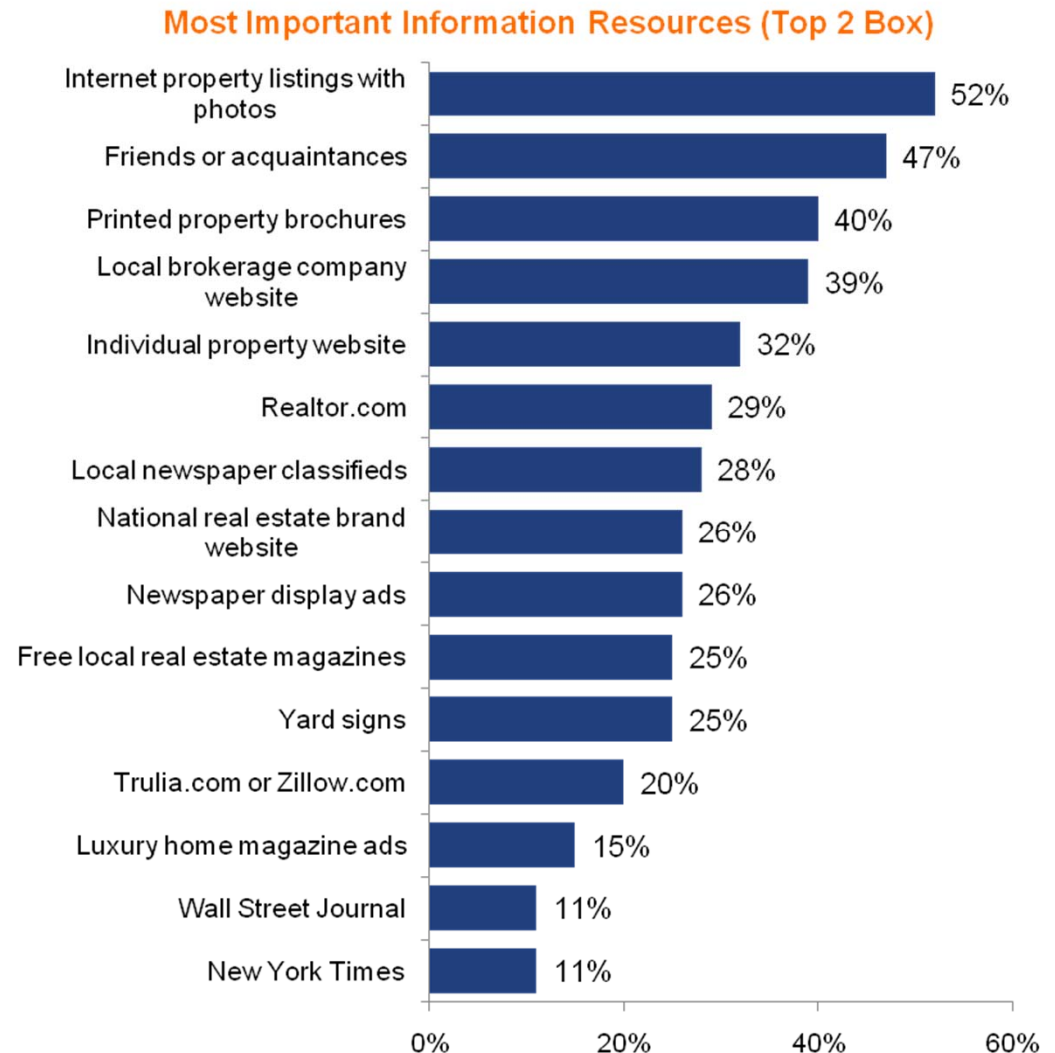


Q: Did you change agents during your search for this property?

Q: How many times did you change agents? (n=525 wealthy consumers who used a real estate agent)

Importance of Information Resources

- Wealthy consumers rate “Internet property listings with photos” as the most important resource when searching for a home, followed by “friends or acquaintances.”



Q: How would you rate the importance of the following resources in your search for your most recently purchased home? Top 2 Box shown from a 5-point scale (n=747 wealthy consumers who own at least one personal residence)

Importance of Information Resources

- As income increases, a local brokerage company website becomes more important and local newspaper classifieds become less important.
- Luxury home magazine ads, the *Wall Street Journal* and the *New York Times* are more important to consumers with higher income and/or net worth.

Information Resources (Top 2 Box Importance)	Total	Gender		Age		Income		Net Worth	
		Men	Women	Under Age 50	Age 50+	\$150k-\$199k	\$200k+	Under \$1 mil.	\$1 mil.+
Internet property listings with photos	52%	47%	57%	60%	46%	52%	52%	53%	52%
Friends or acquaintances	47%	47%	46%	49%	45%	44%	48%	43%	50%
Printed property brochures	40%	37%	43%	43%	38%	38%	41%	38%	42%
Local brokerage company website	39%	35%	42%	43%	35%	34%	42%	37%	41%
Individual property website	32%	27%	37%	40%	27%	30%	34%	31%	33%
Realtor.com	29%	26%	33%	40%	22%	27%	31%	29%	31%
Local newspaper classifieds	28%	27%	30%	28%	28%	32%	26%	30%	28%
National real estate brand website	26%	20%	32%	40%	17%	24%	28%	25%	28%
Newspaper display ads	26%	25%	27%	31%	23%	25%	27%	25%	27%
Free local real estate magazines	25%	25%	26%	28%	23%	26%	25%	28%	25%
Yard signs	25%	23%	27%	32%	20%	23%	26%	24%	26%
Trulia.com or Zillow.com	20%	16%	24%	31%	13%	19%	21%	19%	22%
Luxury home magazine ads	15%	16%	15%	26%	8%	10%	19%	11%	19%
Wall Street Journal	11%	11%	11%	22%	3%	7%	14%	8%	14%
New York Times	11%	11%	11%	21%	4%	7%	14%	8%	14%

Q: How would you rate the importance of the following resources in your search for your most recently purchased home?

(n=747 wealthy consumers who own at least one personal residence) Shading indicates statistically significant differences with 90% confidence.

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Future Real Estate Purchasing & Selling



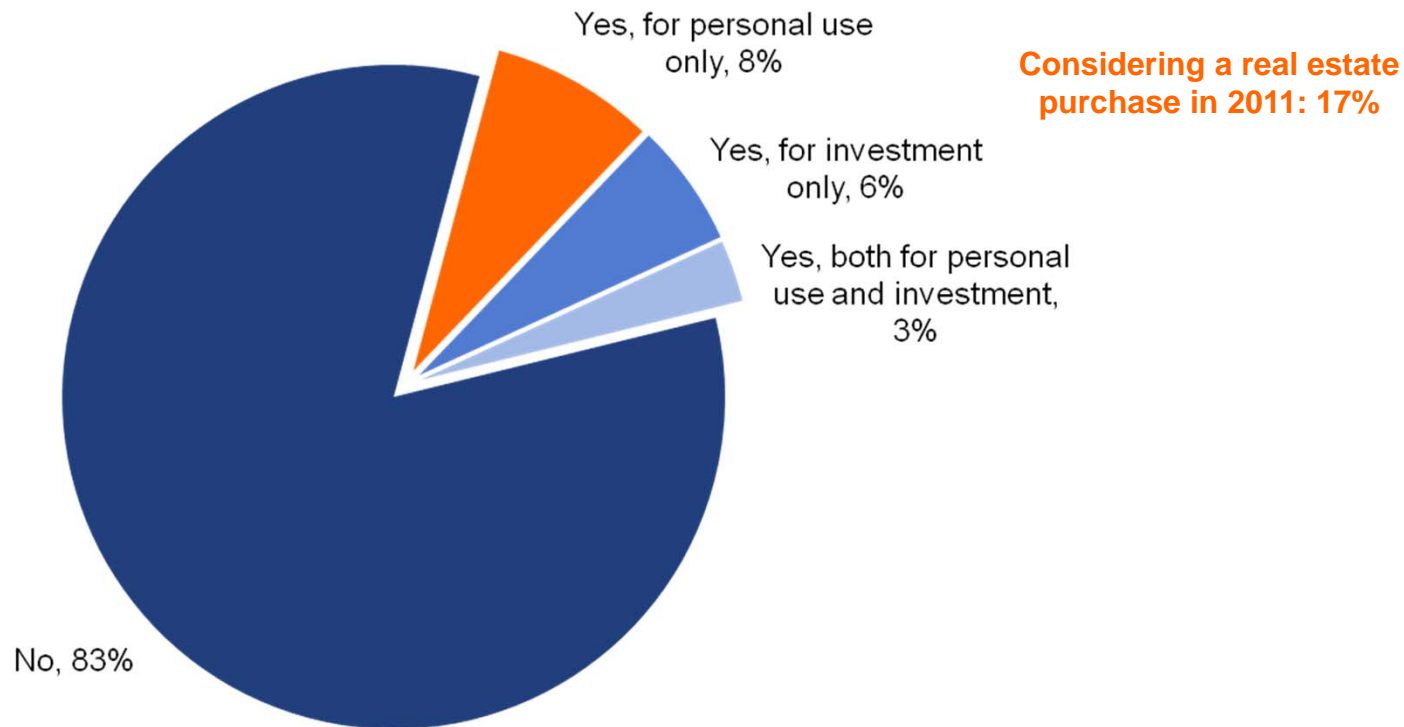
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Considering Purchase in 2011

- Seventeen percent of wealthy consumers are considering a purchase of residential real estate in 2011, including 9% who are considering purchasing at least partially as an investment.

Are you considering purchasing additional residential real estate in 2011?

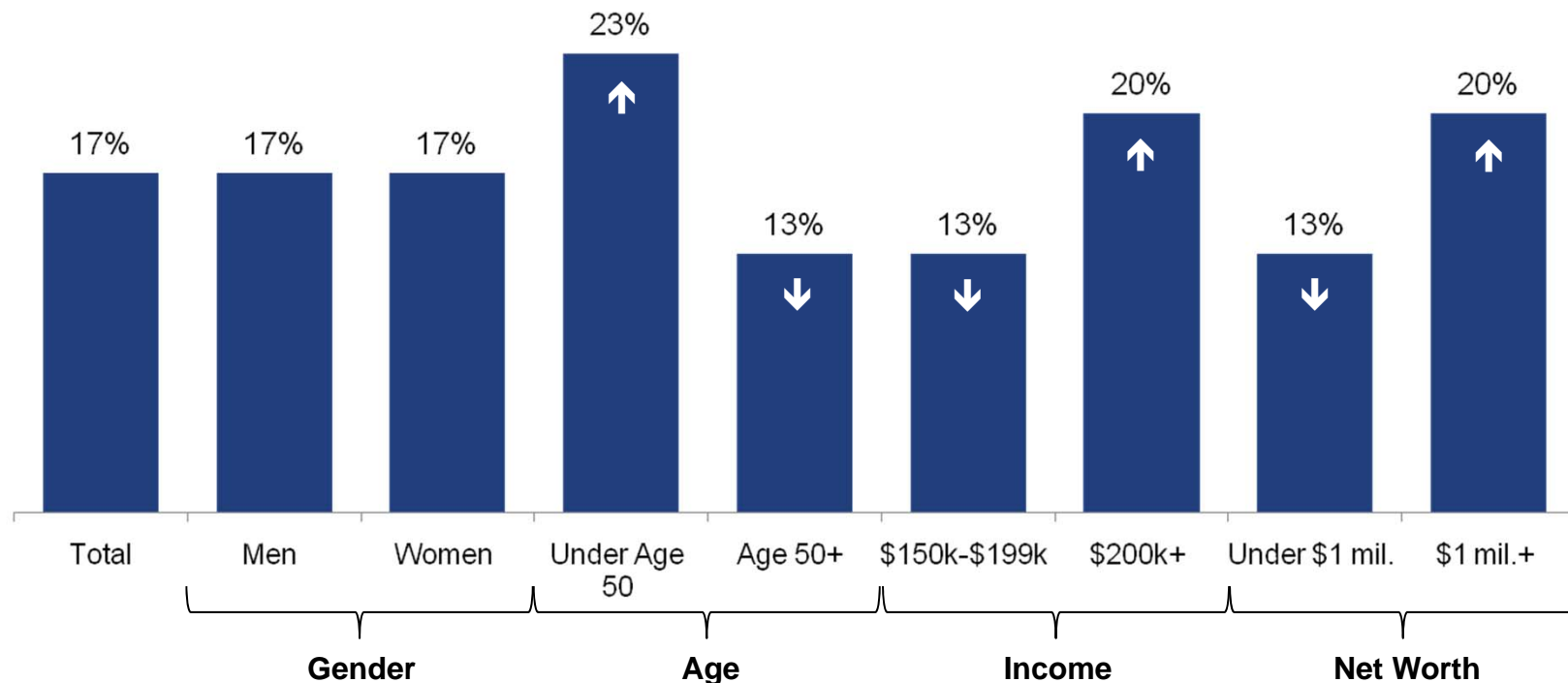


Q: Are you considering purchasing additional residential real estate in 2011? (n=800 wealthy consumers)

Considering Purchase in 2011

- Wealthy consumers under age 50 and those in higher income and net worth brackets are more likely than average to be considering the purchase of residential real estate in 2011.

Percentage considering a residential real estate purchase in 2011



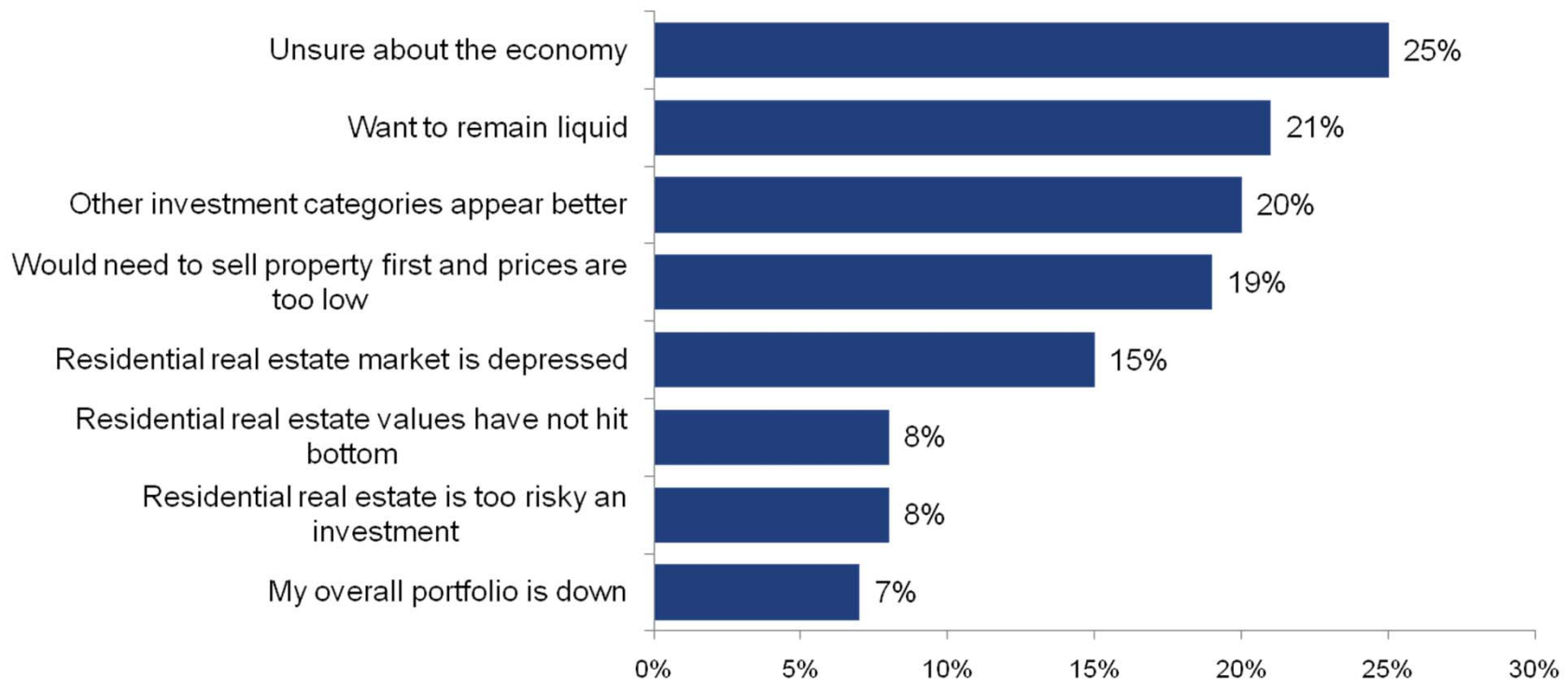
Q: Are you considering purchasing additional residential real estate in 2011? (n=800 wealthy consumers)

Arrows indicate statistically significant differences between demographic groups with 90% confidence.

Reasons Not Considering Purchase in 2011

- The top reason for not wanting to purchase real estate in 2011 is uncertainty about the state of the economy, followed by a desire to remain liquid, the relative strength of real estate versus other investment categories and the need to sell current property first at a low price.

Why are you not considering a real estate purchase in 2011?

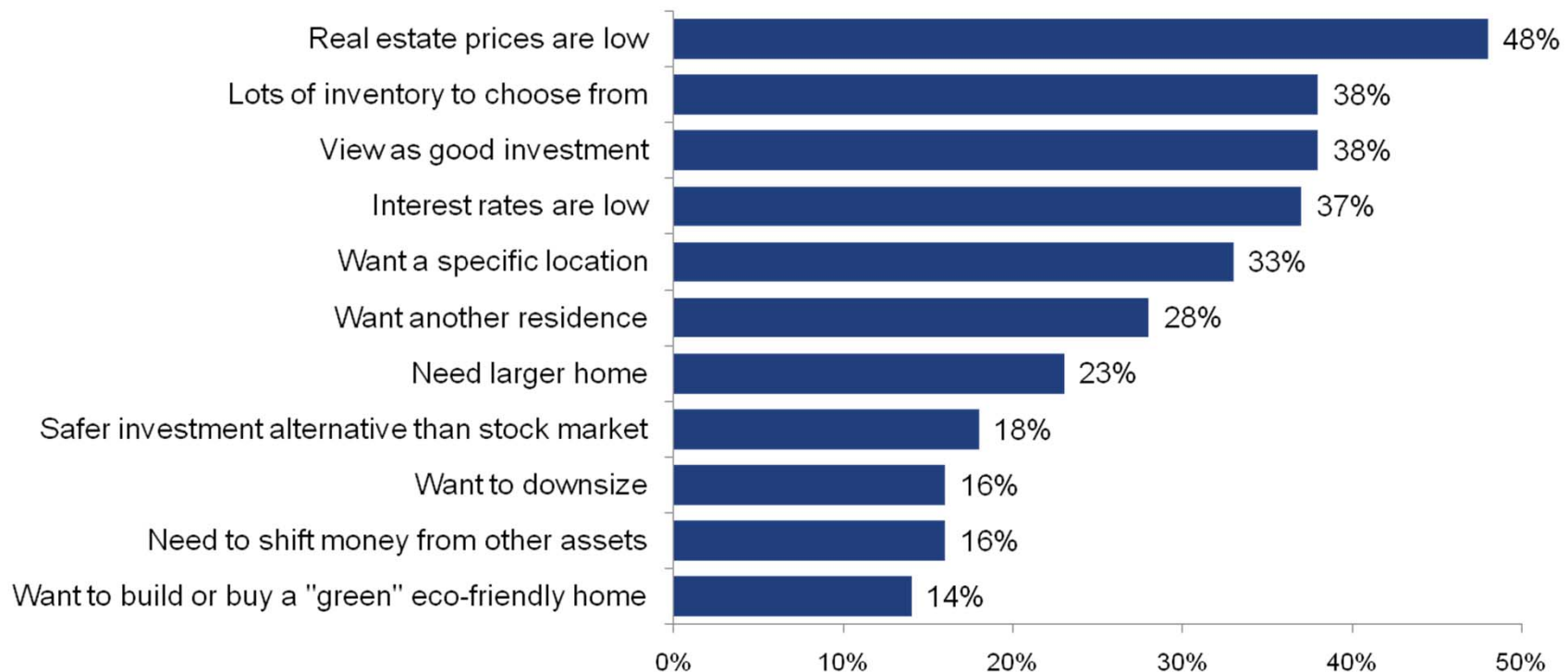


Q: Which of the reasons are you not considering a real estate purchase in 2011?
(n=683 wealthy consumers who are not considering a real estate purchase in 2011)

Reasons Would Consider Purchasing in 2011

- Conversely, nearly half of wealthy consumers who are considering the purchase of real estate in 2011 are motivated by low prices. Secondary motivations include “lots of inventory to choose from,” “view as good investment” and “interest rates are low.”

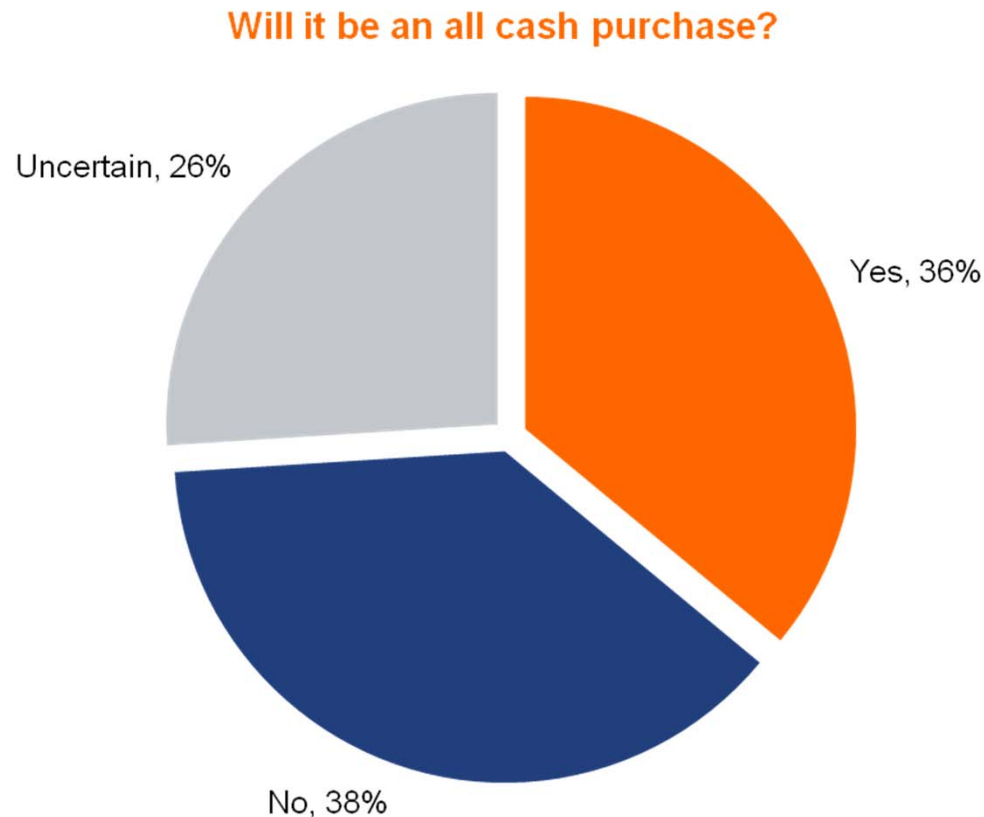
Why are you considering a real estate purchase in 2011?



Q: Which of the reasons are you considering a real estate purchase in 2011?
(n=117 wealthy consumers who are considering a real estate purchase in 2011)

All Cash Real Estate Purchases

- More than one-third (36%) of wealthy consumers considering a real estate purchase in 2011 indicate that they would make an all cash purchase.

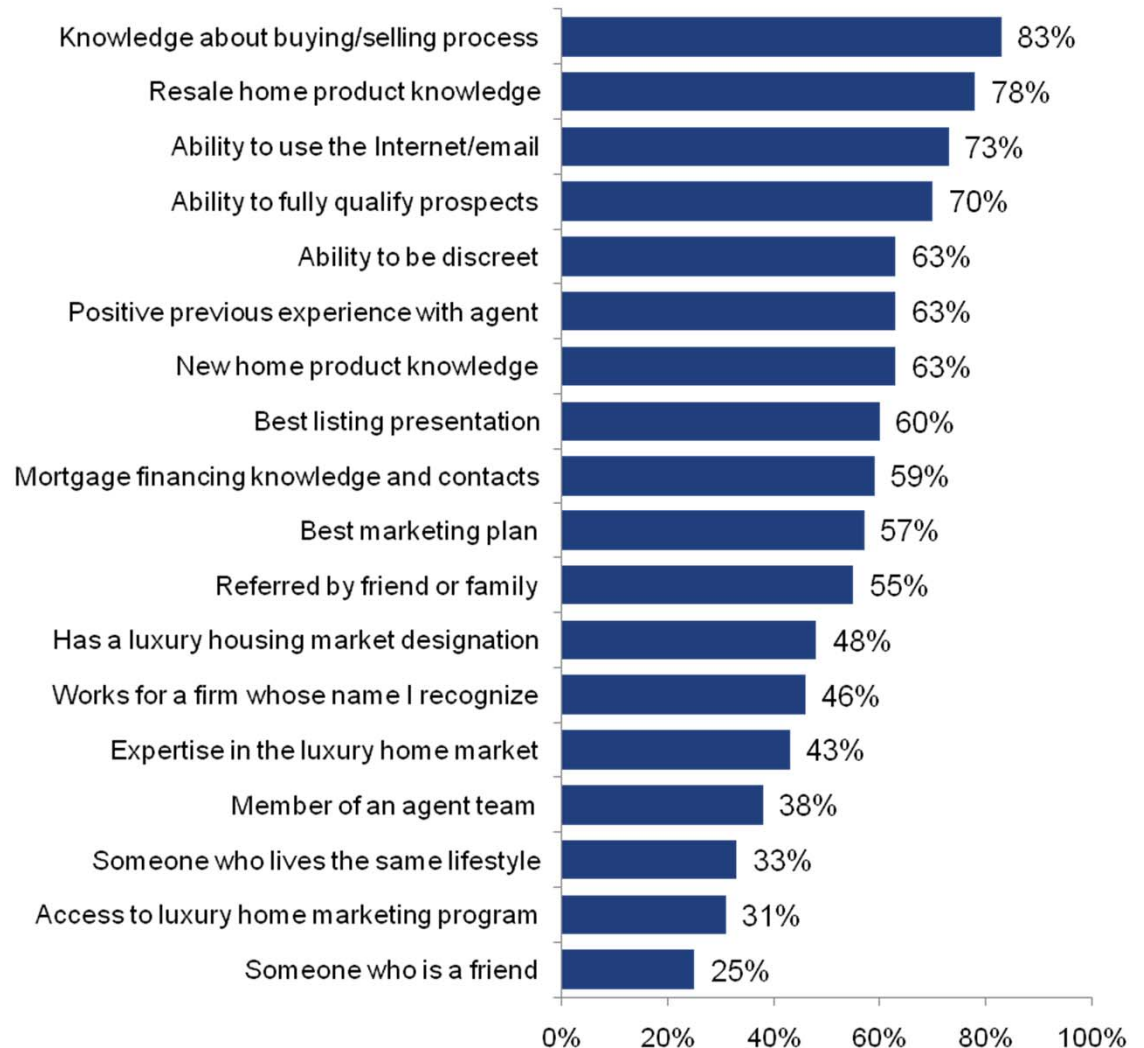


Q: If you make a residential real estate purchase in 2011, will it be an all cash purchase?
(n=117 wealthy consumers who are considering a real estate purchase in 2011)

Important Real Estate Agent Characteristics

- Wealthy consumers judge the most important characteristics in a real estate agent as “knowledge about the buying and selling process” and “resale home product knowledge.”
- Nearly half (48%) place importance on a luxury housing market designation and 43% place importance on expertise in the luxury home market.

Most Important Agent Characteristics (Top 2 Box)



Q: The next time you select a real estate agent to assist you with home buying or selling, how would you rank the importance of the following characteristics in your agent selection process? Top 2 Box shown from a 5-point scale (n=800 wealthy consumers)

Important Real Estate Agent Characteristics

- Expertise in the luxury home market and a luxury housing market designation are more important to consumers in higher income and net worth brackets.

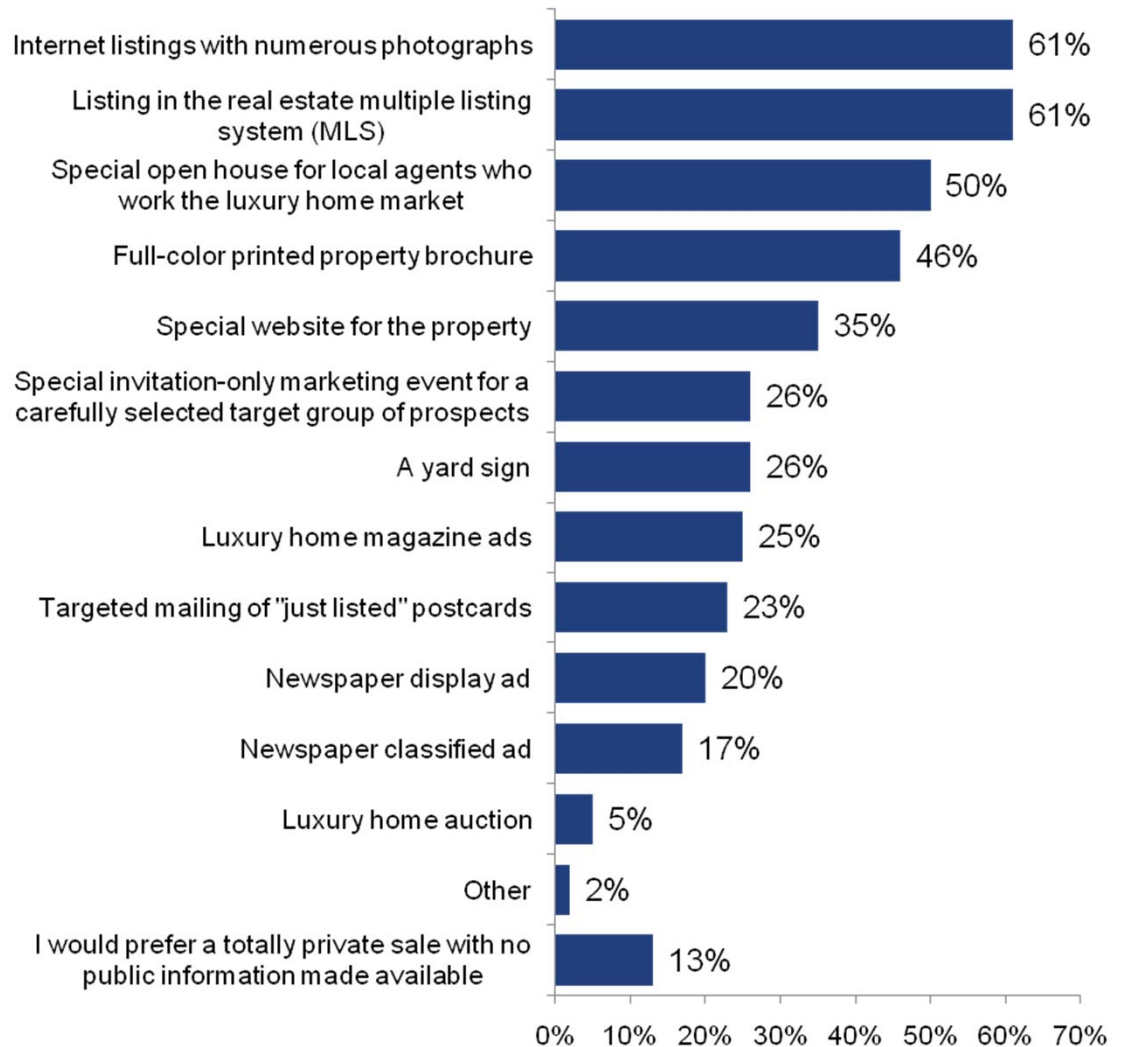
Agent Characteristics (Top 2 Box Importance)	Total	Gender		Age		Income		Net Worth	
		Men	Women	Under Age 50	Age 50+	\$150k-\$199k	\$200k+	Under \$1 mil.	\$1 mil.+
Knowledge about buying/selling process	83%	82%	85%	79%	86%	85%	82%	79%	87%
Resale home product knowledge	78%	79%	76%	71%	83%	81%	75%	76%	79%
Ability to use the Internet/email	73%	73%	72%	71%	74%	76%	71%	72%	75%
Ability to fully qualify prospects	70%	69%	71%	68%	72%	73%	68%	69%	74%
Ability to be discreet	63%	65%	61%	58%	67%	66%	62%	57%	68%
Positive previous experience with agent	63%	62%	64%	63%	63%	62%	64%	62%	65%
New home product knowledge	63%	61%	65%	64%	63%	63%	63%	60%	65%
Best listing presentation	60%	58%	62%	58%	62%	60%	60%	56%	65%
Mortgage financing knowledge and contacts	59%	57%	62%	60%	59%	62%	57%	61%	59%
Best marketing plan	57%	56%	58%	55%	59%	59%	56%	54%	60%
Referred by friend or family	55%	54%	57%	56%	55%	53%	57%	51%	58%
Has a luxury housing market designation	48%	49%	47%	51%	46%	41%	53%	38%	56%
Works for a firm whose name I recognize	46%	44%	49%	47%	46%	46%	47%	42%	50%
Expertise in the luxury home market	43%	49%	37%	47%	40%	39%	46%	30%	52%
Member of an agent team	38%	41%	36%	38%	38%	36%	40%	30%	45%
Someone who lives the same lifestyle	33%	31%	35%	38%	29%	30%	35%	27%	37%
Access to luxury home marketing program	31%	35%	26%	38%	26%	28%	33%	21%	38%
Someone who is a friend	25%	28%	23%	34%	19%	23%	27%	21%	29%

Q: The next time you select a real estate agent to assist you with home buying or selling, how would you rank the importance of the following characteristics in your agent selection process? Top 2 Box shown from a 5-point scale (n=800 wealthy consumers) Shading indicates statistically significant differences with 90% confidence.

Essential Marketing Tools for Selling

- “Internet listings with numerous photographs” and “listings in the MLS” are each considered essential tools for selling a luxury home by 61% of wealthy consumers.
- Half of those surveyed consider a special open house for local agents who work in the luxury home market to be essential and 46% consider full-color printed brochures to be essential tools for selling a luxury home.

Essential Marketing Tools for Selling a Luxury Home



Q: When selling a luxury home, what marketing tools would you consider essential to an effective marketing plan?
(n=800 wealthy consumers)

Essential Marketing Tools for Selling

- Wealthy consumers 50 and older are more likely than younger consumers to consider Internet listings, MLS listings, open houses for agents in the luxury home market, full-color printed property brochures and newspaper display ads as essential marketing tools.

Essential Marketing Tools	Total	Gender		Age		Income		Net Worth	
		Men	Women	Under Age 50	Age 50+	\$150k-\$199k	\$200k+	Under \$1 mil.	\$1 mil.+
Internet listings with numerous photographs	61%	60%	63%	53%	68%	64%	59%	64%	61%
Listing in the real estate MLS	61%	57%	65%	54%	67%	64%	59%	65%	61%
Open house for luxury home market agents	50%	52%	49%	39%	58%	54%	47%	51%	51%
Full-color printed property brochure	46%	45%	48%	41%	50%	50%	44%	47%	48%
Special website for the property	35%	36%	35%	34%	36%	40%	32%	35%	36%
Invitation-only marketing event for prospects	26%	28%	25%	23%	28%	29%	25%	23%	29%
A yard sign	26%	24%	28%	30%	23%	25%	27%	26%	26%
Luxury home magazine ads	25%	25%	24%	25%	24%	28%	22%	26%	25%
Targeted mailing of "just listed" postcards	23%	20%	25%	21%	23%	20%	25%	21%	25%
Newspaper display ad	20%	21%	19%	16%	23%	19%	21%	18%	22%
Newspaper classified ad	17%	15%	19%	15%	19%	19%	15%	19%	17%
Luxury home auction	5%	5%	4%	7%	3%	3%	6%	4%	5%
I would prefer a totally private sale	13%	13%	13%	16%	11%	10%	15%	12%	13%

Q: When selling a luxury home, what marketing tools would you consider essential to an effective marketing plan? (n=800 wealthy consumers)

Shading indicates statistically significant differences with 90% confidence.

Luxury Institute WealthSurvey™

Lifestyles and Attitudes of Wealthy Consumers

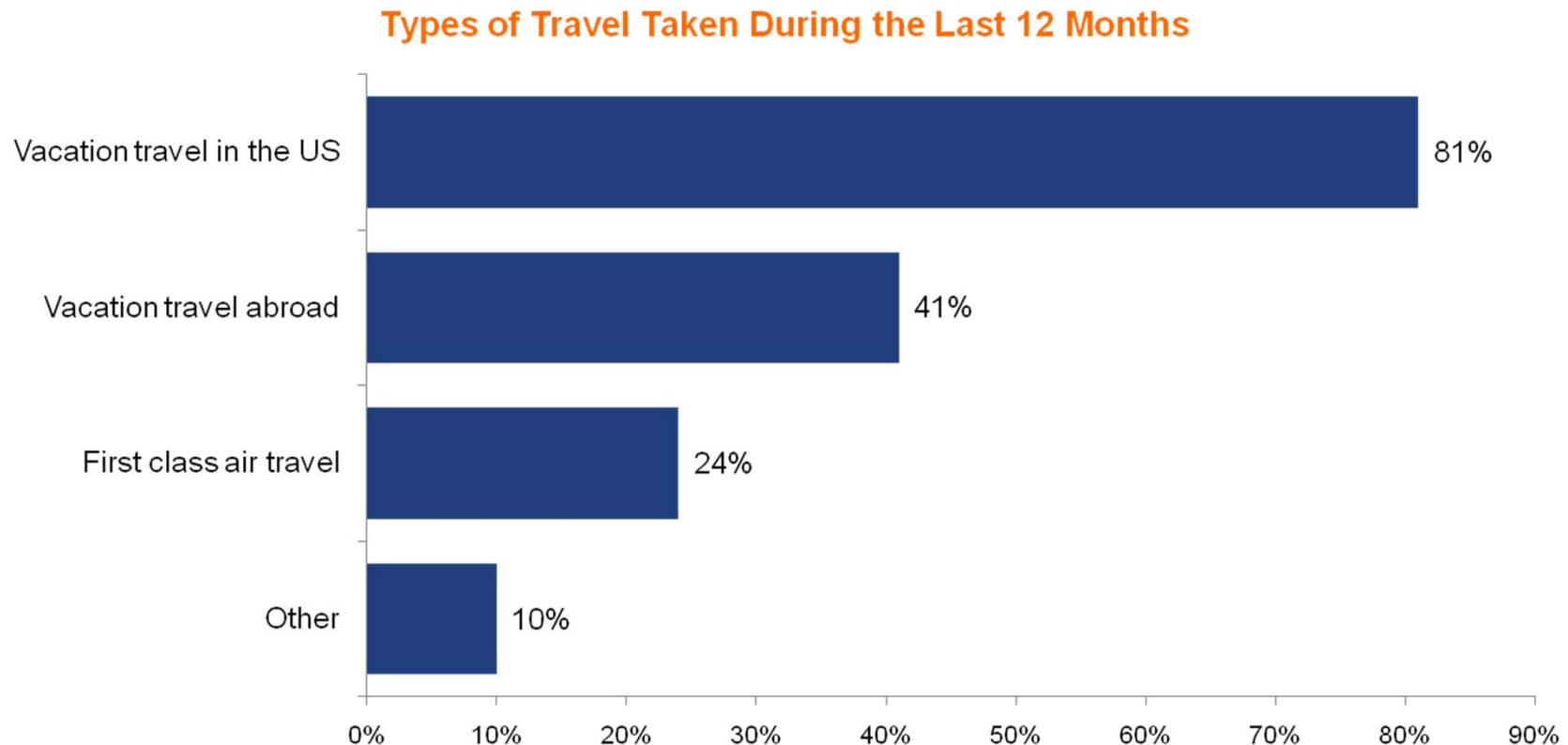
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Types of Travel in Last 12 Months

- Four out of five (81%) wealthy consumers indicate that they and/or their spouse have traveled on vacation in the U.S. in the last 12 months. Forty-one percent have traveled abroad and 24% have traveled in first class by air.

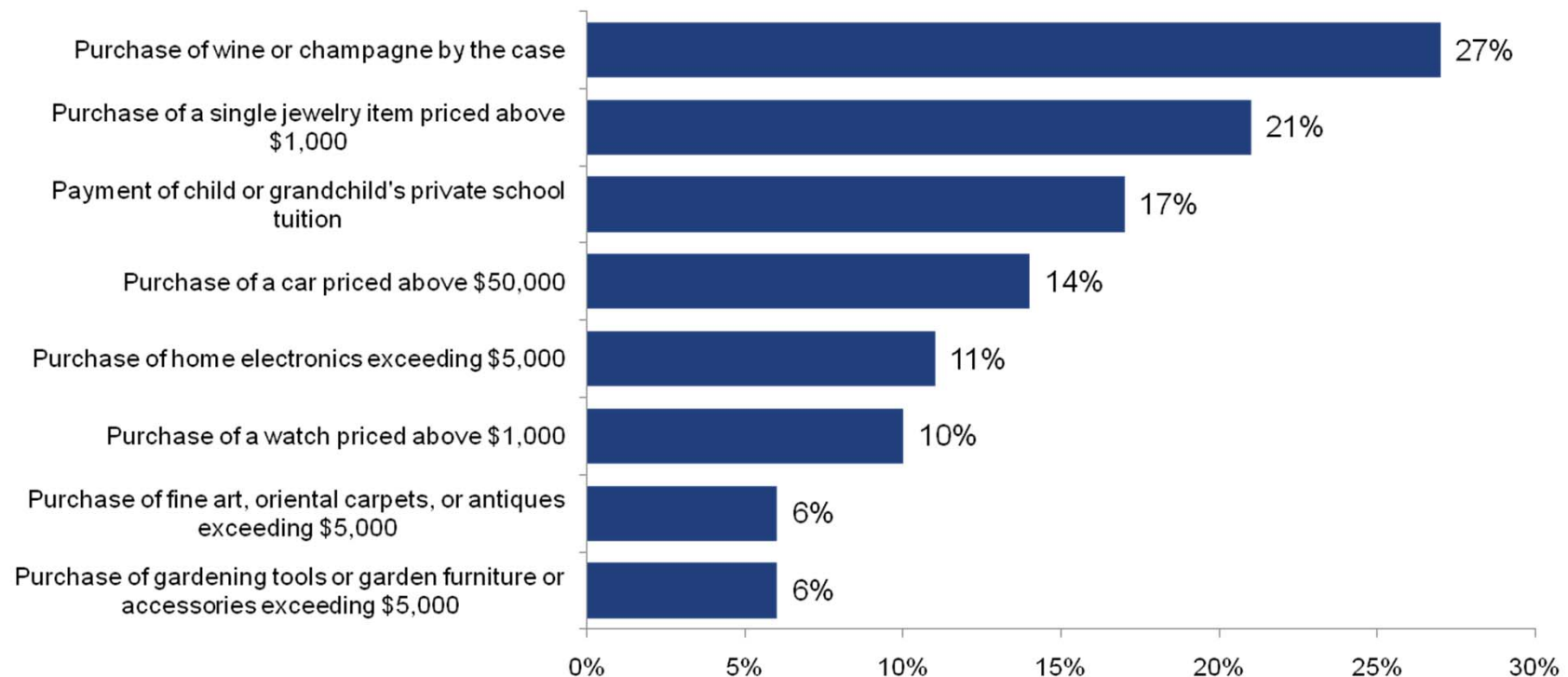


Q: First, which of the following types of travel have you and/or your spouse taken during the last 12 months? (n=800 wealthy consumers)

Luxury Purchases Made in Last 12 Months

- Wine or champagne by the case and single jewelry items priced above \$1,000 are the top two types of luxury purchases made by wealthy consumers or their spouses in the last 12 months.

Purchases Made in the Last 12 Months



Q: Which of the following types of purchases have you and/or your spouse made within the last 12 months? (n=800 wealthy consumers)

Types of Travel and Purchases Made

- Vacationing abroad and flying first class are more common as income and net worth increase, and more common among men than women.
- Consumers less than 50 are more likely to purchase expensive cars and home electronics and less likely to buy wine or champagne by the case.

Types of Travel and Purchases Made in Last 12 Months	Total	Gender		Age		Income		Net Worth	
		Men	Women	Under Age 50	Age 50+	\$150k-\$199k	\$200k+	Under \$1 mil.	\$1 mil.+
Vacation travel in the US	81%	83%	80%	80%	82%	82%	81%	85%	81%
Vacation travel abroad	41%	48%	35%	38%	44%	34%	46%	31%	49%
First class air travel	24%	27%	20%	23%	24%	14%	30%	16%	30%
Purchase of wine or champagne by the case	27%	29%	25%	23%	29%	24%	29%	20%	32%
Purchase of a single jewelry item priced above \$1,000	21%	24%	19%	20%	22%	19%	23%	16%	25%
Payment of child or grandchild's private school tuition	17%	19%	15%	18%	16%	15%	18%	13%	21%
Purchase of a car priced above \$50,000	14%	15%	12%	17%	11%	9%	17%	7%	19%
Purchase of home electronics exceeding \$5,000	11%	12%	9%	14%	8%	8%	12%	7%	13%
Purchase of a watch priced above \$1,000	10%	12%	7%	10%	9%	8%	10%	5%	12%
Purchase of fine art, oriental carpets, or antiques exceeding \$5,000	6%	8%	4%	6%	6%	4%	7%	3%	8%
Purchase of gardening tools or garden furniture or accessories exceeding \$5,000	6%	7%	5%	8%	5%	5%	7%	4%	8%

Q: First, which of the following types of travel have you and/or your spouse taken during the last 12 months?

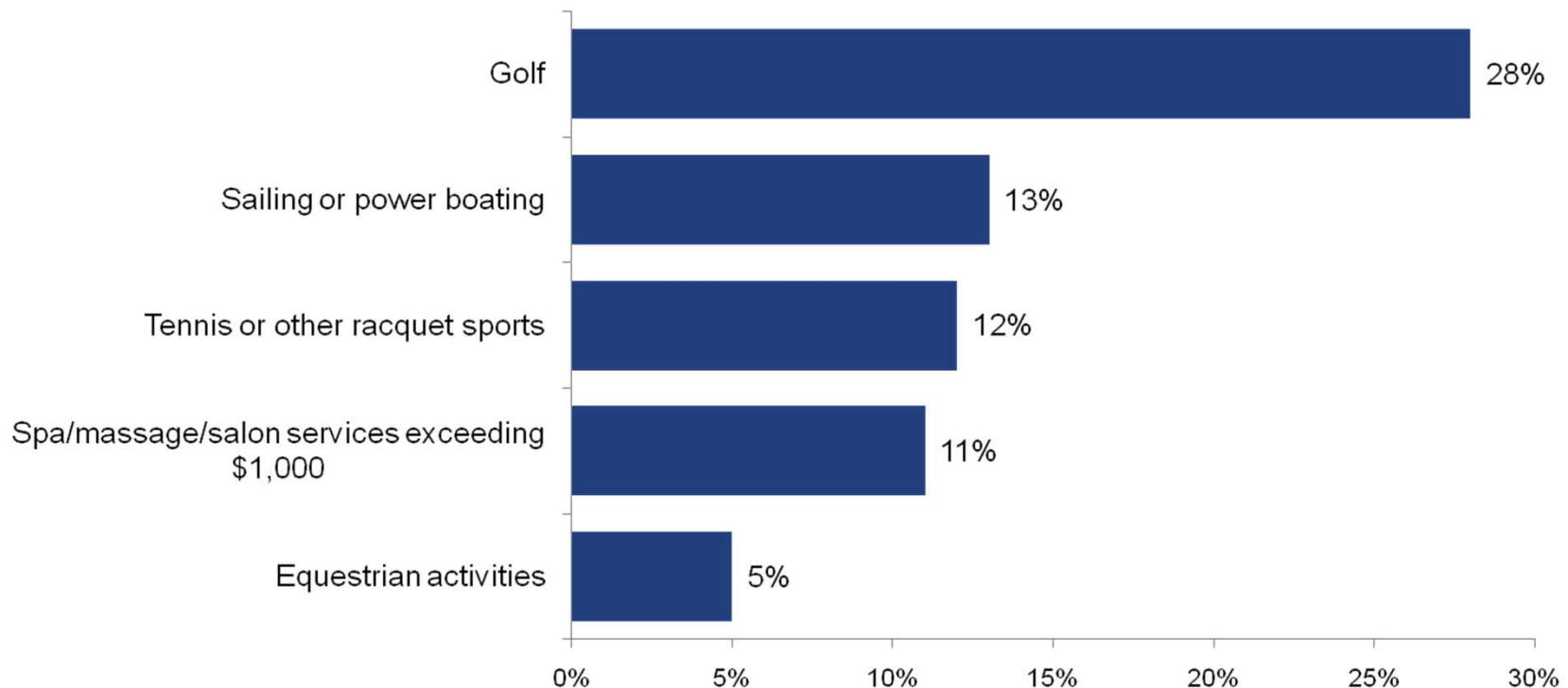
Q: Which of the following types of purchases have you and/or your spouse made within the last 12 months? (n=800 wealthy consumers)

Shading indicates statistically significant differences with 90% confidence.

Activities Participated in During Last 12 Months

- Nearly three out of ten wealthy consumers and/or their spouses have played golf in the last 12 months.

Activities Participated in During the Last 12 Months

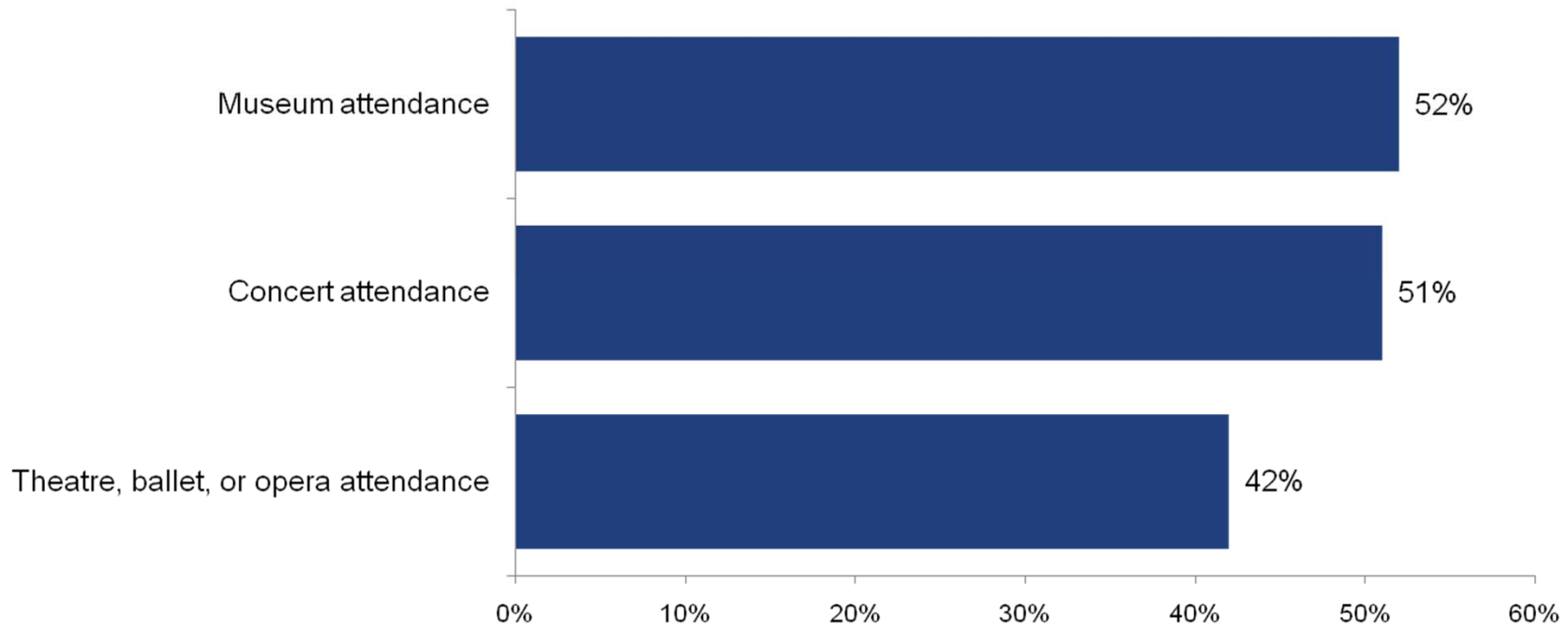


Q: Which of the following types of activities have you and/or your spouse participated in within the last 12 months? (n=800 wealthy consumers)

Cultural Events Attended in Last 12 Months

- At least half of wealthy consumers and/or their spouses attended museums and concerts in the last 12 months. Forty-two percent attended theatre, ballet or opera events.

Cultural Events Attended in Last 12 Months



Q: Which of the following types of cultural activities or events have you and/or your spouse attended within the last 12 months? (n=800 wealthy consumers)

Activities and Cultural Events

- Wealthy consumers under age 50 are more likely than those 50 or older to have participated in tennis or other racquet sports, spa/massage or salon services, and equestrian activities. Younger consumers are less likely than older consumers to have attended museums and other cultural events.

Activities and Cultural Events in Last 12 Months	Total	Gender		Age		Income		Net Worth	
		Men	Women	Under Age 50	Age 50+	\$150k-\$199k	\$200k+	Under \$1 mil.	\$1 mil.+
Golf	28%	31%	25%	27%	29%	29%	27%	26%	31%
Sailing or power boating	13%	13%	13%	14%	12%	11%	14%	9%	17%
Tennis or other racquet sports	12%	15%	10%	19%	8%	13%	12%	10%	15%
Spa/massage/salon services exceeding \$1,000	11%	11%	10%	16%	7%	10%	11%	6%	14%
Equestrian activities	5%	6%	5%	8%	3%	5%	5%	4%	6%
Museum attendance	52%	59%	45%	43%	59%	54%	51%	47%	56%
Concert attendance	51%	58%	45%	46%	55%	52%	51%	49%	54%
Theatre, ballet, or opera attendance	42%	48%	37%	35%	48%	41%	43%	34%	50%

Q: Which of the following types of activities have you and/or your spouse participated in within the last 12 months?

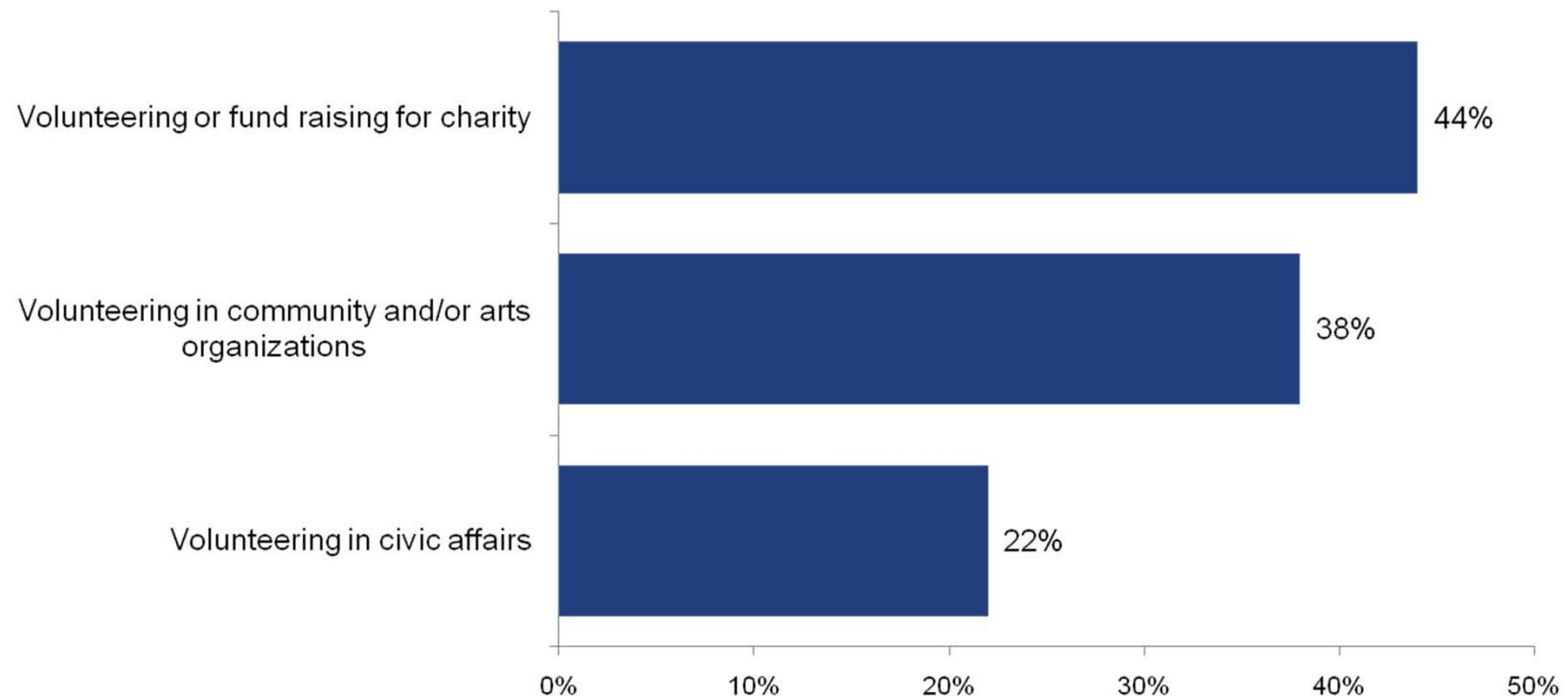
Q: Which of the following types of cultural activities or events have you and/or your spouse attended within the last 12 months? (n=800 wealthy consumers)

Shading indicates statistically significant differences with 90% confidence.

Volunteer Work During Last 12 Months

- More than two out of five (44%) wealthy consumers and/or their spouses participated in volunteering or fund raising for charity in the last 12 months.

Volunteer Work Participated in During the Last 12 Months

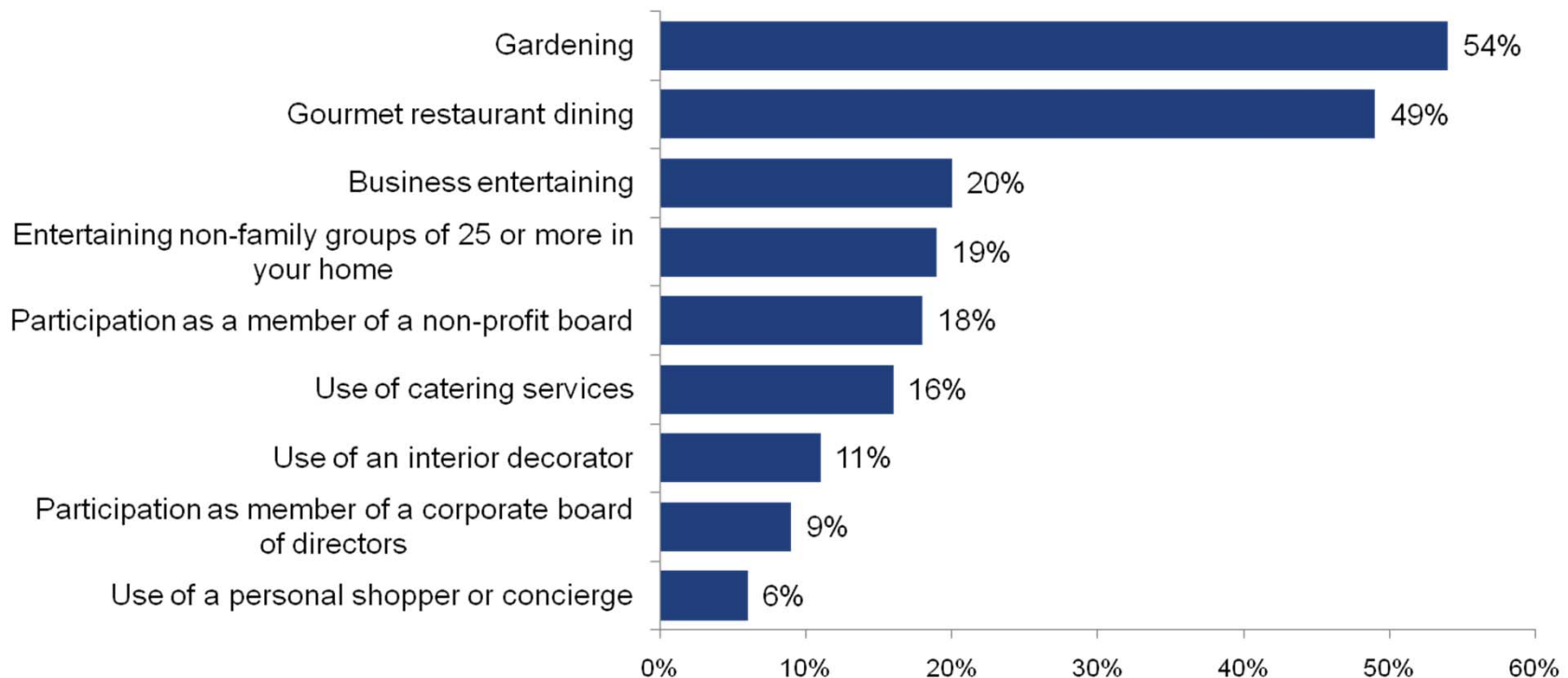


Q: Which of the following types of volunteer work have you and/or your spouse participated in within the last 12 months? (n=800 wealthy consumers)

Other Lifestyle Activities

- Over half of wealthy consumers indicate that they enjoy gardening and nearly half enjoy gourmet restaurant dining.

Other Lifestyle Activities Participated in During the Last 12 Months



Q: Which of the following types of activities have you and/or your spouse participated in within the last 12 months? (n=800 wealthy consumers)

Volunteering and Lifestyle Activities

- As income increases, volunteering in civic affairs, entertaining, using caterers and interior decorators and being a board member become more common.

Volunteering and Lifestyle Activities in Last 12 Months	Total	Gender		Age		Income		Net Worth	
		Men	Women	Under Age 50	Age 50+	\$150k-\$199k	\$200k+	Under \$1 mil.	\$1 mil.+
Volunteering or fund raising for charity	44%	47%	41%	42%	45%	43%	44%	41%	47%
Volunteering in community and/or arts organizations	38%	38%	38%	43%	34%	39%	37%	34%	41%
Volunteering in civic affairs	22%	28%	17%	24%	21%	18%	25%	15%	27%
Gardening	54%	55%	53%	44%	61%	61%	49%	56%	55%
Gourmet restaurant dining	49%	52%	46%	43%	53%	49%	50%	41%	54%
Business entertaining	20%	23%	17%	21%	20%	15%	23%	15%	24%
Entertaining non-family groups of 25 or more in your home	19%	18%	19%	19%	18%	16%	21%	16%	21%
Participation as a member of a non-profit board	18%	20%	16%	14%	22%	16%	20%	13%	22%
Use of catering services	16%	17%	15%	18%	15%	13%	19%	11%	20%
Use of an interior decorator	11%	12%	11%	14%	9%	7%	14%	6%	15%
Participation as member of a corporate board of directors	9%	13%	5%	8%	9%	5%	11%	5%	11%
Use of a personal shopper or concierge	6%	5%	6%	9%	3%	5%	6%	4%	7%

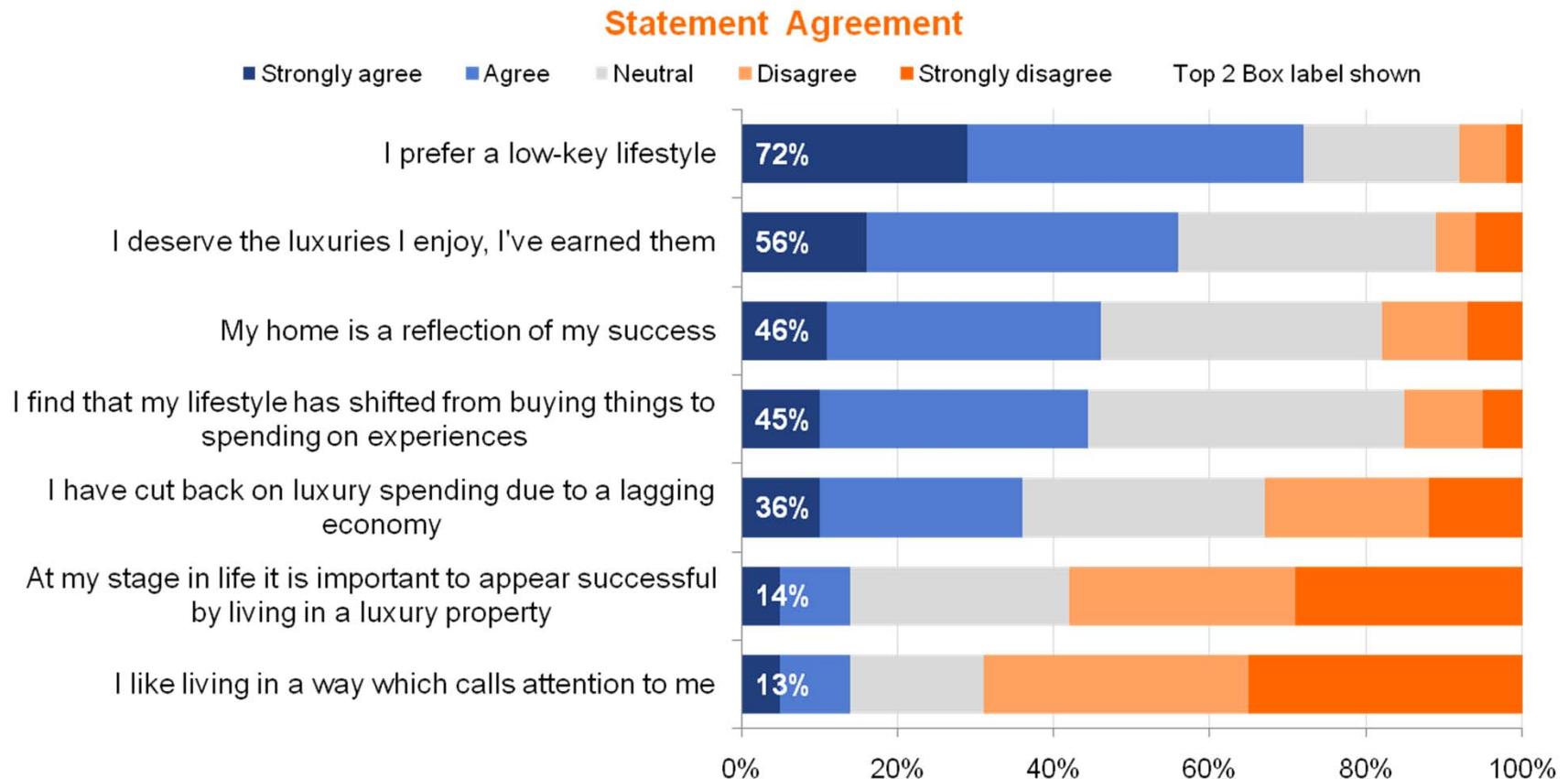
Q: Which of the following types of volunteer work have you and/or your spouse participated in within the last 12 months?

Q: Which of the following types of activities have you and/or your spouse participated in within the last 12 months? (n=800 wealthy consumers)

Shading indicates statistically significant differences with 90% confidence.

Lifestyle Attitudes

- A majority of wealthy consumers agree that “I prefer a low-key lifestyle” (72%) and that “I deserve the luxuries I enjoy, I’ve earned them” (56%).
- Nearly half agree that “my home is a reflection of my success” (46%) and “I find that my lifestyle has shifted from buying things to spending on experiences” (45%).



Q: Please rate your agreement about the following statements. (n=800 wealthy consumers)

Lifestyle Attitudes

- Wealthy consumers under age 50 are more likely than older consumers to agree that “I deserve the luxuries I enjoy, I’ve earned them,” “at my stage in life it is important to appear successful by living in a luxury property,” and “I like living in a way which calls attention to me.” They are less likely to agree that “I prefer a low-key lifestyle.”

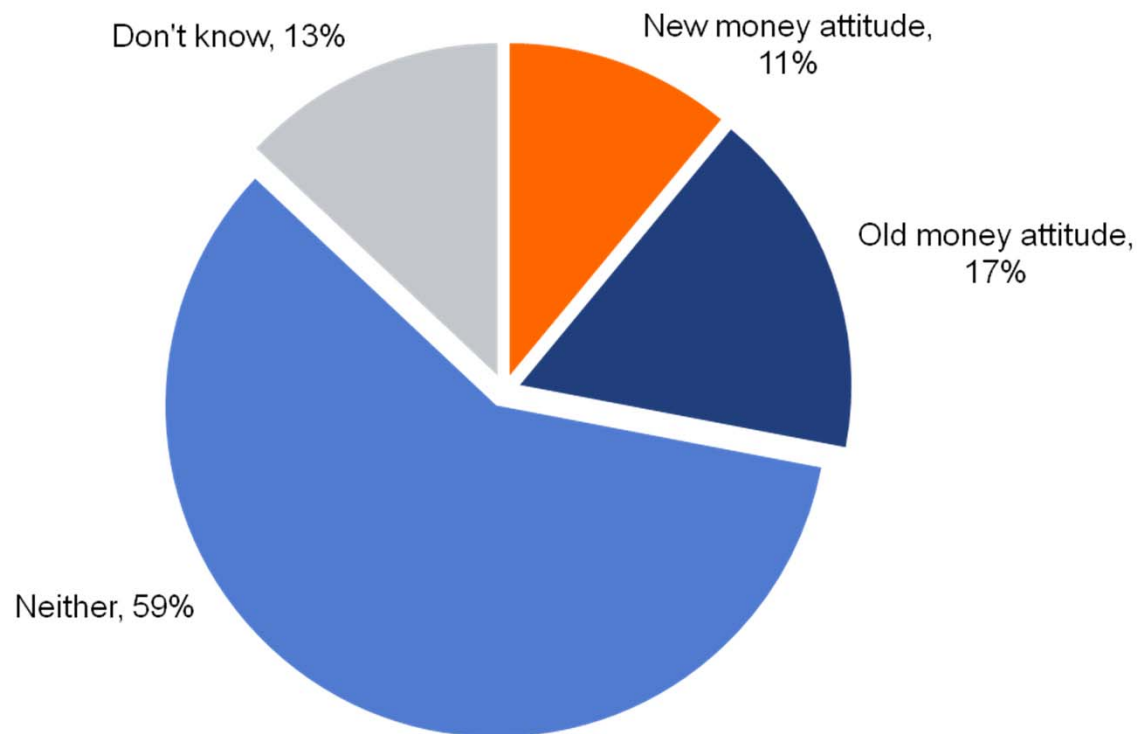
Lifestyle Attitudes (Top 2 Box Agreement)	Total	Gender		Age		Income		Net Worth	
		Men	Women	Under Age 50	Age 50+	\$150k- \$199k	\$200k+	Under \$1 mil.	\$1 mil.+
I prefer a low-key lifestyle	72%	72%	71%	66%	76%	77%	69%	72%	72%
I deserve the luxuries I enjoy, I've earned them	56%	58%	55%	61%	53%	51%	59%	51%	63%
My home is a reflection of my success	46%	48%	44%	45%	47%	41%	49%	40%	52%
I find that my lifestyle has shifted from buying things to spending on experiences	45%	44%	46%	45%	44%	43%	46%	40%	49%
I have cut back on luxury spending due to a lagging economy	36%	32%	40%	35%	37%	39%	34%	40%	34%
At my stage in life it is important to appear successful by living in a luxury property	14%	16%	12%	22%	9%	10%	17%	9%	19%
I like living in a way which calls attention to me	13%	14%	13%	23%	6%	8%	17%	9%	17%

Q: Please rate your agreement about the following statements. Top 2 Box shown from 5-point scale. (n=800 wealthy consumers)
Shading indicates statistically significant differences with 90% confidence.

New or Old Money Attitude

- A slightly greater share of wealthy consumers consider themselves to have an “old money attitude” (17%) rather than a “new money attitude” (11%).
- Most consumers responded do not identify with either of these.

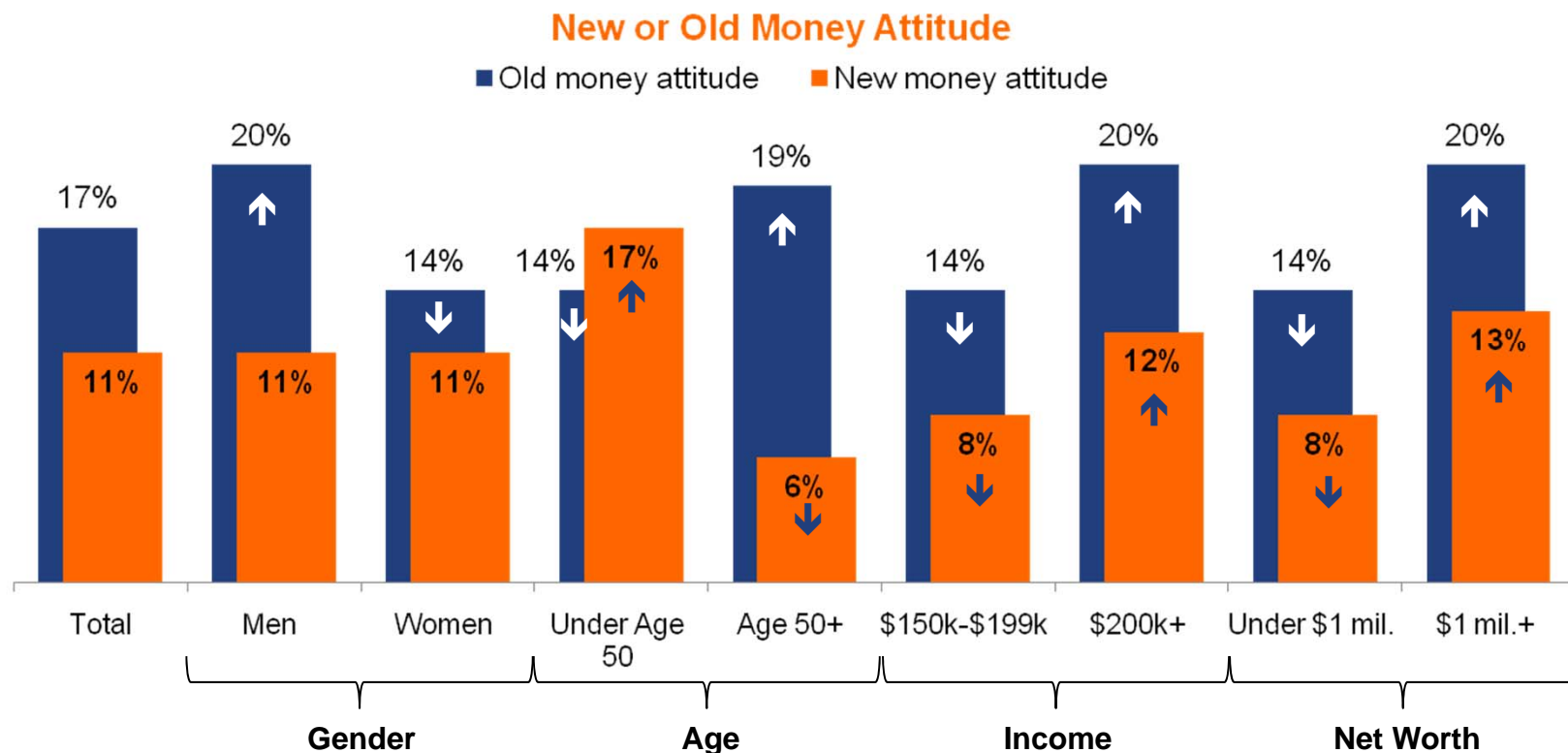
Do you have a New or Old Money attitude?



Q: Do you consider yourself to have a...? (n=800 wealthy consumers)

New or Old Money Attitude

- Men and wealthier consumers are more likely to say they have an “old money attitude.”
- Predictably, wealthy consumers under age 50 are the most likely to say they have a “new money attitude” while older consumers are more likely to identify with an “old money attitude.”



Q: Do you consider yourself to have a...? (n=800 wealthy consumers)

Arrows indicate statistically significant differences between demographic groups with 90% confidence.

Luxury Institute WealthSurvey™

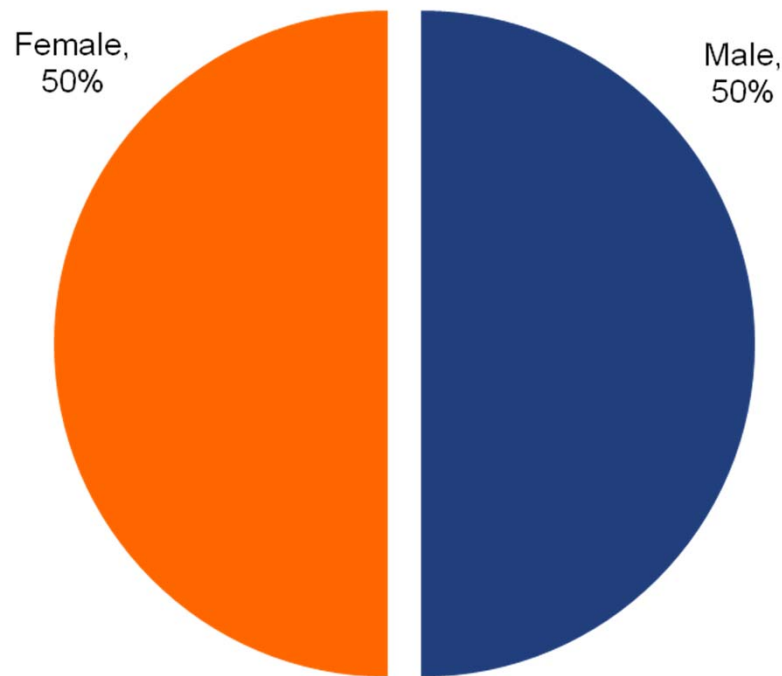
Appendix I: Respondent Profile



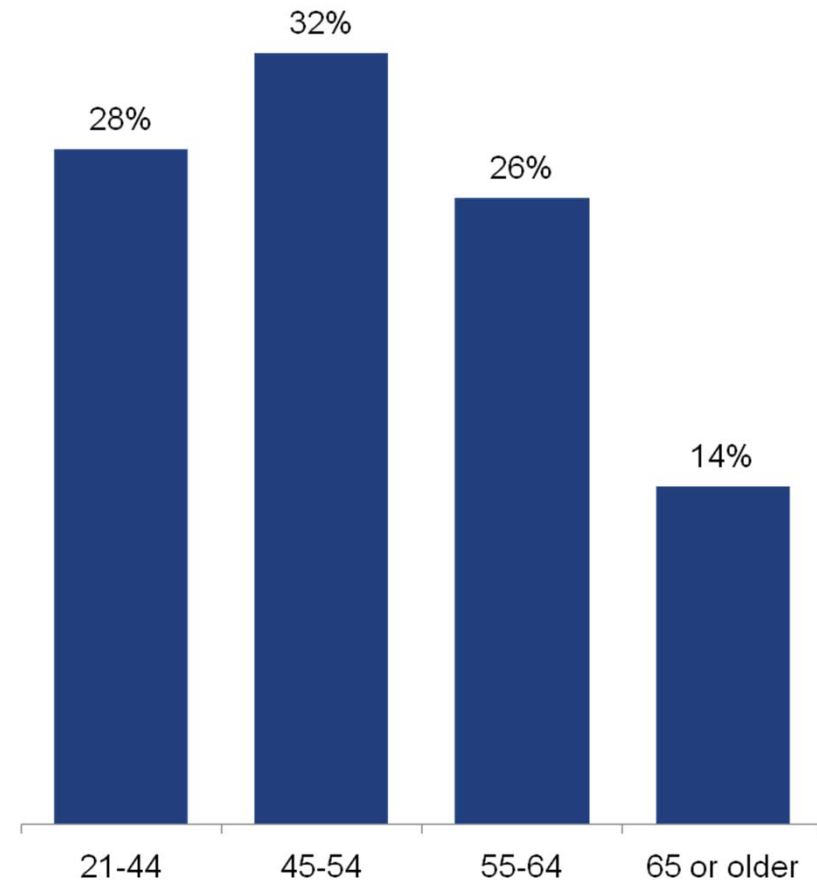
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Demographics of Survey Sample

Gender



Age Distribution (Median Age: 52)



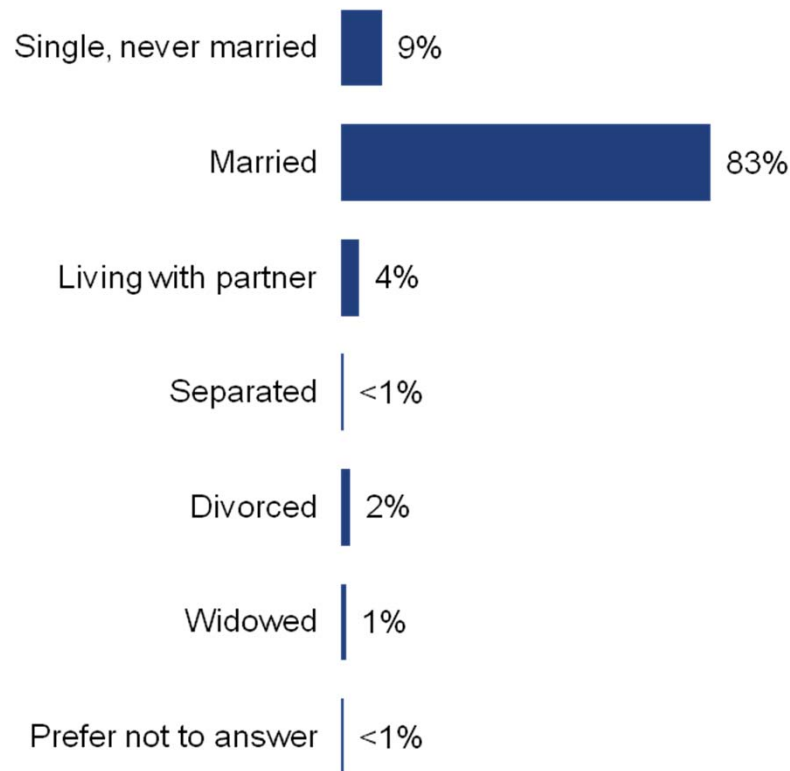
Q: Please select your gender.

Q: Please click on the category that includes your age. (n=800 wealthy consumers)

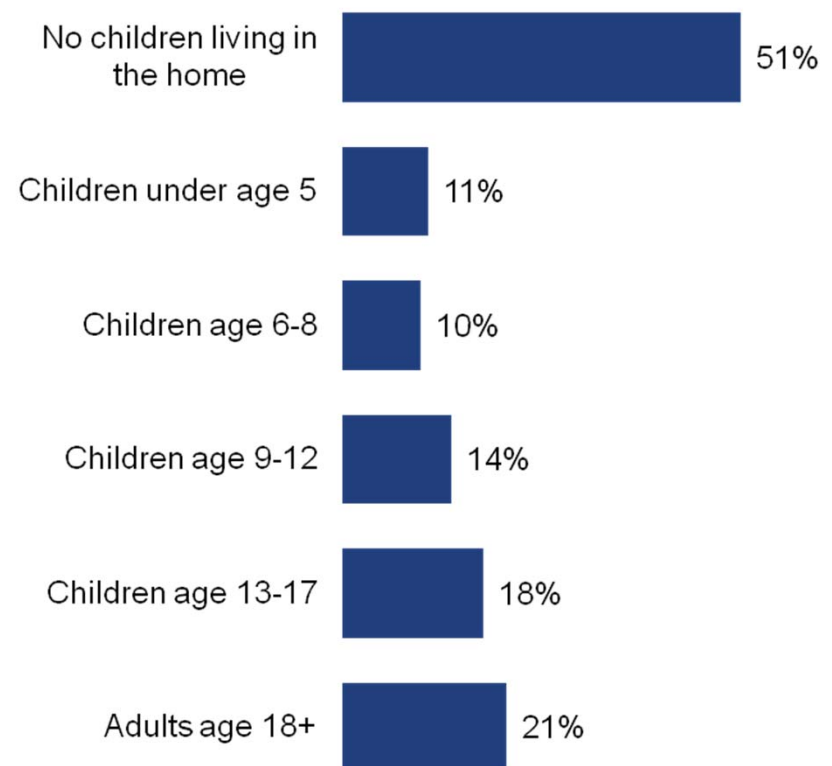
The sample data were weighted to give these proportions by gender and age

Demographics of Survey Sample

Marital Status



Ages of Children at Home

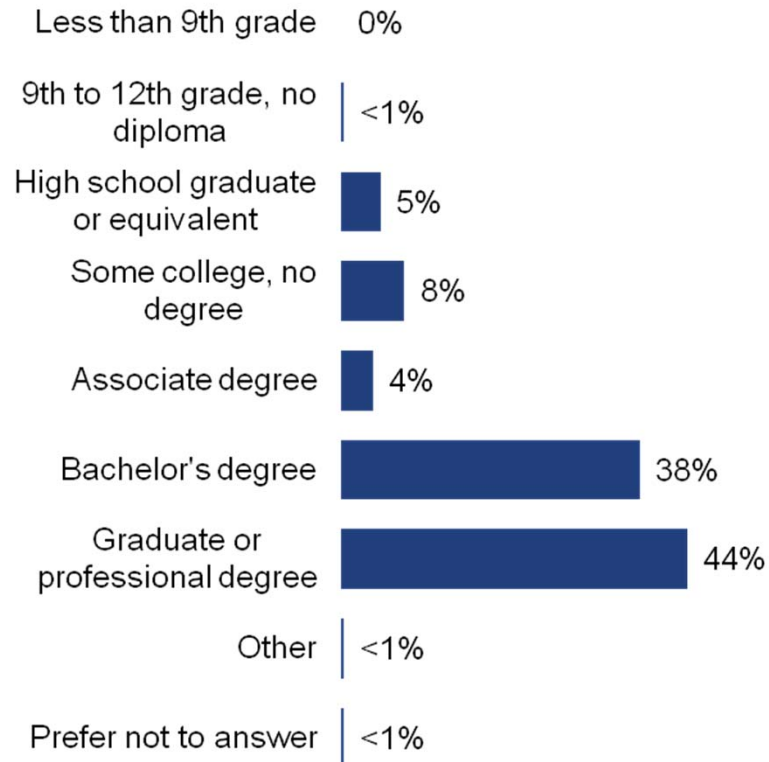


Q: Which of the following best describes your marital status?

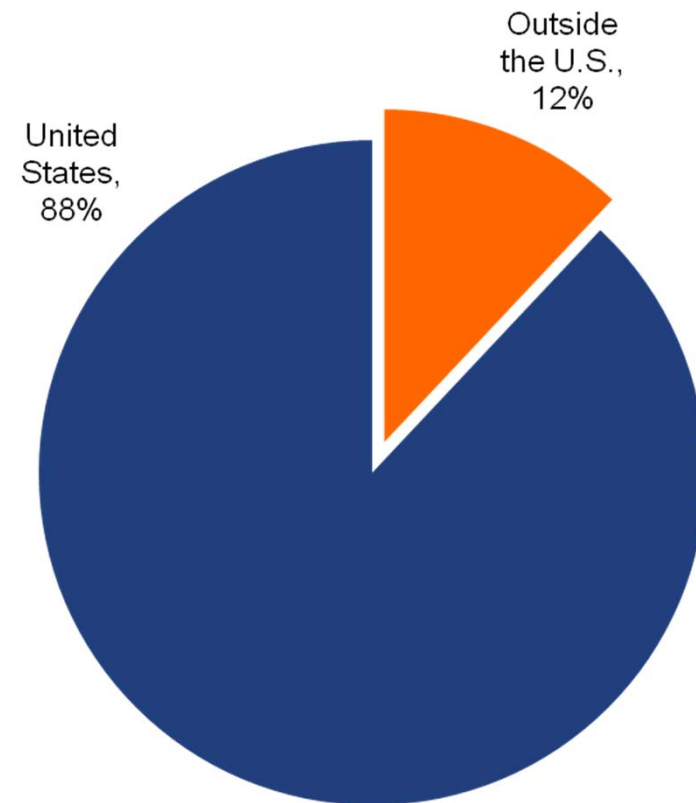
Q: Do you have any children living at home in the following age groups? (n=800 wealthy consumers)

Demographics of Survey Sample

Education



Country of Birth

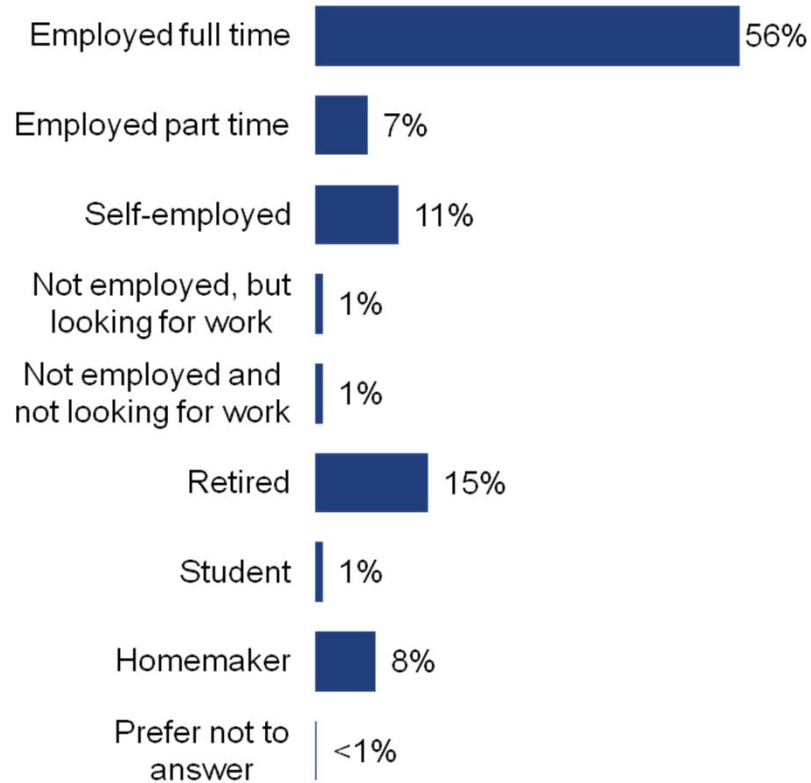


Q: What is the highest level of education you have completed?

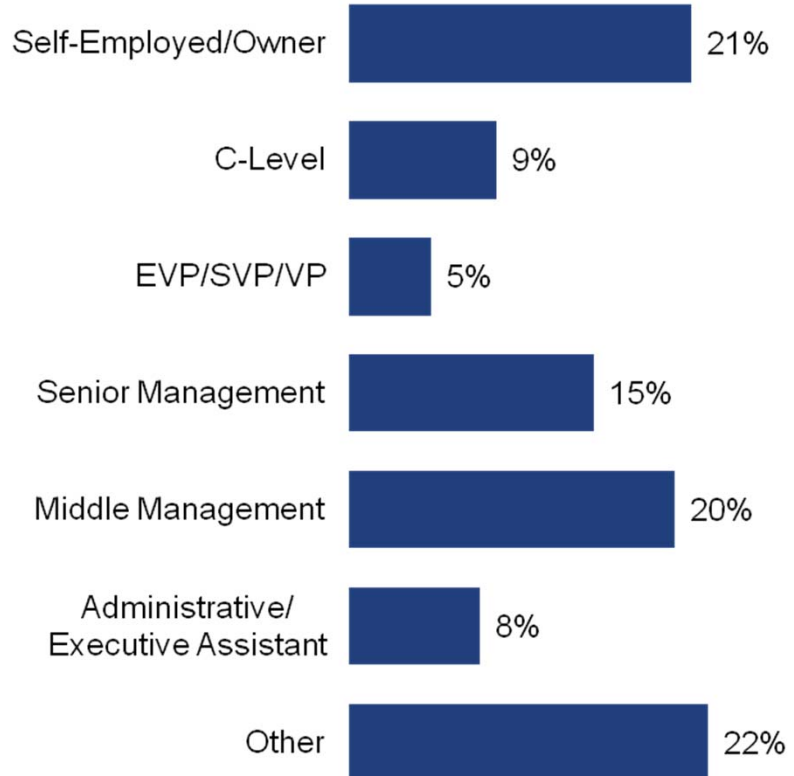
Q: Were you born outside the U.S.? (n=800 wealthy consumers)

Demographics of Survey Sample

Employment



Job Title

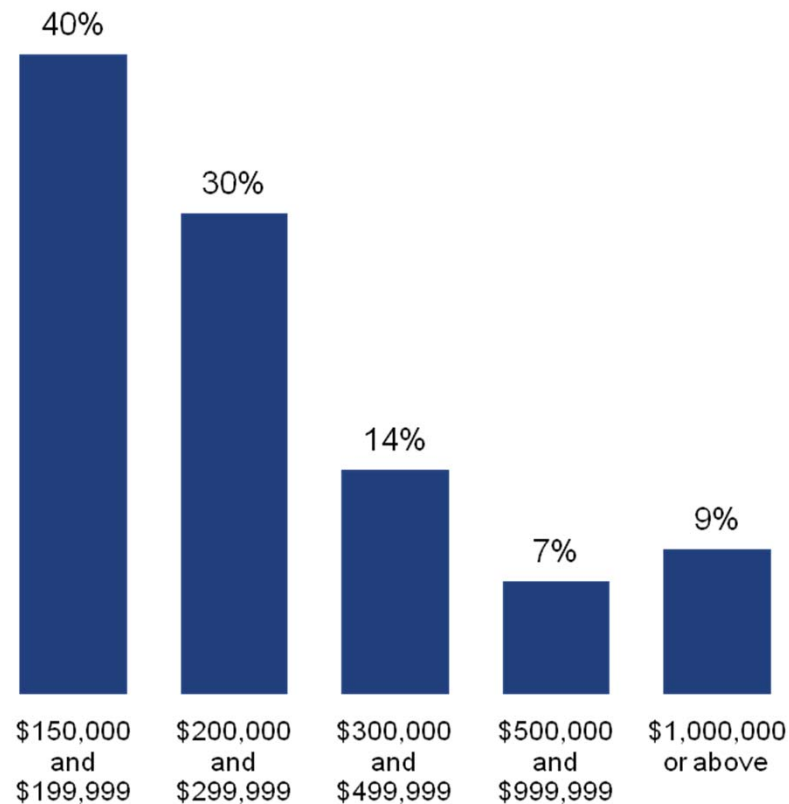


Q: Which of the following best describes your employment status? (n=800 wealthy consumers)

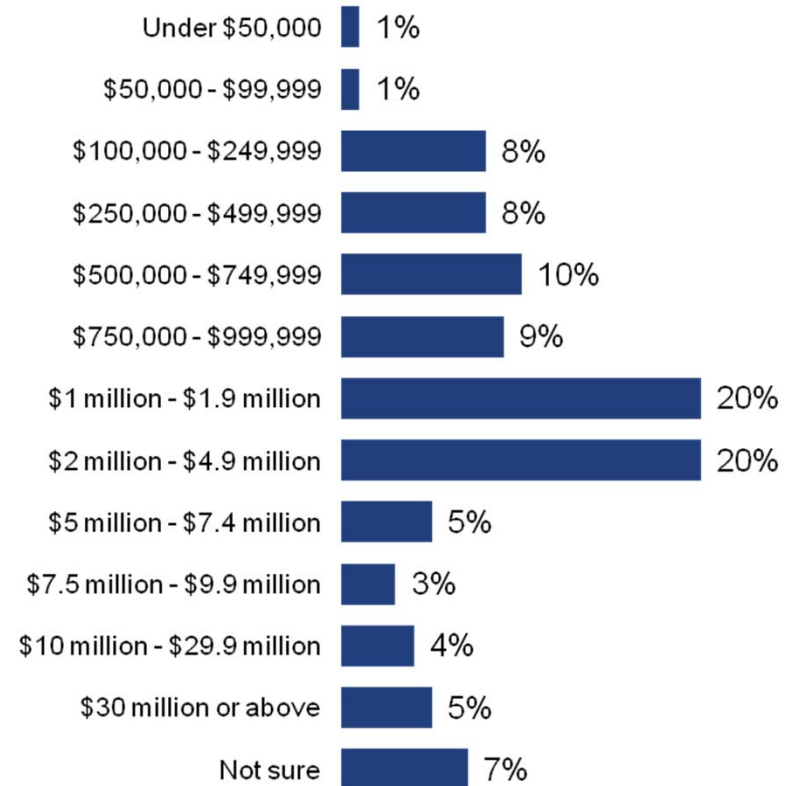
Q: What is your job title? (n=577 employed wealthy consumers)

Demographics of Survey Sample

Income Distribution
(Median: \$233k)



Net Worth
(Median: \$1.5 Mil)

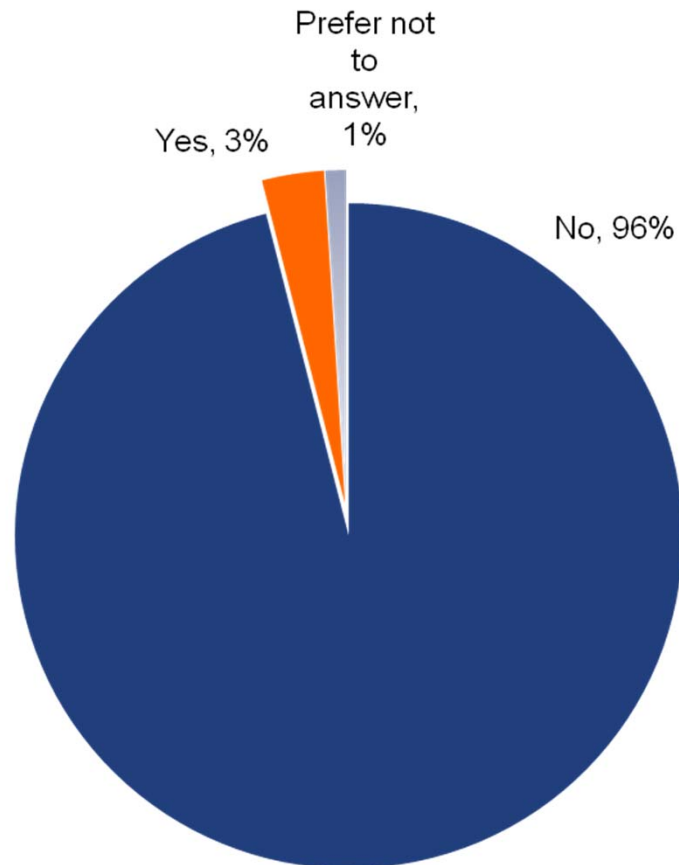


Q: Which group best describes your gross annual household income (before taxes)? The sample data were weighted to give these proportions by income.

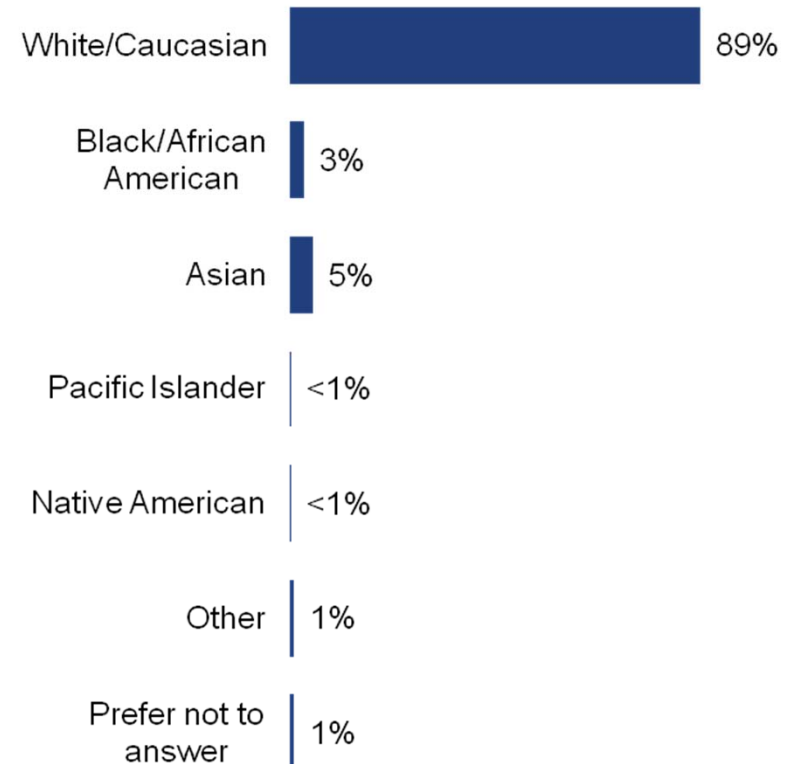
Q: What is your household's approximate net worth, including the equity in your home? (n=800 wealthy consumers)

Demographics of Survey Sample

Are you Hispanic?



Ethnicity

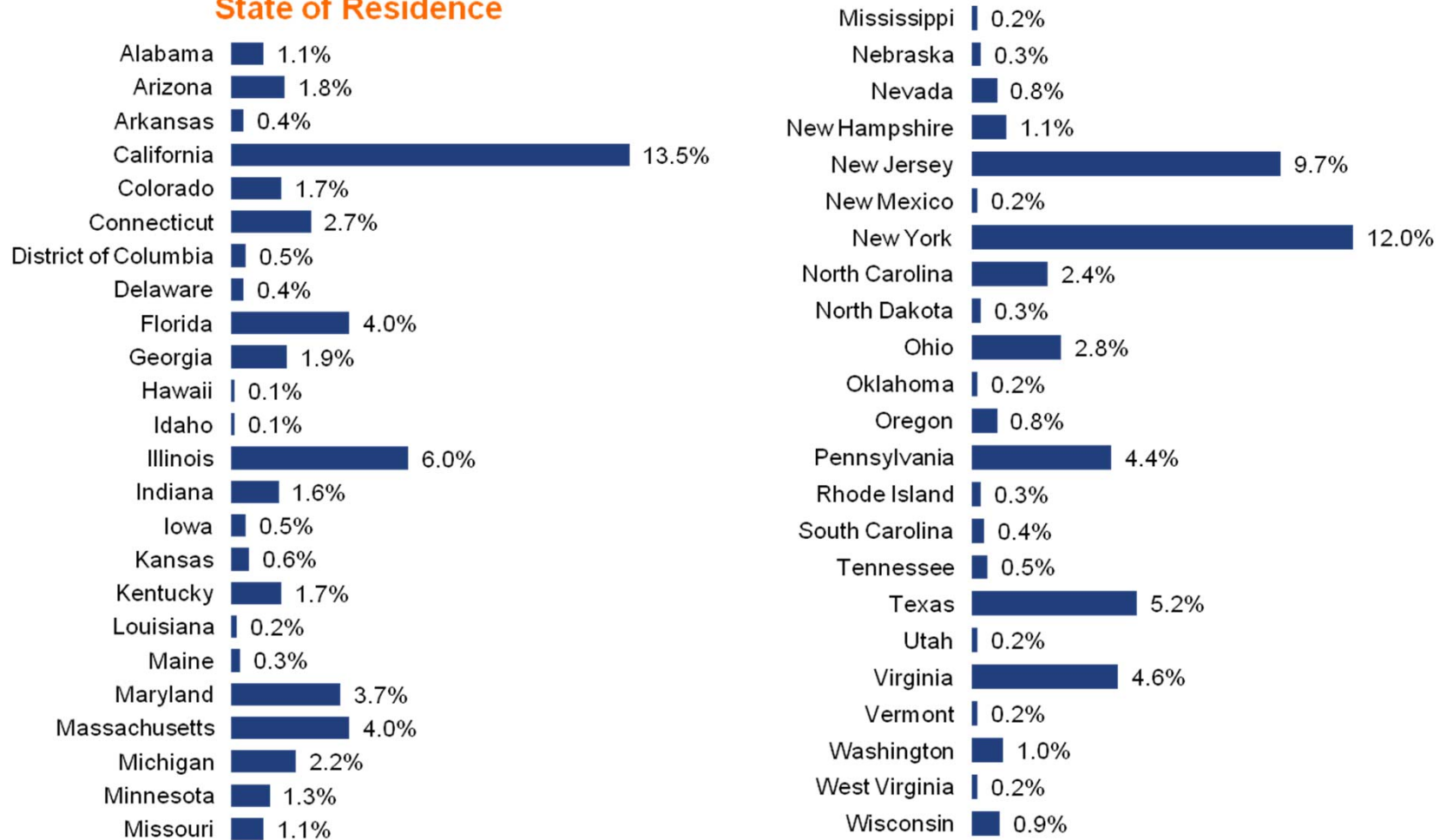


Q: Are you Spanish / Hispanic / Latino?

Q: Which one of the following best describes you? (n=800 wealthy consumers)

Demographics of Survey Sample

State of Residence



Q: In which state do you live? (n=800 wealthy consumers)

Luxury Institute WealthSurvey™

Appendix II: Survey Questionnaire



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Research Methodology: Questionnaire

Wealthy consumers are asked the following series of questions:

- First, how many homes do you currently own and use as personal residences or vacation homes?
- What is the estimated cumulative value of these residences?
- Are any of these residences outside the U.S.?
- How many other homes or properties do you own as investments (not including those above)?
- What is the estimated cumulative value of these investment homes and properties?
- Thinking about the residential property you most recently purchased, is it a...?
 - Primary residence
 - Secondary residence or vacation home
 - Other
- When did you purchase this property?
- Approximately how much did you pay for the most recent residential property you purchased?
- What type of property is this?
- How far is this residence from your closest other residence (or previous residence)?
- How would you describe this property?
 - Waterfront or water view
 - Golf course
 - Equestrian
 - Mountain resort
 - In a gated community
 - Penthouse
 - Resort
 - Other
- What type of neighborhood is this property located in?
 - Downtown/Center city
 - Suburban
 - Other

Research Methodology: Questionnaire

Wealthy consumers are asked the following series of questions (continued):

- Which of the following amenities do you have in your most recently purchased home?
 - More than four bedrooms
 - More than four bathrooms
 - Separate guest house
 - Pool
 - Pool house or cabana
 - Sauna or steam room
 - Tennis court or other sports court
 - Putting green
 - Staff quarters
 - Home theatre
 - Home office
 - Home gym
 - Wireless home network
 - Broadband Internet connection
 - Outdoor kitchen
 - Separate catering kitchen
 - Mini kitchen or espresso bar in master bedroom suite
 - Boat dock
 - Wine cellar or wine room
 - Four or more garages
- How long did it take from the time you started looking until you closed on the property?
- Did you buy with the assistance of a real estate agent?
- How would you rate your satisfaction with the agent who assisted you with this purchase?
- How likely is it that you would choose to work with this agent again?
- Did you change agents during your search for this property?
- How many times did you change agents?
- How would you rate the importance of the following resources in your search for your most recently purchased home?
 - Luxury home magazine ads
 - Printed property brochures
 - New York Times
 - Wall Street Journal
 - Internet property listings/photos
 - Individual property website
 - Free local real estate mags
 - Yard signs
 - Local newspaper classifieds
 - Newspaper display ads
 - Friends or acquaintances
 - Realtor.com
 - Trulia.com or Zillow.com
 - Local brokerage company website
 - National real estate brand website

Research Methodology: Questionnaire

Wealthy consumers are asked the following series of questions (continued):

- The next time you select a real estate agent to assist you with home buying or selling, how would you rank the importance of the following characteristics in your agent selection process?
 - Knowledge about home buying & selling process
 - Expertise in the luxury home market
 - Ability to use the Internet as a resource and communicate via email
 - Referred by friend or family
 - Positive previous experience working with agent
 - Best listing presentation
 - Best marketing plan
 - New home product knowledge
 - Resale home product knowledge
 - Mortgage financing knowledge & lender contacts
 - Has a designation indicating experience and knowledge in the luxury housing market
 - Someone who lives the same lifestyle
 - Ability to be discreet
 - Works for a firm whose name I recognize
 - Member of an agent team rather than an individual agent
 - Someone who is a friend
 - Has access to a special luxury home marketing program
 - Ability to fully qualify prospects
- When selling a luxury home, what marketing tools would you consider essential to an effective marketing plan?
 - Listing in the real estate multiple listing system
 - A yard sign
 - Full-color printed property brochure
 - Internet listings with numerous photographs
 - Special website for the property
 - Special open house for local agents who work the luxury home market
 - Special invitation-only marketing event for a carefully selected target group of prospects
 - Targeted mailing of “just listed” postcards
 - Newspaper classified ad
 - Newspaper display ad
 - Luxury home auction
 - Luxury home magazine ads
- Are you considering purchasing additional residential real estate in 2011?

Research Methodology: Questionnaire

Wealthy consumers are asked the following series of questions (continued):

- *If no*, Which of the reasons are you not considering a real estate purchase in 2011?
 - Want to remain liquid
 - Would need to sell property first and prices are too low
 - Residential real estate market is depressed
 - Residential real estate is too risky an investment
 - Residential real estate values have not hit bottom
 - Unsure about the economy
 - My overall portfolio is down
 - Other investment categories appear better
- *If yes*, Which of the reasons are you considering a residential real estate purchase in 2011?
 - Want another residence
 - Want a specific location
 - Need larger home
 - Want to downsize
 - Real estate prices are low
 - Lots of inventory to choose from
 - Need to shift money from other assets
 - View as a good investment
 - Interest rates are low
 - Safer investment alternative than stock market
 - Want to build or buy a “green” eco-friendly home
- If you make a residential real estate purchase in 2011, will it be an all cash purchase?
- First, which of the following types of travel have you and/ or your spouse taken during the last 12 months?
 - Vacation travel in the US
 - Vacation travel abroad
 - First class air travel
- Which of the following types of purchases have you and/or your spouse made within the last 12 months?
 - Purchase of a car priced above \$50,000
 - Purchase of wine or champagne by the case
 - Purchase of a single jewelry item priced \$1,000+
 - Payment of child or grandchild’s private school tuition
 - Purchase of a watch priced above \$1,000
 - Purchase of fine art, oriental carpets, or antiques exceeding \$5,000
 - Purchase of home electronics exceeding \$5,000
 - Purchase of gardening tools or garden furniture or accessories exceeding \$5,000

Research Methodology: Questionnaire

Wealthy consumers are asked the following series of questions (continued):

- Which of the following types of activities have you and/or your spouse participated in within the last 12 months?
 - Golf
 - Tennis or other racquet sports
 - Sailing or power boating
 - Equestrian activities
 - Spa/massage/salon services exceeding \$1,000
- Which of the following types of cultural activities or events have you and/or your spouse participated in within the last 12 months?
 - Museum attendance
 - Concert attendance
 - Theatre, ballet, or opera attendance
- Which of the following types of volunteer work have you and/or your spouse participated in within the last 12 months?
 - Volunteering or fund raising for charity
 - Volunteering in civic affairs
 - Volunteering in community and/or arts organizations
- Which of the following types of activities have you and/or your spouse participated in within the last 12 months?
 - Participation as member of corporate board of directors
 - Participation as a member of a non-profit board
 - Use of an interior designer
 - Use of a personal shopper or concierge
 - Gardening
 - Use of catering services
 - Gourmet restaurant dining
 - Entertaining non-family groups of 25 or more in your home
 - Business entertaining

Research Methodology: Questionnaire

Wealthy consumers are asked the following series of questions (continued):

- Please rate your agreement about the following statements:
 - In my stage in life is it important to appear successful by living in a luxury property
 - I deserve the luxuries I enjoy, I've earned them
 - I prefer a low-key lifestyle
 - I have cut back on luxury spending due to a lagging economy
 - I like living in a way which calls attention to me
 - I find that my lifestyle has shifted from buying things to spending on experiences
 - My home is a reflection of my success
- Do you consider yourself to have a...
 - New money attitude
 - Old money attitude
 - Neither

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