



NEWS RELEASE

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LUXURY CONSUMERS STAY BULLISH ON REAL ESTATE, ACCORDING TO THE 2007 COLDWELL BANKER PREVIEWS INTERNATIONAL® LUXURY SURVEY

*Affluent Men and Women Differ on Views about Homeownership, Luxury Brands
and Retirement*

40 Percent Consider Purchasing Second Home in Next Year

PARSIPPANY, N.J. (June 18, 2007) – Despite the recent cooling of the real estate market, luxury homeowners remain positive about the market, according to the **2007 Coldwell Banker Previews International® Luxury Survey**. A full 56 percent of survey respondents expect the value of their home to increase at least somewhat, and 10 percent expect it to increase significantly, during the next 12 months. Thinking more long term, 36 percent of respondents believe the value of their primary residence to increase significantly over the next five years, while 58 percent believe their residence will increase at least somewhat over that time period.

“These responses tell us that the affluent truly understand the value in owning real estate,” said Jim Gillespie, president and chief executive officer, Coldwell Banker Real Estate Corporation. “It is important to remember that in addition to being a home, real estate is a long-term investment, one that can withstand periodic changes in the market.”

The survey also revealed that affluent women are even more optimistic than men. Sixty-one (61) percent of female respondents expect the value of their home to increase somewhat over the next 12 months, compared to 50 percent of male, while both genders remain even at approximately 10 percent in predicting their homes’ value to increase significantly in the next year. Over the long term (five years), 40 percent of female respondents expect the value to increase significantly, compared to 32 percent of male. The sexes come out fairly even (60 percent male, 56 percent female) in forecasting that their homes will increase in value somewhat in five years.

“I’m not at all surprised that women are more positive about their home values than men,” Gillespie continued. “Women continue to comprise a significant segment of the home buying public; in fact, 22 percent of all homes sold last year were to single women. That statistic, together with affluent women’s confidence in real estate, suggests that women may, in fact, be the driver that ultimately helps the market turn the corner.”

The **2007 Coldwell Banker Previews International** Luxury Survey polled 301 U.S. homeowners whose primary residence is valued at over \$1 million (\$2 million for California

residents*) and who have investable assets of more than \$1 million. The survey was conducted online by independent market research firm, Affluent Dynamics® in April 2007 and commissioned by **Coldwell Banker Previews International**, the exclusive **Coldwell Banker®** service dedicated to luxury real estate. In 2006, the **Coldwell Banker** system participated in more than \$47 billion of sales volume of homes valued at \$1 million or more.

Lifestyle, Not Life Stage

The luxury homeowners surveyed are so positive about the real estate market that 40 percent of respondents are considering purchasing a home in the next year as a secondary residence for family use, with 38 percent interested in purchasing as an investment, and 22 percent purchasing a retirement property.

Of those who plan to move their primary residence, 61 percent want a bigger home and 51 percent are relocating. “What we find most interesting is 47 percent are moving because they want a different floor plan or layout, 43 percent want to move their primary residence to a beach / bay / or lakefront location, and 41 percent want to move to be closer to recreational activities like golf, swimming and tennis. That tells us that these homeowners are moving more based on lifestyle, not a particular life stage”, says Gillespie.

The Next Big Thing

Designer kitchens, formal landscaping, home entertainment centers and wine cellars are relatively de rigueur in well-to-do households with 72 percent, 63 percent, 50 percent and 34 percent of respondents indicating, respectively, that they already have these amenities. In fact, a full 72 percent of respondents indicated that they have a room in their home devoted almost exclusively to entertainment, and of that number, 30 percent indicated that they have movie theater-style seating in those homes.

Survey respondents indicated that the next “must have” in luxury living is only steps away. The survey indicates that 23 percent of luxury homeowners have heated floors, while another 21 percent are either committed to adding them or considering adding them.

High-end items gaining more traction in luxury homes include:

Luxury Item	Already Have	Considering Adding or Committed to Adding
Heated floors	23%	21%
Boat dock	15%	9%
Bedroom kitchen	11%	16%
Indoor pool	11%	13%
Tennis court	10%	19%
Golf course / putting green	10%	16%

“What constitutes a luxury amenity is evolving quite a lot,” Gillespie continues. “High-end kitchens and entertainment rooms now are givens in luxury living. Interestingly, many of the

items that are gaining in popularity all have to do with sports and maintaining a healthy lifestyle. And these add-ons don't come cheaply; a regulation size tennis court can run as much as \$60,000 or more."

Quality and Service are Key

When asked to define the most important characteristics that they associate with luxury brands, female respondents rated quality (83 percent) and customer service (72 percent) as top traits, far higher than did males (69 percent and 59 percent, respectively). Alternatively, 22 percent of men ranked high price/expensive as important compared with 10 percent of women respondents. Similarly, convenience (28 percent) rated higher with men than women in the study (20 percent).

Characteristic	Male	Female
Quality	69%	83%
Customer service	59%	72%
Style/fashionable/design	45%	56%
Reputation	54%	56%
Exclusivity	28%	28%
Price/high price/expensive	22%	10%
Originality	31%	23%
Beauty/good looks/overall look	41%	53%
Reliability/dependability	56%	63%
Personal satisfaction/personal appeal/something I like	44%	56%
Prestige/status symbol	33%	26%
Convenience	28%	20%

Retirement Activities

When the life stage evolves into retirement, women and men have some different ideas about how they'd like to spend their time.

"Catching up on things they weren't able to do before retirement seems to be the biggest draw for women, as their interest in reading, volunteer work, hobbies, spending time with family and travel suggests," says Gillespie. "Affluent men, on the other hand, are looking forward to traveling and staying active."

Retirement Activity	Males	Females
Travel outside the U.S.	84%	87%
Travel within the U.S.	71%	77%
Play golf	43%	25%
Spend time with family / children / grandchildren	64%	63%
Volunteer work	46%	63%
Hobbies	50%	60%
Relaxing	45%	55%
Being physically active (sports, etc.)	65%	76%
Retirement Activity (cont'd)	Males	Females
Starting own business	19%	16%

Reading	50%	67%
Going back to school	19%	16%
Fishing	20%	16%
Buying / moving to another home	29%	38%
Just being happy / enjoying life	54%	67%

How Will They Get To Retirement?

According to the **2007 Coldwell Banker Previews International Luxury Survey**, luxury homeowners have their retirement holdings spread out among a variety of investments, including:

Retirement Holding	Percent of Respondents
Individual stocks	37%
401k	36%
Mutual funds	36%
Mixed portfolio – including real estate	34%
Real estate	31%
IRA	30%
Mix of investments – unspecified	24%
Mixed portfolio – excluding real estate	20%
Bonds	19%
Pension funds	18%
CDs	14%
Annuities	9%

However, when the responses are evaluated by gender, males are much more likely to have their retirement holdings in individual stocks (43 percent vs. 31 percent), 401k funds (40 percent vs. 33 percent) and bonds (38 percent vs. 11 percent).

Retirement Holding	Males	Females
Individual stocks	43%	31%
401k	40%	33%
Mutual funds	41%	31%
Mixed portfolio – including real estate	38%	30%
Real estate	34%	29%
IRA	29%	31%
Mix of investments – unspecified	23%	25%
Mixed portfolio – excluding real estate	22%	19%
Bonds	28%	11%
Pension funds	21%	15%
CDs	19%	10%
Annuities	12%	7%

* The survey questioned owners of homes valued at \$2 million and up in the state of California. This was done because, according to the California Association of Realtors, the median home price in the state is \$562,380, compared with the national median home price of \$223,000 (as of April 2006, according to the National Association of Realtors). The Joint Center for Housing Studies, Harvard University, *"Million-Dollar" Homes and Wealth in the United States* study in January 2004 reported from the 2000 Census that 2.3 percent of single-family owner occupied housing stock worth \$1 million or more, representing over 40 percent of all the units in the state, falls into this "million-dollar" housing category.

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About Coldwell Banker Kasey & Associates

Coldwell Banker Kasey & Associates is a full service company providing comprehensive real estate services with over two-hundred agents and seven offices serving Asheville, Black Mountain, Hendersonville, Waynesville, Brevard and the surrounding communities.

About Affluent Dynamics, LLC

Affluent Dynamics is a custom marketing research firm that created the first dedicated online panel of affluent individuals for marketing research purposes. Globally, the Affluent Dynamics Panel consists of over 6,000 individuals of whom over 5,500 reside in the U.S. 45% of the panel members have \$1,000,000 or more in investable assets; the remainder hold between \$100,000 and \$1,000,000. In addition to the panel of affluent individuals the company created the first online panel of financial advisors for marketing research which currently has over 1,300 members. Both panels are used extensively for new product development, advertising assessment and evaluating brand/positioning alternatives. Affluent Dynamics works with some of the leading financial services and luxury goods companies in the world. <http://www.affluent-dynamics.com>;

About Coldwell Banker Previews International®

The **Coldwell Banker Previews International®** program has been marketing luxury homes since 1933. This luxury home marketing program has been exclusive to **Coldwell Banker®** affiliates since 1980. The exclusive group of certified **Previews®** Sales Associates make up only seven percent of the more than 126,400 **Coldwell Banker** sales associates worldwide. **Coldwell Banker** became one of the first national residential real estate brands to launch a second Web site totally dedicated to the luxury real estate market. The Web site www.coldwellbankerpreviews.com features more than 10,000 luxury properties with an average listing price of over \$1.7 Million.

About Coldwell Banker®

Since 1906, the **Coldwell Banker®** organization has been a premier full-service real estate provider. In 2006, *Franchise Times* magazine's prestigious Top 200 issue ranked the **Coldwell Banker** system number one in real estate for the seventh straight year and number eight among all franchisors. The **Coldwell Banker** System has approximately 3,800 residential real estate offices and more than 120,000 sales associates in 41 countries and territories. The **Coldwell Banker** System is a leader in the industry in residential and commercial real estate, and in niche markets such as resort, new home and luxury properties through its **Coldwell Banker Previews International®** division. It is a pioneer in consumer services with its **Coldwell Banker Concierge®** Service Program and award-winning Web site, www.coldwellbanker.com. **Coldwell Banker** Mortgage is one of the largest telephone/web based lenders in the country. Coldwell Banker Real Estate Corporation is a subsidiary of Realogy Corporation, the world's largest real estate franchisor. Realogy is owned by an affiliate of Apollo Management, L.P., a leading private equity and capital markets investor. **Coldwell Banker®** is a registered trademark licensed to Coldwell Banker Real Estate Corporation. Each office is independently owned and operated.

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