



# Luxury Landscape 2020



**BERKSHIRE  
HATHAWAY**  
HomeServices

IN PARTNERSHIP WITH  
**MANSION GLOBAL**  
CUSTOM STUDIOS





DUBAI



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BERLIN



# Welcome

Welcome to the Berkshire Hathaway HomeServices report on the global state of luxury, where we lay out trends that will shape the real estate, lifestyle and luxury markets.

Over the coming year, affluent house hunters will, by and large, find myriad opportunities in the world's prime cities as overdevelopment and negotiability among sellers will set the tone. Lifestyles and locations vary widely—from Miami to Los Angeles—but the opportunity to find a one-of-a-kind home, likely at a discount, is the common denominator.

Local factors, such as new property taxes and policies, the U.S. elections and social unrest in key global cities are playing a larger role than before in the fate of luxury hubs, driving the direction of home prices and sales activity in the coming year. Keeping those local nuances in mind, experts around the world from the Berkshire Hathaway HomeServices network pinpointed a dozen neighborhoods across the U.S., Europe and beyond with major growth potential.

Global economies saw recession fears climax in mid-2019 before greatly abating. But lingering worries about economic growth in the medium term could steer some buyers toward safe-bet cities, such as major financial centers like London and Berlin.

At the same time, today's affluent are leaning toward more responsible and conscientious consumerism. In home buying, that could spell the end of the megamansion, replaced by a more efficient, albeit amenity-rich, footprint.

Beyond real estate, the same consumers are pushing luxury brands toward more humane, better-sourced goods. Even art lovers are driving a more equitable marketplace, where access and diversity are key. It's that sense of responsibility that's inspiring philanthropists to be more involved in their chosen causes, well beyond check-writing.

Join us as we explore these market-shaping forces in the pages that follow.

**Chris Stuart**  
CEO  
Berkshire Hathaway HomeServices

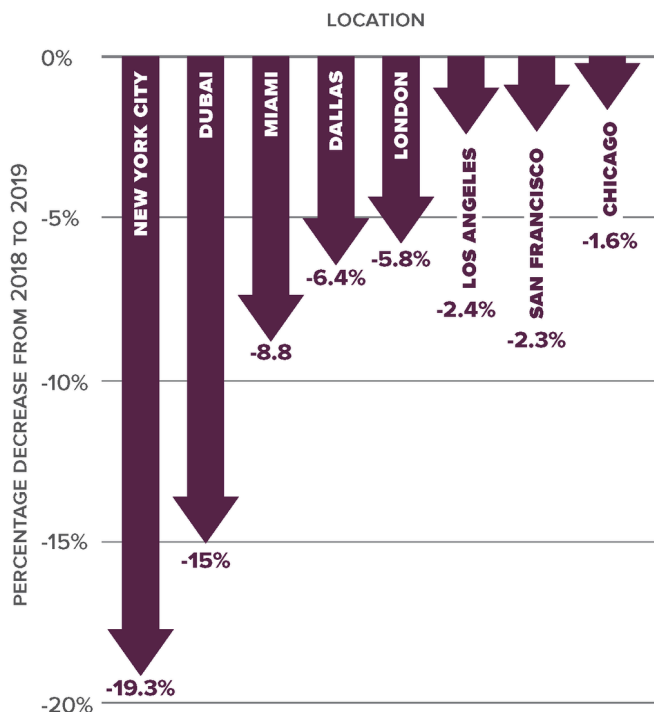


# Building Booms Around the World Spoil Buyers With Choice



## Luxury Home Prices Down

A widespread slowdown in residential sales in early 2019 has cooled price growth in major luxury hubs, creating opportunities for buyers.



Sources: realtor.com luxury market median sales price, based on top 5% of sales in September 2019; BHHS Manhattan median condo price; LonRes Q3; Cavendish Maxwell Dubai villa prices Q3

**AFFLUENT HOUSE HUNTERS FACE AN** abundance of opportunities across the world's prime cities in the coming year, as overdevelopment and price declines give luxury-home buyers the upper hand.

Housing markets are pulling out of a widespread slowdown in 2019, a year that witnessed a subdued global economic outlook, trade wars and protests from Latin America to Hong Kong that converged to send ripples of uncertainty around the world. Buyers largely waited on the sidelines, while an oversupply of inventory at sky-high prices idled in cities like Miami and New York. Recovery is on the horizon, but the specifics will vary from market to market in 2020.

In Miami, for one, the frenetic building cycle of the past five years has finally wound down, with little left in the pipeline. But the boom leaves a vast supply of new condominiums priced over \$1 million—some 48 months' worth of inventory—on the market, in addition to resale properties. Weakening world currencies and a stronger dollar, as well as economic and political upheaval in key South American economies, especially Venezuela, have kept foreign buyers from closing sales at the rate they once did. And while new limits on the deductibility of state and local taxes have driven plenty of high earners in high-tax states like New York, California and Connecticut to Florida, where there is no state income tax, their presence isn't enough to make up for the loss of foreign buyers in the larger South Florida market. That means buyers who negotiate a discount during these softer market conditions in 2020–21 could see major investment upside once the city's glut of inventory is absorbed and price growth returns in the medium-term.

It's a similar story in New York, where housing completions have

reached a 50-year high, according to the latest annual UBS Global Real Estate Bubble Index. Most of that inventory is luxury condos, many clustered in Midtown and the Hudson Yards development on the far West Side. Overstocked and overpriced, Manhattan's \$4 million-plus luxury-home market is in the midst of a slump compounded by a hike in property-transfer taxes on homes over \$2 million that began in July 2019. Those conditions will force sellers of Manhattan trophies to be extremely negotiable as the market digests those higher taxes—giving buyers the upper hand for the next year or two.

Meanwhile, Dubai is in the midst of a multiyear building boom as it prepares to host Expo 2020, a world's fair expected to attract 25 million visitors to the city. Hotels, custom-built beachfront homes and soaring condo towers have sprung up in the exclusive neighborhoods of Palm Jumeirah and Dubai Marina since the 2013 announcement of the event; in January, sales of off-plan properties hit an 11-year high. But new policies, including the creation of a council of market leaders, will help curb overdevelopment and steer developers to deliver the projects they've started before launching others. The Middle Eastern financial hub has one of the most affordable real-estate-tax policies in the world; it doesn't have residential property tax, and most owners will pay only a one-time 4% transfer tax, making it an attractive spot for investors.

In these and other high-supply markets, prices have come down significantly as sellers feel the pressure to offer major price concessions or let properties languish. Buyers, for their part, stand to reap the rewards if they're thorough in their research, patient as they look for the right property and assertive in their negotiations. ●



# Now's the Time to Cut A Deal on a Trophy Home

## OPPORTUNITIES TO SCOOP UP AN

exquisitely crafted, one-of-a-kind house at the very top of the market will be particularly rife, especially with sellers in many cities feeling more negotiable. Lifestyle and locations vary widely; mountains, beaches and city centers have an abundance of trophy properties asking north of US\$10 million.

Sunny Los Angeles County leads the pack with an astounding array of spec-built mansions that have rolled onto the market, often with hype-making videos that are practically full-scale Hollywood productions. A recent check of the Los Angeles Multiple Listing Service turned up over 300 homes for sale priced at US\$10 million or more. But that's chump change compared with the slate of a half-dozen megamansions vying to be the city's next nine-digit home sale. Asking over \$100 million, they come with perks like enough acreage for a private jogging trail, a wine cellar fit for a small vineyard and, in one case, a boxing ring.

In Dubai, the average home price has dropped roughly 30% since a market peak in 2014, though one can still find an eye-popping 350 million dirhams (US\$95 million) listing here and there. Trophy homes for sale in the Middle Eastern financial hub run the

gamut in terms of design and lifestyle. Penthouse apartments on the Palm Jumeirah, some asking north of AED55 million, offer residents direct beach access and panoramic views from the city's iconic skyline across the Gulf waters. For a more suburban setting, megamansions in the posh Emirates Hills community are built to the hilt with amenities and en suite bedrooms, and offer access to an 18-hole championship golf course.

For buyers who prefer a cooler setting, Colorado offers modern mountain estates in proximity to some of the best skiing in the U.S. Some of the most luxurious estates are built right on the slopes, where residents can leave the house with their skis. They come with separate caretaker's quarters or guest cottages, and feature rustic log and stone finishes inside for the perfect après ski ambiance. The market in Vail and Beaver Creek draws buyers who typically own more than one home, and it recently reached a record \$5,000-per-square-foot asking price threshold.

The abundance of such superlative homes around the world spells greater competition for individual sellers and developers, and greater likelihood affluent buyers will benefit from price cuts and other concessions in 2020. ●

## US\$10M Trophy Home Supply Balloons

Number of homes available for US\$10M or more in cities worldwide.



## US\$100M

Some half-dozen megamansions are vying to be the next \$100 million-plus sale in Los Angeles, where deals of that scale are on the rise.

## 30%

In Dubai, the average home price has dropped roughly 30% since a market peak in 2014.

## \$5,000

The market in Vail and Beaver Creek recently reached a record \$5,000-per-square-foot asking price.

SOURCE: Supply of \$10 million-plus homes publicly listed on Zillow.com, Streteasy.com, Propertyfinder.ae, Rightmove.com as of Jan. 28, 2020



# Local Forces to Override Trends as Global Housing Markets Diverge

## GLOBAL HOUSING MARKETS WILL MOVE

less in tandem than they have in the past, each riding waves of local economic pressures and domestic policies more so than broad economic forces.

"We see growing divergence from market to market, especially within the U.S.," said Thomas Veraguth, a strategist at UBS Global Wealth Management's Chief Investment Office in Zürich. That includes a shift to stronger sales and price growth in European housing markets compared with counterparts in Asia, a stark reversal from recent years.

"We can expect losers and winners among global cities, while the winners will be the ones that better deal with high prices" and congestion in terms of traffic, transportation and other infrastructure, he added.

Regulations, taxes and local political disputes that arose in the past few years will dominate the direction of price growth and sales activity this year. Established urban markets will contend with the risk of counterurbanization, as some buyers look for greater value and quality of life in less densely populated areas.

Proposed mansion taxes in places like Boston and Chicago have the potential to take the heat off price appreciation and sales in a similar way that new transfer taxes have cooled New York's luxury segment. It might sound counterintuitive that higher taxes would be good for buyers, but the subsequent slowdown from a higher tax regime is likely to create some opportunities for discounts and more breathing room in the pace of sales.

Meanwhile, cities in high-tax states such as Connecticut and California could start to feel the loss of wealthy residents, who are propelling migration toward Florida and Nevada, where there is no state income tax.

Weakening world currencies and

a stronger dollar, as well as political upheaval in South America and capital controls in China, have kept international buyers from closing sales at the rate they once did. Between April 2018 and March 2019, foreigners purchased nearly US\$78 billion of homes in the U.S., down 36% from the year prior. But the trend has the potential to reverse in 2020, if, as some analysts expect, the dollar weakens against most major currencies by as much as 8%. Any resurgence in foreign buyers would pay off for cities in Florida, California, Texas and Arizona, which the National Association of Realtors identifies as the top four destinations in the U.S. for foreigners.

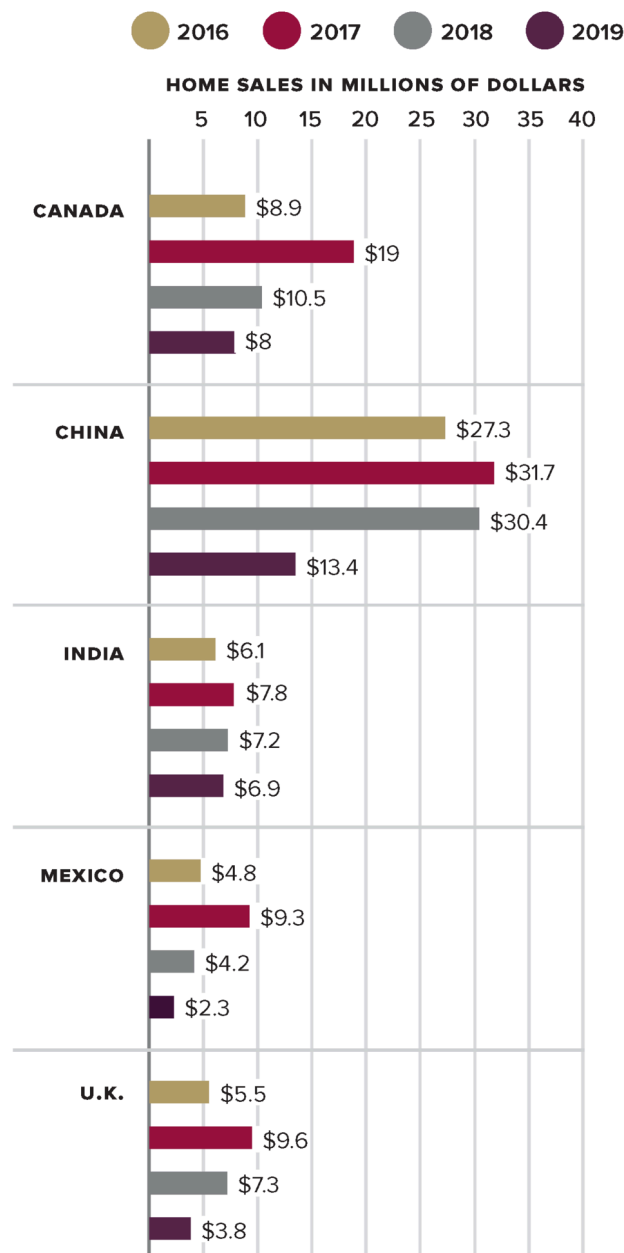
As was the case during past conflicts in the Middle East, the unrest in Iran, Lebanon and Iraq could speed capital outflows, including real estate investment, toward more-stable European cities. Likewise, a significant number of Hong Kongers are heading to London, seeking a safe haven for their families and their investments, as well as to cities in Portugal and Spain, which offer residency in exchange for property investment. Hong Kong will likely see continued outward migration following the pro-democracy, antigovernment protests that shook the city through the second half of 2019 and beyond. ●

## 36%▼

Between April 2018 and March 2019, foreigners purchased nearly US\$78 billion of homes in the U.S., down 36% from the year prior.

## International Home Buying Dips in U.S.

Residential sales fell among all five top buyer groups in the U.S.



Source: National Association of Realtors Profile of International Transactions in U.S. Residential Real Estate 2019





# Financial Centers Offer Potential Upside Even in These Uncertain Times

**A STABLE OUTLOOK FOR THE GLOBAL** economy in 2020 kicked recession fears that ballooned in summer 2019 down the road—but a lingering sense of uncertainty is likely to steer anxious home buyers toward safe bets, specifically major financial centers.

A few look especially appealing. Prices in London as well as Vancouver, Stockholm and Sydney have fallen 10% or more since 2016, and this could open opportunities for buyers who were waiting for better deals. London's real estate market has weathered laborious vacillations over Britain's decision to leave the European Union, but some clarity is returning following the Conservative Party victory and Prime Minister Boris Johnson's election in December. The new political setup takes much of the contentiousness out of untangling the U.K. from Europe. Activity among interested buyers and sellers spiked the day after the election, and momentum, fueled by buyers

motivated to take advantage of 15%-to-20% price declines in prime central London, is widely expected to continue this year and next.

In Manhattan, luxury-home prices have fallen for two straight years, making 2020 a terrific time to take advantage of the slowdown. Patience and strategy are key, however. Prices will rebound very slowly, so investors should get comfortable with building equity over the long term rather than attempting fast turnarounds.

Berlin's luxury market, meanwhile, is in its infancy but its growing tech sector—and possible spillover from overheated German cities such as Munich and Frankfurt—will propel home prices forward in 2020. Transactions over €1 million have surged since 2018, when such deals jumped 17.5% year over year. As of early 2020, a handful of apartments asking €10 million or more underscores the bullishness of sellers on the future of the city's luxury market. ●

## 15%–20%

Activity in London's housing market has spiked, after a clear outcome in December's general election, and as buyers rush to take advantage of 15%-to-20% price declines in prime central London.

## 17.5%

In Berlin, transactions over €1 million have surged since 2018, when such deals jumped 17.5% year over year.



# Future of Luxury Goods Is the Greater Good

**WHETHER BUYING A PURSE, A RING OR A WATCH, CONSUMERS** of the future will want to know if the item that looks good also does good.

This is especially true for younger high-net-worth individuals now entering the luxury-goods market, which increased about 4% in 2019 to €281 billion, despite economic and geopolitical upsets, according to the latest edition of the Bain & Co. Luxury Study. It projects that millennial customers, who account for more than one-third of the market, will make up nearly half of all personal luxury-goods sales by 2025. These ascendant market-definers prioritize, much more so than older generations, where a product came from, how its production affected the surrounding communities and the world, and whether the goods are made fairly and sustainably—concerns that will transform the industry.

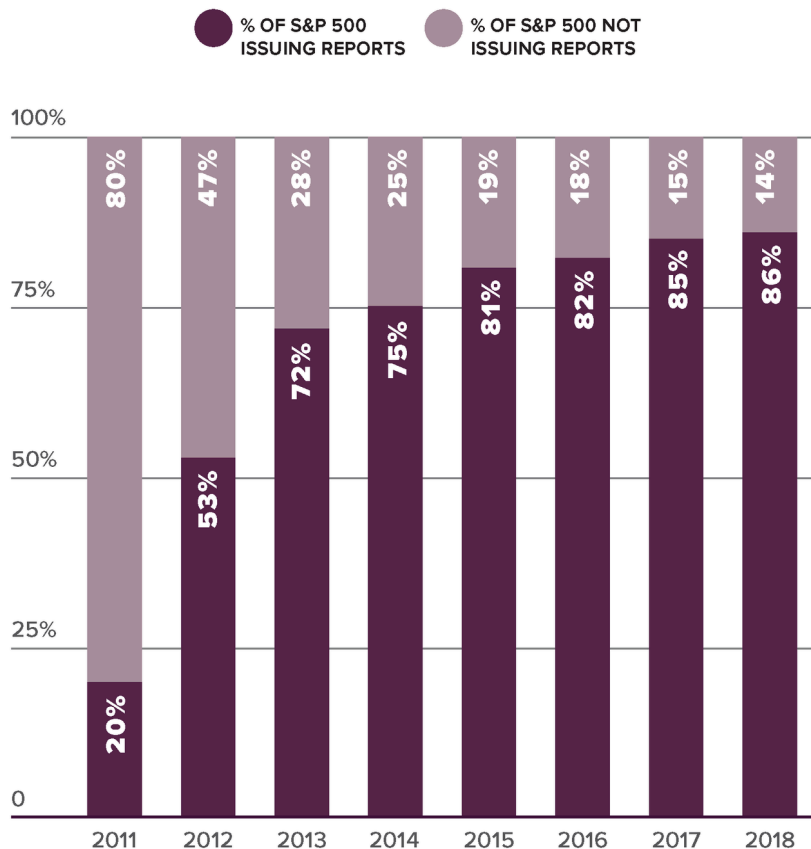
Several luxury-goods brands have emerged as pioneers in this regard. Take Tiffany & Co., which now refuses to buy diamonds from countries that do not meet human-rights standards. The company has also started telling customers where the diamond they're buying comes from, shattering what had been an enduring opacity in the business. Similarly, the Kering group, parent of Gucci, Yves Saint Laurent, Balenciaga and several other high-powered brands, included in its expansive set of standards for its suppliers and manufacturers an expectation that diamonds can be traced, along with guidelines for everything from silk and synthetics to tanning. Prada and other Italian brands have joined to create shared environmental standards for companies in Italy, one of the most influential nations in the industry.

Meanwhile, pressure from consumers, keenly aware of wastefulness in a time of fast fashion, will reshape the way brands handle their excess inventory. Burberry, for instance, used to partake in a common—and now commonly criticized—practice of burning unsold stock to prevent it from being sold at lower prices. The company faced an outcry after admitting it burned US\$40 million worth of products in a single year. Now, it has committed to repairing, recycling and even donating what was once turned to ash.

For consumers of the future, luxury goods will move beyond status symbols to become a mark of experiences and awareness. ●

## Corporate Social Responsibility Booms

The percentage of S&P 500 companies that issue corporate responsibility or sustainability reports is nearing 90%.



Source: Governance & Accountability Institute, May 2019



# Disrupters to Democratize The Art Market

**ART TURNS THE INTANGIBLE INTO THE** physical, but until recently, buying art has been strictly a matter of brick and mortar. As consumers who have grown formidable with Amazon and Etsy gain in wealth, the art market has no choice but to increase its internet presence in coming years. That shift will be tectonic in its implications for who gets access in terms of buyers and artists.

A joint report from Art Basel and financial-services firm UBS calculates that 9% of global art sales occur online—just behind the percentage of overall retail sales that are made online (12%). The report also found that while most wealthy baby boomers hadn't purchased art online, 93% of high-net-worth millennials had.

Major auction houses and art fairs, the primary platforms for reaching art lovers, are now thinking beyond the blockbuster Andy Warhols and Jean-Michel Basquiat to tap into a younger set of collectors with an appetite for less expensive works by a more diverse set of artists, particularly women and African-Americans. For instance, Phillips auction house launched its New Now sales in an effort to appeal to younger and first-time buyers. One such event in October brought in \$8 million—much

of which was through Phillips' online platforms—and a significant cohort of first-time buyers at the auction house.

But consumers need not go to the websites of the conventional power players. Those seeking a signed limited-edition Jeff Koons balloon monkey sculpture, a Takashi Murakami lithograph, or a US\$50 to US\$50,000 painting, photograph or sculpture from artists in Germany, Vietnam or really, just about anywhere, can be connected to their desired pieces through startup platforms that also offer auctions or straightforward sales. One of the leaders of this new cadre, Artsy, reported in 2019 that it had seen 58% year-over-year growth in the volume of sales, having partnered with more than 3,000 galleries and auction houses, including some of the top-tier stalwarts.

Ex-employees of galleries or even just enthusiasts started many of these companies, which seek to provide a more expansive set of artists a more direct path to buyers. While it isn't always the explicit goal of digital consumers to support a more diverse set of artists, that is often the outcome: an increasingly global democracy of art that expands both who is seen and who can buy. ●

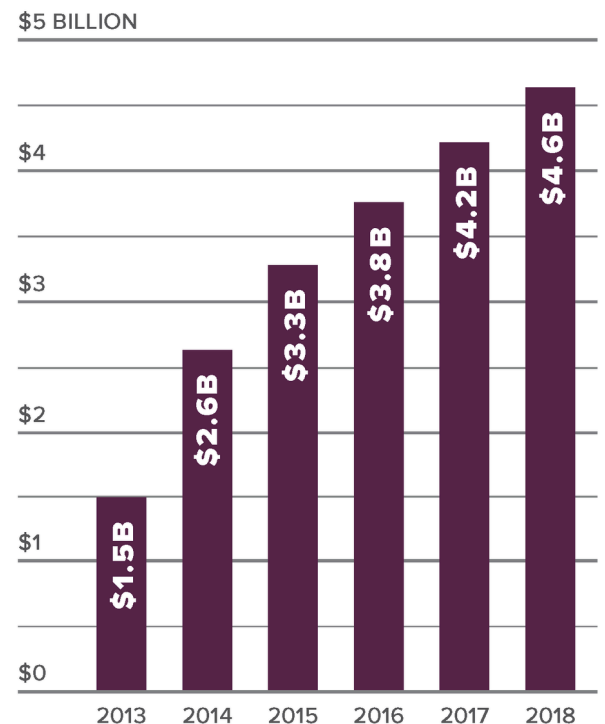
## 9%

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## 58%

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Online art sales more than tripled since 2013



# Wellness to Shift From a Few Habits to Full Habitat



## WHILE ALMOST ALL AFFLUENT

consumers practice some form of wellness every day, they are realizing that habit isn't enough. A weekly yoga class? A daily organic dinner? While each practice retains its value and appeal—nearly every person in this market engages in at least one daily act of wellness—wealthy home buyers will seize upon habitat as a way to foster even greater healthfulness.

The Miami-based Global Wellness Institute has projected the wellness real estate market worldwide will expand 8% annually through 2022 to reach US\$197 billion, led by the U.S. and some segments of Asia-Pacific and European markets. People are seeking to build and thrive in spaces that, moment by moment, improve their well-being.

Many of the emerging elements sought by high-end homeowners mimic or even improve on Mother Nature. Circadian lighting systems use LED bulbs to aid residents' internal clocks, shifting to a bluish light during the daytime and to a yellow light during the evening to encourage the release of

melatonin at the appropriate time.

In urban environments, airtight homes dramatically reduce energy use while filtering out air pollutants and make one's home mercifully quiet even in a bustling metropolis. And while water purity continues to grow in appeal, its next iteration will be showers with infusions, such as Vitamin C to supposedly help hair and skin. Other alternative-medicine amenities are being built into the very floors and walls of buildings: The former can respond to the reflexology of a foot and the latter can emit aromatherapy by way of remote control. Meanwhile, some standard home amenities will be recontextualized. Views of and proximity to nature will be balanced with desires for community. Swimming pools now use saline and limit chemical and eye irritation.

The Global Wellness Institute reports that midrange to affluent homeowners will pay a 10%-to-25% premium for homes equipped with such wellness perks, as the market evolves to meet consumer demands. ●

# Drink or Collect, Spirits Will Be Good Investments in 2020

**IT CAN BE ESPECIALLY LUCRATIVE TO** have good taste nowadays. In recent years, rare spirits have fetched record prices—and auction houses regularly beat their annual sales bests. Last April, a 17,000-bottle private wine collection sold for nearly US\$30 million via auction, a new top mark. In October, there was a single bottle of Scotch whisky—Macallan 60-Year-Old 1926—that sold for almost US\$1.9 million, another record and nearly four times its estimated value. In 2020, it's expected that a late businessman's collection of more than 3,900 whiskeys, including another Macallan Fine & Rare 60 Year Old 1926, will reach the US\$10 million mark.

But when to sell, and when to drink? That is the real question posed by good taste. Iain McClune, founder of Whisky Auctioneer, the online

auction platform responsible for the 3,900-bottle sale, notes that collectors today have an abundance of information that should help them project the value of a bottle. Then they have to balance whether the enjoyment is worth that price. "For those who are excited about whiskey, the temptation to open a prized bottle, share and experience it with friends will always be there," Mr. McClune said.

Mr. McClune lists three characteristics of high-value whiskey. First is rarity. "An older release from the early- to mid-20th century, many of which will have been drunk over the intervening years leaving only a few examples behind, will be scarce," Mr. McClune said. That's especially true of such bottles that also possess the second trait: quality. He points to review sites such

as [whiskyfun.com](http://whiskyfun.com) and [whiskybase.com](http://whiskybase.com) as indicators of what's best. Finally, there is reputation. Here, he points unsurprisingly to Macallan and distilleries like it.

That said, lesser-known producers will receive more attention, too, as the secondary market for spirits grows in the coming year. Smaller-scale producers of unique spirits offer alternatives to mainstream makers, sometimes made all the more special by their older vintage. They also come at a more palatable price point. ●

## US\$1.9M

In October 2019, a single bottle of Macallan 60-Year-Old 1926 whiskey sold for a record of nearly US\$1.9 million.



# The ‘Jewel Box’ Home Is Poised to Overtake the Megamansion



**TOMORROW’S WEALTHY HOME BUYERS MAY MAKE A** surprising choice: opting to purchase smaller homes, even when they can afford something sprawling. So-called jewel box homes—high-end but relatively petite properties—are emerging as the style of choice in the luxury-home market. Empty nesters looking to downsize are drawn to them, but so are younger single people and couples who don’t want to deal with the upkeep of a huge space. And environmentally minded homeowners of any age appreciate a house with a smaller carbon footprint.

Aesthetically, buyers are shifting away from the grander, more ornate designs of the past to a minimalist style, particularly square footage—a trend our Berkshire Hathaway HomeServices network has witnessed and expects to see more of in 2020 and beyond.

Ron Shuffield, president and chief executive of Berkshire Hathaway HomeServices EWM Realty in South Florida, said the most expensive homes 10 to 15 years ago tended to be very ornate with lots of architectural flourishes.

“Today, most of the high-end buyers want a minimalist look with very few moldings, rather than the Mediterranean style that has been part of the fabric of South Florida for so long,” Mr. Shuffield said.

Well-heeled buyers, especially younger generations, tend to look beyond the house itself, prioritizing qualities such as a neighborhood’s walkability and access to parks; they’re willing to sacrifice square footage for living in the most desirable area. Within the property, high-net-worth buyers want to see amenities like screening rooms, fitness spaces, wine rooms and garages with lifts to accommodate multiple cars.

It’s increasingly expected that high-end homes be outfitted with technology that allows owners to control lighting, heating, cooling and other systems from their smartphones.

We’re seeing homes now with smart-home tech for water preservation—if it starts raining, a sensor picks that up and turns off the sprinkler. There’s tech for security, like infrared cameras that monitor who’s coming and going, and pools with features that can be controlled by phone.

Such techie conveniences will get ever more niche and cutting-edge, as buyers shift their home investment from physical square feet to these high-end innovations. And they’ll be willing to pay a premium to get something already fitted and move-in ready.

“Wealthier buyers still want the Carrara marble and nice finishes,” said Blakely Hull, an agent with Berkshire Hathaway HomeServices Drysdale Properties in San Francisco. “They don’t necessarily want that ostentatious foyer, but they do expect homes that look well-designed.” ●







# Philanthropists Get Hands-On

A new breed of philanthropist is changing the nature of charitable giving. They are going beyond simply writing a check and instead getting involved with the organizations they support—a shift that will increase pressure on charities to provide better metrics for how a donor’s giving affects their chosen cause.

“Younger donors want to do things differently,” said Dr. Una Osili, an economist and professor at the Lilly Family School of Philanthropy at Purdue University in Indianapolis, Indiana. “They’re used to more disruptive processes in their own work, and they’re thinking about how to apply that to solve social problems.”

Ultrawealthy U.S. donors gave some US\$153 billion toward philanthropic pursuits in 2018, about equal to the combined annual U.S. government spending on health care, education and energy, according to the latest report by Wealth-X on trends in giving.

But their methods and expectations are shifting; this means giving not only money but also time, by volunteering with the organizations they support, taking trips to the field and joining boards.

They’re also thinking much more broadly about how to help, including mentoring or making introductions.

As a result, this new generation of philanthropists is often more concentrated in their giving than older donors, devoting their efforts to a specific cause rather than donating broadly, or even striking out on their own.

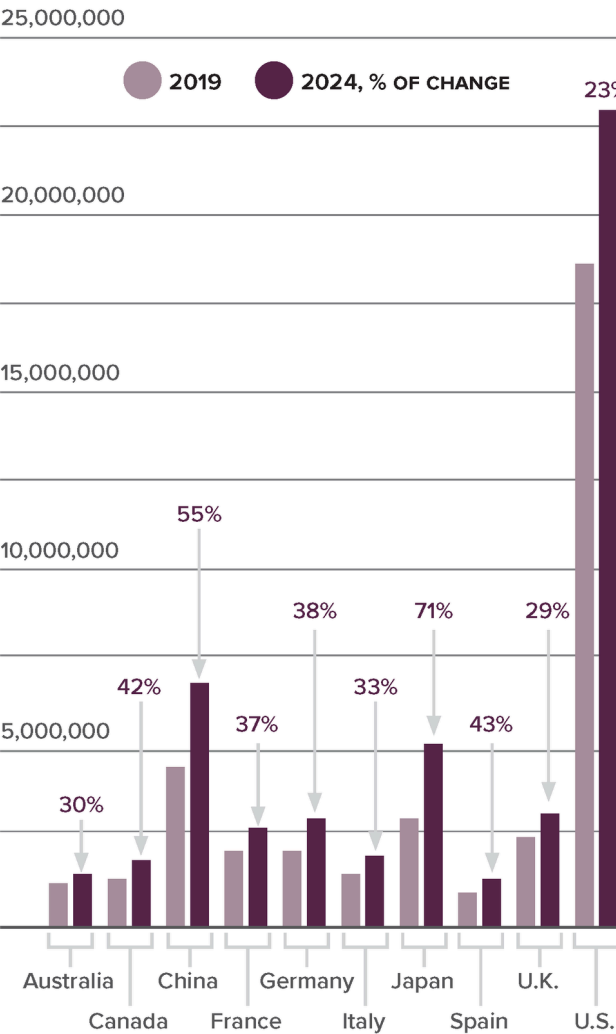
Actor Matt Damon, for instance, has made water scarcity his focus, co-founding Water.org, which has enabled millions in South and South-east Asia to access clean water through microloans. Jay-Z and Meek Mill co-founded the Reform Alliance, devoted to reducing unjust prison sentences, bringing in partners from the worlds of sports, tech and business.

Philanthropists are deeply researching the outcomes of their donations. Fidelity Charitable, an independent public charity, found in a recent survey of some 3,200 donors that 41% changed their giving upon learning more about the effectiveness of the nonprofits to which they donated. With these more-focused efforts comes the expectation to see concrete results. ●

## U.S., China to Lead in Global Millionaire Population

Moving forward, the new wealth needed to fuel philanthropy will be concentrated in the U.S. and China, as more than 6.7 million new millionaires will be created in those two countries alone by 2024.

### MILLIONAIRE POPULATION




Source: Credit Suisse Global Wealth Report 2019

## US\$153B

Ultrawealthy U.S. donors gave some US\$153 billion toward philanthropic pursuits in 2018.





VIEW. VISTA. VUE.  
FIND ONE THAT SPEAKS  
YOUR LANGUAGE.

Search for the perfect home\* – with the perfect view – in multiple languages.  
Start your home search at [berkshirehathawayhs.com](https://berkshirehathawayhs.com)



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**LUXURY  
COLLECTION**

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# Locales to Watch in 2020

New residential projects have changed the character of neighborhoods, from Berlin to Barcelona, and buyers are following. Such development in areas like Nuova Porta, Milan; and Bayswater, London; are likewise attracting buyers to districts that were once strictly commercial. But whether it's a holiday home in Sun Valley, Idaho, or a newly built New York condominium, young couples, growing families and empty-nesters alike are seeking good value, green space and an easier, low-maintenance way of life.

Here, agents from Berkshire Hathaway HomeServices network offices around the world identify areas to watch in the coming year.

## Coral Gables, Miami, Fla.

Fixer-uppers asking under \$1 million offer the intrepid home buyer considerable upside potential in desirable Coral Gables, Fla., said Ron Shuffield, president of Berkshire Hathaway HomeServices EWM Realty. Those who get in at that price point and undertake gut renovations are still setting themselves up for healthy returns when they go to sell, since “today’s buyer is happy to pay more if they don’t have to do anything to the property,” according to Mr. Shuffield. These homes often require a complete overhaul, from replacing the electric to opening up floor plans. A free trolley service to downtown Miami and an ever-growing commitment to green space in Coral Gables only add to its cachet with house hunters.

## Hyde Park, Chicago, Ill.

South of downtown, Hyde Park and Kenwood are two historic neighborhoods poised for price growth and rising popularity. The communities were developed around the nearby University of Chicago and feature large houses on tree-lined streets. “There’s a strong sense of place here,” said Berkshire Hathaway HomeServices Chicago agent Susan O’Connor Davis, adding that the site of the planned Obama Presidential Center is also close by. Both neighborhoods have a stretch on Lake Michigan, and a number of restaurants and boutiques can be found along 53rd Street. Recent listings in the \$3 million-to-\$4 million range are pushing home prices in the area to new heights.

## LOS ANGELES



## Palms, Los Angeles, Calif.

Palms, on the West Side of Los Angeles, is poised to have its moment, said Mary Lee Blaylock, president and CEO of Berkshire Hathaway HomeServices California Properties: “It’s very diverse and it has a cool, millennial vibe.” This small neighborhood owes its name to the rows of palm trees that line its streets, which are increasingly populated by hip eateries featuring an eclectic mix of cuisines, from Indonesian and Japanese to Mexican. Boutiques offer curated vintage and trendy home goods, and there’s more shopping just a short drive away in Culver City. Locals can walk or ride their bikes throughout the neighborhood, but there’s also a metro station nearby to link residents to downtown.

## WeHo, Nashville, Tenn.

It was difficult for Ginger Holmes of Berkshire Hathaway HomeServices Woodmont Realty to choose just one Nashville neighborhood, given the city’s recent housing-market boom. She ultimately landed on Wedgewood-Houston. Also known as WeHo, the area is “eclectic” and is experiencing a lot of change. New, modern homes are quickly replacing older stock, and it’s only a five-minute drive to the live music bars downtown. The foodie scene is strong in WeHo, where locals can walk to a number of shops and restaurants. It’s close to the posh 12 South neighborhood but offers lower price points.



## NASHVILLE



SUN VALLEY



Ketchum, Sun Valley, Idaho

Celebrities escaping Los Angeles made Sun Valley a go-to ski destination in the 1930s, when they would ride the rails up to Idaho. Today, it remains a premier outdoor destination for both summer and winter sports. The Arts District in downtown Ketchum is a growing neighborhood in the area, according to network agents Derek Svennungsen and Pam Rheinschild, who opened Sun Valley Properties in November 2019. The Arts District lies just outside the more congested city center and comprises a collection of streets where residents can visit art galleries, eateries or see a movie. Several new mixed-use developments are under construction, offering luxury residences on the upper floors. These homes often have 360-degree views of the mountains surrounding the city and can cost as much as \$4 million.

NEW YORK CITY



NoMad, New York, N.Y.

“NoMad (Madison Square North) and the Fashion District are in the thick of gentrification,” said Ellie Johnson, the president of Berkshire Hathaway HomeServices New York Properties. The two areas, located just south of Midtown Manhattan, have attracted hip hotels and restaurants helmed by top chefs, and now those amenities are bringing new blood to the neighborhoods, which are close to Hudson Yards and the High Line park. As the area grows, Ms. Johnson noted, buyers “will need to have the vision and patience to endure its infancy stage.” That also can mean good deals for those buyers.

Porta Nuova, Milan, Italy

Porta Nuova in Milan has long been one of the city’s main business districts, and some of Italy’s biggest tech, fashion and financial companies have offices in the area. But new development is bringing residents to the area, explained Chiara Maggi of Berkshire Hathaway HomeServices MAGGI Properties. Urban villas and sky-high apartments, as well as offices and cultural centers, are in the works as part of the Porta Nuova business-district project, an urban renewal effort. Among the most notable newer buildings is the Bosco Verticale, two towers swathed in live trees on every level, which opened in 2014 alongside a boom in shopping centers and restaurants.

Schöneberg-Tiergarten, Berlin, Germany

Schöneberg and Tiergarten, two adjacent neighborhoods in central Berlin, have seen a huge renaissance since 2016, according to Vera Kostenko from Berkshire Hathaway HomeServices Rubina Real Estate. The former red-light district is now home to a host of new residential developments, as well as supermarkets and other amenities that appeal to young families and expats. New development includes hotel and residential spaces. These new projects “are changing the character of the neighborhoods,” which already offer good public transportation, Ms. Kostenko said. They’re also close to attractions like Großer Tiergarten, the city’s largest park, and a number of museums. Prices could reach up to €9,000 to €10,000 per square meter in the coming years, roughly a 20% increase from today.



BERLIN

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## DUBAI

**Palm Jumeirah, Dubai, United Arab Emirates**

One of the most iconic places in the city, the Palm Jumeirah, a human-made archipelago that reaches almost seven miles into the gulf, is the neighborhood to watch in Dubai, according to Dounia Fadi at Berkshire Hathaway HomeServices Gulf Properties. Every home has water and skyline views, plus access to a mature, fully amenitized neighborhood, including hotels that offer white-glove service around the clock. Recreation abounds on Palm Jumeirah, including beaches and a number of malls and other shopping opportunities. Several famous athletes and Bollywood stars are known to keep pied-à-terres on the Palm.

**Recoletos, Madrid, Spain**

The Recoletos district in the Salamanca neighborhood of Madrid has it all, from the best restaurants in the city to the most fashionable brands (think Hermes and Cartier). The area has always attracted an international set, but there has been a noted rise in the number of expats looking to settle there, according to Bruno Rabassa Roig, CEO of Berkshire Hathaway HomeServices LARVIA. Americans are especially charmed by the bustling streets, central location and safety. The district is known for neoclassical architecture, and many of those residential buildings are being refurbished, preserving enviable high ceilings, balconies and grand entrance halls. Owners are also modernizing with today's technologies, updated bathrooms and kitchens, and amenities such as fitness centers and community spaces.



## MADRID

**Ribeira, Porto, Portugal**

Portugal has become an investment hot spot in recent years, with its sunny skies, favorable immigration policy and home prices that are up to two-thirds less than other major European centers. The country's northern coastal city of Porto is an overlooked gem, according to Michael Vincent, CEO of Berkshire Hathaway HomeServices Portugal Property. There, a savvy home investment could double in value in as little as 18 months, he said. Porto also boasts traditional architecture, particularly the cobblestone streets of Ribeira, lined in 18th-century townhouses. There is also a lively cultural scene on Rua de Santa Catarina, which boasts boutiques, cafes and restaurants serving the city's famous Port wines. The city also enjoys access to both the Douro River and the Atlantic Ocean. Residences sell for about €5,000 a square meter.

**Bayswater, London, United Kingdom**

Interest in Bayswater in central London will be on the rise once the refurbished Whiteleys Shopping Centre opens, predicted Martin Bikhit, managing director of Berkshire Hathaway HomeServices Kay & Co. The project includes 103 new homes, plus shops, a gym, a boutique hotel and underground cinema, and will boost property values in the area. That's on top of the 8% annual growth the area has seen for the last five years. Bayswater is walking distance from some of the city's best amenities and Hyde Park, but it still has lower prices than nearby neighborhoods like Knightsbridge and Mayfair.



## LONDON







# BERKSHIRE HATHAWAY

## HomeServices

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