

BEAUCHAMP  
ESTATES



## ULTRA-PRIME REAL ESTATE

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## New York, Miami and Los Angeles are locations of choice for the world's wealthy.

<sup>1</sup>Those with a net wealth of +\$30 million, New World Wealth (2016); <sup>2</sup>Christies, Luxury Defined, 2016; <sup>3</sup>Alpha Cities Index, Wealth X, Warburg Realty and Barnes International Realty 2017

The status of North America as the world's hotspot for wealth is unquestionable. Currently home to close to two in every five global ultra-high net worth individuals (UHNWI), an additional 22,000 are set to call it home over the next decade<sup>1</sup>. The majority of UHNWIs hold a suite of real estate properties, with New York, Los Angeles and Miami ranked in the world's top ten luxurious<sup>2</sup> and top twenty most attractive<sup>3</sup> property hotspots.

This report explores the ultra-prime real estate market across these three world-renowned destinations.

### Ultra-prime real estate

	New York	Los Angeles	Miami
Average \$psf	\$3,618	\$2,901	\$2,749
Average size of residence (sq ft)*	9,509	11,211	13,107
Average prices last 12 months	↑	↑	↑
Number of sales last 12 months	↔	↑	↓
Ultra-prime locations	Upper East Side, Greenwich Village, Tribeca	Beverly Hills, Malibu	Miami Beach, Palm Beach, North Bay Road

Source: dataloft/local agents/Trulia (based on properties currently available priced \$20 million-\$40 million in ultra-prime residential areas in each location). \*Excludes outside space

### The occupiers of Ultra-Prime

	New York	Los Angeles	Miami
Domestic	63%	80%	20%
Overseas	27%	20%	80%
Domestic demand	Full time homes for finance and real estate professionals and tech entrepreneurs	Local citizens trading up and second homes for East Coast US and celebrity buyers	New York tech and bio tech sectors, financial services and celebrity buyers
Dominant sources of overseas demand	Global	Middle East, China, Europe: UK, France, Italy	Venezuela, Brazil, Columbia, Europe: Italy, France, Belgium

Source: dataloft/Wealth X (2016)/interviews with local agents

### The most important factors for UHNWIs in choosing a place to live

1 Lifestyle	2 Personal security	3 Safe haven for capital	4 Education for children	5 Opportunity for capital appreciation	6 Healthcare	7 Access to transport links	8 Business reasons

Source: dataloft/Knight Frank, Attitudes Survey 2016

## What makes an ultra-prime property?



	New York	Los Angeles	Miami
Number of bedrooms	6	6	6
Number of bathrooms	7	8	7
Type of property	Townhouse or lateral apartment/penthouse. Centrally located within the vicinity of or offering views over Central Park	Estate, often European-inspired with two-storey main residence and guest/staff apartments. Cliff top with private beach access	Waterfront is paramount. Gated, modern single-storey main residence with private yacht mooring. Condos more inland
Average outside space	4276 sq ft	2.55 acres	0.83 acres
Age of properties	90% pre 1950	50% built 1950–1980	48% new build since 2015
Specification / Facilities	Architect-built and interior designed, high ceilings, light walls, open plan, large suites and statement staircases, pool(s), spa and gym, wine storage, parking, terraces, ultra-modern technology, concierge services (apartments) and access to open space (Central Park, beach, waterfront).		

## The crème de la crème of ultra-prime living

### New York

- Upper East Side and West Village are New York's long-standing luxury neighbourhoods. Home to much sought-after architecturally stunning Georgian townhouses as well as a choice of high class condominiums. Renowned for their top schools, world-class health care, museums and haute cuisine, along with views of the 823 acre Central Park.
- Greenwich Village and Tribeca in Lower Manhattan are locations of choice for celebrities, artists and younger UHNWIs. Spacious loft-living apartments and penthouse suites in desirable condominiums with exclusive 24-hour concierge service are features of this chic and trendy neighbourhood.

### Los Angeles

- Beverly Hills, Hollywood Hills West and the vicinity of the Pacific Coast Highway attract substantial premiums for real estate, with prestige in ultra-prime properties based on lot size and a property's provenance.
- Hill-top estates offering stunning panoramic views, privacy and access to private beaches and coves are common. Many owners purchase the lot, then re-envison the property to meet their personal needs.
- Celebrity ownership adds a rarity and prestige factor distinct from many other cities across the globe. The interest in celebrity living also provides opportunities for substantial rental returns, especially during the summer months.

### Miami

- Living on the water is 'the Miami experience' with waterfront properties commanding substantial premiums. Traditional locations such as North Bay Road in Miami Beach offer the deluxe of ultra-prime real estate, along with the sun, sea and glamour that epitomises this destination.
- Island locations, such as Fisher Island and Bay Point offer high levels of seclusion for those seeking privacy, while in mainland Miami, Edgewater and Coconut Grove are highly sought-after by those looking to purchase a main home.

## A wise investment decision

- Lifestyle is the key driver in location choices for an ultra prime property. The use of 'starchitects' and eminent designers such as Richard Meier, Todd Michael Glazier, Zaha Hadid, Jean Novell and Renzo Piano ensure many buyers are 'investing in a piece of art'.
- Although property taxation is high across New York, as with London, constrained supply and high demand ensures long-term price growth. Prices have risen by close to 30% since 2010, with price growth of 4%<sup>1</sup>.
- Foreign buyers in New York are attracted to the city's mega towers that sit just outside Central Park. The services offered in these condos remove the burden of upkeep of real estate from overseas. Many use condos for investment purposes or as pieds-à-terre.
- Across Los Angeles, size matters. With a far more domestic-led market, buyers are attracted by large private landholdings. Even when investment return remains static, summer rentals offer substantial gross yields of over 5%.
- Miami's stature as a financial and tech business location has been augmented over the last decade, encouraging domestic investment in high-end real estate. Virtually all ultra-prime real estate here is purchased in cash (95%), with the city viewed as a financial safe haven for its predominantly South American purchasers.
- The global economic markets significantly affect the purchase of international real estate. The current strength of the US dollar against sterling acting as a short term deterrent for investment.
- Across all three cities, the population of UHNWIs will increase over the coming decade fuelling the demand for luxury real estate. The greatest increase in population and wealth is set to come from China and South East Asia. These individuals are very investment driven, with signs of activity across all three market areas.

<sup>1</sup>Knight Frank Global Cities Index (2017)

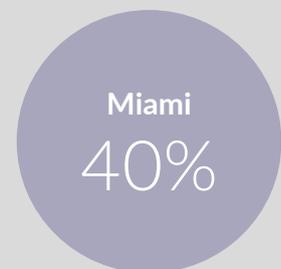
## Predicted growth in UNHWIs 2016 → 2026



6,570 → 8,541



3,150 → 4,095



750 → 1,050

Source: dataloft/New World Wealth (2016)

## ABOUT BEAUCHAMP ESTATES

For nearly 40 years Beauchamp Estates has been at the core of the London property market. With the Mayfair head office nestled behind one of Curzon Street's imposing Georgian facades, Beauchamp Estates has become the heartbeat of prime central London.

Handling an exclusive property portfolio on behalf of a broad client base, Beauchamp Estates' principal activities involve the sale and purchase of exclusive residential and commercial property in prime central London; also undertaking acquisition, investment and letting on

behalf of their valued clients. Beauchamp Estates work closely with international investment purchasers and has unrivalled experience of selling prime central London property to this market.

Beauchamp Estates Private Office, also situated on Curzon Street, has been set up to handle the investment needs of High Net Worth Individuals from Europe, the CIS and the Far East. Beauchamp Estates also has offices outside of the United Kingdom, located in Cannes, Florence and Mykonos. They also have real estate associate offices in New York and Herzliya, Israel.

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