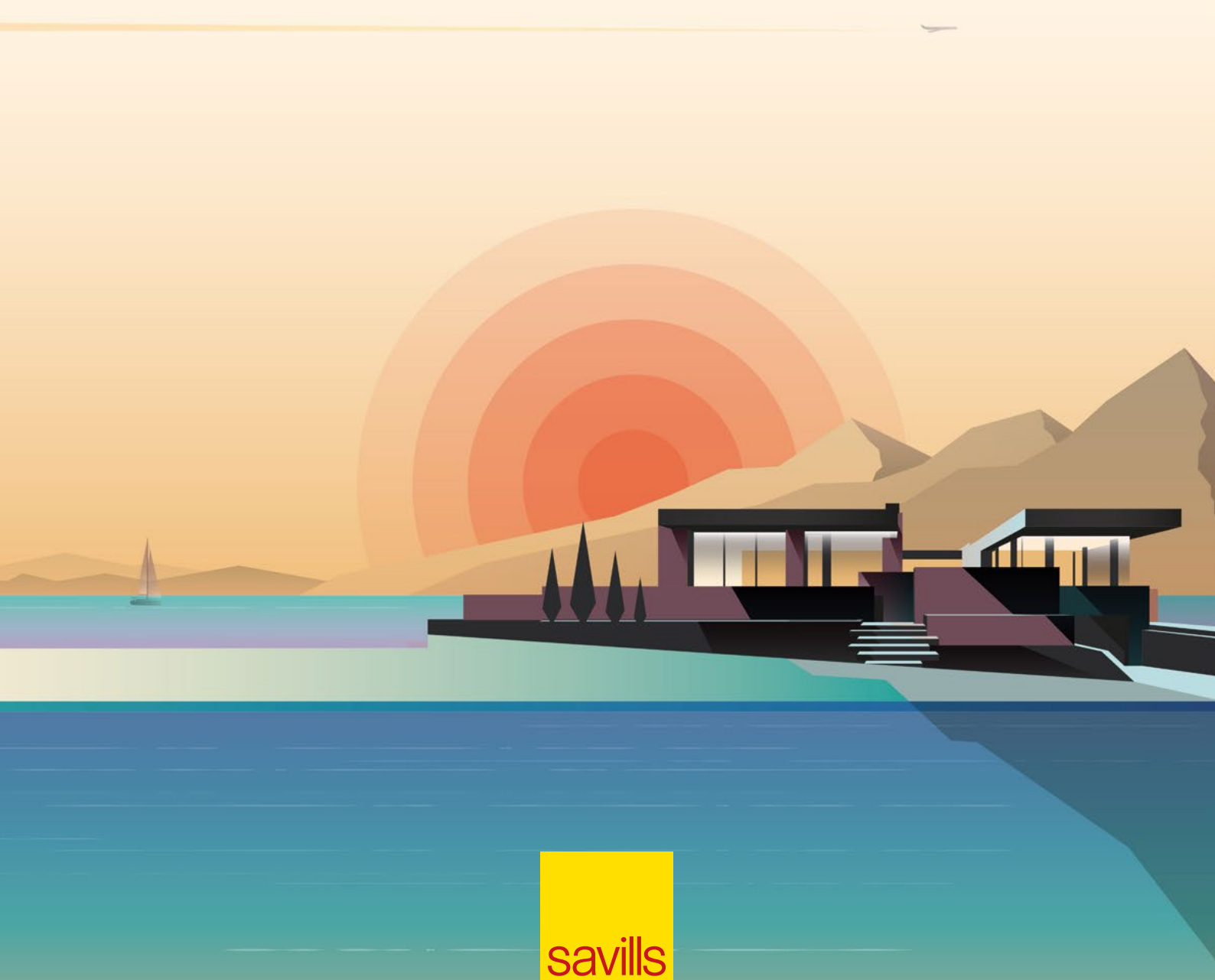


SAVILLS PRIME RESIDENTIAL INDEX

WORLD SECOND HOME LOCATIONS 2023



FOREWORD

Savills has assisted buyers across the world in purchasing second homes in some of the top global locations for leisure time, and we understand the motivations for purchasing in these locations. For this report, we wanted to examine the drivers of what makes these destinations prime second home locations and what ensures that these locations retain their longevity. Elements such as top-tier residential property, lifestyle factors, hospitality, connectivity and global reach can each help second home locations stand out from the rest. We also take a deeper dive into some of the integrated resorts and speak to our global network about what makes these new hot-spots appeal.

Jelena Cvjetkovic

Director, Savills Global Residential
jcvjetkovic@savills.com

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Longevity of leisure

In the years since the introduction of the leisure holiday, the prime second home locations have become as varied as the holiday-makers that populate them during peak season.

Since the concept of leisure time was popularised during the industrial revolution, people have been searching for the perfect locations to holiday or have their second homes. From Grand Tours and Mediterranean holidays of the 1850s, leisure has expanded to include skiing locations, countryside retreats, along with the traditional sun and sand to be found in many of the world's hot-spots (pun absolutely intended).

In the years since the introduction of the leisure holiday, the prime second home destinations have become as varied as the holiday-makers that populate them during peak season. The prime traveller has

changed through the years from someone who stays relatively close to home, to one who jets off in luxury to far-flung locations, to a combination of the two. Savills Research has created a timeline of when locations within the index became prime second home locations and examined some of the global trends behind these developments.

The late 19th century saw the establishment of the leisure holiday as the wealthy titans of industry, royalty, and aristocrats were able to take advantage of new train links across Europe. The United States had a later uptick in holidays from

the wealthy resulting in the establishment of both the Hamptons and Palm Beach as prime holiday destinations.

The post-war boom contributed not only to economic growth but also a surge in travel. The 1950s and 1960s saw an increase in popularity for glamorous locations along the Mediterranean, particularly Capri, Monaco, Marbella, and the Costa Smeralda. These locations claimed their 'it' factor through a combination of visiting celebrities and royalty along with increased

development in these areas.

In the 1970s and 1980s, the good times seemed as though they would continue forever. This was readily apparent in the surge of both ski and coastal locations becoming prime destinations for summer and winter escapes. The uptick in availability of short-haul flights also made these holidays easier and lessened the travel time between locations.

At the end of the 20th century, long haul flights were easier and more widely available. These flights made holidays in far-flung, exotic locations easier and more fashionable for travellers both for short stays and for second home locations. The noughties continued this trend, and it was only the global financial crisis which brought it to a shuddering halt.

After two decades of long-haul holidays

and in the aftermath of the global financial crisis, there has been a trend of prime leisure holidays happening closer to home. The Covid-19 pandemic with its associated travel restrictions furthered this trend. These new top locations are often close to major urban centres and are easily accessible to better facilitate a work and leisure balance for the modern ultra-prime traveller.

Regardless of the location on the map, leisure will likely continue to bring people and places together for decades to come. ✕



2010s | Montenegro



1980s | Kitzbühel



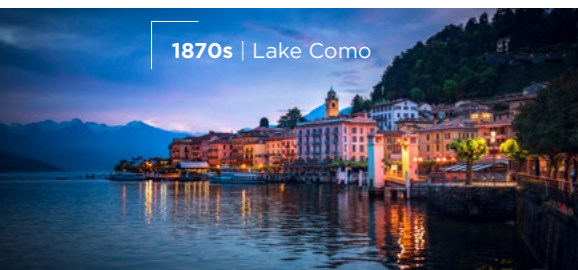
1960s | Malibu



1910s | Palm Beach

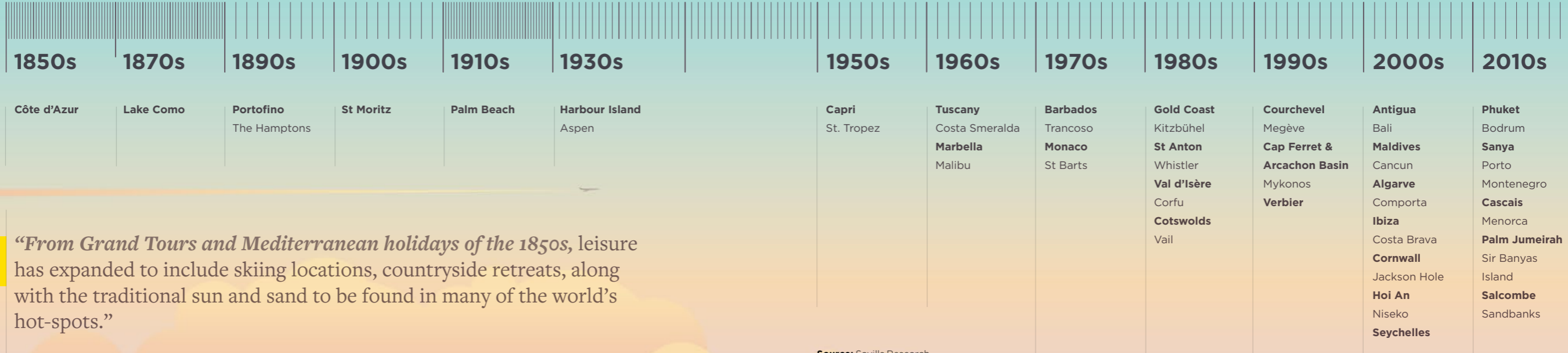


1890s | The Hamptons



1870s | Lake Como

Leisure locations by decade



“From Grand Tours and Mediterranean holidays of the 1850s, leisure has expanded to include skiing locations, countryside retreats, along with the traditional sun and sand to be found in many of the world's hot-spots.”

Savills Prime Residential Index - World Second Home Locations

What makes the top second home locations stand out from the pack?

Retreats from the frenetic pace of life can take many forms: coastal resorts the world over, top-tier skiing, and rural country escapes. These varied locations mean that leisure and relaxation isn't limited to peak times of year, but can be found frequently and with ease. The locations in the Savills Prime Residential Index - World Second Home Locations attract travellers for both holidays and those looking to take a more permanent stake in the area by purchasing property.

Sixty global locations were analysed for this index, measured based on their high-end retail and restaurant offerings, the four and five-star hotels in each market, the quality-of-life score for each location, prices for prime residential properties, and each location's global reach and connectivity through flight connections,

Google Trends data, and buyer source markets. Each of these indicators was given an equal weighting throughout the analysis, which allowed the researchers to determine specific effects of individual factors through the process.

Top spot in the Savills Prime Residential Index - World Second Home Locations, is claimed by the Côte d'Azur as a result of its strong offerings across all categories. Next door along the coast, and in the rankings, is Monaco. The principality scores well in its prime residential offering, lifestyle and hospitality amenities, as well as its global reach.

The highest-ranked ski destination in the index is Aspen; this Colorado destination is one of the most sought after second home locations in the United States. With top-tier retail, restaurants,

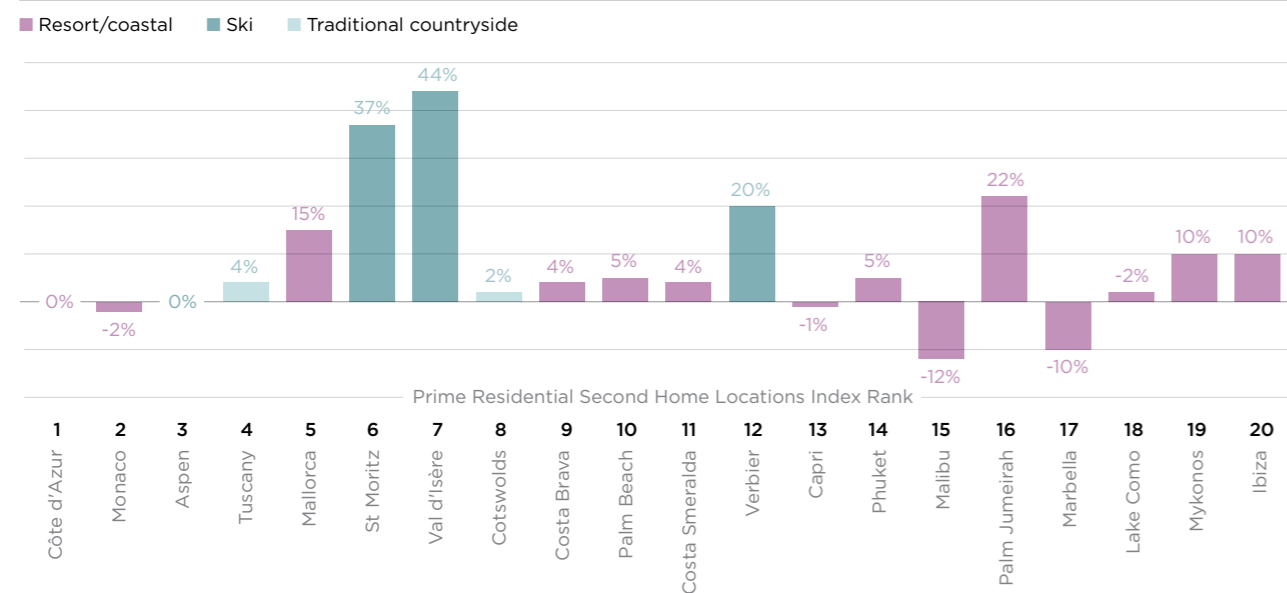
hospitality, and prime residential properties, the market is a year-round natural haven for prime buyers.

Two European locations round out the top five: Tuscany and Mallorca each offer the leisure and lifestyle amenities that buyers desire, as well as top-tier hospitality and global reach. Each location can boast international buyers and international renown for their statuses as top travel destinations.

The pandemic-related bounce that was seen across the global property markets, but particularly in second home markets, is readily apparent in the prime residential second home location pricing. Over the past year, capital values across the retreat markets increased by an average of 7%, demonstrating the continued prioritisation of the home

Prime price changes - year on year

Prime price changes - year on year (June 22 to June 23)



Source: Savills Research

Savills Prime Residential Index - World Second Home Locations - Top 20

Prime residential prices | Leisure and lifestyle offering | Hospitality | Connectivity | Global reach

The Index components

Prime residential prices

Prime residential prices can vary significantly worldwide. Across the locations analysed in the Savills Prime Residential Index - World Second Home Locations, average capital values vary from less than \$1million to over \$25million for a prime property. Though there are differences in price, the calibre of property across the index largely remains the same regardless of location.

Leisure and lifestyle offering

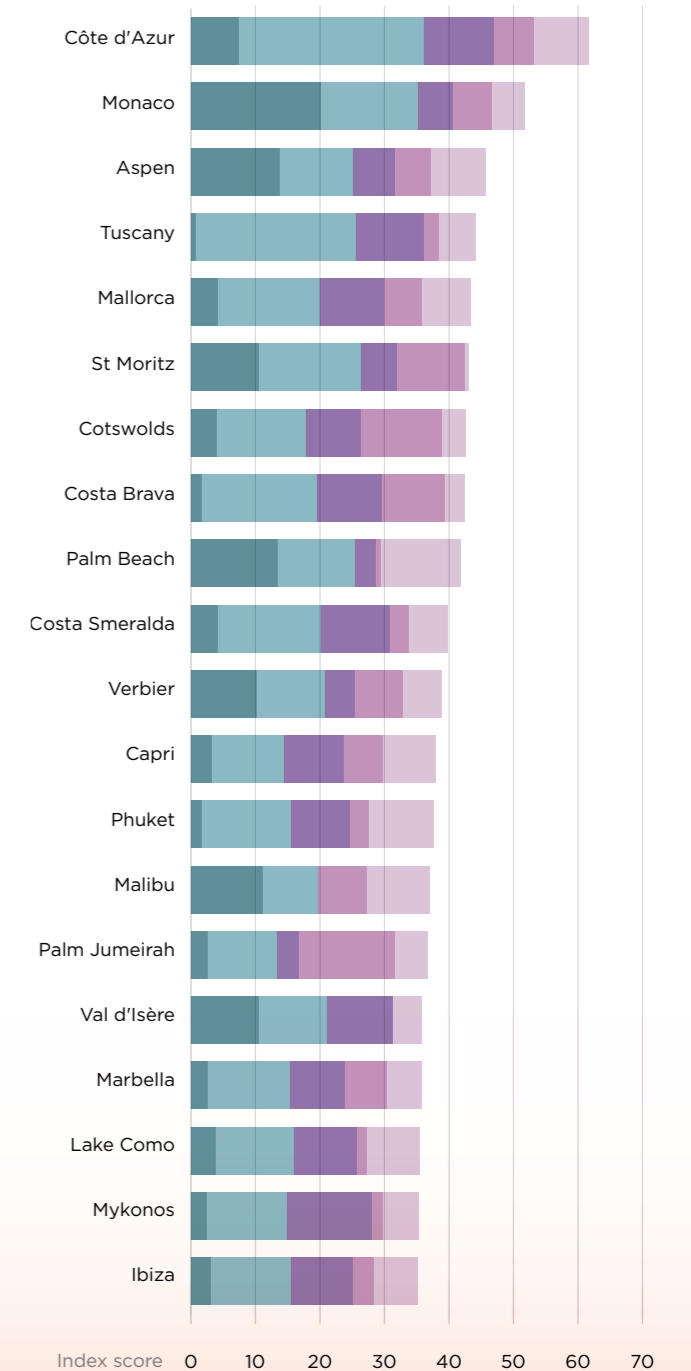
Lifestyles in these locations are as varied as the locations themselves, from laid-back beach life in Cabo San Lucas to the speed that can only be found skiing down a mountain in Val d'Isère to leisurely countryside walks in the Cotswolds. These varied locations are all linked, however, by their provision of retail, restaurants, and their high quality of life scores, which make the locations prime destinations for those looking for a non-city escape.

Hospitality

For those experiencing a location for the first time, the variety of top-tier hotels in a location will contribute to how well a location or area does in their estimation compared to other locations. Often prospective new residents will try out the location by staying in a hotel (or private villa) to experience the lifestyle and amenities of a location before deciding to purchase a property.

Connectivity and global reach

Hybrid living is a trend that has risen to prominence in recent years. With hybrid working enabling people to spend more time away from their city bases, time spent in second home locations is increasing, turning seasonal destinations into year-round locations with stays stretching across the seasons. Many of the locations in the index are within easy reach of major cities and airports, enabling residents and travellers to reach them with ease and stay for any amount of time. How international a location is often depends on the global perception of the destination - from internet searches to current buyer profiles.



Source: Savills Research

DESTINATIONS - ORDERED BY INDEX RANK

1	Côte d'Azur	21	Gstaad	41	Niseko
2	Monaco	22	Megève	42	Portofino
3	Aspen	23	Gold Coast	43	Bali
4	Tuscany	24	Zermatt	44	Monterey Peninsula
5	Mallorca	25	Courchevel	45	St Anton
6	St Mortiz	26	Cancun	46	Cap Ferret & Arcachon Basin
7	Cotswolds	27	Vail	47	Barbados
8	Costa Brava	28	Menorca	48	Porto Montenegro
9	Palm Beach	29	St Barts	49	Jackson Hole
10	Costa Smeralda	30	The Hamptons	50	Goa
11	Verbier	31	Bodrum	51	Harbour Island
12	Capri	32	Cornwall	52	Sanya
13	Phuket	33	Cascais	53	Hội An
14	Malibu	34	Whistler	54	Maldives
15	Palm Jumeirah	35	Corfu	55	Seychelles
16	Val d'Isère	36	Sir Banyas Island	56	Sandbanks
17	Marbella	37	Kitzbühel	57	Salcombe
18	Lake Como	38	The Algarve	58	Trancoso
19	Mykonos	39	Cabo San Lucas	59	Antigua
20	Ibiza	40	Comporta	60	Plettenberg Bay

Source: Savills Research

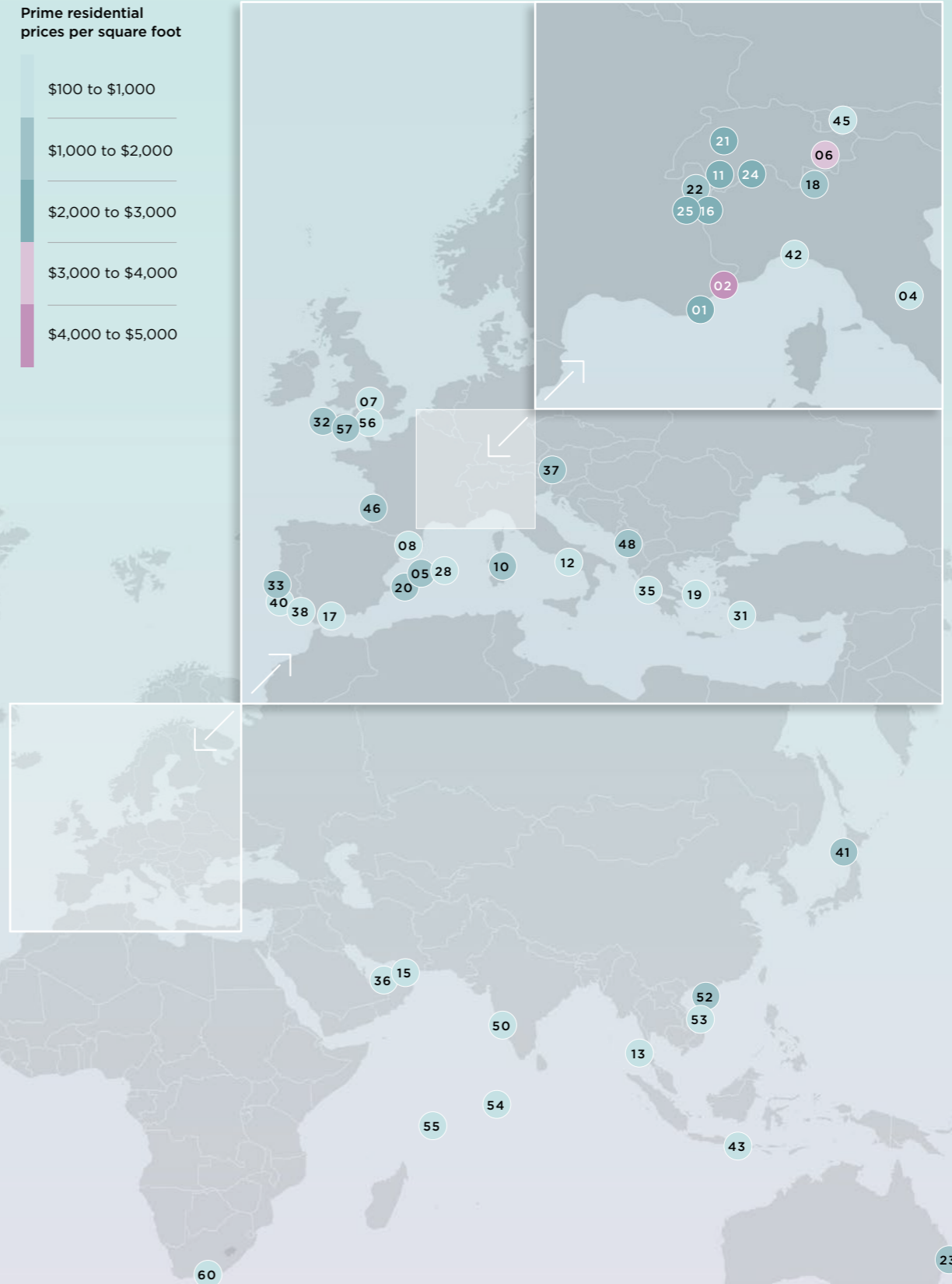
in the wake of Covid-19 lockdowns. However, this rate is lower than what many locations experienced during the pandemic when many city residents moved to second home locations in search of greater space.

The locations with the highest prices and higher levels of price growth were relatively unsurprising. The highest priced and faster growing destinations tend to be space constrained or have limitations on the number of properties which can be built. Ski locations in particular stand out here, with an average price growth of 15% over the past year. In the years to come, islands, microstates, and fully built-out areas will likely continue to see price rises as demand increases from prime buyers.

Prime residential prices vary widely worldwide; from Monaco with the most expensive housing globally, to South Africa's Plettenberg Bay where prime countryside properties remain at comparatively lower price points. Across the locations analysed in the Savills Prime Residential Index, average capital values range from over \$5,000 per square foot to less than \$200 per square foot for a prime property. Though there are differences in price, the calibre of property across the index widely remains the same regardless of location.

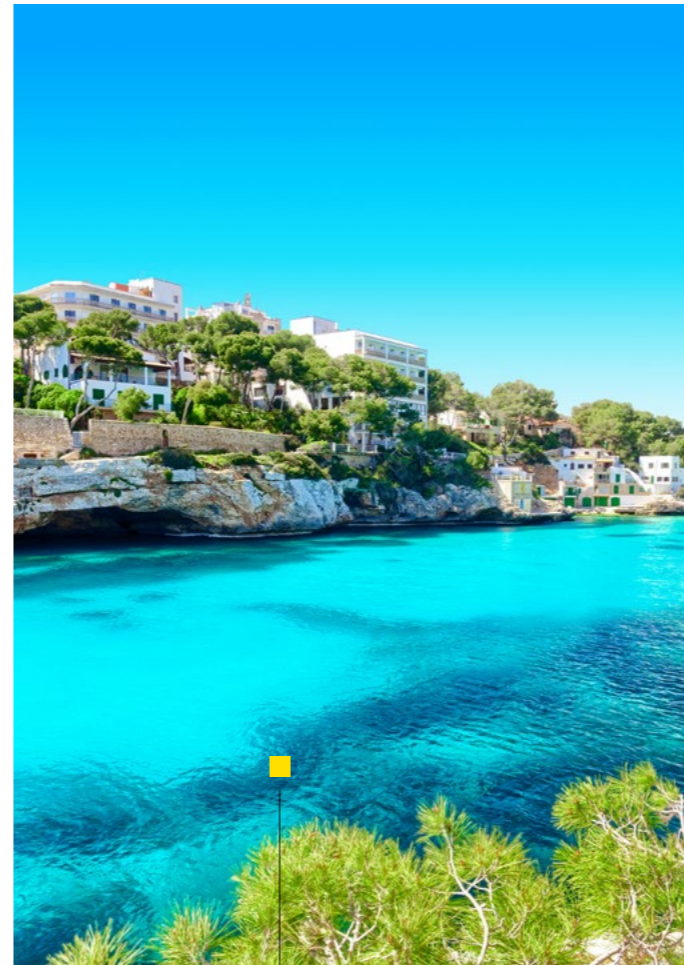
Many global destinations have similar strengths to locations currently in the Savills index. The celebrity factor, a new high-end development, wellness benefits, and the established neighbour effect, have historically helped locations become prime and will likely continue to do so.

In the longer term, however, there could be to be a shift leisure habits. In Sweden, environmental concerns from the impact of air travel led to the rise of 'flight shaming'; however, Swedes have traditionally holidayed closer to home with many second homes found in the areas surrounding Stockholm. If the no-fly movement gains traction in other countries, leisure locations with good rail connections, close to large centres of wealth generation are likely to benefit.



Locations in focus

Sun or ski, countryside or new locations - prime second home locations can be found across the globe



EUROPEAN SUN

CÔTE D'AZUR

The Côte d'Azur claims top spot within the Savills index as a result of its strong performance across all the categories, offering top-tier property, extensive varieties of high-end dining, retail, and hospitality, as well as international appeal and global buyers.

The Côte d'Azur appeals worldwide for its natural setting, transport links, hospitality and leisure infrastructure, and its climate. According to Alex Balkin, Executive Director of Savills French Riviera, "The French Riviera has it all: weather, leisure, sports, food, entertainment, easy access, great infrastructure."

The region's perceived safe-haven status is further boosted by the idea of an investment in property for personal enjoyment, with average prices per square foot of nearly \$2,500 (€23,000 per square metre) across the region. Local Savills agents report that buyers in recent years are younger and are more inclined to favour areas with easy access, near motorways or an international airport and centres of entertainment in an effort to maximise their enjoyment of the top-tier region.

MALLORCA

Rounding out the top five of the index is another European sun destination, Mallorca in the Balearic Islands. This market is very attractive to international buyers for its lifestyle, hospitality, and access to mainland Spain and the rest of Europe. One of the most prime locations in Spain, prime residential prices average \$1,200 per square foot (€11,600 per square metre). However some properties in the most exclusive locations on the island can command far higher prices. Prospective buyers come from across Europe and as far afield as the United States, attracted to the natural landscapes and island lifestyle.

The leisure and lifestyle offering of Mallorca contributes to the success of the market as a prime residential retreat. The Balearics and all of Spain are also likely to benefit from the introduction of the digital nomad visa, which will bring more residents to the area to capitalise on the quality of life that Mallorca can offer.

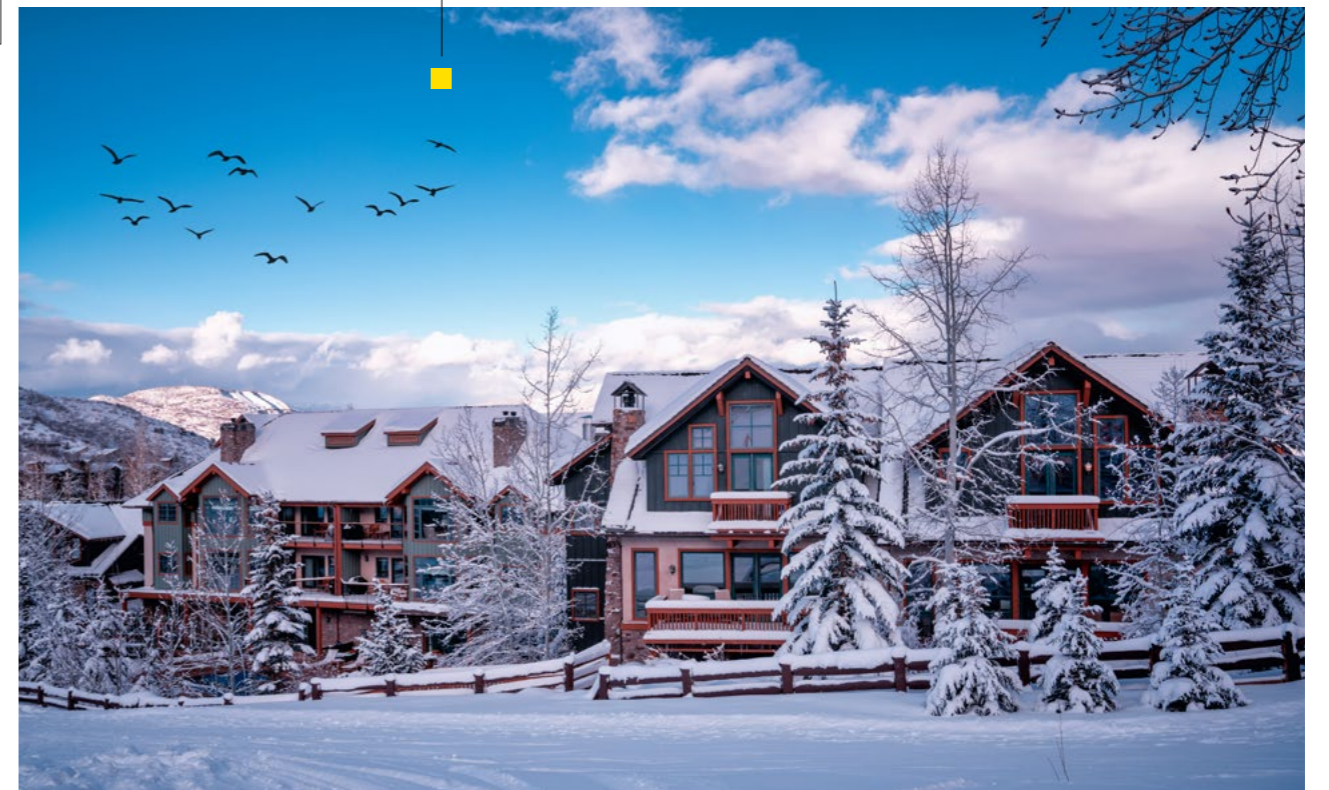
SKI

ASPEN

Consistently ranked as the top ski destination in the United States, Aspen has been attracting visitors to its mountain ski runs since the 1930s. The market remains predominantly domestic with buyers and seasonal visitors from across the country. One of the most expensive property markets in the United States and the world, prime residential properties average over \$4,000 per square foot (€41,000 per square metre), with many homes transacting without ever coming to market. The property market in this mountain destination has been supercharged by extremely low inventory, restrictions on new construction and an influx of buyers from across the country. Rory McMullen, Director of Savills Private Office and Head of North America desk, says "Aspen is a destination that continues to be

more and more popular with the billionaire community and is fast becoming a location that, at certain times of the year, has one of the densest populations of the UHNW community".

Many of these buyers, spurred by the Covid-19 pandemic and remote work, are looking for a more laid-back lifestyle. McMullen continues, "although the ski season is popular for the amount of snow and length of the season, summer is just as popular with a lot of our clients spending the summer months there." This mountain retreat also provides no shortage of dining, retail, and leisure opportunities which helps to propel the location into third position within our index and front of mind for many potential travellers and buyers.



VERBIER

The ski destination for royalty and A-listers, Verbier is known for its challenging, high-altitude skiing, as visitors glide from the peak of Mont Fort to the base of the Medran. This Swiss resort has a reputation as one of the world’s premier off-piste resorts and is the beating heart of the 4 Vallées ski area, drawing thrill-seekers and explorers from around the world. Its global reach helps push Verbier to 11th on our index – showcasing its international appeal. And in our Ski Report, Verbier ranks 13th out of 61 ski resorts worldwide for its resilience to climate change.

It is this resilience and appeal which boosts the market, according to Jeremy Rollason, Director of Savills Ski, “Verbier remains the most sought-after ski resort for our buyers in Switzerland. Being the largest ski area in Switzerland, with high altitude and easy reach of Geneva Airport, the resort is especially popular with Scandinavian, Benelux, and UK buyers. It also remains a staple for domestic buyers, as well as those as far afield as the US, Japan and South Africa.”

Whilst visitors can speed down a double-black diamond, they can also meander down a gentler run, while taking in the breath-taking views of the Matterhorn, Monte Rosa and Mont Blanc. Once the sun goes down, there are numerous bars and restaurants to talk over the summits of the day and to plan which slope to tackle next. These factors, along with its year-round activities (this year hails the 30th anniversary of The Verbier Classical Music Festival), help elevate the resort to the most expensive out of all Swiss locations on our index, with prices of \$2,900 per square foot on average (€28,000 per square metre).



COUNTRYSIDE

TUSCANY

From cuisine to architecture and from historic museums to idyllic landscapes, Tuscany is one of the most culturally rich destinations in the world. This translates into Tuscany’s high score in the leisure and lifestyle category of our index. The region is home to over 190 restaurants in the Michelin guide – more than any other location in our index and cementing its position as a ‘foodie’ haven. The region remains competitively priced compared to many other markets, with prime residential prices averaging just over \$300 per square foot (€3,000 per square metre)

Stretching from The Appennines to the Tyrrhenian Sea, this vast Italian region attracts many global travellers, who can enjoy a stay in one of the 35 high-end hotels in the region to experience the local lifestyle. La Dolce Vita is alive and well in Tuscany as its high quality of life and many shops and boutiques bolster its position at 4th on our index.

COTSWOLDS

This designated Area of Outstanding Natural Beauty, with its gentle valleys, historic towns and honey coloured stone, draws buyers from across the globe. Hybrid working has also enhanced the area’s allure, especially for Londoners: living in the region has become practical if the commute is two or three days a week, rather than five. The Cotswolds is often referred to as a whole, but the lifestyle and property varies across the region. Charles Elsmore-Wickens, Head



of the West Cluster for Savills Residential, says, “There is a pocket or community for everyone, from Londoners seeking the relief of the countryside but wanting to maintain access to international members clubs and excellent connectivity, to families looking for outstanding schooling and more space or those looking for a slower pace of life.”

Local agents also report that prospective buyers outnumber the available properties by three to one. Prices in the region reflect these persistently high levels of demand, with average prices of nearly \$800 per square foot (€7,600 per square metre).

The Cotswolds also can offer buyers the prime countryside lifestyle with a number of top restaurants - 34 in the Michelin Guide – as well as top-tier hotels, high quality of life, and easy access to London with its international connectivity from Heathrow airport.



NEW DESTINATIONS

PALM JUMEIRAH

A new location in that the land was reclaimed from the sea, Palm Jumeirah is a purpose-built destination unlike almost any other on the globe. With concept hotels, fine dining both on the Palm and in Dubai, as well as prime residential property, with average prices per square foot of \$800 (€7,600 per square metre), the Palm is a residential retreat within easy reach of the city.

Swapnil Pillai, Associate Director of Research for Savills Middle East adds, “The Palm is a vibrant mixed-use development offering a range of dining options, shopping, entertainment venues, and hotels across various categories. It also offers a mix of mid-to-high-end apartments and villas. Its iconic status, ease of access, excellent connectivity, and vibrant lifestyle offering has made the Palm one of the most sought-



PHUKET

after destinations in the country. The strong demand is also reflected in the price points across the residential developments which have seen an average price increases of 27% and 44% year-on-year in June 2023, across apartments and villas respectively.”

Dubai has undergone significant changes over the last few years with the introduction of various family entertainment concepts and indoor experiences to attract tourists and position these cities as year-round destinations. However, due to their geographic location, these cities experience extreme heat during the summer which typically lasts from June to September. Summer is considered an off-season, but demand levels for residential and hotels have remained relatively strong over the last few years.

A tropical island in the Andaman Sea is the first Asia Pacific location that appears on our index. Phuket’s white-sand beaches that blend into turquoise-blue seas are known around the world. This Thai island is also another ‘foodie’s’ paradise – visitors can explore local street food markets or dine at one of the 50 restaurants highlighted in the Michelin Guide.

Its reputation for picturesque scenery, world-renowned food, and relaxed lifestyle help to give the island a high global reach score on our index. This international appeal is reflected in its real estate market, with prime residential property averaging \$500 per square foot (€5,300 per square metre). Phuket also has more branded residences than any other location on our index – providing high quality second homes and trophy assets for regional and international high-net worth individuals. ✕

Development trends in integrated resorts

Savills Global Residential Development Consultancy are experts in integrated resort development. Here, the team and our local experts share some insights into current trends in the resort development markets.

BARBADOS

James Burdess – Savills Caribbean

What are some new schemes attracting buyers to Barbados?

Following the pandemic, people are seeking fresh air, open spaces and, in short, a great lifestyle. A number of new developments have come to market in Barbados in recent years which make his lifestyle easy, including Porters Place, Azzurro, and Ocean Grove. New ownership at Apes Hill has also made way for significant investment including more than 80 new properties and improvements to the 18-hole golf course.

The evolution of real estate trends in recent years has propelled a shift in the development landscape, particularly within the hospitality sector. The traditional concept of hotels is transforming, with a growing preference for mixed-use developments that seamlessly blend residential, hotel and commercial elements. This change reflects a desire for a more holistic and enriching lifestyle experience.

A significant driver of this transition is the changing demand for lifestyle offerings. People are increasingly prioritising wellness and seeking properties that cater to their health needs. As a result, residential mixed-use developments are incorporating a wide range of amenities focused on promoting well-being, such as fitness centres, wellness spas, and sports facilities. The aim is to provide comprehensive experiences that foster physical and mental health. Sustainability has also emerged as a crucial consideration in the design and development of residential mixed-use properties. Buyers are becoming more conscious of the

environmental impact of their choices and are seeking sustainable features.

The evolving housing trends within residential mixed-use developments have further shaped the landscape. With the rise of remote work, there is a growing demand for units that include office spaces. People are seeking second homes that can accommodate longer stays while still allowing them to maintain their professional commitments. Additionally, the incorporation of outdoor spaces has become paramount, as indoor/outdoor living is highly valued for second homes. Developers are integrating nature into communal areas within resorts, creating a seamless blend between the built environment and natural surroundings.

Buyer preferences have also shifted towards turn-key properties, moving away from the traditional buy-to-build model. Today's buyers want immediate possession, preferring properties that are move-in ready. This trend aligns with the demand for hassle-free living and the desire for instant

gratification. Additionally, the presence of stunning views, such as sea or mountain views, can command a significant premium, underscoring the influence of prime vistas on property values. Furthermore, managed units, such as branded residences, have become increasingly popular due to their convenience and no-hassle approach. These properties offer a range of services, giving residents a luxurious and stress-free lifestyle.

The transformation of residential developments to incorporate mixed-use

Map: Prime purpose-built resorts: geographic distribution

Source: Savills Global Residential Development Consultancy

PORTO MONTENEGRO

Kieran Kelleher – Dream Estates Montenegro

What are your clients looking for in their resort properties?

Clients in Porto Montenegro are seeking a sense of community through fully self-contained resorts with shopping, entertainment, schooling, etc. For these resorts to be truly successful, the expectations of all stakeholders should be exceeded – everyone needs to be happy with the resort, the neighbourhood and the wider environment.

VIETNAM

Matthew Powell – Savills Vietnam

How have your clients' needs evolved for new build resorts?

Our international and Vietnamese clients are well-travelled but appreciate the Vietnamese character and design and service levels that are offered. They do want to have the same (or better) resort experience that they have in other locations but they want to know they are in a unique place, not just a generic beach resort.

QUINTA DO LAGO, PORTUGAL

Jamie Robinson – QP Savills, Algarve

What makes a good purpose built resort?

A good purpose built resort is really the sum of its parts: location, facilities, services from the operators, connectivity, and its food, cultural, and recreation access. Quinta do Lago offers all of these things along with its long-standing reputation going back over 50-years. One of the secrets to Quinta do Lago's success is that it keeps reinventing itself which means that buyers are choosing to stay, limiting the number of properties coming to the market each year.

33 Margaret Street
London W1G 0JD
+44 (0)20 7499 8644

CONTACTS

World Research

Paul Tostevin

Head of World Research
+44 (0) 20 7016 3883
ptostevin@savills.com

Kelcie Sellers

Associate
+44 (0) 20 3618 3524
kelcie.sellers@savills.com

Global Residential

Justin Marking

Head of Global Residential
+44 (0) 20 7499 8644
jmarking@savills.com

Jelena Cvjetkovic

Director, Global Residential
+44 (0) 20 7016 3754
jcvjetkovic@savills.com

Global Residential Development Consultancy

Rico Piconi

Head of Global Residential
Development Consultancy
+44 (0) 20 3618 3541
rico.piconi@savills.com

Jacques Sharam

Associate
+44 (0) 20 7016 3761
jacques.sharam@savills.com

