

PROPERTY AND DEVELOPMENT

# Luxury property report: Cayman down, looking up

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Cayman Islands' luxury real estate market didn't have a banner year in 2012, but interest in prime properties here is growing, according to The Wealth Report 2013 by Knight Frank.

Knight Frank is a global property firm headquartered in London. The Cayman affiliate is International Realty Group Ltd.

**Where the money is**

Each year, Knight Frank's Wealth Report examines the state of prime property markets, wealth distribution and attitudes of the wealthy toward property and investments, focussing on high-net worth individuals, who have US\$30 million or more in net assets.

According to the report, the number of such wealthy individuals grew by 5 per cent throughout the world (to about 190,000 people), with their combined wealth growing by 2 per cent (to just

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more than US\$26 trillion) in 2012.

The US had 80,228 wealthy people in 2012 (an increase of 32 per cent in one year), and Canada had 6,637 wealthy people. The cities with the most wealthy people include New York City (10,306), London (8,202), Tokyo (6,763), San Francisco (6,665) and Los Angeles (6,075).

The report's top 10 countries for billionaires are the US (1,101 billionaires), China (483), Germany (300), UK (276), India (225), Brazil (136), Russia (126), Hong Kong (97), Indonesia (90) and Switzerland (75).

**How Cayman stacks up**

This year, Cayman is on the list of "80 of the world's leading luxury property

markets".

Cayman ranks 54th out of 80 in terms of the average price change for prime property in 2012, with values dropping by 5 per cent since 2011. By comparison, Caribbean destinations Mustique and St. Barts had no change in prime property prices, and Barbados values also dropped by 5 per cent. Bahamas dropped by 10 per cent and British Virgin Islands dropped by 15 per cent.

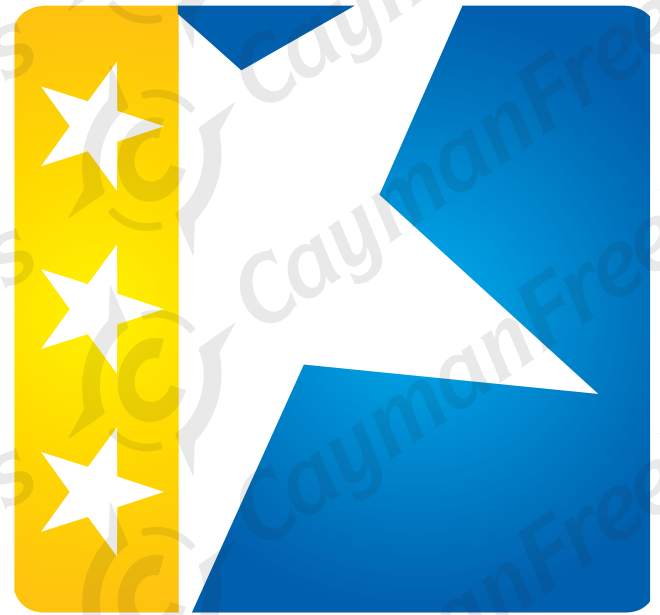
The leading markets in terms of average price change were Jakarta, Indonesia (38.1 per cent increase), Bali, Indonesia (20 per cent), Dubai (20 per cent), Miami (19.5 per cent) and Sao Paulo, Brazil (14 per cent).

By region, the Caribbean had an average price de-

crease of 5.8 per cent in 2012. North America's prime property increased in value by 3.4 per cent. Latin America increased by 14 per cent. Europe/Russia decreased by 2.7 per cent.

Trends in Cayman and the general Caribbean followed the average price decrease of 4.2 per cent for second homes in sunny areas, according to the report. Meanwhile, homes in the city increased in value by 3.3 per cent, and homes with access to snow skiing increased in value by 0.4 per cent.

On a positive note, Cayman appeared in the report's list of "top 10 movers", based on increases in online property searches for prime properties in the markets. Searches for prime property in Cayman increased by 63 per cent in 2012, with the average value of properties searched for being US\$1.9 million. Other 'movers' include the US (52 per cent increase), Barbados (67 per cent), Bermuda (71 per cent) and Singapore (76 per cent).



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