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ARCHITECTURAL DIGEST / SOTHEBY'S INTERNATIONAL REALTY REPORT FINDS LUXURY HOMEOWNERS ARE LOOKING TO PURCHASE ADDITIONAL RESIDENCES IN THE NEXT TWO YEARS

NEW YORK and PARSIPPANY, N.J. (October 24, 2006) — In its latest consumer-trend study, *Architectural Digest* has united with Sotheby's International Realty Affiliates, Inc. to find that affluent homeowners are planning to acquire additional residences in the near future. The study, "Seeking a Luxury Lifestyle," discovers that one in three *Architectural Digest* subscribers (36%) intend to acquire a secondary/additional home in the next two years. The study further reveals:

- Of those *Architectural Digest* subscribers who already own three or more homes, 49% percent plan to acquire an additional home within two years;
- Of those who already own a second home, 35% plan to acquire a third home within two years; and
- In an indication that young affluent consumers are in the market for second homes, 44% of those under age 45 stated that they may acquire a second home in the near future.

Although geography is the primary driver when it comes to searching for a secondary residence, lifestyle amenities are becoming increasingly critical. Approximately one in three (32%) of the *Architectural Digest* subscribers measured know the characteristics and amenities they desire and would search in a number of geographic locations to find the home that matches what they want, rather than looking purely by location. Subscribers with household incomes under \$400,000 (38%) are more likely than their wealthier counterparts to indicate they would search in a number of locations to find the house that meets their amenity checklist.

The study finds that waterfront property (75%) is the most sought-after amenity when buying a secondary residence. Surprisingly, gourmet kitchens (10%) and swimming pool (5%) were among the least significant amenities:

- Oceanfront/waterfront: **75%**
- On/near ski slopes: **28%**
- On/near golf courses: **48%**
- Wine cellar: **18%**
- Near aquatic activities: **45%**
- Gourmet/large kitchen: **10%**
- In-home fitness center: **34%**
- Large backyard: **5%**
- Media room/home theater: **32%**
- Pool: **5%**

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Regional differences were found mostly among respondents from New York and California. Some differences of note from the study:

- New York metro area subscribers are most drawn to waterfront/oceanfront property, while Californians found this of less interest;
- Californians tend to be less interested in golf courses than other subscribers, and more drawn to in-home fitness centers;
- And New York metro area subscribers are least interested in ski slopes, while Californians are most likely to search for proximity to the slopes.

“Architectural Digest readers seek a lifestyle full of life’s indulgences and luxuries,” said Amy Churgin, vice president and publisher, Architectural Digest. “From this research, we confirm that the homes of our readers, complete with sought-after amenities, such as media rooms and wine cellars, reflect their passions and personal style.”

Michael R. Good, president & CEO of Sotheby’s International Realty Affiliates, Inc., explained, “The survey, ‘Seeking a Luxury Lifestyle,’ provides Sotheby’s International Realty brokers and the entire marketplace with invaluable insight into the latest trends in real estate. Home amenities play an increasingly important role in home purchasing, which is why we specifically designed sothebysrealty.com to ensure that clients can search for homes based upon these unique preferences.”

Architectural Digest magazine commissioned Global Strategy Group, a leading strategic research and communications firm specializing in identifying the underlying factors that influence consumer and voter attitudes and behavior, to conduct the “Seeking a Luxury Lifestyle” study.

Research Methodology

Global Strategy Group conducted a nationwide mail survey among Architectural Digest subscribers with a household income of \$100,000+ and a home valued at \$500,000+ on behalf of Condé Nast Publications. The survey was conducted between June 6th and August 14th, 2006. The margin of error on the sample of 450 is +/-4.6%; the margin of error for sub-groups is larger.

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About *Architectural Digest*

Architectural Digest is the world’s definitive design magazine, reaching an audience of more than 5 million readers each month. The magazine features the work of world-class authors and photographers and regularly presents a “first look” at the homes of leaders in the fields of entertainment, fashion, business, society and the arts. For more information, visit www.architecturaldigest.com.

About Sotheby’s International Realty Affiliates, Inc.

Founded in 1976 to provide independent brokerages with a powerful marketing and referral program for luxury listings, the Sotheby’s International Realty® network was designed to connect the finest independent real estate companies to the most prestigious clientele in the world. Franchise affiliates also benefit from an association with the venerable, 260-year-old Sotheby’s auction house. For more information, visit www.sothebysrealty.com.