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ARCHITECTURAL DIGEST AND SOTHEBY'S INTERNATIONAL REALTY® BRAND RELEASE EXCLUSIVE SURVEY FINDINGS ON LUXURY REAL ESTATE MARKET CONSUMER TRENDS

Survey Findings Contradict Media Perceptions in the Marketplace

New York, N.Y. (July 7, 2008)—Despite media reports to the contrary, real estate is still considered a sound investment and affluent consumers are confident both in the current housing market and that the value of their home has remained constant, according to a consumer research study undertaken by *Architectural Digest* with Sotheby's International Realty® Affiliates LLC. In the newly commissioned survey, "Seeking an Extraordinary Lifestyle," 85% of respondents agreed with the statement, "I think real estate continues to be one of the better investments a person can make." The study further revealed:

- 72% of respondents believe their primary home value has remained constant or increased in value over the last 12 months (46% remained constant; 26% increased).
- Nearly two-thirds of respondents report that current conditions have "no effect" on their likelihood to sell their primary home (63%).
- In the coming year, 79% believe the value of their primary home will continue to remain constant or increase (55% remain constant; 24% will increase).
- In the next year, more than half (54%) of the million-dollar homeowners plan to buy, sell, build or invest in a new home.
- 69% of million-dollar homeowners agree that now is a good time to add to one's real estate holdings.
- 71% agree, "Over time, nothing beats real estate for building one's personal wealth."

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The respondents feel that the media plays a role in the perception of the current real estate market conditions:

Half (50%) of respondents think the media exaggerates conditions to make the market seem worse than it is.

"This study confirms that even in a downturn economy, our readers are what we call 'recessionproof',"

said Giulio Capua, vice president and publisher of *Architectural Digest*. "They continue to spend money on real estate and other luxury goods and services."

According to Michael R. Good, president and chief executive officer, Sotheby's International Realty® Affiliates LLC, the study proves that real estate continues to be seen as a valuable investment opportunity, especially among consumers in the luxury market. "This study validates the assertion that real estate is one of the best long-term investments a person can make, regardless of current market conditions. Affluent consumers know that real estate plays a key role in their long-term strategy to increase personal wealth," said Good. "And among those consumers seeking to add to their real estate portfolio, the top criteria for choosing a property are location, price, amenities and home features."

Research Methodology

Beta Research Corporation conducted a geo-specific mail survey to 3,500 *Architectural Digest* subscribers with a household income of \$100,000+ and a home valued at \$1,000,000+ on behalf of Condé Nast Publications in the following designated market areas: New York, Los Angeles, Chicago, San Francisco/Oakland/San Jose, Boston, Atlanta, Miami/Ft. Lauderdale, San Diego, Denver and Detroit. The survey was conducted between February 19 and March 14, 2008. There were 510 respondents.

About *Architectural Digest*

Architectural Digest is the world's definitive design magazine, reaching an audience of over 4 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.

About Sotheby's International Realty® Affiliates LLC

The *Sotheby's International Realty* network currently has more than 9,500 sales associates located in more than 485 offices in the United States and 32 other countries and territories.

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. In February 2004, Realogy Corporation, a global provider of real estate and relocation services, entered into a long-term strategic alliance with Sotheby's, the operator of the auction house. The agreement provided for the licensing of the *Sotheby's International Realty*® name and the development of a full franchise system by Realogy's subsidiary, Sotheby's International Realty® Affiliates LLC. Affiliations in the system are granted only to brokerages and individuals meeting strict qualifications. Sotheby's International Realty Affiliates® LLC supports its affiliates with a host of operational, marketing, recruiting, educational and business development resources. Franchise affiliates also benefit from an association with the venerable Sotheby's auction house, established in 1744.