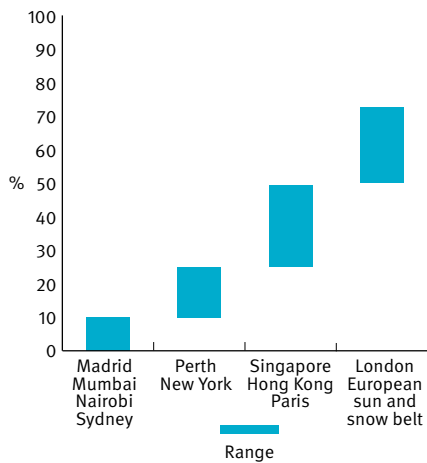


SURVEY RESULTS

Figure 4

Global demand

Proportion of luxury new-build demand accounted for by non-domestic purchasers

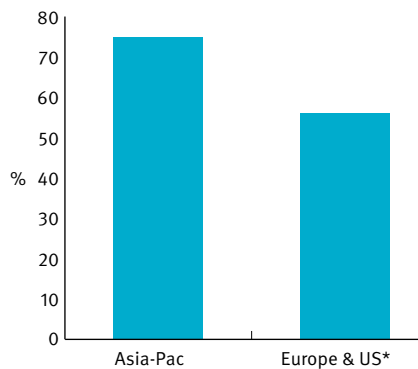


Source: Knight Frank Residential Research

Figure 5

Off-plan sales

Proportion of units expected to be sold off-plan prior to development completion



*Figures primarily reflect city centres

Table 1

Demand drivers

Biggest drivers underpinning global purchases of residential properties

Rank	Category	Very important in...
1	Lifestyle	European sun and snow belt, Paris
2	Investment	Singapore, Mumbai
3	Security	London, New York
4	Business	New York, Sydney
5	Tax	Monaco, Switzerland
6	Education	London, Melbourne

CASE STUDY:

Sustainable development in an emerging location

Medina Palms, Kenya



KEN MARINE
Residential Sales Agent
Knight Frank Kenya



PROJECT Environmentally sensitive development of 50 units including apartments and villas ranging from one to six bedrooms. The property was developed in a contemporary Swahili design.

GREEN CREDENTIALS The scheme was awarded a certificate of excellence by whatgreenhome.com for water conservation and re-use, waste minimisation and recycling, use of local and sustainable building materials, and having a sustainable transport policy. The developers are also founder members of SUSTAIN, an organisation made up of sustainable residential and leisure tourism property developers and professionals around the world. Medina Palms has partnered with the Born Free Foundation to support community-based conservation projects in Kenya.

STAGE Launched in May 2008 with a subsequent launch event in October 2008. Anticipated completion date is June 2012. Around half the properties have been sold.

TARGET AUDIENCE Primarily high-net-worth individuals looking for a holiday home or investors looking for a good return.

EMERGING LOCATION The Kenyan Coast has emerged as a property hotspot, with developers reaping growing returns from both holiday and primary homes for the local and international markets. Rental returns have grown with owners renting out their properties to a growing number of tourists, both local and international markets. The Watamu area saw few new developments until around 2009 when a number of projects came along on the back of increased demand for property and tourism. Property prices have increased over the past few years in Watamu and other parts of Kenya. In some cases they have more than doubled over the past 10 years.

WHO'S INVOLVED? Knight Frank Kenya has been working with Knight Frank's London-based International Residential Development team to promote the scheme, developed by Nigel Rowley and his wife Lesley.

INFLUENCE ON THE MARKET Properties on this part of the coast have traditionally been owner-occupied standalone houses or apartments.

Medina Palms combines apartments and villas in a gated compound. Its amenities and prices have raised the bar in terms of what can be achieved in emerging locations such as this.

MARKETING TO DATE The campaign has been intense and varied, including barazas (local educational forums involving the local community), media coverage, golf sponsorship, hotel launches, and magazine advertising. This type of marketing has been unique for the area and for this type of coastal development.

DEVELOPER'S VIEW "The majority of coastal development in Kenya has in the past catered for the mass market, but the modern tourist is more discerning. There has traditionally been an under-supply of high-quality accommodation to rent or to buy along the Kenyan coast. Integrating sustainability has probably added £500,000 to the costs of the project, but this will be worthwhile in the long term. As founder members of SUSTAIN, an international group of sustainable developers, Medina Palms has already inspired others to follow our lead in Kenya to take a similarly sustainable approach to development." Nigel G Rowley, Managing Director, Medina Palms