

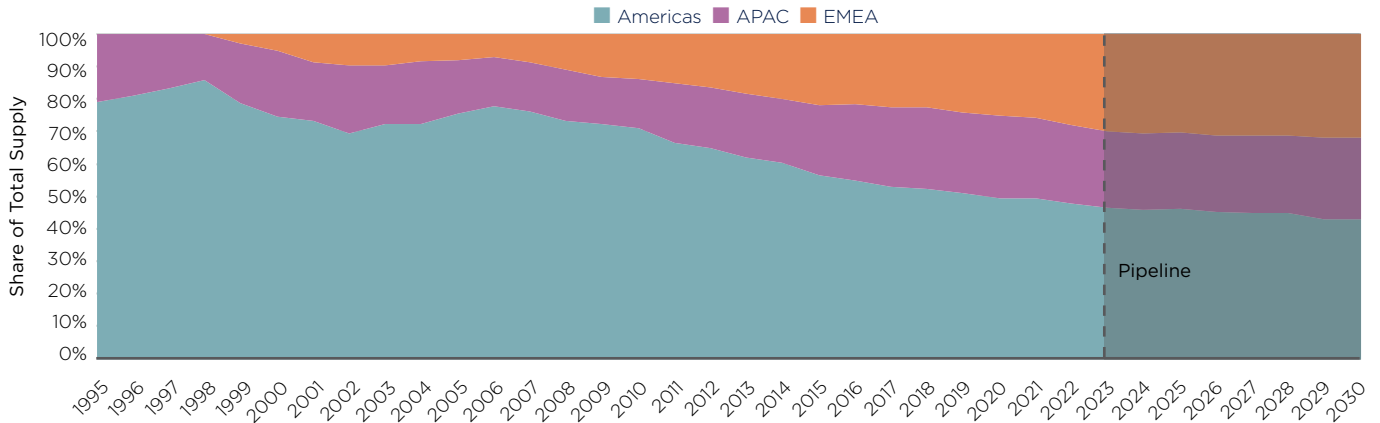
Branded Residences: EMEA



Rapid Expansion

The number of branded residences has grown quickly across the widely varied locations within the EMEA region

Branded Residences Schemes by Completion Year



Source Savills Research and Savills Global Residential Development Consultancy

After its establishment in North America, the branded residences concept gradually gained a foothold in EMEA markets – and it has subsequently exhibited rapid expansion since 2005. Growing from seven schemes in the region in 2005, the sector now accounts for 209 schemes and is forecast to expand a further 83% by 2030.

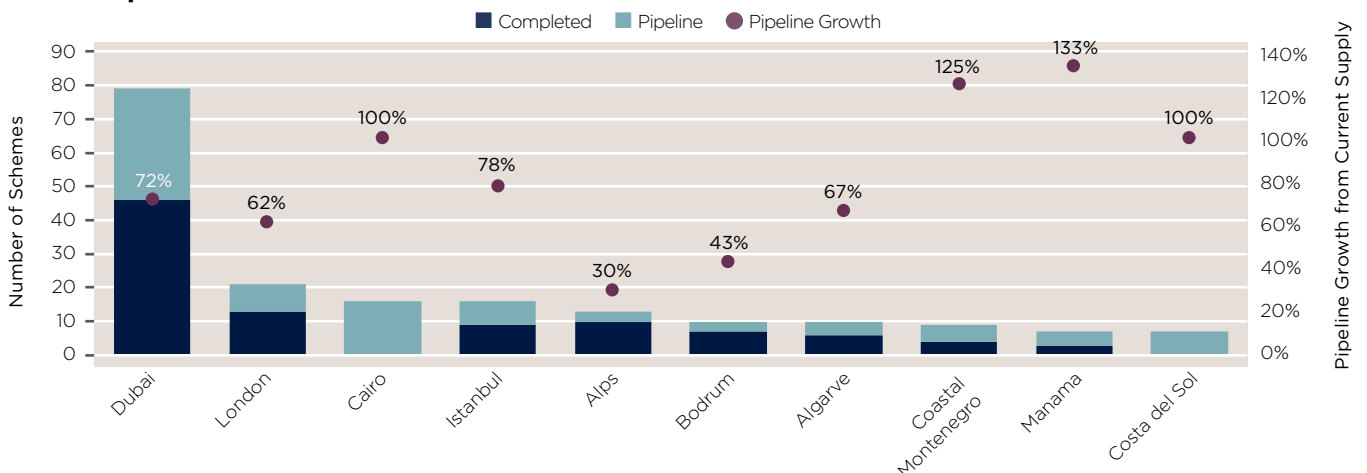
The locations across the region which show the highest concentration of branded residences are as widely varied as the climates within it. From established locations such as Dubai, London, and the Algarve, to emerging centres such as Cairo, coastal Montenegro, and Manama in Bahrain, branded residences are expanding their reach and entering new

markets. Many emerging markets across the region are forecast to see increases in supply of 50% or more through the pipeline period, though many locations are growing from a comparably lower base. Established markets and many world cities are forecast to see slightly lower growth as brands face significantly more competition from non-branded, luxury housing in desirable, prestigious and historic neighbourhoods which offer a great mix of amenities and lifestyle.

Dubai has the largest number of completed schemes and the most schemes in the pipeline for any market within the EMEA region, with projected growth of 72% over the pipeline period. A strong domestic and international supply of buyers searching

for trophy assets with lock-up-and-leave potential have boosted the growth of branded residential schemes in Dubai over the past decade. Second in the rankings for completed and pipeline schemes is London, which also benefits from strong domestic and international interest in the sector. However, schemes in London must compete with branded and highly-amenitised non-branded stock across the prime neighbourhoods for a limited number of buyers; as such, many schemes opt for top-of-the-line amenities and service as a point of differentiation. Meanwhile, markets with fewer projects in their networks, such as Bahrain and Montenegro, exhibit impressive, triple-digit growth, though they are growing from a much lower base.

Top Locations for Branded Residences - EMEA



Source Savills Research and Savills Global Residential Development Consultancy



Mandarin Oriental Residences, Vienna

Chain Scale Composition

The level of competition is clearly visible when examining the regional sector by chain scale. Branded residences have historically been led by luxury hotel brands, and remain as such, though brands in other segments are increasingly capturing market share as the supply of branded residences grows. Across the EMEA region, branded residences from the luxury and upper-upscale chains account for nearly three-quarters of the total stock through the pipeline period. These properties tend to be in urban or urban-resort locations, with

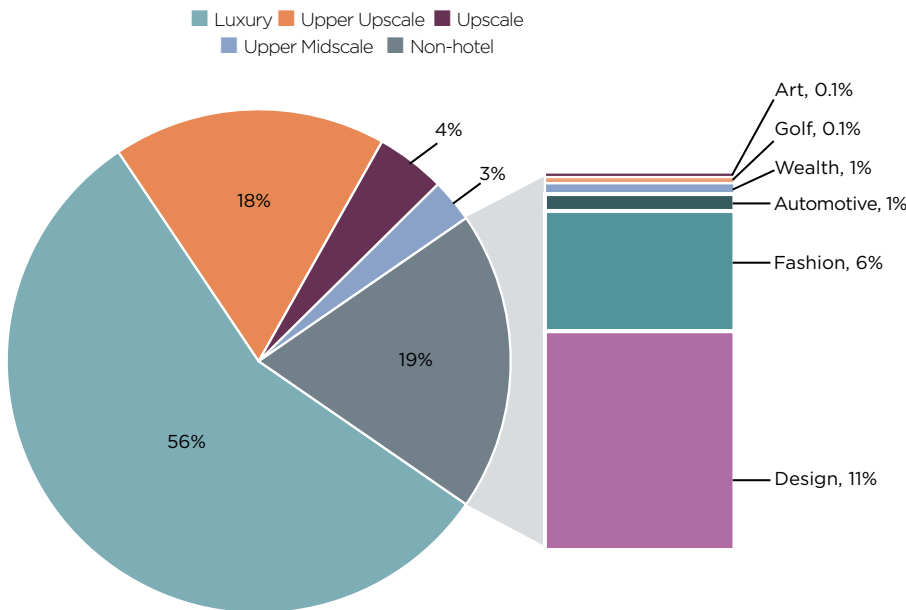
62% of the total schemes in such locations. However, all the hotel chain scales are continuing to expand their presence in the region, with each chain scale forecast to nearly double the number of properties existing in each category by 2030.

There is also an increasing number of active brands in the non-hotel segment, from design and art brands to fashion and automotive brands. Increasing interest from non-hotel brands in the branded residences sector demonstrates the attractiveness of the model and that buyers are not limiting themselves to established hotel players.

As the sector continues to grow in emerging markets and matures in more established locations, it is likely that branded residential projects will continue to diversify. Hotel brands will continue to appeal to buyers looking for the service offering that co-located schemes can provide, even at a time when standalone branded residences are also gaining traction. At the same time, non-hotel brands are becoming increasingly appealing for buyers looking for a trophy asset with specific design, service, or amenity elements from their chosen brand.

Branded Residences by Chain Scales EMEA

Hotel and Non-hotel Brands



Top Brands by Completed Schemes

EMEA	
Hotel Brands	Non-hotel Brands
Fairmont	YOO Inspired by Starck
Four Seasons	YOO Studio
St. Regis	Versace
Swissôtel	Trump
Six Senses	Roberto Cavalli

Source Savills Research and Savills Global Residential Development Consultancy



Six Senses Residences London at The Whiteley, UK

Price Premiums

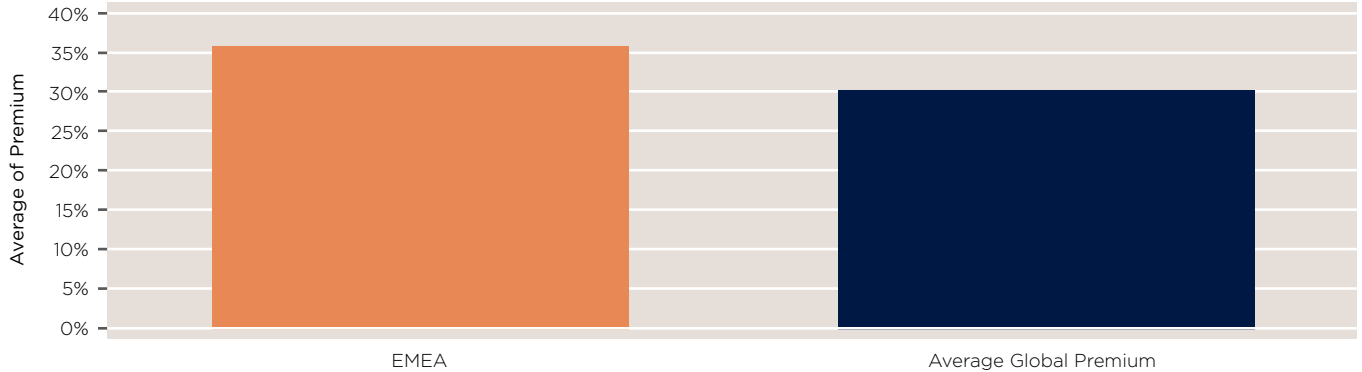
When compared to non-branded stock in many markets, branded residences can command price premiums though these vary by location and market maturity. Established markets with a strong supply of high-quality amenities and exceptional build quality may exhibit a lower brand premium compared to emerging markets where the average

quality, specification, and servicing for non-branded product is of a lower tier. For emerging locations with limited options for wealthy buyers, branded residences can command attractive premiums, making them appealing for both developers and brands while retaining their appeal for domestic and international buyers.

Across the EMEA region, the average

brand premium stands at 36% compared to non-branded stock, and six percentage points above the global average of 30%. Emerging markets, however, can command a much higher premium than can be achieved in established markets or global cities. Ultimately, each market is unique and Savills possesses a customized, premium analysis model to evaluate local premiums.

Average Price Premiums – EMEA Region and Global Average



Source Savills Research and Savills Global Residential Development Consultancy

Outlook

Branded residences, as a segment of the EMEA residential property sector, are predicted to continue their extraordinary growth. Brands across the globe continue exploring new locations to grow their market share. Internationally mobile individuals, able to live and work from any location, will also continue to drive demand for branded residences. Rising numbers of wealthy individuals globally will likely create a new source of aspirational HNWIs who will look to have a base in Europe. Across the EMEA region, the number of HNWIs has grown by 27% in the past five years, providing an expanding client base for branded residential schemes. From global cities and established markets, to resorts and emerging locations with their wealth of newly affluent buyers, the opportunities for branded residences remain strong.

Brands are seizing these opportunities and expanding their portfolios across the region, with supply of schemes projected to grow 60% by 2030. More flexible working patterns and the focus on wellness will also likely continue to support the expansion of the sector in leisure destinations along the coasts as well as in ski resort markets.

The branded residences sector has long proven resilient and adaptable to adverse market conditions, offering security and reliable quality to buyers and attractive returns to developers and brands. With a strong and geographically-diverse pipeline across the region, as well as the continued commitment to the sector from developers and brands, branded residences as a property class is expected to maintain its impressive trajectory.



For more detail on the global branded residences environment and to read our Developer Roundtable, please see our main publication by scanning the QR code



Savills World Research

We're a dedicated team with an unrivalled reputation for producing well-informed and accurate analysis, research and commentary across all sectors of global property.

Eri Mitsostergiou

Director
+30 69 4650 0104
emitso@savills.com

Kelcie Sellers

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

Savills Global Residential Development Consultancy

Savills Global Residential Development Consultancy (formerly known as International Development Consultancy) provides market data driven consultancy to developers, investors and brands in luxury residential and resort markets across the world. Services include pre-acquisition development consultancy, project feasibility studies, brand premium analysis and a range of branded residential consultancy services. Since 2007, Savills Global Residential Development Consultancy has provided consultancy services for over 250 prestigious branded and mixed-use projects throughout the world.

Louis Keighley

Head of Consultancy
Global Residential
Development
+44 (0) 20 7075 2833
lkeighley@savills.com

Rico Picononi

Director
Global Residential
Development
+44 (0) 20 7016 3759
rico.picononi@savills.com

Peter Grmek

Associate Director
Global Residential
Development
+44 (0) 20 7330 8664
peter.grmek@savills.com

Savills Global Residential Development Sales

Andrew Hawkins

Director
+44 (0) 20 3320 8298
ahawkins@savills.com

Harry Philpott

Director
+44 (0) 20 7409 8135
hphilpott@savills.com

Savills Global Residential Network

Jelena Cvjetkovic

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