



Swiss luxury living costs went down in 2010!

Stonhage published in October 2010 this year's Stonehage Affluent Luxury Living Index (SALLI) Switzerland, which decreased on average by 6.2% in the 12 months until the end of August 2010. The luxury consumer benefited from a strong Swiss Franc against other world's leading currencies. Compared to the Dollar, the Swiss Franc strengthened by 3.6% and relatively to the Euro even 15%. The fall of the SALLI in 2010 follows a decrease of 6.2% in the previous period (August 2008 – 2009).

Stonhage is a multi-family office based in Switzerland and its SALLI methodology independently verified by Professor Geoffrey Wood of the Cass Business School. The index measures a basket which consists of approximately 50 goods and services on a "per use" weighted average basis.

The biggest drop of 10.8% within the index we can find in the luxury consumable sector, which contains restaurants, wines, cigars and premium food. Prices for Swiss housing (property rentals in Geneva and Zurich) and family expenses, such as costs for health, schools and household staff, fell slightly (-3.1%). Thanks to a strong Swiss Franc, travellers from Switzerland could benefit from lower travel prices. The travel sector dropped 8%. The categories investments of passion (e.g. cars such as Porsche Cayenne and Aston Martin, watches as Rolex Cosmograph Daytona and IWC Portuguese) and as well as culture, entertainment and recreation decreased about 7.2%, resp. 6.9%.

Whereas the Consumer Price Index of Switzerland increased modestly about 0.3%, the SALLI dropped significantly in the same period. Luxury consumers in Switzerland could mainly profit from the strong Swiss currency, while the inflation in Switzerland was moderate and the global economy still weak.

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