



SOLRE

THE LUXURY HOME OF TODAY

AN EMBODIMENT OF THE MOST IN-DEMAND
LUXURY AMENITIES FOR TODAY'S LIFESTYLES

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STATE OF LUXURY REAL ESTATE

SOLRE | MAY 2022

Welcome to new insights from Luxury Portfolio International.® We have taken a bold approach to this second installment of the State of Luxury Real Estate 2022 research. In these pages we have distilled the essential amenity and feature needs for high-luxury homes to identify the trends among buyers and sellers, and to create a visualization of what the Luxury Home of Today may look like.

Our companion study, *Three Truths for Luxury Agents of Today*, dives into the preferences of luxury homeowners when selecting an agent to list or buy their next home.

All told, the trends are pointing to a happier, healthier consumer than what might be expected after two years of COVID-19. The lifestyle attitude they portray is a blend of contentment, playfulness and self-expression. We find this is reflected also in the way that they use their home: elevated outdoor spaces, greater focus on at-home entertainment and a well-appointed kitchen for bringing family together.

That is not to say there are no issues.

Home security remains a top priority, and concerns over potential COVID-19 shutdowns also fuel fears for increases in crime where consumers live. As much uncertainty exists in our world today, consumers counter the trend with a renewed focus on wellbeing, whether it be physical or mental health.

On the horizon, we see sustainable amenities and features as a driving force in property distinction. We are beyond the critical mass required for the continuation of the trend, and certainly this aspect of the Luxury Home of Today is central, and not peripheral.

Many thanks to Chandler Mount, principal researcher for Luxury Portfolio International and CEO of Affluent Consumer Research Company. Once again, he has found deep, actionable insights from a rare and valuable data source. Please make yourself at home with this latest piece of primary research and apply it to your go-to-market strategy.

Mickey ALAM KHAN

President, Luxury Portfolio International

Instagram: @MickeyAlamKhan



The Luxury Home of Today:

1. Security and self-sufficiency are top priorities in the next luxury home.
2. Sustainability is a key differentiator in luxury homes. Basic features such as energy efficiency will suffice for now, but more fundamental expressions will be needed in the future including design elements and building materials.
3. At-home entertaining is coming back – formal living and dining rooms, a chef's kitchen with dual luxury brand appliances, a dedicated wet-bar and an outdoor kitchen all top the list.
4. Indoor styling is moving outside. In addition to the outdoor kitchen, buyers want a pool area with lounge seating, fire features, smart technology and wireless Internet.
5. The Great Outdoors calls as buyers seek grassy yards and areas for gardening. Whether flowers, edibles or the stones found in a tranquility garden, buyers love bucolic scenes.
6. Lifestyles are dominated by a pulsation of active and idle time. Buyers love reading, learning new skills and contemplative time in relative quiet and solitude. When that is over, they love being active, spending time with family, exercising or training and using the latest in at-home technology to recover more quickly.



The Luxury Agent of Today:

1. Name recognition is critical – most buyers go directly to who they know, be it a firm or an agent.
2. Presentation of self, especially on Web sites and social media, plays a key role in the search for an agent. Audit yourself with an eye toward demonstrating your approach to marketing, your bona fides in real estate and your community connections.
3. Clients want an assessment, not an opinion. This requires agents to be well versed in understanding the client, the market and to have the right affiliations, network connections, information and sense to make-and-inform accurate decisions.

METHODOLOGY

Seven Trends Defining the Luxury Home of Today

The State of Luxury Real Estate 2022 (SOLRE) research spans 20 countries and 4,673 interviews among high-income (top 5 percent) and high-net-worth individuals (USD \$1 million or more). It fields data collection in the fourth quarter each year and focuses on luxury home (USD \$1 million or more) buyers' wants and needs, preferences and lifestyle. The report you are reading now is a companion to the annual SOLRE report, issued in December 2021.

The Luxury Home of Today reports from the heart of the luxury market to describe and detail what consumers deem to be essential features of the home and life.

Research spans:



20
COUNTRIES



4,673
INTERVIEWS

Global Luxury Buyer of Today Snapshot

Net Worth ex. Primary residence =

USD \$4.7 million

Next Primary residence =

USD \$4.9 million

Three Truths for Luxury Agents

The Luxury Agent Preference Survey is a companion study to SOLRE 2022. It includes 291 U.S. consumers from the Top 10 percentage ZIP codes by home value, per state for a total of 3,044 locations surveyed. Insights were drawn from those who live in USD \$1 million+ primary homes and bought or sold residential real estate within the past three years (n=127).

Research includes:



291
U.S. CONSUMERS



3,044
LOCATIONS

U.S. Audience Snapshot

Median net worth (excluding primary home) is

USD \$3.25 million,

with an average of

USD \$19.1 million

Median primary home value is

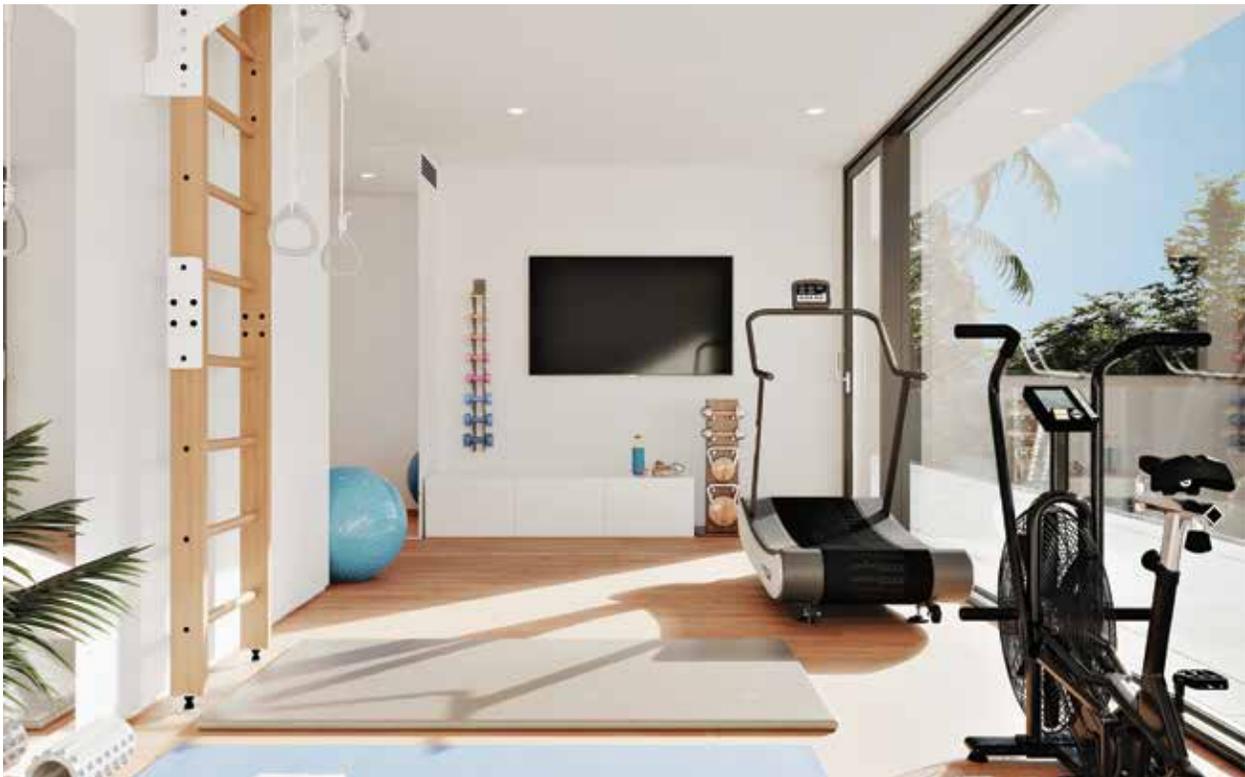
USD \$2.25 million,

with an average of

USD \$6.8 million

2022 LUXURY HOME OF TODAY

Luxury Portfolio International has compiled data from a global survey of high-net-worth individuals in 20-plus countries to glean the top home demands of this segment of the real estate market, from architectural style to décor to kitchen amenities. This invaluable information was used to create these renderings of the ideal home that encompasses everything these buyers are looking for in 2022 – LPI’s first-ever **“Luxury Home of Today.”**





Computer generated imagery provided by Visual Studio

SEVEN TRENDS

DEFINING THE LUXURY HOME OF TODAY



TREND #1

Living Life Light and Breezy

Buyers of the Luxury Home of Today desire a life that is playful, joyful and satisfying. They expect that their home will reflect not only their success, but that it represents their happiness and contentment in life.

The Luxury Home of Today is serving the needs of buyers who want to enjoy their life, one that they have been intentional to create a balance in work, leisure, relationships and purpose. In other words, the buyers are not only financially successful people, but are also artists at the game of life. The home, therefore, is expected to reflect their nature.

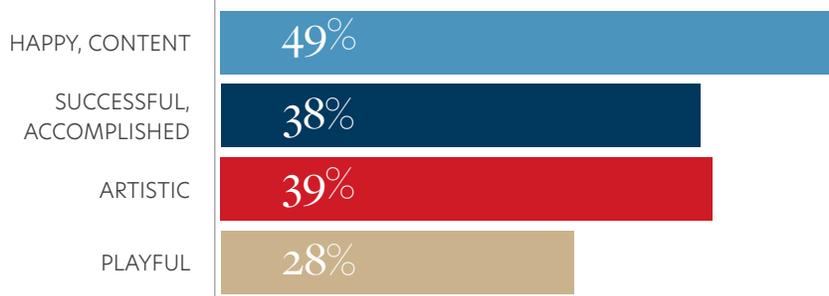
Neighborhood

Beautiful View
Walkable/Bikeable
Co-working Space Nearby

Night life
Schools

Shopping
Short Commute

Most Popular Descriptions Buyers Want Others to Have About Them | LUXURY HOME BUYERS



Strongest Feelings Associated With the Home | LUXURY HOME BUYERS



TREND #2

The Outdoors are Reimagined as an Adult Playscape

The Luxury Home of Today will deliver on the trend of elevated outdoor experiences at home. Years of pandemic-related lockdowns have contributed to consumer desire to have more options for fun at home. Since it has not been possible to go outside in public without masking and distancing on the mind, luxury homeowners are seeking an outdoor escape that is close to home.

Each home is as unique as its buyer: some desire a grassy yard, others a sprawling garden or even a small orchard on the estate. For others, the backyard is the entertainment area: a pool surrounded by a patio or terrace with a fire feature, outdoor kitchen and bar, and the integration of modern technology.

Modern technology is a theme throughout the Luxury Home of Today. Outside, this includes energy-saving solar panels and smart home technology and Wi-Fi that extends the conveniences of home.

Essential Outdoor Amenities

Cabana	Outdoor bar	Solar panels/Smart technology
Fire feature	Outdoor sink	Vegetable garden/Orchard
Grass/Yard	Patio/Terrace	

Most Popular Architectural Styles | LUXURY HOME BUYERS



Most Popular Design Styles | LUXURY HOME BUYERS



TREND #3

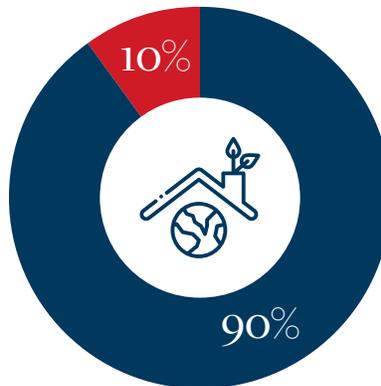
Sustainability Features are Distinctive Elements, not an Afterthought

Modern luxury home buyers consider their environmental impact when finding a new home. Owners who have invested in solar panels and energy-efficient appliances did so because it mattered to them. They may consider it the best feature of the home. More than half are willing to pay a premium for the most in-demand features.

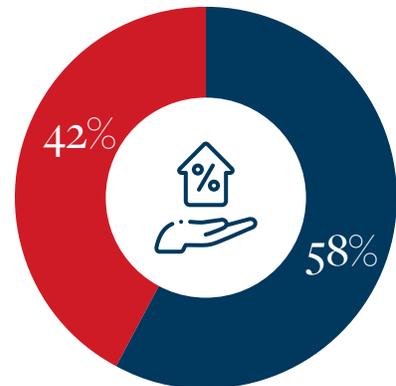
Sustainability in Real Estate | LUXURY HOME BUYERS

■ YES ■ NO

Does environmental sustainability factor into your home search criteria?



Would you pay a premium for a home with important sustainability features?



The Luxury Home of Today will have to go a step further than solar panels and energy-efficient appliances. Next-generation luxury homes are constructed to a higher standard, with sustainable and non-toxic materials front and center. These investments are supplemented by an ongoing desire for sustainability at home, with luxury properties having a composting area where food waste can be turned into gardening super fuel.

Essential Sustainability Features

- Composting
- Non-toxic building materials
- Non-toxic design materials (e.g., paint)
- Sustainable building materials (e.g., rescued, recovered and renewable materials)

LIGHTING, SHADING, SOUND, SECURITY:

KEY ELEMENTS OF WELLNESS IN THE MODERN HOME

Before the concept came home, the idea of a building's ability to create wellness — in quantifiable, measurable terms — first began to take hold in commercial spaces several decades ago with an initial focus on lighting.

Numerous studies found that the right light could actually boost worker productivity — blue light that mimicked daytime sun yielded positive results. The notion made sense — after all, modern humans spend 90 percent of their time indoors, a radical and relatively recent departure from the manner in which our ancestors lived.

LIGHT THE WAY

Bio-centric lighting that aligns with human circadian rhythms has proven beneficial in other ways, too.

“Circadian rhythms are 24-hour cycles that are part of the body's internal clock, running in the background to carry out essential functions and processes,” according to the nonprofit, Sleep Foundation. The ramping up of energy as the sun rises, followed by a period of maximum wakefulness

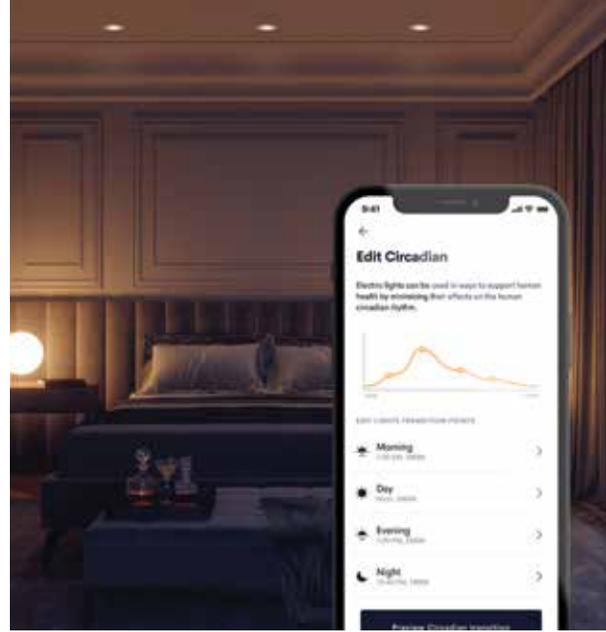
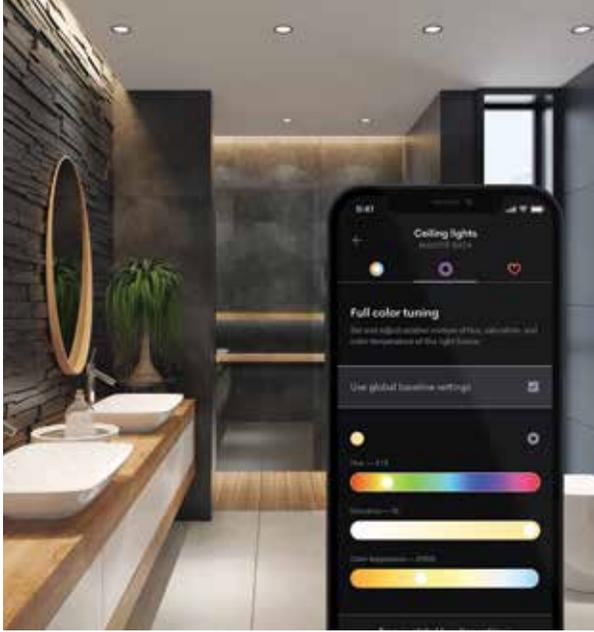
and then a transition into a restful evening is baked into our DNA.

As our understanding of light's impact grew, the fixtures that provided that light evolved as well, eventually yielding LED technology that was “tunable.” Those types of fixtures had been gradually making their way into residential applications prior to the arrival of the pandemic. But after COVID-19 struck and more people focused their attention on their homes, demand began to increase sharply.

Tunable LED lighting options, such as those you will find in the Crestron Home ecosystem, give the occupant of any building full control of those fixtures and bulbs. They can also be automated — even matching aspects of actual daylight in parallel with the sun with devices such as Crestron's SolarSync.

Of course, these advancements all work best when there is some kind of actual daylight in a home.

Victor Menendez, residential products manager at Crestron, speaks to technology installers and homeowners on the subject regularly.



"I very much talk about the importance of the connectivity to the outside," he said. "I sit next to a window all day, and I'm very connected to it. I feel the sunlight – it's incredibly important."

When Mr. Menendez is talking about holistic building solutions, he begins with allowing as much daylight into the structure as is possible – and that is an area where automated shading solutions can come into play.

NATURAL STIMULI

The connection to the outdoors does not stop with light alone – views of nature and its attendant sounds are part of the wellness package. There are all manners of stimuli that enrich the feeling of "home as refuge," and sound – whether it is the trickle of a stream or the right environmental music – can transform, say, a luxurious bathroom into a truly spa-like space.

But proper placement and calibration of the speakers and amplifiers delivering that audio are vital to that experience, since many contemporary homes are full of hard, reflective surfaces that can create a harsh audio experience.

"The first rule of thumb is to provide as much absorption as possible," said Crestron's audio guru, Ekin Binal. "These unwanted reflections can lead to distorted audio and the optimum way to counter this is to limit reflections – and the best way to do that is to absorb as much of that first reflection, the initial reverberation, as possible."

Upholstered furniture, drapery and even paintings on canvas can absorb audio waves.

"Diffusion is another option – using surfaces to capture and break up the audio waves," Mr. Binal said. "Finally, DSP (digital signal processing, found in Crestron's whole-home audio systems) is always available to tweak the audio output for a given environment."

Beyond sound, lighting and shading, a host of other technology applications can contribute to the creation of a home that offers the chance to rest, recharge or even work in a more healthful manner.

"I was asked by a trade magazine what would surprise people most to find in my book and I responded, 'smart home technology,'" said Jamie Gold (CKD, CAPS, MCCWC), author of *Wellness by Design: A Room-by-Room Guide to Optimizing Your Home for Health, Fitness and Happiness*.

"Technology, like leak detection and air and water quality monitoring and management, can certainly contribute to peace of mind."

Preserving that peace extends to security, too, and not just physical elements such as locks and surveillance.

"Wellness also means protecting your privacy and data when your home is connected to the Internet," Ms. Gold said.

Learn more about Crestron's smart-home products [here](#).

TREND #4

Wellbeing is the Antidote to Uncertainty

The Luxury Home of Today will be expected to deliver a profound sense of peace as buyers demand calm, tranquility, relaxation and healthy living right at home. Three out of four luxury home buyers expect their next home to have **three or more** fitness and wellness amenities.

The global wellness economy reached an estimated¹ USD \$4.4 trillion in 2020, with wellness real estate growing 22 percent from 2019 buoyed by COVID-19-induced understanding of how the physical space that one inhabits can affect wellbeing. Luxury homes in the future will incorporate more features of personal wellness than current luxury homes.



¹ Global Wellness Institute, The Global Wellness Economy: Looking Beyond COVID, December 2021.

TREND #5

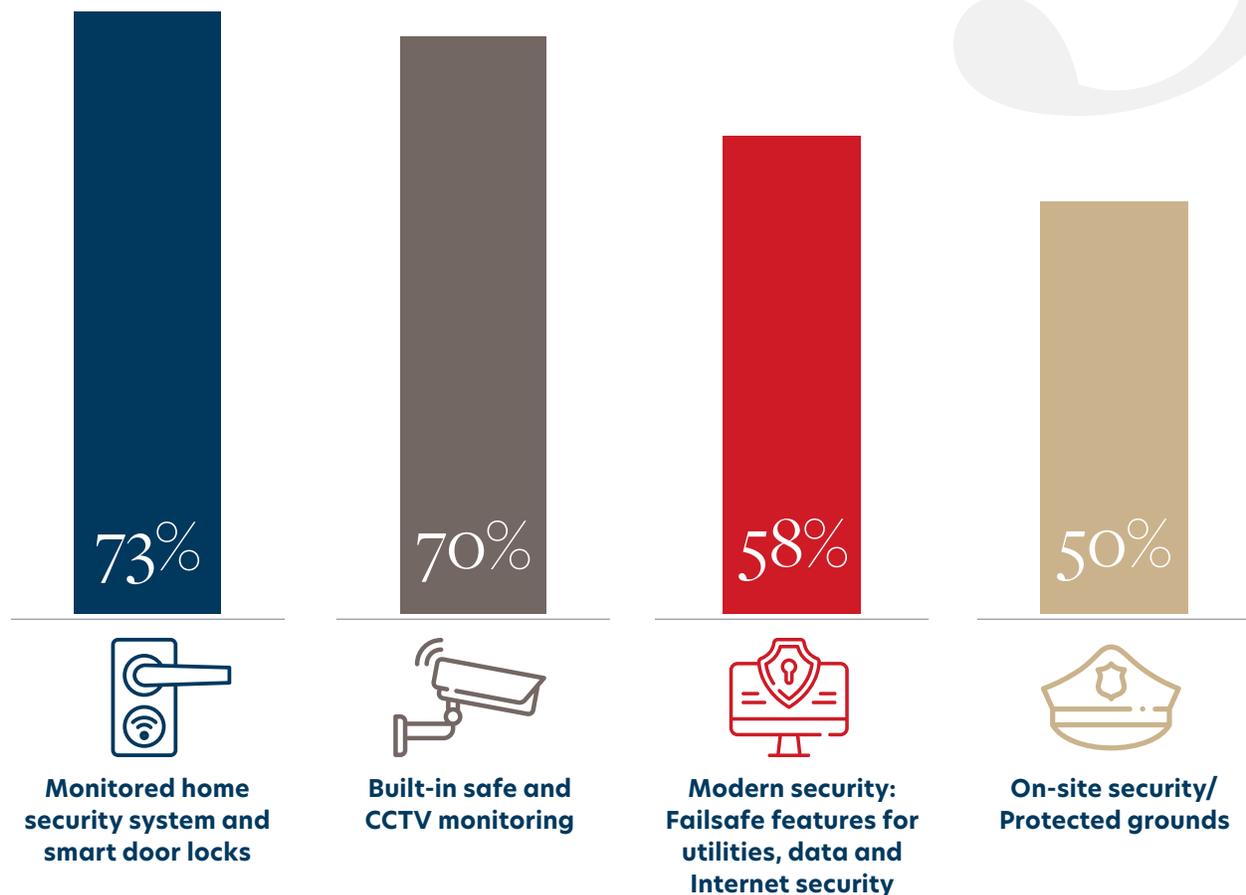
Home Security Extends Beyond Alarm Systems

A common thread in the Luxury Home of Today is its elevated security for the owner. Luxury buyers find it more important to manage access to the property and to have greater resilience to modern threats.

The trend is strongest among those with high concern over potential COVID-19 shutdowns leading to increased local crime. Climate change and rising rates of cybercrime also shape this defensive posture.

As a buyer's need for amenities increases, so too does his or her level of concern with the state of the world.

Essential Home Security Features | LUXURY HOME OF TODAY



TREND #6

Gadgets Make a Kitchen Memorable

The kitchen has long been considered the heart of the home – a fixture that brings together family and friends to share a meal. The kitchen has evolved from a humble, downstairs feature to an ornate amenity suited to both entertainment and daily family living.

The Luxury Home of Today doubles down on this crucial area of the home, while another significant trend is emerging: the formal dining room is, once again, important to high-end home buyers.

Luxury Home of Today: Essential Kitchen Features | LUXURY HOME BUYERS

CROWD PLEASERS: Dedicated wet bar area + Formal dining room + Luxury-brand kitchen appliances

DOUBLE DUTY: Dual refrigerators + Dual kitchen island/breakfast bar + Separate catering or clean-up kitchen + Dual dishwashers

PROFESSIONAL SETUP: Butler pantry/storage + Commercial-grade kitchen appliances + Separate outdoor kitchen

87%

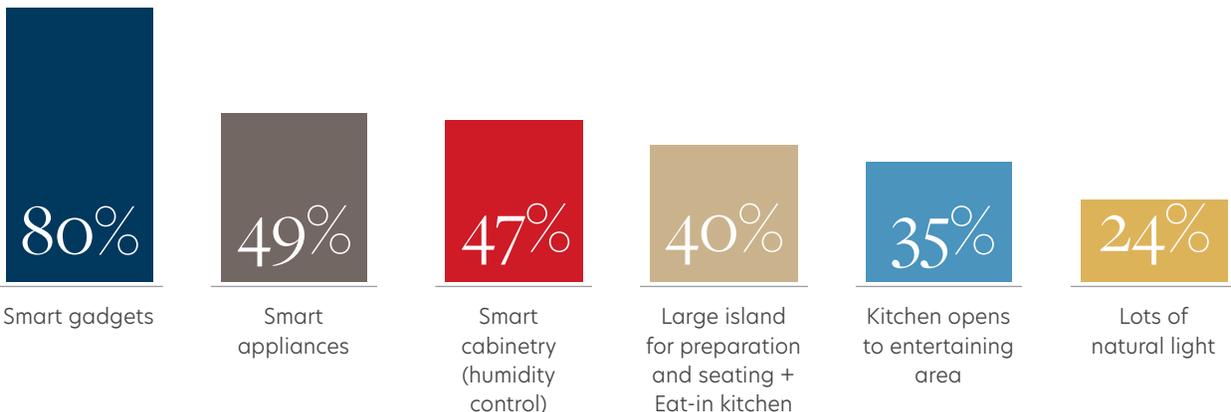
76%

66%

Looked at another way, improvements in the kitchen space are largely refinements on a concept rather than wholly reimaged innovations in the space.

The most in-demand feature of a new kitchen is its gadgetry – 80 percent deem this category essential. Smart devices, such as built-in coffee makers, cookers, blenders and cocktail mixers, create distinctive images in the mind of buyers.

Luxury Home of Today: Smart Gadgets Distinguish a Kitchen | LUXURY HOME BUYERS



TREND #7

At-Home Services Growing in Popularity

The past two years have launched the digital revolution forward by a decade. More consumers are using app-based services to fetch food, beverages and any number of packaged goods. Contactless payment is here to stay. Even automobiles are being bought online without ever visiting a showroom. This is all in addition to what Amazon.com has done to retail shopping.

Ecommerce is now estimated to account for 13 percent of the total U.S. retail sales,² or USD \$874 billion per year. Amazon's 2021 revenue is reported as USD \$242 billion in product sales,³ or 28 percent of the U.S. ecommerce market.

The Luxury Home of Today will make it easier for owners to outsource everyday chores to willing participants in the local economy.

The growing at-home service is a personal chef who can design a healthy eating plan and also deliver the goods. Future buyers expect that they will have a kitchen well supplied for outside help and, in some cases, a secondary kitchen for outsourced food preparation.

Service

Chef's kitchen
On-site chef/Healthy eating plan



² Estimated Quarterly U.S. Retail Sales: Total and Ecommerce <http://www.census.gov/retail>

³ Amazon Quarterly Results: ir.aboutamazon.com/quarterly-results



TECH-FORWARD CO-OWNERSHIP MODEL *takes service to the luxury level*

Owni ng a luxury second home in a beautiful destination truly enhances the vacation lifestyle. But a second home also comes with the hassle and stress of maintenance. Or at least it used to.

Co-ownership, one of the fastest growing trends in the real estate market, is becoming the smartest way to vacation. It is the ultimate way to simply show up and relax in the comfort of your own home.

“Co-ownership opens up fantastic opportunities for homeowners and agents alike,” said Chris Bond, a Realtor with Keller Williams Real Estate. “It’s a win-win model for everyone. This is a trend that we can all expect to grow.”

It is no surprise that data shows 27 percent of luxury homebuyers seeking a second or vacation

home are interested in co-ownership. Additionally, this is significantly higher for luxury buyers than non-luxury buyers.

Defining co-ownership

This new and emerging model is taking the promise of service to the luxury level. Although some might have heard the term ‘co-ownership’ before, it is completely new or unfamiliar to many others.

In a co-ownership model, companies select and purchase the ideal home and then allow co-owners to purchase shares at a fraction of the whole home price. Companies servicing the luxury market such as Ember, a vacation home experience company, provide high-end, professionally designed vacation homes in destination locations.

Homes frequently come with private amenities such as pools, hot tubs and entertainment spaces, plus value-added benefits such as dedicated owner storage and high-end appliances and finishes.

“Co-owned homes allow you to enjoy the convenience of nightly rentals with the economic benefits of true ownership,” said James Sukhan, cofounder of Ember.

“Our model provides completely turnkey residences that are professionally designed and furnished at a fraction of the home’s total cost,” he said.

“With an Ember home, we take care of everything and make the choice of when to spend time in your home a breeze, too.”

Mr. Sukhan added that Ember provides a thoughtfully-designed

app so owners can log in, view the calendar and schedule a stay up to 24 months in advance – the epitome of convenience for many busy professionals.

Modern, maintenance-free vacation living

Luxury co-ownership streamlines vacation home ownership by stripping away the burdens of a second home and instead providing white-glove property management. With a luxury service, each home includes a designated property concierge.

The home's co-owners can forget about lawn care, pool maintenance and cleaning. The property concierge manages every detail of the property and is available around the clock.

Each state-of-the-art [vacation home](#) is ready the moment a party arrives. The professionally designed interiors are fully furnished. The custom landscaping is picture-perfect. Owners enjoy a complete audio-visual setup, fresh linens and a stocked kitchen with all the dishes and cookware needed to host Thanksgiving dinner.

Throughout the stay, the concierge is on call and ready to fix leaky faucets, Wi-Fi outages or appliance issues should they be needed.

And after the visit, the home receives a professional cleaning top to bottom. The pool and lawn are maintained. The gutters are cleaned. And any needed repairs are completed.

End-to-end concierge services and top-notch amenities are not just about simplifying logistics and providing an immaculate stay. Homeowners who choose to invest in a vacation home with all of the bells and whistles are instead choosing to focus on the real investment – spending quality time with their family and friends. Now that is what a vacation should be.

Luxury meets logic

Co-owners can typically purchase between one and four shares in their dream vacation home, which grants them exclusive access from 45 to 180 nights per year – all while enjoying the benefits of real homeownership. This model

perfectly aligns the availability of the buyer and the desired ownership share.

In fact, the average vacation home is occupied for just five to six weeks per year. Many experienced buyers do not like the idea of their prized vacation home being empty and collecting dust for more than 80 percent of the year.

Now, families can purchase one-eighth of a home, spend one-eighth of their time there and only pay for one-eighth of the home's value and ongoing costs.

This co-ownership opportunity may not be for everyone. But the affluent second home or vacation home buyer may be open to this exciting new intersection between luxury living and the common-sense logic of co-ownership.

If your clients are interested in learning more, visit emberhome.com to view available ownership interests in luxury vacation homes from Newport Beach, California to Bend, Oregon and beyond.





AFFLUENT BUYERS
WANT HOMES THAT ARE
SMART AND SAFE FOR
FAMILY AND PLANET

Luxury homebuyers have been putting more consideration into every detail of their abodes, with a few key amenities and features emerging this year as top priorities.

Overall, the affluent are after the simple things at home – safety, comfort, control and fun – and want to integrate modern technology anywhere and everywhere that it can help to amplify them.

View to kill

When it comes to the structure itself, buyers like a variety of styles, but the majority lean towards Mediterranean, Tudor and modern architecture.

Regardless of the façade, the surroundings are equally important, with 59% of luxury buyers saying they must have a beautiful view.

The preference is for that view to take in nature at its best: more than half of buyers want a home that looks out over mountains, forests or at least a park.

On the inside, the perfect home has either an eclectic, coastal, midcentury or bohemian style in a neutral white, black and grey palette. The most important space is a family room for everyone to gather together.

Togetherness reigns outside as well.

Comfortable seating and heating options are must-haves, and cabanas, fire features and entertainment areas in the yard top the list of amenities perfect for outdoor festivities.

Well, well ...

Back inside, 75% of luxury buyers expect that their home will have three or more features geared towards wellness – something that has become more important for everyone in the last few years.

These amenities include a home gym, yoga or Pilates studio, massage room, indoor pool or spa and private gardens for a touch of tranquility.

Many affluent consumers are also looking to add an in-home personal chef to cook healthy meals for

the whole family, and want a separate kitchen for them to do work.

In the main kitchen, 80% of buyers need built-in gadgets and smart technology along with high-end or commercial grade appliances and a dedicated wet bar area for entertaining.

A separate butler's pantry and clean up space are also on the list to keep clutter out of everyone's favorite room.

Technology elsewhere in the house is essential to keep the family safe.

A monitored full-home security system, built-in safe and even cyber protections are necessities for the majority of buyers.

LAST, BUT NOT LEAST, sustainability is on nearly every luxury homebuyer's mind. Indeed, 90% say that sustainability is a major factor in the next home that they purchase, and 58% are willing to pay a premium for it.

Energy efficient design is the most sought-after sustainability measure. Having built-in composting capabilities, non-toxic building and design materials and eco-friendly building materials are all of utmost importance in a luxury home.



THREE TRUTHS

FOR LUXURY AGENTS OF TODAY

TRUTH #1

Name Recognition is Mission Critical

A firm's brand name and brand promise are critical for success in luxury real estate. Luxury home buyers go to who and what they know, first. Eight-in-ten (81 percent) go directly to a known source of information such as a local company, a friend in the industry or an agent brings them a pocket listing.

In fact, more buyers are likely to go directly to the source rather than using a third-party aggregator such as an auction or listing Web site (65 percent).

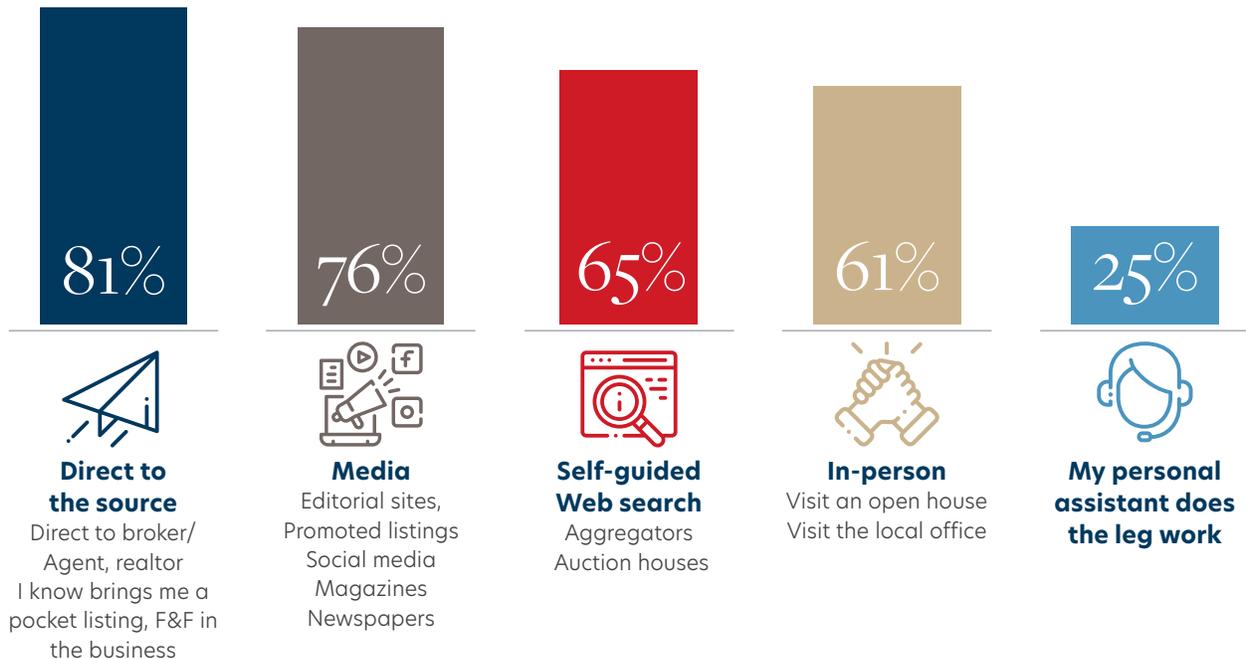
The Luxury Home Agent of Today will effectively **cultivate community** through satisfied clients, sponsorships and participation in the social scene. These three activities can position the agent by referrals from clients, building name recognition and delivering proof in public actions.

The Luxury Home Firm of Today will **message consistently** because media exposure is cumulative, meaning that a multichannel approach is necessary to maximize reach and frequency of brand exposure. This goes beyond a specific property. It is the driver of local and feeder-market brand awareness.

Resources Used to Shop for Residential Real Estate | U.S. LUXURY HOMEOWNERS

Marketing more than a property: agent and agency brand name recognition is as important as media placements

What resources do you use to shop for residential real estate?



Source: Affluent Consumer Research Company; U.S. Luxury Homeowners (n=127)

TRUTH #2

Every Listing is a Job Interview

The Luxury Home of Today will be listed and sold by agents who effectively demonstrate why a prospective client should choose to work with them. Luxury buyers agree on two primary factors in how they select their agent: by their character and by the proof points.

When we say **character counts**, we mean prospective clients want agents who they describe as trustworthy, honest, reliable and responsive. In effect, clients say *professionalism* is more important for an agent than *charm* (100 percent and 76 percent,

respectively). Clients and agents both benefit when the agent is well trained and practiced in the functional operation of real estate transactions.

This leads us to **proof points** that reinforce an agent's bona fides. Prospective clients look for how agents present themselves online as an indication for how they might represent their listing, read testimonials and seek references from past clients. A self-audit of online presentation, including personal and professional Web sites and social media, could help catch an out-of-date or low-resolution photograph or even reveal negative comments that can be addressed.

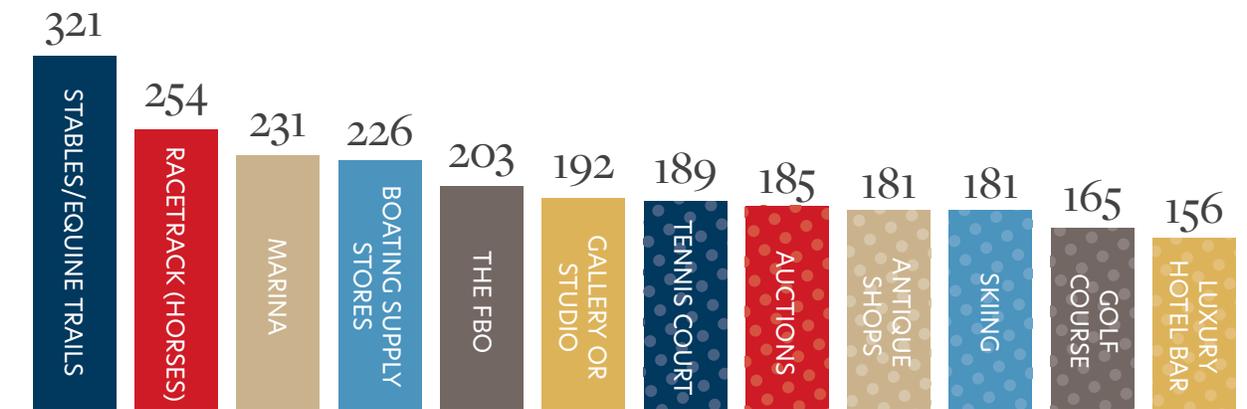
Clients expect to build trust with agents, and this is achieved through mutual disclosure of

information. For the client, it means sharing the truth about how they live and what they need. For the agent, this means describing experiences in succinct stories and vignettes.

The **S.T.A.R. method** – Situation, Task, Action and Result – works well in telling business-related stories. Typically, months of work can be distilled into two or three sentences about a circumstance, the agent's actions and the result that he or she produced.

Building trust is comfortable in natural environments. What can a member of society do in your local area? Connect with what they care about, so long as your interest in it is also genuine.

Where do You Spend your Free Time? | INDEX OF USD \$15M+ TO U.S. LUXURY HOMEOWNERS

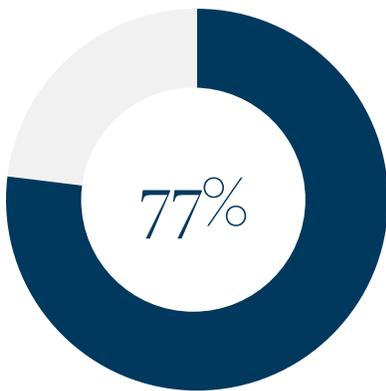


Index where 100 means equal levels for both USD \$1 million/USD \$15 million or more.
Source: Affluent Consumer Research Company; U.S. Luxury Homeowners (n=127)

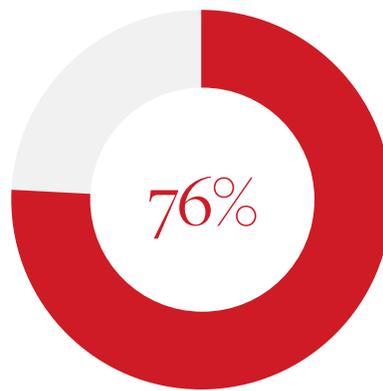
TRUTH #3

Clients Want an Assessment, Not an Opinion

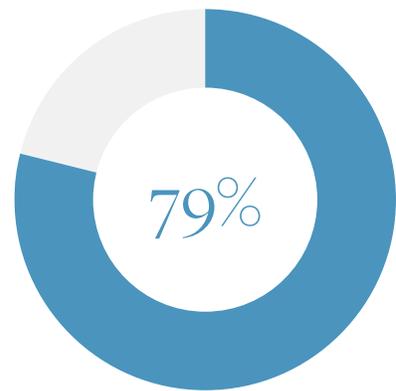
The Luxury Home of Today will be listed and sold by agents who possess emotional intelligence regarding listening and facilitating a decision. They will be embedded in the social community of the prospective clients. They will communicate for impact, meaning that each sentence builds on the last to reach a meaningful point.



Three quarters (77 percent) of prospective clients want an agent who is **well-versed** — one who uses data and insights to inform decisions and takes time to listen and understand the clients' need. This objective, data-driven approach is a defensible strategy that elevates an opinion to an assessment.



Equally important for prospective clients, an agent who is **well-connected** (76 percent) is in high demand. The well-connected agent has a strong network of buyers, sellers and agents. They will be a known entity within the client's circle either socially or professionally because it is less risky to work with someone of good repute.



Finally, the agent's performance must be **well-executed** (79 percent), meaning that communications are clear, simple and impactful. Whether in writing or in speech, the content is free from unnecessary adjectives and jargon, and is made with a purpose.



Some agents ask for **testimonials or referrals** from their clients. Having this in mind at the onset of an engagement can focus an agent on transactional efficiency while delivering a sublime experience to the client.

CONNECTIONS AND COMMUNICATION

ARE WHAT GAIN CLIENTS



The job of a real estate agent is to sell properties, but in the luxury sphere, they must sell something else first: themselves.

To get the job of selling luxury listings, agents have to show homeowners that they are the right person for it by building up their brand, connecting with clients and proving their professionalism.

Name brand

Name recognition is critical in luxury real estate – affluent buyers and sellers stick to what, and who, they know.

Sixty-one percent of potential clients go straight to the source and visit a local brokerage office or open house in-person. They often choose which one based on their knowledge of the brand, be it brokerage or person.

Media exposure is key in building up a brand. Seventy-six percent of luxury buyers and sellers shop through media, and not just by seeing paid advertisements.

Potential clients learn about an agent's business through social media posts, magazine articles, newspapers and editorial Web sites. Good public relations practices will land brokerages, agents and properties in articles that highlight what they have to offer and come from a trustworthy source.

Affluent buyers and sellers also know how to do their homework, and say they check up on an agent's "proof points" before choosing one – their online presence, both professional and personal, and testimonials or references from previous clients.

Agents must keep their message consistent across every media channel to build a cohesive brand since clients are likely to see some or all of them.

Like-minded

Although many aspects of a real estate transaction have gone digital, still nothing can beat good old-fashioned word of mouth.

When it comes to choosing an agent, 81 percent of affluent clients say they use someone they already know – an agent that they have worked with before, a friend of family member or a Realtor they know who brings a pocket listing straight to them.

Being well-connected will get agents far in the luxury world, as 75 percent of potential clients say that it is important to them.



Clients want the person they work with to have a network of buyers, sellers and friends in the local community, preferring someone who is at least known within their own professional or social circle.

Successful agents will meet clients where they are, participating in the community and in activities that they enjoy.

Topping the list of where affluent buyers and sellers are in their free time are equine stables and riding trails, racetrack, marina or boating supply store, tennis courts, art galleries, auctions and antique shops.

It will not matter how many people an agent knows, however, without the character to match their connections and contacts.

Luxury homeowners say they want an agent who is trustworthy, honest, reliable and responsive. All of them say professionalism is important.

BUYERS AND SELLERS want a data-driven assessment of the market and properties, not opinions.

Seventy-seven percent want an agent who is well-versed in deciphering information and 79 percent want communication to be clear and concise without extra fluff.

When it comes to luxury real estate, an agent's name and connections will get them in the door, but personality and professionalism will seal the deal.

KEY TAKEAWAYS

Key Takeaways for Luxury Home Buyers



The strongest emotional associations to the home include safety, comfort, control and fun. Buyers wish to project a sense of contentment and success.

The expectation for the neighborhood has all the benefits of city and suburban life: great schools and walkable communities in beautiful settings, while also delivering night life, restaurants and shopping nearby.

That which makes a home safe and under control is self-sufficiency. Drivers for the home of the future include sustainability technologies that ensure the safety of the structure and its inhabitants. Solar panels provide redundant, low-cost renewable energy. And, home security features use modern technology to reduce risk from outside.

Fitness and wellness amenities have made the “must-have” list multiple times for most buyers. The common theme: stress reduction.

Meanwhile, many are reimagining outdoor spaces as adult playscape which incorporates luxury amenities and modern technology.

Along these lines, gadgets in the kitchen and the desire for service providers at the back door adds up to an overloaded individual who seeks relief.

Home buyers are considering the total package when selecting a residence to purchase.

The reasons will vary from place-to-place and buyer-to-buyer, of course, but the underlying need for a holistic view of what living ‘here’ would be like is of paramount importance.

Luxury home buyers are indeed optimistic and will often find the silver lining in every situation.

It is not quite right to describe buyers as a Pollyanna, because despite their optimism, a great many are, ultimately, realists.

The results count the most.

The work-a-day world has unceremoniously become a daily occurrence at home.

The shift has, paradoxically, caused an enormous time crunch rather than granting people more free time.

The expectation is luxury homes can return time to the owner.

Property representatives who treat their destination like a docent at a museum can earn clients’ trust through storytelling.

Focus on the key elements:

- History or events
- Biography
- Heritage
- Unique attributes
- Sources of influence

Those sellers who have made sustainability and privacy part of their home are reaping the benefits now.

Respect the investments made by future-sensing owners. But also realize that what has already been done may not be enough for the future. Continue the trend of forethought and planning.

The daily rituals must be considered thoughtfully, for each member of the household.

Create the narrative of how you would start and end your day in the property and try to imagine how that would look.

Coffee in your oversized dressing quarters. A run and a steam in your gym. Work at your desk. Then, when the calls finally stop, step out into outdoor oasis. Use the outdoor kitchen and bar to enjoy the evening.

Key Takeaways for Luxury Home Brokers and Agents



Prospective clients say that they go directly to the source when shopping for residential real estate



Your people and brand work harder than your marketing



Prospects must **know your brand name** before they start looking

- Focus digital assets on reasons to choose you
- Be active in circles near prospects

Media placements are **cumulative**

- Individual channels reach 27-38 percent, but together they reach 76 percent of the audience

Prospective clients diligently check the bona fides of agents

Agents are marketing more than a property

How well do you ...?

- Share **memorable experiences** in the market (a brand story)
- Present yourself online: does your **digital presence** reflect your marketing savvy?
- Offer **proof points**: references, testimonials and sales record
- **Build trust** through reliability and affect (body language + clear communication)

Luxury home buyers and sellers want an assessment, not an opinion

Prospective clients answer key questions when deciding on an agent

- Does the agent have the right **network affiliations?**
- Does the agent have the right **references?**
- Does the agent **command their knowledge?**
- Does the agent use **data and logic** to make assessments?
- Does the agent **ask the right questions** to get to the right decision?



CUTTING-EDGE CGI FOR LUXURY REAL ESTATE PROJECTS

Computer-generated imagery (CGI) in real estate has become a must-have in recent years. It gives engineers guidance and allows owners to view a project before construction.

CGI can help the buyer to visualize the interior and exterior of the property, and allows creative staging for different seasons and at different times of the day.

The latest technology used in the real estate sector has let designers flourish.

In a world of NFTs and the metaverse we are seeing this trend go one step further. Just last year, the very first virtual property, known as Mars House, sold for more than \$500,000.

According to research, up to 75 percent of customers will not respond if an advertisement does not meet their visualization standards.

Using ultra-realistic renderings and 3D floor plans in your marketing can increase your chances of growth through potential buyers.

Visual Studio, a European firm, creates stunning property visuals to capture the imagination of buyers, working with developers and real estate firms for industry-leading CGI.



| visualstudio.sk/en



Below, Visual Studio founder Dávid Pečuch shares his industry tips for those looking to bring real estate projects to life through creative design.

Why should you have your project be designed by a professional?

First impressions count.

Hiring a team of professional designers to help you define your property or development style can help bring your project to life.

Speak to a firm which chimes with your head and your heart. Look for creative and unique ideas to create stunning results. Do not forget, a dream home is just as much about specifications and accessories as the overall design.

What makes the difference between average and more realistic, eye-catching visualization?

There are several rules I always adhere to when thinking about design.

I always put composition and lighting at the forefront to create realism and mood. It is the art of storytelling through imagery, which can breathe life into a project and create a true picture of it.

How you design your properties?

Have you ever walked into an interior which has absolutely enchanted you, where you just felt completely awestruck? Have you noticed details that you would never have thought of while furnishing it?

This is exactly what you need to consider when designing a project with spirit, style and timelessness.

Personally, I love natural materials in the interior and interesting green features to help complete the space.

I always try to perfectly map the needs of our clients. Then we transfer their dreams and ideas to the final design in the form of tasteful and beautiful spaces, while following current trends.

Visuals are becoming more photorealistic.

Every project is bespoke and should be approached with the greatest care to bring effortless style and exceed client expectations.



ALWAYS PUT COMPOSITION AND LIGHTING AT THE FOREFRONT TO CREATE REALISM AND MOOD



HERMOSA BEACH, CALIFORNIA, USA | \$8,950,000

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CHICAGO | 161 N. Clark Street, Suite 1200 | Chicago, IL 60601 | USA | +1 312 424 0400
LONDON | 1 Northumberland Avenue | Trafalgar Square | London WC2N 5BW | UK | +44 20 7872 5525
NEW YORK | 590 Madison Avenue, 21st Floor | New York, NY 10022 | USA | +1 212 521 4390
SINGAPORE | 1 Raffles Place | #20-61 Tower 2 | Singapore 048616 | +65 6808 6984

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