

REAL ESTATE

Affluent consumers look to feel happy about purchases above all else: report

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Property listing photo courtesy of Sotheby's

By BRIELLE JAEKEL

Privacy is now the most important factor for wealthy buyers when it comes to real estate purchases, according to Luxury Portfolio's 2016 Global Report.

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The research believes it will be a seller's market in the upcoming year, with almost 25 percent of wealthy consumers looking to purchase real estate, but only 18 percent looking to sell. Right next to privacy is United States consumers' interest in a master bedroom with a luxury bathroom at 60 percent and seclusion at 61 percent.

"It was fascinating to see that privacy is the most desired feature in real estate among the wealthiest buyers," said Stephanie Pfeffer Anton, executive vice president of [Luxury Portfolio](#). "The world today is so 'on display' that it makes sense but we were surprised to see it rank above other amenities."

Affluent values

More than 70 percent of global wealthy consumers believe that sustainable living is a top priority. For the wealthy U.S. demographic that percentage drops to 66 percent, but jumps up to 77 percent regarding non-affluent U.S. consumers.

Having a smart home is still a big draw for many affluent consumers, with 50 percent of wealthy U.S. consumers and 58 percent of global affluents claiming that that is important to them when purchasing a home.



Knight Frank Hong Kong real estate listing

Outside of the U.S. 45 percent of wealthy consumers plan to purchase real estate and only 23 percent plan to sell.

For affluent consumers making purchases relies on gut feelings rather than practicality. For instance, 62 percent of luxury consumers claim the most important aspect when making a purchase is happiness, 57 percent value feeling good, 50 percent want to have fun and 49 percent value an elegant setting.

Luxury real estate brands and other luxury goods manufacturers should tap into these feelings to continue tapping into the affluent consumers and establishing that strong bond.

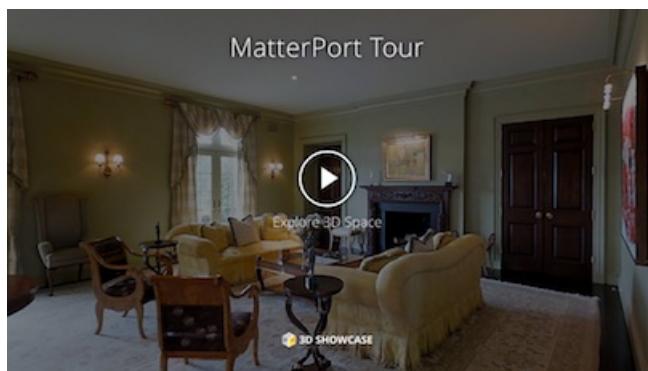
Independent vs. big real estate

Affluent consumers that claimed they were most likely to use an independent real estate company when making their next home purchase made up 63 percent. These independent firms ranked higher than Coldwell Banker, Sotheby's, Keller Williams and Berkshire Hathaway Home Services, which means big real estate companies need to refocus to compete.

For instance, Coldwell Banker Real Estate updated its Previews luxury program to ensure it meets the demands of today's global market.

The Previews certification program was upgraded to better prepare agents to serve affluent clientele through a combination of learning, networking and mentorship. Additionally, Previews rolled out a new Web site and is putting more focus on digital and print content to further its positioning in the upscale home space ([see more](#)).

Also, Sotheby's International Realty took a page from Google Maps and allowed interested buyers a chance to tour properties without leaving their homes.



Sotheby's 3D tour

The real estate firm is including an option to view listings via 3D and virtual reality capabilities in which users can tap around the screen to tour homes of interest. Viewable on smartphones, VR headsets and desktop sites, the Sotheby's 3D tour user experience resembles Google Maps, making it easy on new users ([see more](#)).

"Personal wealth continues to rise and the growing global affluent are confident and optimistic about their futures even amidst global challenges and negative media headlines," Ms. Anton said. "For them confidence in themselves and their choices is key."

"The more experienced luxury consumers seek out independent brands and define themselves by their high

standards and ability to appreciate distinctive goods and services," she said.

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