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REAL ESTATE

Luxury buyers prioritizing hosting amenities: report

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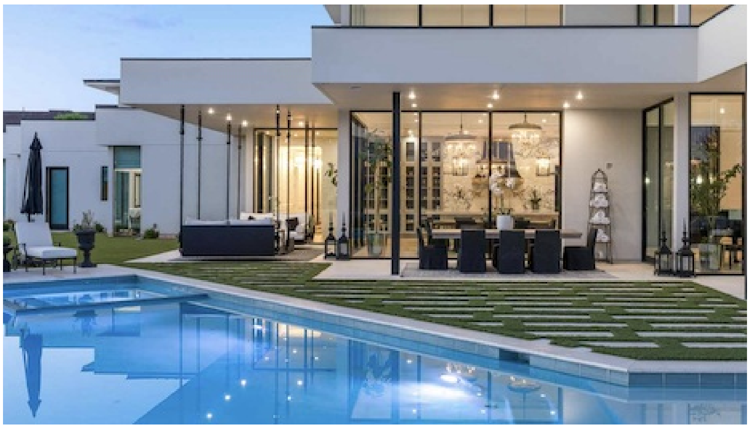
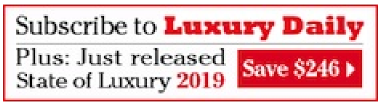


The Perspective report shows just how deeply the pandemic shaped luxury homes, as open spaces and pools become necessities. Image credit: Forbes Global Properties

By EMILY IRIS DEGN

Luxury real estate marketplace Forbes Global Properties reveals that the COVID-19 pandemic continues to shape luxury buyers' habits.



Findings for the new *Perspectives* report were drawn from the insights of more than 13,000 experts, spread across 22 nations. According to the analysis, the ability to host guests is driving the luxury real estate market, as buyers around the world recover from the height of the pandemic.

"We have to understand that the pandemic has changed in a profound way how people, globally speaking, think of life and business," said Loy Carlos, head of Serhant. Signature, New York City.

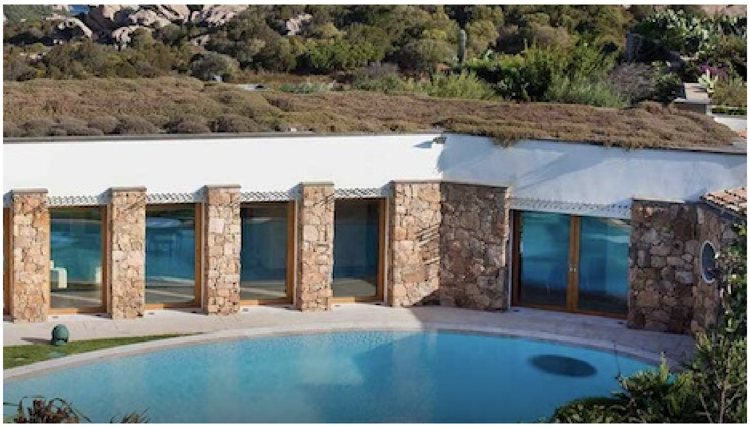
"...Part of the reason [behind it] is the philosophical change during the pandemic where we no longer believe we have to wait for retirement or when the kids are grown to move to states that have warmer climates," Mr. Carlos said. "Industries are popping up everywhere, and remote work also allowed people to move somewhere [that is] a better fit for their lifestyle.

"...Whatever the specific reason for the change, [there is a] reevaluation of priorities which I believe was precipitated by the pandemic."

House guests

With many still reeling from the effects of the health crisis and quarantining, luxury buyers are centering the ability to gather in their home spaces.

With this growing desire to prioritize hosting, buyers are increasingly wanting to buy homes with more spacious floorplans. Not only that, but the report indicates that the location itself is becoming increasingly more vacation-friendly.

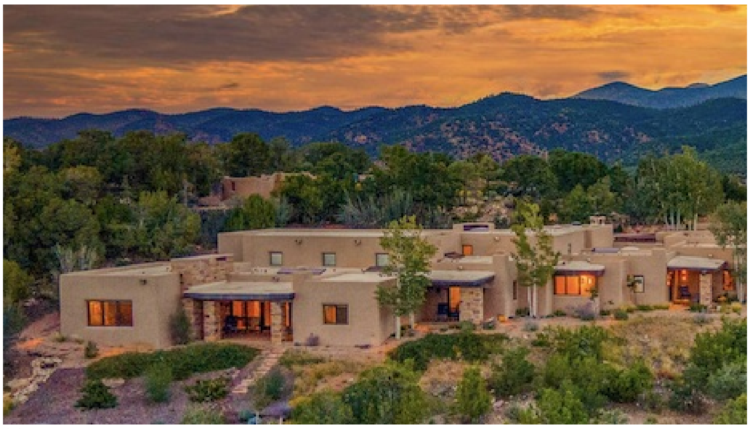


The most popular picks among luxury buyers are located in vacation destinations, benefiting both them and their guests. Image credit: Forbes Global Properties

Out of the 100 most expensive transactions in 2022, more than a third of them were situated in popular vacation spots. 58 of them were in major cities around the world, which so often draw in travelers wanting a culturally-rich vacation.

"Luxury real estate continues to command strong prices in the world's top major cities where the most affluent individuals are prioritizing outdoor living spaces and convenient access to lifestyle amenities that rival the most coveted vacation destinations," said Bonnie Stone Sellers, co-founder and chair of Forbes Global Properties, New York City, in a statement.

Miami, Melbourne and Dubai all experienced their biggest residential sales on record all extremely popular vacation spots. The American states of Massachusetts, Utah and Arizona also enjoyed record transaction prices, with the latter two being recreation-friendly and Massachusetts offering proximity to some of the east coast's biggest cities.

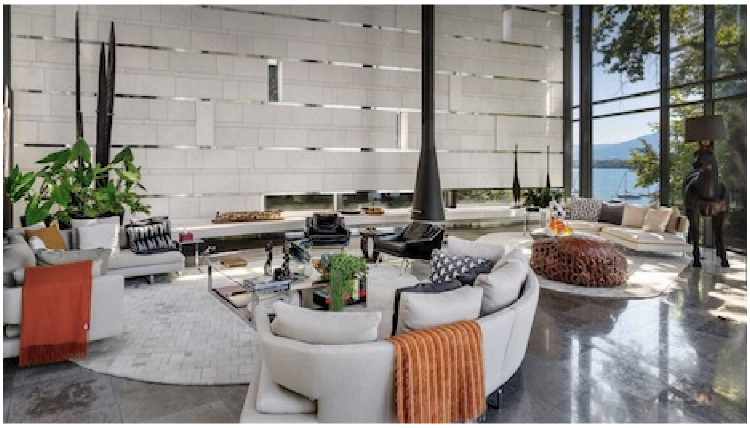


The report stresses the importance of recreationally-friendly locations, as buyers are increasingly wanting to live in upbeat destinations. Image credit: Forbes Global Properties

The 25 priciest homes surpassed $2.57 billion, representing transactions in sunny Florida, the star-studded Bel Air in California and beyond. The totals ranged from $72 million to $173 million.

The report highlighted the six most trending amenities, which included outdoor spaces, luxury lifestyle-friendly spots (such as good walking areas), more than one office, spacious floorplans, top-of-the-line kitchens, pools and gyms.

The pandemic's effects are apparent in this lineup. While one home office might have sufficed before the pandemic era, now, the need for multiple workspaces has increased as most homes have more than one remote worker.


Open floor plans are all the hype among luxury buyers, as entertaining climbs the list of priorities. Image credit: Forbes Global Properties

While luxury homes have always boasted amenities such as gyms, pools and outdoor spaces, the pandemic surely heightened demand, making similar perks into more than simply add-ons.

"For new condos, in-house restaurants and dining rooms with notable chefs are becoming less a luxury amenity than a necessity," Mr. Carlos said.

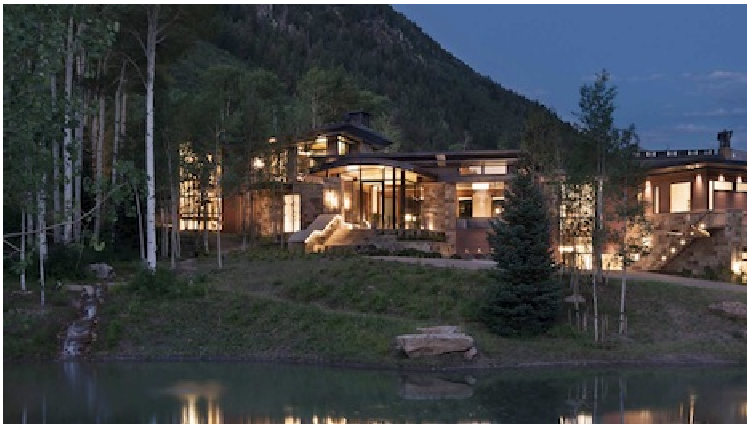
"...For houses outside, a ping pong table, pool and tennis courts are no longer enough," he said. "While we've seen them rarely in other houses, bowling alleys, arcade rooms, yoga studios, music rooms, squash courts, etc. are just some of those increasingly present in large homes.

"Baronial wine cellars, whiskey, cigar rooms and the like rival even top restaurants."

Financial fare

The report shows that luxury buyers are cushioned from the effects of the economic crisis at hand.

Due to the influx of wealth, these consumers are not hurt by inflation and interest rates. This is demonstrated by the top 20 most expensive transactions in 2022 rising by 34 percent, based on the last five years.


Thanks to the financial buffer that wealthy buyers have in times of economic crisis, expensive destinations continue to thrive. Image credit: Forbes Global Properties

This also comes to light through the fact that these buyers continue to flock to historically expensive areas, such as New York City (see story). California continues to be another big draw, despite the climbing prices in the face of the pandemic's devastation (see story).

"2022 was marked by a return to steady price increases and transactional volume following a period of unprecedented pandemic-fueled price appreciation," said Michael Jalbert, CEO of Forbes Global Properties, New York City, in a statement.

"63 percent of our markets experienced year-over-year price increases, and where declines were reported, they were modest, registering at or below 15 percent."

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