

REAL ESTATE

Luxury smart homes moving toward mass adoption: Coldwell Banker

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Tech and wellness continue to command the attention of luxury homebuyers. Image credit: Coldwell Banker

By EMILY IRIS DEGN

American real estate franchise Coldwell Banker's Global Luxury program is dissecting the domestic high-end home buying landscape.

From tech-enabled properties to the wealth-building habits of high earners and TikTok's influence on purchasing decisions, the company's latest Trend Report reveals the forces set to soon take over. Citing a renewed sense of optimism more than a third of participants in Coldwell Banker's survey believe that 2024 will be a better year to buy or sell a luxury property than 2023 the release features insights from top spenders that could help agents and other professionals navigate the new era.

"In contrast to the pandemic homebuying boom, we're seeing luxury homebuyers more than willing to wait to find the perfect house in 2024 that meets every single one of their needs, whether it's privacy, wellness amenities, lifestyle experiences, latest technology or a combination of all those factors," said Jade Mills, president of Jade Mills Estates and international ambassador at [Coldwell Banker Global Luxury](#), in a statement.

"Specifically, turn-key, move-in ready homes with easy access to the best luxury amenities provide buyers with instant gratification in attaining their desired lifestyle," Ms. Mills said. "Whether it's purchasing the home that has it all or upgrading their current home with trending features, I'm looking forward to seeing both buyers and sellers enjoying the decisions they make for their home this year."

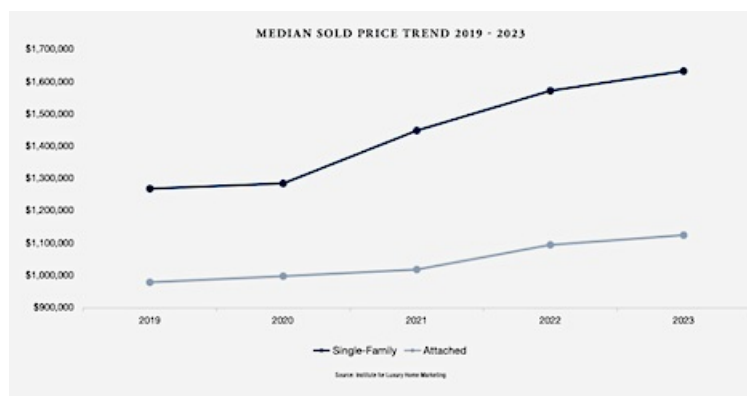
For the report, Coldwell Banker worked with specialists at the Institute for Luxury Home Marketing and Wealth-X, among others, to cull data from the top 10 percent of 126 U.S. markets. For the survey, over 1,000 respondents with household incomes of at least \$1 million, or who have either purchased a home worth a million or more or plan to soon, were reached between Nov. 27 and Dec. 11, 2023.

Home case

The report delves into real estate trends, market attitudes, luxury spending preferences and property investment patterns, noting that sales in the U.S. market during the last quarter of 2023 shot up 4.2 percent for single-family homes and 14.2 percent for attached properties year-over-year.

New listings for the former type of housing also spiked 14.2 percent, with a jump of 7.2 percent for the latter, on the same basis. The average survey respondent is looking to sell their luxury home before the year is up, specifically within the next 10 months.

The forecast grants an extended runway of opportunity to industry players, granted a few trends are taken into consideration.



Prices are steadily climbing in real estate. Image credit: Coldwell Banker

This segment of top spenders is reported to be more selective than before, favoring homes that offer wellness elements, lifestyle experiences, privacy, garage space, great views, the latest technology and, the most important perk to buyers, a desirable location. Of this group, 45 percent stated that this last point is top-of-mind for them when choosing a place to live.

Price comes in second as far as priorities go, with 39 percent of luxury respondents pegging it as their biggest concern.

And where does this demographic want to buy? That would be the American West Coast, where they hope to secure a mid-sized to large contemporary-style home.

However, many are looking to invest abroad. Just like last year, 40 percent of those surveyed stated that they plan to buy a home internationally within the next five years (see story), most of whom eyeing Europe, as 29 percent of luxury consumers indicated North American nations and the Caribbean were the target spots of 28 percent and 23 percent of the group, respectively.



International spenders vary in nationality, with those in the top 5 percent mainly hailing from the U.K. Image credit: Coldwell Banker

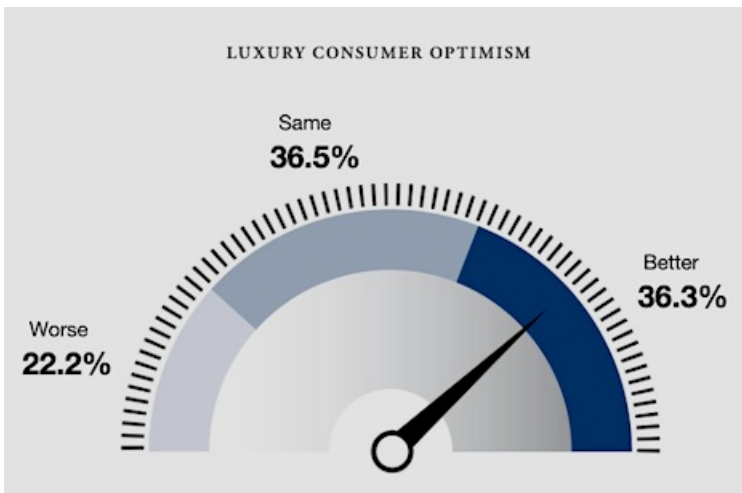
Wealthy citizens of other countries are also coming stateside, as the U.S. continues to be a beacon for investors (see story). In 2023, the number of international purchasers snagging residences in the top 5 percent of the market grew by 25 percent.

New York, Los Angeles, Miami, San Francisco and Washington D.C. are, unsurprisingly, the favored cities to buy into, each known for being hubs for commerce, entertainment and technology.

On this final point, Smart Homes are among the major themes that Coldwell Banker expects to shape the 2024 real estate market.

High-tech security systems, energy-saving solutions and smart lighting are the top three most wanted fixtures among luxury consumers. But preferences vary between generations, with buyers above 45 years old prioritizing convenience and those aged 35 to 44 years old putting health tech systems like water analysis sensors and air quality control first.

The youngest of spenders, those between 18 and 34 years old, want privacy and security above all else.



Optimism is climbing when it comes to market outlook. Image credit: Coldwell Banker

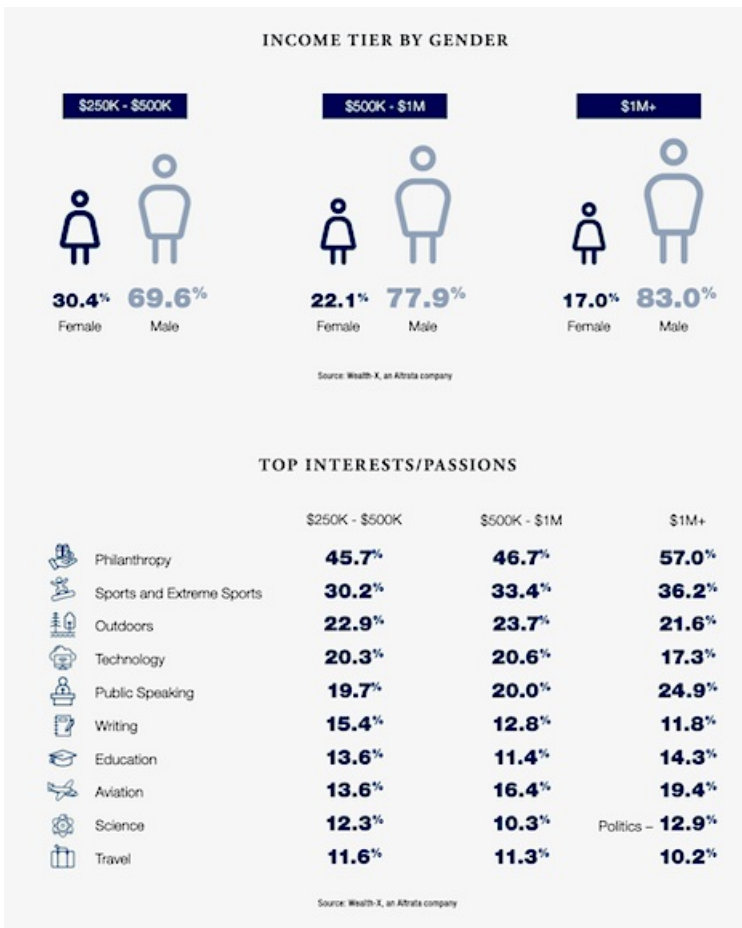
“After a year of high-interest rates, housing shortages and conflicted consumer sentiment, it’s encouraging to see such a positive outlook on the luxury real estate market for 2024,” said Michael Altneu, vice president at Coldwell Banker Global Luxury, in a statement.

“If lower mortgage rate trends combined with the new inventory momentum continues, luxury homebuyers could be inspired to move forward with their next home purchase,” Mr. Altneu said. “As they prioritize new amenities, features and even explore overseas options for their next property, I’m excited to see our Coldwell Banker Global Luxury Property Specialists guide both buyers and sellers to achieve their dream homes.”

The HENRY factor

According to Coldwell Banker, the “one demographic to watch” is the HENRYs, or the High Earners Not Rich Yet population.

This group is made up mainly of millennial and Gen X individuals whose salaries are increasing but who have not been able to amass wealth yet due to spiking expenses and a lack of assets. Over the next five years, they are expected to get over the hump and become first-time luxury homebuyers.



HENRYs are mainly male, ranking philanthropy and sports as their biggest interests. Image credit: Coldwell Banker

Leaning mainly male and metropolitan, with an average age of 43, HENRYs and their preferences are set to make waves in the industry.

One of these preferences of the increasingly powerful and young population is finding home inspiration on social media.

Digital platforms now play a "tremendous role" in property purchasing. Instagram and YouTube have each influenced 45 percent of luxury consumers to buy their dream house, and TikTok has done so for 44 percent of homebuyers.

Gen Z and millennial spenders are especially drawn to the third site, using it to connect with agents and learn more about the market.

Sixty-four percent of those between 18 and 24 years old state that they have been inspired by social media to secure "a particular type of home." Sixty-eight percent of this population specifically points to TikTok as being behind their purchase, making it a sure factor in shaping the year ahead.

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