

REAL ESTATE

## Significance of luxury real estate to the global high-net worth

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Much has been made about the devaluation of the word "luxury." However, the word still denotes status in much of the world. What has changed as economies ebb and flow is that each region's high-net-worth individuals develop their own relationship with the role that luxury plays in their lives.

Luxury real estate, in particular, has become more than a lavish place to live, developing into a haven where high-net-worth individuals go to feel secure, comfortable and exclusive.

How do these individuals view luxury real estate?

Luxury real estate represents more than just a place to live. It is an investment and a status symbol.

As the wealthy global population continues to grow, many high-net-worth individuals seek to add additional real estate to their portfolio, both as vacation homes and investments.

It is predicted that buyers will outnumber sellers by a 3:2 margin in the coming years and much of the activity will come from the Middle East and Asia Pacific regions, according to data from the Luxury Portfolio International Global Real Estate **Report** with information from Luxury Portfolio International and market researcher YouGov.

Owning luxury real estate, especially in status destinations around the world, is considered a way to improve one's quality of life.

Both Middle East and Asia Pacific buyers see living in these locations as both a financial investment and a measure of achievement and success.

Luxury consumers in these areas are more interested in moving to another country and are more likely to own property abroad.

In these emerging luxury economies, high-net-worth individuals express that owning luxury properties or goods symbolizes status.

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For older luxury markets in North America and Europe, the idea of status connects more directly with personal achievement.

For younger buyers, status also equates to exclusivity.

The most discriminating buyers are looking for products and services that help them define their identity and express themselves in a unique way. They seek an experience that is uniquely tailored to them.

#### Value of privacy

In the last few years, the issue of privacy has become increasingly important to high-net-worth individuals.

Worldwide, 82 percent of buyers expressed that their privacy has never been more important to them.

Luxury buyers are beginning to seek out security features that allow them to monitor their homes remotely.

High-net-worth buyers are also extremely cognizant of the risk posed by identity theft. Their home technology desires match that need.

Luxury consumers value centralized networks to securely control smart-home and Internet connections.

#### Finding value in luxury real estate

The global real estate community has shared struggles over supply and demand and we see consistent trends and interest from luxury consumers all around the world.

Luxury buyers are interested in modern design, latest technology and homes that reflect current trends. They seek both convenience and security in equal measure and homes that reflect their lifestyles and values: environmentally conscious, technology enabled and equipped to accommodate the needs of multiple generations.

LUXURY CONSUMERS want homes that not just improve their financial portfolio, but contribute directly to their quality of life.

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