The latest trends in luxury -- and how they impact real estate

The personal luxury market is in a constant state of flux. From art to watches to wine, the luxury market responds to increasing consumer demands for accessibility, personalization and secure service. Here's how today's agents can respond to what consumers are looking for next.

Accessibility

ONE Sotheby's International Realty

Accessibility — that elusive blend of convenience and connectivity that doesn't undermine exclusivity — is surfacing in the luxury real estate industry in two significant ways.

The first is in the realm of digital technologies, which are already an intrinsic component of daily life

for the busy, connected consumer. Affluent customers expect the advantages of digital to carry over into the luxury market. McKinsey & Company predicts that by 2025, nearly one-fifth of personal luxury sales will happen online, while brands like Burberry are already leveraging innovative digital marketing tactics and offering ease-of-purchase solutions to capture the loyalty of affluent millennials.

With this on-demand landscape in mind, real estate agents should focus on being digitally present and promptly responsive. Can clients book an appointment with you online? Can they text or message you at any time and expect your reply? Is browsing your listings as intuitive as shopping for personal luxury goods? Leveraging these tactics can ensure that as the move to online sales takes place, your service keeps pace.

For the luxury home buyer, accessibility can also mean proximity. Already accustomed to services on demand, these consumers are prioritizing living near city centers and close to their places of work, and look for amenities like gyms, parking, and restaurants within easy reach.

Security

Physical security has always been a luxury of sorts, but as more business and personal interactions are enacted online, total data security is more important than ever. Data safety is of particular concern for affluent consumers, who are risk-averse and vigilant about how and where their money is invested.

Fostering a sense of safety and authenticity is imperative for luxury agents, who already know the importance of building rapport and connection with clients. By also supplying expertise and discretion, agents can help clients feel secure in their decisions. To offer peace of mind about data protection, employ tools and practices to ensure your processes are safe from breaches: vet your vendors, protect your devices and enforce strong password policies. Be transparent about how this protects your clients.

Customization

Italy Sotheby’s International Realty

In the past, luxury was often associated with objects — the must-have handbag, the sports car. But in recent years, this focus has shifted: the emerging affluent demographic looks to luxury purchases to communicate their identity — who they are, what they care about, how their choices indicate taste and creativity and ethics.

This spotlight on personalization has bled over into how the modern affluent buyer chooses a home. Many affluent millennials are now focused on quality per square foot, and how a home suits their lifestyle. This means that the finer details of a home become paramount — better-quality fixtures, peak amenities, and location can sometimes trump square footage.

For agents, it’s critical to know your clients well enough to tap into their aspirations: it’s no longer enough to cast a general vision for a property. Instead, hone in on your clients’ future picture of themselves. Why this property in this neighborhood? Enhance home showings via the latest

technologies: augmented reality apps like Curate by Sotheby's International Realty can help clients envision a space with their own tastes at the touch of a button.

Today's shifting definitions of luxury can create challenges for agents who work in affluent markets — yet the opportunities presented by evolving consumer demand are numerous. Employing proactive strategies will help you build long-term relationships with these discerning customers.

About Sotheby's International Realty Affiliates LLC

Founded in 1976 to provide independent brokerages with a powerful marketing and referral program for luxury listings, the Sotheby's International Realty® network was designed to connect the finest independent real estate companies to the most prestigious clientele in the world. Sotheby's International Realty Affiliates LLC is a subsidiary of Realogy Holdings Corp. (NYSE: RLGY), a global leader in real estate franchising and provider of real estate brokerage, relocation and settlement services. The *Sotheby's International Realty* network currently has more than 22,000 affiliated independent sales associates located in over 960 offices in 72 countries and territories worldwide. In 2017, the brand achieved a record global sales volume of $108 billion USD. *Sotheby's International Realty* listings are marketed on the sothebysrealty.com global website. In addition to the referral opportunities and widened exposure generated from this source, each brokerage firm and its clients benefit from an association with the Sotheby's auction house and worldwide *Sotheby's International Realty* marketing programs. Each office is independently owned and operated.

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