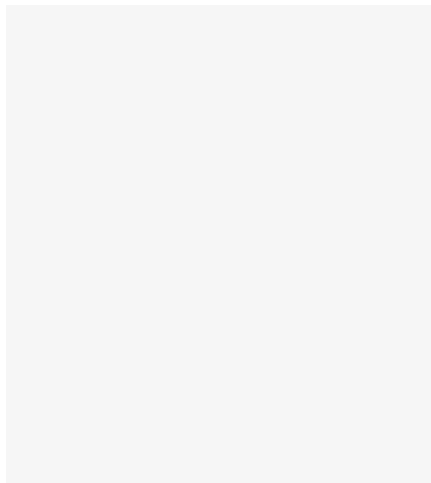


What the decentralizing of work means for your market (part 1 of 2)

Successful professionals in business and finance are some of the leading buyers and sellers of luxury real estate. And their lives have been changed by the rise of remote work, digital collaboration, and the decentralization of offices, with direct ramifications for their homebuying behavior. As many change location in search of more comfortable or convenient markets, agents are either coping with an influx or an exodus.



Eleanor Heyrich

“In many ways, the luxury market has been the sector most affected by remote work,” says Eleanor Heyrich, Real Estate Broker with Realogics Sotheby’s International Realty in Seattle, Washington “Luxury buyers are looking farther afield than they previously had, for larger homes than were popular a year ago, and luxury condos have been much less in demand.”

This changes how agents can best support their clients, according to Judge Moss, Senior Global Real Estate Advisor with Sotheby’s International Realty’s Palm Beach Brokerage. “Buyers can now look at homes or apartments not simply based on commute to work, and can apply more weight on other items, such as proximity to friends and family, schools, recreational activities, et

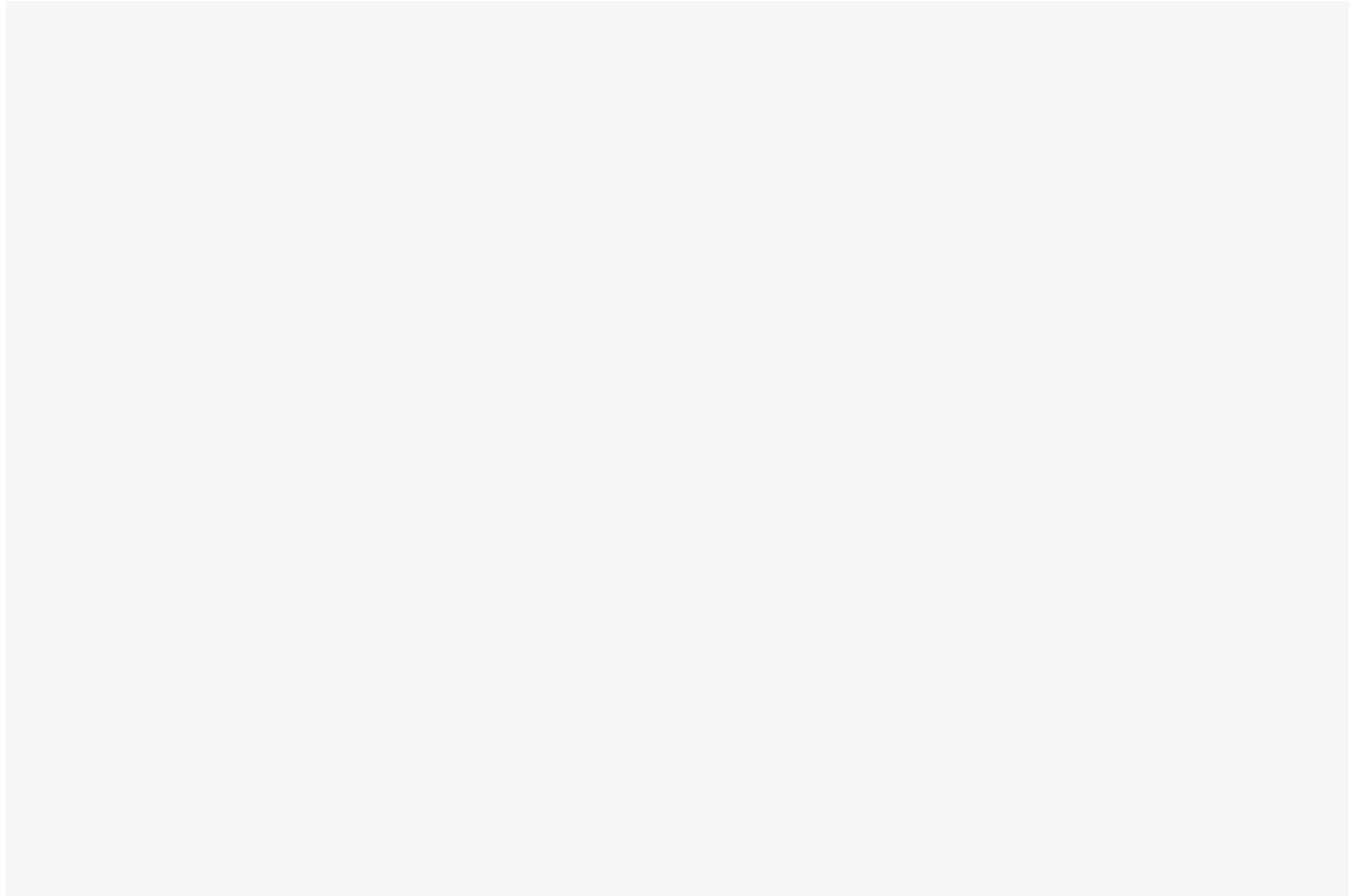
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cetera,” he says. “Agents should be able to present more options to their clients, rather than being limited to properties close to an office.”

Clients are working hard to achieve balance



Realogics Sotheby's International Realty

The shift to telecommuting has overhauled clients' needs, leading to some notable challenges. “It used to be that homes with oodles of interior square footage were almost a liability as people gravitated towards a streamlined in-city lifestyle,” says Heyrich. “These days, people realize they need larger homes — a couple can't necessarily get by with a two bedroom luxury condo when both people need their own home offices.”

But the counterpoint to this upheaval is the sense of liberation that it has brought, as Heyrich

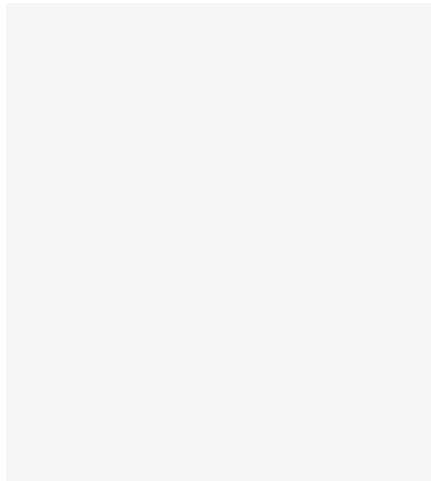
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describes. “Nearly all of my clients currently feel what I call ‘untethered’ and therefore their property searches feel that way too. I have several clients whose searches span multiple counties and property types. My clients are finding that they can live their lives on their own terms now more than ever and are taking the opportunity to do just that.”

A surge of these untethered buyers have made their way to Moss’s Palm Beach market, where the weather, recreation, financial incentives, and spacious homes with ample amenities make it an attractive place to relocate.



Herman Chan

But in markets like San Francisco, the opposite is often true. “The remote work trend has left a hole in the city, especially in downtown and FiDi, where I hear almost 90% of employees can work from home,” says Herman Chan, Real Estate Broker with Golden Gate Sotheby’s International Realty.

“In contrast, the surrounding five counties are busier than ever. A lot of young tech workers can now work anywhere, so they are packing up and moving where they want, be it back where they grew up, or in the nearby suburbs. Last year at this time, there were 400 condos for sale in San Francisco. Today there are over 1,100. Meanwhile anything with a yard and pool outside the city is commanding multiple offers.”

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“For urban agents with buyers seeking condos, now is your time to swoop in and be a hero(ine),” notes Chan. Buyers still looking to be downtown may have a new window to achieve their urban ownership goals. And for homeowners making the shift to a more spacious residence outside city central, a studio in town can serve as a satellite office for escaping the WFH day-to-day.

Space is being reallocated

In Chan’s market, there has been a clear change in the way extra home space is being used. “For the past few years, it was all about leveraging your asset, renting out rooms, and building accessory dwelling units,” he notes. “Now, it’s not ideal to have strangers coming through a home, especially if it’s doubling as a work space. Dual dens, deluxe home offices, and Zoom rooms with clean backgrounds and space for circle lights are now sought after. Those who did buy accessory dwelling units are converting them to WFH havens.”

It’s no surprise that the home office is a new point of interest for luxury buyers. “A dedicated area for a home office has become a focal point when touring a listing,” confirms Moss. “Potential buyers are spending more time looking at these rooms. If a home office is not already included in the property, many times the client or agent is pointing out a room or area that could serve as a workspace.”

Agents need to mobilize their sphere of influence

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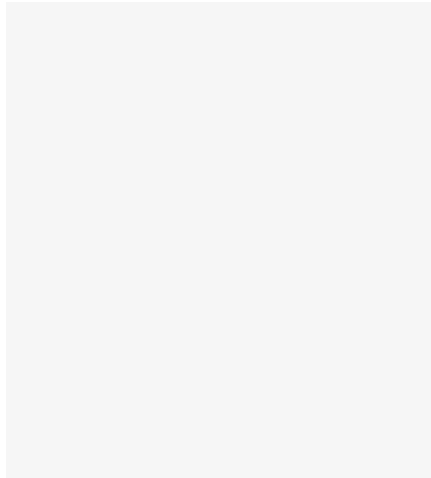
Sotheby's International Realty's Palm Beach Brokerage

Chan advises agents to contact their buyers and sellers and bring them back to the market — but even more than that, it's time to consolidate and activate your professional contacts. “If you are part of any networks or larger brands, now is the time to reach out to those people you met on the conference circuit. Be top of mind, remind them of your area and expertise, and let them know you are happy to assist their relocating clients.”

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Judge Moss

Moss concurs. “If you see that your clients are leaving to go to different markets, offer to help them locate an agent in the area so you can refer their business. I’m getting many referrals from other agents from many different cities, and am always happy to sign a referral agreement in exchange for meeting a new buyer.”

The enormous movement across markets right now means that having a strong referral network is more essential than ever, according to Heyrich. “Urban agents must be incredibly agile right now; conditions are evolving rapidly for different sectors of the market, meaning conventional wisdom is out the window — it’s a brand new ballgame nearly every week,” she says.

“Urban markets may have some rocky times ahead as people reassess whether or not city life is for them. Relationships with colleagues across brokerages is always key, but never more so than now because up-to-the-second intel is critical to position your clients and set expectations ahead of the data reports.”

Whether you’re in the city, the suburbs, or second-home markets, there are buyers and sellers on the move. Help them as they relocate their homes and reassess their needs — and better still, connect with colleagues so you can help make these transitions as seamless and delightful as possible.

Watch for part 2 of this story on Monday, 10/19.

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Sotheby's International Realty was founded in 1976 as a real estate service for discerning clients of Sotheby's auction house. Today, the company's global footprint spans 990 offices located in 72 countries and territories worldwide, including 43 company-owned brokerage offices in key metropolitan and resort markets. In February 2004, Realogy entered into a long-term strategic alliance with Sotheby's, the operator of the auction house. The agreement provided for the licensing of the Sotheby's International Realty name and the development of a franchise system. The franchise system is comprised of an affiliate network, where each office is independently owned and operated. Sotheby's International Realty supports its affiliates and agents with a host of operational, marketing, recruiting, educational and business development resources. Affiliates and agents also benefit from an association with the venerable Sotheby's auction house, established in 1744. For more information, visit www.sothebysrealty.com.

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