



The Latest Luxury Real Estate Trends

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Never underestimate the creativity of a luxury real estate agent. This year has tested that creativity in unexpected ways. Early in 2020, the arrival of the COVID-19 pandemic caused widespread unemployment and public health requirements made it difficult to impossible to show homes in person. All around the world, luxury real estate agents are weathering the storm with innovative approaches to marketing and sales.

As you look to the year ahead, experts say you should take note of these trends in luxury real estate:

Research is More Important than Ever in a Changing World



According to Cherie Hinson of Sotheby's International Realty – Downtown Manhattan Brokerage, luxury real estate agents need to take advantage of every tool at their disposal and carefully research and monitor market conditions.

“In today's luxury market it's important to do your market research and know everything about your target area you specialize in. Educate yourself on all the comparative sales that have sold or have been de-activated.”

“Take advantage of all the unique new selling tools to become a more efficient agent. Digital signatures and signing programs allow for seamless collection of contracts and paperwork in a timely manner.”

She also adds, “Leverage your complimentary marketing tools as well as your social media platforms to show the value you provide. This can be the difference in securing listings when faced with other competing brokers.”



Buyers Expect Their Home to be a Sanctuary

Susan Massengill of Kienlen Lattmann Sotheby's International Realty sees a trend towards viewing the home as a place of peace and relaxation, with an emphasis on spaces for personal health and fitness, work, and outdoor hobbies.

"2020's pandemic has cemented a new trend in luxury real estate. Buyers care much more about their home being a sanctuary and much less about it being a showplace. Today's luxury home is not stiff and formal — it is more comfortable and understated. It has large open spaces, as well as small private rooms.

Months of working from home have changed what buyers are looking for, she adds.

"Home offices and study rooms are a must. Health and wellness features like home gyms, saunas, yoga studios, and greenhouses are in great demand. Outdoor amenities have never been so popular! Luxury buyers expect well-appointed spaces to cook, dine, exercise, entertain, and relax outdoors."

Creative Marketing Strategies Can Give You a Competitive Edge



Simon Elkjær, the Chief Marketing Officer of avXperten contends that social media marketing is going to become an essential tool in the luxury real estate market. Even more than it already is.

“One trend that I see the luxury real estate industry experiencing in 2021 is a change in their marketing strategies. This pandemic has challenged almost every industry to come up with new tactics that’ll help them stay relevant in such a difficult time—social media marketing was/is the way to do that.”

Simon also adds, “Now that we’ve all witnessed how important and effective social media marketing is, I predict that luxury real estate will follow suit. We’ll be seeing more of them on YouTube, Instagram, and even Twitter! This strategy will not only increase their chances of getting potential clients, but it will also strengthen their overall brand.”



Conversational AI

Conversational AI sounds far-fetched, but it's already all around us. Aaron Bours, Head of Marketing for Hyro, expects that conversational AI will be able to automate many administrative tasks for real estate agents, leaving them free to focus on what's most important.

"Conversational AI is a trend that is exploding in the real estate industry, particularly for scheduling virtual tours and appointments which have replaced in-person property viewings due to the pandemic. There's been a 494% increase in requests for agent-led virtual home tours."

"The spike in demand for virtual assistants makes sense, especially for niche luxury real estate companies, as they search for innovative solutions to provide prospects with round the clock customer support that fills the void of an agent's personal engagement. Typical functionalities include answering FAQs, filtering through property listings, booking appointments, and automating lead generation and enrichment, while integrating with any CRM or calendar tool."



Buyers Value High-Tech Office Space

John Boyd, Principal of The Boyd Company, expects that the demand for well-equipped home office space will continue to rise as more and more people work from home.

“A major theme we are seeing in the luxury real estate market from executives is home office space equipped with state-of-the-art video conferencing setups. Today with the rise of the remote workforce, there is competition among executives and high net worth people to have elaborate home offices.”

“Many of our clients that do television, radio and podcast guest spots as experts in their fields are also building state of the art home studios that rival the sound and lighting of major news studios. While we expect a gradual return to the office as we get through the pandemic– we expect a more “hybrid model” to prevail where the office is more like a space station where employees report periodically when needed. Thus, the desire for bigger and more state-of-the-art home office space should be a lasting one for executives in the luxury home market.”

“This expanded home office trend is a major driver of building activity in markets throughout Florida as more executives and wealthy people are relocating from high tax states like NY, NJ and CA.”



Virtual Reality Tours for Virtual Sales

As Senior Marketing and Technical Writer at DDI Development, Alexandra Zelenko, feels that realtors need to begin focusing on video marketing.

“Buyers expect to see videos of the homes they want to buy. Thus, video marketing and virtual tours are a necessity. According to the National Association of Realtors, 50% of homebuyers from all generations already rate virtual tours as very useful. With the 3D view option, you can explore the entire home or take advantage of the virtual reality tour experience through a compatible mobile device paired with a VR headset.”

Move Beyond Virtual Reality to Augmented Reality



Augmented reality allows you to “augment” or add to, reality. If you have ever shopped using a mobile app, you may have noticed that some retailers offer you the option to see how the item

looks in your home. This is augmented reality, and Bobby Gill, CEO of Blue Label Labs hopes to see some innovation in real estate mobile apps.

“On the technological end, one trend we at Blue Label Labs hope to see more of in the luxury real estate space is the ability to use augmented reality (AR) as this will allow home seekers to better visualize how to use different spaces on a property. As 3D and 360-degree cameras are becoming more widely used in real estate, this will provide a foundation for well-designed AR software to superimpose virtual instances of items like furniture and decorations for interior design.”

Looking Ahead

2021 is sure to be a year of both challenges and opportunities. As COVID-19 vaccinations roll out, the American economy will emerge from its hibernation state and began to build itself anew. When “normal” life resumes, it may look very different from how it looked prior to the pandemic. Where we choose to live may change, as well as the home features that are most important to us.

In this new era, many things will change, and it’s hard to predict what may come next. In the luxury real estate market, you will need to rely on your marketing prowess, boundless creativity, and informed expertise to help you and your clients navigate this new market environment. Keep an eye on the trends listed above to stay relevant in this new world.