

LUXURY PORTFOLIO INTERNATIONAL® WHITE PAPER EXECUTIVE SUMMARY

LUXURY CONSUMERS: THE EMOTIONAL ROLE OF HOME

Luxury Portfolio International®, the luxury face of Leading Real Estate Companies of the World® – the largest global network of premier locally branded companies dominated by powerful independent luxury brokerages, has partnered with Harrison Group to author its latest white paper entitled “The Emotional Role of Home.”

This latest research uncovers key motivations behind the decisions of today’s luxury home buyers, providing unique strategic insight for Luxury Portfolio members to determine the best ways to serve the discerning luxury clientele. The paper is based on data collected by Harrison Group, in conjunction with the *Survey of Affluence and Wealth in America*, produced by American Express Publishing and Harrison Group and is inclusive of results collected exclusively for Luxury Portfolio.

Several key takeaways are explored in detail in the White Paper, available only to Luxury Portfolio members, with thought-provoking statistics and detailed evaluations. Findings include:

The emergence of worth. Amid the Great Recession, affluent consumers have become savvier in managing their finances and resources, and as a result describe themselves as being happier and more successful than prior to the recession. Priorities have shifted to focus on a closer network of trust, while secure incomes and less debt are helping wealthy families gain an even stronger position. With increased confidence comes less fear in the marketplace and more expectations focused on the quality they are receiving for their money, a phenomenon presented as the “Worth Dynamic” – where consumers weigh whether the details of a property are worth paying a premium. Quality and craftsmanship matter.

The home as a refuge. The idea of the Worth Dynamic flows into the increased connection with *home*. The emotional association with a home begins with the purchase and continues to deepen as the home becomes a place of private serenity and the foundation upon which good things are built. Many homeowners say that their home makes them feel extremely happy and is the place where the best memories are made and where they plan for the future. This is made all the more important for owners of luxury homes with a shift in how mainstream Americans view the wealthy. Wealth disparity has been continually spotlighted in the national conversation, and a concern for the affluent is being looked upon with disdain rather than with admiration for their success. Nearly all homeowners now agree that their home is a place to take refuge.

Additional topics covered in more depth in the White Paper:

- Increased liquidity leading to increased demand in the luxury real estate market
- One Percenters driving demand in the second or vacation home market
- Looking ahead and marketing to the next generation of home buyers: Millennials and Gen-Xers

“The Emotional Role of Home” concludes that current market conditions and the state of today’s affluent consumer set the stage for a potential boom in the luxury real estate market. Being equipped with the statistics, tools and marketing and market intelligence provided by Luxury Portfolio International® ensures its members are in the best position possible to serve this unique market segment.