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## **The Education of the Luxury Buyer**

*Veteran high-end homeowners approach the real-estate market differently than first-timers; learning to take the long view*



*Seasoned buyers and first-time buyers agree both cited views and chef kitchens as the most important luxury-home features, according to a survey. Getty Images*

Seasoned home buyers—people who described themselves as owning a "high-end luxury home"—approach the purchasing process much differently than those venturing into the high-end market for the first time, according to an online survey conducted by Realtor.com in March. These experienced high-end buyers focus less on extra space and glitzy home features and more are willing to pay over their budget to get a sound investment.

Generally, seasoned luxury buyers look at the long-term prospects for a property, says Christian Benites, associate real-estate broker with Town Residential in New York.

Still, seasoned buyers and first-time buyers agree on some things. They both cited views and chef kitchens as the most important luxury-home features, according to the survey. Seasoned folks saw luxury pools as third most important, whereas other buyers cited outdoor living areas.

First-time buyers ranked square footage and extra bedrooms, as well as smart home and eco-friendly features, higher than did current luxury homeowners. Of those currently planning to purchase a luxury home, 20% of seasoned buyers marked privacy as a top feature, compared with 13% of first-time buyers.

"They are not looking for golf simulators and children's playrooms and those kinds of amenities—they are looking for what the building has to offer and the reputation of the developer," Emily Beare, a real-estate agent with CORE in New York City, says of seasoned luxury condo buyers. These buyers are more concerned with features like windows and humidification systems that protect high-end furniture and art.

Well-known architects and developers with a reputation for building good quality buildings are appealing for these buyers, says Leslie Wilson, senior vice president of sales at Related Cos.

First-time buyers tend to prioritize finishes and layouts because they want to move in right away without having to gut the property or conduct a lengthy remodel, says Ms. Beare. "It's a totally different mentality from a seasoned buyer. The seasoned buyer is more interested in purchasing a trophy property in the right building at the right address," she says.

Of those planning to purchase a luxury home, 40% of current high-end homeowners said they would be willing to pay over budget, compared with only 29% of nonluxury homeowners, according to the Realtor.com data.

After purchasing a two-bedroom apartment in Brooklyn Heights a few months ago for roughly \$2 million, Namek Zu'bi knocked down walls and changed the layout. Mr. Zu'bi, 27 years old and a managing partner at a venture-capital firm, has owned several properties in Jordan and approached the home-search process from an investor's standpoint. He focused on price a square foot instead of the overall price and looked for a neighborhood that would likely generate a 30% to 50% return in the next five years.

The majority of Silicon Valley real-estate agent Mia Simon's clients are young, first-time luxury buyers who have done well in the tech sphere. "They want to be close to a downtown area," says Ms. Simon, of Redfin. "They want to walk to a farmer's market on the weekend or to a restaurant. They place high, high value on that."

## High-Minded Buyers

Realtor.com asked current high-end homeowners and aspiring homeowners how they would approach purchasing a luxury home; views matter, but they differ on location.

	Current luxury homeowners	Non-luxury homeowners
<b>Would purchase primary home?</b>	30%	43%
<b>Would purchase vacation home?</b>	23%	10%
<b>Top three most important luxury features?</b>	View, chef's kitchen, luxury pool	View, chef's kitchen, outdoor living area
<b>Is resale value important to you?</b>	73%	63%
<b>Of those looking to purchase a luxury home...</b>		
<b>Willing to go over budget?</b>	40%	29%
<b>Most desired location?</b>	Waterfront property on coastline	Suburbs

Source: Realtor.com

Note: Survey conducted from March 25 to March 31 with 2,094 responses